COMPARATIVE ANALYSIS OF MENA SUBNATIONAL GOVERNANCE
Governance Integration for Stabilization and Resilience in the Middle East and North Africa (GISR MENA)

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Governance Integration for Stabilization and Resilience in the Middle East and North Africa (GISR MENA)

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Governance Integration for Stabilization and Resilience in MENA

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Prepared by:

Management Systems International
Corporate Offices
200 12th Street, South
Arlington, VA 22202 USA
Tel: + 1 703 979 7100

DISCLAIMER

The authors’ views expressed in this report do not necessarily reflect the views of the United States Agency for International Development or the United States Government.
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### ACRONYMS

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<tr>
<td>COVID-19</td>
<td>Coronavirus Disease of 2019</td>
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<td>CSO</td>
<td>Civil Society Organization</td>
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<td>DGCL</td>
<td>Directorate General of Local Authorities</td>
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<td>EU</td>
<td>European Union</td>
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<td>GNA</td>
<td>Government of National Accord (Libya)</td>
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<td>GPC</td>
<td>General People’s Congress, former President Saleh’s political party (Yemen)</td>
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<tr>
<td>HCCP</td>
<td>High Commission for Coordination among Provinces and Regions (Iraq)</td>
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<tr>
<td>IDP</td>
<td>Internally Displaced Person</td>
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<td>ISIS</td>
<td>Islamic State of Iraq and Syria</td>
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<td>KRG</td>
<td>Kurdistan Regional Government of Iraq</td>
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<td>KRI</td>
<td>Kurdistan Region of Iraq</td>
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<td>LGU</td>
<td>Local Government Unit</td>
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<td>LNA</td>
<td>Libyan National Army (Libya)</td>
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<td>MENA</td>
<td>Middle East and North Africa</td>
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<td>MOI</td>
<td>Ministry of Interior</td>
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<td>MOIM</td>
<td>Ministry of Interior and Municipalities (Lebanon)</td>
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<td>NDI</td>
<td>National Democratic Institute</td>
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<td>OECD</td>
<td>Organisation for Economic Co-operation and Development</td>
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<td>OL</td>
<td>Organic Law</td>
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<td>PMU</td>
<td>Popular Mobilization Unit (Iraq)</td>
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<td>SDF</td>
<td>Syrian Democratic Forces</td>
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<td>STC</td>
<td>Southern Transitional Council (Yemen)</td>
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<td>UAE</td>
<td>United Arab Emirates</td>
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<td>UN</td>
<td>United Nations</td>
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<td>UNDP</td>
<td>United Nations Development Programme</td>
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<td>United States Agency for International Development</td>
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<td>V-DEM</td>
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EXECUTIVE SUMMARY

INTRODUCTION
This desk study analyzes the extent to which governance is decentralized in law and practice in nine Middle East and North Africa (MENA) countries—Egypt, Iraq, Jordan, Lebanon, Libya, Morocco, Syria, Tunisia, and Yemen. In addition to presenting case studies of each of the nine, this study articulates key features of local governance, draws findings, and suggests broad programming implications.

OVERVIEW OF PROGRESS
Several MENA countries have made decentralization gains, particularly since the Arab Spring. However, these gains have been partial, incomplete, and limited by regime security and patronage concerns. The pandemic, national budget deficits, and escalating protests in some countries could spur further decentralization, but they will also exacerbate regime unease around maintaining stability and power.

Of all Arab countries, Lebanon had the best prospects for decentralizing government. Its comparatively weak central government—fragmented by the confessional system—and multiple centers of demographic gravity could have provided the space for local leaders to negotiate a local government system with greater degrees of independence and authority. The fact that Lebanon did not decentralize reflects the ability of central sectarian elites to maintain control of their communities and the division of patronage spoils. Although Lebanon scored somewhat higher than the next highest ranked countries (Tunisia, Morocco and Iraq in order of ranking) examined here on the Varieties of Democracy (V-DEM) index variable for local offices’ relative power, a variable that compares the power of elected bodies related to appointed ones at the same level of sub national governance, its score still falls well below that of countries in Europe. Despite some seemingly credible legal provisions for decentralization, Lebanon’s many municipalities are too small and weak to be effective.

Tunisia is the one MENA country in which a democratic transition yielded a strong commitment to decentralization, notable in the constitution and the expansion of municipality governance to all parts of the country. Although Tunisia deserves accolades for having designed, negotiated, and passed a complex local government law that guides decentralization and has given municipalities greater authority, the new code is not yet complete, conflicts with other laws, and provides municipalities with little guidance on how to work with other state institutions. Governorate councils have not yet been created. Municipal governments have lacked the capacity to improve public access to services; the new Ministry of Local Affairs is weak relative to ministries with which it must negotiate, such as finance; and constant turnover at the ministerial and prime minister levels has slowed further progress. Moreover, historically disadvantaged regions of the country continue to feel marginalized and may not yet feel that they have benefited much from decentralization. Opportunities to improve local capacities exist, but reinforcing political will, filling gaps in the laws, and addressing regional disparities in resources will also be important.

Both Morocco and Jordan have made top-down reform concessions when social and political turmoil has threatened to escalate. Both have aimed to improve service delivery in doing so. Jordan is more serious than Morocco about expanding provincial and municipal authorities and representation in the hope that a new social contract will respond to evolving sociopolitical dynamics. However, the numerous ministries involved in Jordan’s local government limit local government autonomy and can work at cross-purposes. In both kingdoms, incremental progress seems possible; in Morocco, it may resemble deconcentration if line ministries deliver on the National Administration Deconcentration Charter adopted in 2019. A major gain from Jordan’s system is the new ability of localities to aggregate needs and priorities and feed them
into governorate-level planning and from there to central authorities. This has made the central government more responsive and has begun to address some regional disparities. Jordan is now considering a revised system of local government and new draft legislation is before Parliament.

Iraq, with a federal legal framework, is unique in its substantial legal authorities for decentralization. In application, however, other than decentralizing authority to the Kurdistan Regional Government of Iraq (KRI), decentralization is limited, as suggested by Parliament’s dismissal of governorate and district councils; the failure to schedule local council elections; various Supreme Court decisions supporting federal power; and the fragmented nature of power centers and brokers, including diverse militias. The latter have sought to penetrate local government and have become another vehicle for collecting and distributing patronage. Nor has the KRI further decentralized to its governorates.

Egypt’s 2014 constitution provides for decentralization, but no implementing legislation has as yet been passed. Since the sociopolitical upheaval of 2011–2015, the Government of Egypt has prioritized stability and economic reform. In 2016, Egypt embarked on significant economic reforms that led to the devaluation of the Egyptian currency, adding to the economic hardships faced by Egyptians since 2011. Egypt’s economic and security challenges have adversely affected the government’s political will to undertake decentralization because of fear that it will weaken order and disrupt service delivery.

Libya, Syria, and Yemen show how patterns of local governance have evolved in authoritarian Arab states faced with collapse. In Syria, Law 107 is viewed by some regional observers as a tactic to mollify remaining opposition, secure international support for reassembling the country, and buy time for a reconsolidation of central power. As the International Crisis Group noted in 2018, it could provide a starting point, but changes, such as shifting authority from centrally appointed governors to locally elected bodies, would be required. In Yemen, many in the south and among the Houthis perceived President Hadi’s regional boundaries for a federal system as self-serving and objectionable and more in line with Saudi interests than with those of the diverse Yemeni people. These regime reform initiatives have been discredited and their legitimacy as a foundation for reestablishing the nation state is questionable. In Libya, a decentralization effort following Qadhafi’s ouster established municipalities and elected councils and assigned responsibilities but left the framework incomplete and vague. Libya now has a variety of formally mandated and informally constituted local governance arrangements.

KEY FEATURES OF SUBNATIONAL GOVERNANCE IN MENA

1. **MENA governments are still reasonably centralized in the non-conflict-affected countries and relatively remote from citizens. Democratic accountability is limited.**

Central governments prioritize security and order at subnational levels of governance. Thus, higher subnational government levels (e.g., governorates) are often managed by officials appointed by the center. Governors, for example, are often appointed by presidents, prime ministers, and kings and report to the Ministry of the Interior (MOI), which often plays a key role in local governance. For example, although Morocco’s 2011 constitution eliminated MOI authorities over municipal councils, governors reporting to the MOI still have oversight of the councils. In Tunisia, governors report to the Director General of Regional Affairs in the MOI, a directorate that was briefly moved to the new Ministry of Local Affairs when it was created but soon after moved back to the MOI. Governors in these countries perform important security, coordination, and political roles and manage critical patronage systems; their power generally outstrips that of elected local government bodies.
2. **Patronage is a critical feature of the governance system. Government at all levels often maintains control by distributing patronage and control over resources generated.**

Patronage networks are key to the governance system in these countries. For example, Lebanon’s confessional system and resulting fragmentation into small, weak municipalities forced local elites to forge ties with notables at the center, further strengthening the patronage system while diluting the possibility of cross-confessional dialogue about improving services and economic opportunity. In Jordan and Morocco, strong informal patronage networks extend down from ruling dynasties. Where these patronage systems are more robust, they may have permitted a degree of decentralization—perhaps because these regimes believe they can relinquish some formal power yet still influence outcomes. Where informal patronage networks are frail, as in Egypt and Syria, ruling elites lean on more formal methods of control, both institutional and legal, so decentralization presents a greater challenge.

3. **Popular pressure for greater local government authority has yielded some reform. However, low awareness, inconsistent pressure, and a focus on political change at the center often weaken demand.**

Citizens are often poorly informed about local government structures and authorities. This is unsurprising given complex, unclear legislation and inconsistent implementation. Dissatisfaction with local government performance is notable: in the 2018–2019 Arab Barometer, only Yemen shows a relatively high level of trust in local government, perhaps because of the overlap with traditional authorities such as tribal sheikhs. Egypt ranked second, which is odd given its heavy centralization. Libya and Iraq scored worst among the nine countries. Iraq provides a good illustration of dissatisfaction with the performance of elected provincial councils and governors in the federal system, as protests in recent years demonstrate.

In citizens’ minds, local government is frequently subordinate to more powerful forces at higher levels, leading protesters in Iraq, Lebanon, and elsewhere to focus their demands for political change primarily on central governments. However, there has been persistent demand for greater localization in some countries, such as among southerners in Yemen and neglected regions in Tunisia. Popular pressure has at times yielded important legal changes and changes in practice.

4. **Constitutional and legal frameworks do not provide clear, structured guidelines for relations among government levels.**

In some countries (e.g., Iraq, Tunisia), legal frameworks for decentralization look promising but are ambiguous, overlapping, incomplete, and/or contradictory either internally or with other legislation. A deep understanding of the relevant laws and legislative gaps is required to determine the extent to which a constitutional and legal framework delivers a decentralized system of governance. In some countries, such as Egypt, constitutions lack follow-up implementing legislation. In others, constitutional and legal provisions lack clarity themselves and require significant additional explanatory and authorizing regulations, as in Libya. In Tunisia, the article of the local government law laying out governorate councils’ authorities gives those councils the right to “discuss” and “consider,” language that is opaque. Implementation regulations for Morocco’s various decentralization laws have not been completed. At times, authorities provided to local government units (LGUs) are retracted, as in Morocco when some authorities initially granted only to municipal governments were later shared with the central government. Lebanon’s 1977 municipal law gave municipalities more power, but some 50 other laws then effectively reduced them. Iraq’s more substantial legal authorities for decentralization have been frequently undermined by Supreme Court and parliamentary decisions. Jordan is revising its local government system to address some current
challenges, making municipal councils once again directly elected bodies and adding mayors to governorate councils, but some provisions might enhance the authority of appointed entities.

5. **Even where the legal and regulatory framework seems clear, implementation may be lackluster and partial.**

Central governments intent on maintaining control of lower government levels have two lines of defense—the legal framework and implementation. When the first line weakens under public or other pressures, the central government can turn to the second. So in virtually all cases, the legal authorities for decentralization and local government empowerment appear more favorable than their implementation. The nine case studies present many examples of partial or absent implementation of relevant laws. LGU councils have not been elected in Egypt. The Iraqi Ministry of Finance has resisted allowing governorates to raise revenues, in possible violation of Article 28 of the constitution. Governorate councils have not been elected in Tunisia despite the law and the higher regional level has yet to be decided on. In Libya, Syria, and Yemen, the three most conflict-affected countries, legal frameworks can be implemented only in regime-controlled territory, if then, and the regimes that initiate them may not feel bound by the legal provisions.

6. **In countries at the edge of collapse, the constitutional and legal frameworks that stipulate decentralization do not structure relationships within or among levels of government.**

In the three conflict-affected countries, legal frameworks can be implemented only in regime-controlled territory, if then. The Syrian regime has effectively manipulated its local government law and while it has nominally elected councils at multiple levels of subnational governance, it controls who runs for a seat on those councils. Governors, with close connections to the security apparatus and the Assad family, are in control. In Libya, the GNA has signaled strong support for decentralization but the conflict has kept it from fleshing out the system beyond the municipal level. In Yemen, the territory under the sway of the Internationally Recognized Government has steadily shrunk. No local council elections have been held since 2008 and there has been attrition in council membership. No council functions as constituted at the governorate level. The Houthis have generally replaced councils with appointed supervisors in the territory under their control.

7. **The authorities of representative LGUs are limited, as is their autonomy from central government–led institutions.**

Line ministries, often responsible for major services such as public works and education, tend to guard their prerogatives jealously. The degree of deconcentration varies across countries and ministries. In Morocco, the 2019 National Administrative Deconcentration Charter aims to push ministries to deconcentrate services; not even **walis** and governors hold significant power over key line agency functions. At higher subnational levels, authorities are diverse across countries and not always fully realized. In Iraq, certain functions of eight federal ministries were handed to provincial councils. Two ministries, those of education and health, tried to retract services but were met with provincial government resistance. In Jordan, partially elected governorate councils have some (appointed) executive council oversight, but the law does not clearly spell out their authorities and governorate plans are assembled by the executive councils. The government is, however, considering a draft law that would change the local government system in 2021.

8. **LGUs tend to lack adequate resources to implement their functions.**
Local government expenditures as a share of central government expenditures—one measure of fiscal decentralization—are not significant in any of the nine countries. Morocco appears to devote the largest percentage of central government expenditure to local government, at around 12 percent—slightly below the median for OECD lower-middle-income countries. LGUs depend heavily on central government transfers and grants to operate. Two-thirds or more of LGU budgets may come from the central government, and transfers may not be predictable or timely. Although LGUs generally have authority to levy some taxes and user fees, they may not have the ability to set their own rates and often do a poor job of collecting taxes and fees. Much of their funding is allocated to staff salaries, including ghost personnel, leaving too little for services. Citizen dissatisfaction with services can and does deter payment and rate increases, creating a negative feedback loop. Although the reliance on own-source revenues is not notable, these revenues can still exacerbate regional disparities, particularly where, as in Iraq, equalizing transfers are not made by the central government.

Human capacity in LGUs across the region is also low. Space has been created for new actors to run for and win office at the local level, but they are generally underprepared to work with more numerous and higher-capacity deconcentrated and centrally appointed personnel.

9. Local government gender quotas exist in several MENA countries. Youth quotas exist in two countries.

Legally mandated gender quotas to ensure women’s representation and participation in subnational governance across the nine MENA countries vary considerably. Of all the countries reviewed in the study, Tunisia offers the most generous quotas for women with a 50-50 gender split and alternating placements between men and women on party electoral lists. By contrast, Yemen and Syria have no legal quotas to elect women at the subnational levels. Women’s participation levels in government vary across Syria, with higher numbers seen in Kurdish-led regions. In Lebanon as well, despite continuing advocacy efforts by women to advance women’s quotas for both municipal councils and Parliament, there has been no progress. Lebanese women currently hold 5.6 percent of municipal council seats, and only 7 percent of those who ran for office in the 2016 municipal elections were women. The lack of quotas in representative bodies remains a source of discontent and was also reflected in the 2019 protests. Egypt, Iraq, Jordan, and Morocco fare better in that each has passed legislation that sets aside seats and establishes quotas ranging from 25 to 30 percent for women on regional and/or municipal councils, though implementation rates vary. For example, in Jordan, women gained more than 30 percent of the municipal council seats and roughly 32 percent of the local council seats, but in Morocco not all local councils have met their 30 percent female quotas yet. Jordan’s draft local government law, to be taken up next year, would raise the quota for women to 50 percent. Libya’s municipalities law guarantees that there be at least one woman on municipal councils that comprise seven to nine members, yet no municipal council in the country has more than the one required woman.

Tunisia and Egypt have youth quotas, but currently Egypt lacks elected local government councils.

10. Libya, Yemen, and opposition areas in Syria show examples of diverse manifestations of local governments, some of which are more oriented to responding to citizen needs.

Local government structures in these three conflict-affected countries may be derived from formal legal authorities, as is true of many Libyan municipalities, and/or rooted in local customs or military/militia power. They result from or are influenced by the collapse of central authority and the assumption by local individuals, groups, and institutional actors of responsibility for managing local affairs. They can thus vary
substantially in their arrangements. Resources vary based on local assets. Controlling oil or gas resources and smuggling routes will generate more income. Ongoing conflict and militia interference or domination adversely affect the functioning of local government. And even where local management is somewhat effective, it is quite different from that of a democratic, institutionalized local government emerging from political bargaining and compromise.

**KEY FINDINGS**

1. **In assessing the design of local government systems and how they unfold in practice, the region appears to lack transportable models of decentralization.**

   Weaknesses in decentralization laws and their application suggest that the region does not possess viable decentralization models that might usefully be adapted and applied from one country to another. However, many commonalities, including challenges and opportunities, exist across the region even if a complete decentralization model does not exist. This finding could be an artifact of this desk study’s broad focus on countries and intragovernmental relations. An analysis accompanied by fieldwork and a narrower focus on clusters of or individual LGUs might reveal innovations and promising practices that could be shared among donors and local government communities of practice. Examples can be found of LGUs that function effectively even within the constraints of a given system by virtue of social and political connections, ability to work the system, and sheer energy.

2. **Although centralization is driven partly by regime insecurities, decentralization reforms tend to occur in the wake of regime collapse and/or rising popular opposition.**

   Decentralization reforms sometimes occur as part of broader democratic reforms after regime collapse to accommodate rising calls for greater citizen participation, service delivery improvement, economic opportunity, and an end to corruption. Such reforms have been more far-reaching when public dissatisfaction has threatened the hold of central political elites or grown out of a democratic “moment,” as with the Arab Spring protests. In such cases, central governments initiate top-down reforms to quiet public discontent and stave off pressure for more radical change—a tactic referred to as change to preserve the status quo. Even in Tunisia, where decentralization was a key part of a genuine political transition, the decentralization law was drafted largely by powerful civil servants. It is possible that as Arab states’ fiscal position weakens under the combined effects of oil price shocks, COVID-19, and conflict at home and nearby, a new willingness to empower LGUs could emerge among central authorities to address citizen demands for better services and more jobs. But without substantial, sustained bottom-up pressure in support of protesters’ calls for decentralization, central powers may anticipate regaining any ground given once protests abate. It may also be the case that as threats to regime security escalate, the spaces for citizen engagement and localized decision making could well contract. COVID-19 is perhaps a unique case that demonstrates the importance of a strong central government approach.

   Sometimes governments desperate for international recognition and donor support will also initiate—or signal through the passage of laws and policies—support for decentralization. For example, the weak Government of National Accord (GNA) regime in Libya has pushed an aggressive decentralization agenda out of a desire to garner broader international support. In such cases, implementation generally lags.
3. **The autonomy and power of locally elected representative bodies lag behind that of such bodies in other regions of the world.**¹ Higher levels of representative subnational governance (regions and governorates) often do not exist and in recent years have lost ground to appointed authorities.

Despite improvements in the creation of and authorities provided to locally elected bodies since 2011, progress has been slower than elsewhere in the world. This finding echoes features described above related to the degree of centralization of polities and the limited authorities granted to LGUs. There is a notable gap at the governorate/regional level, which is the level most strongly influenced by central government and its appointed representatives. Morocco has elected regional councils; Iraq has one region in its federal system, the Kurdistan Region; and Tunisia which should have regions does not as yet. Morocco and Iraq have elected governorate councils. Iraq’s councils were dissolved by Parliament in 2019; new elections have not yet been held. Jordan has governorate councils that are partly elected and partly appointed. Syria has elected governorate councils but the candidates who ran in the 2018 elections were approved by the regime. Others that should, by virtue of their constitution or law, have elected governorate councils do not, including Egypt, Libya, and Tunisia. Lebanon’s 1990 constitution specified elected councils at the district level, the level of subnational governance between municipalities and governorates, but these have never been instituted. Districts and governorates are run by individuals appointed by the central government. Generally, as noted, governors and their executive councils hold the real power in the governorates.

4. **In the three conflict-affected states of Libya, Syria, and Yemen, decentralization and protection of local autonomy will be required for peace.**

In these states, where there is no trust in central and sometimes regional elites, decentralization could provide a pathway to conflict resolution, as it was hoped that federalism would do for Yemen. Political fragmentation destroyed the state’s territorial integrity and provided openings for both internal and external forces to challenge the state and for local administrations with varying degrees of resources and autonomy to emerge. Such a multiplicity of de facto LGUs, some with grassroots legitimacy and some with little legitimacy and often unstable or in conflict, are inherently difficult to reconcile with national reconstruction. The process of reconsolidating state power under these conditions is more akin to postwar peace negotiations than to reconfiguring center-periphery relations in a united nation state. In Libya, decentralization and the equitable distribution of state resources are major grievances and constitute issues that are being ostensibly addressed in all of the political solution discussion tracks. Autonomy for localities rejoined with some whole or part of the former state will be required for negotiations to move forward, although military conquest, as with the Houthis in most of northern Yemen, may render the need for compromise on a system of greater local autonomy moot.

5. **Foreign engagement, particularly in the three conflict-affected countries, may continue to hamper formal decentralization in some countries and prevent rebuilding of the state in others.**

The number of foreign actors interfering in political, military and economic matters is large and includes the UAE, Saudi Arabia, Iran, Russia, and Turkey, among others. Iranian engagement in local governance is apparent in Iraq, Lebanon, Syria, and Yemen. Although Iranian-Saudi rivalry is vibrant in the region and

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beyond, the Saudis and their allies do not have local level capacities equivalent to those of Iran via support to and influence over Hezbollah in Lebanon, the Popular Mobilization Units (militias) in Iraq, and the Houthis in Yemen. Iran has capacities at both local and national levels in the countries in which it is engaged and can adapt its tactics depending on circumstances. Saudi Arabia does not show the same range of tactics, judging by its efforts in Yemen. The Saudis do at times intervene in local governance—for example, the Saudis have impeded local government operations in al-Mahra governorate while the UAE has engaged heavily in Socotra in Yemen. Foreign engagement may prolong the conflicts in these countries and impede the reconsolidation of fragmented states in the region.

**PROGRAMMING IMPLICATIONS**

1. **Support a model in the making.**

Tunisia provides a partial exception to the conclusion that the region lacks readily transportable models of decentralization. Though not yet a fully fleshed-out system—features such as the election of representative governorate or regional councils have yet to be developed—it shows promise. Arab publics debate important political reforms in the region, so a relatively successful case of local government empowerment could resonate throughout MENA. Because Tunisia has the best prospect for democratization and decentralization and shows the greatest commitment, it merits backing for its own sake and as a possible exemplar.

Finding more granular models at the lowest SNG levels through donors and municipal exchanges and sharing those models across countries may also have utility.

2. **Support middle tier governance to strengthen its efficacy and representativeness, where possible.**

The middle tiers of governance can pose challenges to donor investment due to strong central government control but where there are representative institutions, assistance to those levels could help strengthen regional economic and infrastructure development and improve the potential for generating own-source revenues at subnational levels. If the lowest levels of subnational governance are to function, they need to be embedded in supportive structures. Otherwise, investments in capacity development in a number of targeted municipalities may come to resemble isolated patches of green in an otherwise “barren” landscape. As such, improvements may not be sustainable. Investments might include strengthening region/governorate representative councils where they exist (e.g., Morocco) and trying to create (or reestablish) them where they should exist but do not (e.g., Tunisia, Libya, Iraq).

3. **Incremental progress is possible in several MENA countries and should be supported. Programming must fit the challenges and opportunities in each environment.**

The nine countries present four environment types, though the boundaries between these types are indistinct and a country can fall into more than one category:

- In countries that are **legally decentralized but informally centralized**, such as Morocco, programming might try to strengthen the implementation of legal measures. Doing so requires a nuanced understanding of the political economy factors blocking implementation, as well as enhanced citizen understanding of decentralization and pressure for central government delivery on commitments.
- In countries that **need legal reforms to advance decentralization**, such as Tunisia and Libya, supporting advocacy, public education, and technical input on laws may be a useful step. Such approaches would
include supporting the rationalization of contradictory or vague laws. Again, such efforts must be
informed by a political economy analysis that explains the barriers to progress. In these cases,
supporting service delivery alone is unlikely to yield sustainable results. Where regimes are growing
more authoritarian, as in Egypt, such efforts may be a poor investment, but opportunities may exist
to advance deconcentration through public sector reform technical assistance.

- In countries such as Jordan, Morocco, and Tunisia that have parallel systems flowing down from the
center—administrative (the stronger of the two) and representative—looking for approaches that
could help shift the balance to give more authority to the representative system might be possible.
This might be accomplished by supporting policy or institutional reforms and enhancing knowledge of
how the system should and does function so that local actors including civil society organizations
(CSO) can be more proactive agents of reform.

- In conflict-affected countries, investing in localities of strategic interest to the United States (such as
GNA areas in Libya) and/or areas with potential for violence reduction by working with traditional
and modern authorities and CSOs to improve essential services, mitigate conflict, and engage citizens
may provide a good return. It is essential, however, to understand 1) who the target authorities are
and their objectives and means; and 2) to monitor unanticipated shifts in power among key actors. A
focus on services in such contexts is essential.

4. **Support greater understanding and articulation of demand for decentralization,**
   especially where such a demand has emerged.

Activities to support local actors explaining the utility of and advocating for decentralization and
enhancement of local government capacities could benefit all MENA countries, except those where central
government has collapsed and/or the writ of central government is not countrywide. In these conflict-
affected contexts, the key question is how to forge a coherent national government without recentralizing
it at the expense of local authority and capacity. Elsewhere the demand for decentralization is variable and
not yet sustained, even within political opposition movements. As noted, there is a deficit in public
knowledge of decentralization’s utility, potential for improving services, and ways of operating. Generating
demand and disseminating information through advocacy and outreach programs conducted by CSOs has
almost regionwide applicability. Where there are reforms, such as Jordan’s 2015 decentralization law or
a revised system now under consideration, public education is critical, especially when the responsibilities
of elected and appointed bodies/posts seem unclear or have altered. Regionwide meetings of local
government authorities, CSOs, and think tanks interested in decentralization would enhance knowledge
and allow sharing of lessons and approaches.

5. **Foster local capacity for governance, particularly where central government capacity
   is dwindling or nearly nonexistent.**

Where central government capacities are weak or nonexistent, as in Lebanon and the three conflict-
affected countries, supporting local government efforts to provide basic public goods and services and a
modicum of security can serve humanitarian purposes and build local government capacity to help fill the
governance deficit created by a weak state. It can also increase citizen awareness of and engagement with
local government, thereby positioning both consumers and service providers for greater local
empowerment. Such local resilience activities seem particularly appropriate in Lebanon, Libya, Yemen, and
regions of Syria outside Damascus control. Improving local capacity may also be important in divided
societies prone to conflict and where ethnically or regionally marginalized groups exist, such as Sunnis in
Iraq or southerners in Yemen. Strengthening LGU capacity may also be useful in Morocco and Jordan,
where central government control is not so absolute as to impede some autonomous local government
activity. In Tunisia, with its more favorable laws and political environment, investments can aspire to more ambitious objectives. Both LGUs and CSOs are potentially suitable partners for these activities.

6. **Support women and youth to strengthen their role in local political parties and run for local council seats.**

Although such interventions may customarily fall under political party programs, developing the capacity of women and youth interested in running for local office and supporting political parties to create space for women, especially where party list systems prevail, may help more independent and responsive female and youth leaders emerge. This is a particularly viable approach where quotas exist.

7. **Where the most representative units of local government are too small and impoverished, expand and strengthen joint action and municipal federations.**

The most representative LGUs are found at the lowest government level. Particularly in Lebanon, they are too small to function. Lebanon has experience with municipal collaboration, and USAID in recent years has encouraged such partnerships. Libyan and Tunisian municipalities have also shown some interest in collaboration; supporting such efforts may be useful. Encouraging CSO-municipality collaboration where this is viable, as well as public-private partnerships, also makes sense given weak LGU capacity.

8. **Monitor shifts in policy and practice.**

Central governments based in Damascus and Cairo appear to have little interest in decentralization regardless of commitments and laws. Investment does not seem merited in these cases, except through line ministries in Egypt to improve services. However, a cautious approach could include monitoring changes in government policy. Governments have waxed and waned in their decentralization policies in the region and, as noted, have sometimes liberalized to stave off perceived threats from an angry public.

9. **Build ongoing political economy analysis into programming.**

Informal patronage networks are often critical to regime maintenance. Donor programs must work within formal legal frameworks but should also consider how patronage networks and the administrative system of political management intersect with formal institutions and rules. An in-depth understanding of how legislation and regulation are sometimes used to undermine decentralization is needed. It is critical to understand who wins and who loses from a donor funded decentralization activity. Programming will need to consider how to deal with potential “losers” (often more powerful than the likely winners) who might block change. Actors, tactics, interests, and alliances can all shift, and programming must adapt to those changes. It may in some cases be possible to find committed actors to support, but in highly fluid political contexts, their ability to deliver could change. Political analysis will need to be applied throughout a program both at the central level and in localities where USAID has decided to work. This is not easy to do in conflict settings, where flux is the norm. Implementers may need to accept that the risk of doing harm is not entirely avoidable. Effects in such complex environments cannot always be predicted but trying to minimize risks with good context monitoring is important.
**INTRODUCTION**

This paper is one of three interlocking products addressing local governance and decentralization in the Middle East and North Africa (MENA). **Product 1**, a reference guide, contains fact sheets on local governance legal frameworks and practices for decentralization in Egypt, Iraq, Jordan, Lebanon, Libya, Morocco, Syria, Tunisia, and Yemen. These fact sheets were finalized in October 2020.

**Product 2**, this paper, assesses in greater detail the legal framework for decentralization and the extent of framework implementation in each of the aforementioned countries. The paper is organized as follows:

- **Section 1** provides a brief historical background.
- **Section 2** offers a comparative analysis of key features of local governance across the region and the central findings derived from these features. Section 2 compares degrees of centralization/decentralization, country progress, and models in use across the nine countries to uncover similarities, differences, and promising practices.
- **Section 3** presents donor programming considerations.
- **Section 4** includes the nine country case studies. They are organized alphabetically but with the three countries currently in conflict—Libya, Syria, and Yemen—clustered at the end so readers can more easily note commonalities. This section analyzes discrepancies among laws and between law and practice. It also assesses popular demand for decentralization. Readers will find in this section the evidence used for the comparative analysis and programming recommendations in Sections 2 and 3.
- **Section 5** provides a summary conclusion.

**Product 3**, “Supporting Local Governance in Areas of Limited State Presence: Literature Review,” explores the forms of local governance and service provision that emerge in fragile and conflict-affected settings, where the writ of the state is weak and may not cover all the state’s territory.

**BACKGROUND TO LOCAL GOVERNANCE IN MENA**

Beginning with the 2011 Arab Spring protests, the MENA region has witnessed calls for more effective subnational governance. Several countries, including Egypt, Iraq, Jordan, Libya, Tunisia, and Yemen, have responded by announcing and/or initiating efforts to reform centralized governance structures.

A 2014 global study of decentralization ranked countries on a government closeness index that assessed “the closeness of their government to the people,” a fundamental principle of decentralization. The assessment considered local government’s relative importance; its security of existence (the risk of arbitrary dismissal or capricious changes to local government laws or practice); and the degrees of financial, political, and administrative decentralization. Of the 182 ranked countries, only one MENA country among the nine under review, Lebanon, ranked in the higher-scoring upper half, and it just barely missed the bottom half. On the important political decentralization index, Iraq ranked in the second quartile, and the remaining eight countries fell into the bottom half. All nine ranked low on the security of their local government units (LGUs) from arbitrary dismissal.

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2 Maksym Ivanyna and Anwar Shah, “How Close Is Your Government to Its People?: Worldwide Indicators on Localization and Decentralization,” *Economics* (January 27, 2014). Note the 2014 date; there would need to be some adjustments in values and relative rankings, especially in Egypt, Jordan, Morocco, and Tunisia. Although scores were awarded for the three conflict countries across all variables, those scores would seem largely illusory.
This relative degree of centralization may reflect the challenge of shifting the historical and political legacies of four successive eras of centralized government in the Arab world. Regional government in the Ottoman Empire, which encompassed most of the Arab countries under consideration here, was based on a patronage system that placed absolute power in the hands of a governor who in turn appointed local representatives, frequently in exchange for a commission that the representative would then recover in taxes and fees from those he governed. Colonialism reinforced this prevailing, highly centralized, unaccountable system, especially in the form of the Napoleonic French model, which served as the primary exemplar of European-style government in the Arab world. The post-independence nationalist era in most Arab republics witnessed the rise to power of political strongmen, intent on homogenizing their nations and ruling them from the center with iron fists. Local “big men” or “notables” who emerged under colonialism were then frequently expropriated and politically marginalized, their influence assumed by party cadres, military and police officers, and other centrally appointed administrators.

The post-post-independence period that began after Israel’s 1967 defeat of Egypt, Jordan, and Syria brought the first ripple of liberalization to the post-colonial Arab world. Though lacking the momentum to bring thorough decentralization, this liberalization did yield more open political debate, including in some parliaments. Decentralization emerged on the agenda of some Arab governments and civil societies only after the 1973 war, when Egypt, under Sadat, began to liberalize. Lebanon, for example, granted municipalities more power over policies and service delivery in 1977. But ruling elites’ extensive reliance on accruing and dispensing patronage resources to shore up their support created a disincentive for decentralization.

In the late 1980s, Arab governments began to pursue decentralization initiatives in response to mounting domestic political pressures following the collapse of oil prices earlier in the decade. Broader liberalizations in most countries came to include decentralization, which foreign donors promoted and supported. This period saw only modest gains. For example, elected local councils were established in Egypt, but often those elected were mainly civil servants whose debt to their ministry employer was likely to be greater than that to their constituents. Still, debate around decentralization in the Arab world was further enhanced by the creation of a federal, decentralized system in Iraq in the aftermath of the U.S. invasion in 2003. As that decade wore on, however, Iraq slid into civil war and made little real decentralization progress.

Some analysts of the region thought progress was limited because reform efforts were primarily a top-down initiative by central governments seeking enhanced local resource mobilization (to alleviate strain on national budgets) and service delivery improvements (to alleviate domestic political discontent) rather than genuine interest in sharing power. Although populations in some states, such as Lebanon or in the south in Yemen, recognized the need for greater decentralization to improve services, sustained popular demand was less notable elsewhere. The weakness of this demand, combined with governments’ concern about decentralization’s potentially negative political and economic consequences, rendered the top-down approach insufficient. And violence in Iraq, coupled with corruption and government incompetence, demonstrated that federalism was not the cure-all for problems assumed to flow overwhelmingly from heavily centralized governance.

A new, more serious regionwide effort to decentralize commenced after the 2011 uprisings. In numerous Arab countries, protesters demanded decentralization, including elements such as greater local electoral participation, more control of elected local bodies over executive bodies, strengthening of local government capacities, and associated constitutional/legal changes. Ultimately some of these demands yielded changes to constitutional/legal structures—notably in Egypt, Libya, Morocco, and Tunisia and, to
a lesser extent, Jordan. At the same time, the National Dialogue process in Yemen opted for a federal system to accommodate demands for strong regional autonomy from several regions, especially the south. These changes suggested that governments and civil societies in Arab countries could commit jointly to decentralization.

Unfortunately, Libya, Syria, and Yemen could not resolve their internal political disagreements (e.g., in Yemen over the proposed federal structure of regions), fell into civil war, and faced heavy foreign intervention. In these three countries, militias and diverse political stakeholders, with their growing power and autonomy, propelled de facto localization and defended it as both an antidote to the reestablishment of authoritarian central government and a way to forge local building blocks for a pluralist national order. De facto localization has not led to the reintegration of autonomous regions into national political orders in Libya or Yemen, and in Syria it has done so only through military imposition by a reemergent, authoritarian center. As proxy wars in Yemen and Libya heighten the fears of neighboring governments that domestic opponents will seek external support, incumbents could strive to maintain as much centralized control as possible.

Comparing Subnational Governance across MENA

MENA countries exhibit similarities in decentralization and local government, as well as in the factors supporting both change and the status quo. The nine countries in the sample have experimented to varying degrees with better aligning the roles of central, regional, and municipal actors through combinations of deconcentration and devolution, though some of that experimentation takes the shape of a legal commitment more than of actual practice. These efforts have aimed to (1) make local public administration more effective and ensure coordination among organs of state and (2) respond to and dampen public discontent. Achieving these objectives has been complicated by the political nature of the changes; the political “glue” provided by patronage systems; the priority placed on security; and the decline into conflict and fragmentation in Libya, Syria, and Yemen.

Key Features of Subnational Governance in MENA

1. **MENA governments are still reasonably centralized in the non-conflict-affected countries and relatively remote from citizens**. Democratic accountability is limited.

Central governments prioritize security and the political control of citizens at lower levels of governance. Security institutions and personnel play an outsized role in countries such as Egypt, Jordan, and Morocco and often have their own parallel authority and communication networks that undermine the civilian bodies’ nominal powers.

Higher subnational government levels (e.g., governorate or province, district) tend to reflect the central state’s deconcentrated structures and are managed by officials appointed by the center. Governors are key actors in the system and are often appointed by presidents, prime ministers, or kings. Only in Iraq are governors indirectly elected by the elected provincial council, but even here the Supreme Court has decided they constitute federal employees. Governors across the region generally report to the Ministry

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3 However, the boundaries of the new federal units proposed by the Hadi government were rejected by both the Houthis and the southern movement.

4 Ivanyna and Shah’s index of closeness of local government found that local governments in MENA served larger numbers of citizens per LGU than those in any region except for East Asia and the Pacific. Lebanon would be an exception. Areas under regime control in Syria also experience centralized governance.
of the Interior (MOI), which plays a key role in local governance and is responsible for security, coordination, and management of critical patronage systems. The power of governors and their executive councils/offices outstrips those of elected local government bodies. In Morocco, for example, the governor continues to exercise control over municipal council decisions through arcane bureaucratic procedures. In Jordan, the governor heads an appointed executive council that prepares the budget for the governorate, despite the existence of a partially elected council. In Tunisia, where elected municipal councils already exist and governorate councils still need to be elected, the governor remains a key player and holds substantial power at the subnational level. Governors report to the director general of regional affairs in the MOI, a directorate that was briefly moved to the new Ministry of Local Affairs when the latter was created but was soon afterward moved back to the MOI. Relationships between the appointed governor and the elected municipal and regional councils are unclear and have already generated conflicts that have resulted in resignations of several municipal council leaders over the course of 2019–2020. The governor, appointed by the prime minister, reports to the MOI, whereas local councils fall under a new and much weaker Ministry of Local Affairs. The latter is ill positioned to negotiate with ministries such as finance or the interior.

Several countries exhibit parallel administrative and elected local governance systems (particularly at the provincial or regional level), with primacy given to the former. District heads (qaimaqam) are also generally appointed. Jordan, Morocco, and Tunisia (during this period of reform), for example, appear to operate dual administrative and representative systems of local governance—with the former the stronger—as did Egypt before the 2011 Arab Spring. In March 2011, Egypt dissolved the elected system and since then has had only the administrative one and is thus heavily centralized. Syria’s system is also strongly centralized: all governors have connections to security agencies or the Assad family and are effectively the president’s men. In 2018, the governors assembled candidates and party lists for the governorate council elections. In Tunisia, newly elected municipal leaders face challenges in making substantive changes or in aiding their communities’ development given the absence of clear guidelines delegating human and financial resources and delineating roles and responsibilities of mayors, municipal councils, and governors.

Municipalities tend to be the most representative level of subnational governance but naturally have fewer authorities. Mayors and councils are generally elected, except in Egypt, where mayors/governors are appointed and all elected councils were dissolved in 2011.

Line ministries often retain substantial control of major service provision and resist decentralizing services to entities they consider incapable. Appointed governors have varying degrees of control over line ministry services; those in Tunisia control regional line ministry offices, whereas those in Morocco appear to have less control. In Iraq, line ministry services have been decentralized to a greater extent, but this shift has not come without challenges.

Advances in decentralization do not typically result from popularly elected councils demanding more authority and resources. The top-down manner of most decentralization efforts gives the central government control over how much power is shared and in what form. Administrative decentralization or deconcentration seems more common than true political decentralization accompanied by serious authorities and real autonomy.

2. **Patronage is a critical feature of the governance system. Government at all levels often maintains power by distributing patronage and controlling the resources generated.**
Patronage networks are key to these countries’ governance systems. In Morocco, for example, the king formed alliances with rural notables, ceding to them local power and opportunity in exchange for allegiance and submission. As these rural notables became agents of the central state, they became more accountable to the center than to their own localities. That system has evolved with the emergence of new urban political party elites who support the status quo in exchange for economic or political gains. In Yemen, many tribal sheikhs in the waning years of the Ali Abdullah Saleh regime were suborned with business licenses, favors, and a comfortable life in Sana’a. They failed to provide benefits to their communities and thereby lost their effectiveness (and sometimes respect) as leaders of their tribes. Similarly, Lebanon’s confessional system and the resulting division of the country into small, weak municipalities forced local elites to forge ties with notables at the center, further elevating patronage’s importance while diluting the possibility of cross-confessional dialogue about improving services and economic opportunity.

In Jordan and Morocco, the strong, informal patronage networks extending down from ruling dynasties have both permitted some decentralization and presented the primary obstacles to progress in decentralization. Morocco perhaps illustrates better than any other MENA country the importance of informal networks of power—the stronger they are, the more willing elites may be to allow constitutional and legal decentralization measures, perhaps because they believe they can control outcomes regardless of the law. Where informal networks of patronage are frail or crumbling, by contrast, as in Egypt and Syria, ruling elites must lean on more formal methods of control, both institutional and legal, so decentralization presents a greater challenge.

Where new political actors emerge in decentralized systems, as at the governorate level in Iraq, the struggle over patronage resources (to gather and distribute) can be intense, as fighting between governorate councils and the indirectly elected governors suggests.

Some local governance reforms, such as Jordan’s 2015 law, could provide a new channel through which to extend patronage networks to previously excluded social groups and tribes as a way to shore up the social contract. Jordan proposes a major legislative reform to its system in 2021, and as yet it is unclear how decentralization will evolve.

3. **Popular pressure for greater local government authority has yielded some reform.**
   *However, low awareness, inconsistent pressure, and a focus on political change at the center often weaken demand.*

Citizens are often poorly informed about local government structures and authorities and thus perhaps not well placed to apply consistent pressure in favor of stronger LGUs. This is not a surprise given complex and unclear legislation as well as inconsistent and weak implementation. In addition, authorities are often so limited and performance so weak that the return on investment from efforts to advocate might be viewed as small. Dissatisfaction with local government performance is significant—in the 2018–2019 Arab Barometer, only Yemen showed a relatively high level of trust in local government, perhaps because of the overlap with traditional authorities such as tribal sheikhs. Egypt ranked second, which is notable given its heavy centralization. Libya and Iraq scored particularly badly among the nine countries. Iraq provides a good illustration of dissatisfaction with the performance of elected provincial councils and governors in the federal system, as protests to bring down some governorate councils or governorates suggest.

Power still rests at the center. Those who seek political reform are more likely to apply pressure at that level. This has led protesters in Iraq, Lebanon, and elsewhere to focus their demands for political reform
on central government. However, demand for local governance reform has existed in some countries for some time, as in Lebanon and southern Yemen. That demand can become sharper and broader based, as it did after the fall of Ben Ali in Tunisia and Qadhafi in Libya and during the National Dialogue Conference in Yemen. Popular pressure has yielded important decentralization legal changes—for example, in Libya and Tunisia and in Yemen prior to its collapse.

Serious reform efforts attract notice in the Arab world and can promote thinking about approaches to reform. For example, the experiment with federalism in post-Saddam Iraq, the first federal model in the region, garnered both criticism and praise. Critics applied the term “Lebanization” to accentuate the deterioration of central authority and rise of internal strife in Iraq, concluding that federalism would destroy national sovereignty. Supporters put forward possible gains, arguing that the “Iraqi model” could resolve conflict in countries beset by violence, such as Syria and Yemen; extend rights to marginalized minorities, such as the Kurds; and improve services through greater local control. Later, participants in Yemen’s National Dialogue agreed to adopt a federal system to meet strong demands for local autonomy.

4. **Constitutional and legal frameworks do not provide clear, structured guidelines for relations among government levels.**

In some countries, legal frameworks for decentralization look promising (e.g., Iraq, Libya, Tunisia) but remain ambiguous, overlapping, incomplete, and/or contradictory. A deep understanding of the relevant laws, regulations, decrees, and circulars, as well as legislative gaps, is required to determine the extent to which the constitutional and legal framework establishes a decentralized system of governance.

In some countries, such as Egypt, constitutions lack follow-up implementing legislation. In others, constitutional and legal provisions lack clarifying and authorizing regulations and the framework remains unsettled, as in Libya, where Law 59 did not lay out clear enough municipal responsibilities and did not authorize municipalities to raise local revenue. Law 59 also failed to address the governorate level. Egypt’s 2014 constitution committed to decentralization but implementing laws have not been passed. The Egyptian draft law on local administration was put on indefinite hold in 2020. Morocco’s 2011 constitution eliminated MOI authorities over municipal councils, but governors reporting to the MOI still have oversight of the councils. Implementation regulations for Morocco’s various organic laws (OLs) have not yet been completed.

In other cases, authorities provided to LGUs with one hand have been taken away or undermined by the other, as in Morocco, where certain municipality authorities became shared with the central government. For example, the 2009 Municipal Charter gave municipalities the authority to build and maintain primary schools and clinics; the 2015 law made this a shared responsibility with the central government. Lebanon’s municipal law 118 (1977) gave municipalities more authorities, but some 50 other laws then effectively reduced these authorities. Many services or functions have their own central government regulations that overlap those of municipalities and set up competing jurisdictions. Legal frameworks sometimes create shared functions with little clarity on which level does what. Authorities may also be allocated to LGUs and then later taken away.

Iraq is unique among the nine countries in its substantial legal authorities for decentralization, but these authorities have been undermined by Supreme Court and parliamentary decisions, such as the arbitrary dismissal of governorate and district councils by the latter.

5. **Even where a legal and regulatory framework seems clear, implementation may be lackluster and partial.**
Central governments intent on maintaining control of lower government levels have two lines of defense—constitutional/legal structures and implementation. When the first line weakens through attempts to address public dissent, the central government turns to the second. So in virtually all cases, the legal authorities for decentralization and local government empowerment are more favorable than their implementation. Because the rule of law is not absolute in any of these countries, the constitutional/legal framework is not definitive or binding but only one factor in determining actual processes and outcomes. Decentralization can appear more cosmetic than real.5

The nine case studies show many examples of partial or absent implementation of relevant laws. LGU councils have not been elected in Egypt. Governorate councils have not been elected in Tunisia or in Libya or Lebanon despite the law, and in Tunisia the higher district (iklim) level has yet to be decided on. Decentralization Law 21 has not been fully implemented in Iraq. The Iraqi Ministry of Finance has resisted allowing governorates to exercise their legal mandate to raise revenues, in possible violation of Article 28 of the constitution. District councils were not uniformly elected as required, and the Iraqi parliament dissolved both provincial and district councils and delayed elections more than once. Morocco’s advanced regionalization strategy, promoted by the king, has not been fully implemented.

6. In countries at the edge of collapse, the constitutional and legal frameworks that stipulate decentralization do not structure relationships within or among levels of government.

In the three conflict-affected countries, legal frameworks can be implemented only in regime-controlled territory, if then. The Syrian regime has effectively manipulated its local government Law 107, which in any case allows for strong central government power in the areas it controls. For example, in regime-held areas of Syria, governors hold greater power than elected governorate councils do. The regimes that design these frameworks do not feel bound by them and may be disinclined to implement them. In Libya, such frameworks are applied in the Government of National Accord (GNA)–controlled areas; although some councils elsewhere were legally constituted, they may take extra-legal authorities to raise revenue to serve some citizen needs. In Yemen, the internationally recognized government has scant ability to implement any legal framework. Local authorities will raise revenue by whatever means they can.

Frequently, regimes model their frameworks on international best practice in part to gain international legitimacy and thereby support for their efforts to maintain power and reassemble their countries. Regime opponents may also have ulterior motives in advocating for decentralization—typically, they hope to discredit or even displace ruling elites. As an oppositional tactic rather than a strategic, value-based commitment, decentralization is then likely to be abandoned when and if that opposition comes to power, as the Houthis did when they took over a significant part of Yemen.

7. The authorities of representative LGUs are limited, as is their autonomy from central government–driven institutions.

As noted, line ministries tend to guard their prerogatives jealously and are responsible mainly for major services such as agriculture, public works, and education. The degree of deconcentration varies across countries and among ministries. In Morocco, a national deconcentration charter was passed in 2019 to

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force ministries to deconcentrate services; not even the walis and governors held significant power over key line agency functions in their region or province.

At higher subnational levels, authorities are diverse and not always fully realized. In Iraq, certain functions of eight federal ministries, such as agriculture, youth and sports, and finance, were turned over to provincial councils, though attempts were made later to reclaim education and health services for the federal government. In Jordan, the 2015 decentralization law makes governorate councils responsible for strategic planning for socioeconomic and service provision. The councils also have some legislative functions and exercise some oversight of the executive councils, but the law does not clearly spell out elected council authorities. As noted below as well, capital investments are often decided on and funded from the center.

Municipal government responsibilities often include tasks such as public safety, issuing building and construction permits, managing public markets and spaces such as parks, water, electricity, sewerage and solid waste disposal, sports and cultural institutions, public hygiene, food safety, and urban planning.

In conflict-affected settings, outside of and sometimes nominally within regime control, municipalities may exceed their authorities to fill gaps in central government capacity.

8. **LGUs tend to lack adequate resources to implement their functions.**

On the closeness to government index referenced earlier, local government expenditures as a share of central government expenditures—one measure of fiscal decentralization—were not significant in 2014 in any of the nine countries. Morocco appears to devote the largest percentage of central government expenditure to local government, at around 12 percent—slightly below the median for unitary lower-middle-income countries recorded by the Organisation for Economic Co-operation and Development.6

LGUs depend largely on central government transfers and grants for many services, transfers that do not necessarily arrive in a predictable and expected manner. The portion of LGU budgets coming from the central government is 64 percent in Morocco, 69 percent in Tunisia, and 50 percent in Lebanon. Some central governments provide guaranteed shares of national taxes and fees—for example, provinces in Iraq are allocated 50 percent of the taxes and fees imposed by the federal government in that province and obtain a percentage of oil and gas revenues. In Jordan, LGUs obtain a share of the taxes on motor vehicle registration and fuel products. Capital investment decisions and funding often come from the central government, but LGUs may oversee the expenditures, as in Iraq and Jordan. LGU receipt of central government shares of taxes and transfers may not be institutionalized, regular, or timely. In Lebanon, municipalities lack predictability in transfers and must depend more on patronage connections to access central government transfers from the so-called independent municipal fund.

Although LGUs generally have authority to levy some taxes and user fees, they may not be able to set their own rates, and even where they do, resistance from populations that feel they are receiving too little in return may deter rate increases and payment. LGU collection of taxes and fees is often inept. Sometimes, the sums to be garnered through local taxes and fees are so low that LGUs may not bother to collect them, as is often the case in Lebanon (though this may also result from limited manpower). In some countries, local government tax collection is handled by the central government. Reliance on local own-source revenues can exacerbate regional disparities, as in Tunisia. In some countries, such as Iraq, the central government does not make equalizing transfers. In addition to experiencing notable revenue

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shortages, LGUs often cannot spend the funds they do receive in a timely manner. This has been true in some Tunisian and Moroccan municipalities, for example.

Patronage considerations (and other considerations such as lack of private sector employment opportunities) often result in overstaffing relative to functions, as is surely the case in Egypt. Eighty-five percent of the Libyan workforce is said to be working in the public sector, largely for local governments; this clearly indicates excess staffing, especially relative to resources and capacity. In Morocco, urban municipalities may be overstaffed whereas rural ones may be understaffed. In Lebanon, the many small municipalities are understaffed.

The lower the government level, the less qualified the staff. Lacking resources, local governments struggle to recruit and retain qualified staff. They spend disproportionately on personnel as opposed to investment and operations and maintenance. As noted, line ministries tend to resist devolution, and municipalities may have little say over their services. Consequently, the closer the level of government is to citizens, the less capable it is. Channels of upward political mobility do not generally operate through local or even regional government due to the dearth of resources at these levels, the parallel patronage networks that extend from the top down, and the low regard with which most citizens hold local government.

9. **Local government gender quotas exist in several MENA countries. Youth quotas exist in two countries.**

Legally mandated gender quotas to ensure women’s representation and participation in subnational governance across the nine MENA countries vary considerably. Of all the countries reviewed in the study, Tunisia offers the most generous quotas for women with a 50-50 gender split and alternating placements between men and women on party electoral lists. By contrast, Yemen and Syria have no legal quotas to elect women at the subnational levels and women’s participation levels in government vary across Syria, with higher numbers seen in Kurdish-led regions. In Lebanon as well, despite continuing advocacy efforts by women to advance women’s quotas for both municipal councils and Parliament, there has been no progress. Women currently hold 5.6 percent of municipal council seats, and nearly seven percent of those who ran for office in the 2016 municipal elections were women. The lack of quotas in representative bodies remains a source of discontent and was also reflected in the 2019 protests. Egypt, Iraq, Jordan, and Morocco fare better in that each has passed legislation that sets aside seats and quotas ranging from 25 to 30 percent for women on regional or municipal councils, though implementation rates vary. For example, in Jordan, women gained more than 30 percent of the municipal council and roughly 32 percent of the local council seats, but in Morocco not all local councils have met their 30 percent female quotas yet. Libya’s municipalities law guarantees at least one woman on municipal councils that comprise seven to nine members. No municipal council in the country has more than the one required woman.

Egypt and Tunisia have youth quotas, though Egypt currently lacks elected local government councils.

10. **Libya, Yemen, and opposition areas in Syria show examples of diverse manifestations of local government, some of which have tried to ensure security and respond to citizen needs.**

Local government structures in these three conflict-affected countries may be derived from formal legal authorities, as is true of many Libyan municipalities and regime controlled areas of Syria, and/or rooted in some combination of quasi-democratic, customary/tradition, and sometimes military/militia power. They result from or are influenced by the collapse of central authority and the assumption by local individuals, groups, and institutional actors of responsibility for managing local affairs. They can thus vary substantially
in their arrangements. Resources vary based on local assets. Controlling oil or gas resources and smuggling routes will generate more income than trying to tax impoverished citizens. Ongoing conflict and militia interference or domination adversely affect the functioning of local government.

Several municipal governments have stepped into the vacuum created by the collapse of central government in Libya, though in some cases the self-styled Libyan National Army and its militias have subordinated or replaced local government officials. In Syrian opposition areas and parts of Yemen such as Marib, local governments have also arisen to meet citizen needs. These local government structures that have formed in conflict environments are often but not always informal, as some are remnants of legally constituted councils formed prior to conflict or in a somewhat democratic manner.

Localization in failing or failed states occurs from the bottom up, resulting from the collapse of central authority and assumption by local individual, group, and institutional actors of responsibility for managing local affairs. Although these partial or largely ad hoc arrangements may be informed by some aspects of the national constitutional and legal framework, they reflect local conditions and power structures rather than national laws and administrative structures. They can thus vary substantially in “liberated areas,” as they do in Libya, Syria, and Yemen.

The partial effectiveness of some of these ad hoc localizations of governance tends to be in inverse relation to the central state’s historical power but in direct, positive relationship to the power of local society. In countries such as Yemen and Libya, where a weak central government relies more on informal patronage networks to administer local areas, the appropriation of more power by these networks—typically when embedded in a broader political organization or in some legitimizing local structure—is a comparatively small step. Where the central government has had greater capacity to manage local government, as in Syria or Iraq, local autonomy has been more circumscribed and local experiences and capacities therefore less developed. In other words, the less capable the national government, the more likely that bottom-up localization could result in a greater say in decision making and more effective management of local affairs. In Yemen, the vacuum resulting from the collapse of central authority was in many areas relatively quickly filled by tribes or organizations based in them, such as tribes and customary authorities, but under the influence of six years of conflict, the ability of local structures to provide services had deteriorated. This is of course partly the result of the collapse of the central government.

Responsiveness to citizens of course does not always result, as power brokers may be wrapped up in competing for resources (e.g., smuggling networks as in the Fezzan in Libya) or control. In some places, militias rather than formalized local government structures may determine who gets what, when, and how or at least will be part of that decision making. Even where local management is somewhat effective, it is quite different from that of a democratic, institutionalized local government emerging from political bargaining and compromise.

It is difficult to envision reunification or an effective system of decentralized governance in the near- to midterm future for Yemen and Libya, particularly given the level of external engagement in support of rival sides. In areas of Syria not under regime control, the situation varies in the remaining opposition-controlled areas with relatively coherent, if not always thoroughly democratic, governance in the northeast by the Kurdish-controlled Syrian Democratic Council.

**Key Findings**

1. **The region lacks transportable models of decentralization.**
Legal framework weaknesses and inconsistent and partial application suggest that the region does not possess viable decentralization models that might be adapted and applied from one country to another. This finding may be an artifact of the desk study’s broad focus on countries and intragovernmental relations. An analysis accompanied by fieldwork and with a narrower focus on clusters of or individual LGUs, especially at the municipal level, might reveal innovations and promising practices that could be shared through donor projects and local government communities of practice. Such practices might include the process by which municipal and local councils generate “needs lists” for development priorities. These lists are funneled to the center through the governor, who compiles a governorate development plan and does influence development planning. Similarly, in Morocco’s decentralization reform, municipalities gained a new role in assembling six-year municipal development plans. In addition to indigenous reforms, there are surely donor-supported interventions such as Citizen Service Centers, one stop shops for local government services, that USAID has supported in Egypt that may provide viable models for replication.

2. **Several MENA countries have made decentralization gains, particularly since the Arab Spring, but these gains have been partial and incomplete and limited by security and patronage concerns. The pandemic, weak financial positions, and escalating protests in some countries compound the latter concerns.**

In the past nine years, decentralization has made moderate advancements. The new round of protests in many countries—spurred by poor services, corruption, declining living standards, and weak job markets—may have sufficient gravity to advance decentralization further.

Of all Arab countries, Lebanon had the best prospects for decentralizing government. Its central government has always been comparatively weak given that its confessional system fragmented institutional power. As a country in which minorities have historically sought refuge, its society is highly diverse. Each social element has centers of demographic gravity, although for many sects these centers are scattered in various regions. This demographic mosaic could have provided the social basis for coherent, formal local government. With a once high gross national income per capita (by the standards of non-oil-exporting MENA countries), Lebanon had ample resources to improve LGUs’ capacity to deliver services. Finally, the country is small, so the potential for separatist sentiment in peripheral areas did not pose a serious threat to the central government despite societal divides. That it did not decentralize reflects the power of central sectarian elites who wanted and still want, even in the face of unrelenting protests and economic failure, to maintain control of their communities and the division of patronage spoils.

Except for Iraq with respect to the Kurdistan Region (KRI), Tunisia is to date the sole MENA country in which both legal authorities and their implementation demonstrate substantial decentralization. Tunisia’s decentralization effort, as embodied in the 2014 constitution, is the most ambitious such effort in the wake of the Arab Spring. The architecture of territorial administration is turning a centralized, heavily controlled, top-down structure into more of a bottom-up one. In theory, decentralization reforms did more to empower elected municipal governments here than elsewhere in the region. The failure to create new laws, decrees, and institutions and provide clear guidance on institutional relationships has hampered progress. The new Ministry of Local Affairs is weak relative to ministries with which it must negotiate, such as finance, and constant turnover at the ministerial and prime minister levels has slowed further progress. The system is incomplete. Governorate councils have not been elected. Constant government/cabinet changes at the center, particularly now with a weak coalition government, render progress difficult. Insufficient staffing, capacity gaps, and communication and role confusion between and
among subnational and national actors have slowed gains. Moreover, as historically marginalized sections of the country continue to feel marginalized, they offer a heightened risk of conflict and extremism. The challenge in Tunisia lies in reinforcing political will at the center, filling gaps in the legal framework, harmonizing financial and human resources across the country, and taking action to address regional disparities in funding.

Both Morocco and Jordan have made proactive reform concessions or promoted reforms when social and political turmoil threatened to spill over. Jordan seems more serious than Morocco about expanding provincial and municipal authorities and representation and may be hoping that a new social contract will offer the regime greater protection. However, the numerous ministries involved in Jordan’s local government can limit local autonomy and create policy confusion. Morocco’s implementation of its advanced regionalization strategy and OLS has been modest. In both kingdoms, incremental progress is possible; in Morocco, it may resemble deconcentration if line ministries follow through on the deconcentration plan.

Iraq is unique in its substantial legal authorities for decentralization, with a constitutional/legal framework based largely on international best practices. In application, however, other than in the KRI, decentralization is limited, given the dismissal of governorate and district councils and the failure to elect many district ones in the first place; the failure to schedule elections; and the fluid and fragmented nature of power centers and power brokers, including the diverse Popular Mobilization Units (militias or PMUs). The latter have sought to penetrate local government and have become another vehicle for collecting and distributing patronage. Such a fragmented and incoherent political landscape poses challenges for effective decentralization and governance.

Lebanon and Syria have some superficially credible legal provisions for decentralization but lack effective application. Egypt has favorable constitutional provisions and a five-year plan for decentralization but no implementing legislation. In all three countries, those controlling the central government seem staunchly opposed to decentralization because of their own fear of losing central power over subnational levels. El-Sissi’s military regime will not allow any space within which an opposition might flourish. He has delayed creating a legal framework that would flesh out the constitution’s decentralization provisions while imposing yet more authoritarian controls through extensive security networks, limits on civil society, and the like. The same is true of regime-controlled Syria, where a combination of formal and informal security organizations control local government despite an (at best) ambiguous constitutional/legal framework. As in Iraq, Lebanon’s central elite, though fragmented on the surface, is united in its desire to maintain elite privileges and thus thwart decentralization and the loss of political and material resources that would necessarily accompany it.

Libya, Syria, and Yemen, the three conflict-affected countries, show how patterns of decentralization and local government have evolved in authoritarian Arab states faced with or near collapse. In Syria, Law 107/2011 and its subsequent promotion can be viewed as a tactic to mollify opposition and buy time for a hoped-for reconsolidation of central power. As the International Crisis Group noted in 2018, it could provide a starting point, but changes such as shifting authority from centrally appointed governors to locally elected bodies would be required. In Yemen, where the National Dialogue Conference approved a federal structure, many perceived Hadi’s regional territorial boundaries for the new federal system as

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7 Farar Hashad, “Understanding Iraq’s Hashad al-Sha’bi: State and Power in Post-2014 Iraq” (The Century Foundation, March 25, 2014). For example, they run checkpoints in some locations, presumably without much government interference or oversight.
self-serving and aligned with Saudi interests. For example, many in southern Yemen felt that their two assigned regions would be overwhelmed by the four northern regions. The draft constitution perhaps paradoxically envisioned a strong central state, including maintaining control of oil and gas revenues. The Syrian and Yemeni regime reform initiatives were discredited among significant portions of the population, so their legitimacy as a foundation for reestablishing the nation state is questionable. However, some of the Syrian opposition’s acceptance of Law 107 as a basis for negotiation with the regime indicates that pragmatism can overcome distaste.

Libya is different still, as formal decentralization efforts followed the Qadhafi regime’s collapse. Qadhafi had established a structure of governorates and municipalities in the late 1990s, but neither level had managed to cohere by 2011. The new Libyan government established municipalities and elected councils and assigned responsibilities but ignored the governorate level and left the framework incomplete and vague. The lack of institutionalization of government structures under Qadhafi left his successors with little foundation to build on. Accordingly, municipal governments and structures have manifested in disparate ways based on their respective environments, needs, and capacities. The House of Representatives’ split from the GNA and decision to establish a parallel government in the east, including parallel ministries of interior and local government, each issuing their own regulations and decrees relating to municipal management, have further compounded the potpourri quality of Libya’s municipal governments.

3. The autonomy and power of locally elected representative bodies lags behind that of other regions of the world.9 Higher levels of representative subnational governance (regions and governorates) often do not exist and in recent years have lost ground to appointed authorities.

While there have been improvements in the creation of and authorities provided to locally elected bodies since 2011, progress has been slower than in other parts of the globe. This finding echoes the features described above and relates to the degree of centralization of polities and the limited authorities granted to LGUs. The most representative level of subnational governance in MENA is the local or municipal level. Elected councils and mayors generally exist at this level, though there are exceptions.10 The governorate or regional level is less representative than the local level. It holds more power but involves substantially less citizen input and is less accountable to citizens. The power of local and regional elective bodies relative to those of appointed ones at the same level of subnational government is shown in the Varieties of Democracy (V-DEM) graphs below.11 The left-hand graph shows modest but steady progress for local elected bodies (e.g., municipalities), while the right-hand graph shows a gain in the authority of regional elected bodies until 2017, at which point their relative power declines to a level that does not exceed the pre-Arab Spring period. Both graphs show that MENA as a region performs well below the other benchmark regions.

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10 Egypt lacks local elected councils. Yemen last held elections in 2008 and some councils no longer function. Candidates for Syria’s elected councils are pre-selected by the regime. The Libyan government held elections in only some locations.

11 V-DEM Local Offices’ and Regional Offices’ Relative Power variables, found on the V-Dem website. Each is one of three variables in separate local government and regional government indices. The interactive website allows the production of graphs and maps of different sorts.
There is a notable gap at middle levels of governance – i.e., region (where it exists) and governorate especially but even at the district level. These are the levels most strongly influenced by central government and their appointed representatives. Morocco, Iraq and Tunisia have regions as a first tier of subnational government. Generally this tier plays a role in economic and development planning and implementation of such plans. Among those countries with regions, Morocco is the most advanced. Morocco has 12 regions with directly elected councils, a notable innovation for MENA, and those councils have new sources of revenue to fill their mandates. The council president is indirectly elected by his/her fellow council members, another progressive step. Tunisia is meant to have regional governments (iklim level) with indirectly elected councils as well, but little progress has been made in establishing regions. Given the as-yet- unreleased details of the government’s new 10-year decentralization plan, it is unclear how much of a priority regional governance is, when governorate representative bodies have themselves not yet been constituted. Iraq has only one region in its federal system, the KRI. It seems likely that the KRI will remain singular. An attempt by the governorate of Basra to obtain status as a region was blocked by political elites at the center. The KRI has its own parliament which shares power with the Iraqi parliament; in some domains, KRI parliamentary laws and policies take precedence over federal ones. But the KRI itself has hardly decentralized; it has done so more in form than substance.\footnote{There has been talk of reforming the KRI local governance system, putting primary emphasis on districts, not governorates.}

Governorates constitute either a first or second tier of subnational government. Two countries, Morocco and Jordan, have indirectly elected governorate councils, while four, Libya, Tunisia, Iraq, and Lebanon do not have elected councils. The first three by law should have elected councils. Iraq had elected
councils until they were dismissed by parliament in 2019. While Iraq had made an important step forward with both elected councils and indirectly elected governors (the only one of the nine countries with an elected governor), relationships between many councils and governors grew dysfunctional, largely over a struggle to control patronage. Councils were then dissolved by parliament due in part to citizen anger. New elections have been postponed repeatedly. Elections are now scheduled for June 2021 but these elections may not include provincial (or district) councils. Morocco has indirectly elected governorate (province/prefecture) councils but they have scant authority – the region is the more significant tier. Jordan too has indirectly elected governorate councils, though 15 percent of the membership is appointed by the prime minister (and nominated by the Ministry of the Interior/MOI). Syria has elected governorate councils with 75 percent of seats directly elected and the rest selected by the governor and MOI. The governorate council president is selected by the country’s president, based on a recommendation of the ministry of local administration. Indirect election and appointed membership of such councils affect the degree of representation and limit the ability of citizens to hold their councils accountable. These features reinforce centrally-driven patronage networks and the weight they have in blocking political reform, as in Lebanon and Iraq.

Other countries that should, by virtue of their legal framework, have elected governorate councils, including Libya, Tunisia, and Egypt, do not have them at present. In Tunisia, governorate councils are currently appointed by governors; governorate elections are, however, planned for 2022. Governorate elected council members will elect their own chairperson. Libya has yet to establish governorates though its draft constitution requires them. Lebanon’s subnational governance system does not call for elected governorate councils. Yemen had elected governorate councils though elections have not been held since 2008 and no governorate has a council functioning in its entirety.

Some countries have district-level government but generally it is appointed, sometimes by the governor and sometimes by central authorities. Lebanon, Egypt and Iraq should have elected district councils but do not. Syria has both governorate and district elected councils but the regime pre-selects candidate for election and controls the councils; this is form without substance. In Lebanon, were district councils ever to be elected, the appointed district chief would head the council, undermining the independence of the council. Syria has elected district councils in regime controlled areas, but again these are controlled entirely by centrally appointed officials. Elections were held for district councils in some Iraqi districts but not all; none was held in the KRI. Those elected district councils were dissolved at the same time as the governorate councils; district heads were also dismissed with authority reverting to the governor. Yemen had district level councils with the council president appointed by the governor. However, these councils have been sidelined by the Houthis who are appointing district level supervisors. In non-Houthi controlled areas, even where some council remnants still might exist despite the 12 years that have passed since the last elections, the councils receive no or such limited funding that their activity level is minimal. Recently, as one example, the Governor of Aden started appointing district directors-general in the hopes of having some institutionalized mechanisms through which to deliver services.

In sum, there is a missing middle, though for different reasons, in Libya, Tunisia, Egypt, Iraq, Yemen, and Lebanon. While the middle tier formally exists in authoritarian Syria, it is so controlled by the regime that

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13 A bill discussed in 2014 but never passed would have replaced the district and perhaps governorate levels with 22 entities in a new primary tier of subnational government.
14 Information from Dr. Gregory Johnsen, October 2020.
those tiers constitute form without substance. Morocco and Jordan do possess middle tiers of representative governance, though if Jordan’s current draft law is passed next year, this might change.

4. **Although centralization is driven partly by regime insecurities, decentralization reforms tend to occur in the wake of regime collapse and/or rising popular opposition.**

As noted, decentralization reforms sometimes occur as part of broader democratic reforms in the aftermath of regime collapse, as in Libya and Tunisia. Lebanon’s constitutional mandate for decentralization resulted from the Ta’if Agreement in 1989, ending the civil war. Sometimes they are driven by the desire to accommodate rising calls for greater citizen participation, service delivery improvement, economic opportunity, and an end to corruption. Such reforms have been more far-reaching when public dissatisfaction (or other rising threats such as the Islamic State of Iraq and Syria [ISIS] in Iraq in 2014) has threatened the hold of central political elites or has grown out of a democratic “moment,” as with the Arab Spring protests. In such cases, central governments initiate top-down reforms to stall until the populace quiets or to stave off the prospect of more serious reforms as grievances escalate. One expert called this tactic “limiting change through change” or change to preserve the status quo.15

Nevertheless, as the fiscal position of Arab states weakens under the combined effects of oil price shocks, COVID-19, conflict at home and nearby, external meddling, and extremism, a new willingness to empower LGUs could emerge among central authorities to address citizen demands for better services and more opportunities. Arab central governments had long assumed the responsibility for providing for basic needs, public services, and economic opportunity to ensure social mobility and satisfactory livelihoods, but public treasuries can no longer meet their side of this social contract. At the same time, private investment has lagged because of uneven playing fields and perceptions of rising economic and political risk. And intensified protests and civil unrest across the region have led many countries to commit yet more resources to militaries and intelligence services.

Popular discontent with governance only grows. The emphasis on decentralization in the 2019 protests across the region (and still in Lebanon and Iraq in 2020) was not significant except perhaps in Iraq, as a central theme was the demand for systemwide political change given the larger political and governance dysfunctions affecting these countries.16 All these factors generate pressure to find new solutions. Prospects for more thorough decentralization reforms, as with governance reforms generally, may then occur incrementally, with backsliding a distinct possibility. Without substantial and sustained bottom-up pressure in support of protesters’ calls for decentralization, power structures may anticipate regaining any ground given once protests abate.

Sometimes governments eager for international recognition and donor support will also initiate—or signal through the passage of laws and policies—support for decentralization. For example, the weak Government of National Accord (GNA) regime in Libya has pushed an aggressive decentralization agenda out of a desire to garner broader international support. Generally, in such cases, implementation lags due to weak capacity and/or limited political will.

5. **In the three conflict-affected states of Libya, Syria, and Yemen, decentralization and preservation of local autonomy will be required for peace.**

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15 Dalia Ghanem-Yazbek, “Limiting Change through Change: The Key to the Algerian Regime’s Longevity” (Carnegie Middle East Center, April 2018).

16 An internet search turned up little, and MSI staff working on USAID’s Baladi activity in Lebanon and another in Iraq confirmed in May 2020 that decentralization was not a key element. The crisis in Lebanon grows ever more profound.
In these states, where there is no trust in central authorities or elites, genuine decentralization could provide an opportunity for conflict resolution, as it was hoped that federalism would provide for Yemen in 2014. As noted, these conflicts sometimes empower local authorities who have grassroots legitimacy. The resulting political fragmentation threatens the state’s territorial integrity—in these three countries, it has provided openings for (or been exacerbated by) external forces that challenge the state, as the Iranian-Houthi relationship in Yemen and the United Arab Emirates’ (UAE’s) and Egypt’s support for General Haftar’s Libyan National Army illustrate.

Such a multiplicity of de facto LGUs (or violent competing factions as in Ta’iz, Yemen) are inherently difficult to reconcile with national reconstruction, as the present situation in all three countries illustrates. In Syria, the government of Bashar Assad is seeking to reconsolidate power at the expense of the localism that emerged during the war. In Yemen, the nation state has been further fragmented under localization, rendering its reunification yet more challenging. Many of the territorial fragments are at war with one another and/or against social groups of their own territorial fragments. Libya is similar, with competing factions, many militias, shifting alliances, and external meddling. State collapse—or even anarchy—is a more appropriate term for these conditions. Reconsolidating state power in these cases is more akin to postwar peace negotiations than to reconfiguring center-periphery relations in a united nation state. Autonomy for localities rejoined with some whole or part of the former state will be required for negotiations to move forward, although military conquest, as with the Houthis in eastern Marib and al-Jawf provinces in Yemen, may render the need for compromise moot.

6. **Foreign engagement, particularly in the three conflict-affected countries, may continue to hamper formal decentralization in some countries and prevent rebuilding of the state in others.**

The level of foreign interference in many of the countries examined is extremely high. This includes interference from the Gulf, Iran, Russia, and Turkey, to name a few. Iranian engagement in local governance is apparent in four of the countries studied: Iraq, Lebanon, Syria, and Yemen. Although Iranian-Saudi rivalry is vibrant in the region and beyond, the Saudis and their allies do not have equivalent local capacities to those of Iran in the form of Hezbollah in Lebanon, the PMUs in Iraq, and the Houthis in Yemen. In Iraq, the Saudis may provide some support to Sunni politicians but have left it largely to the United States to counter Iranian influence. Iran has capacities at both local and national levels in the countries in which it is engaged and can adapt its tactics depending on circumstances. Saudi Arabia does not show the same range of tactics, judging by its efforts in Yemen. The Saudis do at times intervene in local governance—for example, the Saudis have impeded local government operations in al-Mahra governorate while the UAE has engaged heavily in Socotra and in support of Governor Basani in coastal Hadramawt in Yemen.

Foreign engagement may also impede reconsolidation of failed states in the region and can make neighboring states more concerned about spillover effects on their own security. Both the Tunisian and the Egyptian governments eye Libyan developments with apprehension, with Egypt directly engaging in the Libyan conflict out of concern about violent extremism. Russian and Turkish engagement affects events in both Syria and Libya, with the Turks intervening heavily on behalf of the Libyan GNA in return for oil exploration concessions. Neither the UAE nor Egypt has filled policy ambitions with their support for Haftar in Libya, and the country may now be semi-fractured between western and eastern blocs with “red lines” established in an attempt to limit fighting.
PROGRAMMING IMPLICATIONS

The country case studies and comparative analysis suggest the following programming implications.

1. **Support a model in the making.**

Tunisia provides a partial exception to the conclusion that the region lacks readily transportable models of decentralization. Though not yet a fully fleshed-out system either in law or in levels of subnational governance, it shows promise. That said, its current failure to create representative governorate councils or higher-level district government units needs to be addressed. The election of regional council members in 2022, if the elections occur and those councils are not then subverted by appointed governors, will signify continued progress. Tunisia also has the most generous electoral quota for women in subnational elected councils.\(^{17}\) It faces extremism risks, however, related to spillover from Libya and its own ISIS-affiliated returnees. Finally, it faces some barriers to continued momentum.

Because Tunisia has the best prospects for democratization and decentralization and shows the greatest commitment, it deserves backing not only for its own progress but as a possible if partial model for the region and a context in which lessons can be learned. Arab publics debate important political reforms in the region, so a successful case of local government empowerment could resonate throughout MENA.

2. **Support middle tier governance to strengthen its efficacy and representativeness, where possible.**

The middle tiers of governance can pose challenges to donor investment due to strong central government control but particularly where there are representative institutions, assistance to those levels can help strengthen regional economic development and infrastructure investment, improve the coordination and quality of services, and improve the potential for generating own-source revenues at subnational levels. If the lowest levels of subnational governance are to function, they need to be embedded in a supportive and rationalized structure. Otherwise, investments in capacity development in a number of targeted municipalities could come to resemble isolated patches of green in an otherwise bleak landscape and municipal improvements may not be sustainable. Investments might include strengthening region/governorate representative councils where they exist (in Morocco particularly but also Jordan) and trying to create (or reestablish) them where they should exist but do not (Tunisia, Libya, Iraq). Where political economy factors suggest that donor assistance to create representative institutions will be akin to pushing a very large boulder up a steep hill, an assessment of the utility of investing in the functioning of centrally appointed institutions at this middle tiers is warranted before proceeding.

In Iraq and Yemen, it seems essential to work at the governorate level, given the lack of much structure underneath, and the importance of improvements in governance to manage conflict. In Yemen, finding ways for more citizen engagement in governorate decision-making, given the decline in councils, could make sense. If/when provincial councils are again elected in Iraq, it will be important to find mechanisms to avoid the delegitimizing in-fighting and dysfunctionality of the past.

3. **Programming must fit the challenges and opportunities in each environment.**

\(^{17}\) IDEA gender quota database.
The nine countries present four environment types, though the boundaries between these types are not neat and a country can fall into more than one category:

- **In countries that are legally decentralized but informally centralized**, such as Morocco, programming should address implementation of outstanding legal and policy measures like Morocco’s deconcentration charter. Doing so may require a nuanced understanding of security concerns, patronage networks, the legal provisions that may most affect local decision making, and other factors blocking implementation, as well as the political economy of converting law into practice. Some elements of the system may be easier to implement than others. Enhancing popular understanding of decentralization and building broad-based collaborative demand for central government delivery on commitments will be required.

- **In countries that need legal reforms to advance decentralization**, such as Egypt (as evidenced by the unfulfilled promise of its 2014 constitution), Tunisia and Libya, supporting advocacy and technical input on reforms may be necessary. These efforts must be informed by a political economy analysis that explains the barriers to progress. It may not be useful to support legal reform, for example, if central government elites wish to concentrate power in their own hands, as appears to be the case in Egypt. It could, however, be useful in other countries—for example, in Libya if the GNA can consolidate its authority over a portion of the country. Libya’s Law 59 is too vague to support a decentralized system and the constitution remains to be ratified. It also makes sense Tunisia, in order to deliver on the constitution’s promise by fleshing out the legal framework and addressing the parallel system of administrative authority. Jordan is another possible example, where there is confusion over the role of governorate councils.

- **In countries such as Jordan, Morocco, and Tunisia that have parallel systems**—administrative and representative—flowing down from the center (often from the MOI), it might be possible to help shift the balance to give more authority to the representative system. This might be accomplished by supporting policy or institutional reform and enhancing knowledge of how the system should and actually does function so that local actors and civil society organizations (CSO) can be more proactive agents of reform. This may be easier in Tunisia than in the other two countries.

- **In conflict-affected countries** such as Libya, Syria, and Yemen, investing in localities of strategic interest to the United States, such as GNA-controlled areas in Libya, by working with traditional and modern authorities and CSOs to improve essential services, mitigate conflict, and engage citizens may provide a reasonable return. One Brookings study has recommended a focus on municipal government in Libya. It is essential to understand who local authorities are as well as their objectives and means. The role of militias, where relevant, needs to be understood. Initiating a limited engagement to “test the waters” to determine whether progress is possible and negative unintended consequences can be avoided should be the starting point. Gradual expansion in programming can follow where merited. In environments with a multiplicity of ethno-sectarian groups, ethnographic mapping may be essential to avoid exacerbating conflict by inadvertently helping one group more than others or strengthening social cohesion in a way that exacerbates relations with neighboring areas or other perceived “outgroups” (see Local Governance Task 3 for more on this topic). Key questions include the following:
  - Where is it most strategic to work, given U.S. government policy, local political dynamics, natural resource abundance, external meddling, and the like?

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Where is the environment sufficiently secure that partners can implement interventions without too great a risk to staff and beneficiaries and investments do not attract violence or risk damage from ongoing violence?
Where are there potential partners perceived locally as legitimate?
Is it possible to incentivize neighboring local administrations to work together to tackle more complex services or tasks?
Where is there the least chance of inadvertently doing harm (e.g., strengthening and further embedding ill-intended local or external actors or putting collaborating LGUs at risk of being taken over by malign actors, as has happened in Syria with the regime)?
Where is there the best chance of enabling a degree of citizen participation and service provision?
Where are citizens most vulnerable and in need?

4. **Support greater understanding of and articulation of demand for decentralization, especially where it has emerged.**

Activities to support local actors advocating for decentralization and enhancement of local government capacities could benefit all MENA countries, except those where the central government has collapsed (Libya and Yemen) or where the writ of the central government is not countrywide (Syria). In these latter conflict-affected settings, local forms of governance and self-help are already a driving force and the key question is how to forge a coherent national government without recentralizing it at the expense of local authority and capacity. Elsewhere, the demand for decentralization is variable—now probably strongest in Lebanon and Tunisia and weakest in Egypt. But that demand remains less than universal and sustained even within opposition and protest movements. Moreover, demand for decentralization is not necessarily supported by in-depth knowledge of decentralization methods, including benefits and potential pitfalls.

Generating demand and disseminating information through advocacy and outreach programs conducted by CSOs has almost regionwide applicability. Where reforms have been made, as with the 2015 decentralization law in Jordan, public education (including by the government, where government appears interested) is critical, especially when the responsibilities of elected and appointed bodies/posts seem tangled and unclear. Support for regional meetings (within and among MENA countries) of local government authorities, CSOs, and think tanks interested in decentralization would enhance knowledge and allow sharing of lessons and approaches. Supporting local government communication with citizens can help citizens understand local government roles, funding, challenges, and efforts being made, yielding greater trust and support for further reform.

5. **Foster local capacity of emergent local authorities, particularly where central government capacity is dwindling or nonexistent.**

Where central government capacities are weak or nonexistent, as in Lebanon and the three conflict-affected countries, supporting local government efforts to provide basic public goods can both serve humanitarian purposes and build local government capacity, as well as increase citizen and civil society awareness of and engagement with local government—positioning both consumers and service providers for greater local empowerment. Local resilience activities with this dual purpose seem particularly appropriate in Lebanon, Libya, Yemen, and regions of Syria not controlled by Damascus. In Libya, if the GNA can consolidate governance over some amount of territory, it may be possible to advance the legal
framework and intensify efforts to implement it. The Local Governance Task 3 report elaborates on local governance in conflict-affected settings.

Strengthening local government capacity may also be useful in Morocco and Jordan, where central government has greater capacity but where its control is not so absolute as to impede some autonomous local government activity. In Tunisia, the legal framework and political environment are more favorable to decentralization, so investments can and should aspire to more ambitious objectives. Both local governments and CSOs are potentially suitable partners for these activities. Enhancing local revenue where possible, given the reliance on central government transfers and the fiscal position of many national governments, would be critical.

Strengthening local capacity may also be important in divided societies prone to conflict and where ethnically or regionally marginalized groups, such as Sunnis in Iraq, southerners in Yemen, the Fezzan in Libya, and groups in the interior regions in Tunisia, are profoundly alienated from central government and create space for violent extremist organizations and other conflict actors.

6. **Support women and youth to strengthen their role in local political parties and run for local council seats.**

Although such interventions may customarily fall under political party programs, supporting capacity building for women and youth interested in running for local office and supporting political parties to create more space for them, especially where party list systems prevail, may help more independent and responsive female and youth leaders emerge. Here the focus should be on countries with quotas for local representative councils and mayors – and elected local councils.

7. **Where the most representative units of local government are too small and impoverished, expand and strengthen joint action and municipal federations.**

The most representative LGUs are at the lowest government level. Particularly in Lebanon, they are too small and fragmented. Lebanon has experience with municipal collaboration, and USAID in recent years has encouraged this collaboration. Neighboring Libyan and Tunisian municipalities have also shown some interest in collaboration and supporting such efforts may be useful. In Tunisia, the eventual creation of governorate councils may mitigate the need for volunteer collaboration. Encouraging CSO-municipality collaboration where this is permitted, as well as public-private partnerships, also makes sense given weak LGU capacity.

It may be preferable to have a functional level of representative, authoritative government above the level of municipalities to ensure collaboration on services and infrastructure that require more funding and capacity than one or even a few multiple municipalities can muster, but this level does not exist or is controlled by the center.

8. **Monitor shifts in policy and practice.**

Central governments based in Damascus and Cairo appear to have little interest in decentralization regardless of promises and laws. They also do not give local governments (which do not truly exist in representative form) the latitude to engage directly and productively with external donors. Investment does not seem merited in these cases, except through line ministries in Egypt to improve services. However, a cautious approach could include monitoring changes in government policy. Governments have
waxed and waned in their decentralization policies in the region and, as noted, have sometimes liberalized to stave off perceived threats from an angry public.

9. **Build ongoing political economy analysis into programming.**

Informal patronage networks are often critical to central government control and the preservation of power. In Morocco, they are a primary means by which the monarchy exerts its hegemony. Donor programs must work within formal legal frameworks but should also consider how patronage networks and the administrative system of political management intersect with formal institutions and rules. Legal frameworks cannot be taken at face value and an in-depth understanding of how legislation and regulation are sometimes used to undermine decentralization is needed. It is critical to understand whose interests will be affected by a local government development program and whether this is for good or ill. And what steps can be taken to minimize potential damage by those who lose power and resources as stronger, more citizen-oriented local governments are established? Programming will need to consider how to deal with the potential “losers” who would block change. Actors, tactics, interests, and alliances can all shift, and programming will need to adapt to those changes. It may in some cases be possible to find committed actors to support, but in highly fluid political contexts, their ability to deliver could change. Political analysis will need to be applied throughout a program both at the central level and in localities where USAID has decided to work. This is not easy to do in conflict settings, where flux is the norm. Implementers may need to accept that the risk of doing harm is not entirely avoidable. Effects in such complex environments cannot always be predicted but trying to minimize risks with good context monitoring is important.
Legal Authorities and Structures

The structure of local government derives principally from Law No. 43 of 1979, which specified units as governorates, districts, cities, and villages. Each local unit had an executive officer appointed by the president and two councils—an administrative executive council (including ministry representatives) and an elected one. Urban quarters (al-hay), a unit not mentioned in the law, are subdivisions of major cities as well as some larger provincial ones.

Plans to move responsibilities from central ministries to local units never materialized. The law removed local elected councilors’ ability to hold administrative councilors accountable. This law was amended several times in the 1980s, enhancing central government administrative control at the cost of representative government.

Within the top three local government levels (governorates, districts, and cities/towns), “representation” has since the early 1950s been bifurcated into popular and executive councils, the former in theory elected but in reality relatively rarely so. Popular councils have been subject to the oversight of executive councils, whereas the governorate popular council oversees the ones below it. This strongly hierarchical system flows from the MOI down through the governor and his executive office.

Another long-established tradition is some nominal decentralization of revenue extraction powers, which, like elections, has typically been honored in the abeyance. Episodically—for example, in 1971 with Sadat’s consolidation of power and the issuance of a new constitution and from the late 1980s to 2009 under Mubarak—some legal steps toward decentralization of administrative and financial powers were taken. In 2009, for example, greater local autonomy in decision making was granted through an intergovernmental transfer formula of local budgets. None of these steps, however, has had profound, lasting impact. As one

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20 Tobbala, 2019.
21 Charles Wharton Kaye-Essien, “Comparative Decentralization Policy Trajectories in Egypt and Tunisia” (December 6, 2018).
22 A. Sawi, “Governors without Governance: Constitutional, Legal, and Administrative Frameworks of Local Government in Egypt” (n.d.).
23 https://portal.cor.europa.eu/divisionpowers/Pages/Egypt.aspx
source concluded, LGUs have served primarily as tools for implementing central government policies and priorities.24

**The World Bank’s Conclusion Concerning the State of Local Governance**

“The key features of a fiscally decentralized system are missing: citizen participation in local governmental decisions; authority of local administrations to set spending priorities, manage their budgets, and generate revenues; and the power to hire, promote, and fire civil servants engaged in local service delivery….Power lies almost entirely with the appointed council, which is composed of government administrators from the line (central) ministries or the ministry directorates.”

Then came the Arab Spring in 2011, bringing protests and advocacy for democracy, including decentralization. The resulting 2012 constitution reflected some reform aspirations and included nine articles on local administration. Article 188, for example, specified that local representatives of the executive branch would have no vote in local council decision making, and Article 191 created separate budgets at local levels.

The 2014 constitution, drafted and ratified under the military’s influence, dropped some decentralizing reforms but still made commitments to decentralized governance. It set up three levels of local governance: governorates, cities, and villages. Article 176 of “Subsection Three: Local Administration” says: “The state ensures support for administrative, financial, and economic decentralization.” Every LGU was to have an elected local council and hold responsibility for developing and implementing the local development plan. Each local council was to be in charge of its own budget. Article 181 says: “Local council decisions that are issued within the council’s mandate are final. They are not subject to interference from the executive authority, except to prevent the council from overstepping these limits, or causing damage to the public interest or the interests of other local councils.” Article 183 says that local councils cannot be dissolved “as part of a comprehensive administrative procedure.” In addition, the constitution promised reasonable representation for women and youth. Later, a 25 percent quota was set for women in local council elections (only 4 percent won elections in the 2008 election) and a similar 25 percent quota was set for youth. Article 242 of the 2014 constitution required a new local administration system to be in place within five years. At this writing, however, six years have passed and no new system that accords with the 2014 constitution is in place. Mayors and governors are still appointed and elected councils do not exist.

While standing for election in 2014, el-Sissi also promoted a decentralization plan, including a citizens’ budget, as part of his electoral platform. However, the plan is not yet apparent. This plan may have been primarily a campaign promise that the president did not feel compelled to implement post-election. Several drafts for local administration were drafted in 2015 and thereafter but not passed. The government has promised every year since 2016 that this new law would be issued within a year.

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24 A. Sawi, “Governors without Governance: Constitutional, Legal, and Administrative Frameworks of Local Government in Egypt.”
25 World Bank, *Intergovernmental Relations and Fiscal Decentralization: Egypt Public Expenditure Review* (World Bank, January 2006). This conclusion was drawn in 2006 toward the end of one of the country’s “decentralization” phases but remains relevant today.
The key forces at all government levels and in much of the economy are the military, the two primary security agencies, and the “officer republic” of seconded and retired military and security officers sprinkled throughout the government and economy. The president may prefer this arrangement, as indicated by his unwillingness since taking power in 2013 to take decisive steps to reinstate even a semblance of local government.

Most recently, in January 2020, Parliament indefinitely postponed debate over the draft local administration law that was introduced in December 2019. Various explanations for the postponement were offered. One was that it was politically unwise to combine both local government administration and the election of popular councils in one omnibus bill because it would increase opposition to decentralization. By separating the two, progress was more likely. A second explanation was that local elections could not be held in the same year as parliamentary elections due to logistical difficulties of handling more than a single election at a time (which many countries manage to do). President el-Sissi himself suggested that the law could be passed but without holding local council elections, telling reporters that “while holding local council elections is important, to hold three elections in one year represents a big challenge and the issue should be a matter of debate among all Egyptians,” conveying, unfortunately, just the opposite of his statement’s final words: that the issue is not a matter of public debate and that the president will make the decision. The third explanation, offered by political pundits, was that the regime was too nervous to open an avenue of political participation that it might prove unable to control. Apparently, the delay may also have been the result of a power grab by the National Security Agency, which supported a tougher line on decentralization than the General Intelligence Agency and did not favor local elections.

Statements by Parliament’s local administration committee chairman, Ahmed el-Sigini, reflect the longstanding, inherent contradiction in Egyptian governments’ decentralization policies: that they pledge support for decentralization in principle but do not implement it. He stated in January 2020 that “the new law will create elected local councils which will take charge of supervising the performance of provincial governors and executive local councils. It aims to foster administrative decentralization and secure the financial independence of local councils.” Yet he went on to say that “provincial governors and executive councils will have a lot of independent powers.” In any event, no draft law is being acted on at this writing.

Governors, appointed by the president and serving under the MOI, are the most powerful actors in governorates and therefore in local government. Repeated calls for them to be elected, which reached new heights in 2011, have never been acted on. Governors in turn appoint district heads and mayors. When and if some semblance of local government is legitimized, it will probably be based on long-established patterns, including division of the country into four levels of government: national, governorate, city or district (nonurban), and towns and villages (quarters in the cities of the four urban governorates).

IMPLEMENTATION REALITIES

Egypt has not had a viable legal framework for local government since June 2011, when the Supreme Constitutional Court dissolved sitting popular councils. These councils had been elected in 2008 (after a two-year election delay) amid allegations of election fraud. Turnout was 5 percent and ruling party

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29 Presumably he was referring to House, Senate, and local council elections.
members won the vast majority of 52,000 seats contested. In addition, the majority of local popular council members since these councils were created in 1971 appear to have been civil servants, whose status militated against them taking independent positions.

Since 2011, then, local administration has been under the direct control of central line ministries, the Ministry of Local Administration, and provincial governors employed and supervised by the MOI. Local executive councils, consisting of civil servants appointed by the Ministry of Local Administration, continue to operate, presumably as coordinating bodies of the ministries at local levels.

Although the present, protracted vacuum of local government is novel in Egypt’s republican history, the central government’s wariness of local government and politics is not new. In the early years of his rule, Nasser, for example, toyed with democratizing local government but then backed away from it, choosing instead to rule local areas through the central bureaucracy. Sadat did the same, liberalizing local government structures and processes in 1971 but, as his popularity ebbed and political challenges mounted, abolishing these liberalizations and, like Nasser before him, reinstating top-down rule. Mubarak also reimposed direct central control, including of “elections,” as the Muslim Brotherhood mounted ever-stronger challenges to his rule from the late 1980s. From the outset, el-Sissi has sought to control local government without any local participation.

Since the sociopolitical upheaval of 2011–2015, the Government of Egypt has prioritized stability and economic reform. In 2016, Egypt embarked on significant economic reforms that led to the devaluation of the Egyptian currency, adding to the economic hardships faced by Egyptians since 2011. Egypt’s economic and security challenges have adversely affected the government’s political will to undertake decentralization because of fear that it will weaken order and disrupt service delivery.

Standing in the way of decentralizing the Egyptian government are not only politically anxious presidents; most central government officials have been reluctant to relinquish power to lower levels. Even the most reform-minded minister of finance in the country’s recent history was opposed to decentralizing finances, mainly revenues, believing that local governments were so corrupt that citizens would see no benefit. Some evidence supports his conclusion. The central government is not intolerant of local corruption and the patronage networks that have long helped cement local ties and thus top-down control and corruption. Local decision making—such as on what improvements will be made where—is the product of alliances between local administrators and local elites, who share the spoils, rather than of formal, legal, routinized, and transparent decision making.

### Mechanisms of Central Control

Egypt has used a variety of mechanisms to ensure central government control at the local level, including the following: (1) assigning officials from Cairo and Alexandria to governorates, districts, and villages, yielding disaffected employees uninterested in the local population; (2) central government collection and distribution of more than 97 percent of taxes and financial resources; and (3) concentrating authority to hire, fire, and remunerate local employees at the central level, thereby eliminating any sense of accountability or responsiveness.

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32 This has been widely noted in the literature and was personally observed by Robert Springborg, coauthor of this paper, in a survey of the local council members of 35 sample villages conducted in the late 1990s. The survey found that only a few members out of the several hundred members in total were not civil servants.

33 Personal interview conducted by Robert Springborg with Yussuf Butrus Ghali, minister of finance from 2004 to 2011.

between local service providers and local citizens. Local governments have little taxation and expenditure autonomy. They are heavily reliant on central government transfers as point (2) above suggests. Most of their expenditures are allocated to staff salaries, leaving less than 20 percent for investment and current expenses.  

### IRAQ: DECENTRALIZATION BASICS

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<tr>
<th>Regions</th>
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<th>Districts</th>
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<tr>
<td>I (KRI)</td>
<td>18*</td>
<td>118</td>
<td>393</td>
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*The Government of Iraq officially recognizes 18 provinces. However, the Kurdistan Regional Government (KRG) created a fourth province in 2014 leading to the 19th province of Iraq that is not yet recognized by Parliament.

### LEGAL AUTHORITIES AND STRUCTURES

The constitution ratified in October 2005 created a multilayered federal governance system with LGUs at the national, regional, and governorate levels, each with shared and exclusive functions and differing levels of autonomy. The national government exercises authority over governorates, but the constitution endows regions with virtual self-determination. Only one region, the KRI, exists currently; it has its own charter, parliament, president, internal security forces, and external representation. Other regions can be created according to procedures specified in constitutional provisions, key of which is Article 119, which specifies a minimum level of support in a referendum. In theory, the national government’s authority could be reduced significantly through a constitutional process of decentralization to the regional level. An attempt by the governorate of Basra to convert itself into a region, however, failed in the face of stiff opposition from the national government. An apparent KRG effort to secede from Iraq in 2017 also collapsed, in the face of both central government and international resistance.

Over more than 10 years, Law 21, also known as the Provincial Powers Act, has been the key piece of legislation governing decentralization. It applies to 15 of the 18 governorates (or provinces), excluding those within the KRI. Passed in 2008, it has been amended three times (in 2010, 2013, and 2018), most recently to enhance and clarify the powers of governorates—both councils and governors—transferring to them greater administrative and fiscal authority. Governorate councils were popularly elected in 2005, 2009, and 2013; the governor was elected by the council. Law 36 of 2008 established a 25 percent quota for women in elected subnational councils. These popular elections, which enjoyed high turnout, created a sense that governorates would be responsible for service delivery. But service delivery remained heavily centralized, and before 2014, Law 21 was ignored by the central government. Governorate councils had the authority to prepare development plans and design and implement capital projects to improve services, but access to investment funds was limited. Amendment 2 of 2013 laid out a two-year implementation period during which a decision would be made about functions of eight federal ministries that would be devolved to the governorate level.

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38 The Government of Iraq officially recognizes 18 governorates/provinces. However, the Kurdistan Regional Government (KRG) created a fourth governorate in 2014 leading to the 19th governorate of Iraq that is not yet recognized by Parliament.

The subsequent fall of Mosul and emergence of ISIS threatened the viability of a unified Iraq, so decentralization as embodied in the revival of Law 21 was initiated as “a top-down process that was politically driven to salvage the state.”\(^{40}\) It was seen as one mechanism for restoring stability, especially in liberated provinces. “Functioning federalism,” intended to help defeat ISIS, included five principles, four of which required reconfiguring Iraq’s security apparatus roughly along the lines of the U.S. National Guard to empower local armed actors and limit the Iraqi army’s local roles. The fifth principle included decentralizing provision of education, health, youth and sports, agriculture, labor and social affairs, construction and housing, and public works services. This decentralization was implemented through a government committee known as the High Commission for Coordination among Provinces (HCCP), designed to transfer powers in accordance with Law 21. The HCCP reports directly to the prime minister and facilitates consultations with provincial authorities—most notably, governors and ministers of ministries that were decentralized.

Law 21 specifies sub governorate administrative units (districts and subdistricts; there are also villages) and their competencies, mechanisms for selecting and electing local officials, and procedures for performing executive functions. It awards to those units the power to collect taxes, duties, and fees and assigns local authorities control over mid- to low-ranking governorate employees. It establishes the governorate council as the highest legislative and oversight authority in the governorate and empowers it to elect the governor. The 2013 amendment assigned governorate policies precedence over federal policies in areas mutually administered by the two levels of government, thus legally enabling governorates to enact legislation, regulations, and procedures. Law 21 decentralized the employees of certain local directorates of eight federal ministries (Education, Health, Municipalities and Public Works, Agriculture, Construction and Housing, Labor and Social Affairs, Youth and Sports, and Finance) to governorates. Ministry of Finance directorates were not decentralized in the same manner as other ministry directorates. However, some financial functions and competencies were transferred to the provinces as part of fiscal decentralization. Policymaking authority remained with the line ministries, but this authority has not been defined. A 2018 amendment to Law 21 transferred authority for education and health back to the center due to weak provincial performance. However, the provincial governments have resisted returning those services to their respective ministries and complained to the HCCP. Resolution awaits a decision from the Council of Ministers.\(^{41}\) Relevant staff are still paid through the provincial financial system.

Following the transfer of the ministries’ functions to the provinces, governors’ offices also assumed responsibility for line ministries’ expenditures. Provincial governments established the Administrative and Financial Affairs Directorates to be responsible for the decentralized services’ public financial management. As a result of Federal Financial Management Law No. 6 of 2019, each province has a treasury office that is part of the Ministry of Finance, though most had established such offices beforehand. This law stipulates sources of revenue for the provinces, which include 50 percent of the taxes and fees imposed by the federal government in that province, a percentage of oil and gas sales, local revenue based on local legislation, and user fees for municipal services. Governors’ offices manage expenditures on capital investment projects, but these projects are funded by the federal Ministry of Planning, which therefore controls the decisions. Municipalities channel revenue collected from taxes and fees for the maintenance and repair of municipal and local community facilities. They also receive grants from the central government to bridge the gap between revenues and expenditures.


\(^{41}\) Email to Lynn Carter from USAID/Iraq, Governance and Economic Opportunity Office, USAID/Iraq, August 2020.
IMPLEMENTATION REALITIES

Law 21 has not been fully implemented. The Ministry of Finance has resisted it by vetoing governorate efforts to raise revenues, in possible violation of Article 28 of the constitution. Governorates thus still rely almost entirely on budgetary allocations from Baghdad. Elected councils are often ignored by line ministries, their tax collection prerogatives are limited, and they have scant resources with which to deliver services. As noted, the Ministries of Health and Education ceased decentralizing some services in 2018, having transferred only some employees to governorates. The federal Supreme Court ruled against this decision by the ministries in June 2018 but in the next month ruled that governorates had to obtain approval from ministers to appoint senior grades for line ministry services (directors-general and above). The issue of control over high-level appointments reverberated throughout the country. The minister of municipalities overruled the governor of Mosul’s appointment of a director-general, for example, denying he had the authority to make such a high-ranking appointment. The minister of the interior and the governor of Baghdad fought over the appointment of a police chief. The issue of who has authority to make such appointments appears to be unresolved.

Authorities Shared between Federal and Provincial Governments

Where responsibilities are shared by federal and local governments, service provision may be badly managed. In August 2018, more than 100,000 were hospitalized in Basra because of contaminated drinking water. Improving water and sanitation in Basra involves eight federal ministries and departments and six local agencies and the governor’s office. When problems occur, it is not clear who is responsible and despite billions of dollars being allocated and spent on service delivery, inefficiency and a lack of transparency and accountability remain.

Several political factors underpin the shifting relations among the Iraqi government’s levels and units. The first is the changing political impetus behind decentralization. Initially it was driven by external actors led by the United States and supported by the Kurds. In 2014, the Baghdad government became the chief proponent for decentralization, hoping that awarding greater local autonomy might stave off disintegration. Since that time, the apparent penetration by Iranian-backed (and other) militias (PMUs) of all levels of government suggests that these PMUs find engagement in local governance profitable for extracting resources (notably in areas once controlled by ISIS, such as Diyala province) and shoring up local influence, both of which can be used to advance interests at the center. Although formally part of the state’s security forces, they often operate outside that role and outside state administrative structures, even at times posing as a viable alternative to them, providing local security, services, infrastructure (e.g., roads in Najaf, street cleaning and garbage collection in Basra), charity, and now COVID-19-related services. They are also linked to the country’s massive corruption problem.

The second factor, popular support, is also variable, though Sunni and Kurdish elites have provided reliable support for obvious reasons. Decentralization has advanced certain political interests but has not itself become a driving objective for important political actors. Even for the Kurds, support might be viewed as a short-term tactic to help create a separate country in the longer term. As decentralization lacks

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42 Article 28 says, “No taxes or fees shall be levied, amended, collected, or exempted, except by law.” The Ministry of Finance does not have authority to amend the provisions of Law 21.
44 Springborg, Political Economies of the Middle East and North Africa, 80–83.
45 “Iraq’s Paramilitary Groups: The Challenge of Rebuilding a Functioning State,” ICG no. 188 (ICG, July 30, 2018). COVID-19 services may help the PMUs recover some of the popular legitimacy they lost with their attacks on protesters and their blatant support for Iranian interests (Ranj Aladdin, “Corona Virus in Iraq: Shia Militias Looking for Legitimacy,” ISPI, May 7, 2020).
consistent, firm, widespread political support and is connected to a failure to improve services, its potential for success or for dismissal by the dominant political force remains uncertain.

A nationwide public opinion poll conducted by the National Democratic Institute (NDI) in September 2018 revealed that nearly 60 percent of Iraqis believe that access to basic services is getting worse and that tackling corruption should be one of the top three government priorities. Most important, only 33 percent expressed some degree of trust for governorate councils, about the same figure as for the central government.46 Seventy-two percent said they lacked information about local government priorities. In June 2020, protests in central and southern Iraq and then in Kirkuk called for the sacking of governors as the representatives of corrupt political parties.47 Much of the dissatisfaction is due to corruption and poor service delivery. One allegation is that gubernatorial candidates seek the support of businessmen who bribe provincial council members to vote for their candidate and then obtain preferential access to government contracts in return. The return on investment appears substantial as governors appear to have significant power over government contracting.48

A third important political factor is the failure of governors and governorate councils to play responsible roles. Officially empowered with numerous responsibilities, they typically exhibit intransigence and infighting. Instead of supervising the governor and other executives by overseeing and applying regulations, the councils simply compound dysfunction, primarily by seeking control over patronage resources.49 Governors have preferred to try to consolidate power in their own offices rather than delegating it. Relations between governors and councils have been fraught, and several governors have been impeached by their councils.50 The discord has created space for federal authorities to intervene. Relations between provincial councils and ministries can be similarly tense.

No delegation to the district level has taken place, making it difficult to meet more localized demands for services. District council elections have not been consistently held51—they were organized in 2013–2014, but most districts did not elect a council, largely due to differences concerning the districts’ geographical boundaries and other political disputes.52 Districts are managed by qaimaqams (district chiefs), who have limited authority but coordinate development projects in their districts. They are not accountable to the citizens in the district.

In December 2018, the parliamentary judiciary committee proposed a motion that would suspend provincial councils’ work, but the motion failed to get a majority. The political blocs that dominate provincial councils, including those associated with PMUs connected to Iran, opposed such a move. However, the elections commission postponed provincial council elections in 201853 and again in 2019. Just before the 2019 postponement, nearly half of citizens surveyed in an NDI poll said they would be unlikely to vote,54 suggesting limited confidence in either the elections or the councils or both. Protesters

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51 World Bank, Decentralization and Subnational Service Delivery in Iraq: Status and Way Forward.
52 Clarification of election status from Nael Shabaro (MSI), who interviewed an official in the Higher Secretariat for Decentralization, Government of Iraq, April 2020.
53 Because of difficulties with electronic voting for Parliament the prior spring.
54 NDI, “Iraq Post-Daesh: Improved Social Cohesion but Iraqis Remain Dissatisfied with Government.”
in 2019 called for the dissolution of provincial councils.\textsuperscript{55} In response to these growing protests and in a move of questionable legality, Parliament dissolved provincial and district councils on the grounds of corruption and the need to improve services until new elections could be held. Some see this move as a deliberate reversal of decentralization.\textsuperscript{56} The new elections are tentatively scheduled for June 2021.

### Reform Proposals

Proposals have been made to reduce the governorate councils’ powers as well as to have governors elected directly by constituents. Direct election would give the governors more independence from the councils and would preclude council impeachment but not necessarily reduce tensions and in-fighting. Such independence, however, might be illusory. The Supreme Court decided in a 2019 case, following the infamous ferry disaster that led to Parliament’s dismissal of the governor of Mosul, that governors were executive branch employees and could therefore be sacked by a majority vote in Parliament.

Decentralization has become an intense struggle over control of government resources to service patronage networks—a struggle that influences relations and generates disputes among government levels and branches. As the rule of law is weak and the constitutional/legal framework is unevenly applied, the federal Supreme Court—the sole authority responsible for interpreting the constitution—has continually intervened to resolve these disputes, the two primary types of which involve senior civil service appointments (which government units have the power to make these appointments) and fiscal decentralization (who controls the purse strings).

### Conflicts between Federal and Local Authorities over Prerogatives Are Frequent

Provincial councils and governors have taken federal authorities to court several times alleging infringement of local government prerogatives. In almost all cases, the Supreme Court has upheld the rights of the federal government. In one instance, in June 2018, the governor of Salahadin province filed an appeal at the Supreme Court against the amendment to Law 21, pulling back health and education responsibilities, noting that powers had already been transferred and alleging that the change would weaken decentralization and the ability of local authorities to do their jobs. The court, however, ruled that there was no constitutional irregularity and that federal authorities had acted within their jurisdiction.\textsuperscript{57} The resolution of this problem (as of August 2020) is at an impasse.

Even with a unified political will to decentralize, ministers and others would still seek to protect their networks, particularly those at senior government levels. Directors-general, for example, are typically political appointees linked to individual or party patronage networks. At lower levels, these dynamics are replicated, as demonstrated by the ballooning of the civil service. According to the proposed 2019 budget, Basra has more than 70,000 employees, and a small province such as Muthana has 22,000 public employees. As the operational budget has grown, the capacity to invest has diminished.\textsuperscript{58} Additionally, the human resources capacity to manage this number of employees does not exist. Provinces have depended heavily on central government transfers, and with oil and gas prices so low, these transfers are unlikely to increase. No steps have been taken to permit governorates to raise own-source revenues without a concomitant reduction in central government transfers.\textsuperscript{59} Delivery of federal funds has also been erratic, creating

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\textsuperscript{55} Ali al-Mawlawi, 2019

\textsuperscript{56} Ali al-Mawlawi, 2019.

\textsuperscript{57} Ali al-Mawlawi, 2019

\textsuperscript{58} Mike Fleet, “Decentralization and Its Discontents in Iraq.”

\textsuperscript{59} World Bank, Decentralization and Subnational Service Delivery in Iraq: Status and Way Forward.
problems for governorates in funding contracts for infrastructure and services. The federal government does not make equalizing transfers among regions to address inequalities.

Overall, Iraqi decentralization has met with a lot less success than its federal system promises. It proceeds largely because it serves other political purposes, not because most Iraqis consider it an objective good. Although awareness of and respect for the legal framework of intragovernmental relations have probably grown, the paltry public goods produced by government at all levels have led to disappointment and rage. Decentralization, initiated as a fundamental plank in the government’s program to rebuild infrastructure and stimulate the economy, has failed to accomplish either objective, discrediting the process. At the same time, political actors’ capture and use of local government for their own patronage interests have further compromised decentralization’s promise in citizens’ eyes.

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60 Mike Fleet, “Decentralization and Its Discontents in Iraq.”
61 World Bank, Decentralization and Subnational Service Delivery in Iraq: Status and Way Forward.
The Kingdom of Jordan has long been known as an island of relative stability in a turbulent region. Jordan has maintained this status despite absorbing multiple waves of refugees. It has confronted many of the same challenges from the Arab Spring as neighboring countries yet has faced them differently. King Abdullah II chose to push forward a set of decentralization reforms in 2015 to encourage a greater number of citizens to consider themselves stakeholders in the political order. The multifaceted challenges that led to these innovative reforms include high urbanization with weak public service delivery; socioeconomic pressures exacerbated by the rapid inflow of Syrian refugees; and threats to political legitimacy, magnified by the regional manifestations of the Arab Spring. A legislative reform package of four related laws—on political parties, municipalities, decentralization, and elections—aimed to enable a new social contract between the government and its citizens. The government also hopes that decentralization will help promote local economic development and enhance public services in ways that a heavily centralized structure cannot.

Jordan historically has been a highly centralized polity, characterized by a system of tribal loyalties among the “East Bankers,” primarily of Bedouin origin, amid a large number of Palestinians of refugee descent, known as the “West Bankers,” found mostly in urban areas. National planning and development processes were historically directed by the central government. Governors were (and still are) appointed by the king through the MOI. They served as an extension of the central government, overseeing security, coordinating local services, and approving LGU budgets and expenditures. The overlapping and evolving central bodies responsible for subnational territorial administration included the Ministry of Local Administration, MOI, Ministry of Planning, Ministry of Political and Parliamentary Affairs, Ministry of Finance, and newly established Ministry of Local Administration. This plethora of central government actors with an interest in subnational administration created competing circles of influence that have slowed and complicated the process of reform, particularly the formulation of implementation regulations for the much-heralded Decentralization and Municipal Laws of 2015.

The Jordanian monarchy’s interest in decentralization dates to 1993 (under King Hussein), when local development units were established at the municipal level. In 2005, the government announced the establishment of three new regions in the north, center, and south. Each region was to have its own capital and an elected council of 10 members, of which one was to be appointed by the government.

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**Legal Authorities and Structures**

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This plan stalled but the process was revived in 2008. This time, the MOI was given the lead role in managing local development projects, but the experiment was cut short in 2011. The number of municipalities was also dramatically reduced (by roughly two-thirds) in 2011 as a cost-saving measure. This may have allowed greater efficiency in some service delivery, but it also led to protests by minor tribes and clans that felt most keenly their loss of influence.\(^\text{64}\)

In 2015, Jordan passed the two principal laws guiding the country’s decentralization journey: the Municipalities Law No. 41 and the Decentralization Law No. 49. These two laws aimed to address the root causes of the social and political turmoil that was increasingly threatening the monarchy’s stability by involving citizens more directly in identifying investment priorities and improving service delivery. Of the two, the decentralization law seemed to be more innovative by regional standards, drawing on Tunisia’s and Morocco’s experiences to involve governors and regions more directly as a fulcrum of local development investments. Article 3 specifies the formation of an appointed executive council in each province or region. The governor heads this council, which prepares a budget and capital investment plan for the region. Indeed, the governorates as units fall under the MOI. The deputy governor is also appointed. The executive council is appointed and includes local representatives from each of the national ministries to better coordinate their functions on development projects and public service provision. Although these councils prepare the budget for the governorate and draft proposals for capital spending, control of both security and line ministries (such as education and health) remains in Amman.\(^\text{65}\)

In addition to the executive councils, 12 new governorate councils were established. Fifteen percent of governorate council members were to be appointed by the prime minister (and were nominated by the Ministry of the Interior) and the remainder elected indirectly. The law did establish a 10 percent quota for women among those elected to the councils; one-third of appointed members are to be women. Between direct competition and the quota, women currently hold 12 percent of the governorate council seats.\(^\text{66}\) The first local elections under the new law were held in 2017.

The governorate councils are intended primarily to serve as a link between the municipal and national levels, but the two laws do not clarify the relationship between municipalities and governorates and their respective councils.\(^\text{67}\) These two levels of subnational governance report to different ministries. The municipal and local institutions fall under the Ministry of Municipal Affairs, whereas the governorate councils are supervised by the Ministry of Political and Parliamentary Affairs and all other governorate institutions, including the governor, are under the MOI.\(^\text{68}\)

The elected governorate councils have some oversight authorities over the executive councils, although these authorities have not been precisely spelled out\(^\text{69}\) and confusion about the governorate councils’ exact role and authorities persists. Bylaws clarifying authorities and relationships are badly needed. As one legal review notes, the law provides a thorough description of the electoral process but dedicates relatively

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\(^\text{69}\) Kirk Sowell, “Jordan’s Quest for Decentralization.” Article 8 of the 2015 decentralization law contains vague language about the role of governorate councils versus that of executive councils.
little space to a detailed description of competencies or a clear statement of decentralization’s objectives. The governorate councils replaced the earlier “consultative councils” but still seem to retain a largely consultative role. The law’s language concerning their duties is ambiguous (see Article 8) and speaks in terms of their right to “discuss” and “consider.” The councils are intended to engage in strategic planning for socioeconomic development and service provision. They are asked to review the development plan assembled by the appointed executive council, based on municipal and local council inputs, yet often seem to be given limited time to review these complex documents.

The 2015 municipalities law, the other major legislative plank in Jordan’s platform for decentralization reform, regulates both municipal councils and the new level of smaller local councils within larger municipalities. Municipalities and local councils fall under the Ministry of Local Affairs. Mayors and one-third of municipal council members were appointed by the cabinet before this law, with the remainder of council members elected directly. Citizens gained the right to vote for mayor and a council member for their area. Municipal councils are now made up of the heads of local councils. An executive manager appointed by the Ministry of Municipal Affairs holds similar authority to elected members of the municipal council and co-manages the municipality with the mayor. This executive manager prepares the annual budget and sends it to the mayor.

### Municipality Authorities

The 100 municipalities are by law responsible for some 30 tasks, including urban planning, public health, public transportation, culture, sports, and public safety. The line ministries provide major services such as education, water, electricity and health services, and municipalities play only a minor role. The central government has privatized some functions, such as managing public markets and solid waste management.

Municipal and local councils are now elected and consist of five to seven members (five for local and seven for municipal councils). The highest vote-getter on the local councils is also accorded a seat on the municipal council. In the 2015 municipalities law, a 25 percent quota was set for women on municipal councils and one out of five seats on local councils. In the 2017 elections, 22 percent of the candidates for municipal councils were women, and 9.3 percent ran for governorate councils. Women won 241 seats in open competition and 549 seats through the quota system on local, municipal, and governorate councils. This added up to 36.7 percent of the municipal council seats and roughly 32 percent of the seats in local councils—the best results to date for women in a Jordanian representative body election.

Based on the 2015 law, planning for fiscal decentralization for governorate councils started in 2017 with the establishment of the fiscal decentralization unit. The central government has adopted a phased approach to the implementation and pace of fiscal decentralization based on four criteria: (1) functions transferred that determine the nature of expenditures, (2) capacity to raise revenue and borrow, (3)

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72 Name changed in 2019.
75 SNF-WOFI, 2019 Report.
76 OECD, Women’s Political Participation in Jordan (OECD, 2018). Graphs showing women’s actual participation in lower-level elected councils are inconsistent and range from the figures presented to 28 percent. Women who win competitive races are not included in the quota; thus, female representation can run higher than the formal quota (Annette Ranko et al., Decentralization Efforts in Jordan).
budget planning for defined priorities, and (4) budget execution capacity and oversight measures. As of 2020, governorates do not have the ability to borrow or raise/collect own-source revenues. Revenue, budgeting, and expenditures are poorly aligned and there appears to be little oversight. Governorates have a ceiling on their capital budgets based on a formula. The basic rule is that revenue generation is centralized whereas expenditures are decentralized.

Article 16 of the 2015 municipalities law lists taxes (on fuel and property) and fees, revenue from investment projects, own revenue, and grants and donations as the financial resources of municipal governments. Municipalities have some control over certain fees (e.g., waste collection, building permits). They do not have efficient tax collection systems and spend much of their revenue on staff salaries. They rely heavily on central government funding. They run chronic deficits that affect their ability to provide services. Two sources of revenue are allocated to local government but collected by the central government: a 40 percent share of motor vehicle registration fees and 8 percent of tax revenues from the sale of fuel products. These transfers pay mainly municipal employee salaries. Article 8 of the decentralization law and Article 5 of the municipalities law stipulate expenditures for municipalities and governorates. Expenditures may cover economic development, including transport; housing and community amenities (local urban development); environmental protection; health; and recreation, culture, and religion. Local councils do not have budgets or receive funding.

An additional law on local administration has been drafted but not passed as yet. This law would roll the provisions for governorates, municipalities, and local councils into one law and presumably sort out the authorities, roles, and relationships among them. Some see it as a step back from a commitment to decentralization. The text box below describes some of the provisions.

**Draft Local Government Legislation before Parliament, 2020**

The draft law “proposes a number of significant changes to the existing system. While numerous changes are still likely, the draft law suggests eliminating the local councils, thereby restoring municipal councils as directly elected bodies (Article 48). It also proposes the creation of a new advisory council at the governorate level (Article 57). Reflecting some of the approaches to decentralization that were proposed prior to 2015, mayors would also constitute the indirectly elected members of governorate councils (Article 5). While the new law may help to streamline the subnational governance system and render the needs list process more effective, it will also transfer some of the already limited power of the elected bodies to the appointed bodies and place greater central oversight on the elected bodies.”

**Implementation Realities**

Although this decentralization reform was introduced with language emphasizing democratic principles such as accountability and greater citizen participation, decentralization in Jordan has been primarily an administrative rather than a political or fiscal endeavor. The monarchy felt a need to increase development opportunities in Jordan’s rural periphery to buttress stability and security. The new decentralization laws therefore aimed to improve administrative processes to yield more development.

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78 Information from USAID/Jordan, August 2020.
81 Information from USAID/Jordan, August 2020.
82 Marwa Shalaby et al., “The Dynamics of Decentralization in the MENA.”
The king was the biggest supporter of the reform, with opposition coming from Parliament (which did not want patronage networks disrupted), the MOI, and other central government institutions.

Accordingly, decentralization was more of a top-down process. Some citizens remained skeptical that power would be devolved down to the local level, especially given the sensitivity of local politics in Jordan, where tribal interests, the Muslim Brotherhood, and Jordanians of Palestinian origin pursue divergent objectives. The low popularity of the new decentralization legal framework is evident in the dismal 32 percent turnout for the first-ever local elections in Jordan in August 2017. Moreover, the low turnout tended to favor the Islamic Action Front (elsewhere known as the Muslim Brotherhood), which has gained footholds from which to criticize the central government. This result may have caused dismay among supporters of the new laws. Turnout for the municipal election was only 10 percent in Amman, where one-third of the council is appointed by the cabinet (and whose mayor is also selected by the cabinet).

One of the challenges Jordan faces (and it is not alone in this) is that it is seeking to introduce decentralization reforms without fundamentally altering the autocratic nature of government. In particular, the MOI is loath to give up any power, and its “mukhabarat networks operate between MPs, municipalities, and local power brokers.” Another problem plaguing reform implementation is the multiplicity of state actors jostling for interests on the decentralization stage, including the Royal Court, MOI, Ministry of Local Administration, Ministry of Planning and International Cooperation, and Ministry of Parliamentary and Political Affairs. There are seven ministries involved in oversight. The overlap in formal and informal responsibilities with no formal procedures for deciding how to work together leads to infighting. This multiplicity makes it more likely that further specifications and improvements to the legal framework for decentralization will be time consuming.

One major advantage of the new system is that it has led to greater local input on service delivery and development priorities. Local and municipal councils draft “needs lists” for their area. These lists go to the relevant governorate executive council, which then assembles the development plan. After the governorate council has approved the plan, it goes to the MOI and then respective line ministries. The hope is that this system will better align central-level decision making with perceived local needs and will address regional disparities to some extent.

Jordan has raised the amount of general government revenue it spends on subnational governance—from 5.8 percent in 2013 to 8 percent in 2016. Local government relies heavily on central government transfers. Local government expenditures from tax revenue rose in the same period to 43.2 percent from 38.6 percent, all of which is collected by the central government. Most Jordanian municipalities have a budget deficit due to staff salaries and infrastructure costs. They continue to face challenges around enforcement and collection of local fees.

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83 Kirk Sowell, “Jordan’s Quest for Decentralization.”
85 Shami, n.d. Amman yields the highest revenues of any governorate, so this departure from complete election may be related to a desire to have influence over those revenues. Aqaba city is also an exception.
87 Grace Elliott, Matt Ciesielski, and Rebecca Birkholz, “Centralized Decentralization: Subnational Governance in Jordan.”
88 Marwa Shalaby et al., “The Dynamics of Decentralization in the MENA.”
89 Marwa Shalaby et al., “The Dynamics of Decentralization in the MENA.”
90 Comparable figures to those gleaned for Jordan and Tunisia cannot be presented, as the Jordanian government accounts for transfers differently from the way most OECD members do (SNF-WOFI, “2019 Report”).
91 World Bank, “Subnational Governance Indicators, Country Profiles.”
Citizens do not have high confidence in local government, as noted in the 2018–2019 Arab Barometer survey. The low local election turnout noted above suggests that Jordan’s top-down decentralization process has as yet failed to inspire or mobilize citizens to participate in numbers closer to historical norms. For example, the turnout in the previous 2007 local elections was more than 50 percent. It seems unlikely that Jordan’s slow implementation of decentralization will be accelerated by pressure from below.

Although Jordan’s decentralization will not lead to sweeping democratic reform, it may increase citizen participation and government responsiveness to citizen demands, especially in marginalized regions. Jordan’s carefully moderated opening to decentralization may not lead to a major breakthrough soon, but it also has not destabilized the situation despite the country’s holding its first local elections.

In sum, several factors may combine to moderate the prospects for decentralization, including citizen apathy; the persistent power of traditional, local sociopolitical ties and their links to central elites; and the advantages that control over local government could provide to system-challenging organizations such as the Muslim Brotherhood. Decentralization may roll out in a slow and somewhat uncertain process of amending legislation, engendering citizen understanding and interest, building local capacities, and changing central government attitudes.

92 World Bank, “Subnational Governance Indicators, Country Profiles.”
LEGAL AUTHORITIES AND STRUCTURES

Lebanon has two primary levels of representative government: national and municipal. Municipalities are governed by an elected council that in turn elects a mayor and vice-mayor. In addition, there are eight governorates, further subdivided into 25 districts (mouhafazat), these two tiers being lower administrative levels of the national government. According to the 1990 constitution, there are supposed to be elected governorate councils but the implementing legislation that would permit their election has never been put in place. Governorates are headed by a governor and mouhafazats are under an appointed district chief (qaimaqam). Both are civil service positions appointed by the Council of Ministers and reporting to the Ministry of Interior and Municipalities (MOIM).

Municipalities under the law have administrative and financial autonomy. Their authorities are limited (e.g., street lighting, cleaning and paving, sewage, rain water canals, and wastewater treatment), with most development projects carried out by the MOIM, the Council for Development and Reconstruction, and the concerned ministries. The mayor serves as chief executive, except in Beirut, where a governor appointed by the national government serves this function, relegating the mayor to a council member. Municipalities, which are under the MOIM, can form unions to undertake joint projects.

The need for decentralization to improve governance quality has long been recognized, even before independence during the French mandate, and there has long been popular demand for it from both citizens and civil society activists, though it has never been acted on decisively. Public administration reforms at independence in 1943 aimed primarily to extend the writ of government to the periphery. Laws governing municipalities’ roles and powers were enacted in 1947, 1952, 1954, and 1963, intended in part to increase local participation but not granting sufficient autonomy and power to induce it. The Municipal Law No. 118 Act of 1977 aimed to address this deficiency by granting to municipalities more policymaking power and control over service delivery. It remains the primary but not the sole piece of legislation for local government. Some 50 other laws and decrees regulate local authorities in such fine detail that compliance is nearly impossible, hobbling municipal governance. Functions such as urban planning, transportation, wastewater treatment, solid waste management, police, and public health each have their own set of complex regulations that overlap and introduce conflicting jurisdictions and practices at the municipal and national levels and render accountability to the public virtually impossible.

These well-known deficiencies became especially chronic during the civil war when governance broke down. This breakdown stimulated several attempts by civil society activists and politicians to remedy the

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93 European Committee of the Regions, Division of Powers Database.
deficiencies, starting with the Ta’if Agreement in 1989, which mandated “extensive administrative decentralization” to foster “even development” across regions. With the integration of Ta’if into the Lebanese Constitution in 1990, decentralization became constitutionally mandated. Its text, however, is contradictory: although it calls for elected councils at the district level, it also stipulates that the centrally appointed qaïmaqam head the council, thereby weakening the autonomy provided. Draft bills were subsequently introduced in Parliament to implement this article, but none were passed. The latest such attempt was in 2014, then proposed by the MOIM and supported by President Michel Sleiman, but it has yet to be enacted into law, partly because it drew considerable criticism for creating too many small administrative divisions while not upgrading municipalities’ legal status or reforming the profoundly unfair electoral law applicable to municipal elections.94 One feature is that citizens vote where they were born and not where they live, reducing their ability to influence local government.

Lebanon lacks a gender quota for municipal council seats despite vigorous advocacy for it. Currently, 5.6 percent of municipal council seats are held by women, and nearly 7 percent of those running for seats were women.95

IMPLEMENTATION REALITIES

Of all Arab countries, Lebanon had the best prospects for decentralizing government. Its central government has always been relatively weak given that it is based on a confessional system that fragmented institutional power while heightening that of elites. As a country in which minorities have historically sought refuge, its society is highly diverse, usually with each element having centers of demographic gravity, even when also scattered in various regions. This demographic mosaic could have served as the social basis for coherent, formal local government. Having a high gross national income per capita (by the standards of non-oil-exporting MENA countries), Lebanon has ample resources with which to provide public services that could in turn have served as backbones for local government capacity building. Finally, the country is small, so the potential for separatist sentiment in peripheral areas never posed a serious threat to the central government despite various fissiparous tendencies.

Here too, unfortunately, the central government has disempowered local government in numerous ways. It has subdivided local government into miniscule units that struggle to be effective and has deprived them of funds. Lebanon abolished its criteria for the establishment of municipalities in 1997 and subsequently endorsed the proliferation of smaller municipalities. It now has one of the highest numbers of municipalities per capita of any country in MENA, if not the world.

These municipalities depend overwhelmingly on central government revenue transfers, which make up at least half their respective budgets (for two-thirds of municipalities, these budgets total less than $66,000 annually). The central government allocates 6 percent of its budget to LGUs, a much smaller proportion than in many countries in the sample.96 Most local fees and taxes are too expensive to collect relative to return, so municipalities ignore them. Municipalities do not access central funds in automatic, institutionalized fashion but through patronage networks that wind through the so-called independent municipal fund. To manipulate councils and maintain control, this fund, dominated by those controlling the central government, allocates funds without regard to legally stated deadlines or transparent criteria. The legal and administrative frameworks for managing revenues and expenditures are kept profoundly deficient

95 Ziad Abu-Rosh, “Municipal Politics in Lebanon,” MERIP 280 (Fall 2016).
96 “Can Decentralization Solve the Political Gridlock in Lebanon,” CIPE blog, May 19, 2014. Many municipalities have struggled to control their budget deficits (European Committee of the Regions, Division of Powers Database).
because that facilitates the “flexibility” through which central elites subordinate municipalities. Budgets are organized by expenditures, not by programs, so programmatic planning and evaluation are not possible. The independent municipal fund’s erratic and unpredictable provision of revenues to municipalities also makes annual financial planning nearly useless. Municipalities are underfunded and overwhelmed with challenges. Many cannot collect and dispose of rubbish or deliver basic public services such as community safety, town planning, and development.

A related problem is that municipalities cannot hire staff. Hiring is done largely through patronage. More than a third employ only a single permanent civil servant, and more than a half employ fewer than five. Only 13 percent have more than six. As for the federations of municipalities, about one-fifth have one or two permanent civil servants, and some 60 percent do not have any. The obstacles to adequate staffing are purposeful, resource-related, and bureaucratic. It takes up to three years to hire a single civil servant and all such hiring is under the central government’s control through either the civil service board or the MOIM.

Most damagingly, the system has created parallel informal clientage networks extending downward from central political elites and the central governmental bodies they control and through which goods and services are delivered. In doing this, it has displaced LGU roles and responsibilities. Over the years, various reform movements (such as those commencing in 2016 and continuing intermittently) have attempted to empower local government. Although these movements have developed some capacity to implement small-scale community projects, often led by CSOs and in partnership with local councils, they have not altered the fundamental, unequal balance of power between center and periphery.

Until 1998, local elections were not held regularly. When in 1997 the government extended yet again the mandate of the municipal councils last elected in 1963, CSOs undertook a successful campaign to overturn the decision. Certain government officials and politicians who hoped to extend their power into municipalities also supported elections, as did the president and prime minister. As a result, elections were resumed the following year, and they are now held every six years as specified in the 1977 Municipal Act. The May 2016 municipal elections stimulated another round of intense civil society activism when an electoral list called Beirut Madinati (Beirut, My City) gained 32 percent of the votes, compared with 48 percent for the list supported by established parties. Voter turnout was only 20 percent. Despite its vote share, Beirut Madinati failed to win a single seat on the 24-member Beirut City Council, reflecting an electoral law highly prejudicial to non-establishment political forces. So in this and other cases, the ayan-led political organizations frustrated a widely supported attempt at decentralization that would have democratized and presumably empowered local government.

Why, despite the comparatively favorable context for local government, did these elite stratagems to thwart local government succeed? The nature of the economy provides part of the explanation. Since independence, the economy has been based primarily on services such as banking and retail (as opposed to the manufacture of goods), so the private sector has been strong and resentful of governmental control. Its 19th-century-style “merchant princes”—typically ayan within their confessions—dominate government rather than vice versa. Just as they have dominated the weak and fragmented central government, so have these ayan, whose wealth since the end of the civil war has been generated overwhelmingly from control

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98 The bloc vote system under which the local elections occur is a winner-take-all system. If one list gets the most votes and runs candidates for all seats, it will win all the seats. There is no room for proportionality.
99 Traditional confessional notables, now modern wealthy political elites.
of banks and government, subordinated local government to their will. It is in their interest to ensure that informal structures of power and authority parallel and weaken formal ones. The lack of an industrial base delayed the rise of working-class loyalties and politics that might have challenged the confessional system, although activists of various class and confessional backgrounds are now doing so. As a leading entrepot for the Arab world, Beirut relegated the rest of the country to hinterland status, locally generating no substantial economic resources other than through tourism. The fate of Tripoli, once a leading port, reflects this relationship given the concerted effort made by Beirut-based elites to ensure that this potential urban challenger remains subordinate. Competition between these two cities also has sectarian overtones given the heavier concentration of Sunni Muslims in Tripoli and Christians in Beirut.

A second, partially related problem has been that creating regions that can serve as intermediate levels between national and local governments, as in most Arab countries, would require allocating power (and patronage) across multiple sects because virtually all regions are multi-confessional—a difficult task to accomplish. Municipalities, by contrast, tend to service single-confession constituencies (in most cases), reducing or removing the problem of managing interconfessional tensions. But the imbalance between a dominant central government and a plethora of micro-municipalities is too great for the latter to offset individually or collectively. Municipalities have little choice but to turn to central elites for patronage resources and projects. Regions could contest central governmental power more effectively.

Third, the state’s weakness against external actors, including Saudi Arabia and Iran, has allowed these actors to use confessionalism to penetrate the political economy—a phenomenon that has manifested in repeated civil wars and chronic governmental instability. The power of Hezbollah, with its strong ties with Iran, over the contemporary Lebanese government is a current example. There is thus a reasonable, widespread fear—stoked by those who benefit from the status quo—that stronger local government might enable more penetration by external actors, further weakening an already precarious implementation of sovereignty.100

Thus, a combination of economic, political, and regional factors impeded the potential emergence of an effective, multitiered system of government supported with strong local participation. Although these factors are not static, there is little indication they have changed enough to help energize local government. However, the country’s current existential crisis has forced many formerly ignored options onto the national agenda, including decentralization. The political obstacles that have long hindered decentralization will not be easy to overcome. By reducing the powers and patronage of those in control of the national government, decentralization challenges the elitist, confessionalized system locked into place after the civil war.

Yet another hindrance to municipality, district, and governorate autonomy and effectiveness is their subjection to intrusive, ineffective administrative and financial oversight, intended to delay and complicate their activities. The average qaïmaqam has two to three staff and oversees 42 municipalities and two municipal federations while heading the district itself. A governor oversees on average 148 municipalities and seven federations. There is little or no electronic connectivity to expedite administration.

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100 The interest of the Saudis and their allies in Lebanon diminished as the country steadily became less central to their geopolitical concerns, as indicated clearly by the treatment by Saad al Hariri in late 2017. Influence in Lebanon is vital, by contrast, to Iran’s geopolitical interests, so Iran does everything possible to enhance and exert its influence. A full treatment of this matter can be found in the recent assessments of Lebanon undertaken under USAID contract to Social Impact.
Another political obstacle to making municipalities more effective is that council elections, because of fragmentation into small areas with relatively few inhabitants, have become primarily intra-confessional contests between individuals and clans of the same sect. This further elevates the importance of patronage while diluting cross-confessional programmatic discourse and the electoral chances of those advocating it. On occasion, however, cross-sectarian alliances occur and in local elections voters can choose from different party lists if they want to do so, an option unavailable in parliamentary elections. In the 2016 elections, more diverse lists were assembled for Beirut, Tripoli, and several other cities.

As a result of these local government design decisions, municipalities, weak and poor, must cultivate patronage relationships with central elites, opening the door to corruption, including in the provision of municipal services. In effect, municipalities have been converted into extensions of ayan-dominated political machines, thereby becoming unaccountable, unreliable, ineffective, and discredited before the public. But profound disenchantment with the national government and strong, widespread desire to fundamentally alter the confessional system have committed reformers to decentralizing government and empowering local levels, thus facilitating participation, accountability, and effectiveness. Whether that political energy can overcome these various obstacles remains to be seen.

Major protests over deteriorating state services and finances, as well as lack of jobs, broke out in 2019 and continued until COVID-19 drove protesters indoors; in May 2020, protests resumed. Citizens are fed up with political elites and show signs of weariness with elite manipulation of sectarian politics and their elites using sect to keep them in line, even as they may be forced to rely on sect patronage. Yet political leaders still use sect to try to maintain their power, and with no social safety net to protect citizens in the current severe economic crisis, they have some prospect of success, as the text box below illustrates.

### Increasing Local Fragmentation in the Face of Financial Collapse

As Carnegie’s Diwan observed, political parties “are returning to their sectarian reflexes, fracturing the Lebanese polity even more. Trends visible on the ground point to increasing fragmentation, with villages, towns, and neighborhoods initiating self-protection mechanisms. Against the background of COVID-19, increasing crime rates, and collapsing state institutions, parties have revived their protection rackets and are providing food and medicine to constituents in need. This is happening even as many Lebanese seek a nonsectarian state that upholds their rights as citizens, not merely as members of a sect.”

Protesters have made extensive demands for political reform. Though these demands have not explicitly featured more robust decentralization because of municipalities’ weaknesses and the scale of the crisis, local governance reforms could be part of the solution to central government failures. Citizens have recently seen municipalities play a positive role in trying to control COVID-19. However, government institutions appear to have so little legitimacy left that some citizens have called for donors to provide aid directly to citizens, presumably to avoid corruption and patronage in its distribution.

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102 Lynn Carter with staff at MSI’s USAID-funded Baladi activity, Lebanon, Spring 2020.
LEGAL AUTHORITIES AND STRUCTURES

Tunisia’s Jasmine Revolution touched raw nerves in Morocco as well as the rest of MENA. The two North African countries, however, differed in their political resilience. The Moroccan regime of Mohamed VI has been held together not just by the formal exercise of power through bureaucratic structures but by a network of informal personalistic relations that thus far has resisted popular calls for decentralization, plentiful and forceful though those have been. Although the Moroccan regime had the capacity to be as ruthless as Ben Ali in suppressing unrest, it has also shown itself to be shrewd and more nuanced in piecing together a ruling coalition of elites drawn from various regions of the country and across the political spectrum. The Moroccan king rarely has relied on either formal rules or brute repression. Rather, he has over decades cultivated informal relations with the country’s key elites—urban and rural, modern and traditional—and dispenses favors, opportunities, and resources in exchange for allegiance to the makhzen (the formal and informal relationships that underlie the monarch’s establishment).

Even before the Arab Spring, Morocco embarked on a program of political liberalization, especially with respect to freedom of speech and press. As the wave of Arab Spring protests swept Morocco, King Mohamed VI’s government responded with proactive concessions that sought to retain control over a reform process that appeared inevitable. In a rare show of defiance against Morocco’s once off-limits monarchy, street protests called for the “king to reign but not to rule.”¹⁰³ The king quickly moved to take control of the reform process to protect his power. Significant reforms appeared in the 2011 constitution, the centerpiece of which was the promise of “advanced regionalization.” This regionalization concept, enshrined in Article 1, was explained as the core of a new decentralization structure. A different analytical perspective suggests that the king saw a benefit in decentralization of shoring up his relationship with rural elites and countering the influence of urban and partisan ones.¹⁰⁴ Additionally, this was seen as a solution for the problem of the Western Sahara territories.¹⁰⁵

The 2011 constitution and its Organic Laws ’(OLs) lay out the decentralization reforms’ key provisions. The new legal framework focuses primarily on the municipal and regional levels. It made subnational authorities responsible for planning, programming, and promoting the economic, social, and cultural development of their respective units based on subsidiarity, cooperation, and accountability. Subsequent laws further delineated responsibilities as exclusive, shared, and transferred. The key new aspect of

¹⁰⁴ Zaki, 2019
advanced regionalization was a more substantial role for the walis at the regional level, including overseeing deconcentrated public services and strengthening the walis’ ability to maintain security and stability.

In addition, the second chamber of Parliament represents LGUs. The regional councils elect one-third of members of that body from among regional council members. An electoral college, comprising members of the municipal, prefectural, and provincial councils in each region, selects the remaining two-thirds. The text box below details the composition. The last parliamentary election took place on October 7, 2016.

**Membership in the Upper House of Parliament**

The Upper House has 120 members, each elected for a six-year term. Seventy-two members are elected at the regional level, representing the subnational areas. Twenty members are elected in each region by a single electoral college made up of all those in the relevant region that have been elected to the following professional associations: the agriculture associations; the commerce, industry, and services associations; the arts and crafts associations; and the marine fisheries associations. Eight members are elected in each region by an electoral college made up of those elected from the most representative employers’ professional organizations. Finally, 20 members are elected nationally by an electoral college made up of employees’ organizations.

Law 11.59 of 2011 set aside one-third of regional council seats for women. Organic Electoral Law 59-11 was amended by Modification 34-15 just 41 days before election day, establishing a 30 percent quota for women at both regional and municipal council levels. This law superseded a 2008 law that had provided a 12 percent quota for women at this level of subnational governance.106 The quota has not been met in all local councils as yet.107

According to Article 141 of the constitution, subnational governments are financed by the central government and by their own revenues. The same article states that any transfer of responsibilities from the state to the local authorities must be accompanied by a transfer of the corresponding resources. An important fiscal reform was launched in 2007 with the enactment of Act no. 47-06 on subnational government taxation, supplemented by Law 39-07, which distinguishes among regional, provincial, prefectural, and communal taxes.

Three OLs were passed in 2015 to define the territorial organization and division of powers more precisely. They established a multilayered system of elected bodies to improve representation. OL 113-14 covers municipalities and introduces measures to enhance local democracy. Municipal councils were elected bodies before this law’s passage, with mayors elected by councils through secret ballot. The OL included a requirement for voting on all municipal council decisions to be made public (Article 6), including open selection of the mayors. Political parties were given a greater role, though the party landscape remains fragmented. To run for mayor, a candidate must head the electoral list submitted by his or her party.108

Article 11 provides a framework for greater transparency and citizen participation. The OL allows citizens to put forward petitions that must be considered at the next council session. Article 269 guarantees citizens equal access to public services. OL 113-14 further contains provisions for sounder and more

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106 IDEA gender quota database.
107 Information from USAID/Morocco.
108 Marwa Shalaby et al., “The Dynamics of Decentralization in the MENA.”
efficient municipal management and administration. Council deliberations were to be made public along with budgetary and accounting information.\textsuperscript{109} The OL then introduced a new level of transparency.

One significant addition to municipal competencies was the design, implementation, and evaluation of a six-year development plan. Municipalities had already gained significant mandates for service provision in the Charter of 2009; there was little difference in OL 113-4. Services such as waste management, public transportation, street lighting, public markets, electricity, and water management, among others are the exclusive responsibility of municipalities, with no role for central or deconcentrated authorities. Unfortunately, municipalities have lacked the technical abilities and financial resources to implement these responsibilities and so they effectively remained under the strong control of central and deconcentrated authorities.\textsuperscript{110} Article 140 of the constitution and OL 113-4 redefined some of those municipal mandates, such as building and maintaining primary schools and clinics, from municipal authorities to authorities shared with the central government.\textsuperscript{111}

OL 112-14 covers prefectures (urban) and provinces (rural). Essentially, the 13 prefectures and 62 provinces are subdivisions of the 12 regions and facilitate central control at local levels. As one analysis suggests, "The prefectoral and provincial level is tightly controlled by the state."\textsuperscript{112} Indirectly elected provincial and prefectoral assemblies exist but are dominated by the walis of the regions and the governors of the prefectures and provinces, with far greater power given to these centrally appointed officials.\textsuperscript{113} This level of local government has only scant authorities (e.g., encouraging sports and culture, rural roads) and some shared powers (e.g., rural health care, access to water).\textsuperscript{114}

OL 111-14, pertaining to the regions, is the most innovative of the reforms underlying Morocco’s advanced regionalization strategy. The number of regions was reduced from 16 to 12 (including the Western Sahara), and the newly designated regions were reconfirmed in their status as independent legal bodies governed by public law. Their regional councils are elected through direct universal suffrage, a novelty for Morocco that aimed to improve the regional representatives’ legitimacy. The wali would no longer control the regional council; the wali’s role as highest representative of the central government was passed to the elected council president.\textsuperscript{115} The council president is elected as part of the general regional elections but is chosen through a vote as president by his or her fellow council members. Regions were distinguished from municipalities in receiving significant new funding sources to fill their significant new mandates, which included regional economic development.\textsuperscript{116} The walis were also given the key responsibility of coordinating the activities of public deconcentrated services and line ministries.

These promising constitutional provisions and the OLs that followed them laid the groundwork for meaningful reform. But little was implemented, although in September 2015 Morocco held its first direct regional and municipal elections. Implementation regulations were not completed, and the new changes failed to materialize.

\textsuperscript{109} Shalaby et al.
\textsuperscript{110} Shalaby et al.
\textsuperscript{111} Lamia Zaki, “Decentralization in Morocco: Promising Legal Reforms with Uncertain Aspect.”
\textsuperscript{112} Mohamed Madani et al., The 2011 Constitution: A Critical Analysis (International IDEA, 2012).
\textsuperscript{113} Although the Arabic word wali is normally translated as governor, there are also governors for provinces and prefectures; it appears that the Arabic terms used in both Morocco and Tunisia may be translations of French terms and thus seem overlapping once rendered in English.
\textsuperscript{114} Bulletin Officiel, No. 6440, February 18, 2016
\textsuperscript{115} European Committee of the Regions, Division of Powers Database.
\textsuperscript{116} European Committee of the Regions, Division of Powers Database.
Months of street protests began in Al Hoceima after the accidental fatal crushing of a fishmonger in a garbage truck in October 2016 when his unlicensed inventory was confiscated. Even a particularly brutal suppression of the revolts did not silence the dissent and criticism of the monarchy was pronounced. In this case, King Mohamed VI again promoted his advanced regionalization plan, chastising his government for not moving more vigorously to implement its many provisions. As a result of this pressure from the top, a National Administration Deconcentration Charter was adopted in early 2019, tied in principle to an implementation timeline but held up by the resistance of several line ministries and departments to devolving powers and resources to the walis. With the adoption of the devolution charter in 2019, government ministries were tasked with developing plans for detailing authorities to be devolved, corresponding human and financial resources, and a three-year timeline for the transfer of those services.

**IMPLEMENTATION REALITIES**

**The Power of Walis and Governors**

The walis of the regions and the governors of prefectures and provinces represent the central government. They enforce laws, implement regulations and government decisions, and exercise administrative control on behalf of the government. They also coordinate the activities of the dispersed offices of the central government and ensure their proper functioning and help the presidents of territorial collectivities implement plans and development programs (Article 145).  

The reforms embodied in the 2011 constitution did little to alter the authorities and power of those at the apex of the state. Implementation of the new laws has been modest such that political stability was again threatened in 2016 with the Hirak-al-Rif protests. More promises to move the vision of advanced regionalization forward with greater speed were made and conferences held. But as described below, the network of informal relations between the crown and local elites has defied the bottom-up empowerment demanded by protesters.

An example of how little has changed in practice despite revisions of legal texts is the tutelle, a system of MOI oversight of local government decision making that significantly reduced local government autonomy. Article 33 of the OL gives the MOI the right to sit in on all municipal council sessions. Article 136 of the 2011 constitution eliminated these MOI administrative authorities. In practice, however, the governor continues to exercise oversight control over the municipal council’s decisions through arcane bureaucratic procedures. Municipalities as a result know better than to try to avoid the control of the governor and so continue (as noted above) to seek approval for all decisions, both formally and informally. For example, municipal financial decisions and many administrative processes have to be validated by the MOI. This power allows the MOI to facilitate mayors supportive of the regime and block those who are not.

Although the municipalities had in theory been mandated before the 2011 constitution to perform numerous key services (electricity distribution, water and sanitation, roads, urban transport and lighting,

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118 Madani et al.
120 Janine A. Clark, “The Dismal Failure of Efforts to Empower People in the Arab World.”
solid waste management, public markets, bus stations, etc.), they generally lacked the resources or competence to assume such roles with any effectiveness; the new mandates have not changed this situation. The MOI has invested in training (though more for staff than for elected councilors), including in participatory planning for the six-year development plans. However, capacity is still limited, unskilled staff dominate, and some municipalities are overstaffed while some rural ones are understaffed.

Contributing to Morocco’s failure to implement its advanced regionalization strategy was that it never resolved or clarified the overlapping two-tiered structure and roles of the municipalities and the regions. The strategy seemed to assume that central control over both municipalities and regions would resolve differences between the subnational actors. But the subnational administrative division into regions and municipalities was implemented without reference to the country’s complex political demographics, which for decades had led the king (and before him the French) to identify elites first in rural and urban areas to facilitate indirect rule through personalistic ties of loyalty or even fealty. This pattern has persisted over generations. Throwing open municipal governments to an unconditioned ballot box threatened the vested interests of these powerful notables, sometimes known as the king’s men. In lieu of reversing the legal authorities and structural reforms that had been legislated, the king’s regime simply relied on the walis and ministers to ensure that central control was maintained down to the localities. The monarch retained his rights to name the walis, dismiss ministers, and use the considerable influence of extra-parliamentary commissions and councils to ensure central control.

### The Makhzen System

“Beyond formal changes, the persistence of the makhzen system and the deconcentrated institutions will continue to limit political liberalization and participation as long as the institutions that are subordinate to the king dominate elected bodies and informal decision making. For example, even if both the constitution and the organic law have attributed more competencies to decentralized institutions, it is highly probable that these—including the supposedly strong regions—will still be subject to the influence and decisions of the walis and governors.”

Subnational power dynamics retain their importance because the 2015 OLs, which articulate the respective subnational units and their interactions, have not been followed with respect to roles and relationships. The new regional development agencies, for example, were supposed to pump investment capital into peripheral areas, but they have never gotten off the ground.

Morocco spends more on subnational governance than many other MENA countries—around 12 percent of central government expenditure, slightly below the median for lower-middle-income countries recorded by the Organisation for Economic Co-operation and Development. Sixty percent of local government budgets derived from central government grants and subsidies in 2013; the comparable figure in 2016 was 64 percent. Local governments have limited own-source revenues; local government revenue raised from taxes declined from 31 percent in 2013 to less than 26 percent in 2016. Municipal source revenues have risen in more recent years but still remain low compared with their potential. Between 2006 and 2018, municipalities’ recurrent revenues rose by 92 percent, but recurrent expenditures rose by 110 percent, limiting investment. The collection rate of local taxes and fees is between one-third and

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122 Houdret and Harnisch, “Decentralization in Morocco: A Solution to the Arab Spring.”
123 Houdret and Harnisch.
124 SNG-WOFI database.
126 World Bank, New World Bank Program to Support Moroccan Municipalities’ Performance and Service Delivery (World Bank, 2019).
one-half of what it could be in many Moroccan cities. Also, municipalities do not have the right to determine the rate at which local taxes can be levied. At the same time, municipalities cannot or do not always spend the funds they have and have trouble implementing their investment plans.127 This is partly an issue of low-capacity councilors and personnel. Regional councils collect local taxes and get a percentage of individual and corporate taxes, with the remainder going to the central government. Municipalities are responsible for almost three-quarters of LGU expenditures.128

The success of the advanced regionalization plan’s implementation depends largely on three sets of factors. The first involves altering the political economy of those delaying the reforms by involving relevant elites and assuaging central government agencies’ fears of losing power and control. The second involves the relevant institutions’ autonomy, competencies, and resources, which are currently inadequately suited to perform the assigned tasks. The third involves participation of the citizenry, which has thus far witnessed a lack of institutionalization of participation, inadequate accountability and transparency of state institutions, and an expansion of political repression.

Popular support for decentralized governance is important. Although Moroccan protesters were concerned with decentralization, there was no strong groundswell of support for it from either rural or urban areas. Without substantial bottom-up pressure in support of protesters’ calls for decentralization, power structures can anticipate regaining any ground given once protests abate. The political pressure for decentralization is relatively weak, and the resistance to it is quite strong. So dramatic breakthroughs are unlikely though incremental progress seems possible. In addition, any breakthroughs will have to contend with capacity deficiencies, which could result in backtracking as performance does not meet responsibilities.


128 A local finance law was adopted in 2009 to modernize the local finance system.
LEGAL AUTHORITIES AND STRUCTURES

The evolution of Tunisia’s regulatory framework for local administration is rooted in the political system that collapsed with the overthrow of the dictator, Zine El Abidine Ben Ali, in January 2011. Before the Jasmine Revolution, local government constituted little more than an extension of the central state. One sign of this was that local government expenditures accounted for only 4 percent of total public expenditures.129 The focus at the local level was on maintaining order and security. The importance of this function was underlined by the vesting of responsibility for local governance in the powerful MOI’s Directorate General of Local Authorities (DGCL). Local government was not only a primary means for securing intelligence but also a key cog in the distribution of patronage resources and opportunities that buttressed an authoritarian state.

Line ministries were also controlled by the central authorities, which ranked spending and investment priorities based on political considerations and favoritism. This led to a pattern of regional discrimination by which most of Tunisia’s development investments went to regions whose leaders formed part of the ruling elite. Most of these leaders came from the coastal cities between Tunis and Sfax, known as Tunisia’s “Sahel.” The interior and southern regions were neglected and marginalized, and the state did little to ensure popular access to basic services and needs there.

For many Tunisians, local government before the Jasmine Revolution was smeared with the same broad brush as the reviled central state, which under Ben Ali became a brutal police state. Roughly 50 percent of the territory was not included in municipalities. Municipal citizens distrusted local government structures because they were an integral part of the state security apparatus. In response to this legacy, citizens, especially in the marginalized interior regions, longed for a decentralization built on bottom-up principles. Such a vision of decentralization in fact became the centerpiece of the country’s highly regarded

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2014 democratic constitution, put in place after the fall of Ben Ali. The extent of the promised reform was in direct reaction to the authoritarian centralism of the prerevolutionary regime.

The 2014 constitution reflected a commitment to far-reaching decentralization that promised to reverse the pronounced regional underdevelopment of the country’s interior and south. The constitution’s emphasis on decentralization was reinforced by donor praise for the benefits of such reforms, given that the high degree of centralization had helped deform the development process through overactive public and parastatal sectors. The constitution devotes an entire chapter (Chapter VII, Articles 131–142) to decentralization. Article 132 establishes elected municipal and governorate councils with higher-level district councils to be elected by the former two. Article 134 divides authorities into those that are held by LGUs only, those that are shared with the central government, and finally those that are delegated by the central government to localities. Article 135 guarantees LGUs own-source revenues as well as transfers from the central government, proportionate to their responsibilities. Article 137 gives local authorities the right to manage their resources freely within the budget that is allocated to them. Article 141 establishes a High Council of Local Authorities to serve as the representative body for local council interests at the center. Building on a consensus that excessive central power had resulted in regional discrimination, abundant corruption, and an increasingly repressive state, the constitution and supporting legislation aimed to pursue social justice and economic development through democratic, decentralized local government. Greater autonomy was accorded to municipal and regional/governorate councils elected by universal suffrage.

It took four years for central-level bureaucrats to draft the local government law. This was done with little public or political party input. The Local Government Law (Code des Collectivités Locales) specifies the prerogatives and functions of municipalities and was passed in April 2018, only 10 days before municipal elections. It went into effect at the beginning of 2019. The new code defines subnational governments’ own, shared, and transferred competencies. Own competencies of municipalities encompass primarily urban planning and infrastructure projects, most of which were assigned to them in the Organic Law of 1975. Municipalities have shared responsibilities in economic development, urban transport, and maintenance of schools and primary health establishments. Transferred competencies include the construction and maintenance of health institutions, educational establishments, cultural works, and sports facilities. The governorate/regional level is responsible for preparing and implementing the regional development plan. Governorates also have shared competencies in support of cultural and sport activities, preservation of natural zones, and urban transport and transferred responsibilities for the maintenance and development of regional public buildings and facilities and the strengthening of regional economic, agricultural, and industrial activities.

The code brought more autonomy to local governments both in assigned competencies and in financial autonomy. The scope for governors to intervene in municipal affairs was reduced and it became harder to dismiss mayors and councils. The code is vague on administrative decentralization. Perhaps because there appears to have been little consultation with line ministries such as trade, agriculture, and regional development in drafting the legislation, the code provides little guidance to municipalities on how to work with central state institutions.

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131 Marwa Shalaby et al., “The Dynamics of Decentralization in the MENA.”
132 SNP-WOFI, Country Profiles, Tunisia.
133 Marwa Shalaby et al., “The Dynamics of Decentralization in the MENA.”
The code enables municipalities to set taxes and royalties, but it appears that municipalities had access to most of these sources before passage of the code, so the code does not amount to a substantial increase in fiscal decentralization.

Above the municipalities are 24 governorates, also known as wilayat. The governors (walis) remain appointed by the prime minister and report to the MOI, leading to confusion over the power of the governors versus that of the elected municipal authorities. Governorate councils are currently appointed by governors; governorate elections are, however, planned for 2022. Governorate elected council members will elect their own chairperson. The councils have several permanent committees such as youth and sports, infrastructure and regional planning, financial and economic affairs, and social affairs. They have related responsibilities as outlined in Article 321 of the law on local collectivities. These include investment and responsibility for regional development plans. Councils have shared competencies as well.

The constitution also specified a new higher tier of subnational government to be formed, that of district or iklim councils, with a council indirectly elected by municipal and regional council members. District boundaries have not yet been defined and the number to be created has not yet been decided.

A parallel deconcentrated administrative system consists of 24 governorates (headed by a governor under the Directorate General of Regional Affairs in the MOI), 264 delegations, and 2,073 sectors. The municipalities were managed by the delegations up until the elections—these institutions, though intended to be temporary, have not yet been dissolved.

A new Ministry of Local Affairs (MLA) was created in 2016, and the DGCL, once under the MOI, was moved under it. The shift made sense as many in the MOI were and are uninterested in true decentralization. At the time the MLA was created, the Directorate General of Regional Affairs was also moved from the MOI, but not long after, it was shifted back to the MOI. The governors still report to this directorate, and security concerns remain significant. Unfortunately, the new MLA is weak and hampered in negotiating with more powerful ministries such as finance.

In May 2016, the government extended municipalities’ coverage to encompass the entire country by enlarging some municipalities and creating 86 new ones, increasing the number of municipalities from 264 in 2013 to 350 at present. In ensuring that all the country’s territory fell within a municipality, this measure gave all Tunisians the right to elect their representatives on a territorial basis, whereas before many Tunisians had fallen outside the municipal electoral jurisdictions, contributing to their marginalization.

A new municipal electoral code was adopted by Parliament in January 2017 and promulgated as OL No. 7 of February 14, 2017. It spells out the rules for the municipal elections. Of all the country cases reviewed, it establishes the most generous quota for women, with each list requiring a 50-50 gender split and placement on the list alternating between men and women. It also established youth and disability quotas. Law No. 7 modified and completed OL 2014-16 of May 26, 2014, which initially contained only the rules applicable to legislative and presidential elections as well as referendums. The mayors were to be

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134 Marwa Shalaby et al., “The Dynamics of Decentralization in the MENA.”
135 These should not be confused with the 273 lower-level districts, which have not yet been activated.
137 “Open Government in Tunisia: La Marsa, Sayada and Sfax”
138 Marwa Shalaby et al., “The Dynamics of Decentralization in the MENA.”
indirectly elected by the council representatives at their opening meeting. Elected local councils were established on May 6, 2018, following the first municipal free and fair competitive elections.

Although Tunisia deserves accolades for having created, negotiated, and passed a complex local government law that guides decentralization and the regulations related to subnational governance, further reforms, bylaws, and institutions still need to be created. As one panel of experts observed, “the new code is incomplete, in conflict with a plethora of existing, unreformed laws, and gives them little guidance on how to work with other state institutions at the local, regional, and central levels.”140 The code alone calls for four additional sub laws and 38 implementing decrees to facilitate the decentralization of financial and administrative matters, including taxation, urbanization, decision-making authority, and municipal elections. To date, only one law has been adopted (the law on municipal elections) and several decrees have been passed. The code also calls for reforms to three institutions (administrative courts, audit courts, and the regional elections commissions) and the creation of five new organizations to aid the decentralization process. To date, only two of the five have been established, and little effort has been seen to establish the three remaining organizations: the regional/governorate councils, a high council composed of all three levels of government, and a fund to aid marginalized communities and promote municipalities’ financial sustainability. Constant government and ministerial changes, other economic reform–related priorities, and lack of attention to decentralization have slowed the creation of the remaining laws, decrees, and institutions that have been held up for years in interagency discussions.

**IMPLEMENTATION REALITIES**

Nine years after the ouster of Ben Ali and six years after the adoption of the new constitution, Tunisia’s decentralization has been hampered by an overemphasis on a bottom-up approach that failed to integrate institutional assets in building and improving intergovernmental relations. Old and new exist alongside one another and the gap is not fully bridged.

With the municipalities’ greater autonomy and enhanced roles came responsibilities to better serve their citizens. But some regions, especially the interior, lacked skilled administrators, as well as adequate resources to carry out the new mandates. Expenditures on subnational governance rose after the reforms to nearly 8 percent of general government expenditures in 2016 from 4.3 percent in 2013. By contrast, the proportion is 12 percent in Morocco.141 Municipalities receive grants and capital transfers for investment from the central government. Sixty-nine percent of local government revenues derive from central government transfers.142

Since 2012, however, local tax revenue has risen significantly because of the separate changes to the municipal tax system introduced by the 2013 fiscal law. Tax revenues at 22 percent of local government budgets (collected entirely by municipalities) are expected to rise with the reforms as municipal councils can now set the amount of local fees and taxes. However, collection rates are very low and this authority does not produce much revenue. Municipalities rely substantially on municipal taxes and fees that are low yield and contribute to regional disparities. Additionally, taxpayers seem reluctant to pay local taxes.143

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140 Marwa Shalaby et al., “The Dynamics of Decentralization in the MENA.”
141 Discussions about permanently allocating a portion of VAT to municipalities have made no progress. Intissar Kherigi, “Decentralization; The Search for New Development Solutions in the Arab World’s Peripheries,” Arab Reform Initiative, January 21, 2020.
Local tax collection is reported to be poor, with recovery rates ranging from 7 to 20 percent.\textsuperscript{144} LGU expenditures have risen somewhat, however, in recent years, and LGUs appear to play a greater role in investment than elsewhere in the region. The World Bank has invested more than $300 million in its Urban Development and Local Governance Program to align the intergovernmental fiscal transfer system with the new decentralization system and to support capacity development and improved services in all Tunisian municipalities.\textsuperscript{145}

The new framework did not define clear mechanisms for coordination and cooperation among government levels. Hence old patterns endured as the central bureaucracy has done little to decentralize resources. The governorates are administered still by governors who are generally still very powerful.\textsuperscript{146} Before 2011, the governor acted in a key intermediary role between the central state and the municipalities, especially with respect to security but also by controlling the regional offices of all line ministries. Now, although the governors no longer have veto power over the mayors’ and municipal councils’ decisions, they can still undermine local officials’ decisions through their control of other governorate line ministry offices. A variety of sub laws and decrees impede or limit municipalities’ administrative and managerial functions.

Also, the higher levels of government may lack political will to decentralize, especially in transfer of resources. Governors, for example, whose powers have diminished since the Ben Ali years, are not eager to further degrade their authorities and have not taken useful steps such as relinquishing their control over municipal bank accounts. Likewise, line ministries are reluctant to cede management authorities to elected officials whom they see as lacking the competence or integrity to handle the services in question. Another factor sometimes used to explain the central state’s apparent reluctance to implement decentralization more rapidly is the concern that the Islamist party Ennadha could do well in municipal elections. Indeed, in the 2018 elections they performed well, coming in second to the independent candidates but better than other parties, enabling them to effectively build and strengthen local alliances. The entrenched Tunisian public administrative service tends to view such developments with apprehension.\textsuperscript{147}

Two months after the 2019 parliamentary elections, President Kais Saied appointed Elyes Fakhfakh as prime minister at the head of a coalition government—the eighth prime minister since 2011. Fakhfakh resigned in July 2020 and was replaced by Hichem Mechichi with a vote of confidence from Parliament. The governing alliance is driven by a host of issues, and many observers doubt that it will be able to push forward the many reforms that are badly needed for greater economic prosperity and stability, including decentralization.

Unrest over Decentralization-Related Demands

In June 2020, unrest again broke out in Tataouine, the southernmost governorate, in part over the government’s failure to fulfill a 2017 agreement that agreed to provide more jobs and infrastructure. In response, the government first arrested and then released a local opposition leader. Violent clashes erupted between protesters and police. The governorate does not benefit from its substantial oil and gas wealth. Services are poor, unemployment is disproportionate, and out-migration has been high. Decentralization has not yet addressed

\textsuperscript{144} Data from the Ministry of Local Affairs, noted in Marwa Shalaby et al., “The Dynamics of Decentralization in the MENA.”
\textsuperscript{145} Various World Bank articles online.
\textsuperscript{146} Rhys Payne, interview with Ezziddin Moudoud, May 1, 2020.
Finally, the role of the MOI remains to be fully redefined and is especially problematic given its history in using local government to enforce local security. The MOI had a vast network of police, security forces, and spies built during Ben Ali’s 23 years of police rule. The governors’ primary role was to guarantee security and stability—the main reason all 24 governors were replaced in 2011 as part of the Jasmine Revolution. However, it is not so easy to replace years of authoritarian practices and relationships, especially when those responsible for maintaining order do not share the enthusiasm of some citizens for more fundamental bottom-up decentralization.

Tunisia’s decentralization initiative as embodied in the 2014 constitution was the most ambitious such effort in MENA in the wake of the Arab Spring. The architecture of territorial administration was transformed to turn a centralized, top-down structure upside down. The government developed a 27-year plan to decentralize in accordance with the constitution’s intent, but the plan’s details have not been released. That plan is said to be consistent with the Code des Collectivités Locales; however, the somewhat dispiriting implication is that it might take 27 years to negotiate the transfer of authorities from the line ministries and ministry of finance. More recently, there has been talk of a new, improved 10-year plan, announced by the current minister of local affairs and environment, but the details remain elusive and it is impossible to determine how robust the plan is.

In theory, decentralization reforms did more to empower elected municipal governments than elsewhere in the region. Local administrations understandably still lack the capacity to ensure public access to basic goods and services, and political divisions and vested interests have prevented central and regional authorities from aligning fully with the constitution’s decentralization goals. The profound legal commitment to decentralization, the public demand for change, and the anger of populations in marginalized noncoastal regions all provide a compelling rationale for further reform if the fragmented nature of coalition government and security concerns can be overcome. Of all the MENA countries, Tunisia has the most favorable prospects to pursue democratic decentralization, but the government must still make significant reforms to realize these prospects.

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149 Lynn Carter, interview with USAID/Libya, USAID, June 26, 2020. USAID/Libya notes that descriptions of the 27-year plan varied substantially over the period it was in effect, so it was difficult to understand the implications.
CONFLICT-AFFECTED COUNTRIES

LIBYA

LEGAL AUTHORITIES AND STRUCTURES

Ruled with a light hand as two separate provinces by the Ottomans for 250 years, the three historic provinces that constitute contemporary Libya (Tripolitania, Cyrenaica, and the Fezzan) were brought together under Italian colonial rule in 1934. The Italians governed the three provinces as a united country for only five years. Then, after a brief period of joint British-French rule, the former based in Tripolitania and Cyrenaica and the latter in the desert province of Fezzan, the entire area was handed over to the United Nations (UN), which created today’s Libya as a federal monarchy in 1951 under the rule of Islamic mystic King Idriss. Overthrown by Qadhafi in 1969, Idriss, who had no administrative experience or interest in governing, had hardly begun to create a modern state. Qadhafi rejected even the concept of it, claiming that tribalism was a form of direct democracy, thus rendering statehood and its structures irrelevant. The “state” that collapsed in 2011 consisted of Qadhafi; his family, clan, and tribe; and the military and security services controlled by them, with almost no functioning civilian administrative institutions. Local government rested in the popular committees that formed the lower end of the Qadhafi-centric surveillance system.

Toward the end of Qadhafi’s rule, he belatedly appeared to take an interest in institutions of governance, including local government. This interest, however, may have been more for appearance’s sake, as he was then trying to repair relations with the West, than a reflection of real intent. Whatever the case, the structure created in the late 1990s was largely irrelevant as actual rule continued to be based on informal networks spreading down from the core of Qadhafi’s regime. Governorates were created—amid some rhetoric of decentralization—by transforming central bodies into self-governing shabiyat (a made-up word implying popular rule), which were awarded legal status and allocated funds from the center. Organizationally the shabiyat were endowed with representative executive councils as well as administrative units. Below them, municipalities were officially recognized as the third tier of government. Neither the shabiyat nor the municipalities had taken on any notable significance by the time Qadhafi was overthrown. Local administration was plagued with corruption designed to sustain the regime’s base.

With the collapse of the regime, a formal system of local government was legally established. Article 18 of the Transitional Constitutional Decree 175 of August 2011 stipulated elected local councils that could help fill the space caused by collapsing central government, but it did not establish governorates and thus left the overall local governance framework ambiguous. Decentralization was then laid out in Law 59, adopted in 2012. This vague, overambitious law did little to clarify roles and relationships. Law 180 of
2013 established 99 municipalities, which were to be governed by elected municipal councils of seven to nine members each (including at least one woman and one disabled member), a governor, and a deputy responsible for supervising local administration. Later the number of municipalities was raised to 113. Governorate councils were to oversee municipal activities (Article 6), but these higher-level councils were not established, leaving a gap in the framework.

The law specified that an elected mayor would chair the municipal council. Elections were held in 2014 for 85 councils and then in 2019 for 20 of these councils. The attack on Tripoli by Haftar’s so-called Libyan National Army (LNA) stopped subsequent rounds of planned elections. Municipalities were divided into wards, which lack representative government; instead, a mukhtar appointed by the governor is in charge. In the absence of governors, mayors and the ministry of local governance have assumed responsibility for these appointments.

Law 59 (Article 6) and Cabinet decree 130/2013 (which put the law into force) established the following functions for local government: urban planning and management, including building licensing; establishment and regulation of local facilities; delivering public social and administrative services; issuing of business and other local licenses (civil registration); municipal guards; local economic development; and public health and environmental monitoring, along with several other functions. Article 6 also says that LGUs “shall, each within its jurisdiction, assume all functions entrusted to ministries by the laws and regulations in force, except those related to national or special utilities, which shall be determined by a Cabinet decree.” This language does not establish much clarity on responsibilities. Law 59 did not go far enough in delineating service delivery responsibilities between municipalities and deconcentrated ministries and state-owned companies, with the latter delivering by far the greater share of services. The power and political relationships between the levels of government or between actors at the municipal level remain unspecified. Most functions remained with central government bodies. In the new municipalities, executive offices generally were less well staffed and had miniscule budgets. Municipal employees are seconded from the national civil service, which pays their salaries, and others are on short-term contracts. Recruitment procedures are not transparent.

To preside over these local arrangements, Articles 16 and 18 created a minister of local government to whom all elected officials were responsible and over whose decisions that minister was awarded veto power. In addition, the law referred to economic regions presumably to be created of neighboring governorates, but the law does not clarify the numbers, locations, and boundaries of these units.

Officially, revenues are derived from a share of certain central government sources (taxes, customs, airport and port taxes), central government transfers, municipal user fees and fines, rent from and sale of municipal property, and the like. Historically, the central government has been unable to collect taxes. The draft constitution specifies that oil revenues (once a more reliable revenue source) are to be

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150 Eighty-one municipalities were completely new and not former shabiyat. UNDP, Rapid Diagnostic on the Situation of Local Governance and Local Development in Libya: Synthesis Report (UNDP, November 2015).
151 UNDP, 2015.
152 UNDP, 2015.
153 Law 59, English translation online.
156 Mezran et al., 2017.
157 Law 59, Article 51. By contrast, Article 49 sets shares of certain central government revenues such as taxes for provincial government.
distributed based on the number of inhabitants per municipality. Municipalities lack authority to raise additional revenues, though some do so anyway.\textsuperscript{158} Central ministries control capital investments, but municipalities can use a portion of their operating budgets to repair basic infrastructure such as municipal markets, schools, and clinics. In recent years, the conflict-driven reality is that the bulk of municipal funds come from “emergency” central government transfers—ad hoc, irregular, and of uncertain amounts—and in response to crises and advocacy. That advocacy includes traditional written requests for funding, well-connected mayors calling in favors with officials in Tripoli, and armed militia groups making demands through a weapon.

As the sole legal element of decentralization, Law 59 is too vague to serve as a basis for a system with clear roles and responsibilities. An attempt in 2012 by Benghazi-based activists to create a federal system failed as those in the west of the country saw it as an attempt by the east to capture more oil revenue. The stillborn draft constitution of 2015 laid out a three-tier local government structure (governorates, municipalities, and local units) within which financial and administrative functions would be devolved. Approved by the Libyan Constitution Drafting Assembly in July 2017, it has yet to be ratified. Like Law 59, it does not clarify roles and responsibilities of the various levels of government it references and would require additional implementing legislation.

**Implementation Realities**

Since 2011, the country’s sovereign territory has slid back toward the two and a half regions from which it was cobbled together—Cyrenaica centered on Benghazi in the east, Tripolitania centered on Tripoli in the west, and the vast desert of Fezzan in the south. The Fezzan has become mostly ungoverned or variously governed space. The map below shows areas of control as of June 2020.\textsuperscript{159}

Unsurprisingly, given the state’s weak foundation and the increasingly intense conflicts among the fragments from which the state was once constituted, efforts to reconstruct a unified state have failed, and in the vacuum left by Qadhafi’s demise, local actors, including municipalities, have stepped into the power vacuum.\textsuperscript{160} Local government is overall a patchwork system, with only some municipalities managing to deliver some services. The role tribes and militias play varies, with some councils being subordinate to or completely displaced by them. Militias\textsuperscript{161} have become key actors and in many locations have seized substantial powers. Local conflicts, in the form of militia or gang warfare or tribal clashes and often with the participation by those who have taken over governance, render security precarious.\textsuperscript{162} External influence and the national political arena in general have had little bearing on municipal affairs. Mayors are generally eager to stay under the radar, and even municipalities in communities with powerful militias try to remain apart, at least on municipal performance. Zintan and Zawiya have preserved a degree of independence, whereas parts of Tripoli and Misrata have failed to do so.\textsuperscript{163}

The internationally recognized GNA government has established a ministry of local government, as has the rival administration in Tobruk, backed by Haftar’s LNA; both also have national and municipal electoral commissions. The GNA ministry has a plethora of bureaucratic entities: the High Commission of Local Administration, a secretariat for the ministry; the Supreme Local Affairs Commission, a body made up of mayors and chaired by the minister; and the High Committee for Transfer of Competencies, a

\textsuperscript{158} Information from USAID/Libya, USAID, Summer 2020.
\textsuperscript{159} Source for the map: liveuamap.com
\textsuperscript{160} John R. Allen et al., “Empowered Decentralization: A City-Based Strategy for Rebuilding Libya.”
\textsuperscript{161} According to a 2019 estimate, there are some 150 militias, many quite small (Ibid.).
\textsuperscript{162} “Understanding Local Governance Structures in Libya,” Clingendael (April 5, 2018).
\textsuperscript{163} Information from USAID/Libya.
decentralization committee within the Presidential Council. The latter has expressed an interest in decentralization, and mayors do bring problems to the council as well as to the commission. Both the GNA and General Haftar and his LNA can intervene with municipal governments, yet positive interchanges and practical support are often somewhat limited by the conflict and competing interests. The GNA certainly has a greater commitment to decentralized government.

Regions experience a notable disparity in resources they receive from central government. Those closer to Tripoli or connected with powerful tribes appear to receive more resources. Until 2015, most local councils could not prepare a provisional budget; central government transfers took the form of emergency budgets. Just as the ability to prepare budgets was improving, the conflict began delaying transfers, creating cash flow problems.

The legal framework remains only modestly relevant to local governance, sucked into a vortex of militias, tribes, and other political elites. Informal networks continue to dominate as they did under Qadhafi but in a less orderly fashion. Moreover, a splurge of public sector hiring, driven by the needs of militias, tribes, and others to provide patronage for their clients and not governed by any law specifying criteria for appointment, led to what is proportionally the largest civil service in the world, employing 85 percent of the active workforce, the majority of whom are employed at subnational levels. Yet it cannot provide much in the way of local services because of the large share of resources devoted to support salaries and the effects of overstaffing, which as in Egypt means unclear and duplicative responsibilities, low pay, and huge inefficiencies. As of 2016, a slight majority responding to an International Republican Institute survey viewed their council as legitimate, yet a majority were also dissatisfied by the services their council provided. The main services provided appeared to be official documentation and some forms of public sanitation, a limited offering. Municipal leaders also play a role in local dispute resolution.

Mayors and municipal councils have not been able to play their intended roles and have often been marginalized by the militias, which, in conjunction with allied forces such as the LNA, exercise complete or substantial power over their areas. They remain the only elected formal governance body in place and in many places are trying, with very thin revenues, to provide services. As noted, some mayors and councils have exceeded their authority in generating additional revenue with which to provide critical services. In the east, the LNA assumed power over numerous municipal councils, displacing their elected mayors. Resources have been siphoned off for weaponry. Along and near the coast, the LNA has now lost cities and towns it once held. The most important loss was Tarhouna southeast of Tripoli in June 2020. Before that, it lost Ajaylat, Sabratha, and Surman, as well as several towns near the Tunisian border. Status in the southwest seems more in flux. One question is what will happen with municipalities that pledged allegiance to Haftar after the LNA’s territorial advances in the Fezzan but whose officials were not really committed to Haftar. Some already have deserted him and declared their allegiance to the GNA. Others may follow. In either case, each side is characterized by alliances of convenience and a remarkable number of players.

The Fezzan, critical for managing extremism risk and the more problematic forms of smuggling, is under the control of neither Haftar nor the GNA. Local councils are functioning at some level in major towns in the Fezzan, such as Sabha and Ghat. In locations with high conflict such as Murzuq and Ubari, it is difficult to know what sort of local administration might exist.

In sum, the legal status of local government authorities and structures is barely clarified constitutionally or legally. And the forms of local governance that have emerged, some within the law and some outside it, seem diverse and variable. This creates a dilemma for external supporters, who are faced with a challenging choice. They can accept the status quo, selecting municipalities with the most proactive mayors and councils and attempting to “tame” adjacent, armed militias while empowering the municipality with institutional capacity and bolstering cooperation between like-minded municipalities. Alternatively, they can bolster some form of central authority when in line with U.S. Government policy or seek reconciliation among competing blocs and factions, which might then impose a structured system of local governance. This is not an easy set of options (as is true of Yemen and Syria as well), nor are the options mutually exclusive, though donor resources are bound to be limited. The state-centric alternative is more ambitious largely because legal/judicial provisions for national and local state institutions are poorly articulated and weakly embedded in Libyans’ experience with their governments. It thus can be easier to work locally, where at least there are some commonalities and precedents of cooperation in addressing tasks of governance and where there may be tribal or ideological affiliations that support cooperation. But it may be difficult to sustain progress given all the variables and pressures at play and to link them to some reasonably functioning center for purposes of sustainability and peace.

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165 “Libyan Local Governance Case Studies” (European Union Delegation to Libya, July 2017).
SYRIA

SYRIA: DECENTRALIZATION BASICS

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<th>Local Government Units</th>
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<tr>
<td>2012 Constitution:</td>
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<td>Articles 12, 130-131</td>
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LEGAL AUTHORITIES AND STRUCTURES

Syria passed a series of decentralization laws starting in 1957. They provided only a veneer of local governance; the governance system remained highly centralized. In August 2011, in the wake of the Arab Spring, Local Administration Decree No. 107 was issued. As in Morocco, this reform was initiated in the hopes of calming dissent. The constitution passed in 2012 reinforced Law 107’s wording and intent and guarantees decentralization in Articles 12, 130, and 131, with local councils to be elected for all LGUs. These efforts failed to head off the uprising but suggest that the regime believes that decentralization, in word if not in deed, had a role to play in maintaining its power and binding the country together.

The use of a decentralization law to bolster flagging central power in Syria is not novel. The regime pursued a similar course in 1983, when it suddenly began to enforce a previous decentralization law, Law 15 of 1971, as a conciliatory measure to address potential popular dissatisfaction with the regime’s severe repression of the Muslim Brotherhood’s revolt the year before. When it had put down the revolt, the law reverted to a dead letter, not having enshrined its provisions in practice. Some believe that Law 107 is fundamentally different from Law No. 15 of 1971, but the new law only superficially altered Syria’s system of managing local affairs for the past 40 years.

Decree 107 granted more authorities to local units and created the new administrative unit of districts. It also created new administrative structures and positions such as the Supreme Council for Local Administration. The Supreme Council, headed by the prime minister with the minister of local administration as the prime minister’s designee, was charged with the creation of a decentralization national plan to transfer duties to local councils and coordination with all stakeholders to ensure it happened within five years. The council has the power to clarify the mechanisms of the local councils’ work and approve executive regulations, as well as the annual amendments to the regulations of fees, resources, and compensation. The new law did not grant the right to local councils to initiate legal disputes with the Supreme Council before the administrative court, as is the case for ordinary citizens.

Local Administration Decree 107 decentralized some authority to a combination of elected and appointed officials operating at provincial and local (town/municipality/city) levels. Article 2 strengthened local administrative units’ legal capacity, particularly those of municipalities (as in Lebanon) by assigning them power over development planning and community-level projects as well as responsibilities “for services, economy, culture, and all matters of interest to citizens.” Law 107 also slightly increased local administrative units’ budgets and staff both by empowering locally elected councils to finance projects and

by transferring a small portion of central government funds for such purposes to governorates. It requires that half of those elected to local councils be farmers or workers; however, it remains challenging to identify a sufficient number of candidates from these two occupational categories to meet the quota.

Law 107’s provisions were to be implemented over a five-year period of gradual decentralization, but the country descended into civil war. The law was not (and eventually could not be) implemented meaningfully. In any case, elements of it supported further consolidation of the centralized local administration system controlled by the president, prime minister, Ministry of Local Affairs, and MOI, at least in the parts of the country the regime controlled.

Law 107 in Brief

The local administration law does not provide limited authorities to elected local councils. Most power is still concentrated in the hands of the Damascus-appointed governors, who preside over elected councils and enjoy nearly absolute authority over their provinces at all administrative levels with judicial immunity granted by the law. It provides no effective measures to ensure transparency, accountability, and public participation. Most of the essential functions in the sectors of health, education, agriculture, service delivery, resource management, and local revenue management remain centralized at the ministerial level though the law transferred some to the local level. Social accountability was better defined with additional transparency and participatory measures. In practice, however, the actual changes and modifications in dealing with local structures remained marginal. The amended roles and responsibilities were duplicative and ambiguous.

Law 107 then retained substantial central government control, embodied in the powers of the Supreme Council, the governors, national ministries, and especially the Ministry of Local Administration, the country’s largest landowner. The minister of local administration must approve formation of executive offices in governorates and cities and the distribution of work among them. The role’s occupant suggests its centrality in the government’s thinking—since 2016, the minister of local administration has been Hussein Makhlouf, a relative of the prominent regime insider Rami Makhlouf, a cousin of President Assad.

Governorate councils were awarded some powers over local issues, but the dominant force over them, governors, remained appointed central government officials. Reporting to the Ministry of Local Administration but appointed directly by the president, governors are the key figures in local government. Law 107, Article 42, empowers them as the representatives of central authority to oversee local administrative units and to ensure execution of ministries’ planning and technical projects. They dominate governorate councils by virtue of heading their executive offices. According to Article 44, they may “make any decision they consider appropriate on matters of security and public order.”

The regime drew on Law 107 along with Law 15 of 1971 to provide the legal framework for the 2018 elections. The Ministry of Local Administration created about 100 new administrative units for these elections, raising the number from 1,341 in 2011 to 1,444 in 2018. With the increase in seats, the number of candidates per seat declined. In 2011, some 6,000 villages had been aggregated into 682 townships. These reorganizations were intended to ensure that patronage networks in local administration maximized territorial coverage, ensuring the electoral outcomes desired by the regime. Law 107, Articles 9 and 10, specifies the procedures for such changes. To create or dissolve cities, the prime minister, on the advice of the minister of local administration, has ultimate authority. For towns and municipalities, the

decision is made by the minister on the advice of the provincial council's executive office. A municipality or town may also be created by the Supreme Council of the Ministry of Local Administration, without a set minimum of inhabitants. Law 107 thus reinforced centralized management of local government as it empowers the central government to dissolve or create units for any reason.

IMPLEMENTATION REALITIES

Areas Outside Regime Control: Analysis of decentralization in Syria is complicated by the lack of a single constitutional and legal structure or a common, unified local government system. The country is a patchwork, with Kurdish/Syrian Democratic Forces (SDF) control in the northeast, Turkish control along much of Syria’s northern border, Islamist and other opposition forces controlling territory along the southwestern border with Turkey, and mixed opposition groups controlling an enclave along a portion of the Jordanian/Iraqi border. Even this description is a simplification as some Syrian government troops are operating in the northeast and some Syrian government institutions, such as the Ministries of Education and Agriculture, are operating to some extent in Kurdish/SDF-controlled territory. SDF-controlled territory does, however, function as a de facto autonomous area. The SDF does not seem to see the regime in Damascus as its main enemy and has been preoccupied with stamping out ISIS and dealing with Turkey’s incursion. There is ongoing violence in the northeast, with Turkish-backed Syrian Arab militias, Kurds, and Syrian regime troops competing for control over contested areas.169 The map below from late 2019, though dated, is useful for a broad-brush view.170

Most of those living in areas liberated from regime control for at least some part of the 2011–2020 period have now had experience with local government. This experience, though varied in legal form, structure, and practice, has affected their perceptions of governmental authority. Regime opponents and perhaps to a lesser extent the Syrian regime expect that decentralized local government will be a feature of any

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unified political order that emerges in Syria. Moreover, local councils that sprang up in both opposition- and Kurdish-controlled areas implicitly or explicitly based their legitimacy on Law 107.

Paradoxically, during the civil war, although Law 107 remained inoperative in government-controlled areas as the state was unwilling to cede authority to localities, it informed local practice in opposition-liberated areas precisely because of the absence of central authority. A patchwork of local councils emerged in cities and towns—“sub local councils” in municipalities and provincial councils in governorates—although many of these councils operated from neighboring countries. Theoretically, all these councils operated under the authority of the Ministry of Local Government of the “interim government” based in Gaziantep, Turkey, although many of them did not recognize that authority. The manner of choosing council members varied widely, including quasi-elections or nominating processes,\(^\text{171}\) appointment, and ex officio membership. The regime also ran its own candidates for its official councils in these areas.

Of the areas outside regime control, the area controlled by the SDF in the three northeastern governorates of Deir al-Zour, al-Raqqah, and el-Hasakah appears to maintain the most substantial remnant of the local government system that emerged following the uprising. There, where local government operates under the domination of actors with varying styles of governance (e.g., Kurds/SDF, Turkish government, Arab tribes), the situation has varied. In Kurdish-controlled areas, particularly where there is a Kurdish majority population, local councils appear to be more inclusive (including of women) and function more democratically. These councils appear largely legitimate in the eyes of the local population.\(^\text{172}\) Councils may be viewed less positively by Arab populations, given Kurdish influence and competition for control over resources. Arab participation in Kurdish-led local governance structures is reported to be low, due to an assumption that their voices will not carry much weight with Kurds making the decisions.\(^\text{173}\) Targeting by ISIS sleeper cells or the regime itself, or loss of regard in the eyes of their community, may be limiting Arab participation. In Raqq, by contrast, a network of local governance institutions led largely by emerging leaders who formed part of the resistance to ISIS has emerged. They have been able to push back to some extent against Kurdish control and to provide some services to areas outside the city proper, though they lack the funding to remedy the extreme damage produced by ISIS and the battle against it.

Remnants of ISIS have been trying to exploit divisions between Kurds and Arabs, and significant resources—funds that could be used for reconstruction and services—must be devoted to fighting the group. Across the northeast, local governments lack technical capacity and resources to do much. Local councils do provide a mechanism to address humanitarian needs and services and improve stability. In such a fluid environment, however, they are subject to multiple pressures that threaten their effectiveness and perhaps their longevity. The chances of reconnecting them to the center seem slight and unlikely to yield benefit.\(^\text{174}\)

**Regime-Controlled Areas:** In areas controlled by the Damascus-based government, there are efforts to reestablish the constitutional and legal structures rendered irrelevant by the war. Governors’ political power, both within the central government and at the governorate and local levels, was demonstrated by their role in selecting candidates and forming electoral lists for the September 2018 elections. Six of 14 governors were then high-ranking officers in the country’s intelligence agencies, the army, or the police. The other eight were civilians with strong ties to security agencies and, in some cases, the Assad family.

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\(^{171}\) The Syrian Interim Government issued its own set of local electoral regulations for the local council elections.

\(^{172}\) Lynn Carter, interview with Stevens Tucker, MSI, August 2020.


Although they report to the minister of local administration, they are in effect employees of the president. The 2018 elections were held under a party list system, with substantial Ba’ath party control. Many areas saw few candidates run for office and turnout was low. Even in regime strongholds and areas that had remained neutral during the conflict, there was little interest, in recognition that there was no space for candidates not preselected by the regime.175

Citizens See Local Councils as a Façade for the Security Services

Ghazwan Kurunful, head of the organization Free Syrian Lawyers, commented: “In a country where political action is disrupted and there is no margin for civil action, there is no point in local councils in which candidates compete to satisfy the security services as a decisive factor in reaching office. Therefore, the votes of citizens become pointless.”176

Central government control over the appointment of personnel to head local administration units is vital to securing patronage, given the autonomy the units have in implementing development projects, as referenced in Law 107. Presumably, this provision reflects a strategy whereby the regime will guide the reconstruction process, tailoring projects to suit its political and economic needs. For example, Decree 1972 of April 2015 enables administrative units to create public holdings for property management and the issuance of building licenses and to create subsidiaries in joint ventures with private partners. The governorate of Damascus drew on this authority to create the Damascus Cham Private Joint Stock Company in December 2016 to manage implementation of Marota city; the director of the company is the governor of Damascus, a close confidant of the president.

Decree 10 of 2018 extends further authority to local administrations over reconstruction. As an extension of Decree 66 of 2012, it allows expropriation of property owners living in government-designated development zones where reconstruction projects will take place. Such designation is by the president, based on the advice of the Ministry of Local Administration. The ministry offers advice drawn from plans created by each local administration. Once a zone is designated, the local administrative unit is responsible for its development (identification of property owners to be expropriated, assessment of land value, reallocation of housing for those expropriated, etc.). Decree 10 can be and has been used to adapt reconstruction, nominally carried out at the local level, to the central authorities’ political and demographic priorities. Thus, apparent decentralization in reality aims to strengthen central government control locally, not empower local government and participation.

The regime is using its purse strings for the same purpose. Local administration units do not have sufficient material resources to meet their populations’ needs, so they depend heavily on central government resources. Local councils, for example, are nominally responsible for essential services, including roads, water, and electricity, virtually all of which have been heavily damaged. Local government, however, is not being provided the funds to repair and restore these services, as was noted by the head of Aleppo city council in December 2018. Through the legal framework and control over allocation of funds, the central government continues to exercise virtually unchecked power over all aspects of public life in areas it controls. It is not surprising that struggle over the precise wording of decentralization proposals as part

of negotiations to end the civil war will be intense and protracted and, to be truly effective, will need to be encased in a host of conditions and guarantees.177

Reconstructing National Authority: Recent political undertakings by the regime indicate that it will draw on Law 107 and the ostensible decentralization it embodies in its effort to legitimize itself and reconstruct its national authority. Russian mediation efforts addressing constitutional revisions have also assigned decentralization an important symbolic role. Law 107’s wording seemed to inform both the drafters of the constitution proposed by Russia in Astana in January 2018 and Syrian negotiators in Geneva, as well as Western powers involved in those negotiations.

Although the idea of decentralization embodied in Law 107 is endorsed by both government and opposition, their views of the roles and powers of bodies specified in Law 107 diverge widely.178 Law 107 grants, for example, extensive power to governors appointed by the president, power that in liberated areas has for several years been exercised primarily by governorate councils, typically elected by governorate residents. Law 107 also empowered the prime minister as the chair of the Supreme Council it created to oversee local councils, oversight rejected by regime opponents. The lack of devolution of power to regions as in the Iraqi legal framework likely renders Law 107 unacceptable in Kurdish areas. Also, the vital issue of control over natural resources, including the country’s major oil field, is not addressed in Law 107. A national decentralization plan, which Article 4 empowers the central government to draft, would need to address this issue.

177 Recent discussions with a member of the Syrian opposition participating in the talks suggest that the opposition’s concern is less with Law 107 than with the constitution, upon which the talks appear to be focused. Intergovernmental relations are clearly important in these talks.

LEGAL AUTHORITIES AND STRUCTURES

A constitutional and legal structure for decentralization emerged under President Ali Abdullah Saleh in 1998, in response primarily to southern discontent and aspirations for greater autonomy. The south was not alone in these aspirations, but the north had enjoyed a greater degree of local governance before the unification of north and south. Saleh’s response was to put in place a law that divided the country into governorates and one municipality (Sana’a), districts and subdistricts, and villages and hamlets as further subdivisions. Despite some verbiage to the contrary in that law, the central government retained its authority, including authority to appoint governors and, at the district level, directors-general. Saleh appointed loyalists to these positions—most notably, individuals from his home village of Sanhan. The 1995 constitution did little to aid decentralization, with few provisions devoted to local governance. It stipulated that local units would have elected councils but did not specify these units.179 These responses further stimulated local desires for decentralization.

In 2000, in another attempt to contain popular demands, Saleh issued the local authorities law, No. 4, which created elected local councils at the governorate and district levels with responsibility over social, economic, and cultural affairs. The councils did not, however, receive revenues equal to their tasks. Governors remained appointed by the council of ministers, and directors-general (districts) were appointed by the minister of local affairs and approved by the council of ministers. These two figures remained in charge of public administration, with ministries assigning employees to each level. Various national powers were devolved to governors and local councils, but ultimate authority over governorate personnel, budgets, and plans remained with central ministries or the council of ministers.180

Essentially, the president retained the power to veto local initiatives. Local councils at the district and governorate levels were elected through a first-past-the-post system to four-year terms, and governorate council members elected a secretary-general and committee members. Councils were awarded control over basic services and allocation of funds for development programs. Authority for revenue raising was also vested in local councils in the form of commercial taxes and utility fees, but these sources were insufficient to meet the councils’ responsibilities, leaving the councils dependent on central government transfers.181

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180 Joshua Rogers, Local Governance in Yemen: Theory, Practice, and Local Options (Berlin: Berghof Foundation, 2019).
Local Government Revenues

By law, local authorities receive revenues from 50 percent of zakat religious donations; building permits; commercial licensing; slaughterhouse, meat, and fish market services; civil registry services; sanitation and city improvement services; property tax; and taxes on electricity, water, and telephone bills. Though collected locally, other revenue sources are shared, with 25 percent going to the governorate and 50 percent distributed across other districts in the governorate. These include passport fees; a consumption tax on Qat; diesel, petrol, and kerosene sold to points of sale (suspended after approval in 2000); driver’s license fees; traffic fines; and the like.

Local council members were elected in 2001 and then again in 2006. No elections have been held since then. The regime’s political party, the General People’s Congress, dominated the councils. In 2008, in a further effort to mollify opposition, Law No. 18 of 2008, an amendment to Law No. 4/2000, required the indirect election of governors by members of the elected district and governorate councils. Elections were held in May; previously governors had been appointed. The law assigns the local council an active oversight role to hold the governorate executive to account. The local council can in theory withdraw confidence from the governor and the district directors-general with a two-thirds majority vote. In that same year, Saleh overruled the elections of some governors, and in 2011 that provision was canceled, making governors once again appointed. A national local governance strategy was drafted in 2008, primarily by the United Nations Development Programme (UNDP), along with a blueprint for further decentralization based on best practices. These steps were not implemented, however, and there was no enforcement mechanism to compel compliance.

Three years later, in November 2011, Saleh signed the Gulf Initiative, brokered by the Gulf Cooperation Council, in which he agreed to step down in favor of his long-serving deputy, Abdrabbuh Mansur Hadi. The transition occurred in February 2012 in exchange for legal immunity for Saleh and his family. The Gulf Initiative outlined a two-year transition process to conclude with presidential and parliamentary elections in February 2014. A National Dialogue Conference from March 2013 to January 2014 attempted to resolve disputes among the Houthis, the southerners, and the central government, primarily by endorsing federalism. The effort to specify the form federalism would take—not the proposal of a federal system of government itself—then deadlocked the conference, which adjourned.

President Hadi then announced the formation of a presidential committee, members of which he appointed, to operationalize federalism. The committee proposed that Yemen be divided into six regions—four in the north and two in the south. The draft 2015 constitution incorporated these regions. Neither the Houthis nor the southerners accepted this proposal, however. The Houthis objected because the boundaries cut them off from the Red Sea coast and oil resources and because they wanted the north to remain unified, whereas the southerners did so because the two regions did not provide the foundation for an eventual separate state and because they feared being outmaneuvered by the north’s four regions. The federalism committee also proposed four levels of government: central, regional, governorate, and district. Other issues related to federalism were left to the constitutional drafting committee to sort through. However, the draft constitution maintained a strong central state, including continued control over oil and gas revenues. The reform effort came to a halt as the Houthis consolidated control in

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Sana’a in February 2015 and held Hadi and his cabinet under house arrest, kicking off the civil war. Hadi has been in exile since 2015.

**IMPLEMENTATION REALITIES**

Like Libya and Syria, contemporary Yemen is not a unified nation state. It seems even more fragmented than Syria, with several competing political forces holding sway in different parts of the country and with more disparate forms of local governance. There is no nationwide, legal governance structure currently observed at any level. Elected governorate councils no longer function as intended in any province. Where remnants of district councils exist, they have so little funding, that they cannot function. In Houthi-controlled areas, the regime has appointed “supervisors” to manage local government. Yemenis’ remarkable resilience, stemming from their long traditions of local loyalties and capacities, has enabled many to survive the collapse of national authority and the reduction in material support from the central government that followed that collapse. Yet under the influence of COVID-19, the plague of locusts, and ongoing conflict and destruction, that resilience is crumbling. It will be difficult to reconsolidate national authority, given that no single political force in Yemen is strong enough to subdue all the others. In this setting, decentralization is aspirational. It may provide a foundation for relations between center and periphery if a national authority can at some point be constituted, but it is less relevant as a legal construct to the current complex system of competing authorities.

The map below from August 2019 shows areas of control with a division into roughly seven geopolitical segments as follows: Aden and the south, Hudaydah and the Red Sea coast, the Houthi-controlled highlands, Ta’iz, Marib and al-Jawf, Hadramawt, and finally al-Mahra and Soqotra. Local governance has varied considerably across these areas but generally has deteriorated further in the last year. Major powers such as the Houthis, the Southern Transition Council (STC), and the Hadi government cannot be said to be particularly favorable to local forms of autonomy. Services have declined, even in areas such as Marib and coastal Hadramawt, where they had some stability. The economic situation has deteriorated markedly in this period, even from an already low base.

The local governments that emerged amid conflict only vaguely reflected preexisting constitutional/legal provisions. Local government has been politicized throughout the country, representing mobilization by the various opposing political forces. Localities vary in degree of conflict, contestation for control, and available resources. Some local councils continue while others collapsed or were greatly weakened due to lack of resources and the emergence of forces or militias that displaced or overrode the authority of some of them. Although their terms ended in 2012, they are officially in office until new elections can be held. Over time, many council members were assassinated, died, fled, or stepped away.

Across Yemen, governorate and district budgets now rely largely on locally generated revenue, and local authorities rely on external aid to provide services. Those in pro-Hadi areas receive little technical or

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186 Gregory Johnsen and Wesley Horne, “Yemen Literature Review on the Political Marketplace,” unpublished paper, MSI/USAID, August 2019. In a recent report, the International Crisis Group (ICG) referred to five distinct political factions with associated geographic areas, but that division overlooks differences between, for example, Marib and Soqotra or even Marib and Taiz, which are both essentially Islah strongholds. Given current conditions, the seven Yemens in the map on the following page could expand to nine with Hadramawt split into two (Wadi Hadramawt and coastal Hadramawt) and the STC-controlled versus pro-Hadi south. Lynn Carter, conversation with Gregory Johnsen, August 2020. ICG, “Rethinking Peace in Yemen,” Middle Eastern Report No. 216 (July 2, 2020).
budgetary support from the Hadi government.\textsuperscript{187} Local authorities’ budgets have sharply declined amid an ongoing shift toward locally generated sources. According to the 2014 budget, up to 95 percent of local council income was to be provided by the central government and used for recurrent expenditures and capital projects. According to the 2000 law, councils could also collect utility bills and various fees for permits as well as a half share of zakat (charity mandated in Islam) contributed locally. Payments from the zakat fund were suspended by the Houthis when they established a Zakat Authority.\textsuperscript{188}

In areas under the internationally recognized Hadi government, councils were purged of suspected Saleh loyalists and were sidelined in STC-controlled areas. In Sana’a, the Houthis permitted the local government to provide some services; they have not themselves been particularly interested in service provision. In other Houthi-controlled areas, local councils seemed to exist largely in name only due to their tribal affiliation but increasingly lacked resources.\textsuperscript{189} Councils in the Houthi-controlled areas received almost nothing from the nominal central government now based in Aden.

Generally, the Houthis put loyalists into senior positions in government. They have established reeducation courses for those in government; staff hoping for job security, a promotion, or a raise take the courses and become loyalists, reluctant or not. The Houthis have begun to restructure government, beginning with the security services and then ministries, and are now reaching into local government. In the wake of any negotiated settlement with the Saudis, it may prove difficult to uproot them.\textsuperscript{190}

In 2017, the STC, representing southern interests, officially established itself as a governing body. It organized branches throughout the south that operated at regional, governorate, and local levels, with unofficial backing from the UAE. It took over government in Socotra in the summer of 2020. The UAE

\textsuperscript{188} Information from USAID/Yemen, August 2020.
\textsuperscript{190} Lynn Carter, interview with Gregory Johnsen, August 2020.
has long had an interest in Socotra and is building a hospital and providing housing and subsidies; it also recruits troops from the island. Service delivery in Aden and surrounding areas has been notably poor given that Aden is also the current seat of the Hadi government. Services have likely deteriorated further in the last year given a combustible situation and continuing chaos. Areas heavily affected by conflict such as Ta‘izz and Bayda lack any genuine sort of local government and are under the sway of competing militias.

Islah has held a fairly tight grip on Marib province, causing some disgruntlement among tribes, particularly as the resource pie shrinks with Yemen’s steady impoverishment and the low price of oil, accompanied by corruption and favoritism. Tribal or customary authority do have influence not only in Marib but also in al-Jawf, Hadramawt, and al-Mahra, though tribes may of course be tied to Islah, the General People’s Congress (GPC), or other groups. In Marib and Hadramawt, local government has functioned. Local authorities in al-Mahra and Shabwa have also provided a degree of governance and services. Local authorities in many of these provinces have generally been forced to ignore the law to raise local revenues so that they could provide services, including security.

Both Marib and Hadramawt provinces were advantaged in their possession of oil and gas wells. Both maintained a higher level of service provision than other areas of Yemen and both had significant popular legitimacy. Both tried to address internally displaced person (IDP) needs as best they could. In Hadramawt, for example, the local government worked closely with civil society and the private sector to assist the influx of more than 100,000 IDPs who arrived in 2015.191

In Marib, the local government kept oil and gas proceeds for their own use for a time (circa 2016) but eventually negotiated a 20 percent share of the sales revenue with the Hadi government. The local population had long been aggrieved over the province’s failure to benefit from their natural resources. Some residents of Marib claimed a year ago that public services were better than they were before the war because they benefited from the oil/gas revenues and the security that the provincial government maintained.192

Coastal Hadramawt formed a similar oil revenue-sharing deal with the Hadi government after popular protests and the holding up of oil shipments in summer 2019.193 Governor Bahsani is in an awkward position, trying to balance between the Hadi government on the one hand and the STC and UAE on the other. There have been two or three attempts on his life by unknown parties in the last year. Services here too have deteriorated, electricity among them as the grid is damaged. Wadi Hadramawt is allied with the Hadi government, but the coastal area is run by military authorities who are wary of both the STC and Hadi and would like an autonomous Hadramawt in either a federal Yemen or an independent south.194

In March, Houthi forces took over al-Hazm, the capital of al-Jawf province. They now control part of the province and have appointed their own governor and local authority. The gains in al-Jawf further opened the way to attacks on Marib, putting that province’s oil revenue at some risk of Houthi takeover. The Houthis have begun to try to cut deals with Marib tribes, offering autonomy, though tribes have remained suspicious given Houthi behavior in Hajjah. Tribal tensions within Marib province have escalated. The provincial government has been preoccupied with fending off the Houthis as the latter advanced into the province; services have declined. There is fear that Marib could fall to the Houthis, particularly if tribes

191 The battle for Mukalla in 2016 did lead to dismissal of district councils, which were seen as pro-Salah (Ibid.).
can be peeled off by the Houthis. Such changes will affect the continuance of local government and the resources it can call on in these provinces.

Although Law 4/2000 as amended in 2008 is not in force, it is the applicable formal framework. There is some agreement across political parties and regions that this law can form a basis for interim local administration while longer-term governance arrangements are decided.195 However, the legal framework has serious inconsistencies; various laws, republican decrees, and regulations that undermine the law’s intent would need to be remedied. There is also consensus on expanding local authorities (such as for local security and over public sector service provision) significantly while longer-term negotiations continue. Many regions want autonomy from any central government (in a united Yemen or a separate south) or even from regions in Yemen that have dominated them in the past.196 As examples, the Tihama does not want to be under the oppressive thumb of the highlands (this desire predates Houthi control), Socotra does not want to be dominated by the Hadramawt government, and Hadramawt does not want to be dominated from Aden, Abyan, and al-Dahle. With Houthi territorial advancement and the now open enmity between Hadi-aligned parties and the STC in the south, reunification is likely to remain a distant notion, making it important to strengthen viable local authorities where possible.

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USAID MENA Mission comments on the penultimate version of this paper. September 2020.