

ISBN 83445

DECENTRALIZING FOR DEMOCRACY

IN MADAGASCAR:

The Beginnings, the Process, the Unfinished Agenda

A Report to the USAID/Madagascar

by Harlan H. Hobgood

May 1993

Contract No. AFR-0542-Q-00-1109-00
Associates In Rural Development (ARD, Inc.) in association with
Management Systems International, Inc.

DECENTRALIZING FOR DEMOCRACY

IN MADAGASCAR:

The Beginnings, the Process, the Unfinished Agenda

A Report to the USAID/Madagascar

by Harlan H. Hobgood

ACKNOWLEDGEMENTS

I am particularly indebted to the members of the US Mission Democracy Committee, Chris Davis, Larry Wohlers and Bill Hammink, for guiding me through the exciting developments in Madagascar's democratic transition and for orienting me on this assignment. Both Ambassador Dennis Barrett and USAID Mission Director George Carner were generous in their hospitality and most kind in their personal support throughout my stay.

I want to give special thanks to the personnel of USAID Madagascar for their assistance. Ms. Lena Gurley and her staff were particularly kind and thoughtful during my bout with food-poisoning and associated concerns over a possible medical evacuation.

With the invaluable collaboration of my research associate, Mr. Charles RABENARIVO, we were able to stay the course and probe a rich variety of Malagasy opinion about the general transition to democracy and about the prospects for "effective decentralization" in the new order of things. Of course, it is to them, the Malagasy officials, civic leaders, churchmen, political activists, private businessmen and individual citizens that I owe the greatest debt.

Whatever errors of fact or interpretation may be present in this report are mine alone. The views expressed in it should not be considered as official policy of the United States Government or any of its agencies.

**DECENTRALIZING FOR DEMOCRACY
IN MADAGASCAR:
The Beginnings, the Process, the Unfinished Agenda**

TABLE OF CONTENTS

Introduction

Chapter I

The Constitution of 1992 and "Effective Decentralization" 1

Chapter II

The Continuing Malagasy Dialogue - Shaping the Agenda 11

Chapter III

*Commentary on Four Salient Themes and the Evolving
Decentralization Discourse* 27

Chapter IV

Principal Actors in the Malagasy Decentralization Process 32

Chapter V

The Malagasy Decentralization Challenge in a Comparative Context 41

Chapter VI

*Toward a Near Term Strategy for US Assistance in Madagascar's
Process of Democratic Decentralization* 46

Interviews Conducted

Annex I

Annex II

INTRODUCTION

This is an inquiry into the dynamics of political renewal. The place is Madagascar, a nation in the midst of renegotiating its social contract. The assignment is to understand how, in these crucial on-going renegotiations, the major actors are dealing with their declared commitment to shape a decentralized democratic order.

The heart of the issue is the redistribution of power. To espouse the general notion of decentralization presumes that the locus of governing powers will shift. Powers held in a few commanding national institutions designed and controlled by elites in the capital city are meant to be redistributed from that center. Madagascar's new Constitution calls for the creation of a new structure of "decentralized territorial collectivities" whose authority will be rooted in democratic processes: officials to be elected by and accountable to the people, rules to be drawn by representative assemblies, institutions and programs of collective action to be determined by local choice. Without prescribing specifics, the Constitution calls for the State to repartition functions, powers, resources, assets, between the central government and these new decentralized authorities. The road ahead, from Constitutional mandate to the new decentralized order of things, involves choices at every turn and at each crossing of the ways.

In mid-1993, a new legislature must be elected; a Prime Minister chosen and his government formed; a ravaged economy demands immediate attention; and among all of the laws to be written are those that will define the structures, boundaries, terms and substance of the power shift called decentralization. The outcome is far from certain.

The purpose of this enquiry is to provide USAID Madagascar with an understanding of the unfolding process as it relates to decentralization, to identify the key actors and put them in perspective, to identify the intellectual and political currents regarding decentralization, and finally, to analyze what actions the US Government might consider to support outcomes that can serve to reinforce Madagascar's new democracy.

The paper is organized as follows: In Chapter I we trace the development of the new Constitution of 1992 and its provisions for "effective decentralization. In Chapter II we try to capture the substance of the continuing discourse in Madagascar about what this should mean and how it should be applied. In Chapter III we make a series of commentaries on some of the outstanding issues. In Chapter IV we make a detour as we cast the Madagascar experience into a comparative global setting. Finally, in Chapter V we suggest a course of action that the US Mission might consider to support the process.

As we say in our final note: This analysis of the decentralization process in Madagascar is offered as a work in progress. Although we believe that it meets our terms of reference, one feels that lack of closure that comes with having to exit the theater in mid-play. Elections are pending; a new Government is to be formed; all decisions now are transitional; an unnamed Commission is a key actor whose role is defined here in supposition; assumptions build upon assumptions. And in the end, we suggest a series of actions for the US Mission that are built upon this stage. Any errors in fact or in judgement, however are those of the author alone.

CHAPTER I

The Constitution of 1992 and "Effective Decentralization"

The new Malagasy Constitution, in its preamble, affirms as a basic principle of governance "the application of effective decentralization." In Article 2, it further states that "the Republic of Madagascar is organized in decentralized territorial collectivities whose autonomy is guaranteed by the Constitution and which join the State in the development of the national community." Later, in Title VII (full text in Annex I), the framework for this decentralized order is spelled out. Title VII, as well as the new national charter as a whole, was the product of a remarkable national colloquy lasting several months. First, open and inclusive local Forums were organized by the Council of Christian Churches (FFKM) and civic groups during January and February 1992 in the nation's 111 local districts (Fivondronana) to collect views for revising the old order. Then in March 1992, a National Forum was held in Antananarivo. Representatives from the local forums plus leaders of national parties and active civic groups met in commissions to consider draft versions for a proposed constitution. By the end of March, the Forum had arrived at a consensus document. In August, the resulting national charter for the Third Republic was submitted to national referendum and on September 19 the High Constitutional Court certified its approval by 75% of the voters.¹

The guidelines for a new decentralized order, as set forth in Title VII, represent a hard won consensus involving numerous compromises among contending points of view. Indeed, the details in this title --- discussed at some length later in this section --- reflect the tension between the parties. On the one hand, the Constitution makes evident an intent to create a new order in which substantial responsibility and authority for socio-economic development and basic public services will be devolved to reconstituted "autonomous" sub-national governments, to be directly elected by the citizens and intended to be fully responsive and accountable to them. On the other hand, the Constitution provides for structures and procedures by which the national government may substantially direct and control these "autonomous" governments.

¹ Material in this paper relating to the Constitutional process, the work of drafting groups, and the debates within the Forum was supplied to the author in interviews with key participants. Two in particular provided invaluable perspective: Pastor Josoa Rakotonirainy, Secretary General of the Council of Christian Churches (FFKM) who, along with other FFKM leaders played a vital role as arbiters, peacekeepers and process facilitators throughout the first year of the transition; and, Mr. Rakotovao Razakabaona, advisor to President Ratsiraka and MMSM leader, former Minister of Finance, and proponent of a "responsible" federalist system for Madagascar.

When the first National Assembly of the Third Republic is elected, it must then elect the Prime Minister. He in turn must appoint his cabinet, thus forming the first Government of the Third Republic. The transitional institutions are then dissolved. The Government must then present its program, including its general approach toward decentralization. Subsequently will come their proposals to the National Assembly for the laws that will define the structure, functions, levels, boundaries, numbers and specific powers of the sub-national governments as well as their relationship to one another and to a reconstituted national government. Until these laws are implemented, with local elections as may be provided for, the appointed authorities now responsible for local administration will remain in place. The Constitution sets a deadline of 18 months following its promulgation for the full set of laws on the sub-national governmental order to be in place. It requires that a study commission be named for this undertaking.²

The tasks ahead are daunting. The purpose of this enquiry is to provide USAID Madagascar with an understanding of the unfolding process as it relates to decentralization, to identify the key actors and put them in perspective, to identify the intellectual and political currents regarding decentralization, and finally, to analyze what actions the US Government might consider to support outcomes that will clearly reinforce Madagascar's new democracy.

As an initial step in understanding the Malagasy approach to decentralization, we turn to a consideration of the context in which Title VII of the Constitution was drafted and the factors that appear to have influenced some of its key provisions. One of these factors was the launching of a federalist movement that significantly impacted the discourse on governance and the new Constitution.

² The imprecise language which sets the 18-month deadline for having the sub-national governing order in place and which requires the forming of a study commission for this task (Transitional Provisions (Title IX), Article 148 of the Constitution) has caused confusion and uncertainty. Some political leaders and officials interviewed felt that the naming of this important study commission should await the election of the Prime Minister. Thus the new Government would be able to frame the charge to the commission and shape its membership (technical and political). Other authoritative interlocutors were equally convinced that the 18-month deadline for getting the new laws in place required that the current transitional Government was obliged to form the study commission (and should have done so some months ago) as a technical and non-partisan group to get on with the job of shaping the alternatives and draft legal reforms that a new Government and Assembly would then have as a basis of their decisions. Senior officials of the Ministry of Interior informed the author on April 15, 1993, that the latter view was indeed the position of the transitional Government and that an informal technical study commission had been formed and would be formally named by the Government by May 1, 1993.

The Malagasy Federalist Movement³

The notion that a new Republic of Madagascar might be organized on the basis of federalist principles was discussed among Malagasy political leaders during the latter years of the colony. Certainly during the two years, 1958-60, when Madagascar was an autonomous republic within the French Community, the national political intelligentsia had begun to shape their post independence constitution to provide for a unitary State. Led by Philibert Tsiranana, who became the independent republic's first president, they firmly rejected a federal structure for the new nation. French colonial administration from the 1890s onward had applied a version of "divide and rule" in its administrative practice. The colony was early on divided into 5 military districts and later into 6 provinces for civil administration. These administrative divisions, roughly formed around regionally dominant ethnic groups, were structured for pacification and control. In early years, some recognition of local tribal authorities and practices was incorporated into France's practice of indirect administration in each of the separate areas. Gradually uniformity in civil administration was introduced in the provinces during the first decades of the twentieth century. However, the French use of the regional ethnic identities within the separate provinces has been seen as an important stratagem for discouraging movements that might have earlier united the populace against the colonial administration. The Malagasy leadership shaping the independent state did not want to revert to ethnic divisions of the land and any form of confederated autonomous regions based on such divisions. The Constitution of the First Republic, approved by over 90% of voters in the 1960 referendum, clearly affirmed the Republic of Madagascar to be a unitary state. The new Republic was to be built on unity and a Malagasy national identity.

From 1972 through 1975, Madagascar passed through a military interregnum that led to the establishment of the Second Republic. The central themes of that transition were the socialist reformation of the economy and associated "malagasization" -- expelling French military forces and political advisors as well as nationalizing French dominated commerce and industry. There is no evidence that a federalist option for restructuring the State was ever seriously revisited as the new structure of governance was being shaped. In fact, the new Constitution of 1975 reaffirmed the new Democratic Republic of Madagascar as a unitary state, to be grounded in and guided by the Malagasy socialist charter. The

³ The author is particularly indebted to Mr. Christopher R. Davis, Political Counselor and Second Secretary of the US Embassy, Antananarivo, Mr. Jean-Eric Rakotoarisoa, professor of law of the University of Madagascar, Antananarivo and Editor, Dans les Media Demain, as well as Mr. Razakabaona, cited above, for information about and insight into the origin and character of the federalist movement.

Constitution's provision for a hierarchy of "decentralized collectivities" gave an appearance of decentralized self-government while vitiating any such reality by applying the operational principles of democratic centralism to the electoral process, thus assuring firm party control at each level of the system. Budgets and major program decisions of one level of local government had to be reviewed and approved by the next higher level. Further, state appointed civil administrators were placed in key operational roles at each major level of local government.

After 15 years in power, that dirigiste socialist order began to crumble in the late 1980s under internal and external pressures for economic and political liberalization. In the end, strikes of government workers and mass demonstrations, starting in June 1991, brought the Second Republic to a dead stop. Opposition parties, labor groups, student associations, professional groups, church movements, and civic societies demanded the President's resignation and called for a national conference to shape a new constitutional order. On August 10 several demonstrators of the "Forces Vives" movement were killed when the presidential guards fired upon them as they marched in protest at the Presidential Iavoloha Palace. In an effort to deflect blame for the shooting and to restore general order, President Ratsiraka dismissed Prime Minister Ramahatra's government. On August 26, he named the popular mayor of Antananarivo, Mr. Guy Razanamasy, as new Prime Minister with instructions to form a new Government. But strikes and protests continued through September and October, effectively paralyzing governmental operations. Leaders of the Council of Christian Churches (FFKM), though themselves advocates of a change toward a more responsive democratic order, set to work as good faith mediators between representatives of President Ratsiraka, his MMSM party and the Razanamasy government on the one side and with the opposition parties and the Forces-Vives leaders on the other side.⁴

In a series of sequestered meetings held at Antananarivo's Panorama Hotel on October 29, 30 and 31, a framework was hammered out among the parties for a transitional governing structure and for systematic movement toward constitutional reform and elective government. This agreement, known as the Panorama Convention or as the Convention of October 31, 1991, while formally signed by key representatives of all contending groups, clearly rested on the fragile authority of consensus among the contending groups.

⁴ A clear and accurate history of the Malagasy political transition from May 1991 onward has yet to be written. The truncated description in this chapter certainly suffers from some inaccuracy borne of over simplification of events and of selective and too hurried research. As the author was charged to capture a sense of "process" related to the current theme of decentralization, only the flow of key events in the overall political transition has been sketched out here with the hope that it will provide the necessary contextual understanding.

Meanwhile demonstrations against the government continued. First on November 13 and then again on December 19 Prime Minister Razanamasy reformed his government. By the last restructuring the previous 24 government ministries had been increased to 36 with the expanded number of ministerial positions being divided among the MMSM, the opposition parties, the Forces-Vives Madagascar and the Forces-Vives Rasalama so as to achieve a broad coalition in the Council of Government. Thus, by the start of 1992 order began to return to civil administration.

During this process, to the loyalists of the old order, President Ratsiraka's MMSM party, it appeared that the power of the reformers lay largely in the densely populated high plateau. Perhaps, they calculated, their cause could be reinvigorated by building political counter-pressure from the provinces to support the regime and to retain President Ratsiraka in office. The strategy needed a reform rationale. Thus, by August-September a "federalist" alternative began to take form in MMSM party circles. In early November 1991, to counter the process set out in the Panorama Convention, some self-proclaimed Federalists began to call for autonomous governments in each of the nation's six regions and the creation of a new order based on a derivative confederated structure. (None too subtle appeals to ethnic identity were used in several areas of the country). As demonstrations and strikes continued in the capital with demands for the President's resignation and for radical reform of the Government, groups of proclaimed federalists took their own countermeasures, seizing the seats of provincial and key Fivondronana governments in Tulear, Tamatave and Diego Suarez. They proclaimed their provinces to be "autonomous republics." For tense weeks in late 1991 and early 1992 the possibility of civil war pulled at the loose threads of the fragile fabric of national consensus. But the leaders of the transition rejected violent confrontation, convinced that the systematic movement toward a constitutional referendum and the installation of a government of law through new elections would persuade the federalists to participate in an orderly and peaceful process leading to a democratic solution.

Citizen discussions on the reform of the constitution were organized in all local districts by the National Council of Churches and civic groups from the Forces Vives. They were generally boycotted by the self-proclaimed federalists. However, at national level meetings, members of the MMSM party of President Ratsiraka did participate in constitutional drafting sessions with the FFKM and the Force Vives leadership.⁵ When the National Forum

⁵ A draft Federalist Constitution was prepared and circulated among the various constitutional working groups. The document was both a moderate and thoughtfully prepared effort to give the existing six provinces of Madagascar a substantial degree of fiscal and administrative autonomy as "federated states" while preserving national unity under a sovereign federal government at the

was formally called in March 1992 to consider a draft constitution, some 35 MMSM members did participate. Even so, on March 30, the final day of the National Forum a group of militant Federalists attempted to force entry to the military barracks where the Forum met. Their objective was to abort the constitution in its final gestation. Military security personnel forcibly dispersed the federalists at the last barricades to the meeting area and the Forum was successfully concluded with an approved draft for a new national charter.

During these final deliberative days, as the constitution was being drafted there was no doubt that the principle of a unitary state would be central to the governing framework. However, as sections of the charter dealing with local government were prepared, the spirit of accommodating some of the federalist arguments was clearly present. Even though most participants viewed the federalist cause as a cynical power play with bogus credentials, they recognized that there was great resentment in the provinces against the authoritarian, centralized system implanted during the Second Republic. They saw it as a great irony that members of that very regime, ferocious advocates of democratic centralism and the dirigiste powers of the socialist administrative state, could now advocate confederation as a device for holding on to a few localities from which they might try to reinstall themselves in a federated republic built on those old bones!

On the other hand, there was a clear consensus at the Forum that the centralized administrative state had failed the Malagasy people. Returning government to the people meant major changes to the structure of government. "Effective decentralization," the conventionists agreed, had to be provided for. Sections of the draft Federalist Constitution were given serious consideration in working groups as substantive language was hammered out for a better balance between central authority and local democracy.

Title VII: Local Autonomy/Central Control - An Uncertain Balance⁶

As in most compromise documents, this Title gives some comfort to nearly everyone and total victory to none. There are key provisions which would allow for a substantial shift of power from

national level. It recognized the primacy of federal law, allowing the federated states the right to legislate on those matters not specifically covered by national statute. It did not include that bed-rock concept of federalism of the US Constitution, that powers not specifically given to the federal government were retained by the individual states. Its provisions for the legislative, executive and judicial powers of the national government are almost identical to those in the constitution that was adopted.

⁶ The text of Title VII is provided in translation by the author in Annex I.

the central government to sub-national governments.

-- The first article in this Title, no. 125, provides that the "decentralized territorial collectivities [hereinafter DTCs], with legal personality and financial autonomy, constitute the institutional framework for the effective participation of the citizens in the management of public affairs and guarantees the expression of their diversity and of their distinctiveness."

-- Subsequent articles provide that each DTC shall have an Assembly and an Executive to be elected for 4-year terms by direct, universal suffrage within each jurisdiction. The Executive, who is limited to two terms, may name personnel to carry out public services created and financed by the DTC. (Some staff may be detailed from central government agencies). The Assembly, before whom the Executive is responsible, approves the DTC's ordinances which have the full force of law.

-- Other articles do not require that greater powers must be devolved to the DTCs but it implies that the pending law will do that by stating that the State must provide for the repartition of competencies and public service functions between the State and the DTCs as well as resources in accordance therewith. Further, these laws must clearly spell out what are national and what are local interests (distinctions far from clear in the present system).

These provisions that would enhance the power of localities are somewhat mitigated by others which provide for substantial central government oversight and control of the DTCs as noted following:

-- At each DTC the State will be represented by "a high official charged with responsibility for public order and certain (unspecified) administrative controls, authority over state services within the DTC, the power to question any DTC ordinances or acts in possible conflict with national law or regulation and to refer the questions regarding them to "competent authorities."

-- Article 134 provides assurance of the DTC's rights to freely manage their functional and investment budgets, but "in harmony with national planning." It cites potential sources of DTC fiscal resources, rights to levy taxes, rights to retain local taxes and shares of certain national taxes - all to be specified by subsequent law. It also provides, however, that all local incomes of the DTC must be deposited in the national Treasury, under conditions set by law. (If treasury management is decentralized and rapid disbursement procedures, not subject to a priori controls are adopted, this could be only a minor inconvenience. On the other hand if traditional practices are followed, it could be a major impediment to efficient local fiscal administration.)

Clearly, the key to how much "effective decentralization" there will be depends upon how the new Government and the National

Assembly interpret this Title in the implementing law to follow.

By omitting any reference to the existing four tier system of sub-national jurisdictions, the Title sets the stage for the most urgent initial consideration of the new law. It stipulates that the creation of the DTCs will respond to criteria of geographic, economic, social and cultural homogeneity. And it states that the law will determine their nomenclature, levels, and boundaries. Though not mandating that the sub-national administrative map must be redrawn, it leaves no doubt that significant changes are envisioned in order to shape the jurisdictions, their powers and the hierarchy among them to a more effective order of democratic governance.

The Existing Order of Sub-National Government and the Transition

An important provision of the Panorama Convention agreements was that the local authorities elected under the old regime were to be dismissed. They had all been elected in 1989 before opposition parties outside the socialist front were allowed to register. As a result of the 1989 election, when the transitional process began in October 1991, at least 85% of local councils were controlled by the President's AREMA party, the rest by parties within the official "front".⁷ Therefore, it seemed essential for a transition to open and unfettered democracy that the process not be aborted from below by partisans of the old regime. Thus, the Convention provided that all sub-national jurisdictions would be placed in the charge of a "special delegate," to be named by the Minister of Interior from career civil administrators until such time as local governments, as provided for under a new Constitution and subsequent law, could be established and the local elections thus provided for could be held in good order.

Even so, the old four level structure of sub-national government does stand. By default it is operating under historic laws, regulations and ordinances some from the First and Second Republics which provide for central control over all resources. The table on the following page illustrates the pyramidal character of that order, gives the nomenclature and number of jurisdictions at each level and shows how the authorities were elected under the old system of "democratic centralism."

⁷ See Harlan H. Hobgood, Governance and Democracy in the Republic of Madagascar. Antananarivo, June, 1991, p 10.

Table 1⁸

Sub-National Government in Madagascar
"Decentralized Collectivities" (DCs)

<u>Level</u>	<u>Number</u>	<u>Internal organization</u> <u>Officials & Election*</u> (Discussion here as Under the 2nd Republic)	<u>Central Government</u> <u>Oversight/Support</u>
Faritany (Often called Provinces or Regions)	6	Pres & Exec Comte Elected by Popular Council (PC) which was elected by the council of the next lower jurisdiction.	Administrative Comte MININTER named the Sec.Gnrl.-real chief administrator. Other Ntl. agencies detail staff, but at this level there numerous local hires.
Fivondronana (Often called Prefectures or Districts)	111	Pres & Exec Comte Elected by its PC, which was in turn elected by the PC from the next lower jurisdiction.	Administrative Comte MININTER "Delegué" was real administrator with staff from both Ntl. agencies and from local hires.
Firaisana (Sub-prefecture or sub-district)	1,252	Pres. & Exec Comte Elected by its PC, in turn elected by the PC of the next lower jurisdiction.	An Officer of the MININTER served as Admin Clerk but was a senior officer in larger Firaisana which were also ex-urban communes.
Fokontany (Town, village, hamlet or urban neighborhood)	13,455	Pres & Exec Comte Elected from party lists at an open General Assembly.	None in residence. MININTER inspectors make occasional visits.

Note: The French regime granted special self governing authorities to selected Urban Communes. Under their charters they were charged with providing basic urban services and allowed some discretion in services choices as well as in setting taxes and fees. After independence these chartered city authorities were continued, even through the Second Republic. Today there are 46 such "ex-communes urbaines." Under the above scheme some are hierarchically classed as Fivondronanas and others are Firaisanas.

⁸ This table has been adapted from Table 7 on page 35 from Hobgood, op.cit.

A detailed discussion of current local government functions is not called for in this inquiry.⁹ However it is important to reiterate that the existing regime, derived from the old, is dominated by central agency oversight, limited local discretion, and extremely constrained financial authorities.

Data on local finances during the transition period 1991-93 was impossible to obtain during this inquiry. Anecdotal evidence provided by local authorities¹⁰ clearly indicates that resources available to local jurisdictions have been fewer than before. Budget approvals by MININTER and Finance have been delayed until the last quarter of the operating year. Central Government subventions and distributions of tax shares have been delayed by months often at half earlier levels. At some jurisdictions they do not arrive at all. In Antananarivo property tax collections are running at 40% of an already low effective return. Basic local services such as sanitation and minimal street repair are suffering throughout the country. Unreimbursed local costs for supporting the recent electoral processes have further drained resources, especially at the Fivondronana level.¹¹

⁹ At the same time that this assessment was being conducted, a three person team of experts from the Research Triangle Institute was engaged in field evaluations of selected localities, including an appraisal of the existing fiscal and administrative capacities of local governments. Their report - a prefeasibility study for USAID/Madagascar's Market Infrastructure Expansion Project - should significantly enhance our understanding of the present situation in the cites visited and based thereon a clearer view of conditions in these local jurisdictions. Also see Section VI, pages 33 - 39 in Hobgood, op.cit.

¹⁰ The author is particularly indebted to both the "President de la Delegation Speciale" (the acting mayor) of the Fivondonana of Antananarivo, Mr. Desire Lalao Andrianjafy, and to Mr. Evariste Vazaha, Director General of Financial Coordination in the Ministry of Budget and Finance, for insights into local government's financial and administrative transition,

¹¹ Mr. Andrianjafy, the Mayor of the capital city, cited in the foregoing note indicated that in Antananarivo the Fivondronana was allocated 13,000,000 FMG for the last round of Presidential Elections. The actual cost to the city came to 113,000,000 FMG with the hundred million FMG overcost having to be absorbed by the city budget, effectively reducing funds which were appropriated for essential services.

CHAPTER II

The Continuing Malagasy Dialogue - Shaping the Agenda

In the year that has past since the constitution was completed at the National Forum, the issues regarding decentralization have received varying levels of attention as the major events on the transition agenda have moved forward.

Decentralization and the Presidential Campaigns

Clearly, the election of the President, during two rounds of voting, was the foremost concern on the political agenda. The first round, with eight major candidates running, was successfully conducted on November 25, 1992 with no candidate receiving a simple majority: Albert Zafy was close with 45% of the vote; President Didier Ratsiraka trailed with 29%. The second round was conducted on February 10, 1993. Zafy's victory with 67% of the vote was certified by the High Constitutional Court on March 9. His inauguration on March 27 was celebrated with a huge popular outpouring in Antananarivo as befitted that historic milestone for the new democracy.

Although proponents of federalist ideas were among the major supporters of President Ratsiraka, the candidate distanced himself from the extremists but not from the cause itself. The issue was not central to his national campaign. In a few places Ratsiraka supports did urge loyalists to stand fast with their candidate for federalism. Significantly, if the federalist cause was on the minds of the voters at all, of the six provinces in the country, only Ratsiraka's home province of Tamatave gave him a bare majority (51%) in the final presidential round. Neither candidate Zafy nor others developed specific formal positions on decentralization in their campaign platforms. To the contrary, there seems to have been a universal affirmation of support for that broad but undefined formulation - "effective decentralization" - embraced in the preamble to the Constitution and articulated in Title VII. Rhetoric among Zafy supporters about returning power to the people in the new democracy was nowhere translated into specific issues that might inform a subsequent policy dialogue on the content: the shape and form of local government, the deconcentration of central agencies in the national territory, or on other decentralization concerns. Balanced and equitable development in the "regions" and throughout the national territory was a common theme. Specific instrumentalities for its realization, however, were not articulated.

New Electoral Districts - Implications for Decentralization

Of some potential import to Malagasy decentralization were the considerations regarding how electoral districts should be drawn

for the election of deputies to the new National Assembly. During the second Republic, 1975-1991, the electoral districts for Deputies to the Assembly were coincident with the administrative boundaries of the 111 Fivondronana. Each of these local jurisdictions had one Assembly seat. Twenty-five additional seats, for a total of 136, were allocated among the larger districts, roughly based on their population. Under the new Constitution Assembly elections are called for within two months following certification of the President's election (i.e. May 5, 1993).¹² To apply the Constitutional requirement for proportional seating among contending parties, at least two seats would have to be at stake in a district: the first seat going to the candidate with the largest vote and the second going to the one with "the most significant remainder" in the total district vote. To start with, it was decided to hold the size of the Assembly to a workable number of 182 seats. (This number could fit into the existing Assembly building). Thus, to assure a reasonable parity between citizens (12,500,000) and Deputies (182), each deputy should represent between 65,000 and 75,000 citizens. (Ranges seemed acceptable since current population data is only approximate by localities). Therefore, the existing 111 Fivondronana would be grouped into 68 new electoral districts, those with populations at +/- 150,000 with two seats and those densely populated with proportionally more, thus allowing a basis for proportionality to work. In districts with as many as three seats at stake, smaller parties would, thus, have a greater chance for an assembly spot.

Proportionality in the electoral system was provided for in the Constitution out of a concern to enhance the opportunity for smaller political groups to gain some seats in the Assembly and thus have a role in the new political process. Clearly it is an interposition on the constituency-representative accountability nexus that undergirds systems based on one winner, single representative electoral districts. Moreover, with the future boundaries of local politico-administrative jurisdictions in doubt, this new overlay is creating speculation that somehow the electoral districts may be transformed into governmental administrative units in the new structure.¹³

¹² Ordinance 93-007, establishing electoral districts for the May 5, 1993 National Assembly contests was only published on March 30, 1993. It now appears that the task of getting the lists of party nominees certified for each district and accurate ballots printed for distribution may be physically impossible given Madagascar's administrative infrastructure. The media is reporting that the Government may have reached agreement for a one month postponement to early June with an adjustment on the closing date for candidate lists, thus allowing time for a manageable electoral process.

¹³ Madeleine Ramaholimihaso, pioneer leader of the Malagasy Committee for the Observation of Elections and the Protection of Human Rights (CNOF) observed to the author that this is of some concern among her colleagues since electoral district boundaries should remain flexible in order to adjust to population changes. Marguerite Ramarozaka, Director General, MININTER's Department of

**Stimulating the National Discourse
National Convocation on Economic Development and Decentralization**

The "Comite pour le Redressement Economique et Social" (the CRES) is one of the central institutions of Madagascar's political transition established under the agreements of the Panorama Convention in October 1991. Its 130 members are broadly representative of the nation's social, economic, cultural, educational, political and civic groups. During the transition, the CRES is charged to serve in place of a National Assembly. Its role, however, has not been legislative but deliberative, to give voice to the concerns and aspirations of the Malagasy people and thus to help in shaping the national policy agenda. To help shape the agenda for future legislative action, the CRES sponsored a national convocation to discuss economic development and decentralization. Participants gathered in Antananarivo during three days March 3, 4 and 5 1993. (A preliminary regional convocation on the same themes was held in late February in Mahajanga).

Over 400 individuals representing business, government agencies, civic organizations, political groups and parties, the churches, and the press from all over Madagascar took part in the convocation at their own cost. Donors were invited to attend the opening sessions and to make comment on the central themes: "the roles of the state and the private sector in economic development", "constraints to investment", "rural economic development", "fiscal policy and the economy" and, finally, "decentralization". After the opening, the assemblage was divided to 15 working commissions to deliberate the issues and draw up their conclusions. Later in this chapter, the main considerations in these commissions as they related to decentralization are summarized and discussed in some detail.

In preparation for this meeting, the CRES commissioned a study from the Department of Regional Planning of the Ministry of Budget and Plan (MINPLAN) to discuss decentralization, focusing on the issue of redrawing the boundaries that define the sub-national jurisdictions of the country and the hierarchy among jurisdictions. Before presenting a summary and analysis of this document, which has clearly become the substantive reference point for the ongoing decentralization discourse, it seems appropriate to put that work in perspective. Knowing the methodologies and public policy approach that the authors bring to the issues is critical to an understanding of how they set the agenda. The following discussion is offered to provide context and to assist in an understanding of

Control of Decentralized Collectivities confirmed to the author that within that Ministry a serious proposal has been prepared that would recommend that the new electoral districts become the basis for new administrative jurisdictions to replace the current Fivondronana level of local governance.

the approach that has been applied to the consideration of drawing new sub-national jurisdictional boundaries.

**"Aménagement du Territoire" - Regional Planning:
A Dominant Consideration in the Decentralization Dialogue**

In 1985 the Government of Madagascar created its "Service de Aménagement du Territoire"¹⁴ to reinforce MINPLAN's capacity for regional planning and development. Over the following years, French Cooperation has provided this service with a substantial stream of assistance, both with resident technical advisors and with Malagasy staff training both in country and in France. Over the years the professional staff has grown until now there are twelve economists and engineers functioning as regional planners at the national level. There are four planners from the national service at each of the six provincial levels and 2 or 3 planning technicians assigned to the 20 some regional planning zones (one for each 5-6 of the 111 Fivondronana throughout the country.)

French advisors and the growing professional staff have reinforced MINPLAN's investment design efforts, particularly contributing to the regional investment analysis of the national plan. However, it was under the Structural Adjustment Program (SAP) that this technical cadre received a major new opportunity to orient and influence national investment strategies. In 1988/89 the World Bank and the Government agreed upon a social investment program to complement the SAP. This program was designed to reach the nation's poor, those most negatively affected by SAP. The work that the regional planning staff did, with substantial assistance from a UNDP funded team of expatriate technicians, in connection with this program is of major importance in laying a basis for the current discussion on decentralization. Therefore, we turn to

¹⁴ The French term aménagement du territoire (lit. "arranging or managing the territory") is a compound concept that has no facile English equivalent. First, the term starts from the concept of "the space of the nation": its physical geography and endowments, including infrastructure, the factors of production, and the institutions that are included in that space. Secondly, the concept involves looking for "natural" or "homogeneous" subdivisions of that space, called regions, that make up the whole. A region is identified (or defined) on the basis of the logic of geography and infrastructure plus an interconnecting mix of social, economic and political institutions and some sense of economic specialization. A region is analyzed in terms of primary and secondary market centers (poles) and the social and physical infrastructure that together make up and affect the region's synergy as a network of human enterprise: of habitation and of production and consumption and servicing transactions which shape the market. The task of "aménagement du territoire" involves comprehensive planning and activity monitoring to guide the institutional actors in the regions and in the nation through resource allocations and institutional arrangements, so as: 1) to optimize intra- and inter-regional growth and development, and (2), in the process, to assure or induce a balanced socio-economic development throughout the national territory.

discuss it in some detail in the following section..

"Regions and Development": The Survey and Policy Framework

The document which presents the field work on micro-projects is entitled, **REGIONS ET DEVELOPPEMENT: PROGRAMS REGIONAUX ET PROJETS LOCAUX**. (DIRASSET. Tunis. May 1991. [Project PNUD/OPS MAG/89/018]). The nine volume opus is the product of a UNDP/Ministry of Plan regional economic analysis project that involved 10 months of extensive field data collection between August 1990 and May 1991 in all of Madagascar's 111 local jurisdictions (Fivondronana). It was conducted as a comprehensive regional economic planning exercise to identify potential projects that could provide immediate and tangible benefits to the poorest elements of the population. The projects identified, grouped into programs by regions (3 to 6 Fivondronana clustered in a zone of action) were intended as the targets for World Bank (\$ 41.0 million) and other donor funding under the Programme d'Action Sociale et d'Appui a la Gestion Economique (PASAGE). PASAGE was authorized in 1988/89 as the "human face" of the Structural Adjustment Program (SAP) in Madagascar. Its intent was to mitigate the negative effects of the SAP on the poor by providing income through labor intensive employment opportunities as well as to improve access to critical social services that had been reduced under the government's SAP imposed fiscal constraints on the operations of the national social service agencies.

The field work was organized and supervised by a team of six Tunisian regional planners (the firm DIRASSET) who also prepared the final report. Seventeen Malagasy regional planning consultants, mostly detailed from the regional planning staff of the MINPLAN, participated in all aspects of the project. Teams spent 2-3 days in each Fivondronana to conduct rapid assessments of the economic situation and the extent of poverty. They identified key institutional actors in the jurisdiction, including public (national and local) government agents, private businesses, and Non-Governmental Organizations (NGOs). They also assessed the market forces, local/regional infrastructure, and social services. Monographs were prepared for each Fivondronana and were aggregated into a "diagnostic balance sheet" for the region or planning zone. This data was reaggregated by Province, thus resulting in six volumes, one for each of the large Faritany (provinces) into which Madagascar is administratively divided. In two supplemental volumes, all of the identified micro-projects and program clusters are displayed. Finally, a summary was presented in the "Rapport de Synthesis" volume.

The importance of this work for Madagascar's decentralization strategy is two fold: First, it is the most current and comprehensive source of data on local conditions in each of Madagascar's 111 Fivondronana. Secondly, it presents this data in

a rational "regional development" framework under the optic of "aménagement du territoire."

The assessments of institutional capacity and market actors provided in this study of each locality clearly suffers from the limitations of superficiality. The effort was, by intent, focused on identifying viable micro-projects and the agents of action that might carry them out. It was not designed as a comprehensive assessment of local government competencies and capacity¹⁵, nor of the performance of local offices of national agencies and their effective interface with local authorities, nor of popular expectations about government functions and services. To some extent, in the rapid appraisals done, these issues are passingly addressed.

But in spite of these limitations, the work has developed singular importance.¹⁶

The way *Regions et Développement* is organized, using regional planning zones within each province suggests a more effective framework for area development, thus laying a foundation for current discussions regarding options for redrawing of new sub-national jurisdictional boundaries. For this reason, CRES officials familiar with the study turned to the Department of Regional Planning in the MINPLAN to draw upon this data and their experience in conducting the study to prepare a proposition for the new decentralized structure of local government in Madagascar. The Department of Regional Planning completed that document in time for the CRES's national convocation and in it took a major step toward further defining the decentralization agenda.

A New Jurisdictional Map for Madagascar: Redefining the National Space

The document prepared by the Department of Regional Planning for the CRES is titled, CONTRIBUTION A L'ELABORATION D'UN REDECOUPEGE

¹⁵ A complementary document, Institutions, Finances et Gestion Decentralisee des Programmes Locaux, 3 vols: (1-Resume et Conclusion, i-xviii; Contenu, 1-157; Annexes 1-26) is an effort to describe with minimal analysis the complex fiscal regime governing local governments. It provides little insight into the allocations of functions between field offices of central agencies and the local authorities and the financial implications of actual practice.

¹⁶ A later study, Tipologies des Investissements Publiques, conducted by DIRASSET and MINPLAN, completed in January 1993 (which the author was not able to obtain during this research), goes further than *Regions et Développement* in regrouping potential micro-projects by common types with a further refined alignment of development zones. However, as we understand the study, it did not do additional work to assess the capacity of localities in terms of various functions and their resource base to sustain: schools, public works, health posts, etc. (Information provided in interview with Mr. Moncef Khouidi, DIRASSET, Antananarivo, March 30, 1993).

SPATIAL. (Bound offset. Dated February 1993.) The authors make clear that the 79 page monograph is meant to be a preliminary document, prepared in haste for the CRES, explaining that a more definitive three to four month study will soon follow to treat most of the major questions on decentralization, including the distribution of competencies among the levels of sub-national jurisdictions.¹⁷ They make clear that this presentation deals with a vital question that is the singular prerogative of the legislature and further that the motivation of the authors has but "one objective, to promote development that will fully integrate regional considerations."¹⁸ They further emphasize that "laying out new territorial divisions constitutes only one element of a more vast and complex subject which is the content to be given to decentralization: the new relations that should prevail between the central authority and the sub-national governments and the role of the deconcentrated services of the State in the administration of development." (Contribution-Spatial, p. 5-6).

The document presents an informative historical summary of Madagascar's various jurisdictional arrangements. It starts with the pre-colonial divisions under the Betsemisaraka federation in the east, the Sakalava state in the west, and the Merina kingdom in the center and carries that through to the structures under the consolidated regime achieved during the Merina monarchy. French colonial administration is described and critiqued as are jurisdictional arrangements under both the First and Second Republics.

Its conclusions are that all of these jurisdictional arrangements responded to pragmatic requirements of military order and civil administration by a central authority. They argue that no territorial restructuring had ever been attempted from a developmental point of view.

A rather labored and hypothetical discussion of the costs and benefits of a new "decoupage spatial" based on regional development criteria is offered. Finally, the study concludes with a "perspective" on the question that argues for a regional planning optic for structuring the new order.¹⁹ From the earlier discussion

¹⁷ The referred to study, discussed further in this chapter will be financed by the United Nations Development Program and conducted with the assistance of an expatriate regional planning expert.

¹⁸ Herein after the document cited in the text will be referred to in parenthesis as (Contribution-Recoupage Spatial). This citation is found on page 5. The author's translation.

¹⁹ Annex II is a translation of this final section of the monograph. It is provided to provide readers with an understanding of the logic involved in the regional planning approach to structural issues in the political economy. The merits of the analysis can clearly be seen. However, fundamental issues of

it is clear that the authors recommend eliminating the current six provinces and replacing them with some 24 development jurisdictions. They would reduce the levels in the hierarchy of local jurisdictions to two below the regions for a total of three levels of sub-national government. And they would have all national agencies use the same framework for the placement of field personnel and begin a process of systemic deconcentration of staff into this new common geographic framework.²⁰ Their purpose throughout is singular: to focus the decentralization agenda on how to structure governments so as to achieve well coordinated national/sub-national government investment planning and resource management. Their objective is effective public agency collaboration for the integrated and balanced development of each region of the country.

The National Convocation on "Economic Development and Decentralization"- The Sense of the Meetings

During this investigation, through over 30 interviews with senior career officials, political leaders, church officials, and civic activists we tried to capture the variety of perspectives that were being brought to bear on decentralization. We met no one who did not favor decentralization. But as opinions were probed, we found considerable differences underlying the views on what should be done to achieve that objective. The following will serve to document the variety of these views and the issues that they raise.

The CRES Convocation

The 15 commissions that for three consecutive days separately discussed economic development and decentralization were composed wholly of Malagasy members representing a cross section of socially and politically engaged citizens including people from the political parties, the civil service, NGOs and civic groups, business people, teachers and even agriculturalists. After some effort, we were able to obtain copies of the summary notes on the deliberations of 13 of the 15 commissions (about half written in French and half in Malagasy). The summary and analysis that follows has been extracted and summarized from these notes.²¹

institutional design remain unattended.

²⁰ As the monograph points out each Ministry and often agencies within these ministries have their own idiosyncratic distribution of field offices. Their zones of action, "circonscriptions", seldom correspond in placement or number to those of other central agencies. This clearly makes it difficult to coordinate operations between and among agencies.

²¹ Special thanks is due to Mr. Sata Henri Rakoto, Charge de Mission at the Ministry of Interior whose several day search made these documents available to the author. Mr. Charles Rabenarivo, my research associate, assisted in summarizing the material both from the Malagasy and the French reports.

1. General Observations Regarding Economic Development: Most of the committees did not try to establish links between the ideas of economic development and effective decentralization. They discussed each separately. Nine of the 13 committees struggled with separating the roles of the State and the private sector in the general economy but none discussed the role of local government vis a vis the private sector or vice versa. Only two of the committees cited decentralization - defined quite generally by them as "regional autonomy from the central state" - as an important constraint to economic growth and development. However, the tenor of all the discussions was that the role of the state is primarily to provide security of persons and property, basic public services (nationally or locally), a system of fair laws and justice, but it should not engage directly in productive economic activity.

2. Defining Decentralization: Only one committee tried to define decentralization. It did so thus: "Decentralization consists in granting to local governments real authorities, autonomy of decision and management in areas that are reserved to them and autonomy to define their own interests and priorities." Others seemed to see decentralization largely in terms of greater fiscal resource allocations to the regions and to local governments and, most importantly, as deconcentration of central agency offices and personnel into the field for better service to the general populace.

3. The "Decoupage Spatial": It was evident that many discussants had read the MINPLAN monograph or were familiar with its perspective and had been influenced by it. Nearly all of committees echoed the notion of regions organized so as to promote equitable economic and social development - many favoring the proposal for 24 regions to replace the current 6 provinces. Two specifically stated that ethnic composition of the populace should not be a criterion for defining regions or other local jurisdictions. None of the commissions said ethnicity should be considered. One commission reported that regions should be defined on the basis of the complementarity of the component sub-jurisdictions so as to create some self-sufficiency based on common interests, combined resources, infrastructures and fiscal income potential. The commissions were widely divided on the number of levels there should be in the hierarchy of sub-national jurisdictions. Interestingly enough, several argued that the present structure should be used so as to avoid confusion and not incur additional costs, but reformed under the new principles of "effective decentralization".

4. Redistribution of Competencies: There was significant common concern that the new decentralized order should provide for a clear redistribution of competencies between the central government and the "collectivites decentralisees". In several commissions the emphasis was on limiting the powers of the central government with the power of initiative in many areas left to the localities. Two

or three commissions suggested that national competencies should be limited to areas related to "national sovereignty": money, diplomacy, defense, the system of justice, internal security, national works and large investment programs and providing technical and financial assistance to local governments. None addressed the division of functions in terms of specific public services, i.e. education, health, agricultural development and extension, public sanitation, etc. (i.e. what should be local and what should be national responsibilities). But repeatedly they said that the State/Local division of competencies should be clearly defined while allowing for cooperation. Several implied that the State's role in overseeing local affairs should be only normative and not directive. Repeatedly the commissions emphasized the need for full and effective local control of budgetary resources in their domain with national and local resources being clearly separated. One committee recommended creating a "National Decentralization Fund" with the function of equalizing resource availabilities among regions.

Several commissions discussed the need to have a global program with targets for enhanced local government competencies but saw this part of a plan for incremental implementation to allow for the evolution of capabilities for effective management in these jurisdictions.

Other Voices - Other Views

A Range of Views Among Malagasy Political Actors: In the preceding discussion of the constitution and the events surrounding its development, the Federalist movement was identified as a factor in shaping the early debate on the character and direction of decentralization. From our extensive interviews one has the impression that the formal federalist option is no longer a significant factor in the political dialogue. It will be interesting to observe the up-coming campaigns for the National Assembly to see whether any of the contending parties and the individual candidates will espouse the cause.²²

We could find no evidence that any party or political group was

²² During the period in which this assessment was carried out, the significance of the pockets of Federalist resistance to the authority of the transitional Government has been fading. Although we seen no reliable reports from Tulear, our understanding is that even in that distant regional center the special delegation of the Ministry of Interior is effective control of the functioning local government. The same is true in Tamatave. And within the last few days in the Diego Suarez the forces of order, under direct Presidential instructions, have intervened to arrest armed gangs that were using the banner of Federalism to terrorize the local environment. See: Jean-Eric Rakotoarisoa, "Toamasina: Des Federalistes Plus Moderes que Prevu," Dans les Media Demain, 23.03.93 No 312, pp 11-12; Rolly Mercia, "L'Ordre Regne a Tamatave", Madagascar Tribune, 6 Avril 1993. No 1301. p 5; and Adelson Razafy, "Antsiranana: Zafy Ramene l'Ordre," Madagascar Tribune, 5 Avril 1993, no. 1300, p. 3.

staking out a clear position regarding decentralization. However a few influentials, prominent candidates or potential candidates did share their views with the author. There follow three major approaches that characterize the current thinking among key leaders and political activities.²³

1. Decentralization - Making A Free Market Economy Work. A dominant school of thought about decentralization among business oriented political activists emphasizes that the most urgent decentralization issue for them lies in the economic realm. They argue that under the present system, anywhere in Madagascar, any initiative related to new investment, new industries, or commercial ventures requires registrations, permits, licenses, notarized certificates, and the like from multiple agencies. Now approval and issuing authorities are all located in Antananarivo, the nation's capital. Private initiative is being strangled by the transaction costs entailed in this burdensome system. The solution, according to this group, is the deconcentration of state agencies involved in commercial licensing, permit processing, import approvals, etc. at least to regional centers throughout the country. These units, they argue should have full delegations of authority, under the law, for final governmental approval of productive investments and market activities. In time, they would

²³ Among the many prominent Malagasys interviewed to obtain the views characterized in this section, the author would like to especially acknowledge the frank and helpful commentary of the following prominent individuals:

Mr. Tovonahary Rabetsitonta, a university professor and private consultant and the founder of GRAD (Groupe de Reflexion et d' Action pour le Developpement de Madagascar), a political association of intellectuals and businessmen that expects to field candidates for the National Assembly in a majority of electoral districts. Mr. Rabetsitonta was a Presidential candidate in the November election and will stand for the Assembly from the Antananarivo electoral district.

Mae Madeleine Ramaholimihaso, founding member of CNOE (the National Committee for the Observation of Elections and the Protection of Human Rights), member of CRES, and director of a major public accounting and financial consulting firm.

Mr. Rene Rasata Rainiketamanga, consulting engineer and former General Manager of Air Madagascar

Mr. Jean Ramanaindrainide, member of CRES, private entrepreneur and civic activist.

General of Brigade Jean Ravelomitsanga, career officer and current commander of the Civic Action Program of the Armed Forces of Madagascar.

Mr. Herizo J. Razafimahaleo, private business leader, founder and president of LEADER (Liberalisme Economique et Action DEMocratique pour la Reconstruction Nationale) - a political action group that expects to field candidates in at least 50 of the 68 Assembly electoral districts. Mr. Razafimahaleo will stand for deputy from the Ambositra electoral district.

Mr. Rakotovao-Razakabaona, a member of the HAE, former Minister of Finance under President Ratsiraka, former leader of the MMSM party and its main representative at the Constitutional Forum, University Professor, and declared candidate for the National Assembly.

like to see many of these powers transferred to local elected governments with substantial discretionary power not only to authorize but also to encourage private business development in their jurisdictions. This should be accompanied by radical simplification in regulations and regulatory requirements. In addition this group would support greater fiscal authority at the local level in the new "collectivites decentralisees." With that authority, and within their resources, the local governments should have the freedom to competitively contract with private firms to construct and maintain public works, produce services such as sanitation and reliable public utilities.²⁴

2. Decentralization - Devolution of Major Power to Regional Governments and Localities. Another group sees effective decentralization as taking the best of the federalist concepts and translating them into practical steps toward genuine local autonomy and self-determination. Following the current thinking about regional development, this group would support abolishing the old 6 provinces and in their place creating 18 to 24 regional governments, each with clearly defined functions and competencies. They argue that major national agency field offices should be located at the sites of these regional governments and should be closely linked to them for public services. Governments below that level should gradually be empowered to manage affairs in their jurisdictions and take responsibility for basic public services including education, local infrastructure and other areas. The role of national agencies should be largely normative, such as in education setting standards for teachers and student promotion, and developing general curriculum. But locally governed schools should have freedom to add their own instructional materials. The same principles should be applied in other public service areas. Local revenue bases should be clearly defined and discretion for setting tax rates provided to the local authorities. From the very outset, regional and local governments should have control of their funds, approving their own budgets and making their own expenditures directly. The central government should provide fairly distributed subventions or revenue shares and should play the role of an a posteriori auditor over operations and fiscal affairs but should have no role in a priori controls over those operations.

3. Decentralization - A Learning Process for Building a Civic Culture. There are those who believe that there is great danger

²⁴ Dr. Roland Ramahatra, former President of the Executive Committee of the Province of Antananarivo, currently a member of CRES, and a former leader in the MMSM party, recently published an article, "Notes sur la decentralisation," La Lettre Mensuelle de Jurreco, Mars 1993, no 75, pp 17-20. He strongly supports the "economic decentralization" point of view. He argues for a more transparent fiscal regime, a reformed Chamber of Commerce, and greater fiscal autonomy at the local level. Further, he urges a total overhaul of the present order to reallocate competencies now monopolized by the State to the new local collectivities and especially to urban governments and to the regions.

in too rapid a devolution of power to local governments. They argue that for one thing, the risks of reversion to tribalism in many regions must be taken into account. More importantly, however, they argue that a program of general education nation-wide must develop a level of civic responsibility among the citizens of Madagascar that is now lacking if local democratic self-government is to function. Developing a civic culture, they insist, takes time and must be nurtured. Learning by doing should be the basic precept of the decentralization program with the devolution of authority, responsibility, resources undertaken progressively in an evolutionary process. They would favor devolving functions and authorities to local governments on a demonstrated capacity basis, even though that would mean that the process would be uneven throughout the nation. The laws to implement the decentralization provisions of the Constitution should allow for incremental applications and should provide for training and technical assistance to local authorities from national and international agencies to assist in the process.

Broad Consensus: Diversity in Approach

Thus far, our primary objective has been to capture how the concept of decentralization has been evolving during the dynamic period of Madagascar's political transition. In the first chapter we traced the constitutional origins and discussed its provisions. We noted the tensions in that framework between an intent to shift power, resources and authority to sub-national governments and a concern to maintain substantial central controls over the new order of governance that it would prescribe. We also outlined the character of the old order of local government that remains in place until the new one is defined and implemented.

In this second chapter we have followed the evolving dialogue since the adoption of the constitution in order to assess the range of views and the major trends among those views. At some length we reviewed the important role that regional planning and analysis has played in providing a rationale and an approach to decentralization as a function of the "aménagement du territoire". Our review of CRES's national convocation on the theme of decentralization and our discussion of three categories or typologies of views held by some civic leaders leads us to our most salient finding thus far: there is broad, deep and uncontroversial consensus that "effective decentralization" is a desirable and necessary attribute for Malagasy governance. We also found that at the present time no clear partisan political lines have been drawn around the issues regarding how that new decentralized order should be shaped. Finally, we have discovered, not surprisingly, that within the consensus supporting decentralization there is a great variety of views about how to shape that new, effectively decentralized order. There are differences in views that raise important issues of approach and suggest quite different expectations regarding results.

Following, we contrast the ongoing discourse and our findings thus far to the most salient considerations in decentralization strategies. It affords us something of a check-list to see if the principle considerations are getting attention as the process goes forward.

Delegation, Deconcentration, Devolution, and Privatization In the Malagasy Dialogue

The four most common types of actions that are undertaken - singly or in combination with one another - to effect a decentralizing power shift are those listed in this title. In sum, the spectrum of Malagasy views shows that some of each of these measures is part of their expectations.

Power can be shifted away from the center by various acts of Delegating authority. The head of a central agency can delegate to regional directors or field office heads power previously held only by the chief. By delegation, authority to approve or disapprove expenditures, to grant license or permits, to initiate projects, to hire and fire personnel, to make joint service agreements with other entities, etc. can be shifted from headquarters to the field. In Madagascar, for much delegation to take place, many laws which have over-centralized authorizing powers in Ministers and senior officials of sectoral agencies would have to be changed. Clearly, many of our business-oriented interlocutors want to see the centralized Malagasy administrative system decongested through significant outward and downward delegations of authority to reduce their transaction costs and simplify doing business in the regional or local market places.

Often delegation is accompanied by deconcentrating assets. Technical and operational staff, equipment, funds, and other tangibles once concentrated at headquarters are physically relocated to regional or local offices. Much of the emphasis of the regional planners' approach is on the deconcentration of central agency assets into the regions - not just to the six provincial centers where most field offices of central Malagasy agency are now located - but yet closer to the action in the proposed 24 regional centers. This concern was echoed in several of the CRES commission discussions. This concern in Madagascar with its vast territorial extensions and poor inter-regional transport and communication infrastructure is highly apposite. But a deconcentration without concurrent delegations of authority over the assets in the field would be insufficient. Moreover, the regional planners have aptly raised the issue of making deconcentration rational in the new order by requiring central agencies to use a common-use map of field locations so that coordination among field agencies can take place and coherence in regional action can be induced in the field.

The term devolution does not appear in the new Constitution nor is

it employed in local discourse. Perhaps that is because it carries the implication of turning back something that one once had before. In the case of Madagascar only a few of the local governments (mostly the urban communes) have, in recent years, had significant powers over major public functions that have lately been centralized and now might be returned to them. In fact the concept of devolution, in the Malagasy context, is discussed as the repartition of competencies, functions, authorities between the State and the territorial collectivities. As we have noted, there is broad expectation that the new laws on local government must give them greater responsibility for public services now in the hands of the State. Which functions and what competencies are seldom specified. Among some Malagasys there is a clear concern that the process of devolving power (competencies and functions) to localities should be done incrementally so as to build up local administrative and governing capacity to do the job. Though not precisely stated, in the regional planning approach it is suggested that devolution and deconcentration should be linked as concurrent actions. One interlocutor who participated in drafting the new Constitution told the author that what the framers of Title VII had in mind in providing that central officials be assigned at each major level of local government was that these officials, with technical support staff detailed from the central agencies, would start as advisors to new local authorities and then gradually be absorbed into the local administration as full transfers of authority over new functions were realized. This approach resonates with much of the discussions recorded from the CRES commissions and addresses some of the concerns of the school of thought which emphasized building the local civic culture and an evolving capacity for local self-government.

Privatization was discussed in the CRES commissions but seldom in the context of decentralization. However, in fact, reducing government participation in the market and shifting decisions and resources to private sector actors is indeed a decentralizing power shift. (This assumes the shift is to an open, competitive, diversified private market and not to centralized private management through monopoly and monopsony structures). Moreover, private individuals and groups, acting for profit and not for profit, can and do perform diverse public services. Competitively contracted private sanitation services in Madagascar are generally more efficient than public sanitation departments. Non-governmental associations, with or without government support, often are much better than are public agencies in producing or managing water resources, primary health care services, child-care and vocational education centers, and a variety of other goods and services. There are a growing number of joint private-local government ventures in Madagascar today doing road rehabilitation, water distribution, public sanitation and various other projects. Church and NGO leaders who were interviewed are clearly concerned that the evolving decentralized order allow for and reinforce these initiatives. They want to see broad legal support for such

initiatives, for collaborative efforts between NGOs and governments, for provisions to build local capacity to form self-managed local associations for renewable natural resource access and management, for non-governmental programs in the social services and in stimulating productive communal enterprise.

Deregulation is often treated as a separate form of decentralization. However, many analysts treat it as one of the modes of dealing with privatization. Let us simply note, that in pursuing the benefits of a liberalized economy, a highly State-regulated environment must change if free market forces are to function. On the other hand, based on public choice, governments do regulate: Minimally they establish weights and measures and standards of public sanitation. They set rules on technical matters such as environmental requirements on the emission and disposal of industrial pollutants. And communities adopt rules relating to zoning and construction standards. When examining the power-shift options called decentralization, deregulation is one of the means. Shifting major regulatory power from the State to urban governments or to smaller localities is also a decentralizing measure. The issues become not only what and how much governments may regulate but at what level in the governing structures to locate the powers to regulate and over what issues. The sense of the Malagasy dialogue, particularly in those voices from the private sector, is that a systematic treatment of this issue would be welcomed as the process moves forward.

In the following chapter we try to draw a focus on four interrelated themes that are either the salient features of the current dialogue or that merit special considerations by Malagasy analysts and decision makers. They are discussed not to prescribe but to try to articulate some of the inchoate concerns that underlie or cut across the current discourse.

Chapter III

Commentary on Four Salient Themes and the Evolving Decentralization Discourse

The four themes that follow, stated as commentary, are articulated here in part as reprise of the earlier discussion and in part to bring to the surface some important considerations underlying the dialogue. They are a way of assisting in focusing the agenda rather than prescribing outcomes or of excluding any of the many additional concerns that require attention.

In sum, the salient considerations that we extract here for additional attention are:

- Drawing the jurisdiction boundaries - Structuring and mapping the sub-national governing regime;
- Reapportioning competencies between the State and the localities - developing a logic for institutional design;
- Devolution and deconcentration - attending to the mix and the connections;
- Intergovernmental relations and the need for rules.

COMMENTARY 1. Defining the Sub-National Jurisdictions: The "Decoupage Spatial"

The dominant thinking about structuring the sub-national order of governance is being provided by Madagascar's talented pool of regional planners. The values and perspective of their approach should be made more explicit in the discourse so that alternative perspectives can be developed and the range of options extended based on these.

The Regional Planning Optic: The concept paper on the "Redecoupage Spatial" that MINPLAN's regional planners prepared for the CRES convocation has already made an important contribution in focusing the issue of defining the new sub-national jurisdictions. It effectively applied the logic of spatial analysis and regional planning in arriving at its recommendations to establish some 24 new regional jurisdictions to replace the current six provinces and then to allow for perhaps two levels of authority below that. A major purpose of this chapter of commentary is to highlight the need to broaden the regional planning optic with other ways of looking at this and at associated issues.

Role of the Pending Regional Planning Study

Before the CRES commissioned the Redecoupage-Spatial paper, the

MINPLAN had reached agreement with the UNDP to finance a more definitive study of the subject. That study began in mid-March and is due to be completed by the end of June 1993. A Tunisian expatriate regional planning specialist, Mr. Moncef Kouidi²⁵ is in charge of the study team that includes nine Malagasy professionals - economists, geographers, lawyers and a cartographer²⁶ - many of whom have been or are associated with the Department of Regional Planning of the MINPLAN. The scope of work for this study²⁷ provides a detailed history of the developed competence of the MINPLAN's regional planning staff and the work that it has done. It casts the study in the context of the immediate need to focus that work on the task of drawing new jurisdiction boundaries and repartitioning the competencies of these jurisdictions, for more efficient regional development.

The results expected from this study are a detailed analysis and discussion of alternatives for a new "decoupage spatial" with detailed recommendations for reapportioning competencies among jurisdictions, defining and delimiting the powers of each level, and elaborating propositions for the means of financing the budgets of the regional and local governments.

In an interview with the author, the study director, Mr. Kouidi, indicated that he saw the role of the study as providing a final definition of the new local government structures as required in the Constitution as well as the framework that will be used by the new Government in deconcentrating central agency assets to carry out the "aménagement du territoire national".

Although this study may help to resolve many of the current preoccupations of some Malagasy's it does carry with it the bias of national planners and a decidedly "top down" approach that does not respond to other Malagasy points view about building the new decentralized structure of jurisdictions from a "local democracy," "bottom up" perspective. The "redécoupage" question is a complex institutional design matter that requires great care. It is

²⁵ Mr. Kouidi was a principal expert in the general study *Regions et Developpement* discussed in detail above and has been a frequent consultant to the Ministry of Plan as well as a member of several World Bank teams dealing with urban development issues over the years. He brings exceptional depth of knowledge to his task.

²⁶ It is noteworthy that the team does not include a fiscal economist or municipal finance expert, a civil administrator, a public administration specialist, or a political economist.

²⁷ PROGRAMME DES NATIONS UNIES POUR LE DEVELOPPEMENT, Project du Gouvernement de Madagascar: MAG/92/00 /A/01/11 - Etude sur le decoupage spatial. (Xerox. 17 Pages).

revisited in each of the three following commentaries.

COMMENTARY 2: Reapportioning Competencies to the Scale of Local Democratic Management - Jurisdiction Design Revisited

An approach that is quite different than the regional planning optic for defining jurisdictions, their boundaries and functions merits some elaboration. The logic of this form of analysis starts with these questions: How can governments be designed to the human scale of democratic decision making? How can citizen choice and control be optimized over those aspects of governance that most closely touch their own lives? These questions then draw the analysis to the next question, what is the lowest level of public authority at which most public problems can be solved considering resources needed and the attributes of each of the functions to be performed? Put another way, it asks what functions of government can be more democratically managed, given their scale and scope, at each level of sub-national government, starting with the base jurisdiction in the hierarchy? The answer could be, for example, to move responsibilities from central agencies all the way down the system to these basic local jurisdictions, for such functions as primary and vocational education, basic public sanitation and primary/preventive health services, local infrastructure maintenance, first line agriculture extension services, etc. With such an answer the next task is to examine what scale of jurisdiction in terms of population served and what resource base for revenues mobilization is the minimal required to responsibly meet the obligation to perform these functions. From the answers to these questions the data would permit the drawing of jurisdictional boundaries. To the maximum extent possible, the approach would conserve (or combine) existing jurisdictions at the base level to best employ limited administrative capacities and experience. Moreover, it would draw upon regional planning and spatial analysis in considering market-center functions and their relation to their catchment areas (the poles and sub-poles of development). It would calculate what assets, technical staff and physical equipment, should be transferred or detailed from central agencies to each newly drawn jurisdiction.

The principle involved in starting this kind of analysis at the bottom of the sub-national hierarchy of jurisdictions is called **subsidiarity**. The concept is that any public function should be allocated at the lowest level possible in the hierarchy/order of governments so as to maximize local popular involvement and public choice, direct citizen oversight of operations, induce maximum co-production of public services, etc. The objective is to so empower the local community so that it will not turn to a higher authority to provide a public service unless it has determined that it cannot, by its own means, provide the service (solve the problem) itself.

COMMENTARY 3: Devolution and Deconcentration

Reviewing the Malagasy discourse to date, it is clear that a great deal more precision in the analysis of public functions and competencies apt for decentralization will be required as work progresses. What functions and competencies should be located at national, regional and local levels is a question of utmost importance. In the foregoing material, we discussed the relationship between the two concepts of devolution and deconcentration and how they are now being articulated in Malagasy considerations. The choices are clearly not between devolving functions to local governments or simply deconcentrating national agency offices to field locations. The appropriate actions and enabling legislation will call for a mixture of both approaches. The principle of subsidiarity, as discussed earlier, would urge maximum devolution beginning at the first line of local government. The concept carries with it the values of maximizing local choice, responsibility, and local problem solving with wide latitude for local action. The optic of "aménagement du territoire" or regional planning would emphasize deconcentration of national agency capacities with close oversight by the national authorities of all local initiatives so that they will adhere to the indicative regional development plan and nationally established norms. The "effective decentralization" that Madagascar is seeking will, hopefully, blend the two approaches - not choose between them.

COMMENTARY 4: Intergovernmental Relations and The Role of Rules for a New Order

Not surprisingly, as noted throughout, there is notable confusion in the collective discourse about who should do what in a new order of governance. This confusion relates not only to the division of competencies between national and local governments and among the latter between "regions" and local authorities, but also to the division of competencies between the public and private realms in general. Madagascar's new era of liberalization has accented that debate. But what does seem to be inadequately perceived in this period of consensus building is an awareness that certain lines must be drawn. Simply put, establishing a new order of governance will require structure in the order of rules. Rules of governance are of three primary sorts. There are **MUST DO** rules; **MUST NOT DO** rules; and **MAY DO** rules. In terms of allocating competencies between the State and the sub-national governments clarity about these rules regarding the functions of each level of government is vital. Under the laws to come, citizens need to know which level of government is mandated by law - i.e., the **MUST DO** rule, to provide for a specific public service. Thus they will know which level of government plays that specific role and which elected and appointed officials they should hold to account for their public trust. Under the new laws each such mandate of responsibility will require equal provision for capacity to carry out the rule: resource mobilization, personnel hiring, levying taxes, and fee

setting, issuing permits and license, etc.

MUST NOT DO rules are equally important in setting jurisdictional limits. For one level of government to be "autonomous", as the Constitution provides, then other levels of government must have a "must not do" boundary where the next level of authority begins.

Such rules also are vital in defining public and private spheres of responsibility, establishing public order, defining civil and human rights.

Finally **MAY DO** rules allow for vital discretion in each jurisdiction. Many Malagasys observed to the author that during the Second Republic local jurisdictions had only a "may do" rule on the table. (But without discretion over resources to carry out associated decisions). They observed that politicians at each level could thus blame the others for whatever did not happen because the "must do" and "must not do" rules were always unclear or non existent.

Intergovernmental cooperation is vital and broad areas of permissive authority for that (may do rules) will be needed. Furthermore, rules are mutable. They are made by the citizens (or citizen electors) to order the system and should be changed as social learning requires adapting institutions to social needs. But getting the mandates clear early in the game is vital to the process.

The four commentaries listed above by no means treat the full agenda of pending concerns that face Malagasy decision-makers. They are included in this separate chapter only to capture four salient preoccupations that arise from the debate.

Chapter IV

Principal Actors in the Malagasy Decentralization Process

The Principal Government Agencies Involved

For the coming months, until the National Assembly is elected and a new Government is formed, the primary actors dealing with decentralization are those parts of the government bureaucracy with functional responsibilities in this field. Each has a significant stake in the outcomes. The four most important of these agencies are discussed here.

Regional Planning: The Ministry of Plan and Budget

The most active thus far in the process is the Ministry of Plan and Budget, specifically the Department of Regional Planning. The central role that it has played in shaping the agenda and is continuing to play has already been discussed in detail. The current study on the "Redecoupage Spatial" is due to be completed toward the end of June and should further enrich the regional planning approach to decentralization.

The Ministry of Interior

In terms of formal, direct and continuing responsibility for local government affairs, the Ministry of Interior (MININTER) is in fact the central player. It is fully engaged now in managing the existing sub-national governments through the special delegations in charge and, presumably, it will continue to be the ministry of "tutelle" over local government affairs in the future.

The Ministry's special delegations now administering the local governments throughout the country would like to use this transition, while they are in control, to bring as much order as possible to local administrative/financial affairs.

MININTER staff have initiated their own "in house" studies of alternative approaches to local government reorganization with a new "decoupage" of the jurisdictions. Unfortunately the author was not able to see any of the "in-process" written work, but did receive a briefing on the approach. Our sense from interviews is that they want to preserve as much of the existing, functional structure of local government as possible so as to provide continuity to a new order and build around it. But they are seeking international technical assistance to work with them to analyze the structure of civil administration, the tax laws, financial administration, and local resource management questions that need to be reformed in a new decentralized order and through these reforms shape practices to conform to the overall implementing legislation to be enacted under the new government.

Most importantly, however, we were advised that MININTER has initiated with the Prime Minister the steps necessary to formally establish the national study commission called for in the Constitution for laying out the new decentralized order. An informal interdisciplinary working group of some 20 senior technicians from all major ministries is now discussing the terms for the study. The tentative terms of reference for this undertaking will be detailed below.

The Ministry of Finance

The Ministry of Finance is, of course, concerned with financial administration, taxation issues, and the management of local government accounts in the national treasury. It was clear from our interview with the Secretary General of the Ministry that there is no one on his senior staff currently seized with the question of decentralization. On the other hand, we did find that the Director Generale de la Coordination des Operations Financieres in the Ministry had participated in the CRES convocations both in Mahajana and in Antananarivo. He advised us that the Ministry of Finance is now interpreting the intent of Title VII of the Constitution as requiring a major change in future financial management relations between the Ministry and local governments. He felt certain that the current systems of pre-payment controls by the treasury would have to be changed to a post-audit function. Tax collectors may become local employees rather than Ministry employees with local authority to retain taxes collected in the nearest depository of the treasury rather than having them transferred to national accounts. He expressed the hope that major donors would become interested in establishing a central fund to assist the newly reconstituted local governments with project financing. However, until new laws are enacted, the Ministry has no plan to engage in the decentralization process itself.

The Ministry of Urban Development and Tourism

This Ministry is charged with the management of major urban projects. It is the "Direction de la Coordination des Operations Urbaines" that is most engaged in the field. This office handles all donor financed technical and capital assistance activities in urban development. French Cooperation has a long standing program of assistance to selected urban communes and the World Bank has under final design a major urban sector program that will involve major infrastructure investments and some technical assistance for improving urban management systems in 10 secondary cities. The Director recognized that upcoming changes may significantly impact the way that urban areas are managed and therefore alter the future responsibilities of his office. But he did not feel that his office nor his Ministry had been engaged in the decentralization dialogue. He recognized that decisions regarding decentralization could impact the final design of the World Bank urban development program but felt that Bank technical staff would take those

developments into account at the appropriate time.

The Central Sectoral Ministries and Agencies

Every major national agency has a stake in the decentralization process. Presumably the new order will involve major shifts in functions. Some functions, resources and personnel will be devolved to sub-national governments. Some field operations and programs will be relocated as resources are deconcentrated, probably against a new common-use grid or map to provide for inter-agency and inter-governmental coordination. Administrative procedures will be impacted both because of devolution and deconcentration but also as delegations of authority require changes to facilitate field based operations in procurement, personnel administration, and general financial management. At the time of our assessment, however, we found no evidence that the sectoral agencies, such as education, health or public works, were engaged in studying decentralization options in their sectors.

A National Study Commission on Decentralization

As indicated above, we were informed by the Department of Studies and Legislation of MININTER that the Primature will soon establish the national study commission to work on all aspects of decentralization. Our understanding is that in early May the Prime Minister, presumably in the form of a decision in the Council of Ministers, will issue a formal communication covering the following points²⁸:

1. An interministerial, interdisciplinary technical commission will be formally established, in accordance with the Constitution's requirement in Article 148, to undertake this study beginning no later than June 1, 1993 with a deadline for completing its work within eight (8) months thereafter, i.e. by January 31, 1994.
2. The commission will be established by order of the Prime Minister, headed by a person named by the Prime Minister (perhaps a professional of national stature not now associated with any one of the technical ministries). The commission will be considered as being responsible to the office of the Prime Minister now and its successor when elected by the National Assembly. (This will avoid having the commission perceived as being a Ministry of Interior

²⁸ Summary by the author of plans discussed on April 13, 1993 with the following officials of the MININTER's Direction des Etudes, de la Legislation et de la Documentation: Olivier Andrianarisata, Director; Olivier Ramahadison, Chef du Service de la Legislation; Mme Mary Andriamboavonjy, Chef du Service des Etudes et de la Planification and Mr. Jean de Dieu Rakotozafy, Chef du Service de la Reglementation.

creature, responsible to just that one Minister and will reinforce its Government-wide character, thus avoiding any suggestion of inter-ministerial competition for control or dominance. It is also meant to reinforce its non-partisan, technical character.)

3. The task of the commission will be to prepare a comprehensive analysis of the technical considerations for implementing Title VII. It will include senior technicians from the Ministry of Interior, the major technical ministries, as well as from the Department of Regional Planning of the Ministry of Plan and Budget. It will be charged to make maximum use of the work to be accomplished under the UNDP funded study of the "redécoupage spatial" from the optic of regional economic development which should be completed in June 1993. It will be authorized to employ private consultants and researchers to conduct field work in addition to the use of current Government employees from the technical ministries. Its mandate will be to cover the following issues:

3.1. How to place responsibility for and authority over socio-economic development and basic public services at each level of the hierarchy of local governments. This will include an analysis of major functions - education, sanitation, public health, public works, natural resources management and conservation, public order and community security, agriculture, etc. The analysis will examine the potential revenue sources from taxes, fees, licenses, etc., which could be used (and allocated to the local governments for their autonomous administration) for local financing of these functions. It will also examine the interface between State services and local services in these areas, including how a transfer of functions could be effected over time, how cooperative arrangements might be affected, and how regional structures might be supportive of the local governments and vice versa. Clearly, issues regarding national subventions or revenue sharing with local governments will be important questions for examination and analysis.

3.2. Based upon the above analysis, jointly with the regional planning analysis for the "redécoupage spatial," the commission will examine the alternatives for designing levels of government in the hierarchy of collectivities. A major consideration will be economies that can be achieved by avoiding administrative duplication and in preserving some of the administrative infrastructure of the current system. At the same time consideration will be given to emphasizing the principle of local choice, and the design of new modalities for democratic decision-making and citizen oversight of the public affairs. Moreover, the existing and desirable market dynamics of sub-regions, documented in the Regional Planning analysis, will be taken into account in considering the "chef lieux" for new jurisdictions and in redrawing their boundaries. The analysis will keep in mind the principles of "poles and sub-poles of market influence" in this analysis as well

as the role of the private sector.

3.3 The modalities and administrative systems for local elections, the electoral calendar, and associated issues will also be carefully studied with corresponding recommendations prepared. Other actions necessary for the full implementation of the recommended decentralized structures will also be identified and an operational plan presented.

3.4 Title VII provisions for both elected executives and appointed State officials at the level of each collectivity will be explored in detail to assure that the options for the new order provide clarity in the roles of each. These alternatives will be carefully developed for subsequent legislative considerations by the new Government and by the National Assembly.

4. The calendar for the work of this technical commission is circumscribed by the Constitution's requirement that the Government have the new system for organizing the territorial collectivities in place within 18 months of the Constitution's promulgation. Therefore, it will be instructed to have all its findings and recommendations, including alternative legislative instruments, prepared for consideration by the Government no later than the end of January 1994.

5. In order to finance the work of this commission and to enrich its understanding of alternative approaches to decentralization, the Government will formally request the cooperation of its international development partners, especially those who have expressed special interest in the new Malagasy democratic order and particularly in improving local government and other decentralization matters.

The Ministry of Interior indicated to us that the Government's request for donor assistance will not only address the need for immediate technical and local cost support to the commission but also the need for assistance over the longer term as the new order is implemented.

The International Donors' Interest and Engagement in Decentralization

The United Nations Development Program

The UNDP is financing the current 4 month study of the "Redecoupage Spatial" with the Regional Planning Department of the Ministry of Plan and Budget.

In addition, the UNDP is still associated to some degree with the World Bank's social development fund for local micro-projects and with the EEC financed component of this program. (See EEC and World Bank following).

French Cooperation

For the past five years France has provided resident technical advisors in Regional Planning and in Urban Administration and, according to current plans, will continue such assistance in the future. They are now concluding a multi-year effort, begun in 1988, to improve urban administration in Tamatave and in Antsirabe (earlier in Diego Suarez also). This program has included both capital assistance for public works equipment and technical assistance in management systems. They recently concluded a seminar in Antsirabe based on this experience. The Presidents of Delegations (acting mayors) of all ex-communes urbaines were invited to participate. Technical as well as elective municipal authorities from France shared experiences with Malagasy counterparts. Prior to this seminar they commissioned a study of the existing body of law dealing with the administration and finances of urban areas to help identify legal problems that could be resolved in the forthcoming reforms.²⁹

The French participated in the World Bank's design missions for the Urban Project II mentioned earlier and the Caisse Centrale may take part in its financing if it is revived.

Recently several Malagasys have been invited to France to look at French practices in decentralized municipal administration and in institutions of regional development. On his recent visit to France, the Director of Studies at MININTER requested French authorities to provide technical assistance and local cost financing to support the planned major study of decentralization. Clearly, the option is open for a positive response. Meanwhile, a French technical mission to the Ministry of Finance has been scheduled for September or October to study financial management issues in 3 or 4 urban communes. Their objective will be to develop recommendations related to current practices but will also relate to the new order of decentralized financial administration.

The World Bank

We were unable to obtain current information from the resident World Bank mission in Antananarivo on its activities that may relate to decentralization. However, it appears that the social development fund under the Structural Adjustment Program is still in place and remains as a potential source of financing for small projects with localities, NGOs and civic associations. The status of the Urban Sector Program II in 10 secondary cities seems somewhat uncertain, although the design mission completed its work

²⁹ Mr. Jeannot Ratsirison, a lawyer with the consulting firm of Ramaholimihaso was primarily responsible for this study. He informed the author that over 4,000 pages of existing legislation was compiled for this project. His report was not available.

in 1991 and the Ministry of Urban Affairs and Tourism is clearly counting on its approval in the course of this year with work to begin in 1994.

Swiss Cooperation

The Swiss indicated to us that they are fully prepared to assist the Government with technical and financial assistance to its national study commission on decentralization. In recent months they have invited several civic leaders to Switzerland to observe the decentralized system of Swiss federal and local administration. Their current position is that they will wait until a new elected Government is in place to offer this assistance. They are concerned that earlier aid might be misinterpreted as intervention in the very dynamic and fluid political process that is still unfolding. Until recently, it had been their understanding that the study commission called for in the Constitution would not be formed until the new Government was in place. We have no indication of how they may react if advised that the current transitional Government is now forming that commission and whether or not they would reconsider providing assistance to it before the elections are concluded.

German Agencies

Our only contact with German assistance agencies was with the local representative of the Friedrich Ebert Foundation. He informed us that they are quite willing to make a contribution to the decentralization effort. For some time, he said, they have been trying to work with those Malagasy political leaders who have a real commitment to shape the new order around fully autonomous democratically governed local jurisdictions. They are willing to finance visitation tours of Germany to show Malagasy officials their federal system and the operations of their decentralized local governments. His view was that once the new Malagasy system is in place, if it is based on genuine foundations of democratic decentralization, they would be prepared to undertake a major effort in training local authorities. He felt that one option that might be considered would be establishing a local municipal training institute or a municipal training facility in the Ecole Nationale de Administration. He was not clear whether or not the Foundation might be willing to play a role in the forthcoming national study commission on decentralization.

The European Economic Community Development Fund

The EEC has two ongoing projects for financing local level micro-projects. One is called "Cooperation Decentralisee" funded at 1,500,000 ECUs. Its objective is to be a fast disbursing facility for NGO/local action micro-projects (about 50 are now contemplated for funding) with direct impact on the marginal poor. Local governments are eligible for participation in this activity. Another project called "Micro-Realization" is associated with the social development funding related to the Structural Adjustment

Program. It is funded at some 4,000,000 ECUs but is tied to approvals through the sectoral ministries for small projects that fall in the domain of agriculture, natural resources management and conservation, and in general labor-intensive public works. In principle the projects could be jointly undertaken with local authorities although this was not in the design.

An Overview of the Process, the Actors and the Calendar

In this chapter we have identified the major Malagasy agencies engaged in decentralization and the current or intended activities of the major donors that are related to decentralization. To provide a simplified overview of the decentralization process that we have traced in earlier chapters, the actors engaged in it, and to look both backward and forward at the process, the figure on the following page was prepared. The calendar of actions, still unfolding as this is written, is approximate at best.

**Figure 1
Decentralization Calendar - Process - Key Actors**

<u>Critical Function</u>	<u>Key Actors</u>	<u>Calendar</u>
<u>Phase I: The Transition and Framing the Constitutional Order</u>		
Seeking Consensus on A Transition to the New Order	Forces Vives, Masses, Leaders 2nd Republic, Pol. Parties, FFKM.	June/July 1991 - thru Panorama Conf. ending Oct.31, '91.
Managing the Transition	HAE, CRES, Prime Minister, President	November 1991 - June/July 1993
Shaping Consensus on form of 3rd Republic	National Forum Participants	January-March 1992
Establishing the Constitution	PM & Gov't organize for election; groups pro/con campaign; observers monitor; people vote.	Referendum held-August 1992; High Const Crt-certifies approval Sept. 19, 1992
President Elected	Candidates, electors.	Inaug: March 1993
<u>Phase II: Design the System - The Laws - Elect Local Officials</u>		
Provide information, issues analysis for discussion.	Regional Planners MINPLAN, MININTER	In process with Redecoupage Report printed Feb. 1993
Forums to discuss issues	CRES: NGOs, Parties & Pol Groups, Public, Govt staff, donors	Mahajanga Feb 1993 Tana - March 3-5, '93
Study on Options for Drawing Boundaries of Local jurisdictions	MINPLAN Tech Staff with UNDP Advisor & researchers make study	Begins March 1993 To end June 1993
National Commission formed to study decentralization	Prime Minister names commission. Ministries provide technicians. (Donors assist ?)	Named May 1993 (could be as late as Sept '93 if held for New Govt.)
Election of National Assembly	Candidates & Parties, Voters - Authorities.	Mid-June Vote (?) End July results (?) By end Aug NA meets
Form Government	National Assembly	By September 1993
Study results to Govt.	National Commission	January 1994 (?)
New Laws on Decent. Prepared by Govt.	Sent to Assembly in special session	Late February 1994 or Early March.
<u>Phase III: Implementing the New Decentralized Order</u>		
Elect Local Auth. Restructure Govts.	Citizens - Parties National/local Auth.	May/June 1994 (?) 2 to 5 years
(Technical Assistance	by donors to assist in implementation ?)	

Chapter V

The Malagasy Decentralization Challenge in a Comparative Context

The terms of reference for this study prescribe that the assessment "use comparative analysis of similar attempts by other countries to move from a highly centralized, autocratic tradition in government to a more decentralized, democratic one." Unfortunately, there is little relevant case material to respond meaningfully to this aspect of the task order.

First, in no African state, with one notable exception, has there been any attempt, by law or declared national policy, to undertake a comprehensive decentralization effort comparable to that outlined in the new Malagasy Constitution.

Decentralization in Cape Verde - A Policy in Search of Program

The one exception is the decentralization policy framework in Cape Verde. As unique as this case may be, it does provide some interesting parallels even though it affords little in terms of tested methods and applied experience that might inform the Malagasy on their approach to the task at hand.

Cape Verde is an archipelago nation of 8 small inhabited islands with a population of 350,000. In peaceful, orderly, fairly administered multiparty elections in 1991, a new government formed by the democratic opposition succeeded a dirigiste, marxist regime that had guided the nation under a one-party monopoly of political power for its first 16 years of independence. The new government quickly announced a policy of political and administrative decentralization. But as of mid-1992, the generalized policies favoring decentralization of services in education, health, social welfare, the administration of justice, and in agriculture/natural resources management had not been translated into systematic plans. Moreover, it should be noted that the Cape Verde plan does not call for any redrawing of the existing sub-national jurisdictional boundaries.

In Cape Verde there is only one level of sub-national government, the municipality of which there are only 14. The current motif is that municipal governments will be incrementally endowed with enhanced authority and increased capacity in all public service sectors. The intent is that directive, top-down governing systems will be replaced by participatory bottom-up processes. The governments closer to the people, it is asserted, will better serve the governed through their direct and more immediate participation. But thus far, none of the central agencies have developed strategies to carry out the Government's announced policy of "municipalization" nor has a process been put in place for consultation with local authorities to build such a strategy. In

general there is a lack of understanding of the forms that this local participation might take in self-governance, in public choice of services and service levels, in modes of co-production of services, and in innovative governance systems for local resource management and service delivery. There certainly are no stated priorities in terms of a decentralization agenda for law reform, resource transfers, and a calendar of action.³⁰

To date the most concrete action taken has been to reallocate all income from property taxes, taxes on sugar cane production, and income from both license fees on distilleries and taxes on alcohol to a national municipal fund. These resources now constitute a national resource pool for distribution to the accounts of the 14 municipal governments in the national territory. Clear criteria for that distribution are still lacking but there is an effort to draw up such criteria based on a mix of concerns for equalizing revenues among poorer municipalities, rewarding local tax collection efforts with enhanced grants, and special grants to municipalities requiring greater aid in setting up critical infrastructure for enhanced market functioning. All municipal budgets are still approved by central authorities after the elected authorities have themselves drawn them up and authorized them. Municipal financial operations remain largely under the control of a Ministry of Finance official. The announced goal of autonomy and independence in finance and program management is still a distant objective.

Francophone West Africa

No West African republic has yet undertaken a comprehensive, system-wide program of decentralization.³¹ However, some case

³⁰ See, James Thomson, Harlan Hobgood, et.al, *Decentralization, Democratization, Public Service Provision and Governance and Management of Renewable Natural Resources: Initiatives and Dilemmas in Cape Verde*. Associates in Rural Development, Inc. Burlington, Vermont. February, 1993. Draft Report. The author served as institutional analyst in the comprehensive review of Cape Verde's decentralization effort.

³¹ Senegal adopted a national decentralization policy in 1972. However, candid observers note that from 1972-1990 the steps taken were essentially in form. In substance little effective power moved from the central government agencies toward lower jurisdictions. However, beginning in 1990/91 real changes have been noted. Local elected authorities have recently been granted authority over many affairs of real import to their communes. Administrative personnel from the central agencies are being shifted into advisory and technical support roles, away from the command and control position they have held. The author has been informed that within the last three months the government of Mali has formed a national commission on decentralization. The charge to that commission is broad enough that it could comprehend a program of national scope and major import for institutional reform. In addition, the Ivory Coast, under considerable pressure from the international donors, has recently initiated a study within the Ministry of Finance to reform its fiscal management system for local governments. The initial thrust is to examine the way in which national

material on decentralization is emerging that can have relevance for Madagascar, less in terms of this assessment than in terms of the concurrent program activities in the country dealing with market-town improvements and in natural resource management.

West Africa Market Center Improvement

The Municipal Management Training Program administered by USAID's West Africa Regional Office (REDSO/WCA), has developed considerable case material on the incremental improvements that are being effected in selected market centers throughout the region. Largely these improvements are in spite of the highly centralized systems in force. They do not represent cases in which a bona fide national program of decentralization is being incrementally implemented. These cases, however, could well serve local Malagasy authorities in demonstrating techniques for privatizing key market center services such as sanitation, in mobilizing popular action for infrastructure improvements, and for developing citizen groups to support works left unattended by public agencies.

Decentralized Management of Natural Resources

In the field of natural resources management a substantial body of case material is emerging from the Club du Sahel/CILSS sponsored study of decentralization in the Sahel. The AID centrally funded Decentralization/Financial Management Project (DFM) is documenting and providing assistance in a great variety of successful efforts by local natural resource users to design their own regimes for the sustainable management of grazing lands, small irrigation systems, forest reserves and community wood lots, fisheries and common property agricultural assets. The lessons learned in local self-government, in the decentralized management of natural resources, and in the appropriate design of "special district" governments can also be instructive in the Madagascar context. Perhaps more than the West African municipal training program, these experiences can also inform the policy debate in Madagascar on how local governments under a new decentralized system could support natural resources users by allowing and encouraging similar conservation and sustained use regimes to emerge under their guidance. USAID Madagascar has begun to capture that experience in connection with its KEPEM program.

Other World-Wide Experiences

subsidies might be used to reward enhanced revenue collection efforts by localities as they undertake programs to improve local infrastructure, market center services, public sanitation and other services. Some years ago the Ivory Coast did institute a somewhat liberalized framework to allow communes to undertake local initiatives on their own. The Ivory Coast case, however, viewed in terms of a national decentralization program, certainly lacks the ingredients of reformist policy of any major import.

Democratic reforms that have been sweeping the world over the last decade do include several cases in which broad based efforts at decentralizing government institutions has been part of the reform process. Such cases include Chile, Bolivia, and El Salvador in Latin America; in several instructive ways, the Philippines; several of the Eastern European states; and, to limited degrees, some of the republics of the former Soviet Union. The US Agency for International Development has been or is engaged in a number of these reform efforts. The scope of this assessment, however, would be overburdened by an more extensive attempt to draw substantive material from these diverse engagements and to suggest how to inject that experience from a comparative analysis into the current dialogue in Madagascar.³²

There are, of course, two other historically important examples of decentralized development efforts that are common referents in the literature on development administration. One is the Rural Reconstruction Movement of Taiwan and the other is the Saumuel Udong movement in South Korea. Both were undertaken by centralized, authoritarian regimes as administrative measures for social mobilization for balanced and more equitable national development between rapidly industrializing urban centers and the rural areas of the nation. The successes of these latter two experiences are, indeed contextually idiosyncratic. They may have marginal potential for informing participants in Madagascar's decentralization process but they are not cases that demonstrate "democratically oriented" programs for the redistribution of power so much as they are centrally directed programs for the redistribution of the benefits of growth and for participation in and access to expanding social services.

Broadening Malagasy Options through Comparative Analysis

A number of Malagasy interlocutors observed to the author that they would like to understand different approaches to shaping their new decentralized, democratic order. In every instance, however, they were primarily interested in having Malagasy analysts and decision makers have the opportunity to observe such systems in application rather than to receive treatises on the subject. They consistently evidenced special interest in the German, Swiss and especially the American systems. Certainly, USAID and other donors could be helpful in providing relevant written material in Madagascar. However, it is the author's view that donor sponsored observation tours and participation in selected seminars that might be associated with such tours would be the most productive and

³² There is a growing body of literature dealing with comparative decentralization. See for example the author's Sahel Decentralization Policy Report, Volume II: Facilitating Transitions from Centralized to Decentralized Politics. Decentralization Finance and Management Project. Associates in Rural Development, April 1992, particularly Annex II and the attached bibliography.

appropriate way of providing key Malagasys with relevant comparative referents for their thinking. The problem will be providing such relevant experiences in the time-frame associated with the system design calendar (May 1993 through February 1994). Seminars in Madagascar, with expatriate experts participating, could also be used to serve a broader audience and extend lessons learned. This is discussed further in the following chapter.

Chapter VI

Toward a Near Term Strategy for US Assistance in Madagascar's Process of Democratic Decentralization

Our terms of reference specified that based on our assessment of the evolving process and our analysis of the issues and actors we should "develop an action plan for U.S. assistance over the [next] six months" ... "delineating the most appropriate and prioritized short-term U.S.-funded interventions." Subsequently, the Mission requested that we cast this work in terms of a set of "strategic options" related to the overall decentralization calendar.

The first consideration, therefore, for any donor assistance is timing. The decentralization process breaks down into two major unfolding phases or segments: System Design (over the next six to nine months) and System Implementation (over the next several years). Although our task relates only to Phase I, both phases are summarized below to establish the strategic perspective.

Phase 1: System Design: May 1993 through February/March 1994

The system definition and design stage will continue from now until the new Government has submitted implementing legislation to the Assembly and the Assembly has, in turn, enacted the new laws. By Constitutional mandate, this work is to be completed by March 19, 1994. There are three major elements to the process in this stage:

- Element 1: To complete the regional planning jurisdiction design and decentralization study sponsored by the UNDP. (Begun in March 1993 and due for completion by the end of June 1993).

- Element 2: To form the National Study Commission on Decentralization and to have its work completed by the end of January/early February 1994. This Commission, called for in the Constitution, could be named as early as May/June 1993 if it is formed by the current transitional Government. However, if it is not formed until the new Government is in office, it could be named as late as September 1993. In the first case, it would have nine months to complete its work. In the latter case, it would have four or five months to develop and report its findings.

- Element 3: Translating all foregoing work, particularly the inclusive work of the National Commission, into a Government program with implementing law. Much preliminary legislation drafting work should be done by the Commission staff as part of the Commission's recommendations based on the options analyzed in the study. The formal and final legislative proposals, however, must be developed by the Government and enacted by the Assembly. Presuming that the Government does its final law drafting in February 1994, a special session of the National Assembly could be held at the end of that month or, at the latest in early March in

order to complete work on the legislative package by the March 19 deadline.

Phase 2: System Implementation: March 1994 onward.

The new legislation will have to define the steps in the implementation process and the calendar for carrying them out. However, logically they fall into at least three necessary increments:

- Step 1: Pre-electoral administrative action. However the sub-national jurisdictions may be redrawn and whatever the allocation of functions and resources to each level may be, the operative system is now exclusively in the hands of national authorities. These authorities must prepare the new jurisdictions for a transition to management by elected officials. Hopefully, this period will not be over extended. Early elections will allow for the full and effective participation of citizens in setting the local agenda for public action. The locally elected executives and councils can then be held accountable for the conduct of affairs in their domains. On the other hand, a minimum of transition management must be allowed with some degree of adjustment in fiscal and management systems even prior to elections and, in fact, in order to conduct those elections. Estimated period covered: six months from March 1994 to August 1994.

- Step 2: The electoral process. The new law will define the sub-national electoral system and calendar. Given the intensity of electoral activity in Madagascar in recent years, it is reasonable to expect that the administrative system in place will be fully able to handle these elections with relative ease. Hopefully, local Assembly composition will not be complicated by some version of proportionality in the electoral system, but will be based on single winner local districts. Final results may take some time for the Constitutional Court to certify allowing time for dispute resolution. Estimated period covered: Three to four months from opening the filing period for candidates to certification of results, perhaps from August 1994 to November 1994. (Obviously if step 1 above is held to a shorter period, step 2 - elections - could be held sooner.)

- Step 3: This final step in implementing the new system of governance under elected officials is in fact the first step in a new process of institutional learning. It will be dynamic between and among citizens and citizen groups, elected officials, and civil administrators at all levels. The process should produce legal reforms that adjust the system to the learning process and to citizen preferences. Simply put, it should reflect the dynamics of

democratic practice across the face of the nation.³³

**Near-term Strategic Options for US Government Assistance
Phase I: Decentralized System Design**

**Option 1: Do Nothing Specific to the Larger Decentralization
Issues and the Process in the Near Term**

AID has received no formal request for assistance. Informally, senior staff of the Ministry of Interior have explored the possibility of US funding and technical assistance to aid them in their studies. The French have also been contacted for assistance to the MININTER study group and have advised us that they may respond with some aid. Meanwhile, the UNDP supported study of the "redecoupage" from the regional planning point of view is going forward and should be completed by the end of June. The MININTER staff now say that their request will be recast in terms of aiding the new National Study Commission, not just the Ministry. This may develop. Meanwhile, AID might find that by assisting MININTER with a study separate from but paralleling the regional planning study, it could become embroiled in inter-ministerial, bureaucratic politics. Our sense was that the Mission does not want to take this risk.³⁴

Furthermore, Swiss Cooperation has made it clear that they are prepared to provide support to the National Study Commission once it is named. However, they are reluctant to consider any such assistance until it is formally requested by a new Government. They consider that an intervention before hand might be perceived as an intervention in Madagascar's transitional political processes.

³³ Senior officials informed us that plans to create a new Ministry of Decentralization are even now being formulated. The thinking is that a dedicated administrative instrument, perhaps with a limited life-span of five years, will be essential to carry out and police the massive power shifts that are anticipated to be prescribed in the new laws. The view is that since all current central agencies and ministries will be impacted by functional devolution, deconcentration, delegations, and changes of regulatory venues, no one ministry can now effectively assure compliance with the rules of the new order. So as not to swamp the Prime Minister with oversight of this major power shift, the new ministry will act on his behalf to carry out the program. It is quite likely that financial and technical help from the donors will be sought by the new ministry or by the Primature, if one is not created.

³⁴ An option of assisting the Ministry of Interior's Department of Studies is not developed in this sequence of choices. Should circumstances develop, such as a request from the Prime Minister that USAID consider assistance to that Ministry, the Mission certain should reconsider this as a possible course of action. The simplicity of working directly with one Ministry and as the lead or only donor involved has definite attractions in terms of managerial simplicity. But under present circumstances, we defer to the Mission's judgement that the risks of being engaged in a cat and dog match between bureaucratic contenders in MINPLAN and MININTER is not attractive.

Several influential Malagasy leaders recommended that the US Government would be wise not to get directly involved in this design stage. They felt that any technical recommendations associated with US funded work or coming from US advisors could easily be turned into political issues. Their advice was to let other donors provide help now and wait until the new package has been enacted by the new Government. Then, if requested, the US should offer to help in implementing the new system.

If the US Mission agrees with these findings, it should choose this option.

Option 2: Use Current Programs as Opportunities to Inform the Dialogue

Choosing option 1 does not exclude option 2.

Without engaging any of the risks identified in the discussion of Option 1 and while deferring to other donors for direct assistance during this system design period, there are ways of making a contribution based on current programs. AID's current activities include several technical assistance interventions whose on-going outputs related to decentralization could be disseminated to key influentials associated with the larger process of system design. This could include the work under the KEPEM program related to decentralized management of renewable natural resources through local resource-user associations and local self-governing groups. DFM consultants are due in Madagascar for several weeks beginning on May 17. Not only could their written reports be made available but, with their agreement, they might conduct one or more informal seminars on institutional design concepts in their work and talk about how this relates to general issues of decentralized administration and governance.³⁵ Similarly, findings and recommendations from the project design study on Market Infrastructure Expansion could be shared. As a follow-on to this study, sometime in the next few months, the Research Triangle Institute experts could be invited to conduct informal seminars on their findings, also emphasizing how they may relate to general issues of decentralized governance in Madagascar.³⁶

³⁵ Dr. James Thomson, lead consultant in this KEPEM activity, has also been the key DFM consultant on decentralization in the Sahel for the past several years. His wide knowledge of comparative systems could be tapped in the suggested seminars.

³⁶ Mr. Daniel Goetz, project leader for the RTI study team has extensive experience with the regional municipal training program in West Africa as well as in municipal governance in Central America and Asia. He would be excellently suited for to draw from his experience as well as from RTI's recent Madagascar field work those findings that are generally applicable to current issues in the decentralization dialogue.

In addition to these AID activities, we understand that USIS is already considering possible speakers on decentralization and democratic governance. Both USIS seminars and those offered by AID experts should be broadly advertised among the key actors in the transitional institutions and, certainly, when the National Study Commission is named, to its members and staff.

If this is the level of influence that the US Mission would prefer, it should choose this option.

Option 3: Start Now to Plan a Collaborative Program With Other Donors to Help Shape the Decentralized Democratic Order.

Choosing Option 3 presumes that those things discussed in Option 2 would also be done.

It is far from clear when the National Study Commission on Decentralization will be formed. There is some reasonable concern, as expressed by Swiss Cooperation, that even if it is formed soon by the transitional government, it's authority could be questioned until its mandate is reconfirmed (or a new Commission is formed) by the elected new Government following National Assembly elections. On the other hand, if this Government does name the Commission, the US Mission and other donors will know very quickly if the forces participating in the transitional process and the key political actors consider that action valid or not. If they do not question it, then neither should the donors. If it is questioned, then the US Mission could decide to withhold an offer of support, falling back on Option 2 above. Later, when the new Government is formed and acts on the issue, the US Mission could reconsider assistance.

Based on our best assessment, we are assuming that a National Commission will be named by June. We are also assuming that the US Mission, as well as other donors, will be asked to assist it in its work. We do not believe that its validity will be challenged by any of the important political actors.

It would be consistent with US policy in Madagascar to cooperate with other donors in assisting in this critical step in the nation's democratic transition. If the work of the Commission is not done well, democratic governance at the local level could be crippled by excessive centralizing controls and inadequate provision for local initiative and citizen oversight. Our assessment is that without moderating influences, the regional planning approach that now dominates in Malagasy strategic thinking will lead toward such outcomes. US provided technical assistance, at the right time and of the right kind, could make a major contribution toward a more genuine devolution of power and more certain foundations for communally rooted democratic practice.

The problems, however, are considerable. First, the US role vis a

vis other donors would have to be defined. Assistance would have to be limited both as to cost and to those areas of technical assistance for which USAID can mobilize capable experts in time. These are serious constraints. In spite of this, we recommend that the US Mission choose this option and follow the course of action summarized below.

A Recommended Course of Action

Given the fluidity of the situation, this proposed course of action has to be stated in terms of a series of decisions each contingent on the preceding one. AID's choices will be altered at each point depending upon the outcomes in each case.

1. First, the US Mission must decide if it wants to be involved in a multidonor effort to assist the National Study Commission. The timing is very short for planning and carrying out a coordinated, cooperative effort among several donors. Agreements would have to be reached very quickly on how local costs for the Commission's staff work might be shared and how specialized technical assistance to working groups of staff and Commission members might be provided by each donor and in what fields. For USAID to reach a decision on the feasibility of this approach, it will need to start now discussing with the donors, starting with the Swiss, what each thinks it might contribute to the work of the Commission. Our assumption is that agreement will be reached on a common program and that the US Mission will decide to play a significant role in the joint effort.

2. The most influential and valuable role that a US expert could fill would be that of a resident general advisor to the Commission. Such an advisor should be available at the very start as study methodology and the overall workplans are developed and to aid in coordinating other donor technical inputs to the working groups. He/she would continue until the final report is submitted. We are assuming, however, that the US Mission may choose NOT to have its technical advisor in such a visible and lead position throughout the study period. If that is correct, the next best option would be for USAID to offer to provide short-term assistance at the start as the Commission translates its mandate into a work program, returning at the last weeks to assist while the staff is assembling recommendations and preparing the final report. Either one qualified general advisor or a two person team could, in this case, be made available at the start to advise the Commission and staff on methodology and work planning and in its coordinated technical support from other donors. At least one of these advisors (if two come at start-up) should be provided during the last weeks to assist with assembly of the final report and recommendations.

2.1 If the Mission wants to consider either action above, it should start now seeking a highly qualified advisor(s) on decentralization and national administrative reform for the

resident, longer-term role (6 - 9 months?) or, alternatively for the start-up assistance (two persons, each for 45 days?) and for their subsequent close out assistance. In either case they should be ready to begin work soon after the Commission has been formed (June/July?). Certainly to mobilize this technical assistance in such a short time the Mission would need maximum cooperation to reduce recruitment time and AID contracting delays.³⁷ If the Commission is not formed until September by the new Government, then getting advisors on site is less problematical.

3. Based on conversations with the Ministry of Interior we have developed the following framework as a likely modality for the organization of the work of the Commission.³⁸

3.1. The overall commission will probably be made up of some 20-25 representatives from the spectrum of civic and political groups, from commerce and government agencies. It will be interdisciplinary and intersectoral. As a Commission it may meet to receive reports from task groups and to provide policy guidance and to deliberate on findings. (Some members may actually participate directly in the study tasks). Toward the end of the study period, it will intensively review options and approve a final report with recommendations.

3.2. Under the direction of the Chair of the Commission or of a full time Chief of Staff appointed by the Commission, six to eight working committees or task groups will be formed to do the actual studies and to develop recommendations in their areas. The following list of task groups is only suggestive to illustrate how the work of the Commission may be divided and the areas in which donor technical assistance may be required.

Task Group 1: Jurisdictional Definitions (the "decoupage spatial"), Inter-governmental relations and Civil Administration.

Task Group 2: Financial Systems: Revenues and budgets and the local/national resource division, competencies, and authorities.

Task Group 3: The Social Services Sectors: Health, Education, Social Security and Welfare.

³⁷ USAID Washington has a number of relevant rosters under IQCs, Requirements Contracts, Cooperative Agreements and other central mechanisms in decentralization, municipal management, development administration, etc. which could be searched for potential candidates for these assignments. Both the Decentralization/Financial Management project with ARD (managed by IED/R&D), the West Africa Municipal Training project with RTI (managed by REDSO/WCA), and the Africa Regional Democracy and Governance project with ARD/MSI (managed by AFR/ONI) would be logical first search sources.

³⁸ Please see the earlier discussion of the National Commission proposal of the Ministry of Interior found in Chapter III pages 33-35.

Task Group 4: Infrastructure, Public Works, Mines and Industry.

Task Group 5: Agriculture and Natural Resources, Rural Development, and the Environment.

Task Group 6: Public security, police and justice administration.

Task Group 7: Markets, Private Investment, General Commerce and the Economy

3.3 We also assume that each task group will be provided with 3 to 5 full-time staff of Malagasy professionals and chaired by either a member of the Commission or a senior professional named by it.

4. Using these assumptions, one can make reasonable assessments of the needs for donor provided technical assistance. Local-cost financing will be required for office support and data processing, for salary supplements or consultant fees for the staff members and for their transportation and per diems for field work.

4.1. Based on conversations with the Mission, we concluded that AID would only be able to consider very limited local-cost support and would look to other donors, particularly the Swiss, to meet this requirement. How much local-cost support would come from AID, is of course, an issue that the Mission would consider in the context of discussions with the other donors.

4.2. In each of the technical areas, assistance from expatriate experts would be appropriate. How this could be shared among the donors will require commitments from each of the donor agencies. If AID were to be engaged in the technical areas, we would recommend that US experts be provided for short periods, perhaps two three-week consultantcies, preferably to Task Groups 1 and 2 which would deal with the cross cutting issues of intergovernmental relations (defining jurisdictions) and finance. AID assistance to Task Group 5 would be an additional option given the size of its portfolio and substantial policy engagement in the agriculture and natural resources/conservation sectors.

The French are already engaged in urban finance issues in Madagascar and may see this an area they would prefer to work in. They have a long history of assistance in the area of security, police, and the administration of justice. The Swiss have special expertise in agriculture and natural resources in the country and may also feel that they could work effectively in the other two sectors: social services and infrastructure. We have no indication how and if the World Bank might view sharing in this task and how the Germans might be prepared to participate.

5. With USIS cooperation, and if it were not disruptive of Commission work, USAID could fund a group observation visit by key

commission members to the US. To have impact on the orientation and results of the Commission's work, the observation visit should be provided soon after the Commission is appointed. Seminars on democratic decentralization could be prepared in Washington with assistance from such agencies as the National Academy of Public Administration, the Advisory Committee on Intergovernmental Relations, the Association of State Legislatures, the International City Manager's Association and the National League of Cities as well as other public interest groups. Observation visits to nearby Virginia or Maryland state, county and local authorities could be arranged. A follow-on seminar in Antananarivo could be included to give participants the opportunity to share their insights with a broader Malagasy audience.

Summary of Recommended Short-Term Assistance Plan

1. Decide if the US Mission wants to participate in a coordinated donor effort to assist the National Study Commission on Decentralization.
2. If yes, immediately start discussions with other donors, starting with the Swiss, on a joint approach and possible division of labor.
3. If agreement in principle is reached, seek agreement that USAID provide the long-term resident senior advisor to the Commission (presumably with the Swiss picking up most of the local cost financing and some share of other technical assistance needs). Or, at least, gain agreement that USAID provide the start-up assistance on methodology and workplanning and follow-on assistance for final report preparation.
4. Based on the outcome of donor discussions and agreed division of labor, immediately initiate recruitment for the appropriate advisors.
5. Working with the other donors, seek agreement on other technical assistance areas. Propose that USAID provide additional short-term assistance in selected areas: preferred areas of greatest influence are: a) jurisdictional design and intergovernmental relations; and b) the financial system.
6. As soon as the National Commission is named, offer key members the observation tour to the US as outlined above. Conduct follow on seminar here (US advisors on site should be asked to participate).

Concluding Comments

This analysis of the decentralization process in Madagascar is offered as a work in progress. Although we believe that it meets our terms of reference, one feels that lack of closure that comes

with having to exit the theater in mid-play. Elections are pending; a new Government is to be formed; all decisions now are transitional; an unnamed Commission is a key actor whose role is defined here in supposition; assumptions build upon assumptions. And in the end, we suggest a series of actions for the US Mission that are built upon this stage. Any errors in fact or in judgement, however are those of the author alone.

INTERVIEWS CONDUCTED

(Note: The author regrets any errors in the spelling of proper names taken in the course of interviews. All Malagasy family names have been printed in bold-face capitals, following local custom.)

Mr. Miguel Amado, Resident Representative of the European Economic Community, Fund for Economic Development.

Mr. Rajaona **ANDRIAMANANGARY** - Director, Malagasy Technical Institutue for Economic Planning (IMATEP).

Mme. Hary **ANDRIAMDOAVONJY**, Chief of Service for Studies and Planning, MININTER.

Mr. Olivier **ANRIANARISATA**, Director of Studies, Legislation and Documentation (MININTER)

Mr. Desire Lalao **ANDRIANJAFY**, President of the Special Delegation, Fivondronana of Antananarivo, (Acting Mayor)

Mr. Roland **ANRIANTSEHENO**, Vice President Council for Economic and Social Reconstruction (CRES)

Hon. Dennis Barrett, US Ambassador to Madagascar

Mr. Pascal Blacque-Belair, consultant to USAID in Urban Finance and Market Economics, MIX Project design.

Mr. Jean le Breton, consultant to USAID on municipal training, MIX Project design.

Mr. Andre Carrier, Chief of Party, Canadian Project for Small/Medium Enterprise Development.

Mr. George Carner, Director, USAID/Mission to Madagascar

Mr. Johnathan Daitch, consultant and lecturer for USIS/Madagascar on civic education, education administrator, the International School of Paris.

Mr. Christopher R. Davis, Political Officer and Second Secretary, US Embassy.

Mr. Benoit Des Contes, Associate Director of French Cooperation (FAC) in Madagascar.

Mr Daniel L. Goetz, Center for International Development, Research Triangle Institute, consultant to USAID/Madagascar on Municipal Finance and Administrtion/MIX Project design.

Mme. Anne Grimes, US Information Agency Madagascar.

Mr. Roy Hagen, Advisor to ANGAP.

Mr. William Hammink, Director Office of Program and Project Development, USAID/Madagascar.

Mr. Moncef Khouidi, Chief of UNDP financed regional planning study of the "Redecoupage Spatial", economist with the Tunisian consulting firm DIRRASET.

Mr. Martin Nicoll, Conservation Advisor, World Wildlife Fund.

Mr. Jean RABEMANANTASOA, Director for the Coordination of Urban Operations, Ministry of Urban Affairs and Tourism.

Monseigneur RABENIRINA, Episcopal Church of Madagascar.

Mr. Robin RABERINJA, Director of Regional Planning, MINPLAN

Mr. Tovonanahary RABETSITONTA - former candidate for President of Madagascar 1992, President of Political Movement GRAD, private consultant and university professor.

Mr. Olivier RAJAONARISON, Chief of Service for the Coordination of Regionalized Investments, MINPLAN.

Mr. Desire RAJOBSON, Director General, Ministry of Finance.

Jean Eric RAKOTOARISOA, Political Journalist, Editor of Dans Les Media Demain, Professor of Law.

Mme. Victoire RAKOTONIANINA ANDRIATAHIANA, Majistrate and Director of Studies and Legislation, Ministry of Justice.

Mr. Josoa RAKOTONIRAINY, General Secretary of the Council of Christian Churches of Madagascar (FFKM).

Mr. Henri RAKOTO SATA, Chief of Mission, (Special advisor to the Minister on Elections and Policy), MININTER.

Mr. Rakotovao-Razakabaona, Former Minister of Finance, member of the High Authority of the State (HAE), leader of the MMSM party, university professor.

Mr. Jean de Dieu RAKOTOZAFY, Chief of Service for Regulations, MININTER.

Mr. Olivier RAMAHADISON, Chief of Service for Legislation, MININTER.

Mr. Claude RAMAHAROBANDRO, Director General of the Ministry of Budget and Plan.

Mme Madeleine RAMAHOLIMIHASO, Public Accounting and Consulting, Founder and Director of the National Committee for the Observation of Elections and Human Rights (CNOE).

Mr. Jean RAMANAINDRAINIDE, Private entrepreneur, member of the CRES, civil leader.

Mme. Marguerite RANAROZAKA, Director in Charge for the Control of Decentralized Collectivities, MININTER.

Mr. Rene RASATA RAINIKETAMANGA, former General Manager Air Madagascar, private consultant.

Mr. Mamy RATOLOJANAHARY, Chief of Service for Regional Studies, MINPLAN.

Mr. Georges RATSIMANDRATRA, Chief of Service for "Aménagement Spatial", MINPLAN.

Mr. Jeannot RATSIRISON, jurist and legal advisor in the consulting firm Ramaholimihaso.

General of Brigade, Jean RAVELOMITSANGA, National Director for Civic Action in the Armed Forces of Madagascar.

Mr. Heizo RAZAFIMAHALEO, private entrepreneur, President of the political movement LEADER, candidate for the National Assembly.

Mr. Peter Reams, Deputy Chief of Mission, US Embassy.

Mr. Bruno Ribon, World Bank consultant.

Mr. Peter Robinson, Advisor to ANGAP.

Mr. Jerome Sauvage, Program Officer and Assistant Resident Representative, UNDP.

Mr. Hans Seybold, Resident Representative of the Freidrick Ebert Foundation of Germany.

Mr. Jean Tchat-Tchet, Acting Resident Representative of the ILO in Madagascar.

Mr. Evariste VAZAHA, Director General for Financial Coordination, the Ministry of Finance.

Mr. Larry Wohlers, Public Affairs Officer, US Embassy and Director USIS, Antananarivo.

Mr. Philippe Zahner, Coordinator of Swiss Cooperation for Development.

Mr. Marcus Zimmerman, German Embassy.

ANNEX I

Title VII of the 1992 Constitution of the Republic of Madagascar. English translation by the author.

OF THE RESPONSIBILITIES AND THE PRINCIPLES OF EFFECTIVE AUTONOMY OF THE DECENTRALIZED TERRITORIAL COLLECTIVITIES

Art. 125. -- The decentralized territorial collectivities, granted legal personality and financial autonomy, constitute the institutional framework for the effective participation of the citizens in the management of public affairs and guarantee the expression of their diversity and of their distinctiveness.

Art 126. -- The creation of the territorial collectivities must respond to criteria of geographic, economic, social and cultural homogeneity.

The designation, hierarchy and the boundaries of the territorial collectivities are decided by law.

Art. 127. -- The territorial collectivities are freely administered by Assemblies which by their deliberations regulate the affairs attributed to their competence by the present Constitution and the law. These deliberations have full force and effect upon their publication. Nevertheless, they cannot be contrary to constitutional, legislative or regulatory provisions.

Art. 128. -- The Assembly members are elected by direct universal suffrage with a term of four years. These Assemblies include, in part, representatives of the economic, social and cultural organizations which are legally constituted within the boundaries of each concerned collectivity. These representatives are also elected by universal, direct suffrage.

The modalities of election to the Assemblies of the territorial collectivities are fixed by law.

Art. 129. -- The execution of the decisions of the Assemblies is assured by an executive office directed by an individual elected by direct universal suffrage for a term of four years, renewable once. The executive office is composed of personnel responsible for public services created and financed by the territorial collectivity or of personnel put at its disposition by the State. These members are designated by the elected official.

The executive office is accountable to the elected Assembly.

Art. 130. -- Within the territorial collectivities, the State is represented by a high official whose appointment procedures are fixed by law. The State representative is charged to oversee the respect of regulatory and legal dispositions. He will bring to the attention of competent authorities those deliberations, acts and conventions of the territorial collectivities which he deems to be contrary to law.

The State representative has responsibility for public order, and, within the conditions set by law, of administrative control. He represents each Ministry and has authority over State services within the territorial collectivity.

Art. 131. -- The State commits itself to implement the following measures:

- redistribution of competencies between the collectivities and the State;
- redistribution of resources between the collectivities and the State;
- redistribution of public services between the collectivities and the State.

Art. 132 -- The territorial collectivities assure, with the cooperation of the State, public security, the administration and regulation of the territory, the economic, social, health, cultural and scientific development as well as protection of the environment and the improvement of the standard of living.

The law determines the distribution of competencies, taking into consideration the national as well as the local interests.

Art. 133 -- The law determines the distribution of resources on the basis of the functions attributed to the territorial collectivities. The collectivities fix and freely manage their budgets, functional and investment, in harmony with the national plan.

Art. 134 -- Resources of the territorial collectivities are expressly constituted by:

-- income from taxes and fees, voted by their Assemblies and collected directly to support their budgets. The nature and the maximum rates of these taxes and fees are determined by law, duly taking into account obligations assumed by the collectivities as well as the global obligations of the Nation.

-- a specified share of income from taxes and fees levied for the National budget. This share that is automatically allocated on a pro rata basis of taxes collected, is determined by law on a scale that takes into account the global and individual obligations assumed by the collectivities, and the level of their own resources so as to achieve a fair distribution among the different levels of the collectivities as well as to assure a balanced social and economic and social development among all collectivities throughout the national territory. The use of these resource allocations is freely determined by the collectivity.

-- income from reserves set aside by the State for all or for any one of the collectivities, to cover costs resulting from the transfer of functions to them, or to compensate them for expenditures entailed in programs or particular projects decided by the State to be carried out by the collectivities.

-- income from loans contracted by the collectivities, whether from national or foreign sources following an agreement from national fiscal authorities, with or without the State's guarantee.

-- income from non-reimbursable external assistance, obtained through national fiscal authorities and the national ministry in charge of external relations;

-- income from gifts;

-- income from their own patrimony.

Art 135. -- The funds of the collectivities, the use of which falls within their competencies, are deposited in the public treasury according to law.

Art 136. -- Some jurisdictions or administrative structures for either regional or local activities may be created by decrees issued by the council of ministers.

Art. 137. -- Regulations pertaining to the organization, functioning and the attributions of

territorial collectivities are fixed by law.

Title IX

Art. 148. -- The legislative dispositions relative to territorial collectivities provided for in this Constitution must be put into effect within 18 months counting from the date of its promulgation. A study commission will be created for this purpose.

Until the territorial collectivities anticipated by this Constitution are put into place, the special delegations and local security committees shall continue to exercise their functions.

ANNEX II

This is a translation by Ruth Rakotomanga of Section Four, pages 64-69 of the document, CONTRIBUTION A L'ELABORATION D'UN REDECOUPEGE SPATIAL, Republique de Madagascar, Ministere du Budget et du Plan, Direction General de la Planification Regionale. February 1993. Antananarivo.

SECTION FOUR

AN APPROACH TO THE REDRAWING OF JURISDICTIONAL BOUNDARIES

Introductory Remarks

In view of the successive redrawings that have been made, there is a tendency to cover everything at once and be influenced by somewhat contradictory considerations.

But first of all it is important to clarify certain basic questions concerning i) the different levels of the decentralized territorial collectivities (the number of levels and the criteria of selection), (ii) the nature and purpose of the proposed redrawings, (iii) the criteria and parameters taken into account.

Summary note on the current situation:

The present position of the DTCs may be described as follows: The malfunction of local government, particularly of the Fivondronana, resulting from overhasty setting-up of these local government units without adequate prior feasibility studies.

A proliferation of DTCs (over 14.000 on 4 levels) resulting in an inadequate number of executive delegates, and a lack of external and/or internal services.

The presence of traditional structures which still influence the administration of the local inhabitants in certain areas.

A variety of decentralized services. Each division has defined its subdivisions in its own way and according to its own needs. This has given rise to a proliferation of ministry maps (see annex) which do not always correspond to each other and the new structures of local government. This situation has been made worse by the lack of instructions and texts to define the activity of each service within the DTC.

An overlapping of the powers of the DTCs, for example, the double function of the Presidents of the Executive Committees who are at the same time representatives of the state and heads of the DTCs.

A gradual reduction of and lack of resources leading to the non-payment of basic expenses and leaving in abeyance serious and occasionally dramatic problems.

A rise in overall expenditure due to an increase in operating costs at the expense of investment. This situation has led to a reduction in goods and services for the population and economic operators. There has certainly been a deterioration in the efficiency of locally-based public services. This deficiency has serious consequences at a time when state disinvestment requires more efficient management of local government services.

End Note: _____

1. Levels of Decentralized Territorial Collectivities (DTC)

1.1. Context of the problem

The number of levels of local government (Decentralized Territorial Collectivities- DTCs) cannot be fixed arbitrarily without prior consideration. This would reduce the credibility of each particular level and that of the DTCs in general. So there are two conflicting currents of thought. One of them would prefer to keep only one (i) level of local government (DTC), so as to make a clear distinction between the center and the regions. In this way, anything outside the jurisdiction of the center would devolve on the single regional level. The other current of thought would prefer multiple levels of DTC so that local and regional desiderata could be expressed more fully.

If a single level of local government were selected, this would imply that this regional level would be a monolithic entity, whereas it is in fact composed of a kaleidoscope of relatively heterogeneous elements which should at times be clearly distinguished from each other. A system of decentralization confined only to the larger regions would be incomplete.

On the other hand, increasing the number of local government levels without previously defining their jurisdiction would no doubt lead to a scattering of responsibility among the different levels leading to a great deal of confusion regarding institutions, technical services etc.

Previous experience with the DTCs on four levels (Faritany, Fivondronona, Firaisampokontany and Fokontany) has shown that the powers common to all four (administrative, economic, judicial, planning) were not conducive to coordination of their activities. The enormous gap between the powers of each level and the means at its disposal only helped made a bad situation.

1.1. Framework for defining competencies

It is time to base the DTCs on solid foundations, in other words, decide how the number of DTCs can logically be selected.

Two important elements should be borne in mind. The first is the fact that eventually there will have to be a serious policy of spatial planning. The second is the need to take into account the desiderata of the local population. This assumes at least two

As far as administrative purposes are concerned, history has shown that the first concern of government was to maintain its dominance in 'sensitive' areas. Intermediate relay stations for troops were always set up between strategic centers to allow for efficient intervention of various kinds.

The redrawing of homogeneous areas involves defining zones which are clearly identifiable, either in geographical terms (climate, soil, potential...) or in socio-cultural terms (population, customs...)

As for the concentration of activities, there are two aspects to be considered. The first concerns a convergence of activities around a center, stimulating activity in outlying areas. The flow of people, goods and services between the center and the hinterland illustrates this aspect of concentration. The second aspect is the presence of an urban structure in which different centers are organized in a well-defined functional hierarchy.

Whatever the type of redrawing undertaken, whether according to criteria of homogeneity, concentration or administration, the difference between these types and that based on spatial planning lies in the fact that they originate in an empirical approach to what already exists. Whereas the redrawing based on spatial planning is designed for future sustainable long term coordination of population, economic activity and environment.

2.2. Interdependence of different types of redrawing

In view of the relative variety of goals that may influence jurisdictional redrawing, it is important to limit these determining factors and elucidate the interdependent elements that connect one jurisdiction with another.

These connections must exist. For example, a jurisdiction based on spatial planning criteria could not completely exclude objectives involving spatial concentration or the degree of homogeneity of the regions.

Main types of jurisdictional redrawing

<u>Basic Type</u>	<u>Objectives</u>	<u>Elements of evaluation</u>	<u>Conditions</u>
Homogeneity	}physical }economic }socio-cultural	unity complementarity	rationalization large scale action
Concentration	}by reason of activities }by reason of urban structure	hierarchical organization complementarity	rationalization optimization
	}infrastructure &		efficiency

Administration	equipment }population }accessibility	coordination	dominance
Spatial Planning	}characteristics of above juris- dictions	functional divisions of population, activities	coherence balance dynamic

3. Criteria and dividing lines

The criteria for jurisdictional redrawing are of necessity differentiated. The criteria used for a redrawing for administrative purposes are not the same as those used for a redrawing based on concentration of economic activities or on homogeneity. However, when a redrawing based on spatial planning is involved, all of these criteria will have to be considered in one way or another.

The following chart lists the main criteria and/or variables for each kind of jurisdiction. It may be noted that the criteria for spatial planning have a thematic content, as opposed to those of other types of jurisdiction which are expressed as indicators.

The same chart also shows the presence of a prior connection between the three types of jurisdiction (administration, homogeneity, concentration) and that based on spatial planning.

CONNECTIONS BETWEEN CRITERIA AND TYPES OF REDRAWINGS, VARIABLES/
INDICATORS, EXPLICATIVES

<u>CRITERIA</u>	<u>RECOMMENDED VARIABLES/ INDICATORS</u>
----- Government supervision -----	--.Population .Number of government supervisory agents .Size of supervisory services .Level of tax collection .Level of accessibil- -- ity and communication
	--.Hierarchical organi- zation and urban

67

----- MEANS -----	----- Concentration -----	structure .Importance and inten- sity of activities .Level of equipment -- and infrastructure
	----- Homogeneity -----	--.Concentration of ? .Specific spatial, socio-cultural characteristics --.Complementarity
----- OBJECTIVE -----	> ----- Spatial planning -----	--.Spatial function .Coherence .Balance --.Coordination of work

Dividing lines:

For each variable/indicator, a dividing line must be established so that the variable/indicator can be taken into account or ignored. To begin with, a three-level grading system might be adopted, e.g. high, medium, low.

4. Overall procedure: essential stages

- Define and explain the purpose and objectives of the redrawing.
- Proceed on the basis of the criteria used for the jurisdictions based on homogeneity, concentration and administration
- Analyse the main characteristics of the jurisdictions based on homogeneity, concentration and administration
- Determine the essential centers and integral areas
- Submit these centers and areas to the criteria of coherence, balance and dynamic over the medium/long term
- Make any necessary adjustments

5. Conclusion: What lessons for the future?

This cursory historical review gives rise to a certain number of lessons which maybe of some use in the future.

1. There has been a regular rate of jurisdictional redrawing in Madagascar. If at first the objectives were military, there has been a gradual progress towards jurisdictions and systems of territorial organization related to political and economic concerns. But the desire to respect a certain 'balance', not to upset certain sensitive points, or to satisfy some pressure group, has meant that the jurisdictions created were based on pragmatic criteria rather than on a willingness to boldly undertake regional development and spatial planning.

2. In spite of recommendations and declared principles, the

jurisdictions established over the past thirty years have never been seriously studied with a view to giving them a more scientific and operational basis from which to face the present and the future. All things considered, Madagascar is still under the colonial jurisdictional system which was designed for military needs and for the control of the population rather than for economic development or spatial planning. The jurisdictions that were created have always been objects of debate and even controversy, even during the colonial period, but always after the fact. We have found a certain number of rather elaborate studies made over the last thirty years that question existing jurisdictions; none of these studies has borne fruit. The central government has always reserved the right to make its own redrawing without any need for a scientific or even remotely objective basis.

3. Whatever form of redrawing is adopted, the process of decentralization has made only a very hesitant start. Decentralization was first of all implemented from the top down (provinces) and then from the bottom up (communes), but always tightly controlled by the central government, except perhaps for the very short period of the 'Loi Cadre'. The intermediate levels have long remained decentralized levels of 'command'. It was only during the Second Republic that these intermediate levels were recognized as territorial collectivities (particularly the fivondronana).

4. From one level of decentralization during the colonial period, Madagascar went to two levels during the First Republic and to four levels during the Second. The idea of three levels of local government has never been adopted, nor even considered.

5. Government ministries have always used their own jurisdictional redrawings, so the state has never been able to coordinate the different "ministry maps" and the territorial boundaries of the different levels of DTCs. Every ministerial department has organized its geographical decentralization as it sees fit, according to objectives and criteria of its own that have never been explained in most cases.

6. Among the constant factors to be detected as far as jurisdictional redrawings are concerned, is the key role played by the intermediate level. Whether in the form of districts, sub-prefectures or fivondronana, this level has existed in the Malagasy administration since the beginning of the century, even if its status as a DTC has only been recently acquired. At the higher level (level 1: provinces, large regions) things are not so clear. The creation of 6 large regions dates from the late twenties. Prior to this time, the level 1 administration was organized into a score of provinces later found under the form of sub-prefectures. The conflict between a basis of 20 and a basis of 6 still remains. Finally, at the lower level, the central government has always been suspicious of the traditional fokonolona. It has always tried to include the fokonolona in larger organizations such as the cantons, communes and firaisana, with disappointing results.

19