Introduction

As part of the efforts to promote the participation of the people in the decision-making processes as well as the development activities, the policy of devolution of power and authority to sub-national governments (generally referred to as decentralization) is increasingly adopted and applied in many countries as one of the tenets of “good governance”. This is based on the premise that decentralized governance provides a structural arrangement and a level playing field for stakeholders and players to promote peace, democracy, and development. Many countries are promoting decentralized governance as a measure for democratization, people empowerment and poverty reduction. However, the efforts in this regard are not moving at the same pace, with the same political conviction, using equally competent capacities, and with the same success. Some countries have gone beyond political hesitation and put in place policies of decentralization but they lack the requisite capacities for the implementation. Others are still politically hesitant, not sure of the role of decentralized governance in democratization, people empowerment, and poverty reduction.

At policy level countries that have decentralized have done so in various ways and under different circumstances. Success in each case has been dictated by a number of factors, among them, the process through which the policies were formulated, debated and agreed; the structures that were put in place; the sharing of functions and resources (especially financial) between central governments and decentralized units; as well as in the way devolution, deconcentration, and delegation were balanced. Some countries have decentralized by establishing federal systems, some have established decentralized systems with strong doses of devolution, and there are many whose decentralization is mostly characterized by deconcentration. What is generally observed is that the process of consolidating decentralized governance is still on-going and needs strong support not only because the people prefer decentralization as a politico-administrative and structural arrangement for their empowerment, but also because it promises a lot in terms of democratization, people empowerment, and poverty reduction which are very much in line with the Millennium Development Goals (MDGs).\(^1\)

Consequently, decentralized governance is increasingly being favoured as the most suitable mode of governance through which poverty reduction interventions can be conceived, planned, implemented, monitored and evaluated. The assumption here is that the process of decentralization facilitates greater participation of communities in project identification, planning and implementation, which in turn increases ownership and the likelihood of sustainability. Decentralization is viewed as a policy of high priority and used as an instrument of people empowerment, a platform for sustainable democratization, a structure for the mobilization of resources for economic development, a veritable instrument

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\(^1\) The Millennium Development Goals were set in the United Nations Millennium Declaration (See United Nations official Document # A/56/326 of 6th September 2001: Road map towards the implementation of the United Nations Millennium Declaration: Report of the Secretary-General)
of reconciliation, social integration and well-being in post-conflict environments, and a vehicle for the promotion of a culture of political, economic, civic, and managerial/administrative good governance. There is also the expectation in some quarters that decentralization would offer opportunities for peace in situations where power sharing can mitigate severe ethnic, religious, and territorial conflicts inside a country. For all these reasons and perhaps even more, many development partners at local, national, regional, and international levels including intergovernmental bodies such as the United Nations Agencies are engaged in efforts of promoting decentralized governance in many countries.

Continuous exchanges among the various local government bodies, development partners, as well as other key players in decentralized governance from different regions of the world will assist countries to further appreciate the value of decentralized governance, the various forms it takes, and the optimum ways of managing decentralized institutions of governance. It will also enhance chances of local governance institutions in specific countries to participate in and benefit from global governance.

This paper interrogates the basic assumptions about decentralization, and in particular, the assumption that decentralization is a vehicle for peace, democracy, and sustainable development. The paper starts by clarifying the concept of decentralization and by discussing the potential for creating a sustainable equilibrium between centralizing and decentralizing forces. The various modes of decentralization are highlighted and its linkages with development, democratic participation and peace are discussed. A recurring question, however, concerns whether decentralization promotes peace. This question calls for not only debate but further research as well. The issue of peace is critical especially since the world seems to continuously traverse periods of severe violent conflicts including terrorism.

The major conceptual thread running through the paper is that decentralization is a process that provides a structural arrangement for democratic and peaceful development to be planned and implemented at local community level with the participation of the local people. It is an arrangement which can facilitate such activities only when it is appropriately designed and implemented and under the appropriate conditions, such as, political leadership will, bureaucratic commitment, and popular craving for empowerment. Decentralization succeeds best in situations where there is a strong central government (strong in terms of legitimacy and capacity) as well as an empowered population at local community level. Otherwise it contains no intrinsic value for being a natural promoter of peaceful development and democracy. The whole issue is also contingent on the environment and situation in question. Sometimes decentralization will mitigate conflict by allowing sufficient shared exercise of power among competing groups. At other times, centralization may mitigate violence by strengthening central government and enabling it to sustain a stable strong State.

I. Decentralization: The Process of Balancing Centripetal and Centrifugal Forces

In every country, and indeed every society (even those that are seemingly homogeneous) there are always centripetal forces tending towards centralization and centrifugal forces tending towards the periphery. This is the fulcrum of decentralization which intervenes as a deliberate process to provide a stable and predictable structural arrangement where the two forces can interact and maintain a win-win position for forces of
unity and indivisibility and those of local autonomy and diversity. The interplay between centripetal and centrifugal forces can lead to either total unity (strong centralized, unitary state) or total disintegration. It can also lead to a mid-point equilibrium of decentralized governance with shared exercise of power. The difference between decentralization and disintegration is very thin and it is based on purposive power sharing and a level of understanding on the formula to apply in the allocation of resources between the centre and the periphery.

In governance and public administration, decentralization is commonly regarded as a process through which powers, functions, responsibilities and resources are transferred from central to local governments and/or to other decentralized entities howsoever defined. In practical terms, the crafters of decentralization are engaged in a process of striking a balance between the claims of the periphery and the demands of the centre. Decentralization, when appropriately crafted, provides a structural arrangement through which critical issues (such as those of national unity and indivisibility, how to safeguard national interests and ensure coordinated and even development, equity in the distribution of resources, diversity, and local autonomy) can be reconciled. Through decentralized structures, central governments, local governments, civil society, and local elite continuously engage in inter-group negotiations, and by so doing, maintain equilibrium in the socio-politico-economic atmosphere. Purposeful, well planned, and controlled decentralization is not conceived in terms of power struggle between central and local governments, but rather as part of a framework for state and public administration reform aimed at empowering local governments and communities legally, technically and financially to cater for their interests as the central government takes care of the higher missions of the State.

Decentralization is a generic term which covers a number of modes such as the following: (i) deconcentration which refers to the process of administrative decentralization whereby the central government designs a structure that enables its field agents and offices to work in close proximity to the local people (ii) delegation which is the transfer of responsibilities from central government to semi-autonomous bodies that are directly accountable to the central government, (iii) devolution which is the process of transferring decision-making and implementation powers, functions, responsibilities and resources to legally constituted, and popularly elected local governments, (iv) delocalization which is the spatial distribution of central government socio-economic development facilities and activities such as schools, hospitals, etc in peripheral regions. There are scholars who include privatization in the locus of decentralization but for the purpose of this paper it will not be discussed.

In general terms, it is difficult to come across a country that has undertaken only one of the above different types of decentralization. All countries, centralized or decentralized, always seek to find an appropriate mix of these types, the central question always concerning how much decision-making power to transfer to local governments. This is directly linked to issues of political decentralization.

II. Political decentralization: A Basis for Local Participatory Decision-making

The general tendency is to understand political decentralization only from the aspect of local electoral practice whereby local people elect their leaders as well as their representatives in central government legislatures. However, political decentralization goes far beyond this narrow view. It is a process of transferring political power from central government to give citizens and/or their elected representatives more say in public decision-making in domains that extend beyond political governance to include general socio-economic development. Whether it is in matters of financial decision-making such as in deciding a local council budget as it is done in Participatory Budgeting in Porto Alegre (Brazil), in issues of development planning such as designing a community development plan, in aspects of service delivery such as earmarking where a feeder road will pass, where a water well will be dug or where a school or a maternity centre will be constructed, if the power to take such decisions is passed on from the centre to local governments / people / communities, it is within the realm of political decentralization. The choice of leaders at elections is just a small component of political decentralization. Political decentralization could be another term for devolution, especially if its provisions are enshrined in legal documents.

Viewed in this light, political decentralization (being a process of transferring decision-making power and authority) becomes a strong vehicle for championing local diversity and local autonomy. Through it, local interests are articulated, and local socio-cultural systems

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are strengthened. Decentralization provides a structural and institutionalized venue through which local people can participate and exert “more influence in the formulation and implementation of policies” and the determination of their development in general. If it is taken that democracy means the rule of the people, then political decentralization, by facilitating participation of the people in decision-making, promotes democracy.

III. Democratic decentralization: Creating a level playing field for citizen participation

When political decentralization is understood in the preceding sense, then it becomes clear that it can be a vehicle for promoting democratic participation. In fact, one would not see any value in political decentralization if it was not linked to the promotion of participation of local people or their representatives in the process of decision-making and implementation. In a general way, what is difficult about using political decentralization to promote democratic participation is not in understanding the linkage between the two but rather how to, through the process of decentralization, create structures that inspire as well as energize local people, and facilitate their participation in the decision-making and implementation process.

In the majority of cases, structures such as Local Councils, Executive Committees, Local Government Civil Service etc, are established in the belief that as institutions controlled by the representatives of the people, and as institutions that are close to the people, they would suffice as instruments of participation. This is only partly true. Such structures represent what is known as vertical decentralization (i.e. the transfer of power, authority, functions, responsibilities, and resources from central government to local government). They promote participation by representation but not through direct participation. Here lies the major problem. There are instances where the same structures that are established through decentralization to promote democratic participation become instruments of elected local dictatorships. They become structures of highly centralized local governments or “centralized decentralization”.

One of the dangers to guard against in decentralization is the risk of “recentralization” at local level. For vertical decentralization to avoid this danger, it needs to be complimented by horizontal decentralization which is a process through which the local communities are empowered through community-based civil society organizations as well as structural arrangements that integrate community socio-economic actors into the analysis of local problems and the decision preparation and making as well as implementation process of the local government structures. The example of the Community Development Committees in Rwanda is informative on this point:

“In line with decentralization, Community Development Committees (CDCs) were set up to identify needs and priorities in their development plans and form the planning process at the local levels. To ensure the actual participation of the population in its development, the planning should be a participatory process, including all the different levels. The Community Development Committee established at each level from the lowest (cell) to the highest (district) is an important organ for participatory planning for poverty reduction. The plans that

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are made at the cell level go up through the sector level, the district level and up to the national level. It is important to note that the civil society groups, NGOs and the private sector are legally included in the Community Development Committees and the planning process.\(^5\)

Participation in elections (to confer mandate on leaders) is periodic activity. For the people to be seen to participate fully the ‘vote’ needs to be reinforced by ‘voice’, i.e. the day-to-day influence the people exert on their leaders to shape the decisions they take, and demand accountability from them for the resources put at their disposal. The World Bank Group puts it clearly:

“Voting democracy is often considered as satisfying the conditions for citizen participation and voice in the design of decentralized systems, but in practice this may not be sufficient. Meaningful participation requires that citizens be informed and that their voices have impact where consequences are immediate. The legal/regulatory system needs to provide for, at minimum, full, timely and easily accessible public disclosure of resource allocation decisions - in budgets, in procurements, and in expenditure programs. An output/ outcome orientation to expenditure management would be even more desirable."\(^6\)

Below we provide a framework for effective democratic and development-oriented participation:

\[\text{Figure 2: Framework for effective participation}\]

If it is accepted that democracy is not only premised on elections, then the most often expressed view that decentralization, especially devolution, enhances participation by providing political structural arrangement and legal provisions for voting to choose local leaders is just a small part of the requirements for full participation. For decentralization or any other structural arrangement to facilitate socio-economic and democratic participation, it must take into account the full range of the possibilities of participation. Certainly participation in the election of local leaders is one of the various components of political participation. However, for a people to determine their destiny, they need to participate in (i) deciding which problems concern them most and in what ways in order to set priorities on


which to expend their energies and resources for their own benefit, (ii) planning the way their problems will be solved and their needs met, (iii) working to produce goods and services and to distribute them through engagement in a full range of economic, commercial and non-profit activities, (iv) paying for the goods and services which in essence underpins their participation in consumption. Elsewhere we have argued that “the biggest problem for developing countries is that because of their very low incomes, people expect to participate in consumption without participating in paying.”

To the extent that political decentralization (devolution) transfers the power, functions, and responsibility that enable local governments and communities to make socio-politico-economic decisions to determine their development, one would affirmatively say that it promotes participation. However, caution needs to be exercised in arriving at this conclusion. Decentralization is a process that provides a structural arrangement through which participation can be engineered. Whether participation does or does not take place depends on various factors including political will, bureaucratic commitment, as well as the extent to which the local people and other stakeholders are empowered with knowledge, skills, attitudes, networks and resources.

IV. Some of the characteristics to consider in designing democratic decentralization policies

There are five key characteristics of democratic decentralization that can be observed when it is effectively implemented. They are: (i) legal reforms to devolve power not only to local governments but also to local communities (giving decision making power and authority to them especially in matters of socio-politico-economic local concern); (ii) strengthened local governments’ capacity (in terms of finance, personnel, organization structures, management systems, data and information, facilities, networks etc), (iii) local government accountability to both citizens and central government, transparency, and responsiveness; (iv) enhancing the role of civil society both at local level and national levels (practicing what we prefer to call horizontal decentralization) and (v) showing both intent and progress in improving the quality of life of the local people (i.e. enhancing people’s access to public goods and services). When designing democratic decentralization, all these characteristics must be factored in consciously, as suggested in the democratic decentralization framework below.

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9 : The framework has been adapted from Camille Cates Barnett, et al : Op cit
Each of the above-mentioned characteristics is discussed in detail below and in form of questions deemed critical. Answering such questions during the design of decentralization may help to put in place a decentralization system that can facilitate democratic participation.

**a. Legal Framework: Instituting Constitutional and Legal Reforms to Devolve Power to Local Structures**

- Do decision-making structures, power and authority of elected officials exist at the level at which revenue-generation and service provision responsibilities have been transferred?
- Has any local institution been created to instigate/maintain pressure for change?
- Do higher levels of government exercise only an *ex-post facto* audit of local government budget and operations according to clearly defined legal guidelines?

**b. Local Governance Capacity: Increasing Local governance actors’ Ability to Act (financial and human resources, organization, authority)**

- Do sub-national/local governments have revenue generation capacity and revenue-raising authority that corresponds to expenditures required for the provision of services?
- Are the resources mobilized at the local level retained for use at the local level or transferred elsewhere?
- Do central government grants to sub-national/local governments reward good management and stewardship?
- Does local government have the authority to hire and fire its personnel, ensuring accountability to that level?
- Have structures been designed to support the participation of the local community in the governance at local level?

**c. Increasing Local Government Accountability**

- To what extent do electoral procedures build accountability to the electorate rather than to other centres of power?
• To what extent do all levels of government regularly disseminate information to citizens and other levels of government?
• To what extent does the public (citizens and media) have free access to public meetings and records?
• To what extent do local government procedures allow citizens to provide input before decisions are made about resource allocation?
• To what extent are the results of government decisions disseminated to citizens?
• To what extent is information about government performance readily available?
• Does privatization (if any) occur in a transparent manner?

d. Role of Civil Society (practice of horizontal decentralization / community empowerment)

• Can partnerships between local government and NGOs, associations, business people, and similar organizations be formed? Or are there formal and/or attitudinal obstacles to a strong and assertive civil society?
• Can NGOs, CBOs and other associations at local and national levels form and function without government interference and according to clearly defined legal guidelines?

e. Socio-economic well being: (Improving Quality of Life)

• Are citizens consulted or do they have a mechanism to express their satisfaction or priorities for services?
• Does the local government provide information to citizens about how to access their services?
• Does the local government provide information to citizens about local economic, environmental, and social conditions?
• Does the local economic condition improve as a result of services provided by local government?

In the process of balancing competencies and freedom, decentralization processes mostly produce a mix of devolution, delocalization, delegation, and de-concentration. Therefore the above-listed elements can only exist in a mix of micro-scenarios with some existing in more doses than others depending on the particular situation under consideration. It would not be realistic to expect every decentralized system to exhibit all the above in the same doses. They, however, provide a checklist that crafters of decentralized governance need to bear in mind. The most important aspect of designing democratic decentralization is to always bear in mind the critical question of: “what strings must be put in place to sustain a strong state within a decentralized governance system. When this question is not adequately addressed, decentralization can easily turn into disintegration. Such strings may include the functions that are retained by the central government, (e.g. Legislature, Judiciary, Defense, Foreign Affairs, some services of a national nature, fiscal policy, etc). But the functions may not be sufficient. They need to be accompanied by the legitimacy of the state, the trust that the people repose in the central government in general and the capability of its institutions).
V. Decentralization and Peace: Does decentralization really promote peace?

It is at the point of equilibrium between the forces for national unity and the forces of local diversity and autonomy that the linkage between decentralization and peace can be established. Conceptually, decentralization can be regarded as an instrument for peace building, and, especially in a situation where peace already exists, for sustaining and enhancing it. We deliberately exclude war or immediate post-war situations from this assertion because our experience in designing decentralized governance systems shows that in order for decentralization to succeed, it requires highly participatory processes, as well consultations devoid of suspicion. Clearly, neither participation nor consultation is possible at the height of a war or immediately after hostilities. It should also be noted that during civil war, or even after it, in some cases, there is no viable and accepted centre to ‘transfer’ power and resources, and therefore, decentralization would be an inappropriate term to apply. Taking Somalia for example, at this moment one would not be talking of decentralization simply because the regions regard themselves as autonomous and the centre capable of imposing its will across the entire country is yet to fully emerge. There is no centre from which to transfer power, authority, functions, responsibility and resources. On the contrary Somalia is currently trying to work out an arrangement for some form of centralized authority that can serve as a point of reference for a state called Somalia. Whether the final arrangement will be federal or unitary, the process that is going on now is that of state reconstruction and “re-centralization”, rather than of decentralization. It is a process of bringing together all the clans and traditional authorities that have remained dispersed and fighting one another since the fall of Siad Barre in 1991.

There is need to distinguish a situation where powers, responsibilities, functions, resources etc are transferred from the centre to local governments and / or communities during a period of peace, from a situation where, as part of post-war negotiated settlement, powers, responsibilities, functions and resources are taken away from central government and given / offered to a fighting group. In such a situation the central government is so weak and contested that it has little room to maneuver or to determine what is given and what is taken. This is why in most cases such negotiated settlements require a third party to mediate and pre-empt eruption of conflict.

Therefore the critical question that begs for an answer, especially in troubled states concerns whether really decentralization would put in place an institutional arrangement that can initiate and guarantee transition from war to durable peace. After examining historical records since 1945, David A. Lake and Donald Rothchild find no cases of decentralization following a civil war. Our contribution on this is that conceptually decentralization cannot by itself resolve the intractable war and post-war challenges.

10 Those interested in reading material on decentralization and peace in war and post-war situations can read: David A. Lake and Donald Rothchild: “Territorial Decentralization and Civil War Settlements” Prepared for Power sharing and Peacemaking, edited by Philip G. Roeder and Donald Rothchild, and funded by the Carnegie Corporation and the Institute on Global Conflict and Cooperation.


12 David A. Lake and Donald Rothchild, “Territorial Decentralization and Civil War Settlements” Paper Prepared for Power sharing and Peacemaking, edited by Philip G. Roeder and Donald Rothchild
In situations of war, before one can consider decentralization as a process that may lead to peace, one has to diagnose the deeper causes of the conflict and the issues at stake. It must be understood that in war, if what is contested is control over territory then territorial decentralization (where specific territorial parts of a country are put under governance of one warring faction) may contribute to peace. However, this would not be decentralization in the real sense because it actually represents a loss on the part of the central government and a win on the part of the warring faction. The loser is weak and the winner is strong. This is not a durable framework for peace. Decentralization strengthens both the central government and the local governments by creating a situation of shared engaged governance where the concern of every one is not who has power over whom but how the power is exercised for the well being of all the people. This is why decentralization is good for sustaining peace when peace exists. It is a process that works best in win-win not win-lose situations.

Moving from peace to war often means power sharing. Decentralization does not work well in an atmosphere characterized by acrimony over power sharing. It works within the framework of shared exercise of power and these two are different. Power sharing refers to resolving disputes over who should have the most powerful position in the hierarchy of power in the country in question. Shared exercise of power on the other hand, refers to putting in place arrangements and practices that can facilitate various actors to exercise power in particular socio-politico-economic domains for the benefit of every one. Decentralization is suitable for the latter, while the former calls for other remedies.

All the same, there is a case for designing decentralized governance systems in order to promote peace. Once groups have started fighting for power within a framework of win-lose demanding power sharing and autonomy, then proposals put on the negotiation table could include win-win power sharing arrangements designed within a framework of decentralized governance. In win-lose situations, groups rarely, if ever, frame their demands in a way that accommodates other demands. Still, within a win-lose framework, decentralized governance arrangements can be put in place as it was done in Bosnia where federalism (or territorial decentralization) was literally imposed from outside to maintain peace and security.

There are a number of cases in the world which seem to indicate that decentralized governance, when not well managed can lead to instability and war rather than peace. Such cases include Yugoslavia. A federation (comprising six republics and two autonomous provinces) Yugoslavia disintegrated after Josip Broz Tito’s death in 1980. In a matter of time, centrifugal forces began asserting themselves and, in the process, weakening the centre. After achieving international recognition, the leaders of the separate republics moved in the early 1990s to consolidate their political autonomy and independence. Elections at the republic level facilitated this process of separation, bringing strong and determined leaders to power who emphasized the interests of their republics at the expense of the Yugoslav federation.

Another case is the former USSR and its subsequent disintegration into separate States. In the wake of efforts by Mikhail Gorbachev to restructure the country and promote state reform between 1988 and 1991, nationalist sentiments across the former Soviet Union soon generated enough momentum towards political autonomy in the fifteen Union Republics, and towards increasing independence of Moscow. The monolith Union was split into fifteen sovereign republics in 1991.
In contemporary Ethiopia, although there is some success in the design and operation of the structure of federalism, the autonomy left to the provinces under the federal relationship still did not stop the Eritreans from demanding, and eventually getting, their own sovereign state. Eritrea’s secession from Ethiopia did not prevent a territorial war between the two.

Decentralization is best conceived within the logic of a unitary state or centralization and in periods of peace. Whether it is demand-driven (i.e. demanded by the people or local forces) or, as been the tendency recently, supply-driven (i.e. initiated by central government authorities), decentralization is a process that requires relative calm and peace to be negotiated. We believe therefore, that because it provides a structural arrangement for orderly negotiation and shared exercise of power on a continuous basis, it offers prospects for peace building. We however, have reservations on its capacity to “enforce” peace in a situation of war.

VI. Decentralization, development and peace

The thesis we would like to advance is that development, especially when it is people-oriented, equitable, and participative, is a strong motor for engineering sustained peace. If decentralization is conceived, planned, implemented, and sustained as a structural arrangement to support and facilitate the involvement of the local people in the process of their own development, then it stands strong chances of promoting sustainable development and peace. However, decentralization should not be taken as a panacea or as the “automatic” prescription for peace and development. The quotation below in this is pertinently challenging:

An expert’s assessment of institutional capacity and the extent of leverage from a decentralised system of government to increase its impact on poverty are of no concern to “the woman in her village”. She just wants “clean water all year round, close to her home, with food to eat, shelter, access to health care, education for her children and a way of getting any modest produce from her home to a local market, where the product of her back-breaking labour can be turned into money” all as a modest first step in breaking the pernicious and degrading downward spiral of poverty – something that sub-Saharan Africa needs and desperately so. The question is, do we answer that fundamental assumption positively, namely; that local governance, through the instrument of decentralisation improves the lot of the poor, especially (but not exclusively) in the rural areas?13

It would be setting the stage for disappointment and loss of support for decentralization if we answered affirmatively with promise that decentralization will deliver such expectations. However, the potential for decentralized governance to support local level development should not be lost.

The diagram below provides a birds-eye view of decentralization’s role in local development.14

*Figure 4: Decentralization choices, outcomes, results and impact*

<table>
<thead>
<tr>
<th>Decentralization Choices</th>
<th>System Outcomes</th>
<th>System Results</th>
<th>Dev. Impact</th>
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<tbody>
<tr>
<td><strong>Political</strong></td>
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<td></td>
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<tr>
<td>Civil liberties</td>
<td>Political accountability</td>
<td>Soft/hard budget constraint</td>
<td>Increased incomes</td>
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<td>Political rights</td>
<td>Political transparency</td>
<td>Moral hazard</td>
<td>Increased productivity</td>
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<tr>
<td>Democratic pluralistic systems</td>
<td>Political representation</td>
<td>Macro-economic instability</td>
<td>Increased literacy</td>
</tr>
<tr>
<td><strong>Fiscal &amp; Financial</strong></td>
<td>Resource mobilization</td>
<td>Responsive services</td>
<td>Decreased mortality</td>
</tr>
<tr>
<td>Fiscal resources</td>
<td>Resource allocation</td>
<td>Effective services</td>
<td>Growth of civil society</td>
</tr>
<tr>
<td>Fiscal autonomy</td>
<td>Fiscal capacity</td>
<td>Efficient services</td>
<td>Etc.</td>
</tr>
<tr>
<td>Fiscal decision-making</td>
<td>Sub-national indebtedness</td>
<td>Sustainable services</td>
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<td>Su-national borrowing</td>
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<tr>
<td><strong>Administrative</strong></td>
<td>Administrative capacity</td>
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<tr>
<td>Administrative structures and systems</td>
<td>Administrative accountability</td>
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<td></td>
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<tr>
<td>Participation</td>
<td>Administrative transparency</td>
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</tbody>
</table>

To the extent that decentralization facilitates optimum resource mobilization at local and effective resource allocation at national levels, and insofar at it improves the prospects for efficient and sustainable service delivery, and for income and productivity growth, it is possible to link decentralization to development. What should be born in mind is that decentralization, as a process of structural re-arrangement, cannot in or by itself lead to development. It creates an environment for effective mobilization of resources, and for the channeling of capacities and energies towards the development of local communities.

What is important is to ensure that at the design stage, the development objectives of decentralization are made clear to all actors. Without clarifying local development objectives, decentralization is unlikely to serve as a vehicle for local level development. The nature and extent of the objectives pursued will determine the extent to which decentralization will be linked to development. Rwanda’s strategy for implementing decentralization is a good example. According to the strategy, “the overall mandate of the decentralization is to ensure political, economic, social, managerial/administrative and technical empowerment of local populations to fight poverty by participating in planning and management of their development process”15. If the objective is political or administrative only, then it would not be realistic to expect decentralization to directly lead to development.

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Conclusion

Decentralization, being a process that puts in place a structural arrangement for facilitating shared exercise of power among central government, local governments, and local communities is a wide and complex field. In this paper we have contended that decentralization is a process which provides a structural arrangement for popular or community participation in governance and development. Through decentralization, the vast majority of civic bodies hitherto excluded from the development planning and implementation process would become actively engaged with formal governmental institutions. As a process it does not possess intrinsic or natural predisposition to peace, democracy or development. Certain environmental and situation specific conditions must obtain for decentralization to be effective in facilitating democratic participation and development. Among the conditions that are conducive to successful and effective decentralization are (i) a capable State that enjoys sufficient legitimacy and trust from the people (ii) political, bureaucratic and social will to plan and implement shared exercise of power, (iii) and empowered local people (civil society) that can receive and utilize the powers, functions, resources transferred to them, and (iv) a commitment from development partners and stakeholders to re-aligning their capacities and resources towards the implementation of substantive decentralization measures.

The least controvertible value of decentralization is its capacity to promote the participation of local people or their representatives in the process of decision-making and implementation. In structuring decentralized governance this should always be adequately taken into account in order to avoid putting in place structures of decentralization that can easily facilitate the development of local dictatorship or “centralized decentralization”. Vertical decentralization should always be accompanied by horizontal decentralization to empower local people to participate in local governance and counter the tendencies toward local dictatorship.

In designing decentralization the centripetal and centrifugal forces should always be balanced to cater for the demands for national unity as well as the yearnings for local autonomy and diversity. When this balance is not sought, the outcome may be either over-centralization (which engenders resentment form local populations), or disintegration that poses lethal threats to the state construction process. Shared exercise of power – that targets an equilibrium point between the two forces of excessive centralization and disintegration - should be the aim of decentralization. While some people look at equilibrium only in terms of the way powers, functions, responsibilities, and resources are distributed, real effective equilibrium is best assured through participation by local people in the planning, implementation, monitoring and evaluation of development programmes, especially at the local level.

Owing to the fact that, it provides a structural arrangement for orderly negotiation and shared exercise of power on a continuous basis, decentralization offers prospects for sustaining peace during a peaceful situation. There are reservations, however, on its prospects for establishing peace in a situation of outright war. Depending on the way it is designed and implemented, decentralization may mitigate conflict by allowing power to be equitably shared among competing groups. At the same time, centralization may also mitigate violence by strengthening the hands of the central government, and enabling the centre to promote order and stability. In other words, decentralization is a panacea, neither
for peace and democracy, nor for development. It may be an “enabling”, not a determining factor in governance and development. The strength and value of decentralization, whether one is looking at peace and democracy or at development in general, lie in the fact that it can be used to facilitate the participation of the people in shaping their own destiny, and deciding their development priorities. This alone is sufficient ground for supporting decentralized governance.
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