LOCAL GOVERNANCE

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This paper summarises some of the important things that we need to know about local governance and decentralisation in less developed countries (LDCs), and examines recent trends in those fields and in studies of them. It pays special attention to poverty reduction and the issue of equity – and to the gender dimension which looms large when we discuss those things. Readers will be familiar with some of the points here, and others may seem rather obvious – but that is inevitable since in a paper that tries to cover most important issues.

The paper is divided into four parts. Part I reviews widely used concepts. Part II examines some important recent trends – in practice and in research on local governance. Part III focuses specifically on poverty reduction and equity, and Part IV considers gender issues. The practical implications for Sida of various sections of this paper are identified within those sections, and not in a separate section at the end.

I. CONCEPTS

This section briefly reviews (A) the definitions that are commonly used in discussions of decentralisation, and (B) two other concepts that arise in those discussions.

A. Types of ‘decentralisation’

Most writings on decentralisation within governments refer to three different types.

- *Fiscal decentralisation*: the transfer of funds and/or tax-raising powers from higher levels to lower levels in political systems.

- *Administrative decentralisation (sometimes called ‘deconcentration’)*: the transfer of administrative powers, and sometimes administrative personnel, from higher to lower levels in political systems.

- *Democratic decentralisation (sometimes called ‘devolution’)*: The transfer of funds and powers (including decision-making powers, and sometimes revenue-raising powers) from higher levels in political systems to elected bodies at lower levels.
Each of these types of decentralisation may be implemented on its own, but governments usually combine two or all three types. One crucial point is worth stressing here. If decentralisation is to yield most of the benefits that are commonly associated it (see section B.1 below), it must have significant democratic content. If administrative decentralisation occurs on its own, it tends to strengthen the ability of those high up in the political system to exercise top-down dominance and control. In other words, it tends in practice to promote centralisation – even though it is described as a form of decentralisation. The same is often but not always true of fiscal decentralisation, when it is pursued in the absence of democratic decentralisation.

Two other concepts, which are sometimes included in lists of types of decentralisation, are worth noting. The first is delegation. Governments sometimes ‘delegate’ (that is, transfer) powers and resources to ‘user committees’ (water users committees, parent-teacher associations, etc.) at lower levels, to civil society organisations, or to other non-governmental or quasi-governmental entities. The first form of delegation actually consists of one or more of the three forms of decentralisation listed above. Delegation to civil society organisations or other entities is not decentralisation within state structures, but usually a means of shrinking the state. The same is true of privatisation, which is sometimes described as a form of decentralisation. The main problem with seeing privatisation as decentralisation is that the private firms to which tasks are transferred are often not small, local businesses but large, centralised companies.

B. ‘Participation’ and ‘levels’

♦ Participation: This word refers to several different types of action by individuals. They include voting in elections, taking part in election campaigns (including attending election meetings), but also actions between elections – contacting or petitioning elected representatives or bureaucrats; voicing demands, protests or appreciation; and attending mass meetings to discuss the affairs of elected bodies. They also include activities within civil society organisations which have political implications. Most analysts do not include benefiting from government programmes, since that is passive -- although efforts to obtain benefits are included.

♦ Levels: Decentralisation entails the transfer of powers and resources to lower levels in political systems – which can mean to the local (village, town, city or ward) level, or to intermediate levels (provinces, districts, sub-districts, counties, départements, etc.) between the apex of the system and the local level – or to both. This paper mainly focuses on the local level. It is important that we not
see all levels below the apex of the system as ‘local’ – which occasionally happens in writings on decentralisation. The logic of politics at the local level is usually quite different from that at intermediate levels.

II. RECENT TRENDS

A. Trends in recent practice

Five trends in actual practice deserve attention here. The first three are damaging to democratic decentralisation. The last two are more encouraging.

1. The unwillingness of many governments to devolve adequate powers and resources onto local bodies

This is not a new trend – it has been evident from the early 1990s. But governments continue to remain reluctant to give elected local bodies adequate powers and resources. Since they need these things to achieve constructive developmental outcomes, this is a serious problem – indeed, it is the most serious problem afflicting democratic decentralisation in the LDCs. In rare cases, governments have seen that greater generosity to local bodies will benefit not only citizens but governments and ruling parties. And in very rare cases, public protests by members or supporters of local bodies have won concessions from governments. But this problem continues to limit or wreck the potential of elected local bodies. Some governments have well-designed plans to empower and fund decentralised institutions, but refuse to implement the plans. In Zambia, this has been going on for over two years, and in Bangladesh (where the government makes a habit of sitting on constructive plans) for eleven. Donors could help here by encouraging governments to be more generous.

2. The tendency of some governments to take back powers and resources from local bodies

We have also continued to see governments in some countries take back powers and resources that were given to elected local bodies, or to allow (or encourage) bureaucrats to change their behaviour in ways that cause this to happen. They usually do so in response to pressure from bureaucrats and, more importantly, from legislators who are unhappy at the loss of their former powers to local bodies. A few governments try to disguise these claw-backs with claims that the changes strengthen decentralisation, but such claims are false. Donors could again encourage governments to avoid taking back powers and resources.

3. The proliferation of ‘user committees’ alongside local councils
A huge proliferation of ‘user committees’ or ‘stakeholder committees’ has occurred in LDCs since the mid-1990s. This looks like a further advance for democratic decentralisation, and in a minority of cases, that impression is correct. But there are many reasons to believe that, in most cases, this proliferation has damaged decentralisation and elected local bodies. This writer has written a long analysis of this trend – which has been supplied separately to Sida for this conference\(^1\) – but a few points are worth briefly noting here.

The impetus for the development of these committees usually comes from donors (often in connection with sectoral programmes), which means that LDC governments are less enthusiastic about them than they were about elected local bodies – which were mainly the idea of LDC governments. Governments are therefore more inclined to manipulate user committees to achieve top-down control. (Many user committees are either appointed from above or elected by less reliable methods than those used to elect local bodies.) That damages decentralisation.

Since they usually deal with single sectors (forests, water, primary schools, health, etc.), user committees have narrower responsibilities than do multi-purpose local bodies. The two types of institutions often come into conflict, especially over jurisdictions, and this sometimes enables bureaucrats to manipulate matters to weaken elected local councils. Since user committees are usually well funded while local bodies are under-funded, this often damages the influence of local bodies. We even find local arenas in which user committees have such excessively funded mandates that they cannot manage funds effectively, at the same time as multi-purpose local councils struggle with unfunded or badly under-funded mandates. User committees also often fragment participation in destructive ways. Much benefit would follow if these two types of institutions could be integrated – with elected local bodies being given strong influence over user committees. Donors need to ask whether support for user committees has in fact damaged decentralisation in the specific countries where they work, and to try to avoid this where it is happening – since they have done much to set this process in motion.

4. Devices/arenas to increase bottom-up participation and the empowerment of ordinary people

Some governments have placed more stress on devices linked to elected local bodies which are intended to encourage greater bottom-up participation, and thus to empower ordinary people. These include

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♦ the introduction (in a tiny number of cases) of direct democracy within decentralised systems,
♦ efforts to enhance the importance of periodic citizens’ meetings to discuss the workings of local bodies (which tend to be ineffective),
♦ efforts to organise social audits and participatory planning exercises, and
♦ efforts to enable ordinary people to gain access to information on local projects and budgets.

The number of governments making these efforts is still quite limited. But the trend is potentially important, and could become more so if elected local bodies encouraged civil society organisations either to work with them in the last three of these areas, or to undertake the last three of these devices independently (see the section just below). Encouragement from donors might persuade some governments to do more in these areas. It is in their interests to do so, although most do not recognise this.²

5. Roles for civil society in connection with systems of local governance

The term ‘civil society’ here refers to all organisations of a voluntary nature, between the state and the household, with significant autonomy from the state. It thus refers to much more than ‘user committees or groups’ (which are often controlled or strongly influenced by governments, which means that they cannot be considered part of ‘civil society’) and large, formally organised NGOs.

There is clear evidence from several countries to show that civil society organisations can play constructive roles in relation to democratic local governance.³ They can help to build the capacity of government employees who work with local elected councils, and (much more importantly) of elected council members, and of ordinary people who interact with those councils. They may do so in programmes that either target all elected members or all local residents, or target poor, disadvantaged people (including women) in these categories.

Civil society organisations can perform a number of useful functions. They can acquaint target groups with the procedures that are supposed to be used within decentralised systems, and with the powers and resources that are theoretically available to elected bodies. They can disseminate information on programmes which higher levels of government are supposed to implement through local bodies. They can seek to develop negotiating and lobbying skills

² For arguments that might persuade governments that this is in their interests, see J. Manor, “Democratisation with Inclusion: Political Reforms and People’s Empowerment at the Grassroots”, draft chapter for the Human Development Report 2003.
³ This could be a very long discussion, but given the limited space available, it is tightly compressed. These issues can be discussed at much greater length at the September conference.
among target groups, and to build their collective self-confidence, and their connections to potential allies within and beyond the locality. They can help to ensure that participatory or social auditing mechanisms, which governments introduce, function at least somewhat effectively. Or they can develop such mechanisms on their own, to increase the likelihood of local preferences and views being injected into the local political and policy processes.

Civil society organisations also occasionally enter into partnerships with elected local bodies to enhance service delivery. Partnerships for service delivery have received a great deal of attention lately – not least in the latest World Development Report. But that document and other discussions stress partnerships between civil society and higher levels/agencies of government. Such partnerships present civil society with serious dangers (which that Report minimises). Partnerships between elected local bodies and civil society organisations pose much less danger – but they are more unusual.

**B. Trends in studies of decentralisation and local governance**

1. **When democratic decentralisation works well at the local level**

When it works well, democratic decentralisation has many virtues. It also has limitations – not least as a force for reducing poverty (see Part III below)\(^4\) – but its promise is considerable.

It almost always stimulates greater popular participation in local politics and the policy process. Larger numbers of people participate in most or all of the ways identified in the definition of ‘participation’ provided above. It also stimulates more civil society activity. More people join voluntary associations, and such association become more active and numerous, and do more things.

Robust systems of decentralisation also tend to enhance government transparency and to increase flows of information between government and citizens very markedly, in both directions. Transparency increases because many more people than before can see how much money government has to work with, and what is happening within decentralised bodies. The amount of information passing up to government from citizens through elected members of decentralised bodies grows – which empowers governments. And information flows downward from governments to citizens more effectively because elected representatives are better than bureaucrats at explaining the reasons for policies, in terms that ordinary people can understand. This often increases the uptake on important government services (see section IV.B below). Democratic decentralisation can also provide much more effective early warnings from remote places of potential disasters like floods, droughts and outbreaks of disease, before they become serious. It can also increase the

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\(^4\) Both its promise and its limitations are discussed at much greater length in the final chapter of J. Manor, *The Political Economy of Democratic Decentralisation* (World Bank, Washington, 1999).
capacity of lower-level institutions of government to respond to those problems swiftly.

It also enhances accountability. Two kinds of accountability are involved here – the accountability of bureaucrats to elected representatives, and the accountability of the latter to citizens. Progress on both fronts can be slow, but valuable changes often occur.

Most crucially, strong decentralised systems can make government more responsive – in three ways. The speed and quantity of responses (actions, projects, outputs) from government increase and – more importantly – so does the quality, if we measure ‘quality’ by the degree to which responses from government conform to popular preferences.

Governments that create such systems also gain greater legitimacy and popularity. The new local bodies provide ambitious political activists with opportunities to exercise power. This eases their frustrations which might otherwise lead to destructive actions. And since ordinary people often gain influence over development projects that affect them, they acquire a greater sense of ownership of those projects and therefore make them more sustainable.

2. When it works less than ‘well’

Despite all of this, we are still left with a serious problem. Democratic decentralisation seldom works well. To work ‘well’, elected bodies at lower levels must have substantial powers and resources (especially financial resources) -- and there must be robust mechanisms to make bureaucrats accountable to elected representatives, and elected representatives accountable to ordinary people. As we saw in section ‘A’ just above, most governments are unwilling to empower and fund them generously.

The list of places where decentralisation works ‘well’ is short: Bolivia, the Philippines, perhaps four to six Indian states, and maybe one or two other cases. Most of the people attending this conference are located in countries where it works less than ‘well’ (and that is true in over 20 of India’s 28 states). What is there to say to them?

Many decentralised systems fail to work very well, but still work somewhat well. Where any of the three essentials – substantial powers and resources, plus accountability mechanisms – is absent, these systems always fail. In many cases, however, the three essentials are present but less than strong. Where that is true, democratic decentralisation works ‘somewhat well’ – a phrase that can mean anything from ‘poor’ to ‘reasonably good’ performance.

3. The most important question: ‘Does it improve things?’
The key question to ask of such cases is: ‘has democratic decentralisation made things better than it was before?’ Answers vary, but in most places, it is: ‘yes, to some extent, and in some ways’. Consider Mozambique. Limited powers and resources have been devolved onto elected local councils in only about one-third of the country. These councils are impeded by authorities at the higher, district level which operate in a top-down manner. And they have to work in an environment where there is little prior experience of democracy, where a middle class has scarcely developed, where the press is weak and where per capita incomes, literacy rates and other Human Development Indicators are extremely low.

Despite all of this, there is clear evidence that these councils have improved things quite significantly over what went before. For the first time, ordinary people have some influence over decisions about development projects. The activities of these councils conform substantially to local preferences. This has enhanced the legitimacy and popularity of the national government and the ruling party that created the councils. Many respected, idealistic figures in local communities are entering public life for the first time to serve on or to work with the councils. They are doing so because they see an unprecedented opportunity to do something constructive in the political sphere. Council decisions have begun to have a positive impact on the workings of the local economies.

The point is that even where elected local bodies only work somewhat well, they can improve things significantly, by comparison with the closed top-down systems that existed before. Their performance is always ambiguous, and bad things happen as well as good. But in general, things tend to improve. And unless senior politicians are blind or completely insensitive (and some are), they tend to recognise these gains – which sometimes means that further support for democratic decentralisation will be provided. The government in Mozambique has acknowledged the improvements noted above, and they propose to extend this reform to all parts of the country – although they are taking a long time to do this.5

Sida and other such agencies can and should support democratic decentralisation in countries where governments are at least somewhat inclined to pursue it seriously. There are several ways to do this, which I have discussed in a report to Sida in India.6 In brief, the most promising approaches include support for civil society organisations that seek to strengthen elected local bodies by working with their members, and/or by working with ordinary citizens (in general or with special emphasis on poor, excluded groups). Such

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5 These comments on Mozambique are based on the research of Fidlex Kulipossa at the Institute of Development Studies, University of Sussex.
6 J. Manor, *Report to Sida (New Delhi) on its Policy to Support Democratic Decentralisation in India* (Sida, New Delhi, 2002).
work might include training to develop useful skills, information about how such bodies are supposed to work, what their powers and resources are, and about government programmes from which local bodies or ordinary citizens might seek resources. Civil society groups might also seek to promote participatory activities among citizens to strengthen their voice in dealing with local bodies. Donor agencies might also fund civil society organisations that engage in advocacy on behalf of democratic decentralisation. And it almost always make sense to support associations of heads of elected local bodies – to give them a sense of their collective strength, self-confidence, and opportunities to discuss common problems and to strengthen their collective voice in the wider political system.

Finally, it is important to avoid blaming the victim. Elected local bodies are often the victims of powerful actors at higher levels who refuse to fund or empower them adequately. And yet we often read harsh criticisms of these bodies -- about how they cannot achieve much, etc. – when complaints should be directed to political actors higher up.

III. POVERTY REDUCTION AND THE ISSUE OF EQUITY

Three key points need to be made here.

A. Democratic decentralisation usually helps to reduce poverty that arises from inequalities between regions or localities.

This is true because they tend to provide remote regions or localities that have suffered from under-representation with more voice and resources. Many decentralised systems also include equalisation mechanisms which redistribute resources from prosperous to deprived areas.

B. Democratic decentralisation often does less to reduce poverty that arises from inequalities within regions or localities

This type of poverty is usually the main problem. Elites often capture most of the power and spoils that decentralisation provides. So decentralisation may actually make things worse – for that reason and/or because prejudices against poor, excluded groups are stronger than at higher levels.7

C. Two pieces of countervailing evidence

Two things which have become more apparent from recent research should be set against the discouraging remarks above.

First, three conditions are often found in LDCs that may help to reduce poverty within localities:

♦ when rival parties and/or elites in the wider political system and/or at lower levels, compete to appeal to poor voters,
♦ when poor and/or formerly excluded groups gain enough seats on decentralised bodies to make it necessary for leaders to create alliances with some of their representatives, and
♦ when the vast majority of people living within an arena served by a decentralised body are poor.

Second, over time, poorer groups often acquire more skills, confidence, contacts, and organisational strength as forces contending for influence within decentralised systems. They begin with far less of these things than prosperous, higher-status groups, but they often begin to catch up. (Sida and other similar agencies can speed up this process by supporting pro-poor civil society organisations which work with poorer, excluded groups to develop these things.) Elite capture thus becomes difficult or impossible, and poor groups may gain more from the system than at first.

Despite these comments, international development agencies still need to remain vigilant about the impact of democratic decentralisation on poverty reduction. Its record is mixed. It sometimes helps, but usually has a neutral impact or (less often than we first believed) makes things worse. But we need not be quite so pessimistic as some earlier writings (including those by this writer) have been. Where its impact is positive or (more often) neutral, it is still worth supporting – given its virtues on other fronts (noted above).

IV. THE GENDER DIMENSION

It is worth considering the implications of democratic decentralisation for women, and for relations between men and women. This is true for several reasons, but two stand out. First, women and female-headed households often bear the burden of poverty most heavily. Second, women are the main gatekeepers between the household and vital services, especially health services.

The evidence on the impact of decentralisation on gender issues is limited and scattered. An attempt is being made at UNRISD to draw this evidence together, so that some reliable conclusions can be drawn. We must await that study before making firm comments on all of this, but five points can be made with some confidence.

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A. Special representation for women on elected local bodies, and women’s influence on them

Many decentralised systems include mechanisms to provide women with representation on elected bodies. Two mechanisms tend to be used – appointment and election reservations – and there is a big difference between them.

In some systems⁹, after elections are held at which men usually win all of the seats, the chairman of the local council and/or low-level bureaucrats appoint a number of women to the council. This is an extremely unreliable method of giving women voice – because those who are appointed owe their positions to the person(s) who selected them. They therefore feel unable to speak their minds honestly, and remain subservient to the wishes of those who chose them.

In most cases, a certain proportion of seats on local councils is reserved for women – usually by permitting only women candidates to stand for some seats, with all adults in those constituencies voting for those candidates. This is a more reliable means of giving women representation since elected women feel that they have a popular mandate.

For the most part, however, this method had not done much to strengthen the influence of women. Studies of specific systems consistently show that most elected women operate as proxies for their male relatives who make the real decisions for them. In many cases, there are powerful prejudices against women taking any independent action – some are not even permitted to go to the local council office unaccompanied, and those who do are regarded as scandalously undisciplined. There is also evidence that in some places, women councillors who try to play their assigned roles in local politics face threats and violence from reactionaries.

This writer asked one village council chairman in South India whether the treatment of women members had changed over the council’s first five-year term. He said yes – in the beginning, the male representatives had completely ignored women at council meetings, but at the end of the five years when they arrived for meetings, the men would say “hello, how are you”. That was the change.

The news is not all bad, however. Even where women have little or no influence, their positions on local councils enable them to play roles in the public sphere for the first time. This breaks down taboos, and allows them to acquire confidence, knowledge about governance and public affairs, some political skills, and connections to people of influence. These imply long-term promise.

⁹ For example, this approach has always been used in Bangladesh.
Nor do all women representatives remain powerless. There are numerous examples of individual women becoming surprisingly assertive, and gaining some influence to do things for their constituents or for women in general – although such cases are still exceptions to the patriarchal norm. Women elected to councils sometimes make common cause – see section B just below. We also see that when people recognise that newly created elected councils have significant power, more formidable women often come forward for election after councils complete their first terms, and then behave more assertively and effectively once they are elected. Such ‘formidable’ women often come from prosperous, high status groups – so that their influence does not necessarily benefit poorer people. But it does break down barriers to women’s influence in local governance.

B. Increasing the uptake on vital services

One important potential gain from representation for women (which we have already noted) is often overlooked. There is clear evidence that the presence of significant numbers of women on local bodies sometimes increases the uptake – mainly by ordinary women – of crucial services such as ante- and post-natal care programmes.

In at least a few cases, women representatives have tended to group together on council sub-committees which deal with health issues or with the welfare of women and children – or they are forced to join those sub-committees by men who prefer to dominate in other areas. Those women who find themselves in this situation have seen their role as explaining to ordinary women in their localities why health services are useful to them and their children. They are better able than bureaucrats or health professionals to break down the anxiety among ordinary women about visiting nurses and doctors who use strange equipment and stick needles in patients. The increased uptake on such services prevents illnesses and saves lives.

C. Are women less corrupt than men in elected local bodies?

Some writers have begun to argue that the greater the presence of women in democratic bodies (local and national), the less political corruption we find. The World Bank has even done a dubious quantitative exercise to ‘prove’ that this is true. Anne-Marie Goetz (who has formidable feminist credentials) has been subjecting these writings to critical analysis, and has developed some doubts. She is worried that these arguments may be creating a new myth about women that is akin to the old myth that women were incapable of operating effectively in the public sphere. Let me speak briefly to this issue on the basis on evidence from studies of democratic decentralisation.
The best evidence comes from India. Officials who worked there with elected local bodies consistently said two things: (i) that women members of those bodies were less corrupt than their male counterparts, and (ii) that the information which they received from women members was always more trustworthy than that coming from men. I believe them, but we need to ask why this was true. I do not think that it is because women are inherently morally superior to men.

Instead, I think that it is explained by the fact that almost all of these women were performing roles in the public sphere for the first time – since all of this evidence comes from the first few years in which these local bodies operated with reserved seats for women. Women members therefore felt (as some of them have stated) that all women would be judged on the basis of their behaviour – and they had not yet acquired the political sophistication and manipulative skills which many male members of local bodies had long possessed. The importance of both of these things will decline over time, and women will tend increasingly to behave as men do. Indeed, there is already evidence to indicate that this is happening. There are also plenty of examples from higher levels in South Asian political systems of women behaving in destructive and corrupt ways – including the worst plunderer of government in the recent history of that region, Chief Minister Jayalalithaa in Tamil Nadu state, India.

**D. Enlisting help from civil society organisations**

There is clear evidence – not least from Sida’s programmes in India\(^\text{10}\) -- that when civil society organisations which are committed to assisting the poor and women work to support women members of local councils, positive results follow. These organisations might inform women of their rights and powers, and of the way that business is supposed to be conducted by elected local councils – and seek to build their capacity to operate more effectively on the councils. They might also develop networks linking women members from isolated local arenas with their counterparts elsewhere – to enhance their collective voice, their understanding of issues that commonly affect women on councils, and their self-confidence.

\(^{10}\) Manor, *Report to Sida*...