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**UNITED NATIONS**  
**The Department for Economic and Social Affairs**  
**and the United Nations Development Programme**

# **Responding to Citizens' Needs: Local Governance and Social Services for All**

**Report of the United Nations Global Forum  
on Local Governance and Social Services for All  
Stockholm, Sweden, 2-5 May 2000**

## Notes

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The term “country” as used in the text of this publication also refers, as appropriate, to territories or areas.

The term “dollar” normally refers to the United States dollar (\$).

The views expressed are those of the individual authors and do not imply any expression of opinion on the part of the United Nations or the United Nations Development Programme.

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## FOREWORD

For the United Nations, success in meeting the challenges of globalization ultimately comes down to effectiveness in meeting the needs of people. For many of the world's people, past achievements, significant as they have been, are not enough—especially given the scale of the challenges facing contemporary society. Clearly, we must do more, and we must do it better.

Increasingly, it is evident that one of the keys to future global development is found in the area of governance reform. Better governance means greater citizen participation and increased public accountability. Together these conditions lead to improved, and more equitable, economic development. Therefore, the national and the international public domain (including the United Nations) must be opened up to further participation by the many actors whose contributions are essential to successful and equitable economic development and good and fair governance. This involves not only the reform of the institutions of government but the mobilization and involvement of civil society and the private sector as well. The effective collaboration of all three of these sectors is a necessary pre-condition for people-centered development. Such development includes men and women of all age groups and provides them with equal choice and access to a society's services and opportunities.

As a part of the movement to good and equitable governance, there has been a growing awareness of the importance of decentralization as a means to enable people to participate more directly in the decisions that shape their lives. Increasingly, it is recognized that participation in governance processes helps empower people and that decentralization and strengthened local governance are key elements in the achievement of this goal. The Global Forum highlighted innovations in local governance and social service delivery from throughout the world. The conference subject matter reflected an evolving development that can be seen in many locally based reform efforts—an increasing concern with improving the services which local governments and other local actors deliver. This represents what is, as Allan Rosenbaum noted in one of the Forum's opening addresses, essentially a second wave of local governance reform in which the focus has shifted from a preoccupation with the building of institutional structures to a growing concern about the nature and the quality of the services which the citizen receives. Because of the difficulties of initiating and sustaining significant policy and programmatic innovations, it is all the more important to find out how successful initiatives were brought about and what is the potential for their replication and sustainability. We hope that by publicizing the experiences reported on at the Forum, we shall provide incentives for more innovations at the local level. This is a *sine qua non* for improved governance.

We would also note that the Social Summit, followed by the International Year of the Older Persons (1999), adopted the theme “towards a society for all ages,” and thus extended the concept of social integration to encompass age integration. Consequently, an important dimension in the deliberation about the provision of services at the Global Forum was the focus upon the need to ensure that no age group is excluded from social progress and that government programmes can be adapted to address the special concerns and issues of different age groups.

The monograph that follows draws insights from the papers presented and the discussions which took place at the Global Forum on Local Governance and Social Services for All held in Stockholm, Sweden, 2-5 May, 2000. The Forum was organized by the United Nations and the Swedish company Professional Management AB. In the Forum's Executive Committee, the United Nations was represented by Mr. Guido Bertucci, Director, Division for Public Economics and Public Administration, Department of Economic and Social Affairs (DPEPA/UNDESA), and Mr. G. Shabbir Cheema, Director, Management Development and Governance Division (MDGD/BDP), United Nations Development Programme (UNDP). Sweden was represented by Mr. Soren Haggroth, State Secretary, the Ministry of Finance, and Mr. Arne Svensson, President, Professional Management AB. In addition, Thord Palmlund, Robertson Work, Pratibha Mehta and Mounir Tabet from MDGD/BDP in UNDP and Maria Helena Alves, Jeanne-Marie Col and Najet Karaborni of DPEPA/UNDESA all contributed significantly to shaping the programme of the forum. Jeanne-Marie Col, Paul Lundberg of ARD Inc. and Tony Verhejen, Chief Technical Advisor, UNDP Regional Office, Bratislava, Slovakia, contributed greatly to the success of the forum in their role as theme rapporteurs and chairpersons.

The production of this monograph was the joint responsibility of the United Nations Development Programme (UNDP), the United Nations Department of Economic and Social Affairs (UNDESA) and Professional Management AB. The document was primarily written by Professor Allan Rosenbaum, Director of the Institute for Public Management and Community Service, Florida International University, and Mr. Arne Svensson, President, Professional Management AB and Chairperson of the Global Forum. The 300 forum participants from 80 countries produced papers and country reports, often cited in the text, which are an important source for the document. For much of the data cited in this document, the authors have drawn heavily upon the *World Development Report* prepared by the World Bank and their own research and writings.

We strongly believe that more imagination and innovation is needed in the world of local governance if we are to meet successfully the challenge of providing citizens everywhere with a better life in the 21<sup>st</sup> century. The report of the Global Forum is a contribution to this endeavor. The United Nations expresses gratitude to the Swedish Government, Professional Management AB and supporting authorities and organizations in Sweden. The City of Stockholm provided excellent host facilities for the Forum.

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## **EXECUTIVE SUMMARY**

The Global Forum on Local Governance and Social Services for All was held in Stockholm, Sweden, from 2-5 May 2000. It was organized by the United Nations Development Programme (UNDP), the United Nations Department of Economic and Social Affairs (UN/DESA) and the Swedish company Professional Management AB, which was supported in this effort by the Swedish Government, the City of Stockholm and a number of Swedish public and private organizations and institutions. The overall objective of the meeting was to provide an opportunity for representatives of national governments, local authorities, civil society organizations and United Nations system agencies to share experiences and best practices in local governance for sustainable human development. Participants included grass roots organizers; leaders of civil society and the private sector; governors, mayors and other local officials; cabinet ministers; and representatives of international organizations.

The Forum built upon the Global Forum on Local Governance that had been convened in Gothenburg, Sweden, some four years earlier. Unlike that event, which focused upon the building of the basic institutions and procedures of effective local government (citizen participation, improving public management, transparent financial administration), the most recent meeting placed greater emphasis upon local government services, especially social services, and their effective delivery. In that sense, the conference subject matter reflected an evolving development that can be seen in local governance reform efforts all across the world—an increasing concern with the nature and quality of the services that local governments deliver. This represents what is, in essence, a second wave of local governance reform in which the focus has shifted from a preoccupation with the building of public institutions to a growing concern about the nature, quality and equitable distribution of the services which citizens receive from their local governments and the development of public-private partnerships to enhance service delivery.

Such a change is both significant and appropriate. It is significant in that it does reflect a maturing of efforts to build effective, relevant local governments. It is appropriate in that, in the end, popular support for effective local governance will depend on the responsiveness, value and utility of the services that are provided to the citizenry. The Stockholm Global Forum began by looking briefly at the status of local governance around the world and then turned to focusing upon three principal themes which served to capture the critical essence of both first and second wave local governance reform—creating an appropriate policy framework; the role of local government in social service delivery; and effectively managing the delivery of social services at the local level.

### **Participants and Organization**

The Global Forum on Local Governance and Social Services for All drew approximately 300 attendees from local, regional and national governments in 80 countries, as well as interested parties from private and non-governmental organizations in all major geographical regions. These included ministers and senior government officials; parliamentarians; mayors and local government officials; leaders of national and international municipal associations; and representatives of non-governmental organizations and networks (NGO), civil society

organizations (CSOs), international organizations, bilateral donors and UN agencies. The programme was organized around three themes—policy framework; strategies for social service delivery; and management issues. Under each thematic area there were seven working groups.

## **Background**

A report from the Global Forum on Innovative Policies and Practices in Local Governance was presented in the monograph *Local Governance*, which was widely circulated in three languages—English, French and Spanish—and is also available on UNDP’s web site ([www.undp.org](http://www.undp.org)), Democratic Governance, and the web site of Professional Management AB ([www.pm.home.se](http://www.pm.home.se)). Since then, new experiences and lessons have been learned and, at the same time, other issues have emerged that require further discussion. The practice of good governance, which involves not only the institutions of government, but civil society and the private sector as well, is increasingly being regarded as a necessary condition for people-centered development. Such development includes men and women of all age groups and provides them equal choice and extensive access to services and opportunities.

There is an increased recognition of the importance of authentic decentralization that enables people to participate more directly in governance processes and helps to empower them. UNDP’s Decentralized Governance Programme (DGP), Local Initiative Facility on Urban Environment (LIFE) and Urban Management Programme (UMP) and UN/DESA’s Documentation for Social Summit Plus 5 and other public management reform programmes were important sources of experiences that were shared at the Forum. Drawing upon the Social Summit, the International Year of the Older Persons (1999) adopted the theme “towards a society for all ages”, thus extending the concept of social integration to encompass age integration. Consequently, an important dimension in the deliberations about the provision of services at the Forum was to ensure that they are structured to benefit all age groups, that no age group is excluded and that they can be adapted to address the special concern/issues of different age groups.

## **Outcomes**

The Global Forum on Local Governance and Social Services for All resulted in the following:

- New lessons enriched the guidelines, strategies and suggestions on the process of achieving the reforms necessary to sustain local governance that had been defined at the Global Forum in 1996;
- New and innovative policies and practices in local governance for improved delivery of social services for men and women and people of all age groups were presented;
- Views were shared on the significance of policies and issues which promote or impede the improvement of local governance;
- Understanding of the interface among the state, the private sector and civil society in local governance was enhanced; and

- New ideas were presented on specific approaches and strategies to build sustainable partnerships at the local level for the participatory delivery of social service for all age groups.

More imagination and innovation are needed in local governance if we are successfully to meet the challenge of providing citizens everywhere with a better life in the 21st century. The discussions held at the Global Forum on Local Governance and Social Services for All represent an important contribution to that endeavor.

### **Suggestions for Building Effective, Responsive, Democratic Local Governance**

In many countries, experiments with the building and strengthening of democratic local governance have now been underway for some time. As a consequence, there is an increasing body of knowledge regarding what we can do to make things better. Among the key points in this regard are the following:

#### **1) Recognize the complexity of the task**

The reality is that many of the world's local governments are severely lacking in adequate resources. Moreover, in far too many cases, the likelihood of finding significant new resources is not very great. At the same time, the public problems with which local governments now must routinely deal have grown greatly in number, are becoming ever more complex and are often highly technical in nature. In many instances, there appears to be no clear-cut solution to a growing number of the problems faced by local governments.

That this is the case should not undermine the ongoing and growing commitment to the construction of strong and vigorous local governance. Local governments represent a new and creative force in improving the quality of governance in many parts of the world. While there are problems that they cannot solve, there are many problems to which they can make important contributions to the solution. Consequently, it is imperative that, despite the seeming complexity of the task, efforts at building, and sustaining, effective and creative institutions of local governance continue.

#### **2) Citizen empowerment underlies effective local governance**

The single greatest virtue of local governance is its closeness to the people who are being governed. However, all too often only part of the people being governed are effectively involved in or able to influence their local governments. Frequently, the poor and the marginalized within a community are not able to effectively influence the decisions of their local governments. Such a situation serves in the long run to undermine the effectiveness of local government—both as a democratic institution and as a generator of needed economic development.

Consequently, it is critical that efforts to build and strengthen local government include major initiatives to encourage the empowerment of all citizens—especially the poor and the marginalized. Programmes that reach out to the urban poor, that provide them with adequate

information to understand both the opportunities for and the responsibilities inherent in local governance, are critical. As experience in many highly developed countries has shown, the failure to undertake such initiatives will have significant costs in ways ranging from civil disorder to growing financial burdens to a decline in basic infrastructure and economic capacity.

### **3) Build sustainable partnerships**

Frequently the solving of problems requires the collaboration of different levels of government, neighbouring governments and even, in some cases, international organizations. Equally important, many of the contemporary problems faced by local governments require the collaboration of both the public and private sectors and, increasingly, civil society. Often these groups have different and, in some cases, even competing interests and values. Consequently, it is essential that efforts be made by each of the participating parties to understand the needs of the other participants.

### **4) Understand the fragility of the reform process**

Even in the most highly developed and strongest local governments, the process of reform is a complex and difficult one. Frequently one must negotiate among many established interests with strong needs and/or desires to maintain existing practices. Economic or political circumstances well beyond the control of the participants in any reform process frequently complicate and undermine reform initiatives. Consequently, it is crucial that those involved in the process of building and/or reforming the institutions of local governance recognize that such efforts often require both much patience and a long-term commitment. Just as there will be success and triumph, there will be losses and disappointments.

### **5) Strengthen management capacity and management systems**

It is imperative that the management capacity of local government be significantly enhanced. This is just as true in highly developed countries as it is in transitional and developing countries. In many instances, local governments lack adequate capacity to develop the kind of information on citizen needs that is necessary to respond effectively. Critical for performance is the implementation of various kinds of measurement and quality management systems. However, in many cases the need is even more basic than this. In many communities, basic financial management practices, both in terms of budgeting and accounting, are woefully lacking. The effective implementation of such systems is in many cases critical to maintaining public confidence and trust in government.

### **6) Recognize the centrality of an adequate and dependable revenue base**

In many instances in transitional and developing countries, regional and local governments possess only the most limited revenue raising capacity—thus making them highly dependent upon central government subventions. Increasingly, as new demands are being brought to bear upon them, they become ever more dependent upon their national governments to provide funding either through routine transfers or by specific appropriations. Such dependence

inevitably limits the capacity of local governments to provide the services their citizens require and to play their role in the process of democratic institution-building.

The authority and capacity to raise revenue, whether through imposing taxes and fees or incurring reasonable debt is essential to the building of strong local governments. That is not just because revenue is a prerequisite to the provision of effective and adequate public services, but also because the raising of revenue forces local public officials to act more responsibly. Public officials who are required to impose taxes upon the people who are going to vote them in or out of office will remain attentive to their constituents and behave responsibly.

### **7) Build coalitions of support by drawing upon the strength of civil society**

Governments, both at the national and the local level, can create environments that are either friendly to and supportive of civil society growth or that retard and limit its development. Through the protection of such basic rights as freedom of speech, association and press, as well as through a variety of specific legislative actions (including taxation, financial support and regulatory activity), government—both national and local—can profoundly impact the ability of civil society institutions to develop and flourish.

It is crucial that civil society organizations and local governments work in partnership to explore the most effective means for delivering services to the citizens of a given community. In some cases it may well be that civil society organizations represent a more effective means for the delivery of the basic services that citizens require. On the other hand, it is equally imperative that governments not abdicate their responsibility for the delivery of needed services to their citizenry on the assumption that civil society organizations can provide them. The most effective system of delivering needed services to citizens involves both civil society and local government working together.

### **8) Strengthen the partnership of local and central governments**

National governments—through their legislation and fiscal policies—shape the environment within which local governments operate and can limit or support their capacity to act effectively. Consequently, it is of critical importance to the future of local governance that national and local officials, as well as civil society representatives, work together. In that regard, it is especially necessary that those at both the local level and the national level recognize that the strengthening of one or another level of government does not represent a “zero sum game” in the sense that, if one level of government is enhanced, another will inevitably become weaker. Indeed, much contemporary experience, particularly in those countries where governmental institutions are highly developed, suggests quite the opposite. When one level of government becomes institutionally stronger and more competent, pressure builds for the other existing levels of government to follow suit and likewise enhance their capacity.

### **9) Develop effective public-private partnerships**

The building of effective public-private relationships can be a complicated and difficult task. In many instances, institutional cultures differ and both sides need to learn new ways of dealing

with one another. In so doing, they often find that they need to reassess some of their own basic values and beliefs. As a result, both parties will often find the effort a highly productive one. There is much that local governments can learn from the private sector in terms of economy, efficiency and even accountability. On the other hand, private sector organizations can benefit from the broader perspective and the wider array of values that the public sector embodies. Consequently, when joint public-private ventures work, the resulting synergy can be extraordinarily beneficial—both to the participating organizations and to the citizenry of the community.

#### **10) Need-based planning and budgeting are at the heart of responsive local government**

There is no more important annual document produced by any government than its budget. The budget reflects both the specific priorities and the general goals of the municipality for the time period involved. That is why it is critical that municipal budgetary processes be open, transparent and highly professional and that the staff of the budget agency be committed to such goals.

Almost as important as the budgetary process within local government are the planning activities that occur. This is especially the case when local planning activities, as they should, involve a wide spectrum of the citizenry. Community-based planning that reflects the needs of the entire community—its women, its children, its elderly, its poor, its minorities, its youth—is perhaps the single most effective means to develop priorities that truly reflect the needs of the community. Consequently, the implementation of participatory strategic planning techniques is increasingly important to the development of effective local government and the linking of the outcomes of such processes to the development of budget priorities is even more important.

#### **11) Accountability and transparency are critical to building citizen confidence**

Throughout the world, citizens are increasingly demanding that government be both accountable and transparent. This is especially true at the local level where citizen confidence in government is very directly related both to the responsiveness of government to the needs of citizens and its openness to participation and involvement by them. For citizens to participate effectively in government, they must be able both to understand it and to have confidence in it. Local governments in many parts of the world, being relatively new institutions, have the opportunity to set a new standard of excellence in terms of accountability and transparency and, in so doing, to help reverse the growing trend of citizen disillusionment with government institutions.

#### **12) Recognize the importance of a long-term commitment**

Even in economically fortunate countries, the process of governmental reform and the building of good governance require time, patience and effort. As a result, local governance reform must continue to be an important matter of concern for international organizations and donors as well. Frequently, donors tend to support short-term reform projects designed to produce quick results. While there can be no doubt that positive results have to be achieved in some reasonable amount of time, donor organizations need to develop strategies that provide continuing support to the process of governance reform and democratic institution-building. The service delivery and governance needs of the world's peoples and communities are essential to our future well-being.

Ways and means must be developed for communities to realize their full potential through creative policy frameworks and sound management practices. The stakes are too important, and the opportunities for improving the well-being of the world's peoples are too great to do otherwise.

## **The Voices of the Global Forum**

A large number of developing countries and countries in transition around the world are engaged in decentralization processes, and many have created policies for increased participation of people. However, experience shows that these processes are not always benefiting the poor and do not always protect the interests of the local population. The real challenge, therefore, is how to create an enabling environment at the national level that would facilitate a genuine decentralization, a devolution of power and resources to local authorities, strengthening their capacity to work in the interest of the local population, deliver necessary services in an equitable manner and help expand people's opportunities and choices. Successful decentralization needs to give scope and resources for the contributions to development by civil society actors. Important is also an environment where the systems for national and local governance are complementary and mutually supportive.

**Ms. Eimi Watanabe**  
**Assistant Administrator and**  
**Director, Bureau for Development Policy**  
**United Nations Development Programme**

We are in the midst of a historic demographic transition. Older populations are expanding at a rate unprecedented in human history. According to United Nations projections, 16 percent of the world's people will be aged 65 or more by 2050, with the category of those aged above 80 being the fastest growing. And this is not an issue only for the developed world. By 2050, Latin America, Asia and Africa will still be the youngest continents, but both Latin America and Asia will have higher proportions of over 65s than Europe and North America today. And then, there is the sheer number of the young. The current population in ages 15-24 is now over one billion. Fifty percent of the people in the developing world are under 25 years of age.... It requires great far-sightedness to address these issues also at the local level, but if that far-sightedness exists, and if local government is equipped with the right tools, it becomes, at that level, a much more manageable, concrete proposition.

**Mr. Patrizio Civili**  
**Assistant Secretary-General for**  
**Policy Coordination and Inter-Agency Affairs**  
**Department of Economic and Social Affairs**  
**United Nations**

Local Government and particularly the politicians and management on a local, decentralized level will continue to bear major responsibility for coping with future challenges in an effective and adequate manner. But unlike former days, when only the effectiveness and the service quality of administrations was measured, these days a more ambitious task lies ahead of us—to determine objectives for the long-term development of our communities and to determine indicators which can guide a successful political steering process in a consultative manner. This process must include the politicians and the administrators, as well as the citizenry, in order to initiate a networking process leading towards a sustainable improvement/stability of quality of life in our communities.

**Dr. Marga Pröhl**  
**Vice President and Head of the Division**  
**“State and Public Administration”**  
**Bertelsmann Foundation, Germany**

The difficulties of decentralization policy and strategy development include the fact that central government bodies and local authorities are still weak and do not provide the functions prescribed by the Constitution. Mechanisms for cooperation and partnership between central government and local authorities are not created. On the whole, the system of public administration is still ineffective and cumbersome. There are many duplicate links in it.

One administrative obstacle encountered by decentralization policy is the old system of management preserved by the majority of central government bodies and local authorities. A considerable number of public officials in central government and local self-government employees need major retraining and improvement of their professional skills.

**Vasyl I. Kravchenko**  
**First Deputy Director**  
**Research Finance Institute**  
**Ministry of Finance, Ukraine**

It is universally accepted that development initiatives in the economic or social sector have little chance of success, especially at the grass root level where the majority of the population resides, without people's involvement and participation. Thus, there is a growing belief that decentralization and economic growth and social development can be aided significantly by the involvement of local communities who will work in partnership with the local government.

One of the key instruments for creating conditions for people's participation, decentralized development and local governance is the introduction of the planning (programming) process in which communities, local authorities, government agencies and other stakeholders can jointly participate in the decision-making process.

**Kalyan Pandey**  
**Chief Technical Adviser**  
**Decentralization Programme**  
**UNDP, Kyrgyzstan**

As the challenges and opportunities of globalization become increasingly complex, the need for good local governance led by strong local authorities and empowered civil society takes on added importance. Good local governance is inclusive of all, promotes partnership between government, civil society and the private sector, and is transparent and accountable to people. It helps to ensure that globalization, as well as the national and local development processes, truly benefits poor women and men and does not further marginalize them. This, however, requires that decision-making power be shifted closer to the people by devolving authority and resources from national and regional to local government and helping particularly poor communities to organize themselves to actively participate in advancing their interests. It is only through strong and capable local authorities and civil society organizations and empowered citizens that globalization as well as localization processes can be managed in a way that would be in the interest of the local population and of benefit to all.

**Thord Palmlund**  
**Special Adviser**  
**UNDP**

Both citizens and central authorities have a responsibility to ensure that local authorities do not become new non-participatory power centers, but continue to further devolve authority and capacity to communities.

- There must be a process of continuous improvement.
- The partners must ensure that dialogue is continuous.

To do so, central authorities should enable local authorities to utilize all the possibilities of the new information society, while ensuring that the methods employed are suitable for the intended population.

**Report of the Working Group  
on Theme I**

Effective service delivery requires strong horizontal management capacities at local level and a change of mentality from a 'vertical' to a 'horizontal' orientation in local government. However, the integrated service delivery strategy needs to take into account the specificity of services when it comes to deciding about possible delivery partnerships.

It is important to ensure the involvement of the local communities from the start of policy planning at the local level in order to ensure the creation of a delivery system that will be supported by local citizens.

Feedback mechanisms need to be developed if local governments are to be effective in service delivery. One of the key potential advantages of the decentralization of service delivery is that monitoring and evaluation is easier at the local level. Innovative feedback mechanisms (citizen surveys etc.) need to be piloted. User groups should be involved in their design.

Transferability of experience is limited when it comes to social service delivery. There may be lessons to be learned and transferred as to decentralization mechanisms and management models. However, this does not necessarily apply to services.

**Report of the Working Group  
on Theme II**

The introduction of management by results as an administrative philosophy is a natural consequence of the focus upon the decentralization of government organization, which leads to a clear focus on results. Performance management strategies involve a shift from traditional procedural approaches to a more results-oriented culture where priority is given to the outcomes of public policies. The aim is to move from a mode of operation based on *ex ante* control of resources, extensive regulation to prevent abuse and *ex post* inspection to ensure compliance with legal standards, to continuously monitored performance and management with accountability for results and all dimensions of performance (economy, efficiency, effectiveness, service quality, financial performance).

Therefore, the challenge facing both central and local governments is to gain or re-gain political strength by being more explicit when defining goals and more consequential in achieving them. Quality improvement and cost-effectiveness should be encouraged by using market mechanisms when and where appropriate. Only by applying these strategies can central and local governments solve the dilemma of assuming a new relevance through simultaneously juggling the complexity of protecting stability and consensus while seeking to achieve significant change.

**Arne Svensson**  
**President, Professional Management AB**

*The reports from the working groups and the presentations at the plenary sessions are available at Professional Management's web site: [www.pm.home.se](http://www.pm.home.se)*

## Chapter I

### DEMOCRATIC LOCAL GOVERNANCE AND THE INTERESTS OF CITIZENS

We have a long-standing tradition of local self-government at both local and regional levels. Part of the explanation for this is that Sweden is a large country—in geographical terms—with a relatively small population. But we also realized, quite early on, that a decentralized administration was more than a necessity forced on us by circumstances. It was also a way of involving people in the management of common local concerns. Local self-government in Sweden is actually older than our system of parliamentary government and universal suffrage. Decentralization of responsibility and powers presupposes the decentralization of financial resources. The right of taxation enjoyed by all local authorities—a right enshrined in the Swedish Constitution—is a basic premise of local self-government. The bulk of municipal and county council revenue derives from local taxation.

**Lena Hjelm-Wallén**  
**Deputy Prime Minister**  
**Government of Sweden**

The last two decades of the twentieth century represent an extraordinary time in terms of the building of democratic institutions. Profound change—political, social and economic—has occurred in many parts of the world. From Latin America, where twenty years ago the majority of governments hardly encouraged democratic participation; to Eastern and Central Europe and Central Asia, then a part of the Soviet system; to China, then just emerging from an era of great internal upheaval; today's world is a very different place than it was twenty years ago. The combination of the disintegration of the Soviet system, the decline of the military governments of Latin America and the improving economic situation of many Asian countries helped to usher in an era of greatly increased democratization. United Nations and World Bank data suggests that while in 1990 only 76 of the world's countries could be characterized as democracies, today, just a decade later, that number has grown to approximately 130 of the world's 191 countries.

#### **Decentralization and local governance around the world: a brief overview**

Many factors contribute to the making of democratic governance. These include the insuring of accountability through free and fair elections and competing political parties, the existence of a transparent and unbiased judicial system that insures general respect for the rule of law and human rights within a country and the building and sustaining of a vigorous civil society. Another very important factor—indeed, some might argue the most important one—involves insuring that governmental and political power is dispersed. Those concerned with the building of democratic societies have increasingly turned their attention to the issue of establishing strong and viable local governments as a means of insuring the dispersion of political power and authority that is essential to the maintenance of democratic governance. Thus, it is not surprising

that there has been a dramatic growth in the efforts to build democratic local governance throughout the world.

In 1980, only 10 of the 48 largest countries in the world had elected local government officials. Today, the people in 34 of those 48 countries elect their local officials. The percentage of countries spending at least one quarter of their total public expenditures at the local level grew from 45% in 1990 to 57% in 1997. In 1998, sixty-three of the 75 developing and transitional countries with populations of over 5 million indicated that they were undertaking some form of decentralization. Perhaps most significantly, 95% of the world's democracies today have elected sub-national governments, to which, in differing degrees, political, administrative and fiscal powers have been devolved.

It is, however, not just issues of democracy that are driving the worldwide movement toward government decentralization and local participation. Economic factors are clearly an important part of this development. Increasingly, it is being realized that the existence of viable, effective local governance is an important contributing factor to rapid economic development. One very basic indication of this is seen by comparing the level of economic development of a region and the percentage of governmental funds and employment occurring at the sub-national level. The more highly economically developed countries of Europe and North America, as well as Japan, spend between 40 and 60% of all government expenditures at the sub-national level and over 50% of their public sector employment is at the sub-national level. In Asia (not including Japan), the figures for both sub-national expenditures and employment are approximately at the level of 40%. In Latin America, those figures drop to around 20% (although in a few instances they are a good bit higher); while in Africa, they fall below 10%.

### **Democratic local governance and development**

As policy-makers and theorists of democratic development have begun to pay increasing attention to local government, they have at the same time also begun to recognize that government does not operate in a vacuum. Rather, government represents but one element within the broader context of societal governance. However, as political theorists from Plato to Rousseau and Hobbes have reminded us, government, in the end, is the most important institution of any society. It is the only institution that has the legitimate right to take away an individual's property, their freedom or even their life. Likewise, it is government which sets the rules that either encourage or limit the capacity of the other institutions within a society to successfully achieve their goals.

Nevertheless, especially in an increasingly complex modern world, government cannot operate alone in this regard. Nor can it, even in its most repressive form, control all aspects of the life of a country or a community. Indeed, increasingly, it has become evident that government must interact in an effective manner with both the private sector and civil society for a country, or a community, to be governed productively. In most instances, it is the interaction of all three sets of social institutions—the private sector, civil society and government—that shape the overall prosperity and liberty which characterize contemporary societies or communities. Consequently, government, the private sector and civil society must all cooperate as full and effective partners.

This is not a new revelation. As regards government and the private sector, it has long been recognized that for a society truly to prosper, it is necessary that it have both a responsible government and a productive private sector. More recent, at least in many parts of the world, is the realization of the critically important role that civil society plays in the achievement of a productive society. Its significance is however being increasingly recognized. This recognition has been encouraged by international organizations that, in the past decade, have significantly increased their support for and encouragement of the development of civil society institutions as a means of supporting the process of democratic institution-building.

One of the important benefits of the attention being given to the building of civil society is the increasing focus upon institution-building at levels below that of local government. In Rwanda, for example, municipal councils have begun to develop community development committees at the cell, sector and commune levels. These committees are responsible for identifying and prioritizing development needs and problems, proposing development plans and assisting in the mobilization of human, material and financial resources for project implementation. In Kyrgyzstan, UNDP efforts, through the LIFE programme, have contributed to the establishment of some 250 community-based organizations. In Asunción, Paraguay, the municipal government, with the support of UNDP, has helped to organize over 200 neighborhood-based groups.

Despite such efforts, the essential driving force behind the emergence of civil society has been the people themselves. Increasingly, as national governments have become more democratic, more opportunities have emerged for individuals to come together in various kinds of non-governmental, non-business groupings—consumer and producer cooperatives, religious associations, community-based organizations and the like—for the promotion of social, institutional and civil well-being. It is this realization of the emergence of civil society as an important actor able to influence both government and the private economic sector in many different ways that has given rise to the growing awareness that all three sectors are critical elements of a broader system of societal governance. As the UNDP publication, *Governance for Sustainable Human Development* notes:

Governance includes the state, but transcends it by taking in the private sector and civil society. All three are critical for sustaining human development. The State creates a conducive political and legal environment. The private sector generates jobs and income. And civil society facilitates political and social interaction—mobilizing groups to participate in economic, social and political activities.

The need to consider issues regarding the relationship between local institutions and social service delivery from this broader perspective was recognized by the participants at the Global Forum. The essence of this reality was well captured in the comments of UN/DESA adviser, John-Mary Kauzya, when he noted that:

Governance is a multifaceted, compound situation of institutions, systems, structures, processes, procedures, practices, relationships and leadership behavior in the exercise of social, political, economic and managerial/administrative authority in the running of public or private affairs. Good governance is the exercise of this authority with the participation, interest and livelihood of the governed as the

driving force. Understood as above, governance is not a matter of government only, but a situation of multiple inter-linkages and relationships in which different and various actors in the public and private sectors at local, national and international levels play different roles sometimes mutually conflicting and sometimes mutually reinforcing and complementary.

### **Building local capacity to provide social services for all**

Achieving, even in a modest fashion, the goal of social services for all poses very significant challenges for all of the countries of the world, but especially for transitional and developing ones. This point was illustrated by Keith Miller of Jamaica when he remarked on the difficulty for most countries in achieving the goals established at the World Summit for Social Development in Copenhagen in 1995. Miller noted that if developing countries were to have any possibility of achieving these goals, “it would require that local governments, communities and civil society be accorded enhanced roles in the process of governance and service provision.” He went on to note that:

Only an approach which facilitates innovativeness as a response to local circumstances and which can mobilize local resources, energies and creativity, is likely to have any chance of success. Decentralization and building the capacities of municipalities, NGOs/CBOs and civil society partners, are therefore critical elements of the policy and strategic framework which must be embraced if most developing countries are to have any realistic hope of achieving the goals of the World Summit.

Even with effective collaboration between local government, the citizenry and civil society, the reality is that the provision of social services costs money, often substantial money, and that, in turn, requires the development of an economic resource base adequate to facilitate the meeting of these costs. While the task is a very substantial one, the possibility of addressing it is perhaps less daunting than it sometimes seems. It is important in this regard to keep in mind a second major development of the past two decades. This is the economic growth that has been occurring in many parts of the world. This economic development has been closely related to the growth of democratic government. One can see this in a variety of fundamental ways, the most obvious of which is that it is virtually unknown for modern democracies to suffer famines. Indeed, for the most part, such governments generally have the solid and consistent economic growth which is essential for the delivery of necessary and effective social services. The best available data suggest that 1% annual world economic growth will, for example, eliminate the death of 50,000 infants annually. This reflects the reality that, for the most part, government capacity to provide effective social services is very largely a function of its capacity to raise new revenue and utilize it effectively and equitably.

While in the past, not a great deal of attention has been paid to the role of local government in building a strong economic base for a region or a country, this has begun to change. Enlightened policy-makers have come to realize that effective local governance is normally critical for economic growth. In part, this shift in emphasis is due to a growing realization of the failure of central planning and the general lack of economic success of governments that have relied heavily upon it. In part, it is also due to a growing understanding of the importance of local

government in terms of the shaping of successful economic development. Economic growth requires creative entrepreneurs, a skilled labor pool, an adequate infrastructure (in terms of roads, water, sanitary facilities and the like) and, of special importance, an appropriate facilitating environment in terms of laws, regulations, the availability of credit and forms of technical assistance. All these prerequisites are greatly facilitated by local governmental capacity.

Consequently, it is not surprising that among established democracies and countries making the transition to democracy, those which have invested most heavily in the building of strong local governance have been the most productive economically. Among transitional countries, one need only note Poland and, to a somewhat lesser extent, Hungary, which have been the economic success stories of Eastern Europe and are also the two countries in the region that have had the strongest commitment to the developing and strengthening of their local governments. In Africa one can point to the example of South Africa and in Latin America, to Argentina and Brazil.

In Western Europe, Sweden, recognizing a decade ago that its economy was beginning to stagnate, took major steps to streamline and downsize its national government at the same time that it was significantly strengthening and enhancing both its local government and its private sector. The result has been a dramatic improvement in the productivity and the economic well-being of the country. Such developments reflect the high correlation between the productivity of urban areas and the level of national economic development. As recent World Bank research has shown, in economically highly developed countries, urban areas are responsible for 85% of gross domestic product. In mid-level developed countries, they generate 73%; while in low income countries, urban areas generate, on the average, only 55% of the gross domestic product.

One very important reason for this correlation between increasing economic activity and urban productivity is that local governments, as they emerge as serious actors, normally work very effectively to create an environment that is highly supportive of small business development. In contrast, national governments generally tend to be preoccupied with large-scale national and multinational business and corporate development. Local governments have the knowledge and the inclination to pay attention to the needs of smaller entrepreneurs. This is very important since in the new economy, small businesses are becoming a critically important generator of new jobs. Whether it is in the United States, where 50-80% of all new jobs are created in companies with under 100 employees (and 75% of those in companies with under 20 employees); in Latin America, where studies by the Inter-American Development Bank have reported similar results; or in countries of South Asia (where increasingly micro-enterprises are becoming a key source of economic development), local government is playing a critical role in facilitating and promoting significant economic development.

## **Conclusion**

In the final quarter of the twentieth century, the world witnessed an era of institutional reform that led to a vast expansion of democratic governance. An important part of those processes of change involved the turning away from highly centralized systems of governance and economic planning. These developments included worldwide efforts to revitalize existing and create new democratic institutions, as well as a major shift towards increased reliance upon market rather than planned economies. Equally important was a parallel movement to decentralized administration and management rather than highly centralized administrative controls. These

changes were occurring not only in the economically more developed Western countries, but in most parts of the world.

In more than a few instances both national leaders and representatives of international organizations, recalling the lessons of political history and philosophy, recognized the critical importance of dispersing political power to different units and levels of government as a means of lessening the probability of the re-emergence of highly oppressive national government institutions. These developments, which in at least some instances did produce a significant dispersion of power and authority, resulted in much greater attention being paid to the building of institutions of local government all around the world. This encouraged efforts aimed at reforming local governance systems and the building of new institutions of sub-national government.

A first wave of reform focused upon dispersing power as a means of encouraging and supporting democratic development. However, as quickly became evident to those involved in these reform efforts, no government exists in a vacuum, especially not a democratic government. Rather, it exists within a broader environment of multiple actors—some of them economic and others of them civic. Thus, the emergence of concern for local government soon developed into a broader concern for all aspects and elements of local governance and the need to strengthen the many types of institutions that contributed to building democracy at the local level.

A basic reality of democratic governance, however, and one that was dramatically learned during the first half of the twentieth century, is that the sustaining of democratic institutions requires at least some minimal level of economic security for the citizenry involved. This realization, combined with a growing recognition of the importance of local institutional capacity to local economic development, has led to what is in essence a second wave of local governance reform. These reform efforts refocused attention away from a preoccupation with the institutions of local government and towards the kinds and effectiveness of the services local governance can provide. In part because of the importance of economic and social development, especially in less developed and transitional countries, particular attention in this regard is being given to the role that local governance can play in terms of creating economic productivity and social security. It was these issues that captured the attention of participants in the Global Forum for Local Governance and Social Services for All.

## Chapter II

### THE POLICY FRAMEWORK FOR EFFECTIVE LOCAL SERVICE DELIVERY

Central to any effort to built effective local government, not to mention an environment conducive to creative and collaborative local governance, is the existence of an adequate policy framework. It is the policy framework that creates the environment in which democratic local governance can flourish and develop. This policy framework involves a number of key elements. It requires a legal structure that both facilitates and supports decentralized government. It requires the existence of laws that empower citizens by making it possible for them to gain an understanding of what their governments—both national and local—are doing. It requires an environment that encourages public-private collaboration and supports the emergence of a vibrant civil society. Finally, it must provide for a learning community in which knowledge is shared and disseminated for the benefit of all.

**Guido Bertucci, Director  
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Just as democratic institutions cannot be built in a vacuum, neither can systems for the effective delivery of public services. In all too many places, the history of local government—including developed, transitional and developing countries—is a history of the creation of institutions which have not always been open and responsive to the individual citizenry of a community or the various organizations and associations which they develop. Even today, in many places in various parts of the world, one can have difficulty simply getting into local government facilities. Locked doors and official guards in some cities still serve as barriers to keep the citizenry separated from their local officials. This reality represents a symbolic reminder of the fact that local government institutions, despite their closeness to the citizenry, are not automatically open and responsive.

What makes for open and responsive local government institutions is in fact the existence of an array of conditions which might be characterized as the policy framework. Such conditions serve to encourage responsiveness, openness and, consequently, more effective service delivery. Among other things, these conditions include a basic commitment to meaningful decentralization, the existence of a well-trained and capable municipal workforce and an empowered citizenry. Increasingly, especially as the demands of local citizens become greater, effective service delivery also requires effective public-private collaboration. This can be further enhanced by effective communication and institutional and organizational interconnectedness. These basic requirements for the creation of the kind of policy framework that enables and facilitates local government to engage in effective local service delivery are the subject of this chapter.

## **Decentralization as a strategic focus**

Organizationally, decentralized governance refers to the restructuring or reorganization of authority so that there is a system of co-responsibility between institutions of governance at the central, regional and local levels, according to the principle of subsidiarity, thus increasing the overall quality and effectiveness of the system of governance, while increasing the authority and capacities of sub-national levels. Decentralized governance, carefully planned, effectively implemented and appropriately managed, can lead to significant improvement in the welfare of people at the local level, the cumulative effect of which can lead to enhanced human development. Different types of decentralization were identified by Forum participants, including: (a) administrative decentralization (deconcentration and/or delegation); (b) fiscal decentralization; (c) divestment; and (d) political decentralization (devolution).

A commitment on the part of a society to meaningful decentralization opens up the possibility of many institutional alternatives for service provision. Assigning responsibility for extensive service provision to local government permits greater social control and better response to local demands and priorities. It also facilitates citizen and/or user participation. The national constitution and/or the national legislative and executive branches establish an overall framework for public service activities. Once this is established, each local government can and should have the freedom to shape its own particular array of public programmes, based on local conditions. Thus, one lessens the need for central control with sophisticated regulation and complex monitoring systems. Local control is more simple, and cost-effective, because local social control facilitates demand-driven provision of services and a greater willingness to pay for them.

Local accountability should be principally downward to local constituents—thus providing for checks on the behavior of political leaders, government officials and managers of services. Downward accountability permits the users' fullest participation in the process of service delivery and makes for more effective control. Deregulation at the central level, combined with greater responsibility at the local level, may lead to more flexibility and efficiency. Stronger local initiative may also provide greater protection of the public interest and consumers rights, thus contributing to improved quality and responsiveness. In addition, decisions made by local government may be appealed by individuals and their legality examined more readily in the local judicial system.

Decentralization stimulates the search for programmatic and policy innovation, first of all because it is, *per se*, an innovative practice of governance and secondly because, through its implementation, local governments are required to assume new and broader responsibilities in order to provide public services for all. The assumption of new responsibilities through decentralization often requires improved planning, budgeting and management techniques and practices, the adoption of new tools and the development of improved human resources to operate the decentralized programmes. The innovations that result from decentralization often benefit local governments through increased global communications and international and regional links.

Many political factors may also be cited as important rationale for commitment to a strategy of decentralization in terms of democratic development. Decentralization is, if not the single most important means of implementing and exercising checks and balances within a society, certainly one of the most important. Critical in that regard is the fact that decentralization serves to create civic space, which in turn provides the opportunity for the emergence of opposition political groups and, in many cases, very important civil society organizations. These organizations include interest groups, business associations, labor unions, community organizations, neighborhood associations and the like. Such organizations, particularly when they operate independently of government control, can play very important roles in holding government accountable. Decentralization also serves to provide multiple arenas for political activity. This, in turn, serves to provide multiple opportunities for individuals to become involved in and familiar with the political process.

Many countries have initiated various types of decentralization efforts. Their reasons for doing so are usually multiple. Typical in this regard is Uganda, whose decentralization goals were described by one Forum participant as:

- To transfer real power to local governments and thus reduce the workload on remote and under-resourced central government officials;
- To bring political and administrative control over services to the point where they are actually delivered, thereby improving accountability and effectiveness, and promoting people's feeling of "ownership" of programmes and projects executed in their districts;
- To free managers from central government constraints and, as a long-term goal, to allow them to develop organizational structures tailored to local circumstances;
- To improve financial accountability and responsibility by establishing a clear link between the payment of taxes and the provision of services they finance; and
- To improve the capacity of local authorities to plan, finance and manage the delivery of services to their constituents.

In 1999, UNDP sponsored research on issues of decentralization and participatory governance in nine countries (Honduras, Brazil, Pakistan, Poland, Philippines, Uganda, India and South Africa). As noted at the Forum, the main lessons learned from the study were:

- The broader enabling environment for decentralization, including government policies and attitudes about local governments, is typically important for reform, but the degree of significance does vary;
- Carefully crafted new institutional structures that go beyond the common "business as usual" approach and alleviate the resistance of existing institutions to change can play an important role in supporting decentralization;

- Enhanced community and neighborhood participation, if appropriately structured and implemented, is often critical in improving successful government activities;
- Appropriately designed partnerships among different interested parties can lead to major improvements in the way local governments do business;
- Decentralization is normally thought of as a central government undertaking, but motivated actors from various levels of government and society can play a crucial role in initiating and/or energizing decentralization and local government reforms;
- Decentralization reform programmes need to integrate key components of local governance and service delivery systems rather than focus on single dimensions;
- Decentralization is often seen as a goal or an output, but in fact, successful decentralization is a process of gradually and strategically building capacity and trust;
- Decentralization can help to achieve sustainable human development goals, but this is a long-term process; and
- All of the actors involved in decentralization—from communities to local governments to central governments to international donors—can learn from these experiences.

### **Building local human resource and institutional capacity**

One of the central problems facing those committed to the development of local governance is the need for building human and institutional resource capacity. In many transitional and developing countries there are severe problems in this regard. Often the institutions of local governance are relatively new and have not had an opportunity to develop and mature. Likewise, the human resource base for many local governments is often weak. In many countries, there is simply a shortage of adequately trained and skilled personnel. In some cases, local governments may employ a great number of people but many may have little real knowledge of and/or commitment to their jobs. In other instances, while employees may be dedicated and wish very much to learn, their governments simply lack the resources to provide them with adequate training or reasonable salaries.

Too often, especially in developing countries, public employees, at the local level, find themselves in situations where they need to seek additional sources of income beyond that provided by their position in local government. This situation can lead to one of two counterproductive alternatives—either to engage in corrupt behavior or, alternatively, to devote much of one's time to other activity. Grossly underpaid public employees adopt both strategies in many different parts of the world. The existence of such conditions is usually closely tied to the very real problems of inadequate funding confronted by far too many sub-national governments. All too often local governments do not have the financial capacity to pay their public employees adequately and to provide resources for adequate training. When combined with the reality that

institutionally, many local governments around the world are still in transition and require much development, one has a prescription for frustration, disappointment and, ultimately, failure.

The situation is made even more difficult by the fact that the nature of public management generally, and in particular urban public management, is becoming increasingly difficult and demanding. Urban managers and local government officials must deal with a wide array of new problems and demands. Whether in a developed country or a developing one, the complexity of the problems with which they are expected to deal is growing dramatically. This, of course, is occurring in an environment in which local government officials are being required to be increasingly responsive to their local citizenry and to multiple interests and organizations. This includes private sector organizations with which they now frequently work to design new and more effective service delivery systems.

As part of the growing demands for greater responsiveness and accountability, issues of accommodating demands for cultural diversity are becoming more central to local government activity than ever before. This is occurring in an environment in which new technologies of communication and information sharing and distribution are focusing ever more public attention on local officials and their activities. In turn, this is helping to produce much greater demands for higher ethical standards and governmental transparency. One result is that from Beijing, to Miami, to Warsaw, local public officials and administrators are under increasing pressure to clean up ever more public problems of corruption and malfeasance.

In response to these changing environmental conditions, local government officials are being required to develop new skills and abilities, further complicating the process of staffing local institutions with high-quality, well-trained personnel. Demands for local government responsiveness require new skills in participatory strategic planning and programme development and design—especially in the larger urban communities that are rapidly emerging in many of the developing and transitional nations of the world. Demands for greater efficiency and the limits of available revenue require the development of new skills for effective financial management and performance measurement. The emergence of civil society organizations and the increasing inclination to use private sector organizations in the delivery of local government services necessitates a greater understanding of contract management and the nature of the non-profit and the private sectors. To operate effectively in this environment requires, in turn, a high level of ability in terms of oral and written presentation skills.

As one moves up the local government administrative ladder, the demands for higher-level skills to address managerial issues become more critical. The complexity of so many contemporary urban problems frequently requires that local government officials and administrators work with many different organizations in solving community concerns. This necessitates highly developed skills in encouraging and attaining effective collaboration. It also requires the ability not only to understand and effectively interact with complex external environments, but also to be able to facilitate and nurture the development of harmonious multi-ethnic and multicultural policy and programmatic initiatives. Perhaps most significantly, it requires an ability to adapt to rapidly changing environments and to manage one's own self in such a way as to remain focused on what is central. Finally, the new environment for local governance requires a new level of

entrepreneurial skills and the ability to take risks which normally have not been characteristic of local government officials.

### **Empowering the citizenry**

One very important resource that most local governments have yet to fully take advantage of is their citizenry. For the majority of people, the difficulties of normal everyday life—earning an adequate income, raising a family and the like—are such as to minimize their time for involvement in political activity—local or national. Nevertheless, it is in their local communities that most individuals are most likely to become involved in governmental or political activity. Consequently, the possibility of mobilizing the average citizen to be involved in governance matters is most likely to occur in the local community where local issues that directly affect them are at stake. The citizenry of a local community represents a potentially very important resource waiting to be mobilized.

Local communities, and in particular local governments, can and do play an important role in facilitating this mobilization. Critical is the access of average citizens to information needed to facilitate their productive involvement in local public policy-making. The tradition in many countries is one of limiting the information available to the citizenry. Historically, for example, many local governments, even reasonably important ones, have not produced much in the way of either budgets or other documents about their activities. Likewise, the tradition of many local governments in developing and transitional countries has been to limit the opportunities for citizens to observe and participate in the processes of local policy-making.

With strong encouragement from international and multilateral organizations, as well as several national governments, a variety of efforts are underway to change this situation. These initiatives range from the introduction of various participatory processes in many different countries, to reforms focusing specifically on the availability of information. In Campo Elías, Venezuela, a World Bank programme was designed to increase citizen participation in government by guaranteeing free access to public documents and making available more information by government.

In New Delhi India, in March of 1997, a citizen warden programme was established in which individual citizens were asked to volunteer their services as observers of the functioning of various public services in government agencies. The citizen wardens ultimately were given modest authority to initiate local level interventions with concerned officials in order to get critical problems noticed and rectified. If they were not successful in this regard, then procedures were established by which they could take their concerns to higher levels.

The creation of the citizen warden project was followed by the establishment of “resource persons” groups. Under this arrangement, individual citizens with particular areas of expertise were organized as policy advisers in government oversight bodies in the following areas of activity:

- Law and order and internal security;
- Transport and traffic management;
- Environmental issues and greening;

- Health care issues;
- Preservation of the archeological and historical heritage;
- Promotion of tourism;
- Defining key socio-economic and environmental parameters for planning purposes;
- Promotion of sports and recreational activities.

As the former Lt. Governor of India's capital territory, Tejendra Khanna, noted at the Forum, bringing persons of eminence (drawn from academic and research institutions, non-governmental organizations, social welfare and environmental groups as well as retired professionals) into these activities has afforded them the opportunity to share publicly their perceptions on key issues affecting the quality of life in the city. Concerned government officials and policy-makers were invited to interact with these resource persons so as to facilitate more realistic and relevant policy-making. Persons working outside government in fields relevant to public policy often feel, and are, isolated. There is little opportunity for them to share their insights with policy-makers. When government instead interacts with such persons before policies are formulated, the resulting initiatives are likely to be more people-friendly and cost-effective. In practice, the activities of these "resource persons" groups in Delhi have proven to be very productive. Various initiatives emerging from them were subsequently taken up for implementation by the local government.

Another technique being developed to empower the average citizen is citizen charters—a concept that emerged in Great Britain. Government agencies establish charters reflecting the commitments that the citizen can legitimately expect in the way of services, with particular emphasis on issues of quality, choice, standards and measurement, value for money and competition. In many countries, legislation sets well-established standards of services, security, accessibility and open channels for citizen complaint. This provides the basis for local charters. At the same time, the charters emphasize the need to raise the general standard and quality of services, to find locally sensitive and responsive solutions to citizen problems, to increase transparency and to enhance the overall effectiveness of public programmes. Particular emphasis has been put on developing the ability to ensure, through continuous quality control, that local authorities and/or agencies are constantly encouraging an orientation to customers and citizens at the same time that they stress continuity and long-term redesigning of major current programmes.

The commitments reflected in the citizen charters of Häämenlinna, Finland and Stockholm, Sweden focus on three levels. The charter commitment for the municipality as a whole establishes broad public values and commits the local government to customer-based quality and the supporting of meaningful citizen participation. It guarantees open channels for citizen complaints and insures consumer rights in public services. Commitments at the agency level with regard to results establishes standards for service in terms of both quantity and quality. Commitments at the individual institutional level—such as schools, kindergartens, etc.—define customer-based ways of providing the best possible services at that particular institution.

### **Public-private collaboration**

One positive aspect, perhaps the only one, of the limited financial resources possessed by many local governments is that this has led, at least for the more creative of them, to the exploration of

possibilities for increased public-private collaboration as a means of providing services. In some places this has meant efforts to create public-private coalitions to find additional financing for governmental services. In Latin America, the Inter-American Foundation has promoted such a strategy. In the municipality of Nichapa in El Salvador, a local fund has been created for the purposes of initiating new development projects. Most of the resources for this local fund have come from the private sector. In other instances, public-private cooperation has focused on the turning of services over to the private sector by the public sector.

Growing interest in public-private collaboration is also reflected in the increasing reliance upon the use of the private sector for service delivery. The experience in most countries shows that using the private sector for service delivery works best when there is strong competition which leads to activities becoming better and cheaper. It is desirable that there be many providers of services—private companies, producer cooperatives, consumer cooperatives, etc. Many local governments have used competitive tendering for the care of the elderly, day-care for children and other social welfare services. Others have instead expanded the possibilities for alternative producers to become established by various voucher systems and quasi-voucher systems, where the principle is that citizens may choose among producers (approved by the municipality), which are then wholly or partly paid from public funds. Why are some municipalities attracting cooperative partners, while others are not? Which cooperation partners are to be preferred—voluntary organizations or private contractors? What is it that makes a municipality successful in its efforts to make activities more effective by opening them up to competition? These are questions for which there are still not fully satisfactory answers.

Nevertheless, these efforts are expanding. For example, China is looking for international cooperation with companies willing to make investments in improving the quality of care for elderly people. Under the current system of government financial administration, the central and local governments share the financial responsibility for the care of the elderly outside the family. The increasing demand for modern housing for the elderly has led to a reform of fund-raising mechanisms. Based on the information about social welfare systems for elderly people in other countries, China decided a couple of years ago to invite selected Swedish companies to discuss the possibility of establishing programmes for the elderly based on the Swedish experience. The companies involved specialize in the care of elderly people with a focus on quality and development. Current plans are to set up new housing for the elderly as demonstration models. This is a new market with new policies, new regulations and without any experience when it comes to foreign investments and development. Therefore, the risk is high for the companies involved.

As Christopher Gotanco, the President of the Anglo-Philippines Holding Company, noted at the Global Forum, the Philippines has taken major steps towards achieving greater private sector participation in the water sector. In 1997, the Philippine Government privatized the Metropolitan Waterworks and Sewerage System—the sole government provider of water services in Metropolitan Manila—by bidding out two concessions. As a result, the Bulacan Bulk Water Supply Project is being implemented in the Philippines through private sector participation. The project aims to provide the potable water needs of residents in eight coastal water districts in the Province of Bulacan—a region where existing ground water sources have been seriously affected

by salt-water intrusion. At an estimated cost of US\$165 million, it involves the financing, design, engineering, construction, operation, maintenance and transfer of a bulk water supply system.

The project also illustrates the division of risks between the public and the private sectors.. Commercial risks shall be borne by the private sector, while government undertakes matters under its responsibility. Thus, government responsibilities cover:

- Fundamental guarantees regarding sovereign and political risks;
- Convertibility guarantees covering foreign exchange risks; and
- Project-specific guarantees covering problem areas such as right-of-way, tariff schedule, and the like.

A significant innovation in the Bulacan experiment is the formation of an association of water districts that, as a group, is able to pursue a project of this magnitude. This enables public entities, otherwise incapable of undertaking projects of this size, to achieve economies of scale and pursue large undertakings. Thus, one important contribution of the Bulacan experiment is that it represents a model both for future local government collaboration and for public-private collaboration in large-scale service delivery projects. It has also shown that the attitude of the local political leadership is particularly important. The effectiveness of the local government units involved, according to a study by the Asian Institute of Management, is not just shaped by competence, but also by their confidence and creativity.

In sum, experience in many countries shows that it is possible to establish a foundation for more market-like conditions through opening up activities to competition by:

- Creating freedom of choice and variety for alternative operational forms, in contrast to homogeneity and monopolies;
- Insuring free, open competition leads to increased efficiency. It is of fundamental importance in a market economy that the state prevents the formation of monopolies and cartels in the economy by creating legislation and agencies to supervise competition;
- Ensuring the opportunity for more options and greater choice, which can improve the quality of services.

Greater choice can also lead to a better balance between cost and quality standard, thus providing for greater flexibility in project design. This means greater ability to adapt the supply of services to the varying needs of different individuals. It facilitates adaptation in the input of resources over time, as needs change. It may also help reduce the need for expensive investment in staff within local governments.

## **Global learning networks**

While the considerable disparities throughout the world in terms of access to new communications technologies are becoming evident, the reality is that new technologies and global networks, both electronic and more traditional ones, are helping to reshape the nature of local governmental management and service delivery in communities in many parts of the world. In at least some developing and transitional countries, especially in major cities, new communications technologies are providing new opportunities for citizens to have access to their local governments. Several large cities in Latin America are experimenting with the utilization of new electronic communication systems, placed in neighborhood community centers, in order to enable their citizens to access a variety of municipal services and activities that in the past have required visits to city hall and standing in long lines. In other countries, new modes of electronic technology are being used to link municipal officials together and to enable them to communicate more easily with one another and to share best practices.

In addition, other more traditional means of sharing information are not only continuing to operate, but indeed expanding. Programmes like city-twinning, or establishing sister cities, have grown dramatically over the course of the past decade, linking in many instances quite disparate communities together in order to enable them to share knowledge and understanding. Moreover, various kinds of networks, again using both electronic technology and more traditional means, are being established to provide training and educational opportunities. Universities in a number of countries are establishing training programmes, and even providing access to degree programmes through electronic technology and off-campus education initiatives. Municipal associations in many countries around the world are establishing training programmes for dispersed municipal administrators who are linked through use of the Internet. Likewise, international organizations are engaged in comparable activities. The United Nations Department of Public Economics and Public Administration is working with regional associations around the world to establish the United Nations Public Administration Network. The International Labor Organization is providing training for municipal officials via the Internet.

The activities noted above represent only a scratching of the surface of what is going on all across the world. The combination of globalization, supported by new communication technologies and the declining cost of travel, has created many new opportunities for the sharing of information and knowledge. One result is that the contemporary world in all areas, including local government and the delivery of social services, is going to be a world of global learning networks. Such a world will provide many opportunities for people who have not known one another, to share common experiences and mutually reinforce each other's capacity to deal with the complexities of modern society.

An interesting example of an effective, relatively simple "learning network" was jointly presented by Forum participants from Latvia and Sweden. In 1991, when Latvia regained its independence from the former Soviet Union, there was an abrupt shift to a market economy. More than 90% of its former agricultural market was lost. The privatization process was delayed by a lack of legislation, experience and finance. Rural areas were full of empty, deserted farms. Infrastructure was uniformly poor and in some places the situation was critical. Local municipalities, out of necessity, took over the responsibility for social and economic development. In order to provide assistance in this effort, various projects were established

during the years from 1993 to 1997 between Södermanland County, Sweden, and the Jelgava region of Latvia for the transfer of knowledge in the fields of regional economic development, spatial planning, business administration, adult education, social services and risk management.

The projects had several goals. Among the most important were improving living conditions, creating local cross-border cooperation for environmental protection and local business stimulation. The combination of poverty and limited municipal capacity made the sharing of experience and technologies quite complicated. Nevertheless, there were significant accomplishments. Apart from the creation of concrete sustainable long-term benefits like a reconstructed wastewater treatment plant, a new boiler house and improved drinking water quality, there was critical knowledge exchange through training courses, business contacts and the friendly ties resulting from the cooperation process. Of special importance, there was also a change in thinking and attitudes promoted by the cooperation. The projects demonstrated that cooperation between countries on the local and regional level could be highly beneficial. Through the direct contact, the project partners developed a deeper knowledge of their needs and their resources for problem-solving.

## **Conclusion**

In a world of increasingly complex public problems, with ever-greater demands for quick and effective government responses, the creation of an appropriate policy framework for effective local service delivery is a difficult, multidimensional task. Some governments have approached this task in a very tentative fashion; others have approached it much more aggressively. The nature of the dilemma facing these governments was well captured in the discussion over how to effectively move to decentralization. Some Forum participants argued that the process of decentralizing government services needed to be done gradually, and with a certain degree of political delicacy, in order not to upset the processes of economic and political transformation currently underway in their country. In contrast, one of the Polish participants in the Forum, Jerzy Regulski, commented with regard to the process of decentralization that step by step efforts do not work. Rather, more radical action is necessary. As he put it, one must “jump into the deep end of the pool to learn to swim, then worry about improving your stroke.”

The reality is that for many of the topics which have been discussed in this chapter—all of which are important elements in creating the needed policy framework for the development of the kind of strong local governments that will be required for the future—there is no single correct approach. Different countries and communities require different approaches. The points of view presented here represent a reasonable effort to achieve a synthesis between generally accepted best practice and alternative perspectives presented at the Global Forum. In this regard, it is useful to conclude by briefly reviewing the range of ideas presented by participants with regard to these matters at the Global Forum’s concluding session.

In a comprehensive report summarizing the participants’ conclusions, Paul Lundberg begins by underlining the basic principle that the interface among the state, the private sector and civil society is of significant importance to the building of effective local governance and that democracy begins at the family and school level, where the culture of participation and democratic values are internalized. The report went on to call attention to the several other points made by Forum participants:

- Local governance should be characterized as being by, through and for citizens;
- All actions of local government must embody freedom of choice;
- The local development agenda should be created through public dialogue with extensive participation of local stakeholders;
- Municipal associations and civil society can play a very important role in encouraging and supporting the strengthening of local government;
- Financial decentralization is an important contributing factor in empowering local actors;
- Negotiation and dialogue are very important skills for participatory group processes and decision-making;
- Learning, diffusion of innovations and creativity are encouraged through exchanges, locally and internationally.

The report then went on to note that it is difficult to say at what level the democratic empowerment process starts and who is the most effective initiator of this process. It did however note that:

- Families and schools are environments in which the culture of participation should be nurtured, but sometimes it is not;
- NGOs are assumed to have the closest ties to stakeholders, but they may not;
- The private sector is assumed to be well managed, but it may not be;
- It is not enough to have a good idea. The idea must be understood and accepted as good by all stakeholders.

The biggest problems impeding the improvement of local governance are lack of clear goals; lack of trust among various participants at the national and local levels; lack of political will to implement real change; and the inability to see possibilities of change. Insufficient support for decentralization is in part a consequence of inadequate transparency and accountability; lack of feedback links between local service providers and citizens; and an unequal partnership between citizens and administration. It is also a consequence of the lack of supportive frameworks and working structures; the absence of effective community involvement; and one-sided, paternalizing and ineffective partnerships. Pressure from international donors can complicate decentralization efforts. A special problem of decentralization in transitional countries is that any too rapid move may threaten fragile political stability.

The tendency of governments to speak in different ‘decentralization dialects’ is the result of the fact that:

- Staff held over from previous governments lack commitment;
- Laws are evaded by central government officials.

The erroneous perception that decentralization threatens equity can result from an increase in disparity between different regions within countries. The size of basic units of local government often makes it difficult to transfer complex tasks in social service delivery.

Disparity between responsibilities and financial capacity occurs because:

- Local government units are often dependent on central government for finances;
- The lack of adequate local revenue raising capacity is a major problem.

The report identified the following factors that promote improvement of local governance:

- Recognizing that decentralization is a political process and not a technical undertaking;
- Identifying “champions” at national and local levels;
- Linking decentralization to indigenous processes.

Investment in building local government human resource and organizational capacities is needed to facilitate effective implementation of transferred service functions. The transfer of sufficient resources to the local level to ensure effective service delivery is necessary. However, remembering that resources are available locally and facilitating their mobilization is at least as important.

The creation of an effective and enabling legal framework for local governance by the central government is essential. Consequently, local governments need to build an effective and representative institution or association to ensure that they are well represented in national policy debates on decentralization issues

Recognition that local realities, cultures and traditions can influence the success or failure of decentralization in different parts of a country is critical. Equally so is the establishment of partnerships between different concerned actors. Finally, the group noted that literacy can be an important factor in promoting democratic participation in local communities.

## Chapter III

### **DELIVERING SOCIAL SERVICES THAT MAKE A DIFFERENCE: THE ROLE OF LOCAL GOVERNANCE**

The discussion on social services often shifts between the words “security” and “freedom”. How far should public and collective responsibility extend? What is each person’s own responsibility?...It is one of the basic human rights to feel secure. If something happens to my family and me, may it be sickness or unemployment, I must feel confident that there is financial and other support in order to help me cope with the situation. When people become old they must feel assured that there are pension programmes, medical care and other forms of support.

It is important to meet the needs of each and every person, regardless of his and her economic standing. How to carry out social services is altogether a different question. Here I can see many different ways. Although there is public financing, it is possible, and many times desirable, to involve for example non-profit organizations and private enterprises.... Very often, there is a more pronounced focus on quality in the private alternatives.

**Birgitta Rydell  
Vice Mayor  
Stockholm, Sweden**

In various parts of the world there have been two quite different patterns of experience, or traditions, in the development of local government and the delivery of its services. One such tradition, which has often characterized developing and transitional countries, involved the delivery of a comparatively minimal level of local government services—often principally through supporting informal neighborhood organized self help activities. The other tradition, more typical of the more economically developed countries, involved the emergence of local governments that focused their energies principally upon the delivery of basic municipal infrastructure services. Normally these included activities such as the construction of public works and roads, the operation of parks and libraries and other quite basic public services.

Beginning in the 1960’s, this began to change, first in the more highly developed western countries and, in the past several years, in transitional and even developing countries. This change has involved a steadily growing belief that local governments have a real responsibility for the social well-being of their citizens. With that change in attitude has come a substantial expansion of the kinds of the activities in which local government engage. This growth in local government service expectation has also been fueled by the fact that, with the downsizing of national governments, many activities, which had previously been carried out principally at a national level, have been transferred to local government.

This evolutionary transformation is taking place during an era in which problems are becoming more complex and citizen needs and demands are growing quite significantly. As Keith Miller noted at the Global Forum:

- Rapid population growth and urbanization, which characterize most developing countries, will result in the doubling of the urban population in these countries over the next 3 to 4 decades, and will place unprecedented burdens on them in respect to providing social services and associated needs.
- Increasing longevity will result in a continuing increase in the aged as a proportion of total population, and hence more persons for whom care must be provided and less in active production.
- Existing deficits in social services provision in developing countries means that in addition to having to meet the needs of a rapidly expanding urban and aged population, and the demands of escalating expectations, these countries will also have to find the resources to make up current deficits.
- Extremely limited resources, and competing claims between social services and developmental needs for those scarce resources, present difficult choices in securing adequate financing.
- Globalization and the communications explosion has revolutionized people's expectations as to the quality of life to which they are entitled, and made them impatient to achieve it.
- Increasing demand by people for involvement in decision-making, and recognition that those in need of social services will only be assured of their full rights when they are able to command a place at the table, indicate that changes in the political process, to afford greater participation of citizens in the process of governance, is an essential pre-requisite to attaining the goal of social services for all.
- The breakdown of the extended family, which provided a framework for the care of aged family members, and also for inter-generational relationships and gave the elderly a role and purpose in family affairs, have left huge gaps which must now be replaced by new institutional forms which can provide these elements for the elderly.
- Absence of an extensive social safety net in most developing countries highlights the enormous effort that these countries will have to exert in order to achieve the goal of social services for all.

On the other hand, despite the formidable tasks that need to be accomplished, or perhaps because of them, the emergence of local government as a relatively new actor in the arena of social service delivery has given rise to a variety of new and creative approaches. For example, in Jamaica, as Keith Miller also noted, there is much concern about finding new means to facilitate inter-generational linkages between the aged and other groups in the society, especially the

young. This is particularly important because in the past, within the framework of the extended family, the older family members were the main socializing force, especially with respect to the passing down of family, community and societal traditions, values, skills and stories. The extended family also provided a framework within which the different generations assisted each other e.g. the older members helped in the care of the young, and the young assisted the elders. In the context of the breakdown of the extended family, a very important area for innovation is in developing alternative structures for promoting inter-generational linkages.

Consequently, in Jamaica, several initiatives aimed at facilitating intergenerational linkages are currently being undertaken—primarily by encouraging youth clubs and school groups to develop programmes of assistance to older persons in the community. An outstanding example of one such initiative is the Band of Mercy Youth Club in the Red Hills area of St Andrew.

- Members of the Club are students at schools in the community. The Club has adopted, and been itself adopted by, the Red Hills Seniors Club.
- The youngsters provide a range of services in helping to meet the care needs of the elders, and they provide support to the Seniors Club in undertaking projects, etc.
- The Youth Club members join with the Seniors Club in undertaking cultural, recreational and other programmes.
- The seniors reciprocate by engaging in story telling and those who are able assist at the school in a variety of ways—including teaching craft skills.

The Jamaica experience is obviously just one of many such initiatives that are taking place all around the world. As, in many instances, relative newcomers to the process of social service delivery, local governments are often less bound by traditional practices and methodologies. Consequently, it is easier for them to experiment with innovative new approaches. In the discussion that follows, which reflects many of the papers and conversations at the Global Forum, a variety of these approaches will be examined.

### **Supporting the elderly**

As Patrizio Civilli noted in his remarks at the Forum, United Nations projections indicate that by the year 2050, sixteen percent of the world's population will be over 65 years old. Subsequently, Birgitta Rydell and Zhan T Yu Ji noted that the changing domestic situation, both in China and Sweden, due to urbanization, industrialization and structural changes in the employment market also mean that more young wage earners live away from their parents. Thus, the old family structure, where the young found work in or near their place of birth, is changing quickly in both industrial and developing countries. This shift results in more elderly people needing someone other than their relatives to help them manage in their twilight years. This increases economic strains on those who must support elderly relatives with their own incomes and increases the need for both local and central government to make direct economic provisions for care of the elderly.

China represents an extraordinary example of this phenomenon. It is not only the largest country in the world, it is also the country in which the aged population is increasing most rapidly. At present, the aged population is 132 million (10% of the country's total population). Moreover, the number of elderly people is increasing by more than 3% every year. It is predicted that the aged population in China will reach a peak of 374 million by the year of 2040. In cities such as Beijing and Shanghai, and the provinces of Zhejiang, Jiangsu, Sichuan and Shandong, the changes are occurring even more rapidly. According to Chinese tradition, most of the elderly are supported and taken care of by their families. Due to the economic restructuring of the country, and the birth control policy of China, many families now have only one child. It is predicted that within the next ten years, the typical Chinese family will have a structure of 4:4:2:1, i.e., the husband and wife will have one child but they will also have 4 parents and 4 grandparents for which to care. Consequently, no matter how committed younger couples are to supporting their parents and grandparents, in practice it will be impossible for them to take care of them in the traditional way. Hence, the responsibility for the care of the aged by the society inevitably must increase. Developing the social insurance system and the social services required by the aged is of great urgency.

The changing situations facing the elderly are not limited to just the very large nations. As noted above, Jamaica, as a developing country, is subject to all of the global trends highlighted earlier, as well as to its own special difficulties. The challenge to the Jamaican government and society at this time is therefore to undertake innovations that can provide an adequate response to the needs of the aged, within the constraints imposed by shortage of resources. Traditionally, one of the principal forms of care offered by the state to the elderly is the provision of institutional care for persons who have no one willing or able to care for them. This care is provided in places called infirmaries, and whose residents are referred to as "inmates"—an indicator of how they are regarded and often treated.

Factors of high costs, dwindling budgets and unsatisfactory quality of care, have led to a search for innovative approaches, which offer a better quality of care at more affordable costs. Alternatives that meet those criteria are ones which are based on strong community involvement. One excellent example of a community-based alternative is a home for the aged situated in the August Town area of Kingston which is operated as a partnership between the municipal authority and the local community. The home accommodates 15 "golden agers" in a facility provided by the municipality, which also provides a subsidy for the operational costs. Care is provided primarily by volunteers drawn from the community, but residents are expected to undertake chores, within their capability, and thus contribute to their own care. Churches and other organizations in the community assist in the operation of the home.

The operation of the home has been considered highly successful by all concerned, particularly the residents. It offers a model which answers many of the problems associated with traditional institutional care. Several groups have initiated projects similar in concept to the August Town Home. Other initiatives that have emerged in more recent times to address those needs include the promotion, formation and support of seniors' clubs in most communities throughout the island. Today there are some 520 such clubs, with an active membership of over 20,000. In addition to the regular members, many other seniors take part in the activities of the clubs.

When all is said and done, however, even the most innovative community-based solutions cannot solve the problems produced by major social and economic restructuring in a country, let alone the world's most populous nations. To reduce or avoid drastic future social costs, governments in those countries that do not yet have a state pension system need to begin developing such systems. Traditionally, in many of the economically more highly developed countries, such systems have been established by the national governments. More recently, some countries have experimented with privatization and joint public-private arrangements. In such approaches, political leaders need to establish a legal framework through legislation for minimum requirements that also creates significant space for varying degrees of private solution.

An effective public-private pension law requires, as Stockholm's Vice Mayor, Birgitta Rydell noted, that employers and the self-employed devote a certain portion of the wage packet to pensions. Basic framework legislation creates a platform on which companies (and trade unions as well) can negotiate elements of a viable pension system. If a voluntary agreement cannot be reached, the basic legislation can be applied. Whether at a basic minimum legal level, or through a voluntary agreement based on law, the pension system should be financed through payments made by the employer. The law should also have the employer paying a certain amount of the employees' wages into a special fund that manages the money until the pension is paid out.

In many economically well off countries there are developed pension systems where the legislative branch has mandated a general state pension financed by employers' payments. In many sectors of the employment market, trade unions and employee associations have agreed with employers on a system for additional pensions over and above the minimum required state pension. Employers and employees have negotiated an agreement whereby a portion of the wages are paid into a special pension fund which is paid out when the employee takes their pension, or to the surviving relatives of the employees should they die prior to pensionable age. The cost of the state pension is paid to the state along with companies' regular tax payments. The costs of the additional pension can be paid to a special fund managed by the employer or another public or private organization.

Of course, a pension system must be secure so that citizens can trust that the total sum of their investments will be available when they come of pensionable age. This can be done in many different ways. The state can itself stand as guarantor and sign an agreement with a bank or consortium of banks for the managing of the pension fund or funds. It is crucial that the investment be secured in such a way that it cannot be used by the state for other purposes, abused or in some way disappear. Savers must also understand the managing of the system and receive yearly balance statements and reports on the management of the fund, which are validated and guaranteed by an independent accounting firm. Monies deposited must also be secured so that the individual cannot withdraw them until they become of pensionable age. The yearly deposit should also be such that it provides a reasonable income for the pensioners in their old age.

In any effort to address poverty and social injustice, the building of a general public pension system is a long-term solution that relieves society of a future problem. As important as an effective pension system is however, it alone is not an adequate response to the needs of the growing elderly population. As Stockholm's Vice Mayor also pointed out, other strategies are required. One very effective approach utilized by Swedish local government is "eldercare". The

objective of eldercare is to offer those who so wish it the opportunity to continue to live at home, where they may receive the service and assistance they require in their daily lives. For those who, because of a disability or other reasons, no longer are capable of living at home, there are various kinds of accommodation for the elderly, such as service houses, old people's homes, group dwellings and nursing homes. The most important objective is to ensure that there is a chain of services and assistance facilities that meet differing needs—needs that might quickly change.

### **Health and nutrition for all**

For most people in developing and transitional countries, the quality of their health and nutrition is a function of whether or not they live in poverty. In most developing and transitional countries, one can obtain adequate nutrition and lead a reasonably healthy life, if one has the economic resources to do so. The underlying problem for most of those who lack adequate access to needed health care and to the food necessary to maintain a nutritious diet is the problem of poverty.

This problem has begun to be addressed with some measure of success. In China, between 1978 and 1999, the percentage of the rural population living in absolute poverty declined from 31 to 4 percent. As the World Bank has reported, the proportion of the population in South Asia living on less than one dollar a day declined over the period from 1987 to 1993 from 45.4 percent to 43.1 percent. On the other hand, during the same period of time in Latin America and Africa, respectively, that portion of the poor population grew from 22 percent to 23.5 percent and from 38.5 percent to 39.1 percent. Recently, with the East Asian financial crisis, the rapidly developing East Asia area has seen an increase in its levels of poverty. Using a two-dollar per day level of income as a measure of poverty, it is projected that Thailand over the course of the past three years has experienced a 20 percent increase in the number of people living in poverty.

Expectations for the future are somewhat mixed. If, as many assume, a 3 percent per capita growth rate is a pre-requisite to the rapid reduction of poverty, only 21 developing countries (12 of them in Asia) met or exceeded that level of growth between 1995 and 1997. Of the 48 least developed countries, only 6 exceeded that level. On the other hand, when one takes a somewhat longer-range perspective, it is possible to see that some significant progress is being made in addressing issues of health and human nutrition. As the World Bank has also noted, "rates of infant mortality have fallen from 104 per 1,000 live births in 1970-1975 to 59 in 1996, and life expectancy has risen by four months each year since 1970.

Despite the fact that, underlying most problems of inadequate health and nutrition is a fundamental problem of poverty, the means of addressing these problems are neither simple nor one-dimensional. Circumstances vary from country to country and time to time. In some instances, the issue is one of adequate and effective health practices. In other instances, the issue is strictly an economic one. And, in yet other instances, the issue has significant organizational or administrative dimensions. Three different country experiences presented at the Global Forum clearly illustrate these distinctions.

In Africa, where the HIV/AIDS epidemic has become both a major human tragedy and a serious obstacle to economic and social development, the situation in Rwanda, where only 46 percent of

the population is expected to survive up to the age of 40, was illustrated through the presentation of information from UNDP's Human Development Report. It notes that:

The first AIDS cases were detected in 1983, and since then Rwanda has become one of the most infected countries in the world. The prevalence rate is estimated at 20-30% of the sexually active population in urban areas.... Surveys conducted in 1994 found that the prevalence rate was only 1.1% in rural areas and some 27% in urban areas. After the war, another survey was conducted which found out that the prevalence rate had gone up in rural areas to between 10 and 11%. In urban areas, among 26-40 year age cohort, the infection rate reaches 30% which represents almost 1 person out of 3. Estimates for Kigali Ville place the number of new cases at 6,000 to 10,000 annually which translates into one person in Kigali Ville becoming infected every hour...Perhaps most disturbing is that the prevalence rates in rural areas have reached nearly 11%. Taking into account that more than 90% of Rwanda's population live in rural areas, the total number of HIV infected people is thus becoming an increasingly rural problem, where the level of health care is lower and it is more difficult to mount public information and AIDS awareness campaigns. (Rwanda Human Development Report UNDP 1999, page 31)

The situation in the transitional country of Moldova—where just between 1992 and 1997 the country's ranking on UNDP's human development index fell from 75th place in the world to 113th—is due directly to the nation's dramatic economic decline. One result of this is, as Nina Orlova reported in her paper at the Global Forum, that among the problems that the country faces in terms of maintaining adequate health standards in its urban areas are:

- Shortage of drugs, materials and equipment, caused by low level of financing;
- The worn-out state of the buildings and medical equipment;
- The renewal of the equipment and technologies is lacking;
- Lack of budget for procurement of fuel for ambulance cars;
- Decrease of the volume and quality of primary health care services;
- Ineffective control over medical services;
- Lack of motivation of the majority of the medical staff caused by very low wages and long delays in salary payment;
- Fall in the living standard of the medical staff and their emergence in the “new poor” category of the population;
- Labor migration of the medical staff as a survival strategy, causing the drain in human resources of the country.

Orlova went on to note that conditions are even worse in rural areas as:

Local budgets are suffering a dramatic curtailment for social expenditures and the transfers to the commune budgets from the central budget are minimal. The state of affairs can be gauged from discussions with the family doctors, living in the villages. The official information with regard to labor migration of the medical staff abroad is lacking, but the interviews in all villages revealed that many doctors and secondary medical staff spend some months per year working abroad. Many of the highly qualified doctors are trying to go to Italy for 5-6 months to find a job. The migration involves lots of risks for them, as the agent organizing the employment does not guarantee the availability of the job, neither of the shelter nor of minimal standards of living conditions. The salary which they hope to obtain is \$300 per month for working as cleaning ladies in the elderly houses, or \$400 as nurses in a private family of an old person in Italy.

The administrative and political factors that often compound problems of poverty in terms of health and nutrition issues were well illustrated in the paper presented at the Global Forum by John-Mary Kauzya, who in generalizing from the specifics of famine in Uganda to much of sub-Saharan Africa, noted that:

There is a tendency to think that solving the nutrition problem requires solely an increase of food production in the country. This is not very true. In a country such as Uganda, the problem is not so much of food scarcity as it is of money scarcity and inadequate distributive capacity. When there is famine in Karamoja in the north east of the country, in Mpigi in the center of the country food is rotting and being thrown away. This is the shame of most African countries that often face the problem of famine. Rarely do we witness a famine that hits all corners of the country, not even in Ethiopia. In most cases people start dying of famine in one corner of the country while in another food is abundant. This is why the World Food Programme purchases food from Uganda to supply to displaced people in the same country. It means first that the people do not have the money to buy the food themselves. But it also means the country lacks marketing and distributive infrastructure as well as financial capacity to collect the food and distribute it to the needy people. We are not sure that decentralization and local governance will solve this problem. It is possible that local governments may make bylaws to encourage food production and storage but if famine is caused by poor governance at a national level (e.g. violent conflict that displaces people), this may be beyond the capacity of local governments. It is not possible to have food for all when some people, through inappropriate governance behavior on the part of leaders, are being prevented from engaging in production by internal or external violent conflict.

As Kauzya quite rightly notes, greater decentralization and improved local governance will not in and of itself eliminate poverty or change the circumstances that produce the kind of problems of health and nutrition that were illustrated in the country reports from Rwanda, Moldova and

Uganda. However, if local governments do develop real capacity to mobilize resources on behalf of their citizens, they can make a difference, and perhaps a significant one, in addressing many of these problems. Even more importantly, as local governments become stronger and more viable institutions, local political leaders can begin to develop the political and institutional resources necessary to bring effective pressure upon national government leaders to force them to act in more responsible ways. In some cases, local leaders have gone around national leaders who are behaving irresponsibly, or are politically immobilized, in order to reach out to the international community.

Thus, while the creation of strong local institutions and progressive local governance can not alone solve these obviously complex, difficult and, in many cases, tragic problems, they are a part of the solution. They can play an important role in efforts to develop the kind of broad, multisectoral approach that is required to begin to make significant inroads against the scourge of inadequate health and nutrition. To provide citizens with adequate nutrition and health services does require a strong level of political commitment as well as the joint efforts of central and local governments, local communities and families, NGOs and international donors. Bringing the management of these services closer to the people, and encouraging their participation in the institutions that provide them, can make a difference.

### **Education for all**

One of the real success stories of the past two decades is frequently overlooked—the enormous gains made by poor people around the world in terms of the quality and amount of education that they receive. As World Bank data indicate, primary school enrollments have shown very significant increases in most of the developing world. During the course of the past two decades, adult literacy has risen in developing nations from 46 to 70 percent. At the same time, some progress is also being made on gender disparities with the ratio of females to males in secondary schools increasing from 7 to 10 in 1980 to 8 to 10 in 1993. Thus, while there is still a lot to be done, progress has been made.

The case of special education needs in Lithuania, which was presented at the Global Forum, illustrates the progress that is being made. Prior to the fall of the Soviet system, the typical approach in Lithuanian schools was that children with severe and profound disabilities were considered, for the most part, not educable. To the extent that children with disabilities were educated it was in special schools. Today, the policy is the opposite. It is assumed that all children with disabilities are in fact educable and that they must be integrated into the mainstream of the country's schools. While the situation has not been totally reversed, much progress has been made. Eighty percent of the country's 43,000 students between the ages of 6 and 16 who are identified as special needs students are presently fully integrated into the regular school system, with 4 percent being partially integrated. The result is that the number of students in special schools has, during the past decade, declined significantly.

The issue of school management councils also was addressed at the Global Forum. This approach to decentralization, also known as “school-based management”, seeks to improve the quality of the educational services delivered in a community through the combination of two strategies. These involve: decentralizing as much decision-making as possible to the actual school site, while at the same time engaging as many elements of the school community in its

decision-making as possible (with particular emphasis upon the involvement of parents and local community leaders).

This approach, which emerged in many Western countries nearly three decades ago, has begun to be promoted in developing countries by international organizations such as UNESCO as well as some national governments. While it has been assessed and evaluated in Western countries (with studies suggesting that such initiatives produce varying degrees of success), there has, as of yet, been little evaluation of the long-term effectiveness of such approaches in transitional or developing countries.

What research and assessments are available with regard to the implementation of these techniques in transitional and developing countries presents a mixed pattern of success. Studies in Cambodia suggest that decentralizing authority and initiating community participation in decision-making does encourage some measure of community “ownership” of schools. Similar kinds of initiatives in Bolivia seem to have given rise to the development of formal and informal education programmes that go beyond just the school’s students and reach out to family and community. On the other hand, as UNESCO’s Faryall Kahn noted in her presentation at the Global Forum, studies of similar programmes in Pakistan, Nicaragua and Myanmar suggest that the class and gender biases that generally characterize these countries are also reflected in emerging school management councils. This leads to the conclusion, not totally unpredictable, that patterns of school-based management in developing and transitional countries are likely to be strongly influenced by the general social and political circumstances within the country.

Regardless of the ambiguity in research on community-based school management, the reality is that education is a critical service for all communities—especially those in transitional and developing nations. In such countries, education, more than any other single factor, determines an individual’s level of economic success. This was one of the most important findings of the recent comprehensive study of income inequality in Latin America carried out by the Inter-American Development Bank (IDB). Published in their 1998-1999 Economic and Social Report, IDB researchers looked at this issue in 14 countries and found a consistent relationship between level of education and level of income in every instance. Particularly important in this regard was the critical role of education for women. Increased educational achievement by women produced higher participation by them in the labor force, with higher economic returns for that participation and, consequently, fewer children and significantly higher educational attainment by those children.

There is, in the research literature, much controversy over the question of what are the most important factors in producing improved educational attainment. In developed nations, the issue has been much debated, with educators, policy analysts and scholars divided over the question of the impact of increased education expenditures on improving individual educational achievement. Over the course of the past few decades, much research in developed nations has suggested that the level of expenditure may be much less important than other factors such as parental involvement in the schools, effective leadership and decentralized decision-making. However, much of this research has been carried out in situations in which there are comparatively small differences in the degree of spending with, consequently, limited variation in the difference in programmes which the students experience.

In contrast, the Inter-American Development Bank studies suggest that the issue is a much simpler one for developing and transitional countries. The key factor is how long a student stays in school, which has, of course, cost implications. The longer students are able to stay in school for whatever reasons, the more successful economically they will ultimately be. Consequently, if local control and increased parental involvement, through some combination of school-based management and school community councils, serves to encourage students to stay in school longer, this is an important and valuable contribution to the development of the individual and the country.

## **Water and sanitation**

One important aspect of urban infrastructure management is water and sewerage system provision and delivery. The availability of safe water, and the concurrent consequences of that for general sanitation, has important implications for human development. Mortality rates for children under age 5 vary greatly around the world, ranging from 0.8 per 1,000 live births in Rennes, France, to 320 per 1,000 live births in Luanda, Angola. As Christopher Gotanco pointed out at the Forum, infant and child survival rates are affected not only through the level of public expenditure on municipal infrastructure, but also through the way in which the urban infrastructure is managed.

Rapid urban growth and high poverty levels within cities are correlated with high child mortality. Recent urban studies suggest that it is important to have empowered coordinating bodies at the local level that can incorporate indigenous urban institutions into a programme in order to implement service provisions effectively. Government involvement in water service provision, especially at the local level, significantly reduces child mortality, while private or parastatal participation in sewerage connection provision is also associated with lower child mortality. Active involvement by the private sector to bridge supply-demand discrepancies in city service is often considered a necessary step. Improved access to urban potable water and sewerage connections are consistently associated with a low level of child mortality.

Recently, as Gotanco also noted, many developing countries have experienced a dramatic reversal from a state of relative abundance in water resources to one of growing scarcity. This shift is a consequence of the unabated growth in population, particularly in urban areas, rapid Industrialization and the resulting environmental degradation and the wasteful consumption of a scarce resource that has traditionally been viewed as a free good. Consequently, recent United Nations estimates suggest that one billion people lack safe water sources and three billion people do not have adequate sanitation. It is estimated that at least four million people die each year of water-related disease, and water-borne ailments account for 90 percent of all infectious diseases in the developing world. As a result of the worsening situation, it has been suggested that water, much like oil, could become a cause of war in the future.

The impact of a limited sanitation infrastructure on society has been extensively documented. Inadequate sanitation impacts negatively on human health and productivity and leads to the degradation of both groundwater and surface water sources. The impact of poor water and sanitation services for public health is significant. World Bank studies show, for example, that diarrheal death rates are estimated to be about 60 percent lower among children in households

with adequate water and sanitation facilities as opposed to those in households lacking such facilities.

In his Forum presentation, Gotanco also called attention to the positive consequences in terms of productivity and poverty alleviation of having adequate water supply. Reduction in the incidence of serious water-borne illnesses, such as typhoid and cholera, helps minimize production losses. Improved water service also frees up time, particularly of women (from the fetching of water), which can be used for more productive activities both at home and in the workplace. It also reduces the unit cost of water, especially to the urban poor, who have to buy the commodity at much higher prices from water vendors, often ranging from four to 100 times that of regular sources, with a median of around 12 according to World Bank statistics. These benefits, as they translate into higher levels of productivity, eventually contribute to faster industrialization, economic growth and greater social equity.

In part because of the growing magnitude of the capital investments required to provide adequate water services, efforts have been underway to re-define the role of government in the water sector. At the recently concluded World Water Forum held in The Hague, participants called on local governments to become enablers and regulators of community action for the efficient delivery of water, rather than water service providers. It was felt that with reforms in the water sector—such as market-oriented pricing and safety nets for private capital—the private sector could very well raise most of the investments needed. At the same time, it was also emphasized that governments should create the enabling framework for community action, and a regulatory framework that supports private sector activities. Public authorities should have three basic responsibilities—first, to target subsidies to the poorest; second, to enforce the overall links in the water delivery system, such as providing rights-of-way; and third, to protect the environment.

### **Making communities safer: responding effectively to crises and disasters**

Among the key elements of effective local governance are transparency in operation, accountability to the people whom elected officials have vowed to serve and commitment to maximize citizen participation. As Zenaida Delica of the Asian Pacific Disaster Preparedness Centre pointed out at the Forum, empowering communities to design programmes and activities that will protect them from potential disaster risk is one very good way of helping to build effective local governance. It is a way of maximizing local capacities and resources while, at the same time, reducing risks and vulnerabilities. The overall impact is enhanced local governance.

The close of the second millennium and the beginning of the third millennium were marked by disasters of natural and human causes. Large earthquakes in Turkey and Taiwan, catastrophic floods in China and Mozambique, the violent confrontation of armed force in Chechnya and the Balkans in Europe and the eruptions of volcanoes—especially in Asia—are some of the recent disasters that have destroyed properties, crops and human lives. Residents of the stricken areas bear the brunt of a hazard's destructive force. It is they who must perform survival acts and implement necessary coping methods to escape or minimize the effects of a natural or man-made disaster.

In the same vein, the local government unit of the affected area is the front-line government entity for assistance and support to the disaster victims. Ideally, the capability of local authorities

should be equal to the demands of disaster management concerns. Experience in the Philippines has shown that involvement of the citizenry in disaster management has enabled families residing in disaster-prone areas to better cope with the impact of a hazard and recover from the aftermath of a disaster in a shorter time. Participation of the citizenry in local governance is an imperative.

The Philippines has comprehensive legislation to address disaster events. The provisions of this law mandate that national, regional, provincial, city/municipal, and barangay (village) officials organize “Disaster Coordinating Councils/Committees” with delineated functions and conduct activities to operationalize these structures. A trained and organized citizenry can complement the work of the local authorities. They can initiate activities that can be sustained even after the occurrence of disasters.

As UNDESA staff member Jeanne-Marie Col pointed out, in the case of the Mount Pinatubo eruption, it was local community members who noticed changes in their environment and alerted the Philippine Institute of Volcanology and Seismology, which soon after declared a pre-eruption evacuation in conjunction with local governments and the National Disaster Coordinating Council. Therefore, in areas where active people, organizations or groups complement a local government, their participation has been proven to ensure the community’s welfare in face of disaster risks.

## **Conclusion**

The past few decades have witnessed a growing involvement of local governments and civil society organizations in the delivery of important social services. The task of effectively delivering social services is one that requires all of the resources and creativity that the institutions of local governance can muster. The needs are substantial, but so are the opportunities. The harnessing of local talent and creativity to addressing problems that, while they might be national in scope, are local in origin and impact, is an important step forward.

It is increasingly evident that comprehensive efforts to meet the social service needs of the people will require the coordinated actions of national and local governments. One can readily see a variety of such joint initiatives underway in all of the service areas examined in this chapter. This is especially true with regard to such services as education and water and sanitation, but increasingly one also can see the undertaking of new initiatives in such areas as health policy and the support of the elderly.

Among the key points made by Forum participants based on the experiences of their countries and communities in social service delivery were the following:

- Integrated social service delivery at the local level is a necessity. In order to facilitate it, one needs to move from a vertical to a horizontal management orientation at the local government level.
- The possibilities of partnerships with the non-governmental and private sector need to be looked at closely—especially when economies of scale are such as to make it

likely that the private and/or non-governmental sector will be able to guarantee sustained delivery.

- When making decisions to transfer social service delivery from national to local levels, the cultural and economic context of a country needs to be taken into account and delivery mechanisms must be tailored to community needs.

Participants at the Forum identified as key issues that need to be addressed as part of the process of localizing social service delivery systems:

- The increasing population of elderly;
- Changing cultures in society—with the movement from home care to institution care;
- Limited financial resources, especially in states in transition and in the least developed countries;
- Limited capacity of many local governments and communities to provide services;
- Resource disparity among municipalities.

In addition to the various suggestions and recommendations noted at different points in this chapter, Forum participants suggested that:

- Workers in social welfare field are mainly women. Therefore, attempts to include more men in the workforce would be one way of expanding the pool of providers of voluntary care.
- The creation of a conducive work environment in order to attract more people to social welfare careers by raising salaries, introducing flexible work time, and opening career possibilities by providing education and training is an important task.
- Privatization may be one way to expand options for citizens as well as to reduce costs for local or national governments, while leaving the monitoring and inspection function for government.

## Chapter IV

### EFFECTIVELY MANAGING THE DELIVERY OF SOCIAL SERVICES

We live today in an increasingly globalized world that promises to link humanity. The revolution in information and communication technology is changing production modes and promoting a knowledge-based economy, a transformation that has wide-ranging implications for human development. At the same time, this revolution has the potential of empowering civil society, providing greater access to information, improving communications and thus allowing individuals and groups a much stronger role in decision-making process.

While globalization and information technology are rapidly blurring borders and connecting people, they also give greater urgency to “localization”, a need for preserving local cultural identity and citizens’ increased determination and desire to influence local decision-making processes.

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The reality is that even in the most affluent countries, the availability of funds to support the delivery of public services, and in particular social services, is never fully adequate to meet the needs of the people. One of the significant implications of this fact is the necessity for effective management of those scarce public resources which are available for social services. The need for effective management is made even more complicated by the fact that the basic requirements of public management are themselves in a considerable state of flux. Historically, while the ability to sustain and encourage effective interpersonal relationships has always been an important part of public management, the principal role of public managers was nevertheless to effectively administer processes and procedures within relatively stable institutional structures.

Today, that situation is changing dramatically. In part this is fueled by the growing demands of citizens at all levels for increasing roles in shaping the activities and outcomes of public sector organizations. It is further being complicated by the fact that organizations are both becoming less structured and, at the same time, increasingly complex, while the tasks they seek to accomplish are becoming ever more difficult. Consequently, there is need for much higher levels of individual adaptability and flexibility on the part of the managers of contemporary organizations. In addition to managing their substantive responsibilities, they increasingly have to become the managers of complex relationships. The relationships involved may be of many types and with many different entities. They include a whole host of organizations and community groups, other levels of government, various agencies within government, grass roots citizens and neighborhood groups and even in some cases international organizations.

Thus, the task of effective management of social services is made more complex because of the nature of the activities to be managed and the changing environment in which public managers

must work. For the most part, the building of public facilities—the traditional activity of local governments; be they bridges, parks or roads—can be relatively precise and predictable. Obviously, social services, which deal with the infinite complexities of human beings, are much less precise and thus more difficult to manage. At the same time, we live in a world of increasing technological complexity and growing interrelatedness as a result of new communications technology. All of these trends represent both opportunities and difficulties for the effective management of social services.

### **Participatory planning: a critical first step**

For many local governments, the involvement of citizens, stakeholders, and programme beneficiaries in the implementation of programmes represent a significant breakthrough in terms of responsiveness and citizen participation in the activities of government. As individual citizens, and the groups and organizations in which they participate, have become more attuned to local issues, there has been a growing recognition that simple involvement in programmatic activity and decision-making does not produce meaningful participation. In many instances, key decisions made early in the planning and initiation of programmes serve to limit significantly the options of those who will be involved in the implementing of them—and for the recipients of the public services as well. This has given rise to an increasing realization of the importance of participatory planning and the need for citizens who wish to influence the programmes in which they will be involved to become a part of planning activities at the earliest possible stage.

There are many advantages to early citizen involvement. It provides citizens with the opportunity to participate in governance processes and develop their own capacity to influence them. It also enables them to help shape programmes that will impact upon them. Such arrangements create the pre-conditions necessary for establishing productive partnerships between local communities and local governance. We find successful examples of these types of initiatives in many parts of the world. In Thailand, for example, as a consequence of project activity initiated through UNDP's LIFE programme, a number of municipalities have established community development departments with funding available to support participatory planning at the community level. In Paraguay, local government reform efforts, especially in small, rural communities, have focused heavily upon training local officials and community leaders in participatory strategic planning techniques.

### **Building financial resources for social services**

Without question, the single most difficult task faced by those seeking to strengthen local governance and promote effective public service delivery in developing and transitional countries is the lack of an adequate revenue base for local government. When it comes to participation in financing the production and provision of public services the poor are, of course, always at a disadvantage. However efficient and effective a tax system, it will yield poor revenues, if it is taxing a poor population. There is, as John-Mary Kauzya noted, a limit beyond which a hungry person cannot milk a hungry cow. The challenge for developing countries, given their situation of extremely low incomes, is to set priorities so that available resources are used to finance the services that are most needed and can have the greatest catalytic impact upon further development.

A fundamental problem in many developing countries is that they suffer from a double dilemma. Their central and local governments are weak while at the same time their private and civil society sectors are often just developing. This double weakness is not only in terms of resources (human, material and financial), it is also in terms of institutions, systems, information and networking. Nevertheless, one can, for example, cite various cases in Uganda and in Rwanda where, despite low incomes, local people have worked with other governance actors to engage in important development work. Some of the examples in Uganda are in the area of cost sharing in hospitals and dispensaries and user charges in the provision of rural water. In these cases, impoverished participants develop a culture of self-reliance that helps them discard their dependence syndrome.

The inability of local governments to have ready access to the resources needed to finance necessary programmes and service delivery is often a problem in both economically developed and economically less developed countries. In most western countries, the constitution and/or national law has established the tradition that local governments are entitled to levy taxes. They also have the right to increase or lower the tax rate to meet demands for services. Indeed, self-determination by local authorities as regards the raising of revenue is a corner stone in the building of strong and effective local self-government. However, taxes are one of the most sensitive of local political issues. In more than a few instances, political careers have ended as a result of increasing tax rates and, thus, many political leaders are reluctant to take such actions.

In many non-western countries, local governments possess either no, or only very limited, independent revenue raising capacity—whether through taxation, the assessment of fees and charges or the issuing of bonds. Lack of independent revenue generating capacity makes local governments very dependent upon their central governments for setting local tax rates or transferring funds to support local activities. Such dependence greatly limits the capacity of local governments to meet the needs of the citizens. Consequently, the highest priority for strengthening local governance for many countries has been the development of independent revenue raising and taxing capacity.

Nevertheless, even when local governments initiate efforts to raise revenue, they often find their options severely limited. Typical in this regard is El Salvador, which endured a long and violent political struggle. Today it is, as David Valenzuela pointed out, trying to start afresh to strengthen its democracy and economy. To a large degree, however, it remains economically dependent upon money sent home by expatriates and loans and grants received from international agencies.

Municipalities in El Salvador are highly dependent on the central government for finances. However, only 6% of central government resources are transferred to municipalities and of this only 2.4% is provided as a grant and the rest is a loan. It is very difficult for municipalities to collect taxes. Thus, improvement of basic services and investment in social services remain a challenge. Efforts are being made by municipalities to turn this situation around. For example, the municipality of Nejapa has established a fund for local initiatives. All major stakeholders in the town are members of the committee that operates the fund. This has helped to bring various actors together to move forward on projects. The committee insures that all investments are in the interest of local development.

One of the most difficult tasks in terms of the development of local governments around the world has been establishing an appropriate relationship between the functions for which they are responsible and the revenue resources that they need in order to perform these functions. In many transitional countries, not only do local governments remain highly dependant upon central governments for the transfer of revenue to the local level, but in some instances, national leaders have proven quite unreliable when it comes to actually transferring the revenue that local governments are entitled to by law.

### **Implementing innovative and effective management systems**

Historically, the effective management of local governments has been beset with contradictions in policy implementation, plagued by limited capacity and inhibited by significant financial constraints. The requirement for achieving successful reform and change in local government management has been to balance effectively between various competing requirements, such as: (a) approaches to management which emphasise efficiency, devolution and decentralization, (b) the development of equitable and sustainable governance institutions, (c) institutionalising strategic and cooperative leadership, (d) maximizing participation by stakeholders, and (e) ensuring transparency and accountability. Each of these issues must be addressed if one is to improve the quality of the management of local government. Consequently, significant management reforms often take time to implement and sometimes the ideas behind them are slow to take root.

The management solutions that have been applied to structural reorganizations tend to focus more and more on Management by Results approaches. They have often followed the pattern of imitating business models and promoting competition. The main elements of such efforts are:

- Decentralization of operational management responsibilities to individual units;
- Creation of a business management ethos—including cost consciousness, management by results and financial accountability within organizations;
- Competition between providers;
- Treating the public as citizen customers, rather than clients, in a purchaser-provider contracting system; and
- Implementing centralized financial control with local management discretion.

Today a variety of new management methods, concepts, models and values are being accepted as integral to the way public administration is conducted. Recent experience at central and local levels suggests that typically there are four phases in the process of public management reforms. The first phase has involved addressing the full range of familiar bureaucratic shortcomings: waste, unnecessary activity, overly complex regulations, overlap and duplication of functions, confused lines of responsibility, slow and overly centralized procedures for decision-making, divided authority, unclear performance standards and lack of information about results and costs. Such reforms have focused on matters like the elimination of outdated reporting systems, of

expensive work being conducted by government when it is clear that external purchasing is cheaper and of common services being provided free of charge to user departments.

The second phase of reform typically has focused on more general public management modernization. The objective has been to shift from procedures-based administration to a results-based management style, with improvement in performance. This provides measures on a yearly basis of results and costs and leads to better methods of using human and financial resources. This phase relied on a “one-best way” management by objectives (MBO) philosophy strongly influenced by private sector experience. The main themes of the second phase have been:

- Strengthening accountable line management
- Developing new systems, structures and priorities to decentralise financial management and cost control.

The third phase of reform involves the changing of culture, attitudes and behavior in government so that continuous improvement becomes a widespread and built in feature in the search for better value for money and steady improvement of services. This phase can be summarized in the following way:

- Focus operational management responsibilities by clearly defining objectives and tasks;
- Keep strategic policy and resource decisions at the center, but devolve implementation decisions to the units responsible for results; and
- Establish processes for agreeing on performance measures and “contracts” between the center and the units responsible for programme results.

The fourth phase of reform is often quite different. This phase aims at large-scale structural reorganization of public service delivery systems. A macro-management process is always required to steer structural changes because they ultimately are beyond the control of individual organizations. Another defining feature of the new method of management is its responsiveness to stakeholders’ interests and needs. Thus, one task of the reform, if it has not previously occurred, is to identify and support the development of local partnerships (e.g. with community-based organizations, non-governmental organizations, and the private sector).

### **Measuring effective performance**

Discussions regarding effective performance within the public sector, especially at the local level, are often carried out in two completely different dimensions. On the one hand, there are discussions about the evaluation of the amount of the service provided to customers and, on the other hand, there is the discussion and evaluation of the result of what is provided. In an effort to move beyond the tendency to evaluate government services, and certainly local government services, in terms of the amount of activity carried out, many local governments have begun to focus on new techniques for the measurement of performance with particular emphasis on issues of quality.

This growing movement is stimulated by many factors, including the demand for a “results orientation”, the desire for greater accountability and responsiveness on the part of various constituencies, the new demands placed upon local administrators as a consequence of the contracting out of services and, finally, the fact that local officials are finding themselves increasingly required to justify their activities in the face of fiscal constraints. These new demands upon local government administrators have had the consequence of requiring them to develop an ability to assess quickly and effectively whether the programmes that they, or their contractors, are delivering are in fact meeting the needs of their clientele in the most effective manner.

Local government officials and administrators are responding to these circumstances by developing increasingly elaborate systems of performance measurement in which relevant and significant indicators of agency and government performance are used to assess the success of a programme in terms of the effectiveness of the services delivered and their congruency with the needs of the clientele that they are designed to serve. This effort has led to the development of benchmark measures by which an agency can compare its performance at different periods of time and with that of other governmental units and jurisdictions.

One excellent example of the way the development and use of a performance measurement system can have a variety of positive consequences was presented at the Forum by Josefina De La Cruz, the Governor of Bulacan Province in the Philippines. The Governor felt that there was a need to re-energize government employees and reinvent public service because of overstuffed bureaucracy, irrelevant systems and procedures, low morale of personnel, lack of sufficient incentive mechanisms, resistance to change by the staff and the need for a reorientation of employees. This led to the creation of the Bulacan Information System (BIS) which was implemented by the Province’s Management Information System Office.

The multiple objectives of the implementation of the BIS was to improve the delivery of basic services to the people; provide transparency and accountability in government transactions; and increase government capability for planning, policy formulation and programme implementation in order to meet the challenges of local governance, economic growth and globalization. The main activities of the BIS have been to computerize the strategic operations of the Provincial Government—specifically its revenue generation, fiscal management, supply and property management, development planning and management, records management and to establish new information linkages for greater efficiency. The overall impact of the Bulacan Information System has been to re-energize the bureaucracy; encourage more effective and efficient service delivery; provide improved information access; bring about financial savings for the provincial government; and facilitate the creation of customized information systems.

### **Insuring accountable and transparent local governance**

A key concern of many Forum participants was the lack of transparency in government and the impact of widespread corruption on the effective delivery of needed services. As a Polish participant in the Forum, Dr. Barbara Kudrycka, noted:

Democratic society based on the principle of the rule of law without accountability and openness is a contradiction of terms. If the citizens are the “owners” of the state it is self evident that they must have the right to information as to the condition of their “property”. Secrecy is an antithesis of the very essence of democracy....As never before information is the basis of both economic and political power thus determining the rules and realities of governance.

Many countries are undergoing extraordinary and profound transformations very rapidly. Economic, political and governmental systems, not to mention a variety of institutional and social structures, are being dramatically altered, sometimes with stunning speed. The ambiguity and insecurity produced by profound change, carried out in a very short period of time, has in many places contributed to a growth of corruption and unethical behavior on the part of public sector employees and government officials. Such corruption ranges from minor incidents involving low level bureaucrats seeking petty favors for the performance of what ought to be routine responsibilities, to corrupt practices involving tens of millions of dollars in activities such as the awarding of contracts, privatizations and the like.

Every country experiences some problems of corruption. However, well-established democracies have had considerable periods of time—from decades to centuries—to build and develop the means to lessen and impede the likelihood of individual and institutional corruption. Factors contributing to maintaining ethical behavior on the part of public employees and government officials can be divided into two general categories: the “procedural”, that is the various systemic arrangements and relationships which have been designed to limit the opportunities for corrupt behavior and activities; and, the “institutional”, that is the structural arrangements which have been established as part of the process of democratic institution-building which help to sustain ethical behavior.

There are a myriad of procedural arrangements which governments around the world have adopted to ensure ethical conduct on the part of public employees and officials. In general, procedural approaches to maintaining ethical behavior tend to fall into two very broad categories—first, ensuring the availability of full and adequate information on governmental activities in order to enable the citizenry to exercise effective oversight over public officials and government employees; and, second, the regulation of the behavior of public officials and governmental employees.

The first category of procedural approaches includes the implementation of open records laws, the practice of open meetings, the holding of public hearings (generally and especially on governmental budgets) and the provision of extensive, relevant information to enable the citizenry to accurately assess the activities of their government and those who represent them. This includes making readily available to the citizenry of governmental statutes, regulations and rules and providing clear and extensive written information about proposed budgets, the activities and programmes of government and the organization and delivery of services. While many, if not almost all, of these practices have been in use for some period of time in well established democracies, many of them are relatively new or, in many cases, still do not exist in countries presently making the transition to democracy. Indeed, as noted earlier, in such

countries, traditional practice has been to keep information secret, just the opposite of making information about government highly accessible to the public.

Consequently, international organizations have encouraged countries making the transition to democracy and market economies to adopt procedures that make more governmental information readily available. This has included encouraging the introduction of public hearings on budgets at all levels of government, but especially at the municipal level. In some instances, efforts have been made to support the introduction of open records laws which require that all of a government's written documents—ranging from an individual's personal notes of a meeting, to formal government records (with the exception of private personnel records) be open to the scrutiny of the public and the news media.

Another, perhaps less radical, approach to making adequate information available to the public involves institutionalizing administrative procedures that ensure the adequacy of information produced by government agencies. The introduction, for example, of management information, performance measurement and planning, programme budgeting systems all contribute significantly to making governmental information more available—thus enabling the citizenry to evaluate the performance, and, in many instances, the integrity and accountability of their government officials. In this sense, making available better and more detailed agency reports and informational documents and the use of new technologies such as web pages, and the provision of information about government contracts via Internet, all contribute to establishing procedures that ensure the openness and integrity of government performance.

Another form of procedural arrangement designed to support open, transparent and honest government involves establishing processes that ensure that, when there is a question about the ethical behavior of government officials and public employees, adequate investigations can occur to determine the validity of the concerns. Governments around the world have taken a number of different approaches to dealing with this matter. These include the establishment of internal and external audit arrangements, the conduct of legislative oversight activity and the requirement of direct executive responsibility for governmental performance.

In many democracies, it is typical, especially at the level of local government, for government officials to contract with private sector accounting and auditing firms to review the effectiveness and integrity of financial management. The companies contracted are themselves subject to legal prosecution should their reports prove to be negligent or misleading. Likewise, various kinds of procedures exist for oversight to be carried on internally within the government itself. These range from simply requiring that the chief executive be held responsible for the performance of those who report to him or her and to requiring routine reviews of agency performance.

The second major procedural approach to ensuring open, ethical and accountable government is to regulate the behavior of government employees and public officials. Frequently this is done through the establishment of codes of ethics. In some instances these are developed by professional associations and are enforced principally through social pressure and informal sanctions. In other instances, however, governments have chosen to pass laws, which regulate the performance of public employees and make those employees who deviate from the standard

established in law liable for criminal penalty. Such arrangements exist particularly in areas involving financial matters, such as the procurement of supplies, equipment and facilities.

Another area in which the activities of public employees are regulated in order to minimize the possibilities of corruption is with regard to political activities. In many Western democracies, public employees are by law not allowed to engage in partisan political activity and therefore are assumed to be less susceptible to efforts to manipulate governmental activities in such manner as to benefit one political party, or set of individuals, at the expense of another. Finally, it should be noted that increasingly, democratic societies are finding it necessary to establish procedural safeguards to protect those individuals who reveal unethical conduct and performance.

Without question, the most important structural arrangement helping to ensure ethical government involves the separation of contemporary government into different branches and levels in such a manner as to disperse power and authority and the ability to control government funds and activity among different individuals in different units of government. These arrangements limit very significantly possibilities for the monopolization of power and provide a critical opportunity for the checks and balances and competition among branches and levels of government. Competition, as well as the need for coordination, also encourages the making available of information which the public requires to ensure open, effective and transparent government.

Many democratic governments have established and rely heavily upon various kinds of institutional arrangements, which provide for substantial oversight of the activities of government. The Scandinavian countries introduced the Ombudsperson, a highly independent government official, who has extraordinary investigative powers to determine that governmental agencies are acting appropriately—both in terms of responsiveness to the citizenry and in ethical terms as well. In the United States, there has been a proliferation within government agencies of what is called “Inspector Generals” offices. These are units within government agencies which are given extraordinary powers and authority to investigate the normal operations of the government agencies of which they are a part in order to ensure the maintenance of the highest levels of professional and ethical standards.

Also important in this regard is the oversight and investigative authority given to legislative and judicial branches of government. Judicial branches, through grand juries, can carry out their investigative activities unimpeded by the executive branch. Often, legislative branches (usually through their committees) exercise significant oversight authority and will have various resources enabling them to carry out thorough and independent investigations of the activities of the executive branch. They will possess expert staff and, in most cases, be given subpoena power that enables them to compel honest and full testimony from members of the executive branch on the threat of imprisonment. In addition, many legislative bodies have established specific agencies designed to exercise direct oversight over the executive branch. Some of these agencies focus principally on issues of financial management, while, in other cases, their authority is much more wide ranging and includes the assessing of performance and the measurement and assessment of results.

There are numerous other structural arrangements that contemporary democratic governments have established to encourage open, accountable and ethical government. These include, for

example, techniques to involve private citizens in the practice of government. Thus, many democracies (especially the United States) rely heavily upon citizen boards to advise, oversee and, in some cases, actually make policy decisions for government agencies. These boards often have access to trained staff and have varying levels of legal authority to require information from the government agencies they oversee or advise. The use of such boards enable citizens to gain better access to information as well as to develop expertise in the area of policy for which the board is responsible.

Both the procedures established by government and even its institutional structures can often be significantly altered—especially in more fragile democracies. Consequently, in the end, the traditions, values and cultural norms of a society represent a very important means of sustaining the procedures and structures that ensure accountable, ethical and open government. Certainly, one of the key factors promoting ethical and accountable government in many democracies is the longstanding tradition of a free, open and effective press. It is arguable that the existence of a strong investigative media may represent the single most important force for preserving integrity and ethical behavior in government. While frequently attacked and criticized by government officials for having its own bias, in most democratic societies, media investigation is an extraordinarily important force in the promotion of honesty in government. However, because of the tradition of politicians frequently attacking the media, it is essential that countries have constitutional or statutory protection for those individuals in the media who call attention to unethical or inappropriate behavior on the part of those within government.

Another key factor, especially in many democratic societies, is the general approach which is taken to both educating and socializing those who work for a government. In many countries, great emphasis is placed upon the notion of the person working in government being “a public servant”. In that sense, each individual government employee is held responsible and accountable to the citizenry for the highest standards of performance and ethics. Much effort goes to educating those who will go into government, and the citizenry of the country, to ensure that there is a widespread consensus that public officials must be held accountable for high standards of integrity. The culture of government, as well as the expectations of society (reflected in both public attitudes and professional norms), should place great emphasis upon the ethical behavior of public servants.

Another set of factors that contribute in important ways to ethical governance is the combination of long-term political and economic stability and an active civil society. It is apparent that the development of a tradition of ethical behavior within a society requires a reasonable degree of stability and responsiveness on the part of the government. Stability facilitates the establishment of strong norms and expectations for individual performance. Similarly, the existence of an energetic civil society, which demands responsiveness on the part of government officials, can become a critical factor in maintaining governmental integrity. In a number of Western democracies, and increasingly in developing nations, there are many non-profit organizations and groups, which employ individuals who become very expert in particular areas of public policy and governmental activities. These individuals, through their investigative skill, represent an important form of check on the potential for corruption in government. Indeed, many such organizations take great pride in their capacity to investigate the activities of government officials and serve as “watchdogs” over government agencies.

## **Conclusion**

It is not by chance that the last quarter of the twentieth century witnessed the emergence of a massive industry devoted to improving the quality of management in both the private and the public sectors. The reality is that effective management, whether in the public or the private sector, has become increasingly difficult to achieve. As we noted throughout this report, problems are becoming more complex and resources more limited. Consequently, the demands for improved management have grown exponentially over the past several years. Nowhere has this been more true than in the case of the delivery of social services.

For at least half a century, national governments, especially in the more economically developed countries, have struggled with the issue of how to insure the most effective administration and management of social services. More recently, as some local governments have begun to assume increasing responsibility for the delivery of such services, they too have begun to worry increasingly about their effective management. That this should be the case is not surprising. While local governments have the advantage of being smaller and more susceptible to administrative oversight and control, they normally have fewer resources—human, financial and informational—than do the national governments that are devolving these matters to them.

The problem facing local governments in this regard however are not insurmountable. As the experiences of many of the more highly economically developed countries have demonstrated, local governments have a remarkable capacity to learn, grow and adapt. They also have a considerable capacity—perhaps more than national governments—to enter into effective partnerships with both the private sector and civil society. Perhaps most importantly, they have shown the ability to improve their own management capacity.

A key element in doing this is to look upon effective management as a process that is composed of various components—each of which can, given adequate attention, be made more effective. The process begins with the planning of the activity that is to be managed and here the key point is to insure that the process is inclusive enough to enable all participants to have an adequate understanding of all dimensions of a situation. Subsequent concerns involve the adequacy of financial resources, the effectiveness of management practice (especially in terms of insuring that the focus is upon results and that all voices are heard) and the ability to effectively measure performance. The final elements of effective management involve the insurance of transparency, which facilitates accountability and leads ultimately to even more effective performance.

## Chapter V

### **SOME FINAL SUGGESTIONS ON BUILDING EFFECTIVE, RESPONSIVE, DEMOCRATIC LOCAL GOVERNANCE**

As we noted at the outset of this report, experiments with the building and strengthening of democratic local governance have now been underway for some time in many countries. As a consequence, there is an increasing body of knowledge regarding what we do know, and what we can do to make things better. Among the key points in this regard are the following:

#### **Recognize the complexity of the task**

As we have seen, the reality is that many of the world's local governments are severely lacking in adequate resources. Moreover, in far too many cases, the likelihood of finding significant new resources is not very great. At the same time, the public problems with which local governments now must routinely deal have grown greatly in number, are becoming ever more complex and are often highly technical in nature. In many instances, there appears to be no clear-cut solution to a growing number of the problems faced by local governments.

Indeed, one of the unfortunate realities of contemporary life is that there are rarely simple solutions (and sometimes not even complicated ones) to complex problems. At least in part this is because efforts to solve many of today's multifaceted public problems often must rely upon collaborative action in many places and in many jurisdictions. The necessary coordination and cooperation is often a very difficult and costly thing to achieve. Likewise, efforts to solve many contemporary public problems require the utilization of new and complex technologies that are well beyond the resource capacity of many local governments. The result of this is increasing pressure upon local government to solve what often appear to be, and sometimes really are, insoluble problems.

That this is the case should not undermine the ongoing, and growing, commitment to the constructing of strong and vigorous local governance. We have seen throughout this report how local governments represent a new and creative force in improving the quality of life in many parts of the world. While there are problems that they cannot solve, there are many problems to which they can make important contributions to the solution. Consequently, it is imperative that, despite the seeming complexity of the task, efforts at building, and sustaining, effective and creative institutions of local governance continue.

#### **Build sustainable partnerships**

Frequently the solving of problems requires the collaboration of different levels of government, neighbouring governments and even in some cases, international organizations. Equally importantly, many of the contemporary problems faced by local governments require the collaboration of both the public and private sectors and, increasingly, civil society. Often these groups have different and, in some cases, even competing interests and values. Consequently, it is essential that efforts be made by each of the participating parties to understand the needs of the other participants. Sometimes this happens, sometimes it doesn't. Whatever the case, the

necessary widespread consultation requires a considerable degree of patience, understanding and hard work. However, in the end it is well worth the effort involved.

### **Understand the fragility of the reform process**

Even in the most highly developed and strongest local governments, the process of reform is a complex and difficult one. Frequently one must negotiate among many established interests with strong needs and/or desires to maintain existing practices. Such groups will frequently resist efforts to bring about systematic reform. In transitional and developing countries, the problem of institutionalizing reform can become particularly complex. Often the institutions of government are not strong enough to implement significant reforms. In other instances, where reforms are implemented, the pressure to revert back to past procedures and practices is often very strong.

The process of institutional reform can be further complicated by the fact that many of the organizations that support and encourage such efforts frequently approach these matters with a very short-term perspective. The key advocates and supporters of reform frequently leave the scene much too soon, giving those who wish to lessen or obviate the impact of reform the opportunity to do so with little or no resistance. In other cases, economic or political circumstances well beyond the control of the participants in any reform process frequently complicate and undermine reform initiatives. Consequently, it is crucial that those involved in the process of building and/or reforming the institutions of local governance recognize that such efforts often require both much patience and a long-term commitment. Just as there will be success and triumph, there will be losses and disappointments. Nevertheless, the experiences that have been reported above, as well as the lessons of history, make it clear that with sustained effort and commitment, governance reform can be achieved.

### **Strengthen management capacity and management systems**

It is imperative that the management capacity of local government be significantly enhanced. This is just as true in highly developed countries as it is in transitional and developing countries. In many instances, local governments lack adequate capacity to develop the kind of information on citizens' needs that is necessary for effective response. Critical for performance is the implementation of various kinds of measurement and quality management systems. However, in many cases the need is even more basic than this. In many communities, basic financial management practices, both in terms of budgeting and accounting, are woefully lacking. The effective implementation of such systems is in many cases critical to maintaining public confidence and trust in government.

### **Recognize the importance of an adequate and dependable revenue base**

In many instances, in transitional and developing countries, regional and local governments possess only the most limited revenue raising capacity—thus making them highly dependent upon central government subventions. Increasingly, as new demands are being brought to bear upon them, they become ever more dependent upon their national governments to provide funding either through established transfers or by specific appropriations. Such dependence inevitably limits the capacity of local governments to provide the services their citizens require and to play their role in the process of democratic institution-building.

The authority and capacity to raise revenue, whether through imposing taxes and fees, or incurring reasonable debt, is essential to the building of strong local governments. That is so not just because revenue is a pre-requisite to the provision of effective and adequate public services, but also because the raising of revenue forces local public officials to act more responsibly. Public officials who are required to impose taxes upon the people who are going to vote them in or out of office will remain attentive to their constituents and behave responsibly. Public officials who do not possess the independence to, and the responsibility for, imposing taxes will remain dependent and, consequently, can afford the luxury of acting irresponsibly and/or passing governance responsibility on to others.

### **Build coalitions of support by drawing upon the strength of civil society**

Clearly one important development during the past decade for those concerned about the future of democracy and good governance has been the emergence of civil society organizations and grass roots activism in many countries of the world. The reality is that both through their own independent activities and, increasingly, through their ability to influence other institutions, civil society and its representatives are beginning to shape the policies and actions of both local and national governments in important ways.

Governments, both at the national and the local level, can create environments that are either friendly to and supportive of civil society growth or that retard and limit its development. Through the protection of such basic rights as freedom of speech, association and press, as well as through a variety of specific legislative actions (including taxation, financial support and regulatory activity) government—both national and local—can profoundly impact the ability of civil society institutions to develop and flourish.

It is crucial that civil society organizations and local governments work in partnership to explore the most effective means for delivering services to the citizens of a given community. In some cases it may well be that civil society organizations represent a more effective means for the delivery of the basic services that citizens require. On the other hand, it is equally imperative that governments not abdicate their responsibility for the delivery of needed service to their citizenry on the assumption that civil society organizations can provide them. The most effective system of delivering needed services to citizens involves civil society and local government working together.

### **Strengthen the partnership between local and central governments**

The growth and emergence of local government around the world has certainly been one of most notable achievements of the democratic institution-building and governance strengthening efforts of the past decade. Grass roots activists, local leaders, national leaders and international organizations have all contributed to the strengthening of local governance. However, it does appear that the past two years have witnessed a decline in the commitment by many governments to this movement. One can see this in many parts of the world and that is a serious tendency considering how dependent people are on the services provided by local governments.

National governments—through their legislation and through their fiscal policies—shape the environment within which local governments operate and can limit or support their capacity to act effectively. Consequently, it is of critical importance to the future of local governance that national and local officials, as well as civil society representatives, work together. In that regard, it is especially urgent to recognize that the strengthening of one or another level of government does not represent a “zero sum game” in the sense that, if one level of government is enhanced, another will inevitably become weaker. Indeed, much contemporary experience, particularly in those countries where governmental institutions are highly developed, suggests quite the opposite. When one level of government becomes institutionally stronger and more competent, pressure builds for the other existing levels of government to follow suit and likewise enhance their capacity.

### **Develop effective public-private partnerships**

For many local governments, resources are, if not shrinking, at least not significantly increasing. One very important consequence of this is that local governments need to turn to the private sector to obtain the skills and the resources necessary to address the needs of the citizens.

The building of effective public-private relationships can be a complicated and difficult task. In many instances, institutional cultures differ and both sides need to learn new ways of dealing with one another. In so doing, they often find that they need to reassess some of their own basic values and beliefs. As a result, both parties will often find the effort a highly productive one. There is much that local governments can learn from the private sector in terms of economy, efficiency and even accountability. On the other hand, private sector organizations can benefit from the broader perspective and the wider array of values that the public sector embodies. Consequently, when joint public-private ventures work, the resulting synergy can be extraordinarily beneficial—both to the participating organizations and to the citizenry of the community.

### **Citizen empowerment underlies effective local governance**

The single greatest virtue of local governance is its closeness to the people who are being governed. However, all too often only part of the people are effectively involved in, or able to influence, their local governments. Frequently, the poor and the marginalized within a community are not able to effectively influence the decisions of their local governments. Such a situation serves in the long run to undermine the effectiveness of local government—both as a democratic institution and as a generator of needed economic development.

Consequently, it is critical that efforts to build and strengthen local governance include major initiatives to encourage the empowerment of all citizens—especially the poor and the marginalized. Programs that reach out to the poor, that provide them with adequate information to understand both the opportunities for and the responsibilities inherent in local governance, are critical. As experience in countries has shown, the failure to undertake such initiatives will have significant costs in ways ranging from civil disorder, to growing financial burdens, to a decline in basic infrastructure and economic capacity.

## **Need-based planning and budgeting are at the heart of responsive local government**

It goes without saying that the most important annual document produced by any government is its budget. The budget reflects both its specific priorities and its general goals for the period of time involved. That is why it is critical that municipal budgetary processes be open, transparent and highly professional and that the staff of the budget agency be committed to such goals.

Almost as important as the budgetary process within local government are the planning activities that occur. This is especially the case when local planning activities, as they should, involve a wide spectrum of the citizenry. Community-based planning that reflects the needs of the entire community—its women, its children, its elderly, its poor, its minorities, its youth—is perhaps the single most effective means to develop priorities that truly reflect the needs of the community. Consequently, the implementation of participatory strategic planning techniques is increasingly important to the development of effective local government. The linking of the outcomes of such processes to the development of budget priorities is even more important.

## **Accountability and transparency are critical to building citizen confidence**

Throughout the world, citizens increasingly demand that government be both accountable and transparent. This is especially true at the local level where citizen confidence in government is very directly related both to the responsiveness of government to the needs of citizens and its openness to participation and involvement by them. For citizens to participate effectively in government, they must be able both to understand it and to have confidence in it. Local governments in many parts of the world, being relatively new institutions, have the opportunity to set a new standard of excellence in terms of accountability and transparency and, in so doing, to help reverse the growing trend of citizen disillusionment with government institutions.

## **Recognize the importance of a long-term commitment**

The people of Sweden, the site of the Global Forum, quite rightly take pride in their highly developed system of regional and local governance and the very comprehensive system of social services that it provides. However, that system did not grow instantly out of a single creative parliamentary act or one farsighted administrative initiative. Rather, as the Deputy Prime Minister of Sweden noted at the outset of the Forum, the system has emerged over several centuries and required much building. Moreover, as other commentators at the Forum noted, it is constantly undergoing change and refinement in order to respond to new needs and challenges. The obvious lesson is that even in economically fortunate countries, the process of governmental reform and the building of good governance require time, patience and effort. As a result, local governance reform must continue to be an important matter of concern for international organizations and donors as well.

Frequently, donors tend to support short-term reform projects designed to produce quick results. In the end, they often wind up with disappointing outcomes. While there can be no doubt that positive results have to be achieved in some reasonable amount of time, donor organizations need to develop strategies that provide continuing support to the process of governance reform and democratic institution-building. The service delivery and governance needs of the world's peoples and communities are essential to our future well-being. Ways and means must be developed for communities to realize their full potential through creative policy frameworks and

sound management practices. The stakes are too important, and the opportunities for improving the well-being of the world's peoples are too great to do otherwise.

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Mr. Lars Hjalmarson	Managing Director / Medihem
Ms. Lena Hjelm-Wallén	Deputy Prime Minister / Prime Minister's Office
Ms. Anitha Holmberg	Coordinator / The European Municipal Advisory Consortium (EMAC)
Mr. Bo Holmberg	Governor / Södermanland County Administrative Board
Mr. Christoffer Holmquist	Designer / Axaco
Mr. Göran Holmström	Political Secretary / Christian Democratic Party
Mr. Sören Häggroth	State Secretary / Ministry of Finance
Ms. Annika Jalap-Hermansson	Senior Technical Adviser / The City of Stockholm Executive Office
Mr. Salomon Jawara	
Mr. Tommy Karlsson	Foreign Liaison Adviser / Stockholm County Council
Mr. Andres Käärik	Commissioner / The Stockholm County Council
Mr. Steinar Langbakk	Project Director / Twin Cities Project, The Association of Local Authorities
Ms. Virginija Langbakk	Project Leader / Swedish Association of Local Authorities
Mr. Sten-Sture Lidén	Secretary General / Swedish Dementia Association
Mr. Bengt Linde	Senior Consultant / AF-Swedish Management Group AB
Mr. Evert Lindholm	Executive Director / The Association of Local Authorities
Mr. Håkan Linnarsson	Chairman / The City of Göteborg, the District Council of Gunnared
Ms. Carina Lundberg-Uudelepp	Head, Quality Management Unit / City of Stockholm
Ms. Marika Lundin	Quality Manager / City of Stockholm, District of Kista
Mr. Lars Edvin Lundkvist	Journalist / American Broadcasting Corporation
Ms. Carin Lyckéus	Senior Adviser / Swedish Association of Health Professionals
Mr. Lars-Erik Lövdén	Minister for Local Self-Government
Ms. Maria Mannerholm	Head of Department / City of Stockholm, District of Rinkeby
Ms. Carin Norberg	Assistant Director General / SIDA

Mr. Per-Olov Nylander	Senior Adviser / Swedish Association of Local Authorities (SALA)
Dr. Alexander Pirogov	Project Leader / Swedish Association of Local Authorities
Mr. Ilmar Reepalu	President / Swedish Association of Local Authorities
Ms. Ann-Cristin Rosenqvist	Controller / City of Stockholm
Mr. Peter Rundström	Member, District Committee / City of Göteborg, District of Gunnared
Ms. Birgitta Rydell	Vice Mayor / The City of Stockholm
Ms. Elisabet Spjuth	Development Director / Svensk Äldreomsorg AB
Mr. Leif Spjuth	Head of Department / City of Stockholm, District of Katarina Sofia
Ms. Ann-Marie Strömberg	City Council of Stockholm
Mr. Bo Sundström	Senior Consultant / AF-Swedish Management Group
Ms. Monica Sundström	Executive Director / Federation of Swedish County Councils
Mr. Rolf Svensson	Director / City of Göteborg, District of Gunnared
Mr. Hans Söderström	Director / KPA
Ms. Karin Welin	Head of Department / City of Stockholm, District of Skärholmen
Mr. Bengt Westerberg	Former Deputy Prime Minister
Dr. Barbro Westerholm	President / Swedish Federation of Senior Citizens
Ms. Birgitta Westin	Head of Department / City of Stockholm, District of Skärholmen
Mr. Henrik Westman	Member of Parliament
Dr. Bengt Winblad	Professor / Stockholm Gerontology Research Center
Mr. Gert Åberg	Director of Human Resources / Vellinge Municipality
Mr. Andreas Ådahl	Ambassador / Ministry of Foreign Affairs
Mr. Christer Öhgren	Member City Council / City of Stockholm
<b>Tajikistan</b>	
Mr. Sascha Graumann	Programme Officer / UNDP
<b>Tanzania</b>	
Ms. Karen Marie Baek	Governance Specialist / UNDP
Mr. Daimu Mkwawa	Programme Officer / UNDP/UNCDF
<b>Thailand</b>	
Ms. Zenaida Delica	Director / Asian Pacific Disaster Preparedness Center (ADPC)
Mr. Charnvit Krairiksh	Senior Personnel Analyst / Office of Civil Service Commission
Dr. Orapin Sopchokchai	Research Director / Thailand Development Research Institute Foundation

**The Netherlands**

Fon. M.H.Th. Koemans

Chairman / Nederlandse Waterschapsbank

**Turkey**

Mr. Sadun Emrealp

Ms. Birgul Ayman Guler

Deputy Secretary-General / IULA-EMME

Faculty Member / Public Administration Institute of Turkey and the Middle East

Ms. Esra Fatma Karadag

Mr. Muammer Türker

Environmental Programme Officer / UNDP

Head of Division / Ministry of Interior, General Directorate of Local Authorities

Ms. Belma Ustunisik

Senior Planning Expert / State Planning Organization

**Uganda**

Mr. Raphael Magyezi

Secretary-General / Uganda Local Authorities Association (ULAA)

**Ukraine**

Dr. Vasyl Kravchenko

Vice President / Research Financial Institute, Ministry of Finance

Mr. Igor Kravchuk

Deputy Minister / Ministry of Labour and Social Policy

Mr. Andrey Nikitov

Deputy Head of Department / Ministry of Economy

Mr. Oleksandr Nikulin

Mayor / Association of Ukrainian Cities

Ms. Olena Sichkar

National Programme Officer / UNDP

Mr. Alexander Zatolokin

Director / Municipal Management Center (MMC)

**United Arab Emirates**

Mr. Abdul Qader Al-Jassmi

Director / Legal Affairs Department, Dubai Municipality

**United Kingdom**

Ms. Amanda Heslop

Training and Resources Manager / Helpage International

Mr. Paul Hinchliff

Regional Programme Manager / Helpage International

Mr. Robert Whittaker

Head / Performance Measurement and Improvement Branch, Local Government Competition and Quality Division / DETR

**United States of America**

Dr. Allan Rosenbaum

Professor / Florida International University

**Uzbekistan**

Mr. Hugo Karlsson

Programme Officer / UNDP

**Zambia**

Ms. Margaret Chilulumo

Council Secretary / Kafue District Council

Mr. Emmanuel Sume Chisha Deputy Provincial Permanent Secretary / Provincial Administrations Office of the President  
Mr. Bernard Namachila S.C Director / Ministry of Local Government and Housing  
Mr. Alfred Silamba Sakwiya Project Manager / UNDP/UNCDF

**Zimbabwe**

Dr. Michael M. Ndubiwa Former Town Clerk and Chief Executive / City of Bulawayo

**Interamerican Development Bank**

Ms. Priscilla Phelps Municipal Finance and Development Specialist

**Inter-American Foundation**

Mr. David Valenzuela President

**International IDEA**

Mr. Igor Koryakov Project Manager

**Professional Management AB**

Ms. Elmira Alexanderson Social Scientist  
Mr. Loa Andersson Consultant  
Ms. Inger Billsjö Information Assistant  
Ms. Carina Eivinson Assistant  
Ms. Inga-Lisa Hedlund Assistant  
Ms. Annika Mellin Assistant  
Mr. Arne Svensson President  
Ms. Barbro Svensson Assistant  
Ms. Lina Svensson Assistant  
Mr. Mattias Svensson Developer  
Ms. Adiam Tedros Assistant  
Ms. Birgitta Thalin Assistant

**UNESCO**

Ms. Faryal Khan Basic Education Program Specialist / ED/BAS

**United Nations Development Programme**

Dr. Pratibha Mehta Senior Technical Adviser  
Mr. Thord Palmlund Special Adviser  
Mr. Mounir Tabet Senior Technical Adviser  
Mr. Robertson Work Deputy Director / Management Development and Governance Division/BDP

**United Nations Secretariat**

Mr. Guido Bertucci Director / Division for Public Economics and Public Administration, Department of Economic and Social Affairs

Mr. Patrizio Civili

Assistant Secretary-General for Policy Coordination  
and Inter-Agency Affairs, Department of Economic and  
Social Affairs

Ms. Jeanne-Marie Col

Interregional Adviser / DPEPA/UNDESA

Ms. Najet Karaborni

Interregional Adviser / DPEPA/UNDESA

Mr. John-Mary Kauzya

Interregional Adviser / DPEPA/UNDESA

Ms. Mariko Nishizawa

Adviser / DPEPA/UNDESA

## **ANNEX B ORGANIZERS OF THE GLOBAL FORUM**

### **EXECUTIVE COMMITTEE**

The Global Forum was organized jointly by the United Nations (UN/DESA and UNDP) and Professional Management AB.

Mr. Guido Bertucci, Director, DPEPA/UNDESA  
Mr. G. Shabbir Cheema, Director, MDGD/BDP/UNDP  
Mr. Sören Häggroth, State Secretary, The Ministry of Finance, Sweden  
Mr. Thord Palmund, Special Advisor, UNDP  
Mr. Arne Svensson, President, Professional Management AB, Sweden

### **ORGANIZATION COMMITTEE**

Mr. Ingemar Alserud, President, KPA  
Mr. Lars-Olof (Loa) Andersson, Consultant, Professional Management AB  
Mr. Sven Andreasson, President, The Stockholm County Council  
Mr. Ulf Bley, Director, The Federation of Swedish County Councils  
Mr. Sören Häggroth, State Secretary, The Ministry of Finance  
Mr. Lars Hjalmarsson, Director, Medihem  
Mr. Bernt Jakobson, Ombudsman, Akademikerförbundet SSR  
Mr. Tommy Karlsson, Foreign Liaison Adviser, The Stockholm County Council  
Mr. Per-Olov Nylander, Senior Advisor, The Swedish Association of Local Authorities (SALA)  
Ms. Birgitta Rydell, Vice Mayor, The City of Stockholm  
Mr. Arne Svensson, President, Professional Management AB, **Chairman of the Committee**

## ANNEX C GLOBAL FORUM PROGRAMME

### Tuesday, May 2

07.30	Registration	• <i>Mr. Lars-Erik Lövdén</i> , Minister for Local Self-Government, Sweden
09.00	<b>Welcome Address</b> <ul style="list-style-type: none"> <li>• <i>Ms. Lena Hjelm-Wallén</i>, Deputy Prime Minister, Sweden</li> <li>• <i>Mr. Patrizio Civili</i>, Assistant-Secretary-General for Policy Coordination and Inter-Agency Affairs, United Nations Department of Economic and Social Development</li> <li>• <i>Ms. Birgitta Rydell</i>, Vice Mayor, The City of Stockholm</li> </ul>	12.30 Lunch
09.45	<b>Opening Presentations:</b> <i>Lessons Learned and Emerging New Issues</i> <i>Chairperson: Mr. Sören Häggroth</i> , State Secretary, The Ministry of Finance, Sweden <ul style="list-style-type: none"> <li>• <i>Mr. Thord Palmlund</i>, Special Advisor, UNDP, on behalf of <i>Ms. Eimi Watanabe</i>, Assistant Administrator and Director, Bureau for Development Policy, UNDP</li> <li>• <i>Dr. Allan Rosenbaum</i>, Professor, Florida International University, USA</li> <li>• <i>Mr. Guido Bertucci</i>, Director, Division for Public Economics and Public Administration, United Nations</li> </ul>	<b>Theme 2: Strategies for Social Service Delivery</b> <b>Plenary Session</b> <i>Chairperson: Ms. Birgitta Rydell</i> , Vice Mayor, The City of Stockholm <i>Rapporteur: Mr. Tony Verheijen</i> , Chief Technical Adviser, UNDP <ul style="list-style-type: none"> <li>• <i>Ms. Faith Innerarity</i>, Director Social of Security, The Ministry of Labour and Social Security, Jamaica</li> <li>• <i>Mr. Bengt Westerberg</i>, Former Deputy Prime Minister, Sweden</li> </ul>
10.30	Coffee break	15.30 Coffee break
	<b>Theme 1: Policy Framework</b>	
11.00	<b>Plenary Session</b> <i>Chairperson: Dr. Pratibha Mehta</i> , Senior Technical Adviser, UNDP <i>Rapporteur: Mr. Paul Lundberg</i> , Senior Associate, ARD, Inc., The Phillipines <ul style="list-style-type: none"> <li>• <i>Ms. Gugu Moloi</i>, Chief Director, The Department of Provincial and Local Government, South Africa</li> </ul>	<b>Theme 3: Management Issues</b> <b>Plenary Session</b> <i>Chairperson: Mr. Guido Bertucci</i> , Director, Division for Public Economics and Public Administration, United Nations <i>Rapporteur: Ms. Jeanne-Marie Col</i> , Interregional Adviser, Governance and Public Management Innovations, DESA, United Nations <ul style="list-style-type: none"> <li>• <i>Mr. David Valenzuela</i>, President, The Inter-American Foundation</li> <li>• <i>Dr. Marga Pröhl</i>, Vice President, The Bertelsmann Foundation</li> </ul>
		18.30 Welcome Reception at Stockholm City Hall hosted by the City of Stockholm

### Wednesday, May 3

09.00	<b>Theme 1: Policy Framework</b> Parallel sessions in working groups on sub-themes:  <b>Working Group 1: Institutional and Human Capacity Development of Key Actors at All Levels</b> <ul style="list-style-type: none"> <li>• <i>Ms. Najet Karaborni</i>, Interregional Adviser, DESA, United Nations</li> <li>• <i>Mr. Raphael Magyezi</i>, Secretary General, Uganda Local Authorities Association</li> <li>• <i>Ms. Carin Norberg</i>, Assistant Director General, SIDA, Sweden</li> </ul>	<i>Chairperson: Mr. Wang Di</i> , Division Chief, Chinese Social Development and Social Security Association, The State Development Planning Commission, China <i>Rapporteur: Mr. Paul Lundberg</i> , Senior Associate, ARD, Inc., The Phillipines  <b>Working Group 2: Policies and Strategies of Decentralization</b> <ul style="list-style-type: none"> <li>• <i>Mr. Saiti Xhemali</i>, Minister, The Ministry of Local Self-Government, The Former Yugoslav</li> </ul>
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Republic of Macedonia, assisted by *Ms. Mihaela Stojkoska* and *Ms. Sylvia Rohde-Liebenau*, Head of Section, Public Administration, PLS Consult

- *Mr. Vasyl Kravchenko*, Vice President, Research Financial Institute, The Ministry of Finance, Ukraine, assisted by *Mr. Alexander Pirogov*

*Chairperson: Dr. Andreas Ådahl*, Ambassador, The Ministry of Foreign Affairs, Sweden  
*Rapporteur: Dr. Allan Rosenbaum*, Professor, Florida International University, USA

### **Working Group 3: Concepts and Processes of Decentralization**

- *Dr. Jozef Ploskonka*, Deputy Minister, The Ministry of Interior and Administration, Poland
- *Mr. Mounir Tabet*, Senior Technical Advisor, UNDP
- *Mr. Mike Waghorne*, Assistant General Secretary, Public Services International (PSI)

*Chairperson: Ms. Stella Lukhele*, Minister, The Ministry for Housing and Urban Development, Swaziland

*Rapporteur: Mr. Tony Verheijen*, Chief Technical Adviser, UNDP

### **Working Group 4: Empowerment of Key Local Actors for Local Governance to Improve Social Service for All**

- *Dr. Jerzy Regulski*, President, The Foundation in Support of Local Democracy, Poland
- *Mr. René Canjura*, Mayor, Nejapa, El Salvador
- *Mr. Sadun Emrealp*, Deputy Secretary General of IULA-EMME, Turkey

*Chairperson: Mr. Ilmar Reepalu*, President, The Association of Local Authorities, Sweden

*Rapporteur: Dr. Pratibha Mehta*, Senior Technical Adviser, UNDP

### **Working Group 5: Partnership Between Public Sector, CSOs and Private Sector**

- *Mr. Christopher Gotanco*, President, Anglo-Philippines Holding Company, The Philippines
- *Mr. Sten-Sture Lidén*, Secretary General, The Swedish Dementia Association
- *Ms. Priscilla Phelps*, Municipal Finance and Development Specialist, The Interamerican Development Bank

*Chairperson: Ms. Josefina De La Cruz*, Governor, The Province of Bulacan, and Secretary General, League of Provinces, Republic of the Philippines  
*Rapporteur: Ms. Jeanne-Marie Col*, Interregional Adviser, Governance and Public Management Innovations, DESA, United Nations

### **Working Group 6: Mobilizing and Involving Civil Society in Local Governance for Increasing Access to Social Services**

- *Ms. Orapin Sopchokchai*, Director, The Social Development Department, Thailand Development Research Institute

- *Mr. Ruben Americo Marti*, Mayor, Cordoba, Argentina
- *Ms. Lisbeth Kjaer Jensen*, Special Adviser, Copenhagen City Council, Denmark

*Chairperson: Ms. Eva Fernvall Markstedt*, President, The Swedish Association of Health Professionals

*Rapporteur: Mr. Emad Adly*, LIFE National Coordinator, Egypt

### **Working Group 7: Global Learning Network in Developing Local Government**

- *Dr Włodzimierz Puzyna*, MP, Poland
- *Mr. Michael Ndubiwa*, Consultant, Former Town Clerk, Bulawayo, Zimbabwe
- *Mr. Steinar Langbakk*, Twin Cities Project, The Association of Local Authorities, Sweden

*Chairperson: Ms. Olga Vidláková*, Head of the Department of Law and Administrative Science, University Pardubice, Czech Republic

*Rapporteur: Mr. Robert Arnkil*, Senior Researcher, Social Development Co., The City of Hämeenlinna, Finland

11.45 Lunch

### **13.15 Theme 2: Strategies for Social Service Delivery**

Parallel sessions in working groups on sub-themes:

#### **Working Group 1: Care of the Elderly**

- *Mr. Zhan T Yu Ji*, General Director, Chinese Social Development and Social Security Association, The State Development Planning Commission, China
- *Mr. Lars Hjalmarson*, Director, Medihem, Sweden
- *Mr. Guntis Libeks*, Municipal Director, Aizkrankle District Council, Latvia

*Chairperson: Ms. Birgitta Rydell*, Vice Mayor, The City of Stockholm

*Rapporteur: Ms. Mariko Nishizawa*, Public Administration Advisor, DESA, United Nations

#### **Working Group 2: Health and Nutrition for All**

- *Mr. John-Mary Kauzya*, Interregional Adviser, DESA, United Nations
- *Dr. Bengt Winblad*, Stockholm Gerontology Research Center, Sweden
- *Ms. Nina Orlova*, Local Project Coordinator, Government of Moldova

*Chairperson: Mr. Andres Käärrik*, Commissioner, The Stockholm County Council

*Rapporteur: Mr. Alfredo Lattes*, Senior Researcher, CENEP, Argentina

#### **Working Group 3: Education for All**

- *Ms. Stanislava Strolaite*, Head of Unit for Integration of Handicapped in School, The Ministry of Science and Education, Lithuania, assisted by *Ms. Virginija Langbakk*

- *Ms. Faryal Khan*, Basic Education Program Specialist, ED/BAS, UNESCO
- *Dr. Allan Rosenbaum*, Professor, Florida International University, USA

*Chairperson: Ms. Agneta Bygdell*, President, The Swedish Association of Graduates in Social Science, Personnel and Public Administration, Economics and Social Work

*Rapporteur: Mr. Raphael Magyezi*, Secretary General, Uganda Local Authorities Association

#### **Working Group 4: Water and Sanitation for All**

- *Mr. Christopher Gotanco*, President, Anglo-Philippines Holding Company, The Philippines
- *Mr. Rigoberto Quemé Chay*, Mayor, Quetzaltenango, Guatemala
- *Mr. Emad Adly*, LIFE National Coordinator, Egypt

*Chairperson: Mr. Mowlana Seyed Ahamed Seyed Alavi*, Minister, Ministry of Provincial Councils and Local Government, Sri Lanka

*Rapporteur: Ms. Karen Marie Baek*, Governance and Local Government Specialist, Tanzania

#### **Working Group 5: Innovations in Age Integrated Care**

- *Mr. Keith Miller*, Consultant, The Ministry of Local Government, Jamaica
- *Dr. Barbro Westerholm*, President, The Swedish Federation of Senior Citizens
- *Mr. Palle Mikkelsen*, Director of Research, The Municipality of Farum, Denmark

*Chairperson: Ms. Gugu Molo*, Chief Director, The Department of Provincial and Local Government, South Africa

*Rapporteur: Ms. Najet Karaborni*, Interregional Adviser, DESA, United Nations

#### **Working Group 6: Community Safety for All**

- *Ms. Zenaída Delica*, Asian Pacific Disaster Centre, Thailand
- *Mr. Dmitriy Lobanov*, Head of Desk, International Cooperation Department, Ministry of Emergencies/EMERCOM of Russia
- *Mr. Daumants Olte*, Chairman, Jelgava Regional Council, Latvia assisted by *Ms. Arta Kronberga* and *Mr. Anders Granat*, County Director, Södermanland County Administrative Board, Sweden

*Chairperson: Ms. Jeanne-Marie Col*, Interregional Adviser, Governance and Public Management Innovations, DESA, United Nations

*Rapporteur: Ms. Orapin Sopchokchai*, Director, The Social Development Department, TDRI, Thailand

#### **Working Group 7: Social Policy and Social Security**

- *Ms. Markéta Vylitová*, Researcher, The Research Institute for Labour and Social Affairs (RILSA) and NISPA cee, Czech Republic

- *Mr. Jeffrey Makhubalo*, Chairman, Northern Cape Local Government Association (NOCLGA), South Africa
- *Mr. Kalyan Pandey*, Chief Technical Advisor, UNDP, Kyrgyzstan
- *Ms. Tatyana Starinskaya*, Chief Expert, The Ministry of Social Security, Belarus

*Chairperson: Mr. Ingemar Alserud*, President, KPA, Sweden

*Rapporteur: Ms. Faith Innerarity*, Director of Social Security, The Ministry of Labour and Social Security, Jamaica

15.15 Coffee break

#### 15.45 **Theme 3: Management Issues**

Parallel sessions in working groups on sub-themes:

#### **Working Group 1: Participatory Planning for Local Governance and Social Services for All Age Groups**

- *Mr. Mariano Curicama*, Mayor, Guamote, Ecuador
- *Ms. Carina Lundberg-Uudelepp*, Head of the Quality Management Unit, The City of Stockholm
- *Mr. Juha Kaakinen*, Managing Director, Social Development Co., The City of Hämeenlinna, Finland

*Chairperson: Mr. Abdul Qader Al-Jassmi*, Director, Legal Affairs Department, Dubai Municipality, U.A.E.

*Rapporteur: Mr. Bengt Linde*, Senior Consultant, SMG, Sweden

#### **Working Group 2: Local Finance in Practice**

- *Mr. Lubomir Ficinski*, State Secretary for Urban Development, Parana, Brazil
- *Mr. Nicholas Anderson*, CEO, Municipality Finance, Finland
- *Fon M.H.Th. Koemans*, Nederlandse Waterschapsbank, Netherlands

*Chairperson: Mr. Lars M Andersson*, CEO, Kommuninvest, Sweden

*Rapporteur: Mr. Mounir Tabet*, Senior Technical Advisor, UNDP

#### **Working Group 3: Local Government Transparency and Central-Local Relations**

- *Ms. Josefina De La Cruz*, Governor, The Province of Bulacan, and Secretary General, League of Provinces, Republic of the Philippines
- *Dr. Barbara Kudrycka*, Rector, The Bialystok School of Public Administration, Poland
- *Mr. Martin Andrae*, Director, Department of Regional Development, The Federation of Swedish County Councils

*Chairperson: Hon. Dr. James Burty David*, Minister of Local Government, Outer Islands

Development and Small & Medium Enterprises and Handicraft, Republic of Mauritius  
*Rapporteur: Mr. Christopher Gotanco*, President, Anglo-Philippines Holding Company, The Philippines

**Working Group 4: Performance and Result Measurements and Indicators**

- *Mr. Robert Whittaker*, Head of Performance Measurement and Improvement Branch, Local Government Competition and Quality Division, DETR, UK
- *Mr. Tejendra Khanna*, Former Lieutenant Governor and Administrator, The National Capital Territory of Delhi, India
- *Mr. Robert Arnkil*, Senior Researcher, Social Development Co., The City of Hämeenlinna, Finland

*Chairperson: Mr. Zviad Gonadze*, Head of the Coordination Agency, Administration of the President, Georgia

*Rapporteur: Dr. Lennart Gustafsson*, Director, The Ministry of Industry, Employment and Communications, Sweden

**Working Group 5: Bottom Up Development: Synergies Between Community Based Experiences, Municipal and National Policies and Plans**

- *Dr. Pratibha Mehta*, Senior Technical Advisor, UNDP
- *Mr. Geraldo Machado*, Director, The International Center of Exchange and Innovation in Public Administration, Bahia, Brazil
- *Ms. Victoria Biederman*, Head of Department, The Ministry of Labour and Social Policy, Poland assisted by *Mr. Wojciech Marchlewski* and *Mr. Palle Rasmussen*, PLS Consult

*Chairperson: Ms. Gun-Britt Andersson*, State Secretary, The Ministry of Foreign Affairs, Sweden

*Rapporteur: Mr. Kalyan Pandey*, Chief Technical Advisor, UNDP, Kyrgyzstan

18.30 Archipelago-tour with buffet dinner hosted by the Stockholm County Council.

## Thursday, May 4

09.00 Field reviews in the City of Stockholm and the County of Stockholm and Study visits (exchange of information) organized by the following organisations: the City of Stockholm, the Stockholm County Council, the Ministry of Finance, the Swedish Association of Local Authorities, the Federation of Swedish County Councils, Akademikerförbundet SSR, KPA, PRO, the Stockholm Gerontology Center and the Red Cross.

## Friday, May 5

09.00 **Plenary Session: Working Group Reports on Summaries and Lessons Learnt**  
*Chairperson: Mr. Thord Palmund*, Special Advisor, UNDP

**Theme 1: Summaries and Lessons Learnt from the Working Groups on Policy Framework for Local Governance and Social Services for All**  
Report and Discussion

*Rapporteur: Mr. Paul Lundberg*, Senior Associate, ARD Inc, The Phillipines

10.30 Coffee break

11.00 **Theme 2: Summaries and Lessons Learnt from the Working Groups on Participatory Strategies for Social Service Delivery**  
Report and Discussion

*Rapporteur: Mr. Tony Verheijen*, Chief Technical Adviser, UNDP

12.45 Lunch

14.00 **Theme 3: Summaries and Lessons Learnt from the Working Groups on Management for Local Governance and Social Services for All**  
Report and Discussion

*Rapporteur: Ms. Jeanne-Marie Col*, Interregional Adviser, Governance and Public Management Innovations, DESA, United Nations

15.30 Coffee break

16.00 **Conclusion and Global Forum Closure**

## ANNEX D GLOBAL FORUM PAPERS

Most of the papers are available at Professional Management's website [www.pm.home.se](http://www.pm.home.se). For a copy of the others please contact Professional Management, Illervägen 27, SE-187 35 Täby, Sweden, telephone + 46 8 792 38 28, fax + 46 8 768 19 29, e.mail [a.b@prof-managementabs.se](mailto:a.b@prof-managementabs.se) or [svensson@professionalmanagement.nu](mailto:svensson@professionalmanagement.nu).

### PAPERS AND PRESENTATIONS

#### Welcome Addresses

Ms. Lena Hjelm-Wallén, Deputy Prime Minister, Sweden  
Mr. Patrizio Civili, Assistant Secretary-General for Policy Coordination and Inter-Agency Affairs,  
United Nations Department of Economic and Social Development  
Ms. Birgitta Rydell, Vice Mayor, The City of Stockholm

#### Opening Presentations: *Lessons Learned and Emerging New Issues*

Mr. Sören Häggroth, State Secretary, The Ministry of Finance, Sweden  
Mr. Thord Palmlund, Special Advisor, UNDP  
Ms. Eimi Watanabe, Assistant Administrator and Director, Bureau for Development Policy, UNDP  
Dr. Allan Rosenbaum, Professor, Florida International University, USA  
Mr. Guido Bertucci, Director, Division for Public Economics and Public Administration, United Nations

#### Theme 1: *Policy Framework*

Ms. Gugu Moloi, Chief Director, The Department of Provincial and Local Government, South Africa  
Mr. Lars-Erik Lövdén, Minister for Local Self-Government, Sweden  
Ms. Najet Karaborni, Interregional Adviser, DESA, United Nations  
Mr. Raphael Magyezi, Secretary General, Uganda Local Authorities Association  
Ms. Carin Norberg, Assistant Director General, SIDA, Sweden  
Mr. Saiti Xhemali, Minister, The Ministry of Local Self-Government, The Former Yugoslav Republic of Macedonia, assisted by Ms. Marina Naumovska, Ms. Mihaela Stojkoska and Ms. Sylvia Rohde-Liebenau, Head of Section, Public Administration, PLS Consult  
Mr. Vasyl Kravchenko, Vice President, Research Financial Institute, The Ministry of Finance, Ukraine, assisted by Mr. Alexander Pirogov  
Dr. Jozef Ploskonka Deputy Minister, The Ministry of Interior and Administration, Poland  
Mr. Mounir Tabet, Senior Technical Advisor, UNDP  
Mr. Mike Waghorne, Assistant General Secretary, Public Services International (PSI), France  
Dr. Jerzy Regulski, President, The Foundation in Support of Local Democracy, Poland  
Mr. René Canjura, Mayor, Nejapa, El Salvador  
Mr. Sadun Emrealp, Deputy Secretary General of IULA-EMME, Turkey  
Mr. Christopher Gotanco, President, Anglo-Philippines Holding Company, The Philippines  
Mr. Sten-Sture Lidén, Secretary General, The Swedish Dementia Association

Ms. Priscilla Phelps, Municipal Finance and Development Specialist, The Interamerican Development Bank  
Ms. Orapin Sopchokchai, Director, The Social Development Department, Thailand Development Research Institute  
Mr. Ruben Americo Marti, Mayor, Cordoba, Argentina  
Ms. Lisbeth Kjaer Jensen, Special Adviser, Copenhagen City Council, Denmark  
Dr. Wlodzimierz Puzyna, MP, Poland  
Mr. Michael Ndubiwa, Former Town Clerk and Chief Executive, City of Bulawayo, Zimbabwe  
Mr. Steinar Langbakk, Project Director, Twin Cities Project, The Association of Local Authorities, Sweden  
Mr. Robert Arnkil, Senior Researcher, Social Development Co., The City of Hämeenlinna, Finland

**Theme 2: *Strategies for Social Service Delivery***

Ms. Birgitta Rydell, Vice Mayor, The City of Stockholm  
Ms. Faith Innerarity, Director of Social Security, The Ministry of Labour and Social Security, Jamaica  
Mr. Bengt Westerberg, Former Deputy Prime Minister, Sweden  
Mr. Zhan T Yu Ji, General Director, Chinese Social Development and Social Security Association, The State Development Planning Commission, China  
Mr. Lars Hjalmarson, Director, Medihem, Sweden  
Mr. Guntis Libeks, Municipal Director, Aizkrankle District Council, Latvia  
Ms. Birgitta Rydell, Vice Mayor, The City of Stockholm  
Mr. John-Mary Kauzya, Interregional Adviser, DESA, United Nations  
Dr. Bengt Winblad, Stockholm Gerontology Research Center, Sweden  
Ms. Nina Orlova, Local Project Coordinator, Government of Moldova  
Ms. Stanislava Strolaite, Head of Unit for Integration of Handicapped in School, The Ministry of Science and Education, Lithuania, assisted by Ms. Virginija Langbakk  
Ms. Faryal Khan, Basic Education Program Specialist, ED/BAS, UNESCO  
Dr. Allan Rosenbaum, Professor, Florida International University, USA  
Mr. Christopher Gotanco, President, Anglo-Philippines Holding Company, The Philippines  
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## **CONCLUSIONS AND STATEMENTS**

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