

# Decentralization Policies and Practices under Structural Adjustment and Democratization in Africa

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## Acronyms

<b>DD</b>	devolutionary decentralization / democratic decentralization
<b>DDC</b>	district development committee
<b>DDF</b>	district development fund
<b>ERP</b>	economic restructuring programme
<b>GG</b>	good governance
<b>LDCs</b>	less developed countries
<b>LG</b>	local government
<b>NGO</b>	non-governmental organization
<b>OECD</b>	Organisation for Economic Co-operation and Development
<b>PDCI</b>	Parti démocratique de la Côte d'Ivoire
<b>SAP</b>	structural adjustment programme
<b>UNCDF</b>	United Nations Capital Development Fund
<b>UNDP</b>	United Nations Development Programme
<b>UNRISD</b>	United Nations Research Institute for Social Development
<b>WHO</b>	World Health Organization

## Summary/Résumé/Resumen

### **Summary**

For a variety of reasons—historical, political and economic—the governments of developing countries are generally more centralized than those of industrialized countries. In the 1990s, however, a number of factors led to renewed interest by national governments and international development agencies in the local government level of developing countries. These factors included globalization, economic crisis and structural adjustment, and democratization, as well as local and domestic forces such as rapid urbanization, strengthened ethnic identities, etc.

This paper focuses on African countries—without precluding occasional references to other developing countries—in order to make the discussion more manageable. While the relationship between adjustment and democratization, and the institutionalization of local government in Latin America and the Eastern European countries has been the subject of systematic research and analysis, decentralization policies have remained poorly analysed and developed in African countries.

Decentralization policies and programmes in Africa have often been designed on the basis of ideological arguments (which extol the supremacy of party, state or market) than on analysis of what exists on the ground. This situation has been further aggravated by the paucity of information on local political economy issues. This may also explain why evaluations of decentralization programmes in African countries have generally produced negative findings, with but a few, very limited, exceptions.

This paper approaches decentralization as a complex, relative, multidimensional process. It:

- highlights the motivations and dilemmas of recent decentralization policies;
- provides an overview of African decentralization policies and practices since 1945, with special focus on the last two phases—the periods of structural adjustment and liberalization;
- evaluates decentralization policies of the 1980s and 1990s, which are a part of the structural adjustment and democratization processes; and
- proposes a framework for analysing decentralization policies and programmes in developing countries, on the basis of which suggestions are offered for improving the design and implementation of decentralization policies.

The author finds that even though there are fundamentally new orientations in decentralization policies in some African countries, some aspects of these experiments give cause for concern. First, few countries have been able to allow competition among political parties and democratic decentralization at the same time. Many countries seem interested in democratic decentralization within the context of a *de facto* one-party state.

Second, uneven and unequal development of infrastructural and institutional capacities between regions and communities has made decentralization asymmetric, which may further such inequalities.

Third, decentralization policies tend to emphasize vertical transfers of authority and resources from central to local governments at a time when central governments are experiencing severe resource shortages. Furthermore, in some cases, large infusions of resources to regional and local governments may undermine incentives for the development of local revenue sources.

Fourth, the need remains to strengthen classical accountability mechanisms of representation with additional participatory forms such as recall, referendum, local ombudsmen, service delivery surveys and participatory budgeting, as is being practised in some Latin American and southern African cities.

The author concludes that resolution of these problems will take time, resolve, determination and imagination. Two crucial issues of strategy could help. First, democratic decentralization should be approached as a process, not as an event. Second, African states need to move beyond the confines of the institutional resources that are currently being mobilized to include non-governmental organizations, such as religious and community-based organs, which are at present largely sidelined in the process of democratic decentralization and could become critical players.

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### ***Résumé***

Pour diverses raisons – historiques, politiques et économiques – les gouvernements des pays en développement sont généralement plus centralisés que ceux des pays industrialisés. Dans les années 90, cependant, plusieurs facteurs ont amené les gouvernements nationaux et les institutions internationales de développement à s'intéresser de nouveau au pouvoir local dans les pays en développement. Ces facteurs étaient notamment la mondialisation, la crise économique et l'ajustement structurel, la démocratisation et des forces locales et internes telles que l'urbanisation rapide, l'affirmation des identités ethniques, etc.

Bien qu'il se réfère à l'occasion à d'autres pays en développement, l'auteur axe son étude sur les pays d'Afrique afin de faciliter le développement du sujet. Si les rapports entre ajustement et démocratisation et l'institutionnalisation du pouvoir local en Amérique latine et dans les pays d'Europe de l'Est ont fait l'objet de recherches et d'analyses systématiques, les analyses des politiques de décentralisation menées dans les pays d'Afrique sont restées sommaires.

Les politiques et programmes de décentralisation en Afrique ont été conçus plus souvent à partir d'arguments idéologiques (exaltant la suprématie du parti, de l'Etat ou du marché) que de l'analyse de la réalité. Cette situation a été encore aggravée par l'indigence des informations disponibles sur les questions de l'économie politique locale, ce qui peut aussi expliquer pourquoi les évaluations des programmes de décentralisation exécutés dans des pays d'Afrique ont généralement abouti à des conclusions négatives, à quelques rares exceptions près.

L'auteur aborde la décentralisation comme un processus complexe, relatif et multidimensionnel. Il:

- Met en lumière les motivations et dilemmes des récentes politiques de décentralisation;
- Donne une vue d'ensemble des politiques et pratiques de la décentralisation en Afrique depuis 1945 en s'attardant davantage sur les deux dernières périodes, celles de l'ajustement structurel et de la libéralisation;
- Evalue les politiques de décentralisation des années 80 et 90, qui s'inscrivent dans le cadre de l'ajustement structurel et de la démocratisation, et
- Propose une grille d'analyse pour les politiques et programmes de décentralisation des pays en développement et, à partir de là, des moyens d'améliorer la définition et l'application des politiques de décentralisation.

Bien que les politiques de décentralisation de certains pays d'Afrique présentent des orientations radicalement nouvelles, l'auteur juge inquiétants certains aspects des expériences tentées. Premièrement, peu de pays ont été capables d'autoriser à la fois la concurrence entre partis politiques et la décentralisation démocratique. Bien des pays semblent s'intéresser à une décentralisation démocratique dans le cadre, en fait, d'un Etat à parti unique.

Deuxièmement, un développement inégal des capacités institutionnelles et de l'équipement entre régions et communautés a rendu la décentralisation asymétrique, ce qui risque encore d'accentuer les inégalités.

Troisièmement, les politiques de décentralisation tendent à insister sur les transferts verticaux du pouvoir et des ressources du gouvernement central aux pouvoirs locaux à un moment où le premier souffre d'une grave pénurie de ressources. De plus, dans certains cas, le fait de doter les administrations régionales et locales d'importantes ressources risque de décourager l'exploration de sources de revenus locales.

Quatrièmement, il reste nécessaire de renforcer les mécanismes classiques de représentation en faisant appel à d'autres formes de participation telles que le rappel, le référendum, les médiateurs locaux, les enquêtes sur la fourniture des services et l'établissement participatif des budgets que pratiquent certaines villes d'Amérique latine et d'Afrique australe.

L'auteur conclut que résoudre ces problèmes prendra du temps et demandera de l'énergie, de la volonté et de l'imagination. Deux optiques stratégiques pourraient se révéler utiles. D'abord, la décentralisation démocratique devrait être conçue de manière évolutive, et non comme un événement en soi. Ensuite, les Etats d'Afrique doivent élargir le cercle des institutions

actuellement mises à contribution et l'étendre à des organisations non gouvernementales telles que des organisations religieuses et communautaires qui sont pour la plupart tenues à l'écart de la décentralisation démocratique et pourraient devenir des acteurs importants.

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### **Resumen**

Existe una serie de razones—de carácter histórico, político y económico—por las que los gobiernos de los países en desarrollo están generalmente más centralizados que los gobiernos de los países industrializados. Sin embargo, en el decenio de 1990, diversos factores despertaron en los gobiernos nacionales y los organismos de desarrollo internacional un interés renovado por el nivel de la administración local de los países en desarrollo. Estos factores incluyen la mundialización, la crisis económica y el ajuste estructural, y la democratización, así como fuerzas locales y nacionales tales como la urbanización rápida, las identidades étnicas reforzadas, etc.

Este documento se centra en los países africanos—sin excluir referencias ocasionales a otros países en desarrollo—para que el debate sea más manejable. Si bien la relación entre ajuste y democratización, y la institucionalización de las administraciones locales en América Latina y los países de Europa del Este han sido objeto de investigaciones y análisis sistemáticos, en los países africanos apenas se han analizado ni desarrollado las políticas de descentralización.

Las políticas y programas de descentralización en África a menudo se han elaborado más bien sobre la base de argumentos ideológicos (que ensalzan la supremacía del partido, Estado o mercado) que del análisis de la realidad. Esta situación se ha agravado más aún por la escasa información disponible sobre las cuestiones de economía política local, lo que explica asimismo que las evaluaciones de los programas de descentralización en los países africanos hayan dado por lo general resultados negativos, con muy pocas excepciones.

En este documento se plantea la descentralización como un proceso complejo, relativo y de enfoque múltiple, en donde:

- se ponen de relieve las motivaciones y los dilemas de las políticas de descentralización recientes;
- se facilita una visión panorámica de las políticas y prácticas de descentralización en África desde 1945, centrándose especialmente en las dos últimas fases – los períodos del ajuste estructural y la liberalización;
- se evalúan las políticas de descentralización de los años 80 y 90, que forman parte de los procesos de ajuste estructural y de democratización; y
- por último, se propone un marco de análisis de las políticas y programas de descentralización en los países en desarrollo, con arreglo al cual se hacen



sugerencias para mejorar la elaboración y aplicación de las políticas de descentralización.

El autor considera que, aun cuando las políticas de descentralización en algunos países africanos tengan esencialmente nuevas orientaciones, algunos aspectos de estos experimentos son preocupantes. En primer lugar, pocos países han podido permitir la competencia entre los partidos políticos y la descentralización democrática al mismo tiempo. Muchos países parecen interesados en la descentralización democrática, en el contexto de un Estado con un solo partido *de facto*.

En segundo lugar, el desarrollo irregular y desigual de las capacidades a nivel de infraestructura e institucionales entre las regiones y las comunidades ha conducido a una descentralización asimétrica, que puede potenciar aún más dichas desigualdades.

En tercer lugar, las políticas de descentralización tienden a resaltar las transferencias verticales de la autoridad y los recursos de los gobiernos centrales a los locales, en una época en que los gobiernos centrales están experimentando una grave escasez de recursos. Además, en algunos casos, el suministro de numerosos recursos a las administraciones regionales y locales puede socavar los incentivos para el desarrollo de fuentes de ingresos locales.

En cuarto lugar, sigue siendo necesario reforzar los mecanismos de responsabilidad clásicos de representación con formas de participación adicionales, tales como encuestas por interrogatorio, elecciones, defensores del pueblo locales, encuestas sobre la prestación de servicios y presupuestación participativa, como se practica actualmente en algunas ciudades de América Latina y África.

El autor concluye que la solución de estos problemas exigirá tiempo, resolución, determinación e imaginación. Podrían contribuir al respecto dos cuestiones estratégicas fundamentales. En primer lugar, la descentralización democrática debería enfocarse como un proceso, y no como un acontecimiento. En segundo lugar, los Estados africanos necesitan superar las limitaciones de los recursos institucionales, que están movilizándose actualmente, e incluir a organizaciones no gubernamentales, como órganos religiosos y de base comunitaria, que en estos momentos se mantienen considerablemente al margen del proceso de descentralización democrática y que, sin embargo, podrían llegar a ser actores fundamentales.

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## **Introduction and Overview**

For a variety of reasons—historical, political and economic—developing countries are generally more centralized than industrialized countries. In the 1990s, however, a number of factors led to renewed interest by national governments and international development agencies in local government in developing countries or less developed countries (LDCs). These factors included globalization, economic crisis and structural adjustment, and democratization, as well as local and domestic forces such as rapid urbanization, strengthened ethnic identities, etc. (see McCarney, 1996).

This paper reviews African decentralization experiences generally, but with special attention to developments in the 1980s and 1990s and beyond. This period coincides with major political and economic changes and reforms in the region. The decision to focus on African countries is both pragmatic and deliberate. It is pragmatic in that LDCs constitute a wide diversity of countries; hence a focus on Africa makes the discussion more manageable especially on the subject of decentralization. It is also deliberate, in view of the fact that the relationship between adjustment/democratization and the institutionalization of local government in Latin America and the former Eastern European countries has been the subject of much more systematic research and analysis (Regulska, 1993; Campbell, 1997; Fukasaku and Hausmann, 1998). Compared to other developing countries, decentralization policies have remained poorly analysed and developed in African countries.

For instance, a recent review of World Bank decentralization programmes in developing countries notes that, even though Africa has the highest proportion of these programmes, the continent has the least formal analytical work on decentralization or intergovernmental relations (Litvack et al., 1997:35). Decentralization policies and programmes in Africa are designed more often on the basis of ideological arguments (which extol the supremacy of party, state or market) than on an analysis of the empirical reality of what exists on the ground. This is further aggravated by the paucity of information on local political economy issues. This may also explain why evaluations of decentralization programmes in African countries have generally produced negative findings, with but a few, very limited exceptions (compare Rondinelli, 1981; Mawhood, 1983; Olowu, 1988; Crook and Manor, 1994; with Olowu, 1989; Olowu and Smoke, 1992).

This paper approaches decentralization as a complex, relative, multidimensional process and thus:

- highlights the motivations and dilemmas of recent decentralization policies;
- provides an overview of African decentralization policies and practices since 1945 (the end of the Second World War) with special focus on the last two phases—the period of structural adjustment and liberalization;
- evaluates decentralization policies of the 1980s and 1990s, which are a part of the structural adjustment and democratization processes; and
- proposes a framework for analysing decentralization policies and programmes in developing countries, on the basis of which suggestions are proffered for the

improved design and implementation of decentralization policies in African states.

## **I. Decentralization: Conceptual Clarification and Classification**

Decentralization—the deliberate and planned transfer of resources away from the central state institutions to peripheral institutions—has acquired considerable popularity especially in developing countries, partly because the state is a highly centralized institution in these countries. But this popularity in the scholarly and policy circles has not always been for the best: it has made the term “become slippery” (Bird, 1995), such that it can mean all things to all people (Conyers, 1985).

Decentralization takes many forms—e.g. the delegation of responsibility and authority to field units of the same department or level of government—referred to as *deconcentration* or the *devolution* of authority to locally constituted units of government or special-purpose authorities. Other forms include *privatization* and *deregulation* (Rondinelli, 1981), but there are also references to *territorial* and *functional* decentralization (United Nations, 1965; Rondinelli, 1981; Smith, 1985). Variants in the decentralization family have also been suggested: *hybrid or partial decentralization*—whereby responsibilities and personnel are decentralized but not financing (as in the Decentralization Act of 1982 in Nepal) (Silverman, 1992:15). Another is *market decentralization*—referring to the decentralization from governments to market, quasi-market and non-governmental organizations, as distinct from most of the forms mentioned earlier, which are referred to as *intergovernmental decentralization* (Bennett, 1994:11). Decentralization is thus a comprehensive term that incorporates all of the diverse forms identified above.

*Decentralization is a relative, complex and multidimensional process.* It is relative in that it describes the distribution of state resources (responsibility, finance, personnel or discretionary authority) between various institutional actors within the state and/or society against some normative mode in space or time. It is a complex process in that it incorporates and is impacted upon by political, economic, institutional and cultural factors. Moreover, programmes of decentralization are a mixture of centralization, privatization, deconcentration and in some cases devolution. Finally, decentralization is a multidimensional process that defines the distribution of power and resources between state and society, the executive and other branches of the government, at micro level between central and local governments, central government and their field administrations, central/local governments and non-governmental entities, as well as at higher levels between governmental units within a federal or international system.

Three aspects of decentralization are focused on in this paper—*devolution, deconcentration and federations*—for two reasons. First, they are closely related to one another conceptually: they belong to the generic form of decentralization that can be referred to as intergovernmental or intragovernmental decentralization. While market decentralization or privatization may be related in some sense to efforts to decentralize, they raise several other issues relating to the management of national economies that are beyond the scope of this discussion. Second, and

more importantly, these three concepts are usually referred to in government policy documents on decentralization in LDCs and especially in African countries.

Through *devolution*, the central government confers self-governing capacities on local communities. Critical attributes of local self-government include *locality*, *representativeness*, *governmental character or responsibilities* and *institutional autonomy* (see Mawhood, 1983; Olowu, 1988; Anderson, 1995). Any programme of devolutionary decentralization, or DD, will thus involve the transfer of legislative, political, administrative and financial authority to plan, make decisions and manage public functions and services, from the central government to local authorities.

*Deconcentration or field administration* is just as important as devolution. There are, however, three fundamental differences between the two. First, one involves the *intra-organizational* transfer of *responsibilities* (deconcentration), whereas the other is *interorganizational* delegation of *responsibilities and discretionary authority*. Second, the primary objective of deconcentration is the efficiency and effectiveness of the central administrative system, whereas the primary consideration of devolution is political-popular participation and empowerment. Field administrations could be organized along functional or prefectorial lines (fully or partially integrated).

*Federations* are different from the first two concepts of decentralization in two important respects. First, a federation relates to the delimitation of responsibilities between two separate political entities—one of which operates at the national level while the other operates at the meso or regional level. On the other hand, local governments and field administrations are based primarily at the micro or community level. Second, and more importantly, federation utilizes the principle of *constitutional non-centralization* rather than decentralization. The idea is to create a system of governance, which at the same time provides opportunities for collaboration over a number of strategic areas while the federating units keep their relative independence in respect of other domestic matters. At present the federal principle is also being utilized at the supranational (e.g. the European Union) and metropolitan (e.g. Abidjan municipality comprising 10 city districts) levels (Elazar, 1987).

Up until the 1980s, African decentralization policies were either explicitly or implicitly confined to deconcentration even though the language of devolution was used. Even federal systems in the few countries that utilized them on the continent were operated as unitary systems. By the end of the 1990s, however, structural adjustment and political liberalization policies had compelled many states in the region to adopt devolutionary decentralization and—in a few but growing number of cases—even federalism. It is thus possible at the present time to classify African countries in terms of those with progressive policies on decentralization and those that have stuck with the old forms of deconcentration. In yet another category are those that have gone further, to experiment with federal arrangements. A sample of countries in the different groups is provided below:

- *Deconcentration with nominal devolution*: Cameroon, Ghana, Kenya, Malawi, Zambia.
- *Devolution*: Côte d'Ivoire, Mali, Mauritius, Nigeria, Senegal, Sierra Leone, Tanzania, Uganda.
- *Partial devolution (urban areas only)*: Botswana, Mozambique, Namibia.
- *Federations*: Ethiopia, Nigeria, Republic of South Africa and Tanzania.

In the next section, we provide a brief overview of decentralization policies and practices since the end of the Second World War, when many of these mostly poor countries started to become self-governing.<sup>1</sup>

## **II. Four Phases of Decentralization in Africa**

Like other LDCs, African states can be described as both highly centralized and decentralized. In terms of broad state-society relations, African countries are decentralized. Most economic activities remain uncaptured by the state, a fact regarded as an illustration of state weakness (Hyden, 1983). Yet they are also highly centralized, having been forged out of colonial conquest. Colonized peoples were regarded as possessing neither the intellectual nor cultural capacity for local self-governance. Beginning in India and spreading later to Africa, the predominant form of government was “indirect rule”. This meant rule by a few colonial officials with the aid of the most compliant traditional rulers. Where no such rulers existed, they were created—as in eastern Nigeria and parts of eastern and southern Africa. The objective was to provide the minimal conditions for law and order, taxation and justice for the colonial order. Local administration comprised a native court system, a local tax and a treasury.

While this system succeeded in guaranteeing the conquered territory for its new masters, it could not serve as the vehicle for economic and social development of the colonies. Most importantly, it failed to provide avenues for political participation and empowerment for the growing number of educated elites that the colonial system itself produced. Opposition by traditional rulers also grew as many of them remained illiterate, extremely conservative and corrupt. Countries such as Tanzania abolished the institution of indirect rule altogether.

### ***Phase one (1945–early 1960s)***

After the Second World War, decolonization came to top the agenda in international relations for a variety of reasons: reward for the colonized peoples’ participation in the war, agitation by the growing number of educated elites from the colonies, and the ascendancy of social liberal parties in the colonizing countries—Britain and France. Evidence of this was the colonial despatch of the British Secretary of State for the Colonies in 1947, in which he argued that the “development of an efficient and democratic system of local government” was a key to success in African administration (cited in Hicks, 1961:4).

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<sup>1</sup> Although African socioeconomic conditions have improved somewhat in the second half of the 1990s, poverty is an important reality in the continent. Africa is home to the largest numbers of least developed countries. Over a half of the countries in the **World Development Report, 1998** have per capita incomes below the poverty line of \$365 per annum or \$1/day.

Largely as a result of this policy shift, important changes were made in local government throughout British and—later—Francophone Africa. During the late colonial period, the outlines of the system of local government were thus already fully established in British Africa—and to some extent in the French municipalities. It had the following key attributes:

- A tradition of elected councils.
- A well-defined local tax system (ranging from per capita flat rates in most places to graduated personal rates in eastern Africa, and the beginning of a property/land tax in the major urban centres).
- Involvement of local governments in a range of minimal infrastructure services: especially in education, health and sanitation, rural roads and water supply, agricultural extension services and natural resource management—all of these with carefully articulated grant systems from the central government.
- Involvement of local city governments in major capital investment activities and of rural ones in co-operatives and community development activities (Mawhood and Davey, 1980; Stren, 1989).

This period has been described as the golden age of local government in Africa, and the experience was not peculiar to that continent (Hicks, 1961; Olowu, 1989). Reform efforts since that time have tried to place local government on the same pedestal it was on during this period.

### ***Phase two (early 1960s–late 1970s)***

Instead of building on the gains of this period, Africa's post-independence leaders sought to dismantle this legacy. There were two major rationales for this. First, on the economic front, Africa's new crop of indigenous political leaders believed that the only way to demonstrate their own worth was through rapid development achievements. They subscribed to a programme of central planning and in most places to a socialist ideology to promote development. Ghana's Kwame Nkrumah argued that political independence was the springboard for economic and social development. They had to "deliver", and saw democratic local governments as irritants at best, if not obstacles to their ambition to build powerful economic states.

Second, the consolidation of the nation state via a single party mechanism was also high on the agenda. A new wave of decentralization reforms ensued that tried to forge local administrations that were essentially instruments of control within the framework of the one-party or military state. Local governments—read local administrations—were designed primarily for the maintenance of law and order and only secondarily for the implementation of centrally determined development plans. They also had political objectives such as participation, but these were to be carried out mainly through consultative assemblies, which had no real powers over the government officials in charge of the local governments.

Philip Mawhood (1983:8) best captured the state of affairs:

In the 1960s, [there followed] for most countries a swing away from local autonomy in favour of central planning and greater control over public resources. A deconcentrated administration was left in charge of the locality, similar to but weaker than the colonial one. It was aided by committees that hardly had a role beyond discussing development plans and giving help in their implementation.

Other reviews confirmed that most of these decentralization policies (in Africa as well as in other LDCs) “were merely attempts at window dressing increasing centralization” (Olowu, 1988:40). Legislation was passed, institutions were established, but the will to ensure that the power to act was actually transferred to local authorities to grapple with real problems was usually withheld. Essentially, these reforms sought to convert the fledgling local government systems into field administrations, even though they continued to be referred to as “local governments”.

There were no doubt good grounds for placing severe limits on decentralization—the fragile nature of the nation state; the desire for rapid economic growth; and the command, highly centralized economies, etc. (see Olowu, 1990). On the other hand, it is not difficult to demonstrate that this tendency toward centralization via decentralization was, together with other dimensions of centralization, an important explanation for the economic and governance crisis that engulfed African countries in the late 1970s (World Bank, 1989; Wunsch and Olowu, 1995). Indeed, many of the main actors involved in the process regretted it afterward. For instance, former Tanzanian President Julius Nyerere (1984:828) recanted:

There are certain things I would not do if I were to start again. One of them is the abolition of local governments and the other was the disbanding of co-operatives. We were impatient and ignorant... We had these two useful instruments of participation and we got rid of them. It is true that local governments were afraid of taking decisions but instead of helping them we abolished them. Those were two major mistakes ...

### ***Phase three (late 1970s–late 1980s)***

When economic crisis struck in the 1970s, most countries responded, usually at the prompting of international financial institutions, by adopting structural adjustment programmes (SAPs), which approached decentralization to local governments as a possible mechanism for cutting back central government expenditures. The usual pattern was to devolve responsibilities, but not the financial or human resources to local units. Also, these early experiments did not pay much attention to the particular characteristics of the local institutions that were being created. All subnational structures were regarded as local administrations or local government administrations. In reality, decentralized structures everywhere were extensions of the central government into the field and were dependent on the centre for budgets, personnel and ideas. In many cases, their management committees were selected by the central governments.

How did the SAPs impact on decentralization, and what forms of decentralization did they promote? Even before SAPs, many governments in Africa had sought to hive off their



responsibilities to private corporations largely as a response to declining resources. Decentralization of responsibilities for services—not only to state-created structures, such as local governments/administrations, but also to community groups and to religious and philanthropic organizations such as churches—was sought in a number of countries (see Hyden, 1983). The Kenyan government, for instance, relaunched its commitment to *harambee*—a programme whereby communities provided the basic resources for building specific social infrastructures with the central government complementing these efforts. Similar efforts have been noted in other parts of Africa (see policies on hometown associations and *tontines* in West Africa: Barkan et al., 1991; Trager, 1995; Olowu, 1999a).

With SAPs, such initiatives became formalized into policies. World Bank lending portfolios emphasized the need for its borrowers to utilize opportunities provided by parallel or informal economies and institutions as alternative instruments for the delivery of services. The reasoning here was that these institutions could help to promote competition in the public sector in the production of goods and services (see Silverman, 1992; Litvack et al., 1997).

A second reason for embracing local governments was that they offered opportunities to develop the local public and private sector economies—an idea premised on the possibility of *separating provision from production* of services. *Provision* deals with such questions as what public goods and services ought to be provided in what quantity and quality, how to finance the production of such goods and services, and how to monitor and regulate the production of such goods and services. On the other hand, *production* is the technical transformation of resources into the delivery of these goods and services. Since many of the justifications for decentralization relate to the provision function and most of the criticisms relate to the production function—i.e. the lack of capacity to perform the production of these services—the separation of these two functions reduces the need for attempting to create large technical capacities in local government. Unfortunately, many decentralization programmes gave local governments the production responsibilities while the central government keeps the provision responsibilities. Furthermore, since the state was in most cases in financial crisis, funding for these decentralized services was sought not from the traditional tax sources or government transfers but from user fees—for basic services like health and education—and also from private sector and non-governmental organizations, including community groups (Barkan et al., 1991; Corkery et al., 1995; Leighton, 1996).

Economic restructuring programmes (ERPs) suggest that local governments should have the power to make the decisions relating to location-specific investments, subject to national guidelines. They should have the right to contract for these services with other agents of production, especially private sector organizations. Besides ensuring a more efficient allocation of responsibilities between central and local governments, this pattern of responsibility allocation would assist the development of an indigenous, small-scale private sector. In a document he produced for the World Bank on the subject, Silverman (1992:11–12) submits that “demand by local governments for private sector production of public goods and services should result, eventually, in the decentralization of much of the private sector itself”. This has

made it possible in many countries for the public sector to train managers of private sector enterprises who have contracts for the delivery of roads and construction activities to the local governments (e.g. Burundi, Central African Republic, Ghana, Kenya, Sierra Leone, Tanzania, Uganda and Zaire). Madagascar and Tanzania have opened their training schools to private sector contractors as well.

The expectations are that this arrangement will result in:

- substantial reduction in the functions and size of all governments, including local governments;
- possibility of improved capacity of local governments to perform the more limited range of economic management activities;
- reduction of local government expenditures – both on investments and staffing;
- reduction of local government and public sector deficits with possible positive results for increasing finance available to the private sector;
- competitive production of public services that would improve the quantity and delivery of services, and also enhance competition and the development of the private sector.

Considerable effort and resources actually went into the implementation of these programmes of decentralization in many African countries. The central idea was to seek opportunities to reduce central and local government expenditures and size. In many countries it gave new life to decentralization initiatives. A number of countries – notably Ghana, Malawi and Zambia – adopted new decentralization policies. In most cases, these led to the creation of new structures of local government referred to as district development agencies or funds (DDFs), which were patterned after the Kenyan “district focus”.

These structures, which were often dominated by appointed officials of the central government, but had some locally elected people as well, would make the plans for their respective communities or districts with field agencies of the main central line ministries operating in that district. Moreover, in a country like Zambia, for instance, health and education services were actually taken away from local governments and given to separate, central organs to administer. This was also the logic that was followed by many Anglophone countries, which tried to adopt the British model of the health care service. The hallmark of these organs was the attempt to separate them from political issues and tie them closely to the reorganization of the central ministries for effective delivery of services.

The attraction of these models for many national governments in Africa was that they leave these agencies primarily under their control. And this was important for governments that were not very secure politically. This was the case with decentralization reforms in Cameroon and the earlier phases of Côte d’Ivoire reforms. Similarly, in Ghana, local assemblies’ executive committees were chaired by centrally appointed officials. A review of the Malawi DDF noted that district development committees (DDCs) promoted effective intersectoral co-ordination among field agencies of the government. On the other hand, they had no legal mandate, or financial and human resources of their own. They were concerned only with development and not governance or the recurrent costs of development. In any case, these organs received a

considerable amount of financial resources mainly from donors who were interested in assisting programmes of decentralization in these countries. The Malawi DDFs received 80 per cent of their funding from donors. The original expectation that these would lead to major breakthroughs in improved delivery of services, economic performance or participation has not been realized. If anything, DDCs have become obstacles to the development of effective local government institutions as articulated in the relevant constitutions or statutes of these countries.

In sum, the fundamental weakness of the decentralization reforms of the 1980s associated with SAPs via ERPs, was their lack of attention to the nature and type of decentralized structures they were promoting. No clear distinction was made between deconcentration and devolution. The complexity of DD was lost in these initiatives as simple systems under the control of the national systems were labelled DDFs. Yet, all the analysis pointed to the fact that the key problem faced by these countries was one of governance: the manner in which power was being used and wielded by those who held it—who, in the case of Africa, were all located in the centre. There was no real commitment to shifting the power base from the centre to the localities. That had to wait for the 1990s.

#### ***Phase four (1990s–present)***

In Africa, the onset of democratization in the 1990s brought to the fore a fourth wave of decentralization reforms. It is both a continuation of the past approaches to decentralization and a search for local institutions that are genuinely participatory and responsible to the local communities. In the following section there is a detailed discussion of some of the factors that have motivated these fundamental reforms and the dilemmas that these countries confront in designing decentralization policies and programmes that actually enhance democratic participation and improve services.

### **III. Motivations and Dilemmas of Democratic Decentralization**

At the beginning of the 1980s, the state remained largely formally centralized in most of these countries. Available figures indicate that, whereas personnel of local governments in OECD countries constituted 42 per cent of all government employees, they made up only 21 per cent in Asia, 29 per cent in Latin America and 10 per cent in Africa (Heller and Tait, 1983). More recent figures (Schiavo-Campo, 1998) show that financial decentralization follows the same pattern. Data from UNDP's (1993:69) **Human Development Report 1993** reveal that in industrialized countries, local governments normally account for 20–35 per cent of total government expenditure—decentralization expenditure ratios are even higher in countries like Denmark (45 per cent) and Finland (41 per cent). In developing countries, however, the ratio is usually below 15 per cent and is not substantially higher even when defence and debt servicing are excluded.

The case for centralized governance has dominated the policy and academic literature in African decentralization (see Wunsch and Olowu, 1995; Hulme and Turner, 1997). Nevertheless,

in the 1990s, the following factors led to renewed interest in programmes and policies on decentralization in Africa:

- The failure of centralized public sector management evidenced by economic, fiscal and political crises (Wunsch and Olowu, 1995). The resulting decline in state resources increased pressure for economic, institutional (public sector) and political reforms (World Bank, 1981; 1989; Cornia and Helleiner, 1994) as part of the search for new paradigms of governance.
- The above-mentioned failures have stimulated pressures for political reforms by domestic actors outside the state, many of whom became more visible, politically, and more sophisticated in their critique of and protest against state policies as the economic crisis bit harder. Most of these actors sought to bridge the wide gulf between the state and the citizen by demanding greater involvement of citizens in the policy processes and the synchronization of informal local realities with the highly centralized structures and operations of the (formal) state system. The most dominant form of politics in Africa is local politics, but the state has always been organized in a manner that is oblivious of this reality. This is a phenomenon that some have argued is responsible for the persistence long after the colonial period of both the formal public, which is amoral, and the informal public, which is the real public realm to which most citizens hold moral allegiance (Ekeh, 1975; Joseph, 1987; Hyden, 1999).
- Pressure from external donors – an important consideration given the fact that many African states are heavily dependent on donor funds for development expenditures. Democratic decentralization is regarded as one of the key elements of good governance (GG) programmes. The others are transparency, accountability, rule of law, electoral reforms and conflict mitigation. GG programmes are regarded as central to poverty alleviation, to which most bilateral and multilateral donors committed themselves in the 1990s (UNDP, 1997; OECD, 1997). The European Union and several European bilateral donors have initiated programmes of “decentralized co-operation” that look beyond the traditional central government organs in the recipient countries to incorporate private, non-governmental and local government organs (see Hertog, 1998; Materu et al., 2000).
- Growing urbanization and metropolitanization in most countries. Urbanization is variable in Africa, but it is marked everywhere by high rates of growth.<sup>2</sup> This phenomenon is itself only a symptom of fundamental changes to the modes of economic production on the continent.

Structural adjustment stimulated economic diversification in most countries. In agriculture, many producers have moved away from cash to arable farming and agro-based industrialization. There has also been a greater movement of people toward the service industries. Retrenchment in the public and private sectors has led to the growth of the informal/service sectors, which are based mainly in cities. Other forces in addition to the traditional push-pull factors have also stimulated great flows of urban migration. One of these is the increased number of women with secondary education and another the massive movement of people in conflict-prone societies to the safety of the major cities. Whereas primary education has fallen compared to 1980, secondary education has actually more than doubled (from 10 per cent to 22 per cent of the age group between 1980 and 1993 for females, and from 20 per cent to 27 per cent for males (World Bank, 1997:22). Many metropolitan cities in Africa especially have swollen – the more so if they are in countries that have experienced massive conflict in recent times (see Rakodi, 1997). Urban population has thus increased from 23 per cent in 1980 to 31 per cent in 1995, and the proportion of the total population living in cities of over 1 million population has gone from only 5 per cent in 1980 to 8 per cent in 1995 (World Bank, 1997:231).

In the past, the infrastructures of the few major urban centres were financed from central state coffers via central government parastatals, which were created to

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<sup>2</sup> The level of urbanization Africa is low by world standards (40 per cent compared to the world average of 51 per cent). However, the rate of growth for the region is high. The southern part is the fastest growing region followed by the west, the east and the north (see United Nations, 1991).

deliver important services. Economic restructuring has led to a situation in which many of these parastatals have been dissolved and their responsibilities transferred to local authorities or the private sector. Urbanization is also indicative of the increasing sophistication of the peoples of the continent and their intolerance for old forms of domination by central and local elites.

- The conscious use of decentralization as a political mechanism by ruling groups to neutralize, contain or seek compromises with regional or local elites (Crook and Manor, 1994; Boone, 1998). Decentralization has proved to be a crucial mechanism in national and international efforts to resolve conflicts in many parts of the continent. It played a role, for instance, in the resolution of the long conflicts in Ethiopia, Mozambique and South Africa, and looks promising in the resolution of raging conflicts in Angola, the Republic of the Congo and the Democratic Republic of the Congo (former Zaire), Morocco, Senegal and the Sudan, among others.

In general, devolutionary decentralization and federal systems are sought by state and society actors for their potential to empower the people by giving them greater opportunities for “voice”, and to promote self-governance and resource mobilization. In African countries in particular, they are sought to remedy the three most serious institutional weaknesses of their governmental systems – *weak accountability, poor integration between formal and informal structures of governance, and poor quantity and quality of basic service delivery*. Accountability is weak in most public sector organizations because public service norms and enforcement mechanisms are weak. Formal state-based structures are also separated from the informal, community-based structures. Finally, weak and ineffective tax instruments, together with the first two problems, result in poor and unsustainable delivery of basic services in most communities (Ekeh, 1975; Dia, 1996; Joseph, 1999).

But the implementation of DD confronts formidable obstacles.

#### **IV. Problems and Dilemmas of Democratic Decentralization**

Democratic decentralization confronts theoretical and practical problems in all countries, but especially in poor African countries.

First, with respect to theory, some scholars have wondered whether local government and democracy are indeed compatible—even in industrial societies. One extols the principle of equality whereas the other celebrates the principle of differentiation (Langrod, 1953). While this has been vigorously contested, serious doubts have been cast on the idea of local democracy in developing countries where the preconditions for popular democracy—high levels of literacy, communication and education; an established and secure middle class; a vibrant civil society; relatively limited forms of material and social inequality and a broadly secular public ideology—are for the most part not yet present. All of these are the product of the industrial or capitalist revolution, which is yet to take place in most countries of the developing world (Huntington, 1968; Hyden, 1983; Leftwich, 1993).

Second, it has also been argued that local autonomy is only feasible at high levels of economic development. Fred Riggs (1964) spoke of the “law” of circular causation in poor countries.

Decentralization would only promote the decentralization of poverty (see also Prud'homme, 1995; Bennett, 1994). According to this view, local governments may make contributions to the allocative functions of government, but they cannot generally contribute anything to distributive and stabilization functions. However, in a developing country context, local governments are not even able to make any contribution to allocative efficiency for a variety of reasons—the absence of a democratic culture, interlocal mobility problems and, most importantly, rampant corruption at the local level (Prud'homme, 1995).

These views have been challenged in recent years. There is increasing evidence that local governments can contribute to the resolution of the governance crisis confronted by many African countries (World Bank, 1989:60). There is also evidence that local people possess substantial knowledge of their own environments and societies, enabling them to contribute to solving their own problems locally (Richards, 1985; Olowu et al., 1991; Esman and Uphoff, 1984). Appropriate institutional and policy design can help ensure that local governments impact positively on efficiency, equity and macroeconomic stability (Ostrom et al., 1993; Silverman, 1997; Litvack et al., 1997).

However, the feasibility of local government reforms in African states seems then to turn on the practical problems confronting decentralization. These can be categorized into three dilemmas—*political*, *economic* and *managerial*.

### ***Political dilemmas***

Devolutionary decentralization confronts two major political problems. The first is the unwillingness of political and administrative leaders to share monopoly power—inherited from colonial times. This is due in part to fears that devolutionary decentralization might undermine national cohesion and fan the embers of secession, which is usually a real consideration in societies in which ethnic and community loyalties are quite strong relative to national cohesion. Politics is always defined in local terms. There is also the fear that devolution might compromise the integrity of nationally delivered services. In many instances, these rational fears are often a cloak for the fear of loosening their grip on political power, which in many countries is monopolized by the ruling elites at the centre. Another way of looking at these problems is by viewing devolutionary decentralization through the lens of a zero-sum power game, in which local actors gain at the expense of the centre, rather than through that of a positive-sum power game in which all players, both local and central, gain over time.

A second political dilemma is the problem of local elite capture. In many instances, it is local elites rather than the most vulnerable that capture decentralized power, which is then utilized to repress the local minorities, women and foreigners in the various communities. Many traditional rulers in different parts of Africa have used decentralized power to obstruct development by diverting decentralized resources to personal uses; such rulers may thus be opposed to basic modern education, health services, sanitation and water supplies because of their fear that these may break their hold on local power. When this situation exists, it confirms the reality of the weakness of social movements and pressures for reshaping patterns of resource allocation.

### ***Economic dilemmas***

Decentralization in poor countries confronts three major dilemmas. The first is the fear that devolution may complicate the tasks of economic stabilization, as central actors are not able to effectively control local spending. Many also believe that local governments are not very good at addressing redistribution questions, although this is the case only when the focus is on interjurisdictional rather than intrajurisdictional inequalities. Even the latter is based on the faulty assumption of citizens' easy mobility from one locality to another.

A second real economic problem is the need for wider institutional, political and economic reforms. Centralized infrastructure investment decisions by public and private agencies make it difficult to implement decentralization. Nzokenu (1994) suggested the need for land reforms in many parts of Africa if decentralization is to be advanced in the rural areas where land is presently held by local elites or governments—ostensibly in trust for the people, but in reality accessible only to the rich and powerful. However, land reform must also be accompanied with the reform of the banking system, which at the present time is concentrated in the urban centres. A number of experiments with community banking have shown the great possibilities that exist for mobilizing idle savings in the rural areas for economic development purposes. Clearly, the development of a favourable local economic system will provide the enabling environment for the development of critical economic *and* social infrastructure—which are both crucial for economic development. Similarly, an independent judiciary as an independent arbiter is also crucial to the enhancement of decentralized governance. Instead of relying on central governments to resolve disputes between local government authorities or between local government and the national governments, a strengthened judiciary can more impartially resolve these issues. Similarly, effective local legislatures can act as more effective checks on local executives than the central government in many instances.

A third economic dilemma arising from all of the above-mentioned considerations is that decentralization involves more, not less, costs—the costs of new institutions, staffing, procedures and training for all concerned (WHO, 1997). In the short run, resources must be mobilized to underwrite decentralization. Unfortunately, many countries have a very weak fiscal resource base and cannot therefore finance these costs. Indeed, fiscal crisis was one of the most important reasons why political and economic reforms, including decentralization, were undertaken.

### ***Management dilemmas***

These include the issue of appropriate institutional designs that respond adequately to the above-mentioned problems and the question of how to sustain a programme of decentralization once it is initiated. The problem is compounded by the absence of reliable data on governmental performance and also by weak capacity at central and local levels.

This third set of problems is usually the most difficult to resolve. Some of the most difficult design and management issues include the following: how to make decentralization policies applicable to all parts of a country, given their different levels of development, including the possibility of adopting a phased approach; and how to transform the zero-sum game perception

of decentralization into a positive-sum game in which all sides gain. Other critical design issues include how to ensure that decentralization helps national integration rather than secessionist bids; and how to mobilize the necessary resources to finance the heavy cost of decentralization reforms, which are often designed in the first instance to reduce costs. Yet other issues include allocation of responsibilities between central and local governments and between different tiers of local authorities; the balance between financial powers and/or resources and allocated responsibilities; the treatment of regions as distinct from local community structures, and of rural and urban areas. Another difficult design issue is how to integrate the informal structures of community governance with the formal structures of the state without undermining the integrity of either. Failure in any of these areas has often sounded the death knell of local government reforms in many African countries.

These problems have remained pervasive in most countries, almost negating all efforts at democratic decentralization until the 1980s and 1990s, when the combined impulse of structural adjustment, liberalization and democratization started some countries down the path of genuine democratic decentralization. Before we go into the details of these more recent developments, in the next section we shall review the various waves of decentralization reforms since colonial times in developing countries generally, paying particular attention to African countries.

## **V. Evaluation of African Democratic Decentralization (DD) Policies and Programmes of the 1990s**

As noted above, a new type of decentralization programme is discernible in countries such as Côte d'Ivoire, Ethiopia, Mali, South Africa and Uganda. What constitutes the main elements of this new form of decentralization? Conventionally, evaluations of decentralization programmes tend to focus on institutions or processes. An attempt is usually made to measure the extent to which decentralization policies or processes increase the autonomy of decentralized agencies (see for instance Rondinelli, 1981; Vengroff and Umeh, 1997). Philip Selznick (1949) suggested the following four criteria:

- *Discretion*: the power to determine what to do.
- *Personnel*: the power to hire and fire.
- *Finance*: the power to raise and commit resources.
- *Co-operation*: the power to establish harmonious relationships between the organization and its environment.

Building on these earlier efforts, we propose that, since decentralization is a means not an end in itself, it is necessary to establish the *goals* that are sought by decentralization policies and to distinguish these from the *means or mechanisms* for realizing such goals. In developing an analytical framework, three intermediate goals are identified for DD in Africa. These are *accountable use of resources, institutional synergy between formal and informal sectors and effective delivery of services*. They are intermediate to the goals of *self-governance, democratic participation, institutional diversity and differentiation, and economic growth*, which are mentioned either



explicitly or implicitly in many decentralization policy statements (Adamolekun, 1999, Wunsch, 1991; Smith, 1996; Ostrom, 1996; Dia, 1996; OECD, 1997; Gershberg, 1998; Olowu, 1999b; Kickert et al., 1997).

The analysis that follows takes four sample cases from the more progressive forms of devolutionary decentralization and federal forms and contrasts them with one case of the conventional type (Ghana). As was pointed out earlier, deconcentration could be a legitimate policy goal. However, its objective is essentially to decongest the central government and possibly increase central government control on the localities. To the extent that incentives are created for effective performance of central functions, it has value in increasing policy implementation effectiveness. Devolution and federalism, on the other hand, seek to create incentives for local (governance) actors to make and implement decisions in respect of crucial, locally based services, thus forcing them to mobilize resources and strategize their use in a responsible way.

Seven major mechanisms are used to implement DD and can also be used to evaluate the extent of decentralization in any country (see table 1). The analysis starts with the *allocation of responsibilities for services between central and local level governments*. In a completely centralized polity, all services—no matter how local—are delivered by the central government. In contrast, the principle of subsidiarity suggests that the smallest possible beneficiary local area should provide possible local responsibilities. As already indicated above, many LDCs do decentralize *responsibilities*, but not the means of financing the programme of decentralization. A second mechanism in decentralization is therefore the *decentralization of financing arrangements*. This could be in the form of granting local governments their own revenue sources (with responsibilities to set the base and rate), cost recovery (nominal, full or partial), transfers from higher governments and borrowing powers. The third mechanism is the *decentralization of decision-making powers*. Many central governments would give financial powers to local communities, but not the authority to approve budgets or laws. Such decisions continue to be made by the central government—often defeating the very essence of decentralization. For instance, there is documented evidence that central governments cause delays in approving local government budgets in Kenya and Nigeria, and that this is one of the chief reasons for programme implementation failures. In the latter country it led to radical reforms of local government in the 1980s (Oyugi, 1990; Olowu, 1990). But this is a responsibility that could and should be undertaken by local governments that are responsible to their constituents.

The fourth mechanism is the *management of the personnel of decentralized services*—whether by central or local entities. For various reasons this often takes a longer time to fully delegate to local governments. The *unified* approach is a midway house between the extremes of *integrated* and *separate* personnel arrangements, but unified services in many African countries have ended up functioning as integrated personnel systems. Furthermore, many professionals are reluctant to work in local governments, fearing reduction in their status or job security. Different approaches have been used to resolve this problem in many countries—see Tendler's

(1997) analysis of health sector reform in Brazil in 1987–1992, and Olowu and Wunsch’s (1995) analysis of the same phenomenon in Nigeria.

**Table 1: Framework for analysing decentralization  
in developing countries: African applications**  
(Potential and actual scores)\*

	Côte d’Ivoire	Ethiopia	Ghana	Nigeria	Uganda
<b>1. Transfer of responsibilities (10)</b>					
Major/minor basic services (10)	10	10	10	10	10
<b>2. Transfer of financial resources (10)</b>	5	6	6	8	6
Major tax sources (5)					
User fees (nominal/partial/full cost recovery) (3)					
Central transfers adequacy/equity/responsiveness) (2)					
<b>3. Decision-making powers (10)</b>	7	10	5	10	10
Budget making/approval (6)					
Budget implementation (4)					
<b>4. Personnel management (15)</b>	7	6	4	8	10
Separate (10)					
Unified (5)					
Integrated (0)					
<b>5. Accountability mechanisms (10)</b>	5	5	4	7	8
Central (monitoring and evaluation) (3)					
Local citizens (5)					
Central/local citizens (10)					
<b>6. Involvement of other institutional actors (10)</b>	3	2	2	3	3
Privatization and local regulation (5)					
Co-production (10)					
<b>7. Local political competition (10)</b>	5	3	0	5	3
Full (10)					
Partial (5)					
None (0)					
<b>TOTAL (70)</b>	<b>42</b>	<b>42</b>	<b>31</b>	<b>51</b>	<b>50</b>

\*All main elements have a score of 10. Numbers assigned to sub-elements are indicative of their relative weights and do not necessarily add up to the total for the main element.

The fifth mechanism—often a very difficult one—relates to *the enforcement of local government accountability*. Should national government bureaucracies or local assemblies enforce accountability? Both are problematic in developing country circumstances. Contrary to conventional thinking, accountability is actually weak even in national governments because there are no strong institutions to canvass for or enforce accountability at this level. Many central agencies are limited to post-audit financial reports, and even this is in arrears of five to 10 years in some countries. On the other hand, citizens at the local level are not able to use either voice or exit options because of the high transaction costs involved—e.g. moving from one locality to another without credit, reliable information or access to land, etc. The best

solution is a mixture of both, but each circumstance will need to ensure the right mix appropriate to that environment.

The sixth mechanism is *the involvement of other institutional actors outside the state in the delivery of services*. There are two possibilities here—to involve private organizations and NGOs or communities as agents, or to privatize the services to them. In the former “co-production arrangement, they help to produce the service while the responsibility for provision rests with the local authority. In the latter, these organizations are responsible for providing and producing the service, under some form of local authority regulatory framework.

Finally, there is the *extent of political competition that is allowed at the local level*. Some countries legally disallow party competition at the local level—even though they may permit it at the national level, as is the case in Ghana. In other countries, party competition is barred at the national and local levels, as in Uganda, but citizens are allowed to make reasoned choices among several candidates that are in effect sponsored by different local political forces. In yet others, the state may officially allow multiple parties, but effectively ensure the neutralization of political forces at the local level—and at times even at the national level as well (e.g. Ethiopia).

This framework does not assume that any form of decentralization is either good or bad. Rather, evaluation is made contingent on the three objective goals of decentralization: *accountable use of resources, institutional synergy and service delivery*, and on the seven suggested mechanisms that are used to measure the maturity or success of any programme/policy of decentralization. Besides, overall judgement of whether the programme of decentralization is deconcentrated or devolved is the outcome of the analysis rather than accepting official labels, which can be very confusing. Finally, the framework analyses decentralization from the viewpoint of polycentric or complex networks in which each of the institutional actors (central authority, local government, private and non-governmental organizations) is an essential player. For instance, it is a paradoxical but significant fact that effective decentralization requires the deliberate strengthening of central institutions and agencies to enable them to support the effectiveness of decentralized agencies (Adamolekun, 1999; Ostrom, 1996; Tandler, 1997; Gershberg, 1998).

Case studies of five African decentralization programmes are analysed below using this framework, and their summary ratings are provided in table 1.

### ***Ethiopia***

Until the adoption of a democratic federal constitution of 10 autonomous regional states in December 1994, Ethiopia was ruled for many years, first as a feudal empire and then, from 1975, as a highly centralized Leninist socialist state led by the military. The new Ethiopian Constitution, adopted after the election of the current government, stipulates that “every nationality and people...has the right to a full measure of self-government which includes the right to establish institutions of government in the territory that it inhabits...” (Government of Ethiopia, 1994).

The regions vary widely in population and competence—Oromiya, the largest state, has a population of 17 million, whereas Gambela has only 110,000. They have wide (residual) powers, including the ability to secede from the federation, and are empowered to establish a state administration that best advances self-rule and a democratic order in their states. Their responsibilities include the formulation and execution of economic and social development policies; overseeing land and natural resources, and the state police forces; and the maintenance of public order. Below the regions are zones, *woredas* (districts) and *kebeles* (communes)—all of which are assigned specific responsibilities, but devolution is mainly felt at the level of the *woredas*. They formulate their own budgets and have frontline responsibilities such as health, education, soil conservation, observation of legal rights, and law and order. The *kebele* functions to all intents and purposes as a field administration of the *woreda*.

The Amhara regional constitution, for instance, empowers the *woreda* administration to implement regional laws and regulations, make social and economic development plans for its locality, and decide on its own internal affairs. It also has a judicial unit from which appeals can be made to other regional courts.

#### Financing arrangements

Ethiopian regions are entitled to levy and collect taxes on incomes, utilities, private property, mining rent and royalties on forest resources. They also share in the concurrent taxation of profits and mining rents, etc. Given the variable institutional capacity of the regions and other subnational units, it is not surprising that federal transfers to the states have become the major means of financing the new federal system. In 1994–1995, the regions collected only 18 per cent of domestic tax revenues, but were responsible for almost 36 per cent of the total (recurrent and capital) expenditures in the country. In the social sector especially—schools and health services—the share of the centre has fallen to only 27 per cent, with the regional agencies and others responsible for the balance of over 70 per cent.

#### Decision-making powers

The Ethiopian regions, *woredas* and *kebeles* have elective offices, a sharp contrast to several years of imperial and socialist governments when all of these positions were appointed by the state. These organs also help to bridge the wide gulf between the formal and informal structures. The informal structures have been used as a platform to define a different agenda from the national level politics although the opportunity has also been used to settle political scores.

#### Personnel management

Regional governments are also responsible for managing their own personnel. From a situation in which all personnel were central, today, the regional states have 10 times (200,000) more than the central government (20,000). Personnel at the local government level (*woredas*, *kebeles*) are, however, paid by and responsible to the regional state.

#### Accountability mechanisms

In spite of their heavy dependence on the federal government for funds, Ethiopian regional states were originally responsible only to themselves. In 1997, following a number of

scandalous revelations of financial malfeasance in the regions, a new finance bill was passed into law, making it mandatory for regions to account to the federal auditor-general for federal transfers. Each state has its own auditor, but the capacity of the regions is variable. At the regional level, the tradition of accountability to higher government bureaucracy has continued—even though a number of structures exist at the local level to enforce accountability. For instance, many communities have been able to utilize their power of recall (in federal and state constitutions) to dismiss “corrupt” politicians, often leading to considerable instability in some regions. In spite of some of the negative overtones of these provisions, the practice is helping to develop a new culture of accountability at the local level.

#### Other institutional actors

There is very limited involvement of other institutional actors in the delivery of services in Ethiopia. However, in the health sector, there are a number of non-governmental agencies that are active. The same may be said for supplying water in the arid areas of the country. However, there is very little linkage between the local government system and these organizations.

#### Competition among political parties at the local level

Even though the constitution grants the citizens freedom of political association, the ruling party has managed to effectively neutralize the other political parties, which are mainly ethnic based. They are not represented in the parliament and they do not control any region. The opposition argues that Ethiopian “democratic” elections were rigged (Young, 1997; Ayenew, 1998).

#### ***Uganda***

Museveni’s National Resistance Army fought different Ugandan governments (led by Okello and Obote) to a standoff and ultimately took power from the Obote administration in 1986. Museveni argued that his struggle was against misrule and chaos. Originally, the new local governments were created around the resistance councils, which the government had found useful in its guerrilla struggles. In 1993, a statute was passed consolidating these councils into five tiers of local councils comprising village, parish, subcounty, county and district councils. The district council, at the apex of the system of local government, had extensive powers for formulating socio-economic development plans and providing basic infrastructure and social services. When the new national constitution was introduced in 1997, the system of local government was an important element of that constitution. A new law, the Ugandan Local Governments Act of 1997, created (from the erstwhile resistance councils) 45 district/city, 13 municipal, 863 subcounty/city and 970 town councils. Local authorities have broad powers to develop their local communities. These include education services, which cover primary, secondary, trade, special and technical education; medical and health services, including hospitals, health centres, dispensaries, maternity and other basic health services; water services; road services that are not under the responsibility of the national government; and a long list of competencies in land use and administration, forests, water, women, etc. (Lubanga, 1995; Tibaigaina, 1998).

### Financing arrangements

Local governments in Uganda have access to selected own revenues. These include graduated personal taxes, rates, rents, property taxes, royalties, stamp duties, registration fees, market dues, trade licences and fees. The subcounty level collects these revenues, then remits 35 per cent to the district council, 25 per cent and 5 per cent each to the village, parish and county councils, respectively. In the cities, lower divisions remit 50 per cent to the urban/municipal councils. But the backbone of local government finance in Uganda is the transfer of financial resources to the local governments by the national government. The broad responsibilities given to these councils and the relatively low levels of the revenue bases have made dependence on central government transfers inevitable.

The national government has worked out a principle of transferring substantial resources to local governments (LGs). They comprise unconditional, conditional (for feeder roads maintenance, primary education, primary healthcare and agricultural extension) and equalization grants. In 1996/97, the central government transfers amounted to 176.5 million Ugandan shillings (approximately \$100,000<sup>3</sup>). More than half of this went to the payment of salaries in primary and secondary schools. A Local Government Finance Commission has been set up with responsibility for monitoring and recommending the appropriate formula for distributing transfers to LGs.

The fact that subcounties and divisions can retain a substantial portion of their revenue collections has led to a 70 per cent increase in the revenue collections of the district and urban councils in Uganda.

### Decision-making powers

Before 1986, central government field officials administered local governments in Uganda. This has given way to closely contested elections at each of the five levels—in spite of the absence of multiparty politics. The newly constituted local bodies are responsible for approving budgets, rather than referring them to the central government for approval, as was done in the past.

### Personnel management of decentralized services

The Ugandan government undertook a major reorganization of the system of personnel management at the local government level. Before this time, local government officials were either seconded to LGs or placed in a unified personnel system for all local governments in the country. The reforms constituted each district council into a separate personnel agency. The weakness with the unified system was that senior local government personnel were treated for all intents and purposes as central government staff. This was because central government officials managed the unified structures, as is the case in many other African countries that use a unified personnel system.

District executive secretaries and town clerks have responsibility for LG employees and pay their salaries, assisted by a district service committee. Field officers of decentralized functions

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<sup>3</sup> \$1 = UGS64,000.

have been transferred to LGs. Each district has a service committee responsible for LG employee matters. In turn, secretaries and town clerks are responsible to the local councils—even though most of the salaries of LG staff are paid through transfers from the central government.

#### Accountability mechanisms

There is an attempt to get the local governments to rely more on local rather than central institutions. To this end, a number of institutions have been created. They include the LG Tenders Board, an LG Public Accounts Committee (which serves as a form of Public Accounts Committee for LGs in a district), and a Local Government Auditor. These institutions have been quite effective in detecting corruption in the system and the local councils are closely involved in their operations.

#### Involvement of other institutional actors

Private sector and non-governmental organizations are utilized as agents for the local governments for production and provision of certain services. A number of services have also been taken over by private and not-for-profit organizations. Besides, many district and municipal councils have, for instance, contracted with private enterprises to collect their revenues. Local-level privatization has been limited.

#### ***Côte d'Ivoire***

Two major forces—French colonization and the dominant single party, the Parti démocratique de la Côte d'Ivoire (PDCI)—were important in shaping politics, economy and administration. By the 1980s, there were strong resentments against excessive authoritarianism and corruption among the ruling elite, which was perceived to have led to the immiseration of the masses of the rural peasants. The prices of cocoa and coffee, two important exports for Côte d'Ivoire, had also slumped in the world market, with profound effects on earnings from trade.

A radical reform of the system of local governance was begun in the late 1980s to rejuvenate the political system and reduce the financial squeeze on the central government. Between 1987 and 1995, 135 newly elected communes (local bodies) were created for Abidjan, which had 10 municipalities and other smaller towns and cities.

Communities formed the basis of this commune system, rather than the old administrative structures. The model population of each commune was around 10,000— although it was quite variable. Crook (1996:702) notes the main features of this system:

Each commune is an authority with legal personality and 'financial autonomy'...meaning...the right to create and manage its own budget, property and resources. Legal accountability to democratically elected officials is firmly based at the local level. The mayor and his deputies, who form the executive authority, are elected councillors, elected to office by the municipal council, not appointed by government as in the pre-1980 system. The mayor can appoint and dismiss commune staff (except the seconded chief administrative posts) but all the employees including civil servants are accountable to the mayor...The executive is formally accountable to the council...The council itself is a wholly elected body.

Broad competence is given to the communes in terms of responsibilities—provision of educational buildings and equipment, cultural and social facilities, public health and sanitary services, maintenance of local roads, markets, bus stations, administrative services including census, births, deaths and marriages, allocation of plots and plot development. Some old-style financial controls are still in place. The communes make and approve their budgets, but the latter are implemented (e.g. payment of creditors) by the central government treasury departments. Communes are still subject to close supervision by the Ministry of the Interior and also have very little control over their rates of taxation or collection. Even though one of the key motivations for the reform was the mobilization of local and private financial sources, the central government has been quite generous in providing fiscal transfers to the communes to sustain the reform. Despite the fact that the democratic structures exist and are functional, the channels of consultation between local citizens and local political and administrative officials remain constrained and, as a result, communes are not always responsive to the needs of their citizens.

Crook (1996:702–703) notes that, unlike many other countries with “mixed” forms of devolution/decentralization, Ivorian communal administration is not simply a regrouping of deconcentrated central ministries under the nominal control of an elected council.

### ***Nigeria***

Nigeria initiated a global programme of devolutionary decentralization in 1976 in the hope that it would form the basis for democratic renewal and the restoration of civilian government. Successive (military) administrations sought to sustain and deepen the reforms. In particular, from 1988 to 1992, the military government made the following changes, which were aimed at improving the effectiveness of democratically elected local governments in Nigeria.

The changes included the abolition of the state ministries of local governments, which were thought to hinder local government progress. Federal transfers were now paid directly to the local governments rather than passed through the states in conformity with federal practice. In addition, local governments were granted the authority to make and approve their own budgets; in the past such approvals were given by state authorities and were often delayed. Primary and basic health education was transferred to the local governments. In view of the additional financial implications of this development, the total amount of federal transfers to local governments increased from 10 per cent (it was only 3 per cent in 1976) to 20 per cent of federal revenues. Given that this was in the heyday of an oil boom, this led to huge increases in local government revenues.

The results have been impressive. The quality of leadership at the local government level—both political and administrative—improved dramatically. Local governments also increased their capacity to deliver services to their clientele—in a way they helped to improve the quality of infrastructure—a fact that was further helped by special initiatives on rural infrastructure and credit. Yet the relationship between the councils and the citizenry was weak and over time local governments operated more like the state and federal organs—with minimal accountability to



the public (Olowu and Wunsch, 1995; Olowu, 1996). This was because local government chief executives monopolized power at the expense of the local government councils (Gboyega, 1998). Also, local governments have not been able to develop effective working relationships with non-state organs including traditional/community structures of governance, which are very influential in the rural areas (Enemuo, 2000).

To a large extent, the fortunes of the local government system in Nigeria have been closely tied to those of the country's successive military governments' political and economic programmes. However, the local government system facilitated the delivery of services and a more even distribution of the country's resources—leading to economic progress and political stability in a country dominated by the excesses and corruption of military officials at state and national levels.

### **Ghana**

The Ghanaian decentralization programme transferred a total of 86 responsibilities to the 110 new district assemblies. These responsibilities, which had been fulfilled by central government agencies, included primary and secondary schools, hospitals, and road construction and maintenance. Generous own revenues were allocated to the local governments, which provide 80 per cent of total revenues—with the rest coming from central government transfers. Central government personnel responsible for decentralized services—from a total of 22 central government departments—have also been moved to the districts. However, the budgets of these districts must be approved by central agencies and their top personnel are still central officials. A key consideration is that, even though Ghanaian districts have locally elected chairpersons, it is the government-appointed district chief executive who wields considerable influence and power. He/she is the chairperson of the district council executive and the representative of the district executive at the regional level. The major form of accountability is still to the central government, but this has not prevented the loss of huge sums of money. For instance, some 25 of these district chief executives were dismissed in 1997 for corruption (Ayee, 1996; 1997). Non-governmental organizations are quite active in the delivery of basic services in various communities, but there is little or no direct contact with the districts (Crook, 1994).

### **Conclusion**

It is important to underscore again that two broad patterns of decentralization are discernible in African countries at the present time. There is decentralization as a conscious choice and policy. But there is also decentralization by default—a situation in which citizens and non-governmental actors move into fields where state institutions were no longer active. For countries that pursue deliberate policies of decentralization, what comes across strongly is that even though there are some fundamentally new orientations, serious problems persist. They include the following:

- The preoccupation of decentralization policies with vertical transfers of authority and resources from central to local governments at a time when central governments are experiencing severe resource shortages. In contrast, much less

attention is devoted to intergovernmental relations between different tiers of local authorities (e.g. among the five tiers of local government in Uganda, or among urban and rural areas in Ethiopia<sup>4</sup>) and between local governments and non-governmental (for-profit and not-for profit) organizations.

- The uneven and unequal development of infrastructural and institutional capacities between regions and communities belies the commitment to overall decentralization. This strengthens the case for asymmetric decentralisation – starting with the most able regions – a strategy that may increase such inequalities. Some countries have already adopted this approach (e.g. Namibia, Tanzania).
- Few countries have been able to allow party political competition and democratic decentralization. Many countries seem interested in democratic decentralization within the context of a *de facto* one-party state (e.g. Ethiopia, Ghana, Uganda).
- Most of the decentralization plans have incorporated large intergovernmental transfers to the new localities. Less attention has been focused on developing alternative revenue sources. In some cases, large infusions of grants to regional/local governments undermine incentives for the development of local revenue-generating efforts (e.g. Ghana, Nigeria).
- The need to strengthen classical accountability mechanisms of representation with additional participatory forms such as recall, referendum, local ombudsmen, service delivery surveys, and participatory budgeting. There are a number of new initiatives to encourage more active civic participation in the budgetary processes patterned after some Latin American experiences (e.g. those sponsored by the Municipal Development Programme in Harare).

The resolution of these problems will take time, as well as the determination and imagination of those involved in managing these processes in these countries. A few crucial issues of strategy could help.

First, democratic decentralization should be approached as a process not an event. As a process, it may need to be phased beginning from the urban and fast-growing metropolitan areas. A second and related policy issue is the need for African states to move beyond the confines of the institutional resources of the public and private sectors for the development of local government. In particular NGOs, such as religious and community-based organs that are at present largely sidelined in the process of democratic decentralization, could become critical players (as they were in the colonial period). Donors can help to encourage this process further through their programmes of governance assistance.

Second, local governments can help alleviate poverty, because they are particularly well placed to help target small-scale industries, agricultural support and needy members of the community, provided the capacity exists to deliver such programmes.

Third, there is need to enhance the capacity of central governments to undertake policy development, as well as the monitoring of decentralization policy implementation.

Finally, resources for decentralization should be mobilized through property taxes, user charges and investment portfolios, particularly in urban centres.

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<sup>4</sup> The Ethiopian national and regional constitutions make no reference to municipal councils. A few states are beginning to consider draft statutes that give legal recognition to municipal councils in this rapidly urbanizing country.

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