


# Perspectives on Decentralization

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## ABSTRACT

This paper addresses a wide range of issues that arise in the literature on decentralization. It examines different contexts within which decentralization occurs and variations in the content of decentralized systems. It considers the promise and limitations of decentralization - especially democratic decentralization - on a number of different fronts. It emphasises the importance of 'politics' in the operations of decentralized systems -- the political dynamics that develop among a diversity of important political actors, operating at various levels. It deals with issues connected to accountability and transparency, with the complicated record of decentralization as a force for poverty reduction and much more.

## ACRONYMS

ICLD	International Centre for Local Democracy
IFPRI	International Food Policy Research Institute
MBA	Masters of Business Administration
NREGS	National Rural Employment Guarantee Scheme
ODA	Official Development Assistance

## PREFACE

The mandate of The Swedish International Centre for Local Democracy (ICLD) is to contribute to poverty alleviation and to strengthen the individual's freedom and rights by promoting local democracy. In order to fulfil this mandate, we offer capacity building programmes through our *International Training Programmes*, decentralized cooperation through our *Municipal Exchange Programmes* and, most importantly, knowledge management through our *Centre of Knowledge*. The Centre will document key lessons learned from our ongoing activities, initiate and fund relevant research, engage in scholarly networks, organize conferences and workshops and set up a publication series.

This paper by James Manor is the first to be published in a series from the workshop named *State of the Art of Local Governance. Challenges for the Next Decade* organized by ICLD in Visby, late April 2010. Several of the leading scholars in the field of local governance/local democracy participated in the workshop and Manor's paper provides an excellent review of where decentralization and local democracy stand today.

Visby, Sweden, December, 2010

**Birgitta Svensk**  
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# 1 The Broad Scope of This Paper

A very large number of issues are discussed here, in an attempt to introduce readers to most of the main issues in current debates on decentralization. This paper seeks to explain what happens within elected bodies at or near the local level in less developed countries, the interactions of elected representatives and bureaucrats at both local and higher levels, how the design of decentralized systems shapes events within them, the roles played by political parties, citizens, user committees, traditional leaders/elites and much else - and how all of these things influence the performance of decentralized bodies.<sup>1</sup>

This is an extremely broad canvas. As a result, many readers will understandably feel frustrated that specific topics which interest them have been examined in too little depth. Some topics may even have been omitted, although a serious effort has been made to avoid that. But in a paper of this modest length, such problems are inevitable. Some of the points made here will also seem painfully familiar to readers who study decentralization. That too is unavoidable, since this paper needs to cover so many things, some of which have been discussed many times before.

There is one other potential source of frustration for readers with an appetite for quantitative analysis. Many of the issues addressed in this paper are not (or not especially) susceptible to quantitative research. They tend to emerge from qualitative studies which often rely heavily on interviews with knowledgeable informants. And even when quantitative evidence might be obtained to tackle certain questions - for example through extensive surveys using careful sampling techniques - collecting it is so expensive that it is often infeasible.<sup>2</sup> But just because certain outcomes from decentralization cannot be rigorously measured, we should not conclude that they have not occurred.

## 2 Variations in Political and Socio-Economic Contexts

Any general discussion of this kind has clear limitations because the political and socio-economic contexts within which decentralization occur vary enormously across Africa, Asia and Latin America (not to mention central/eastern Europe and the former Soviet Union which are sometimes included in analyses such as this).

Consider first the political dimension. Decentralization has occurred within democracies, autocracies, and so-called 'transitional' cases which stand in between -- although the 'transitions' may never be completed in many of them (Carothers, 2002). It has been undertaken both to deepen democratic systems and, within some less open systems, as a substitute for democracy at higher levels. It has been attempted by ruling elites that are confident of their grip on power and by those who feel acutely insecure. It has occurred in countries with both strong and frail political institutions - and it has been undertaken by governments with both formidable and limited capacity to leave an imprint on society, deliver services and promote development. It has happened in polities that are conflict-torn and peaceable. Governments that are market-oriented have decentralized, but so have those which maintain substantial economic controls. It has been undertaken by governments that are enthusiastic about devolving power and those that are hesitant.<sup>3</sup> Some governments have decentralized under pressure from international development

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1 An earlier version of this paper was presented at the International Food Policy Research Institute in Washington in early 2010. That Institute intends eventually to publish it.

2 It was, for example, possible to *measure* the degree to which the quality of responsiveness had or had not improved as a result of democratic decentralization in four countries in (Crook and Manor, 1998). (The 'quality' of responsiveness can be measured by discovering the degree to which outputs from government institutions, in this case from elected councils at lower levels, conform to popular preferences.) But the surveys used to obtain this information were quite expensive and could only be undertaken thanks to a generous grant from the British development agency, then called ODA.

3 We should thus beware of statements that decentralising initiatives 'are *invariably* aimed at retaining (and even consolidating) their own powers and control over resources' (emphasis added). This comment was made by Gordon Crawford (Crawford and Hartmann, 2008, p. 107).

agencies, but most did so of their own volition, before donors woke up belatedly to a trend that leaders in developing countries had established. Given all of these variations, it follows that a full understanding of what happens when decentralization occurs in any given country will require careful study of the distinctive political context.

Socio-economic contexts also vary greatly. Decentralization has happened in countries with high, middling and low gini coefficients, and in countries with and without a strong middle class. (Contrary to some arguments from the right, decentralization does not require a middle class in order to work well.) It has occurred in countries where prior land reforms and other redistributive measures have and have not taken place. (Contrary to some arguments from the left, it does not require such prior initiatives in order to work well.) It has been pursued in countries with high, middling and low Human Development Indicators. (It can work fairly well in countries where indicators are low. High scores are not essential.) It has taken place in countries in which civil society is strong and weak. (Such strength is not a prerequisite for its success.) It has occurred in countries that are ethnically diverse and homogeneous, strife-torn and quiescent - and in countries where social hierarchies and patriarchies are strong and weak. This list of variations could be longer, but again, studies of specific cases need to consider the distinctive socio-economic context as well.

### 3 Variations in the Design of Decentralized Systems

Readers will be aware that we also encounter significant differences in the ways in which various decentralized systems are structured. Most designs entail a mixture of the three familiar types of decentralization: administrative decentralization (or deconcentration), fiscal decentralization, and devolution (or democratic decentralization). But the emphases given to these various elements, the ways in which they inter-relate, and the details of how systems are intended to work, vary considerably. So do the actions taken by higher-level authorities to implement their plans.

One further comment is in order here. When deconcentration is pursued without the introduction of democratic content into a system, the result tends in practice to be centralization - since this enables high-level actors to make their influence, and their control, penetrate more effectively downward into arenas at lower levels.

### 4 Making Democratic Decentralization Work Well - The Essentials

Readers associated with the International Centre for Local Democracy will understandably be preoccupied with democratic decentralization - that is, the devolution of powers and resources from higher levels in political systems to *elected* bodies at lower levels. This writer shares their preoccupation. The comments just above identified several things that are *not* essential prerequisites for the effective functioning of democratic decentralization. Most of them are helpful but not essential (and a strong middle class may be an advantage or a problem). There are however a few things which *are* essential if it is to work well.

First, in places where the social order is inequitable in the extreme, and where severe exploitation and injustices are widespread - for example, in rural areas of Sind province in Pakistan - democratic decentralization is likely to empower further groups that already exercise overweening influence in a brutish manner. There are, however, few areas of the developing world in which inequalities are so extreme that decentralization is a dangerous option.

Second, all three forms of decentralization fail to work in a small number of extreme cases in which the state lacks even the most minimal capacity to govern or to make its writ run beyond a few urban centres -- although, as a recent set of World Bank studies has shown, it can make a constructive impact within fragile states which are less extreme cases than that (Manor, 2007). Decentralization, like capitalism and civil society, needs the state - or a certain kind of state. All three of these things - decentralization, capitalism, and civil society - have been seized upon by analysts because they are alternatives to the widely discredited centralized state. But we should not allow

this to blind us to their need for the state.

Finally and crucially, three further things are essential if democratic decentralization is to work well.

1. Substantial powers must be devolved onto elected bodies at lower levels.
2. Substantial resources must be devolved onto them.
3. Accountability mechanisms must be developed to ensure two kinds of accountability: the horizontal accountability of bureaucrats to elected representatives, and the downward accountability of elected representatives to ordinary people.

If any of these three essentials is absent, the system will fail. If any is present but weak, the system will work less than well. We know of no exception to this set of principles.

## 5 The Promise of Democratic Decentralization - When It Is Allowed to Work Well

When the essentials are provided in sufficient measure to enable democratic decentralization to work well, it has considerable promise on several fronts. It tends strongly to enhance government responsiveness - in three senses. The speed of responses increases because elected bodies at or near the local level are empowered to make decisions and act swiftly, without waiting for approval from higher authority. The quantity of responses increases because local councils right across the world are more interested in many small projects (basic schools, minor irrigation works, small health dispensaries, etc.) than in a few grand undertakings which actors at higher levels prefer (universities, large dams, hospitals, etc.). And most crucially, the quality of responses improves - if we measure 'quality' by the degree to which outputs from government conform to local preferences.<sup>4</sup>

When it works well, democratic decentralization also enhances information flows between government and ordinary people - mightily, and in both directions. Elected members of local bodies pass much more information than before up through the system to bureaucrats. Civil servants in Indian states with strong decentralized systems routinely speak of a ten-fold increase. Some of that information is critically important, as when early warnings reach bureaucrats of problems in remote areas which might mushroom into disasters if they were not tackled quickly - droughts, floods, outbreaks of disease, etc. Downward information flows from government to ordinary folk also improve, sometimes with important implications. It is common to find an increase in the uptake of vital health services like ante- and post-natal care - because elected local councillors are far better able than are health professionals to explain, in terms which ordinary people (their neighbours) can understand, the reasons for attending health clinics where doctors and nurses wear strange clothes and wield intimidating needles. This prevents illnesses and saves lives.

Democratic decentralization also tends strongly to enhance transparency since even where elites dominate, information about local council proceedings usually reaches many more people than in the days when decisions were taken at higher levels. This sometimes reduces the overall amount of corruption.<sup>5</sup> Decentralization always increases the number of people involved in corrupt acts, because it provides so many more with a little power to peddle. But since processes are more transparent, it is far more difficult for small groups to skim off huge portions of project funds behind closed doors - so that the *overall amount* of corruption may decline.

At least moderate inroads can be made into absenteeism by local employees of line ministries, a problem which

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<sup>4</sup> This can be measured quantitatively through careful surveys. Responsiveness is addressed in great detail in Crook and Manor, 1998.

<sup>5</sup> See for example the chapter on the Indian state of Karnataka in Crook and Manor, 1998.

cripples some government health and education programmes across Pakistan, India and Bangladesh. That improves government services at no extra cost to the exchequer.

Democratic decentralization, when it works well, also strongly tends to stimulate civil society. When powers and resources are injected into local arenas, old voluntary associations tend to revive in order to influence decisions over their use, and people form new associations. Popular participation also increases, often substantially, for the same reason. This enhances the 'political capacity' of ordinary (and poor) people - a topic which is discussed further in section 10 below.

Democratic decentralization also tends to erode winner-take-all attitudes which have often wrought havoc across the developing world. When open processes are introduced, in which multiple local groups possess the political leverage to achieve some of their ends, people gain experience of political accommodations which do not allow any winner to take all. A recent study of three governments in Brazil, Uganda and central India found that when leaders strengthened decentralization and took firm action to ensure conformity with democratic rules, local residents first became acquainted with the need for political accommodation and then developed an appreciation for its salutary impact both on development outcomes and on social relations. That occurred even in Uganda, which for decades had been ravaged by conflicts among people who ferociously pursued winner-take-all approaches (Melo, Ng'ethe and Manor, forthcoming).

This list of virtues is not exhaustive,<sup>6</sup> but it should be apparent by now that democratic decentralization has promise. But it also has limitations. The more important of these are examined in later sections of this paper (see especially sections 10 and 16).

## 6 The Importance of 'Politics' in Decentralized Systems

The tasks set for this paper, and for our meetings at IFPRI, are in one important respect especially welcome. They are all linked to two key questions: what happens within decentralized systems, and how do different actors interact with one another? This is helpful because it asks us to focus on 'politics' - if by 'politics' we mean the interplay of actors, interests and ideas in the pursuit of power.

Nothing is more fundamental to the working of decentralized systems than politics. When powers and resources are injected into arenas at or near the local level, people there will pursue them. The processes that lead to outcomes are thus saturated with and strongly shaped by politics.

It follows that some 'political economy' approaches to the study of decentralization - those which are narrowly technocratic and regard 'politics' as merely an oddity, a constraint, or something to be overcome, contained, or even excluded - are missing the main point. They are also seeking to achieve goals which are infeasible and perverse. The aim of analysts and designers of decentralized systems should not be to marginalize politics but to embrace it. They should seek to create structures, processes and rules which enable politics to flourish, and which channel it into constructive avenues.

It is encouraging to see that important international institutions have come to recognize this. That is apparent from the agenda set for our IFPRI meetings, and from a new initiative at the World Bank to acquaint practitioners there with the importance of politics to decentralization. The opening section of a draft concept paper from that exercise is entitled 'The Centrality of Politics'. The opening paragraph includes the following comment, which sets the tone for everything that follows: 'No matter what the official justification, decentralization is largely driven

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<sup>6</sup> For more on this topic, see chapter six of Manor, 1999.

and continually shaped by politics... it is hard to imagine a more intensely political process than decentralization' (Eaton, Kaiser and Smoke, 2009).

## 7 Political Parties and Decentralized Systems

Consider, by way of illustration, an example of a wrongheaded, futile attempt to exclude 'politics' from decentralized systems. In many countries, the designers of such systems have sought to exclude political parties from elected bodies at lower levels. In some, they have been formally banned from intruding into these institutions. Such taboos are pointless. Parties exist to pursue power, and when even limited power is devolved onto lower levels, parties naturally attempt to capture some of it. They almost always find ways to get round attempts to exclude them from elected councils at lower levels. This writer once witnessed a local council election campaign in a town in Bangladesh. Parties were forbidden to take part, and the pictorial symbols for national parties printed for illiterates on ballot papers were unavailable. But the two main parties campaigned vigorously nonetheless. One of them, whose usual election symbol is a sailboat, adopted a chair as its symbol and staged a rally in which dozens of people hoisted chairs above their heads to acquaint voters with the surrogate symbol.<sup>7</sup> People voted along party lines, and national newspapers reported aggregate figures on the main parties' performances across the country. This sort of thing is so ubiquitous that it makes no practical sense to try to exclude parties.

Is that bad news, because parties have an undesirable impact on decentralization? Not entirely. Their record is ambiguous rather than discouraging. One charge against parties is that they magnify divisions within elected bodies at lower levels. This sometimes happens, but we need to understand and accept that even if parties play no role, democratic decentralization (and democracy more generally) almost always intensifies divisions. Indeed, it is supposed to do so. To democratize any political arena is to invite conflict since that is the way that popular preferences come to determine decisions. But democratization also moderates conflict, which occurs according to comparatively polite rules.

Parties sometimes play a role in this process, but they seldom make it much more bitter and destructive than it would otherwise have been - for two main reasons. First, it is unusual for parties to possess the organizational strength to penetrate very effectively into local arenas, especially but not only rural arenas. So they seldom have enough influence there to polarize local communities. There are exceptions to this statement, especially in Latin America, but in most cases parties are seeking to plug into local factional or other conflicts in the hope that they may acquire a modest presence in those arenas. They seldom exert transformative influence of any kind. The second point follows from the first. Local residents sometimes have strong attachments to parties, so that abrasive conflict between parties at higher levels inspires the same thing at the local level, but this too is unusual. More often, ordinary people identify only tenuously (or not at all) with parties.

There are also advantages to parties' involvement in local bodies. A major problem facing elected local representatives in many countries is their inability to get powerful people at higher levels to pay attention and to offer help. If local councillors have party colleagues higher up, they are more likely to get a hearing and some assistance. So parties can enable (or compel) those at higher levels to become more responsive to elected representatives at lower levels - and this often compensates mightily for any polarization that they inspire. These processes tend to be untidy, and this irritates people with a fastidiously technocratic outlook. But democracy is an inherently untidy affair, and we must learn to live with that. Some of those who want to keep parties out of local bodies actually want to keep *politics* out. As we have noted, democratic decentralization (a deeply political process) is actually about bringing politics in. (See also section 14.1 below on the dangers of technocratic overload.)

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<sup>7</sup> This occurred in Sherpur, in Bogra District, in 1993.



## 8 Accountability Counts for More than Transparency but is Difficult to Achieve

An extensive recent study of India's largest poverty programme, much of which is implemented through elected village councils, has concentrated on the transparency mechanisms which have been built into it. Those mechanisms are more formidable than those found in any other poverty initiative on earth, but it has become clear that they have significant limitations. They tend to work well only when they are linked to reliable mechanisms to ensure downward accountability - which is unusual. Accountability plainly matters more than transparency, even though the latter is very important.<sup>8</sup>

But how might accountability be ensured? In many countries, policy makers have included in systems of democratic decentralization a requirement that elected leaders and members of councils at lower level organize regular and frequent mass meetings of ordinary people at the local level. In some systems, these are empowered to make decisions, while in others participants merely discuss local issues, question elected representatives and perhaps select beneficiaries of government programmes.

These mechanisms seldom do much to ensure downward accountability - except in a few quite rare cases in which progressive political parties have strong influence over the working of decentralized systems. Elected councillors find it inconvenient and irritating to be questioned by their constituents, so they either report mass meetings which did not take place, or they inform only pliable people of such meetings -- in order to avoid being held accountable.

There is no easy solution to this problem. In some cases, governments have sought to promote accountability either by organizing social audits themselves or by contracting out the responsibility for holding social audits to civil society organizations. The first approach tends not to work well because government employees are unenthusiastic and ill-suited to the task. The second holds more promise, but it is sometimes difficult to find civil society organizations which have the skills and the 'reach' (see section 17 below) to operate effectively, because governments sometimes contract this job out to people who only purport to have the requisite skills.<sup>9</sup>

Social audits and other similar devices are well worth pursuing,<sup>10</sup> but in most places, downward accountability will only gain substance when ordinary (and poor) people develop significant 'political capacity' (see section 10 below). That may sound like a pious hope, but it is clear that when democratic decentralization works at least tolerably well, non-trivial gains in their political capacity are indeed achievable.

## 9 Beyond Accountability and Transparency - Positive Incentives

This discussion should not be confined to transparency and accountability - even though they are immensely important. Certain changes in political systems which do little to enhance transparency and accountability can also help to make democratic decentralization work constructively. Many readers will be familiar with a study of the Brazilian state of Ceara by Judith Tendler. It had little connection to democratic decentralization, but it is still relevant here. She explained how the government in that underdeveloped state recruited a new cadre of employees who worked at and close to the local level, and whose main task was to facilitate the delivery of important services. Their recruitment was publicized energetically by the government, in a campaign which stressed the importance of their work in human and moral terms. The publicity was intended to generate enthusiasm and expectations

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<sup>8</sup> This has emerged from a study by this writer and Rob Jenkins of India's National Rural Employment Guarantee Scheme (NREGS), funded by the British Economic and Social Research Council. A book-length text setting out the findings will be completed in early 2011.

<sup>9</sup> These problems have become apparent, for example, in the study of India's NREGS, referred to in the previous note.

<sup>10</sup> For a valuable review of these, see (Goetz and Gaventa, 2001).

among ordinary people. That brought popular pressure on the new employees to perform enthusiastically - which is to say that one of its effects was to whet the popular appetite for downward accountability. But Tendler stresses its impact in building (among the new recruits) high morale, an *esprit de corps* and a strong commitment to their tasks. Awards were given to individual recruits who performed especially well - and these were again publicized. The results were quite impressive (Tendler, 1997).

This emphasis on the positive side of government employees' work differs from the negative sanctions which are usually implied by efforts to encourage downward accountability, but they do not contradict them. The approach which Tendler describes might be used to supplement other efforts to make democratic decentralization work well.

## 10 Democratic Decentralization and Poverty Reduction

Does democratic decentralization help to reduce poverty? To respond to this question, we must first determine how we define 'poverty'. Let us consider two different definitions: one, narrow economic, and the other a broader definition which also embraces poor people's opportunities and capabilities to exercise influence in the public sphere.

The narrower definition sees 'poverty' as a severe shortage of funds, incomes and material assets. There is widespread agreement that if this definition is used, the record of democratic decentralization is ambiguous. Interesting disagreements arise when we consider the degree to which the news is positive or negative - these are questions of *degree*, not of either/or.

Early studies of the question, including some by this writer, reached rather pessimistic conclusions. These were in substantial measure justified, as some subsequent studies have shown (for example, Bardhan and Mookherjee, 2000; Bardhan and Dayton-Johnson, 2001; Abraham and Platteau, 2004). But as we shall see presently, the picture is more complicated than it then appeared. I argued in 1998 that democratic decentralization had considerable promise for reducing poverty which arises from inequalities *between* regions or localities - because many decentralized systems include provisions to redistribute resources from prosperous to poorer areas, and because those systems knitted poor, remote areas into regional or national networks which enabled them to gain greater assistance from higher levels. But decentralization had far less promise in reducing poverty which arises from inequalities *within* regions or localities - and that is usually the *main* problem. The principal reason for its lack of promise on the latter front is 'elite capture', the tendency for prosperous groups to gain control of elected bodies at lower levels and thus the resources which they possess (Manor, 1999; 104-06).

Even greater emphasis on the problem of elite capture (which is a more important factor than the capacity constraints faced by local councils) was given by Richard Crook and A.S. Sverrisson in an influential paper published in 2001 (Crook & Sverrisson, 2001). Much of their evidence was taken from African cases where patron-client networks - a key element in their argument - loomed larger than in many (though not all) Asian and Latin American systems. A solid recent review of decentralization and poverty in Africa noted that 'It is in Africa that the negative impact of decentralization is most evident' (Crawford and Hartmann, p. 19). Crook and Sverrisson concluded that democratic decentralization tends to reinforce inequalities, unless (as in the Indian state of West Bengal) a progressive political party administers the system from on high. This pessimistic view is echoed in several other formidable analyses, some of which focus mainly on themes other than decentralization (see for example, Harriss, 2002, 68-73; and Tendler, 1997).

In more recent times, it has become apparent (to me at least) that these studies (including my own) and some

others (see for example, Bossuyt and Gould, 2000; Vedeld, 2003; Jutting, 2004; and Crawford & Hartmann, 2008)<sup>11</sup> -- overstated the problem somewhat - but *only* somewhat. There are three main points to stress here.

First, in arenas in which a large proportion of the voters are poor (and there are many such arenas), members of elites who need the votes of poor people in order to win control of decentralized bodies have to compete with one another for their support. As poor people gain experience of elections to such bodies, they tend increasingly to insist that elite leaders offer them real substance and not mere promises before they agree to vote for them. If those leaders do not deliver, they often suffer a backlash from poor voters at the next election. This has eased somewhat the danger and the damaging impact of elite capture. (See in this connection, Rao & Ibanez, 2003.)

Second, it is possible for governments to link demand-driven programmes which only elicit demands from poor people to systems of democratic decentralization, to good effect. One telling example of this is the Education Guarantee Scheme in the Indian state of Madhya Pradesh. It gave villages which lacked schools nearby the right to demand and receive schools and teachers drawn from the village themselves. The teachers would be accountable to and paid by the elected village council - and that greatly eased the main problem that afflicts more conventional government schools in India, absenteeism. As a result, examination results from the new basic schools were slightly better than those from older conventional schools. Fully half of the villages in the state (26,000) demanded and got schools and 1.16 million pupils - many of whom would otherwise have received *no* education - enrolled in them. Only very poor villages demanded schools (Melo, Ng'ethe and Manor, forthcoming, chapter three). That programme and others like it would not have been possible without elected councils at the local level. Democratic decentralization *enabled* the poverty reduction which followed from the programme - a role that has seldom been acknowledged in studies of this issue.

Third, governments can make abundant funds for certain programmes available to elected bodies at lower levels on the *condition* that they ensure that large numbers of poor people benefit from them. A good example occurred under the Cardoso government in Brazil, when funds for schools were only released when large proportions of potential pupils were enrolled (Melo, Ng'ethe and Manor, forthcoming, chapter four). These trends justify somewhat more optimism about the impact of democratic decentralization on poverty, narrowly defined. But it is certainly not a panacea, or even a mighty force in the struggle against poverty.

If we adopt a broader definition of 'poverty' (as I have partly done already in the discussion just above) the picture brightens. Let us view poverty not just as a severe shortage of funds, incomes and assets, but also as a severe shortage of opportunities and of the capacity to operate effectively and to exercise influence in the public sphere -- which is to say *political* capacity. The term 'political capacity' here implies four things: poor people's political awareness, confidence, skills and connections (to people like themselves and to allies who are unlike them). It is surely appropriate to see a severe shortage of these things as one important dimension of 'poverty'.

Democratic decentralization provides poor people with opportunities to play at least minimal and often non-so-minimal roles in the public sphere. Since decisions taken in elected bodies at lower levels affect everyone's material well being, popular awareness of politics increases, even among the most disadvantaged. As people who are poor and were previously excluded become actors, often for the first time - even at the margins - they acquire some confidence and political skills. Since democratic decentralization tends strongly to inspire collective consultation, and group formation and action -- because people can see that decisions which occur at or near the grassroots will affect them - poor people (like everyone else) tend to forge or strengthen connections with one another. And since decentralization often persuades enlightened civil society organizations to reach into local arenas to assist poor groups, connections with new allies also often develop. These processes enhance the political capacity of the poor, and ease the severe shortages of it which have long been one dimension of their 'poverty'. Ambiguities always attend these processes, and the degree to which they occur varies greatly from place to place. But we need to recognize that

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11 Slightly more optimistic arguments are offered in von Braun and Grote, 2002.

these things happen, and to give them the attention that they deserve.<sup>12</sup>

## 11 Local Elites and Political Dynamics within Local Arenas

One comment in the previous section needs further attention since it connects to a significant problem in the literature. When 'elite capture' is discussed, many analysts tend to adopt one of two different views - as if they were the only alternatives available, which is not true. They either see 'elite capture' as inevitable and unavoidable, so that poor people (and others who seek to help them) must *resist* elites (Mohan and Stokke, 2000 and Hickey and Mohan, 2004), or they argue that in some localities, elites are to a degree 'benevolent', so that the poor and their allies must seek to *coopt* them.<sup>13</sup>

In the previous section, a third perspective was offered which falls between these two extreme views. It referred to situations in which the numerical strength and political capacity of poor people suffice to force elites to compete for their support in order to gain and retain power in elected local bodies. Elites win their support by offering the poor real substance rather than tokenism. When that occurs, we usually encounter, at the same time, patterns which resemble but stop short of *both* of the two polar strategies identified just above. On the one hand, elites who do little or nothing for poor people experience rejection from them. That is a less extreme (and for the poor, a less risky) alternative than outright resistance. On the other hand, elites are drawn into the new, more open local political processes because they see that access to important new powers and resources can be obtained by participating. Once they are coopted into the new system, the logic of democratic politics, and the numerical strength and political capacity of the poor, require them to be more responsive to poor people. But they are coopted not by the poor but by the new political process. This again is a less extreme alternative than cooptation by the poor.

The evidence - and the actual operations of local councils across much of southern, central and east Africa, and South and Southeast Asia - that this writer has seen strongly suggests that these less extreme patterns, which stop short of outright 'resistance' or 'cooptation' by the poor, are more common than those two polar alternatives. Poor people are seldom in a strong enough position either to resist or to coopt elites. These two poles should thus be seen as ideal types rather than commonplace realities. And these less extreme patterns -- which often coexist in a muddled, complex, ambiguous manner -- conform to the muddled, complex, ambiguous character of local political processes in most places where democratic decentralization has been pursued. If we stress them, we get closer to the actual political dynamics within local arenas that do those who stress the two extremes.

## 12 Bureaucrats and Democratic Decentralization: No Zero-Sum Game

Bureaucrats (and politicians) at higher levels in political systems often, and understandably, see democratic decentralization as a zero-sum game in which they part with powers and resources but get nothing in return. They are mistaken, and many eventually come to see this. But it takes time.

This is especially important in ministries that provide important services - and it is there that the greatest gains by bureaucrats occur. They reiterate a point made in section 5 above: consider the health sector in Cambodia. Civil servants and health professionals had long felt frustrated that doctors and nurses seeking to deliver services in rural areas could not break down suspicions which local residents harboured toward middle class, urbanized people in

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12 Some studies have called attention to this broader definition of 'poverty'. See for example, Steiner 2007; and Crawford and Hartmann, 2008. There is, however, a tendency (evident at times in the latter collection) to slip back into a focus on the narrowly economic definition.

13 This option, and the study which suggested it (Platteau & Abraham, 2002), have influenced analyses, both published and unpublished.

white coats with alarming needles and other strange apparatus. Then a field worker from a United Nations agency who worked both with health professionals and elected local councillors persuaded the councillors to explain to local residents the benefits that would occur if they took advantage of things like ante- and post-natal care. They - unlike the health professionals -- could get this message across in language that ordinary folk could grasp. As a result, the uptake on health services increased markedly. Health ministry officials saw that working through the local councils enhanced their impact mightily, and they became enthusiasts for democratic decentralization.<sup>14</sup> Similar things have happened in service delivery agencies in India, Mozambique and other countries (Crook and Manor, 1998, chapter two, and Kulipossa and Manor, 2007).

And to reiterate once again: where absenteeism among service providers - for example, teachers and health professionals - is a serious problem, service delivery can be enhanced by making providers accountable to elected members of decentralized bodies. The Education Guarantee Scheme in Madhya Pradesh, India, noted above is a solid example. By getting the politics right, that initiative produced a substantial improvement in the delivery of education services, which was very welcome within that state's Education Ministry.

This evidence - and there is more -- illustrates that democratic decentralization should not be seen by people high up in government ministries, and by ministry employees working at lower levels, as a zero-sum game. They also make compensatory gains.

## 13 Interactions between Elected Representatives and Bureaucrats in Decentralized Systems

This is a difficult topic to discuss because conditions vary so greatly from country to country, but here is an attempt to cover the key points. It will become apparent that much of what happens inside the 'black box' of local government is influenced by what happens outside the box - especially at higher levels in political systems.

### 13.1 Levels in Political Systems

The first question that we need to ask is: 'At which level(s) do we find elected bodies?' The answers vary. Most decentralized systems entail elected bodies at or very near the local level. There are some exceptions - in Ghana, for example, elected district assemblies have been created a little higher up, at an intermediate level between the national and the local levels. But that is somewhat unusual.<sup>15</sup> Many systems entail the creation or empowerment of elected bodies at multiple levels.

When that is true, elected local bodies have elected bodies at higher levels to reach up to for technical and political assistance which is needed (a) to implement complicated projects, (b) to deliver services and resources, and (c) to enhance their leverage in dealing with bureaucrats and politicians at various levels. But in other cases, no elected bodies exist at intermediate levels. (In Bangladesh, for example, elected councils at the local level which could once seek assistance from similar bodies at the sub-district level have been on their own since 1992 when intermediate-level elected bodies were abolished. Successive national governments have promised to create such intermediate bodies, but in 18 years, they have not delivered.) When elected local bodies have no elected counterparts at intermediate levels, they face serious problems because they must grapple with bureaucrats at higher levels who are usually unsympathetic or worse. The only elected representatives to whom they can turn are national legislators - and legislators tend strongly to be hostile to elected bodies at any lower level because they perceive them (often

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<sup>14</sup> Interviews with the UN employee in question and Health Ministry officials, Phnom Penh, 12 October 2009.

<sup>15</sup> Malawi is similar, but the government there got cold feet after beginning to decentralize and scuttled what might have been an effective system (Chinsinga, 2008).

mistakenly) as enemies who have been given powers that are rightfully theirs.<sup>16</sup> The disadvantages experienced by elected local bodies which cannot reach up to elected bodies at intermediate levels are evident from a study which examines the benefits experienced by local councils in Mozambique when the intermediate (district) level was pried open (Kulipossa & Manor, 2007).

### 13.2 Multiple Accountabilities and the Need for 'Balance'

The second (and central) question to ask here is: 'How do elected members of decentralized bodies and bureaucrats interact in these diverse systems?' The answer is complex in the extreme, because systems vary so much. But here is an attempt to identify the more important elements of an answer. (A certain amount of oversimplification is unavoidable.)

Elected representatives at or near the local level usually predominate over bureaucrats who work at that level. In some cases, local bureaucrats are manipulated by political actors at higher levels in order to check the power of elected local leaders. But for the most part, elected local councillors have the upper hand within local arenas. Their problems arise when they must interact with bureaucrats at higher levels, or when the employees of line ministries operate - intermittently or constantly - within local arenas.

Let us consider the second of these issues first. The key question to ask is: 'To whom are these line ministry employees accountable?' All too often, they are accountable only upward, to their bureaucratic superiors within their ministries. When that is true, then one of the 'essentials' for democratic decentralization to work well - appropriate accountability mechanisms -- is absent. When line ministry employees are partly accountable (horizontally) to elected members of local bodies, but mainly accountable (upward) to bureaucratic overseers, that essential element is present but weak. When it is absent, decentralized systems fail. When it is weak, they limp along, working less than well.

In other words, decentralized systems must be designed in ways that create a *balance* between these two types of accountability - horizontal and upward. After the design phase, the implementation of the policy must be undertaken seriously, lest informal political machinations enable line ministry employees to ignore the requirement that they answer to elected representatives. So there are two dimensions to this problem: one technocratic (the design of decentralized systems) and the other political (implementation).

The need for 'balance' here deserves emphasis. If elected members/leaders of local bodies are given overweening power over the line ministry employees whom they encounter (school teachers, health professionals, agricultural extension workers, etc.), they tend to abuse them. But - to consider the more common problem - if elected representatives have little leverage over these people, then line ministry employees tend to do as they like. Absenteeism by teachers and health professionals -- a massive problem across much of South Asia - is the sort of abuse which ensues.

How might balance be achieved? The best answer is to give significant powers over line ministry employees' future prospects *both* to leaders of elected local bodies *and* to their bureaucratic superiors. This needs to be done in different ways, depending on the diverse processes which exist in various countries, but an example will illustrate the point. In many less developed countries - especially but not only in the Commonwealth - an annual report on the performance of every public employee is placed in his or her personnel file. These reports are extremely important in determining their career prospects. One way to foster balanced accountability is to allow both the leader of an elected body at a lower level and an employee's bureaucratic superior to insert comments on his or her

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<sup>16</sup> This is true in many industrialized countries, as well as in the developing world.

performance during the previous year. This will make the employee feel beholden to both.<sup>17</sup>

### 13.3 Informal Political Interventions which Strengthen Decentralization and Promote Compliance by Bureaucrats

Other, more informal political actions may also be undertaken at higher levels to combat the main abuse that arises in these systems: a refusal by line ministry personnel to respond to elected bodies at lower levels. High-level leaders may intervene often in the workings of a decentralized system to support elected bodies at lower levels, perhaps because they see them as part of their political base and/or because members of elected bodies lower down serve as their eyes and ears in far flung arenas - and as agents who can help leaders at the apex of the system tackle problems which arise there. Or leaders of elected bodies at intermediate levels, when they have been given enough power to become formidable figures, may lend support to their counterparts at lower levels because they see them as allies.

Politicians at higher levels may also be persuaded to back elected bodies lower down because they welcome one gain which often occurs when such bodies are empowered: enhanced coordination across development sectors. Consider for example elected leaders of councils at the intermediate (and sometimes at the local) level who have been given significant influence over bureaucrats, when work is being planned for (say) a chain of small irrigation channels and ponds. Such leaders often convene meetings that include not just an irrigation official and an engineer, but also bureaucrats from the sanitation, fisheries and agriculture departments to contribute to the plan. This is in part an act of vanity, to boost the leaders' sense of self-importance, but it also tends to produce better development results because the project will benefit from coordinated input from different perspectives. This is attractive to politicians at higher levels who understand that improved development outcomes boost their popularity.

Politicians and even line ministry personnel at higher levels may also conclude that decentralization can help them to deliver services more effectively - when they see that elected members of local bodies can explain the rationale for things like health services to ordinary people at the grassroots in language that the latter can understand. If this increases the uptake on vital services - as it often does - then that also has an appeal at higher levels.

Leaders at higher levels sometimes also recognize that elected bodies at lower levels can serve as crucially important instruments in implementing development and/or poverty reducing initiatives. Consider one immense example. India's largest anti-poverty programme, the National Rural Employment Guarantee Scheme, mandates that at least 50 per cent of its massive funds be channelled through elected local councils in the hope that this will promote transparency and accountability.<sup>18</sup>

### 13.4 Informal Political Interventions which Weaken Decentralization and Undermine Compliance

On the other hand, we must recognize that informal political dynamics can undermine the autonomy, power and constructive capacity of elected bodies at lower levels. This can happen in a diversity of ways. A few examples are worth noting.

On paper, Ghana's district assemblies have significant powers to act autonomously and responsively to ordinary

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<sup>17</sup> Such arrangements work best when the elected leader who makes entries in the report on annual performance is located at an intermediate (rather than the local) level. Leaders at intermediate levels are more formidable figures than their elected counterparts at the grassroots, and they tend strongly to consult the latter before entering comments in annual reports.

<sup>18</sup> The results are mixed, but it is harder to steal money from this Scheme than from any other government programme. These comments are based on extensive field studies by this writer and a colleague in two Indian states during 2008.



folk. But many members of these assemblies are intensely preoccupied with their long-term political prospects which are largely determined by national leaders atop quite centralized parties. So assembly members often do the bidding of their political superiors, even when this undercuts their autonomy and their capacity to respond to constituents.<sup>19</sup>

On paper, Cambodia's emerging system of decentralization to provincial, district and local levels again appears to provide autonomy to elected councils at those levels. But candidates for election to them are placed on party lists over which national leaders exercise huge influence, and the ruling party (which currently dominates nearly all councils) is extremely centralized. So while the means may differ somewhat from those in Ghana, the result is similar.<sup>20</sup>

Powerful senior leaders who face legal or even constitutional provisions urging or requiring them to devolve powers and resources onto elected bodies at low levels may prefer to exercise strong centralized control. They may informally subvert decentralization. In the Indian state of Andhra Pradesh, Chief Minister Chandrababu Naidu (in power 1995-2004) refused to devolve the full set of functions to elected councils at lower levels until council leaders threatened self-immolation in front of his residence. He then agreed on devolution but subsequently refused to deliver. He also illegally diverted massive funds from those councils to a pet programme which he controlled, and then tried (illegally again) to postpone fresh council elections until the courts forced him to proceed. Such control freakery is not uncommon.

When any senior politician wishes to undermine democratic decentralization, s/he can almost always rely on support from legislators who in almost all countries see it as a threat to their power. That is why the clawing back of powers and resources from decentralized bodies is a widespread problem across the developing world.

One further point is worth stressing. There are certain spheres in which high-level leaders are especially reluctant to decentralize - and especially likely to use informal devices to subvert decentralization when it has been introduced - and in which low-level government employees are especially reluctant to share power with elected members of councils at or near the grassroots. This is common

- a. in spheres from which governments extract substantial revenues (logging is a prime example),
- b. in spheres from which the private interests and/or government actors extract substantial profits (logging again), and
- c. in spheres which are technocratically and/or technologically complex (for example watershed development - far more than in the comparatively simple sphere of grasslands management).<sup>21</sup>

## 14 Three Issues for Designers of Decentralized Systems

### 14.1 The Dangers of Technocratic Overload

Experiments with decentralization are often designed by technocrats, and their insights are often very constructive. But it is important that they not approach their task with excessive technocratic zeal, since this can do damage. An example will illustrate the point. When in the late 1990s the South African government set about devising a new set of elected councils at the local level, they gave the task to people who had no knowledge of democratic decentralization in less developed countries. Those designers wanted the best for their country, so instead of

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19 These comments are based on this writer's field research in Ghana in 2007 and 2008.

20 These comments are based on this writer's field research in Cambodia in 2008 and 2009.

21 I am grateful to Robin Mearns of the World Bank for insight into these issues.



considering processes in the Philippines, India or Brazil, they modelled their new system on those used in places like New Zealand and Scandinavia where the very latest, technocratically advanced approaches were used. The result was a system of daunting complexity. Civil servants in places like Durban and Cape Town, who were armed with MBAs and state-of-the-art computer facilities, expressed grave doubts about whether they could make the new processes work adequately. And they were certain that their counterparts in more under-developed rural areas across South Africa would be defeated by massive technocratic overload.<sup>22</sup> Their fears have been realized. The South Africans have allowed the best to become the enemy of the good.

It is important that designers of decentralized systems understand the need to devise comparatively simple, straightforward processes and that they explain them with great clarity to those who must operationalize them. It is especially necessary to ensure that the division of responsibilities between central government and elected bodies at lower levels is spelled out clearly and in detail - lest elected bodies lack the autonomy and discretionary powers which they badly need to function effectively.<sup>23</sup> That often (in countries in which rules are actually taken seriously, and in which high-level elites do not subvert the devolution of power<sup>24</sup>) has a powerful impact on the informal manoeuvring which occurs once a new system is established. The extent to which such systems succeed will be determined by the degree to which the three essentials noted in section 4 above are provided - and not by administrative instruments which delight technocrats but often cripple elected bodies at lower levels. It is necessary to trust elected members of such bodies, even though they do not possess much technocratic sophistication. The gains which have ensued from those which have been generously funded and empowered justify that trust.

## 14.2 Parallel Agencies/Bodies and Mainstream Government Institutions

We need to consider two kinds of 'parallel' structures here. The first consists of special administrative agencies which extend from the national level down to lower levels. Such structures were often created in the 1990s in response to emergencies (conflicts, droughts, etc.), to deliver vital goods and services to people on the ground when mainstream government agencies were too ineffective or corrupt to achieve this. But once they were in place, these parallel agencies (which contained high quality, well paid practitioners, many of whom were recruited and thus taken away from mainstream government ministries) tended to live on after the emergencies had passed. The World Bank's social programmes were a classic example.

In time, however - especially as anxiety about fragile states took hold - people began to recognize that it was important to strengthen mainstream government institutions, in order to make states less fragile. This has caused the earlier enthusiasm for these special administrative agencies to wane, since they diverted funds and talent from mainstream ministries and undermined their capabilities, morale and legitimacy.

Enthusiasm has also waned somewhat for a second type of parallel institution, this time at or near the local level: user committees or stakeholder committees. User committees are usually created to address single sectors: water users' committees, joint forest management committees, health committees, etc. They are thus different from elected councils at lower levels since the latter are multi-purpose bodies. They usually differ from elected councils in two other ways: they tend strongly to be better funded (by line ministries which usually create them, and by donors), and they are often unelected or less reliably elected than are local councils. Line ministries often prefer to work with their own user committees - the composition and decisions of which they can more easily control - than with local councils. So we often find well funded (even excessively funded) single-sector user committees sitting cheek by jowl with impoverished multi-purpose local councils. Local residents naturally look more to these well resourced parallel bodies than to cash starved local councils. As a result, user committees often undermine the legitimacy of

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22 Interviews with these officials, Durban and Cape Town, August 2000.

23 For more detail, see Agranoff, 2004; and Crawford and Hartmann, 2008 pp. 14-15.

24 For more on this, see Blair, 2000.

local councils - which are mainstream government institutions - and damage democratic decentralization.<sup>25</sup>

As donors and many governments in less developed countries have come to recognize the importance of strengthening mainstream government institutions at all levels, the enthusiasm for 'user committees' has diminished. But they remain a problem, especially but not only in Africa.

### 14.3 Modalities for Resourcing Elected Bodies at Lower Levels

Debate sometimes occurs over the best means of ensuring that elected bodies at lower levels possess sufficient financial resources. There are two main alternatives - although this is put rather crudely since the two are often mixed. On the one hand, elected bodies may be given revenue-raising powers. On the other, they may receive funds which are devolved from higher levels of government. (The first method is widely used in Africa, and the second is often found in Asia.) The debate over these approaches is less important than it may seem, but let us consider the main theme which tends to arise.

It is common to hear that it is better to provide elected bodies with revenue-raising powers because (a) citizens will be more likely to seek to hold elected representatives accountable if they must pay fees and taxes levied by local bodies; and (b) if funds are devolved, local bodies will be dependent upon higher authority and thus lack autonomy. These are not trivial issues, but in practice, there is less substance in them than those with a taste for political theory believe.

In the real world, risks and drawbacks attend the first method. Elected members of decentralized bodies tend to be reluctant to impose fresh or heavy taxes on voters partly because it will make them unpopular, but also (and more admirably) because the ensuing popular discontent may undermine the legitimacy of elected bodies - especially when they are relatively new and thus fragile institutions, struggling to gain acceptance. The promise of democratic decentralization has limits, but it is great enough to warrant caution about compelling elected bodies to raise most or all of their resources through taxation.

Again in the real world, the devolution of resources to these elected bodies has been shown to work quite well - provided that higher authorities transfer plentiful or at least adequate funds downward, and that the process is firmly institutionalized and rule bound so that those bodies are not dependent upon the whims of high-level leaders. Some of the strongest decentralized systems in the world rely mainly on this method - for example, the case of Kerala in India. A senior civil servant in another Indian state who headed the education ministry once complained to this writer about seeing a sizable percentage of aggregate funds automatically lopped off of the state government's budget and passed down to elected councils at lower levels, depriving his ministry of resources it coveted. But then he added that state law required this, and that he knew that democratic decentralization had its uses, even in enabling his ministry to do its job more effectively (see section 5 above).<sup>26</sup>

Note also that the devolution of funds facilitates greater downward accountability to citizens. Consider one telling example. India's largest anti-poverty programme, the National Rural Employment Guarantee Scheme, allows state governments in that federal system to decide how much of the money from it should be transferred down to elected local councils - as long as at least 50 per cent of it goes to them. In the state of Madhya Pradesh, senior officials decided to devolve not 50 per cent but 90 per cent of the programme's very substantial funds. They did so because they believed that the alternative -- channelling the money through line ministries - would entail far less accountability in the use of the funds than if local councils managed them. Extensive field research on the working of this Scheme in that state indicated that they were correct - there was *no* downward accountability *at all* for the

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<sup>25</sup> For more detail on this, see Manor, 2004.

<sup>26</sup> Interview with this writer, Bangalore, 12 August 1998.

funds used by line ministries.<sup>27</sup>

Finally, it is worth stressing that these debates may themselves cause harm by distracting us from the key point in all of this. To reiterate: the crucial concern here is not the method by which elected bodies acquire financial resources, but the quantity of resources that they receive and their discretionary powers over the use of those resources. Either method will enable them to work well if they are generously resourced. And either method will damage them if, as often happens, they cannot obtain adequate resources. Adequate resources represent one of the three essentials, without which democratic decentralization will struggle or fail. We must not lose sight of that.

## 15 Decentralization and Fiscal Indiscipline

Some distinguished analysts have expressed anxiety that decentralization may lead to fiscal indiscipline (Prud'homme, 1995; Tanzi, 1996). There may be a genuine risk of this when power is decentralized to the regional (provincial or state) level in federal systems. But this conference focuses on local government, not federalism(s).

This writer has seen next to no evidence to indicate that decentralization to elected bodies at or near the local level poses a threat to fiscal discipline at the macro-level. Nearly all experiments with decentralization to lower levels include quite strict controls over the capacity of elected bodies to borrow and spend. The most common problem that we encounter when we consider local bodies' budgets is not excessive spending but under-funding - and sometimes excessive controls from higher levels.

So before opponents of decentralization argue that elected councils at lower levels will threaten fiscal discipline, they should provide evidence that this actually happens. A little *possible* support for their case emerged in India's financial press some years ago: suggestions that elected councils in two huge metropolises (Hyderabad and Mumbai) had overspent so much that they had contributed to the yawning fiscal deficit. But that problem, if it was one, has since been addressed by the national leadership. And in any case, most of the decentralizing that we are considering at this conference is focused on smaller cities, towns and villages - none of which are in a position to cause much (or any) damage.

## 16 Decentralization and Economic Growth

The literature on decentralization has more than its share of bizarre 'studies', but one which stood out was presented by a major international development agency in draft form a decade or so ago. It contained statistics on economic growth in numerous countries and concluded that since China's growth was highest, its rather insubstantial exercise in decentralization<sup>28</sup> must be the best.

The main point to make here (and I would be interested in any challenges to it by economists at this conference) is: decentralization tends to have little or no impact - for better or for worse -- on a country's economic growth. We have some evidence from places like Mozambique that it can help to promote growth within small arenas at or near the grassroots - which is welcome but which has no significant impact on macro-systemic growth rates. Decentralization's virtues (see section 5 of this paper) lie elsewhere.

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<sup>27</sup> This is based on this writer's research there in November-December 2008.

<sup>28</sup> It is important that we not confuse China's *decentralization* policies with its well elaborated process of *experimentation* in which (mostly party-dominated) institutions at lower levels are permitted to try out new policies. Sebastian Heilmann has done important work on this, and he and I have done a comparative exercise on India and China (Manor & Heilmann, 2009).

## 17 Civil Society and Decentralization

Before we consider this topic, we need to agree on a neutral definition of civil society. Let us view it as a domain that stands between the state and the household which is populated by voluntary associations with a significant degree of autonomy from the state. If we define it thus, 'civil society' includes not just large elaborately institutionalized non-governmental organizations reaching down toward the local level from high levels, but also small, rather informal associations that local residents form among themselves. It also includes not just enlightened, progressive organizations, but also uncivil organizations such as the Ku Klux Klan and Al Qaeda - plus apolitical organizations such as the Bangalore Music Society. This neutral definition will prevent us from defining out inconvenient associations - a common practice among evangelists for civil society whose analyses are damaged by this trickery.

Democratic decentralization almost always causes civil society at and near the local level to quicken and gain substance. It injects powers and resources into lower-level arenas, where local residents naturally make common cause in efforts to influence decisions about these new powers and resources. Older associations become more active, and new organizations are formed. These local civil society organizations tend to help democratic decentralization to work well -- although in some cases, prosperous people band together in order to achieve 'elite capture'. Enlightened organizations from outside local arenas often reach into those arenas in efforts to enhance the capacity of ordinary (and/or socially excluded and poor) people to make the systems work in a genuinely democratic manner, and to their advantage. This latter point should not be overstated, since in most less developed countries, such civil society organizations have only limited reach - they only penetrate into a small minority of localities. But for the most part, democratic decentralization and civil society have a mutually enabling and reinforcing impact upon one another.

This is not to say, however, that a strong civil society is essential if democratic decentralization is to work well. It is helpful but not essential. We have clear evidence from countries where civil society is not formidable to indicate that decentralized systems can work reasonably well nonetheless.

It is worth adding in passing that some advocates of decentralization are deeply sceptical about civil society. This is surprising since many people who doubt the virtues of centralized states look to both of these things as constructive alternatives to it, since both can promote participation, bottom-up development, etc. But in two large Asian nations, this writer found that each country's leading official champion of decentralization had sharp criticisms of civil society organizations. They regarded them as unaccountable, self-righteous and self-appointed associations which lacked the democratic mandates that elected bodies at lower levels possess - so that they had no legitimacy. So alliances which include all of the enthusiasts for decentralization and civil society are sometimes difficult to construct.

## 18 Traditional Rulers and Traditionally Dominant Elites

This writer is no authority on the roles played by traditional rulers (that is, chiefs) in decentralized systems in Africa. The topic needs more research.<sup>29</sup> But a few points have emerged from (mostly unpublished) studies by colleagues which are worth noting.

First, we must recognize that when governments empower local chiefs who are accountable upward to officials and not downward to ordinary people, this is not democratic decentralization.<sup>30</sup> Those who call it that are either mistaken or engaging in deception.

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29 A good recent book on that continent (Crawford & Hartmann, 2008) says remarkably little about this. But see the chapter on Malawi (Chinsinga, 2008). For more on that case, see Chiweza, 2005.

30 This is clear, for example, from a solid study of forestry in the Sahel, in Ribot, 1999.

Second, the political influence of traditional rulers varies considerably from place to place as we move across Africa - partly because of socio-cultural diversity, and partly because these rulers fared differently first during the colonial era, and then during the post-independence era when various governments adopted different postures toward them. Some parts of Africa have experienced severe turmoil in recent decades, while others have not - and since these different histories carry different implications for traditional rulers (and everyone else) this complicates matters still further.

Third, traditional rulers vary in their attitudes toward democratic decentralization. Some are hostile because elected bodies at lower levels pose a threat to their influence. At least some (for example in parts of South Africa's Eastern Cape province) cooperate constructively with such bodies. A great many more appear to be perplexed by the kinds of processes that occur within elected councils, so that they are reluctant to engage with them. Within these councils, different political forces engage fairly constantly in contestation. Those in the majority find themselves questioned and challenged by those in the minority. Votes are seldom unanimous. These things pose problems for traditional rulers who often preside over discussions of local issues, remain silent until various ideas have been advanced, and then announce decisions which are expected to be accepted by all. Traditional rulers tend not to engage in debates, and some have been reluctant even to allow their representatives to do so - since this will expose them to challenges which they find distasteful and beneath their dignity. The result is often a reluctance to engage with elected councils. And they sometimes seek to undercut councils' influence. Given all of this, it is no easy task to design systems which will resonate with the institution of chieftancy.

If we turn to India -- the other place where significant work has been done on an analogous theme - we encounter both contrasts and parallels with Africa.<sup>31</sup> In villages (where most Indians still live), landowning castes traditionally dominated the public sphere.<sup>32</sup> However, two sets of changes have undermined that pattern.

First, popular acceptance of the old caste hierarchies has diminished markedly in most rural areas. Caste is increasingly coming to denote not hierarchy but difference.<sup>33</sup> As a result, formerly dominant caste leaders find it impossible to persuade most of their fellow villagers to join in collective, partly voluntary action to perform certain important tasks - for example, bringing in the harvest.<sup>34</sup> In order to get things done, villagers increasingly need to reach upward in the political system to access advice, resources and assistance from political actors (politicians and bureaucrats). Small-time political entrepreneurs, who specialize in contacting people at higher levels, have emerged there in great numbers.<sup>35</sup> Those who succeed often achieve greater esteem and influence within local-level arenas than the leaders of traditionally dominant castes. And more than a few of these local entrepreneurs come from less exalted caste backgrounds. These processes make it very difficult or impossible for the traditionally dominant elites to remain pre-eminent.

Second, the empowerment of elected local councils (panchayats) since 1993 - which varies in degree from state to state in India's federal system - has created new power centres which those once-dominant elites find hard to control. Lower status groups usually have superior numerical strength, and they are sufficiently sophisticated politically and sufficiently sceptical of the old caste hierarchies to refuse to defer to the once-dominant castes. Competition between members of those elite castes for the support of lower status groups also undercuts the former patterns of dominance. Member of those elite castes who enter local politics in an effort to dominate elected councils find themselves challenged, criticized, questioned and sometimes voted out of office. Like traditional leaders in Africa, they find all of this distasteful. For nearly 20 years, we have had evidence from field researchers in rural India (north and south) that some members of these once-dominant castes are opting out of local councils - for this

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31 Another case which cries out for study is the Philippines where a serious exercise in democratic decentralization has encountered local bossism. On the latter topic, see Sidel, 1999.

32 For the classic study of this, see Srinivas, 1959.

33 See for example, Mayer, 1997 and Sheth 1999.

34 For a vivid account, see Karanth, Ramaswamy & Hogger, 2004.

35 I call them political 'fixers', and Anirudh Krishna call them *naya netas* (new leaders). See Manor 2000 and Krishna 2002.

reason or because 'their ambitions are now directed to advancement in the modern, urban sector and to political representation at levels higher than the councils of the village' (Mendelsohn, 1993).<sup>36</sup> This leaves the way open for members of lower status groups to take power in their place.<sup>37</sup> Further research to discover the extent to which such 'exits' are occurring is badly needed. One respected scholar has argued that elected councils or official panchayats possess less influence over local decision-making than do informal, traditional panchayats which are dominated by landowning castes (Kripa, 2007). This is clearly true in some places. But it is not clear how widespread this phenomenon is. This writer's grassroots field research in two quite different states suggests that it is rather unusual. More research on this question is, once again, a priority. But most of the evidence from India indicates that the preeminence of traditionally dominant elites there has been seriously eroded, not so much because of democratic decentralization but as a result of a prior change in the social sphere: the declining power of caste hierarchies.

One last comment is essential here. Elected bodies at lower levels are only in a position to rival traditional rulers and elites when they have been given significant powers. In many countries, that has not happened. So the discussion above has limited relevance.<sup>38</sup>

## 19 Beware of Extreme Arguments

One point is worth repeating: we are discussing questions of *degree*. Arguments that democratic decentralization will solve everything, or nothing, fly in the face of the ambiguities that attend this topic. (The same can be said of arguments about civil society and social capital.) It may seem unnecessary to say this, but there are still some who adopt extreme views - especially on the positive side. One former United Nations official made a habit of offering toasts to democratic decentralization as a force that would sweep away poverty and injustice. Such people believe that they are decentralization's truest friends, but in reality, they imperil it. They encourage wildly unrealistic expectations which are bound to be dashed when ambiguities arise. That can inspire unjust dismissals of decentralization which has genuine (but far from overwhelming) promise.

## 20 Do Not Expect Popular Pressure from Below to Trigger or to Rescue Decentralization

We sometimes hear enthusiasts for democratic decentralization say that popular demands from below have triggered, or may in the future trigger, decisions by senior leaders to devolve power onto elected bodies at lower levels. Some of them also argue that once democratic decentralization becomes a reality, popular pressure will prevent actors at higher levels from disempowering those elected bodies. Both arguments are baseless. In over 60 countries that have experimented with democratic decentralization, evidence has emerged from only one to indicate that pressure from below played any part in triggering decentralization - South Korea - and the argument even there is open to doubt. Nor have high-level leaders been inhibited by fears of popular resentment from clawing back powers granted to elected bodies at lower levels. Clawbacks are very common, and nowhere have popular protests prevented them.

Decisions to decentralize, and to sustain decentralized systems once they are in place, require - ironically - strong centralized leadership from the apex of political systems. The beneficiaries of decentralization are too widely dispersed to muster much pressure.

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<sup>36</sup> His evidence comes from Rajasthan in north India. Similar evidence from the south comes in communications from colleagues and from this writer's village-level research there.

<sup>37</sup> This is based on unpublished research findings.

<sup>38</sup> It does not, for example, refer to Thailand where we find bossism akin to that seen in Sidel's book on the Philippines, cited above - as Sidel himself has explained - because insufficient powers have been devolved there.

## 21 Avoid Blaming the Victim -- Decentralization

We must take great care to avoid a serious and, sadly, quite common error in analyses of democratic decentralization. It is often blamed for things which are actually the result of governments' refusal to devolve powers and resources generously to elected bodies at lower levels - which are, let us recall, *essential* if such systems are to work well. We often read that such elected local bodies are less effective at service delivery and less responsive than expected, but when we examine the details, it becomes apparent that high-level leaders did not provide them with powers and resources to achieve those things. That is not the fault of those bodies. We must avoid blaming the victim - decentralization -- when the real culprit is the opposite: a refusal to decentralize.

### Concluding remarks

In order to provide an introduction to decentralization, this paper has covered so many diverse topics that it defies tidy summation. Let us therefore merely note that all of the topics here would benefit from further research. This paper has not pronounced the final, definitive word on them, and this writer is prepared to adjust his views if fresh arguments backed by solid evidence emerge. That should be apparent from the comments here on his earlier, excessively gloomy writings on the limitations of democratic decentralization as a force for poverty reduction - even if the result is only a somewhat less gloomy verdict. We should look forward to subsequent papers in this ICLD series since they will surely add greater depth and detail to many of the arguments offered here in necessarily compressed form. They may even show some of these views are wide of the mark.

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