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COMPARATIVE ASSESSMENT OF DECENTRALIZATION IN AFRICA: FINAL REPORT AND SUMMARY OF FINDINGS

SEPTEMBER 2010

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Authored by: J. Tyler Dickovick
Associate Professor of Politics
Washington and Lee University;

And

Rachel Beatty Riedl
Assistant Professor of Politics
Northwestern University

Implemented by:

ARD, Inc.
PO Box 1397
Burlington, Vermont 05402
Telephone: 802-658-3890
Fax: 802-658-4247
Email: ardinc@ardinc.com

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- *Comparative Assessment of Decentralization in Africa: Tanzania In-Country Assessment Report* by Amon Chaligha, Nazar Sola, Per Tidemand, Peter Bofin; and
- *Comparative Assessment of Decentralization in Africa: Final Report and Summary of Findings* by J. Tyler Dickovick and Rachel Beatty Riedl.

COMPARATIVE ASSESSMENT OF DECENTRALIZATION IN AFRICA: FINAL REPORT AND SUMMARY OF FINDINGS

SEPTEMBER 2010

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ACRONYMS

| | |
|---------|--|
| ANC | African National Congress (South Africa) |
| ANICT | <i>Agence Nationale d'Investissement pour les Collectivités Territoriales</i> (National Investment Agency for Local Collectivities - Mali) |
| BDP | Botswana Democratic Party (Botswana) |
| BNF | Botswana National Front |
| DACF | District Assemblies Common Fund (Ghana) |
| DCHA | Bureau of Democracy, Conflict, and Humanitarian Assistance |
| DDPH | <i>Democratic Decentralization Programming Handbook</i> (USAID, 2009) |
| EPRDF | Ethiopian Peoples' Democratic Revolutionary Front (Ethiopia) |
| FCA | <i>Autarquia</i> Compensation Fund (Mozambique) |
| FRELIMO | <i>Frente da Liberação do Moçambique</i> (Mozambique Liberation Front - Mozambique) |
| GDP | Gross Domestic Product |
| GLEM | <i>Groupes d'étude et de mobilisation aux niveaux local</i> (Mali) |
| GREM | <i>Groupes d'étude et de mobilisation aux niveaux régional</i> (Mali) |
| HCC | High Council for Collectives (Mali) |
| HRM | Human Resources Management |
| IGT | Intergovernmental Transfers |
| LGA | Local Government Authority |
| MMDA | District-Level Assembly (Ghana) |
| MPF | Market-Preserving Federalism |
| MTEF | Medium-Term Expenditure Framework (South Africa, Uganda) |
| NCOP | National Council of Provinces (South Africa) |
| NDC | National Democratic Congress (Ghana) |
| NPP | New Patriotic Party (Ghana) |
| NRM | Natural Resource Management <i>also</i> National Resistance Movement (Uganda) |

| | |
|--------|---|
| PETS | Public Expenditure Tracking Systems (Tanzania) |
| RENAMO | <i>Resistência Nacional Moçambicana</i> (Mozambican National Resistance - Mozambique) |
| SNG | Sub-national Government |
| USAID | United States Agency for International Development |

EXECUTIVE SUMMARY

Decentralization has advanced considerably in Africa in the last two decades. Since 1990, many African central governments have initiated or deepened processes to transfer authority, power, responsibilities, and resources to sub-national levels. To examine the results of these processes, USAID has commissioned a comparative study to draw lessons from 10 country experiences with decentralization: Botswana, Burkina Faso, Ethiopia, Ghana, Mali, Mozambique, Nigeria, South Africa, Tanzania, and Uganda. This study is a comparative report drawing upon desk studies of the countries above, plus follow-up field studies in five of the countries (Botswana, Mali, Mozambique, Nigeria, and Tanzania).

We found mixed results of these decentralization processes in Africa, with considerable achievements in some areas and more limited advances in others. African decentralization has advanced considerably in the devolution and deconcentration of legal authority to sub-national governments (SNGs) and sub-national administrative units. In establishing decentralization framework laws, these processes have advanced in the political, fiscal, and administrative dimensions of decentralization. Politically, all countries in the study now hold sub-national elections. On the fiscal side, decentralization gave SNGs important expenditure responsibilities in public services, and guaranteed access to some of the revenue resources needed to meet these responsibilities. A major achievement here is the creation of regularized, formula-based revenue transfers from the center, though these are relatively small in several cases. On the administrative side, central governments have undertaken extensive processes to deconcentrate authority from central government offices to administrative units controlled by the center. In all of this, there are reports that decentralization has had some modestly positive impact on public service delivery, while serving as an instrument to enhance national stability in many post-conflict countries.

On the other hand, changes have had less positive impacts in other areas. The area of sub-national autonomy is a leading example. Sub-national autonomy remains quite restricted by several top-down forces, especially the control exercised by state authorities (including deconcentrated entities) and by the dominant political parties in many African countries. Central governments are justified in seeking to coordinate and monitor the actions of sub-national actors, but the degree of control observed suggests a continuation of centralized patterns of governance in many cases. This also affects accountability. There is some downward accountability of SNGs to local citizens through the frequent and increasingly institutionalized use of sub-national elections, but accountability in many cases continues to flow mostly upward to actors at the center. Fiscal realities also affect this, as own-source taxation for SNGs remains a weakness in most cases, and the reliance on revenue transfers increases central government control over how money is spent. A final issue in most countries is capacity at all levels of government, although service provision seems to have slightly improved after decentralization processes in about one-third of the cases.

Alongside these broad trends, some individual countries stand out for certain aspects of their decentralization processes. There are a number of “exceptional successes” that cut across multiple dimensions of decentralization. We examine achievements in institutionalizing legal authority, promoting fiscal autonomy, decentralizing political accountability, and building capacity, and also

offer comments on diverse processes of creating and demarcating local governments. Examples include high-quality government monitoring of SNG spending, collaboration of SNGs with local civil society actors, and the use of effective patterns to transfer revenues.

Several variables affect the goals and extent of decentralization, including colonial heritage, federalism, and political party systems. Governance is likeliest to be centralized in countries with a Francophone heritage, that are unitary in structure, and that have a single dominant political party. Decentralization certainly correlates with federalism. Countries are not always highly decentralized if they are former British colonies, but the experiences are at least more variable. Other forms of party systems (including fragmented systems and competitive two-party systems) are relatively rare in Africa, but also seem to contribute to more decentralization than is seen where a single party dominates. Finally, histories of conflict seem to matter, especially since decentralization has often been used to promote national stability. Here, the most important observation is that decentralization (including devolution) has helped consolidate stability in some cases and does not appear to have compromised stability in any cases.

The implications of this analysis for advocates of decentralization are numerous. We argue that donors and pro-decentralization policymakers should assess the political incentives of African governments and states, not the so-called political will of these actors. Decisions to decentralize may be made because national leaders genuinely seek to promote the noble goals of democracy and development, but they are likely to occur for other reasons, such as consolidation of a regime's or a party's power, or even to ensure access to donor support. The most propitious environments for decentralization programming will be where the political incentives of leading actors align with the interests of donors and other actors promoting decentralization. A governing elite's need for national stability, governing legitimacy, or political gain can provide more stable support for decentralization than professed commitment to a noble goal.

In conclusion, evidence shows that decentralization in Africa has helped enhance democracy somewhat, has proven consistent with stability, and has contributed to marginal improvements in local public service provision in some cases. Achievements have been modest, but we can clearly say there has been little damage to governance as a result of decentralization. This may seem faint praise, but is itself surprising given concerns about local capacity and the newness of many decentralized governments and administrations. It is thus an encouraging sign that decentralization may be able to meet some of its goals and objectives as it is institutionalized and consolidated over time.

1.0 WHY DECENTRALIZE?

Decentralization has been one of the most fundamental changes to governing structures in Africa in the two decades since the end of the Cold War, which brought a wave of democratic transitions to the continent. Since about 1990, a large number of African countries have undergone fitful attempts to democratize power and decentralize it to levels below the center, whether to local municipalities, districts, or provinces, regions, or states. Like the democratization processes themselves, the achievements of the decentralization reforms have been patchy and their record mixed. This study offers a comparative perspective across the continent to give insight into the consequences of the decentralization efforts, drawing from USAID-sponsored case studies of African countries with diverse backgrounds and varied approaches to implementing decentralizing reforms: Botswana, Burkina Faso, Ethiopia, Ghana, Mali, Mozambique, Nigeria, South Africa, Tanzania, and Uganda. We find some unambiguous achievements from comparing these cases, more attenuated success in other areas, and a number of noteworthy shortcomings; we will explore these throughout the report.

As with most comparative analyses, this study intends to shed light on the specific cases in question, but also to serve as a basis for understanding cases beyond those examined here. This can serve for further testing on other existing experiences with decentralization (say, in Senegal), or cases undertaking debates about decentralization at present (such as Kenya) or may in the future (such as the prospects for South Sudan). We turn to the comparative analysis itself in Chapters 2, 3, and 4 (as well as the concluding Chapter 5). In this opening chapter, we consider the overarching goals of decentralization (stability, democracy, and development), as well as certain **intermediate objectives: authority, autonomy, accountability, and capacity**. Alongside these noble aims of decentralization, we consider the importance of less noble political incentives that can shape the decision to decentralize.

1.1 THEORY: THE BENEFITS OF DECENTRALIZATION

One leading answer to the question “Why Decentralization” is that it can help improve the quality of governance and promote development. In this section, we highlight three important goals of decentralization, and note that decentralization contributes to modest improvements in each.

1.1.1 GOALS OF DECENTRALIZATION: STABILITY, DEMOCRACY, DEVELOPMENT

There are three large and important goals decentralization can help promote, and that are of interest to stakeholders both domestically and in the international community, including donors such as USAID. These are stability (or security), democracy, and development (to include service provision).

Stability

We find that decentralization has not had significant deleterious effects on stability, and has likely helped in several cases. This is of particular importance in Africa, a continent that witnessed substantial numbers of coups and civil wars in the first decades after independence.

Scholars posit that decentralization (including the institution of federalism) has possibly enhanced stability by giving different regions and population groups a meaningful stake in the political system, or exacerbating conflict.¹ In the 10 cases, decentralization has served to defuse or localize certain conflicts. Whether it has generated significant improvements in stability is less clear. In many cases, the move toward devolution and sub-national autonomy has been partially offset by the continuing power of countervailing forces (as we shall note at several points in the study): dominant political parties, an encrusted central state, and governance in which executives predominate over legislatures. Whether in spite of or because of these centripetal forces, it is striking that Africa has witnessed considerable decentralization and has not suffered significant consequences for stability, despite major fears about ethnic violence and conflict. This speaks rather well of the processes and prospects undertaken. We explore later whether the limitations on African decentralization are partially responsible for its relatively stable evolution.

Democracy

In Africa, decentralization (in both its deconcentrated and devolved forms) has also proved compatible with furthering democratization.² Decentralization can support democracy by improving transparency, or by enhancing government responsiveness to civil society in a broadly representative fashion; this can include giving voice to groups such as women, youth, and minority populations that are traditionally underrepresented in formal government. Democratization and decentralization share certain characteristics, insofar as both favor the dispersal of decision-making authority to more actors and both presume a degree of autonomy for decision makers. Indeed, the timing of decentralization roughly correlated with democratization in the 10 countries in the study, and decentralization may be posited as a cause, consequence, or correlate of democratization. Every one of the 10 countries studied was ruled by an authoritarian government in the 1970s and 1980s, and was dominated either by a single party or by the military.³ (The most democratic of these countries—Botswana—had begun to liberalize, but remained dominated by a single party, the Botswana Democratic Party [BDP].) All remaining countries went through a period of some democratization in the early 1990s, with mixed results (cf. Bratton and Van de Walle, 1997); decentralization occurred nearly simultaneously with democratization processes (however flawed) in most of the cases examined here, and followed soon after the attempted democratization in the others.⁴ As a second-stage reform, decentralization is seen to reinforce, deepen, and consolidate democracy.

¹ Of course, whether decentralization enhances stability or detracts from it may depend upon other factors, such as the structure of the party system (cf. Brancati, 2006, 2009; Turton, 2006). It may also depend upon the specific nature of decentralization itself, such as the extent and form of fiscal decentralization, or the extent of devolution of the forces of order and security (Diaz-Cayeros, 2006; Eaton, 2006; Rodden, 2006; Wibbels, 2005).

² The literature here is rich as well. Decentralization has long been posited to bring government “closer to the people” (cf. Rondinelli et al., 1983). By this logic, democracy is more than the mere presence of elections. It can include increasing the number of mechanisms through which citizens may participate in governance and hold governments accountable. See Agrawal and Ribot 1999, as well as the work of Jesse Ribot (2002, 2003) for thorough treatment of this issue in African contexts.

³ Freedom House lists two different sets of democracy scores for apartheid South Africa before 1990: one for the white minority and another for the black majority, with the former benefitting from democratic institutions. Needless to say, we think it appropriate to consider apartheid South Africa an authoritarian regime.

⁴ Yet these attempted democratization processes—even where they succeeded—do not constitute full democratization, as noted by scholars who have differentiated between relatively discrete democratic *transitions* and longer-term processes of democratic *consolidation* (cf. Linz and Stepan, 1996).

A word is in order here on the nature of “democratic decentralization”. In this report, we follow the logic of the *Democratic Decentralization Programming Handbook* (DDPH), in which deconcentration is seen as a legitimate form of democratic decentralization. At the same time, we argue that devolution—insofar as it entails decentralizing power to elected officials at sub-national levels—is in a real sense a more complete form of democratizing local governance than deconcentration. This raises the question of whether the study has a normative bias favoring devolution over deconcentration. Our analytical approach to this dilemma draws attention back to all three goals. Assuming that the “freedom and fairness” of sub-national elections is at least comparable to national elections, then devolution is seen as more complete than deconcentration on the democracy criterion.⁵ However, it is easy to formulate theoretical arguments that deconcentration may be preferable to devolution in terms of promoting stability (e.g., for reasons of identity politics). The same may hold for promoting development, perhaps for reasons of low-local government capacity, for instance.

Development and Service Delivery

We find little evidence that decentralization either directly advances or hinders economic growth in Africa, but modest evidence that decentralization may improve service delivery. On economic growth, a longstanding research tradition holds that decentralization can improve the efficiency of governance and provide incentives for economic growth by encouraging local governments to compete with one another. The conditions for this theory seem not to hold in Africa, and we observe relatively little evidence for the existence of competition between jurisdictions, even in South Africa, the continent’s largest and most modern economy.⁶ Meanwhile, attributing changes in the quality of service delivery to decentralization is challenging, since many factors affect development and public services in Africa’s communities (from local leadership and decisions to the national political scene to the international political economy).⁷ If poverty increases or decreases after decentralization, or if the quality of education improves or declines, how can we know if we can attribute this to decentralization? Evidence on service delivery is modest, but the preponderance of this evidence points toward slight improvements in service delivery. The validity of this observation is heightened by the fact that it was arrived at independently by separate teams examining the 10 countries.

⁵ Of course, if sub-national politics (both elections and other procedures) are not free and fair, while national politics is, then this criticism does not hold. Similarly, we might reference here the question of elite capture at local levels, and whether it is greater or lesser than this capture at national levels (cf. Bardhan and Mookherjee, 2000). This question is especially salient in light of traditional/customary authorities in Africa that are not necessarily democratic in structure. We do not assume that local politics is “better” than national politics, but would note that even to contemplate the relative merits of the two requires some degree of devolution, without which it is meaningless to talk about autonomous sub-national government.

⁶ This theory operates through a “disciplining” effect. Local jurisdictions with autonomous powers can compete with one another for residents and firms (Tiebout, 1956; Weingast, 1995). They do so by offering bundles of public goods and taxation rates. Assuming people and firms are mobile, inefficient local governments—those that provide little in the way of services for the taxes they collect—will tend to lose populations to more efficient local governments that either offer quality public services, or low taxes, or (ideally) both. In addition, decentralization can improve the quality of service delivery and government provision of public service due to improved responsiveness to local demands. Even absent competition between neighboring jurisdictions, decentralizing powers and resources enables government to tailor its activities better to local preferences (Oates, 1972; Tiebout, 1956). For instance, one local population (say, a locality where young families predominate) may prefer to pay more in taxes to invest more in schools while another (say, a town with large numbers of pensioners) may prefer lower taxes; decentralization facilitates local responsiveness to local needs and preferences, relative to centralized governance that tends toward the homogenization of services and tax rates.

⁷ In social science terms, we face both measurement issues and the question of omitted variables.

Summing Up: Rich Theory, Mixed Evidence, and Variations in Decentralized Governance

The evidence from our cases is mixed, with some evidence for modest improvements in all three areas as a consequence of decentralization. The limitations on the achievements may be for any number of possible reasons. Limitations may be because decentralization has both advantages and disadvantages that partially cancel one another out. Or it may have only an inherently limited impact on these goals in light of the many variables that affect governance. Or the limitations may be because the decentralization itself has been limited. We return to this issue subsequently.

When examining the consequences of decentralization, a further challenge arises that cuts across these three goals. Decentralization may be seen as inherently designed to allow for (indeed encourage) differential decision making across sub-national units. This practically invites variations in performance. So we might expect decentralization to be hardwired to have a more noticeable and measurable effect on the *variance* of these goals, rather than on their central tendencies. Following decentralization, it may be possible to observe that public services improve in some areas and decline in others (say, Lagos State vs. more corrupt states in Nigeria, or Western Cape vs. Eastern Cape in South Africa, or beyond the current case studies Kasai vs. Equateur provinces in the Democratic Republic of the Congo), and still be unable to make a clear determination about whether public services improved on average.

1.1.2 INTERMEDIATE OBJECTIVES: AUTHORITY, AUTONOMY, ACCOUNTABILITY, CAPACITY

There are four concepts against which decentralization may be measured: authority, autonomy, accountability, and capacity. These intermediate objectives can facilitate the broader goals of stability, democracy, and development. The objectives are met to different degrees in different countries, with authority advancing farther than the other three objectives.

Authority

Decentralization typically has some legal status that enhances the importance of actors at sub-national levels, whether they are elected locally or appointed by the center. This authority is first and foremost a set of legal powers, although decentralization (especially in Africa) can also have informal elements, such as through traditional leaders and customary law. *We find that African countries have generally advanced farther in decentralizing authority than they have on the other objectives.*

Autonomy

We find that African countries have increased the autonomy of sub-national actors through more local elections and devolution of some guaranteed resources, but the results here are rather mixed as actors at the center continue to exert considerable influence over sub-national decision making. This may be for good reasons under certain circumstances in Africa—such as ensuring national stability—but as an intermediate objective, autonomy lags authority.

Accountability

We distinguish between downward accountability and upward accountability.⁸ Downward accountability is the responsibility of public officials to citizens and civil society, as exercised through electoral mechanisms, transparency rules and requirements, and consultations with civic actors. Upward accountability is that of public officials to hierarchical superiors, whether through the state administration (deconcentrated officials to central ministries), or the intergovernmental system (mayors to governors), or through such mechanisms as political parties (local candidates to party leaders who control electoral lists). *We find elections and other mechanisms have instituted and enhanced downward accountability, but this is checked by the continued strength of upward accountability.*

Capacity

Low capacity of the state and social actors to enforce the rule of law and provide public services remains a fundamental constraint in most of the cases.⁹ However, low local capacity has also been a justification for limiting decentralization, on the grounds that technical capacity is greater in central government than in local. *We find there have been no major declines in public services after decentralization, which suggests that SNG capacity for service provision is not significantly poorer than central capacity.*¹⁰

Findings

Decentralization in Africa (Section 1.1)

- Decentralization is compatible with *stability, democracy, and development*.
- There is modest evidence decentralization supports stability and democracy.
- There is little evidence linking decentralization to economic growth in Africa, though there is some indication it has improved service delivery.
- Decentralization has advanced farthest on the objective of *authority*.
- Decentralization has seen modest achievements in *autonomy, accountability, and capacity*.
- There can be tradeoffs between different goals and objectives, and progress on one front does not imply progress on the others.

Summing Up: Mixed Evidence and Variations Across Objectives

For these four objectives, evidence is mixed and variable, with the greatest advances on decentralization of authority, and more ambiguous advances on autonomy, accountability, and capacity. In this, the existence of four objectives is a double-edged sword, constituting both an

⁸ Our discussions of accountability draw upon the works of Jesse Ribot (2002), along with Arun Agrawal and Anne Larson (1999); see also Ribot, et al., 2006; Larson and Ribot 2004). Accountability is linked to concepts such as transparency and participation, but is not limited to these. In the context of decentralization, we also consider the accountability of sub-national units to higher levels of government.

⁹ Capacity is lowest in Africa's low-income countries with long histories of centralized governance and underdevelopment of formal local governing. It is somewhat higher in South Africa and Botswana.

¹⁰ Indeed, the impetus for African decentralization in the international community came in part given the accumulation of evidence on the "failure of the centralized state" in Africa (cf. Wunsch and Olowu, 1990).

opportunity and a challenge for decentralization. Each of the four provides entry points for government reform and donor intervention: decentralization can advance by making improvements on a number of different fronts, whether supporting local capacity, or enhancing accountability of SNGs to citizens, or clarifying patterns of intergovernmental authority, or creating greater autonomy for devolved or deconcentrated actors. On the other hand, failure in just a single objective can render ineffective achievements in other areas. In Nigeria for example, local governments have considerable authority and autonomy from the center, and even a high degree of technical capacity, yet are notorious for failing in terms of accountability. Failure on just one criterion may be enough to make an entire enterprise questionable.

1.2 PRACTICE: THE POLITICAL ECONOMY OF DECENTRALIZATION

Even considering the noble goals above, the question remains why central governments would initiate decentralization processes by which they give away power and resources. We argue that a political calculus can often explain the decision to decentralize. Decentralization is not always designed to promote goals such as democratic accountability, or developmental capacity, but rather can be a strategy to serve the interests of those decision makers who hold power: it can serve to maintain a regime (including a non-democratic regime), or entrench the dominance of a given political party, or serve the interests of an individual or individuals who maintain patronage networks. In many cases, decentralization is a narrowly political process run by actors who are (at least partially) governed by self-interest, and not (exclusively) by the aspirational goals of stability, democracy, and development.

1.2.1 POLITICAL WILL

Major programmatic or policy problems are likely to arise where advocates of decentralization assume that it is desired by most national politicians, and that the crucial variable needed is political will. This ignores the political incentives of the relevant actors. Often donors and advocates will find themselves surprised and disappointed that political will seems to have evaporated or waned among their favorite champions of decentralization, when in fact the political incentives of actors have shifted in ways that may be entirely foreseeable. For instance, in South Africa, the African National Congress (ANC) exhibited the political will to agree to significant decentralization during the precarious days of the democratic transition of the 1990s, but has since shown an interest in reasserting a degree of central control after consolidating its national power. The Ghana desk study finds a pattern has emerged that is quite typical of relatively stable multiparty regimes: opposition parties have clamored for decentralization and hopes have been raised with alternations of party power (in 2000 and in 2008), but these parties that formerly advocated decentralization suddenly find they have less motivation to decentralize when they control the center.

An emphasis on political will and good leadership, combined with the assumption that decentralization will lead to positive results, can lead to overly optimistic programming in this area of governance. If decentralization can bring about democracy and development and if politicians are selfless public servants, then the only hurdle is getting these public servants to understand how useful decentralization can be. The job of advocates is to impart knowledge or raise awareness about the many benefits of decentralization. But we argue—implicitly through much of this report—that such an approach is misguided.

We advocate treating political actors more seriously than simply as public servants with a greater or lesser dose of innate leadership qualities or political will. A deeper analysis of actors' political incentives is needed to understand under what conditions they are likely to support decentralization. The examples of South Africa and Ghana, along with many other examples in the report, show that the best investments will not necessarily be in winning over a particular government or set of elected officials, but rather in an enabling environment in which a degree of decentralized governance becomes "the only game in town".

1.2.2 INCENTIVES: REGIME MAINTENANCE, ELECTORAL CALCULATIONS, AND PATRONAGE

The incentives facing political actors are generally related to the perpetuation of their positions of power. In democratic and semi-democratic environments, this takes the form of reelection for individuals and electoral victory for governing parties. Since decentralization decisions must be made and implemented by governing actors and not opposition actors, we focus on these, though we also note that opposition parties and movements can play significant roles in shaping public debate in favor of decentralization (or an appropriate degree of centralization) and may be appropriate targets for intervention.

At the regime level, political incentives may be directed at maintaining an entire system. This goes beyond the interests of a particular government to include state bureaucrats, though in Africa many regimes have come to be associated with a particular party, governing elite, or leader, and the separation between these and the state itself are tenuous. Relevant examples here may be Burkina Faso and Uganda, where long-established individual leaders made calculations about the need to decentralize under governing constraints. Regime maintenance can motivate decision makers who may have little interest in the developmental outcomes of decentralization. (We do not imply here that the Compaoré regime in Burkina Faso or the Museveni regime in Uganda are uninterested in development outcomes, but rather mean to imply that they may at least couple these "noble" interests with more narrowly political incentives to maintain the power of their regime structures.)

Of course, regime maintenance sometimes interacts with the goals of decentralization, as we note below in Section 1.3. Stability is the clearest example, as with the founders of the contemporary regimes in Ethiopia, Nigeria, and South Africa, who clearly viewed national unity as a constitutional imperative. It may sometimes also relate to the goal of democracy, where actors in a democratic regime are threatened by authoritarian elements and have incentives to decentralize to ensure the continuation of democratic rule. An example may be Mali in the early 1990s, where many actors exhibited political will to decentralize precisely at the moments when democracy was vulnerable to faltering.

Other political incentives facing individual leaders and political parties are related to regime maintenance, but are found at a lower level of analysis. These cases are where individuals or parties make electoral calculations about the advantages of decentralization. This presumes some modicum of electoral process, which holds in all of our 10 cases, despite the serious flaws in elections in some countries. It also presumes some foresight on the part of political actors, as they anticipate partisan advantage in the future from decentralizing today. One form is focused on how parties expect to perform in sub-national as opposed to national elections. By this logic, advocates of decentralization are those parties that currently govern nationally, but expect to lose nationally and win at sub-national levels in the future (cf. O'Neill, 2005; Eaton, 2004). Such

parties control the national agenda and can decentralize, but have incentives to empower the sub-national levels that will be their political power base in the future.

Other self-interested reasons to decentralize may be as part of a quest to be perceived as politically or economically legitimate by citizens or international actors. There are at least three possibilities here. First, a government may choose to decentralize in order to build governing legitimacy and shore up electoral support as its power wanes (cf. Rodriguez, 1997). Seeking legitimacy for political gain is not inherently problematic, but implies a different calculus than a purely developmental approach. Second, African governments may improve their economic reputation by bringing budgets into balance to impress potential investors and stakeholders; offloading cumbersome expenditure responsibilities can be a shortcut to doing this, especially if central governments decentralize expenditures without decentralizing revenues.¹¹ Third, the target audience for decentralization may be donors, for whom decentralization itself has been a desirable policy to support.

A final instance of political incentives—and possibly the most important in Africa—is long-term attempts to establish and deepen dominance in a regime or party system. Decentralization can be an appealing option for a governing elite or political party that controls the national level, yet has weak linkages down to local levels. Decentralization can provide a sort of political glue for national party elites. It can deepen links between party and populace, provide democratically legitimated channels for communication, and even reinforce patronage networks. The deepening of political and patronage networks by national governing parties is quite significant for our purposes, given the prevalence of dominant-party states in our sample, which number at least seven cases (Botswana, Burkina Faso, Ethiopia, Mozambique, South Africa, Tanzania, and now Uganda), and possibly as many as nine (if Mali and Nigeria are counted); two-party Ghana is the exception to the rule. In these circumstances, decentralization may improve political socialization by involving people in politics, but it will do so within the context of the governing party and on terms set by them.

The important role of patronage in African politics is essential to understanding two related mechanisms of how decentralization reforms may benefit incumbent governments (even where the governing party did not anticipate such dividends and initially resisted the reforms). First, creating new political and administrative positions at the local level through decentralization provides opportunities for the governing party to reward local followers throughout the national territory, particularly when 1) they are involved in the creation of new boundaries and shape the jurisdictions to their liking; and 2) governing parties maintain control over many hiring decisions. Thus, the creation of additional levels of government is a new source of largesse for the government to distribute to reward loyalists or create new supporters. This tactic is taken to the extreme in Nigeria, but is also evident in recent reforms to create additional levels of government or increase the number of existing units to areas that are not fiscally viable in a number of countries.

Secondly, the prevalence of patronage in voting calculations offers an explanation for the seemingly contradictory strategies that governing parties pursue. It is striking that throughout the case studies, incumbent parties simultaneously offload responsibilities of core public goods provision to their local affiliates at the district or municipal levels *and* create an often intentional

¹¹ Jonathan Rodden offered helpful comments on the importance of “offloading” as a political strategy.

“assignment problem” where administrative and political responsibilities are not clearly allocated, which inhibits SNGs from taking on important functions in staffing and policymaking. In this respect, central leaders of governing parties are rationally keeping the benefits of decentralization reforms as their own prerogatives and shifting the burdens of service delivery to the local level without the corresponding fiscal and human capacity to fulfill these functions. Patronage is the key to this strategy in order to maintain voter support. Without patronage, voters would punish incumbent parties both at the national and local levels for their lack of government performance (which does indeed happen among voters who are not included in the patronage web). The importance of decentralization in providing jobs to party supporters at the local level is critical; where jobs are distributed as patronage goods, it creates enduring linkages that keep local brokers loyal to the incumbent party while building the broker’s own power within the community, and therefore, his following and ability to mobilize future votes for the party (Stokes and Dunning, 2010). In this web of patronage, governing parties are doubly rewarded for decentralizing. They offload of burdensome responsibilities and create new supporter linkages across the national territory.

1.2.3 POLITICAL INCENTIVES AND DECENTRALIZATION BENEFITS

There are many circumstances in which decentralization can *both* bring intended benefits *and* prove compatible with the political incentives of important actors. These could prove to be some of the most propitious environments for action. For example, the leaders of post-conflict Ethiopia and Uganda were convincing promoters of devolution in the 1990s, with the initial impetus partially coming from a legitimate desire on the part of governments to stabilize the country. The fact that these regimes also reinforced their own legitimacy in doing so, and thereby contributed to its maintenance, does not necessarily detract from decentralization itself. Similarly, if a governing party in Botswana facilitates local development through effective deconcentration of power, and thereby garners electoral support for its next election, there is little reason to complain about the self-serving nature of the reform. These environments where political incentives dovetail with decentralization are where the leverage of donor support is likely to be highest.

Of course, USAID has recognized for many years that political environments may be more or less propitious for action. This is clear in its (correctly) non-random selection of target countries and programmatic interventions. Good analysis of the political incentives and other variables that affect the success of decentralization can come both from context-specific study (as in preliminary country assessments) and from comparative looks at other countries in the region. This report examines 10 African countries, in order to illuminate general trends, exceptional successes, and patterns of variation across Africa’s decentralization experiments. We believe this can constitute useful insights for a thought experiment in which a hypothetical African minister or a decentralization and governance officer in a donor agency might wish to know about democratic decentralization if contemplating the prospects for reform in his or her country.¹²

¹² We are thankful to Ryan McCannell for his formulation of the thought experiment that has guided this study.

Findings

The Political Economy of African Decentralization (Section 1.2)

- Political will is not the key variable for decentralization.
- Political incentives shape the decisions of policymakers more than political will.
- Incentives to decentralize may not be “noble” goals such as democracy and development.
- Incentives to decentralize can include maintaining a regime or extending its power, gaining electoral advantages for a governing party, extending patronage networks, and courting donor support.
- The most propitious environments for decentralization programming will be where “noble goals” and political incentives align, as in the case of many democratization processes.

2.0 TRENDS AND TENDENCIES: COMPARATIVE ACHIEVEMENTS AND LIMITATIONS IN AFRICAN DECENTRALIZATION

This chapter will focus on general commonalities and trends that emerge across many of the 10 case studies. We speak in general terms here, while referring to specific cases. We structure the chapter in subsections that treat various dimensions of decentralization: legal and juridical (2.1), political (2.2), fiscal (2.3), and administrative (2.4). We then conclude with a section on service provision (2.5). In addressing these dimensions, we note achievements that occur frequently across the cases, as well as shortcomings in the processes (or decentralization deficits).

2.1 LEGAL FRAMEWORKS: AUTHORITY VS. AUTONOMY

The establishment of legal frameworks is a significant achievement in democratic decentralization, especially when set against the backdrop of the highly centralized states that predominated in Africa up through the 1980s. However, despite the decentralization of legal authority, sub-national governments may have their autonomy limited *de facto* by deconcentrated officials and by traditional authorities. We aim not to pass judgment on the broader merits of the limitations on autonomy in this chapter; circumscribing sub-national autonomy may be hypothesized as a best route to certain goals of decentralization (e.g., stability).

2.1.1 ACHIEVEMENTS IN AUTHORITY

The most unambiguous achievements in African decentralization have been the *establishment of new legal frameworks of authority that empower devolved and deconcentrated officials*. The countries in the study have introduced significant decentralization laws in the two decades since 1990. The dates of these laws are noted in Table 2.1. These laws are significant in their content in all countries, and relate to the issue areas treated subsequently in this chapter: they constitute political decentralization by instituting sub-national elections; they devolve responsibilities and some resources to these sub-national elected officials; and they decentralize decision making in the planning, management, implementation, and administration of public responsibilities. While the content and detail of the laws varies from country to country (see Chapter 3), this constitutes a rather remarkable shift from the highly centralized authoritarian regimes that prevailed in Africa before 1990.

TABLE 2.1. POLITICAL DECENTRALIZATION IN 10 AFRICAN COUNTRIES

| Country | Freedom House rating | Political Decentralization Law (Year) | SNG Elections Since (Year) | Elected Levels of SNG | SNG Elections Direct or Indirect | Notes |
|---------------------|----------------------|---------------------------------------|----------------------------|-----------------------|----------------------------------|--|
| Botswana | Free | 1965 | ? | 1 | Direct | Elections held for councils in all areas, unelected Land Boards, Tribal Authorities exist in some areas |
| Burkina Faso | Partly Free | 1998 | 1995 | 2 | Both | Elections held in 33 urban communes in 1995, and nationwide in all urban and rural communes in 2006 |
| Ethiopia | Partly Free | 1993 | 1993 | 3 | Both | Elections in kebeles, <i>woredas</i> and states in all areas, also at the “zone” level in one regional state |
| Ghana | Free | 1988 | 1988 | 2 | Direct | Districts: 70% of seats elected, 30% appointed by president; local councils “not fully elected” |
| Mali | Free | 1995 | 1999 | 3 | Both | Elections held directly in communes, indirectly for <i>cercles</i> , regions and High Council |
| Mozambique | Partly Free | 1997 | 1999 | 1 (or 2) | Direct | Elections held in <i>autarquias</i> (<i>in some areas</i>) since 1998 and in provinces for the first time in 2009 |
| Nigeria | Partly Free | 1976, 1996 | ? | 2 | Direct | Local government reforms throughout period from 1976 through partial democratization of the 1990s |
| South Africa | Free | 1994 | 1994 | 2 | Direct | Municipal council elections are hybrid ward & PR; representatives to NCOP elected by regional assemblies |
| Tanzania | Partly Free | 1996 | 1994 | 1 (or 2) | Direct | Elections held at district level in all areas, with wards as constituencies, also at village level <i>in rural areas</i> |
| Uganda | Partly Free | 1993, 1995, 1997 | ? | 3 (or 5) | Both | Elections in village, sub-county, districts (LC 1,3,5); parish, county levels <i>in some areas</i> (LC 2, 4) |

Sources: Freedom House; USAID country reports

TABLE 2.2. STRUCTURES REPRESENTING ELECTED SNGS IN 10 AFRICAN COUNTRIES

| Country | Village Level | Municipal Level | District Level* | Regional Level | National Level Second Chamber | Deconcentrated Units |
|--------------|-----------------|------------------------|-----------------|----------------|-------------------------------|---------------------------|
| Botswana | | | Councils | | N/A | District Administrations |
| Burkina Faso | | Commune | | Region | N/A | Provinces, Regions |
| Ethiopia | Sub-Kebele | Kebele | Woreda | Regional State | House of Federation | Zones |
| Ghana | Unit Committees | Councils | District | | N/A | Regions |
| Mali | | Commune | Cercle | Region | High Council (HCC)* | Regions, Cercles |
| Mozambique | | Autarquia (some areas) | | Province | N/A | Provinces, Districts |
| Nigeria | | Local Government | | State | Senate | |
| South Africa | | Municipality | | Province | National Council of Provinces | |
| Tanzania | Village (rural) | | District | | N/A | Regions |
| Uganda | Village (LC1) | Sub-county (LC3) | District (LC5) | | N/A | County (LC4) Parish (LC2) |

Sources: USAID country reports

*The High Council for Collectivities in Mali is a consultative body, without legislative power.

Notes: We refer only to “districts” where this term is used. In many Anglophone countries, the names of districts often differ in urban or semi-urban settings. Cases where district-level governments go by different names include Botswana (urban councils and rural councils); Ghana (metropolitan assemblies, municipal assemblies, and district assemblies, as well as town councils, area councils, and zonal councils); and Tanzania and Uganda (city, municipality, town).

Reforming legal frameworks is the first step to transforming the authority and powers of devolved and deconcentrated actors. Decentralization exists, *de jure*, in all 10 countries.

Commonalities across the framework of decentralization laws are found in their scope and in their general content. They represented substantial changes to the structure of their states, through a blend of devolution with deconcentration. The actual extent of devolution varied considerably from case to case, and was accompanied by some deconcentration and some continued central control. With respect to devolution, all 10 countries created elected sub-national positions (or had them previously, in the case of Botswana). In addition, they devolved nominal authority to these sub-national officials in major expenditure areas. A blend of devolution and deconcentration was noticeable in many expenditure areas. Central governments and SNGs have concurrent responsibilities or competencies in areas such as health and education. The administration and management of planning and budgeting was decentralized, partly to elected SNG officials and partly to deconcentrated state officials. Together, these changes to legal frameworks suggest meaningful movement on the various dimensions of decentralization: political, fiscal, and administrative.

2.1.2 LIMITATIONS: LACK OF AUTONOMY

The limited extent of *de facto* autonomy of SNGs vis-à-vis central governments is a robust and important finding. Decentralization law has outpaced decentralization *de facto* in most African

countries. Though this cannot be said to hold always and in all cases—with federal Nigeria being the most obvious case of substantial sub-national autonomy—it is apparent that central governments often find ways to limit the extent of decentralization, even after responsibilities, powers, and resources have been devolved.

The limits to sub-national autonomy can be found in the multiple dimensions of decentralization: political, fiscal, and administrative. These will be treated in subsequent sections, but we make three preliminary observations about the ways sub-national governments may be circumscribed and hemmed in by legal and juridical choices. The first has just been noted: the transfer of legal authority does not guarantee increases in autonomy *de facto*; laws themselves may change realities on the ground, but do not preclude other institutional arrangements (such as political parties or fiscal mechanisms) from shaping power relations in an intergovernmental system. The second and third observations follow under the two headings below: the continued importance of deconcentration, and the ambiguous role of customary or traditional authority.

Deconcentration and Devolution

In Africa, deconcentration and devolution coexist and are combined in multiple ways. Few countries have opted exclusively for deconcentration or devolution, but most have undertaken some degree of each; nearly all have devolved some powers, but have also seen deconcentration “check” devolution. Local officials are elected, but large numbers of civil service employees remain under the purview of the central state. SNGs may have day-to-day authority over employees (and may even nominally have the right to hire additional employees themselves), yet central governments can still determine career paths. Similarly, SNGs may have their own budgets, but are subject to review by deconcentrated officials.

There are differences with respect to whether deconcentration should be considered democratic decentralization (cf. Manor, 1999; USAID, 2009). We consider deconcentration to be a legitimate (and even necessary) form of decentralization in a democracy, though we believe it cannot be characterized as a form of “democratic local government” (or governance).¹³ Deconcentration may prove advisable instead of or alongside devolution in many circumstances. It may facilitate national stability and democracy by not empowering sub-national interest groups, and may be a more effective means of decentralizing service provision and development. Moreover, capacity may be more easily ensured with deconcentrated officials, and lines of authority may be clearer when dealing with a hierarchy of central state authorities. On the surface then, a degree of deconcentration is appropriate, even if it limits SNG autonomy. Central states can reasonably expect that they should set national governing priorities, and this implies a degree of monitoring and setting standards for SNG action.

The problem arises when deconcentrated officials exercise excessive top-down control.¹⁴ In particular, where deconcentrated officials use their authority to control and alter local priorities rather than help coordinate local action, limitations on sub-national *autonomy* are problematic. In

¹³ Considerable debate persists over whether deconcentration should be considered a form of democratic decentralization or this term should only apply to devolution. We cannot resolve this debate here, but rather maintain consistency with the DDPH, which notes that the link between decentralization and the goal of democracy is interwoven with the dimension known as political decentralization. We are thankful for Ed Connerley and Jesse Ribot for their thoughtful comments on this issue in the review of this document; we note that our formulations in this paper do not necessarily reflect those of our reviewers.

¹⁴ We are thankful to Ed Connerley for this formulation and distinction.

these instances, upward *accountability* dominates downward accountability. Deconcentration that excessively empowers state officials can undermine the downward accountability and local responsiveness implicit in the concept of democratic local governance. The critique is not a call for an absence of upward accountability and unlimited SNG autonomy, but rather a balance of power across levels of elected government.

Some broad trends emerge from the cases with regard to devolution vs. deconcentration. It seems clear, for example, that devolution is not easily reversed once it is established, but rather is generally self-reinforcing absent a major crisis or regime change (cf. Dickovick, 2011 forthcoming). Indeed, a striking finding is the relative *lack of overt recentralization* from elected SNGs in Africa's democratic and even semi-democratic environments. On the other hand, the center has successfully found ways to hold authority (or "play keep away") from SNG, especially where deconcentration has predominated. The easiest way to limit devolution is not to attempt its reversal, but never to institute it in the first place.¹⁵ Central governments have been able to recentralize authority with greater ease when dealing with deconcentrated administrative units rather than sub-national elected officials; this is consistent with expectations, as central governments exercise more direct authority over deconcentrated officials. Central government actors may reasonably foresee the difficulties of maintaining control once authority has been devolved and conclude that deconcentration is the appropriate first step in decentralization (whether devolution is eventually anticipated or not).¹⁶ This would be a rational (arguably responsible) approach to changes that may prove irreversible. It is also a clear limitation on sub-national autonomy.

The Rule of Law and Customary Law

The legal authority of SNGs faces local constraints, especially in rural areas far from centers of power. On the issue of the rule of law, a first question of whether state authority (deconcentrated or devolved) reaches all locations in a country. In Herbst's (2000) terminology, African states are not always capable of broadcasting their authority to distant hinterlands, and state authority is felt decreasingly the further one gets from the capital. Decentralization can be a means to facilitate the penetration of state authority down to local levels, as seems to be the case with devolution in Ethiopia, which has multiple elected levels of SNGs and over three million elected positions. It also may be an aim of deconcentration or delegation, on the model of governance that dates back to the colonial state, with its local functionaries (such as *commandants de cercle*) responsible for administering to local populations (cf. Young, 1994; Mamdani, 1996).

Decentralization may be a means to lengthen the reach of authority, but recognition of such a need is also an implicit admission of an enduring dilemma for African states. An adequate rule of law is not guaranteed simply by the presence of representatives of power. In theory, authority

¹⁵ We may raise the debate whether deconcentration has been a stumbling block on the way to devolution or a stepping stone to devolution. Since devolution occurred in all cases, and was often preceded by some degree of deconcentration (even if under colonial rule), we might be tempted to infer deconcentration is a stepping stone. However, this would run into analytical fallacies (including selection on the dependent variable since we are only looking at cases where devolution has occurred, an inability to know the counterfactuals, and inference that whatever came after was caused by what came before. In several cases, such as Burkina Faso, it seems clear the central state is interested in retaining considerable control, even as the governing party accommodates itself to a degree of devolution.

¹⁶ Several reviewers at USAID—Ed Connerley, Jeremy Meadows, and Ryan McCannell—offered thoughts on this argument that rational central state actors may opt to refrain from devolution for the plausible reason that they wish to ensure an appropriate degree of central authority.

can be either too decentralized or too centralized when facing this dilemma. It can be too decentralized where principal agent problems persist, with central governments unable to control the actions of its distant agents in far-flung posts. In practice, there are few reports in the 10 countries that sub-national governments or administrative units are unresponsive to central needs, with the exception of the finding that these agents may be seeking their own rents.¹⁷ Authority can also be too centralized, with sub-national administrative units or sub-national governments “seeing like a state” and attempting to resolve diverse local governance issues with homogenized approaches (Scott, 1998). This report is somewhat more common.

Formal SNG authorities often need to reach accommodations with customary or traditional authorities. Customary and traditional powers may be formalized, may be exercised informally outside the governing system, or both. Even as the powers vary from place to place (including within a given country), they constitute an alternative power structure at the local level (cf. Boone, 2003a, 2003b). Whether traditional authorities represent competition for local governments over authority, or partners in constructing local authority, is a subject of some debate. (cf. Galvan, 2007; Lund, 2006). There is also debate about whether traditional authorities serve to support local democracy or are inherently undemocratic.¹⁸ We assume neither, but rather expect the balance of power matters. Where traditional authorities serve as countervailing forces to powerful local state institutions, we expect them to contribute to pluralism and democracy, whereas local authorities that dominate local society in the presence of a weak state may hinder democratic development.

Findings

Legal Authority (Section 2.1)

- All African countries in the sample have passed framework laws for decentralization.
- All countries feature some degree of devolution to elected SNG officials.
- Decentralization in Africa combines devolution with deconcentration.
- Legal authority does not itself give SNGs significant autonomy from central governments.
- SNGs are confronted with local authorities with which they may reach accommodation.

2.2 POLITICAL DECENTRALIZATION

Political decentralization—the establishment and maintenance of sub-national elections—is an impressive achievement in nearly all cases. Mozambique is the only country among those studied in this project not covered wall-to-wall by elected local or district governments. Despite this

¹⁷ Whether this rent seeking is encouraged or discouraged by superior levels of authority is an interesting question. On the one hand, a power hierarchy that participates in it can condone rent seeking; on the other hand, higher (more central) levels in a power hierarchy may wish to maximize its own leverage over a network of patrons and clients.

¹⁸ We differentiate between traditional authorities (chieftaincies and the like) and other traditional modes of social organization, with the latter often being participatory and capable of facilitating collective action. We return to this question of indigenous institutions in subsequent chapters.

achievement, there are also ways that political decentralization is attenuated, mainly through the persistently top-down nature of most African party systems.

2.2.1 ACHIEVEMENTS: SUB-NATIONAL ELECTIONS

A striking and consistent achievement in African decentralization in the last 20 years is the increasing prevalence of sub-national elections. As seen in Tables 2.1 and 2.2, all 10 of the countries studied hold regular elections at sub-national levels. Of course, our case selection is not random, but rather represents a set of countries where decentralization has been meaningful, as contrasted with some other African states that have remained centralized. Regardless, the trend of elections is spreading and deepening, and this is not limited to Africa's strongest democracies. Political decentralization is a reality in states ranging from full democracies (such as Botswana, Ghana, Mali, and South Africa) to the more numerous hybrid regimes that are in between democracy and authoritarian rule. The trend also prevails beyond our cases: in Kenya, for instance, a referendum on constitutional reform in 2010 resulted in the creation of elected districts. Even Zimbabwe—one of the continent's most authoritarian states—holds sub-national elections. Other recent changes constitute *de facto* sub-national votes, again in some of the continent's most troubled states, such as Somaliland (Somalia) and South Sudan (Sudan).

Africa's move toward sub-national elections surged in the 1990s, as most of the 10 countries studied passed significant laws ensuring political decentralization. In these countries, elections have been held regularly and consistently, with few exceptions. Of course, many sub-national elections are imperfect, as will be discussed when we turn to the limitations on political decentralization. Nonetheless, political decentralization has been broad and deep, with the result that Africa is no longer a clear laggard in decentralization relative to other developing regions, as was the case in the 1980s and early 1990s.

In the 10 case countries studied, sub-national elections are typically held at two or three levels: local (or municipal), district, and regional (see Table 2.2). Uganda and Ethiopia have elections at three or more levels, and Mali has a process of indirect election at three sub-national levels. There are also some electoral mechanisms in many villages and local communities below the lowest level of formal local government (as in Ethiopia, Ghana, and Tanzania). In most of the cases, decentralization is now symmetrical across the national territory, with wall-to-wall coverage by local governments; the exception is Mozambique. The existence of near universal and multilayered coverage by SNGs means that African populations increasingly have both local and regional representation, though electoral rules vary.

Indirect election is an important (but not universal) feature of political decentralization in Africa. In several countries, representatives at higher levels of sub-national government or to the national second chamber are elected by lower-level councils or assemblies (e.g., Ethiopia, Mali, Uganda, and South Africa). This would seem to invert the pyramid of power from Africa's centralist period from the 1960s to the 1980s. By making higher-level elected officials responsible (at least in part) to lower-level officials, indirect election generates a truly bottom-up pattern of power distribution. As put by the president of the High Council of Collectivities (HCC) in Mali, the fact of indirect election can be seen as constituting a form of "double legitimacy" for these representatives—all members of the country's highest body representing sub-national government are elected both directly in their communities and indirectly at the higher levels of sub-national government. In some cases, indirect election is found from the

village to local level, or from the local to regional level, but the principle of indirect election also extends in some cases as far as the upper chambers of national legislatures.

Another “achievement” here is that political decentralization has generally not resulted in significant fragmentation or splintering of party systems, at least in the countries studied. This matters because it suggests there is relatively little support for the much-hypothesized concern that political decentralization may result in instability, especially in countries where ethnic politics is salient (cf. Brancati, 2009). The concern about ethnic fragmentation in the absence of centralized rule has of course been articulated by many of Africa’s single-party rulers (including Uganda’s Yoweri Museveni) who have looked to secure dominance of and by their regimes through limiting pluralism. Yet it is also a concern among decentralization scholars. Concerns about possible centrifugal impacts from regional or ethnic parties are mitigated by the preponderance of dominant-party systems, examined later in the next section.

Achievements in political decentralization are thus significant, in that elections have spread across countries to multiple levels of SNG, generating a political dynamic that has at least some bottom-up components, yet has not itself resulted in fragmentation or conflict.¹⁹ Political decentralization is especially significant because it cuts across the many other issues and aspects of decentralized governance. Sub-national elections are a prerequisite for a discussion of devolution as opposed to deconcentration, and having sub-national officials that are independently elected is necessary to talk about meaningful fiscal decentralization. Political decentralization also cuts across the four intermediate objectives identified by USAID: it is indispensable for decentralization of political authority and a prerequisite for sub-national political autonomy. Sub-national elections are a first principle in making political accountability downward to the citizenry as well as upward to national actors.

Finally, political decentralization can be a means for strengthening capacity in a political system by providing socialization opportunities for aspiring politicians at local levels. Here, the sheer numbers of elected positions that were created in the wake of decentralization are stunning. Nearly 285,000 elected local positions exist across the different levels in Tanzania, for instance. Even in Burkina Faso, where democracy and decentralization are tenuous at best, the country has some 17,000 elected positions. In Ethiopia, the number is a shocking 3.6 million across all levels (including local sub-*kebele* committees), which may constitute about 10% of all adults eligible to run for office. Of course, the democratic significance of this socialization must be seriously questioned in light of single-party dominance in these countries, but in these and in the more competitive systems of Ghana and Mali, political decentralization can at least be posited to create vested interests among large numbers of households for whom elections are an important mechanism of governance.

2.2.2 LIMITS TO POLITICAL DECENTRALIZATION

While the establishment of elections is a significant achievement, it should not be equated with full SNG autonomy, or with full downward accountability to local citizens (cf. Agrawal and

¹⁹ Nigeria is the most challenging case here. The issue first emerged with the Biafra War in the late 1960s, and continues with recent conflicts in the Delta Region and in Christian-Muslim conflict. While a full examination of this case is beyond the scope of this report, it may be argued that greater decentralization and local autonomy (which Nigeria has undertaken with the division into more states) is seen by many parties as a solution rather than the cause of the problem. Nigeria may thus constitute not just an exception, but the exception that proves the rule.

Ribot, 1999; Ribot, 2002). Significant power transfers and many other accountability mechanisms are necessary. There remain considerable constraints on political decentralization, most notably in that the majority of the countries in the study are dominant-party regimes. Seven of the 10 are clearly so, with Mali and Nigeria having a clear leading party in more fragmented systems, and Ghana being virtually the only competitive system among those examined.

The Power of Dominant Parties and Competitiveness

The striking number of dominant parties across the cases serves to highlight the advantages of incumbency and control over government positions in maintaining power. A number of generalized facts about African politics are germane to national as well as local-level governance. First, the lack of ideological politics is a prevalent difference in comparing African political party competition to other regions (van de Walle, 2003; Salih and Nordlund, 2007; Hydén, 2005). In contexts where public resources vastly overshadow accumulation potential from weak private markets, access to the state (via political positions) is the key factor driving national and sub-national competition. Once in power, incumbents tend to increase their dominance by expanding their patronage networks, and do not often suffer diminishing electoral returns from poor governing performance. Furthermore, in some countries, a focus on finding consensus has led to the weakness of opposition parties, and is accompanied by a tendency to support the governing party.

Particular policies tend to accentuate the tendency for dominant parties. In particular, where independent candidates are allowed to run for office, participation and representation may be higher in some cases, but it weakens the potential for strong opposition parties to develop over time. Party list systems also tend to reinforce the power of the internal party elites at the expense of strong connections between constituents and their elected representative (Barkan, 1995). While conscious of the need to avoid co-opting the opposition, special supports for opposition leaders might serve to strengthen the prominence of that position and contribute to a culture of acceptance of useful critique (Mali Desk Study, p. 24).

In the cases under consideration in this study, we can differentiate between democratic dominant party systems (Mozambique, South Africa, Botswana, Tanzania) where the incumbent party's long tenure and general popularity makes competition difficult despite a fairly organized and enduring opposition party, and fragmented party systems where the inchoate nature of party competition has led to the emergence of a dominant incumbent party, but is best described according to the weakness of the opposition (Nigeria, Mali). Perhaps most obviously it is not a surprise that in more authoritarian contexts, opposition has been limited legally and extra legally, and the dominant party continues to hold sway in elections through a variety of mechanisms (Uganda, Ethiopia, and Burkina Faso).

Findings

Political Decentralization (Section 2.2)

- All countries in the sample now have elections for SNGs, some at multiple levels.
- Political decentralization has not been reversed, and recentralization has been limited.
- Political autonomy of SNGs is constrained by dominant political parties and other factors.

2.3 FISCAL DECENTRALIZATION

Our sample of 10 African countries shows that these have frequently undertaken fiscal decentralization, though the extent and nature of this fiscal decentralization varies. We find there are significant limitations in its implementation, with central governments retaining major roles in shaping sub-national expenditures, and SNGs remaining constrained by limited own-source revenues, particularly relative to the expenditure responsibilities devolved.

2.3.1 ACHIEVEMENTS

Fiscal decentralization has proceeded in Africa through the decentralization of revenues and significant expenditure responsibilities.²⁰ On the revenue side, most African countries receive transfers from the central government that are based on formulas and not on central government discretion. This provides some autonomy and predictability for local planning. SNGs also have the right to raise taxes locally, though this amounts to very little in most localities. On the expenditure side, SNGs have major responsibilities in many areas, and central governments continue to exert considerable top-down control over the nature of spending.

Devolution of Responsibilities for Social Services

Decentralization of responsibilities in the 10 African cases has been consistent with the principles of fiscal federalism, which suggest that monetary policy and national defense must be the responsibility of the central government, but many social services can be usefully devolved. The most commonly devolved areas in Africa have been the major public services of health, education, water and sanitation, and basic infrastructure, along with responsibilities for civil services and registries, and some responsibilities in local economic development.²¹ Major national issues such as macroeconomic management, central banking, and defense remained centralized, of course.

²⁰ The term fiscal decentralization is understood in the literature in multiple ways. In political science, studies of fiscal decentralization focus largely on the distribution of revenues and public revenue sources, to include both sub-national taxation and intergovernmental transfers. The expenditure side of the ledger is left largely to discussions of administrative decentralization. In the public finance literature, however, fiscal decentralization also includes an emphasis on the expenditure side, in order to capture the "assignment problem" which examines how revenues and expenditures are linked and whether finance follows function. In this view, administrative decentralization refers less to categories of expenditure and more to administrative and managerial processes in areas like budgeting and planning, as well as administration of personnel. We follow the DDPH and note that the devolution of major expenditure categories constitutes fiscal decentralization, though we will also consider some major expenditure responsibilities (especially personnel) under administrative decentralization.

²¹ Civil registries include local documentation such as marriage registries, births, and deaths, but also include in several cases the more financially important registration of real estate and land tenure holdings. Local economic development ranges from regulating and supporting local markets to promoting local culture and tourism.

This finding is significant because it shows that the reforms were intended to decentralize—at least in name—non-trivial responsibilities. Decentralization is meaningful when the issues at hand include health, education, and water and sanitation; and would be more dismissive of so-called decentralization if it only devolved the responsibility to authorize marriage certificates and birth certificates to local governments. Some degree of devolution happened in education and health in virtually all of the countries (see Table 2.3). Limitations on these processes of expenditure decentralization will be examined further in later sections.

TABLE 2.3. EXPENDITURE DECENTRALIZATION IN 10 AFRICAN COUNTRIES

| Country | Education | Health | Sanit./ Water | Other | Civil Service Structure |
|---------------------|--------------------------------------|--------------------------------------|---------------|------------------------|--|
| Botswana | Primary | Primary (?) | Yes | Land Roads | Unified (as of 2010) (partial centralization) |
| Burkina Faso | Primary (local) | Primary (local) | Yes | Land NRM | Unified |
| Ethiopia | Primary Secondary | Primary Secondary | Yes | Land Roads | Divided |
| Ghana | Primary (local) Secondary (rgl) | Primary (local) Secondary (rgl) | Yes | Roads Land | Divided (lim. implementation) |
| Mali | Primary (local) Secondary (rgl) | Primary (local) Secondary (rgl) | Yes | Roads Land | Divided (lim. implementation) |
| Mozambique | Infrastructure | Infrastructure | Yes | Roads | Unified |
| Nigeria | Primary (local) to Tertiary (st.) | Primary (local) to Tertiary (st.) | Yes | Roads, etc. | Divided (federal, state, & LGA) |
| South Africa | Primary (local) Secondary (rgl) | Primary (local) Secondary (rgl) | Yes | Roads, etc. | Divided (central bargaining) |
| Tanzania | Primary | Primary Hospitals | Yes* | Ag. Extension Roads | Unified |
| Uganda | Primary+ | Primary+ | Yes | Land Roads | Divided (partial centralization) |

Sources: USAID country reports; Note: Tanzania makes use of special-purpose delegated authorities in urban areas, with Local Government Authorities (LGAs) taking precedence in rural areas.

TABLE 2.4. FISCAL DECENTRALIZATION IN 10 AFRICAN COUNTRIES

| Country | SNGs % of Nat'l. Expenditure (approx %) | SNGs Revenue from Own-source Tax (approx. %) | Major SNG Tax Bases & Sources | Major IGT Sources |
|--------------|---|--|----------------------------------|--|
| Botswana | TBD | 10 | Property tax | Revenue Support Grant |
| Burkina Faso | < 4 | 44 | Market tax; Residency tax | General subsidies; Construction grants |
| Ethiopia | 40 | states 45 – 80 woredas 80 – 90 | Some income taxes; vary by state | Block grants; special purpose grants |
| Ghana | 12 – 15 | 18 | Fees, fines; Property rates | District Assemblies Common Fund (DACF) (5% – 7.5% to SNGs) |
| Mali | < 3 | TBD | Head tax Property sales | Investment fund (ANICT) |
| Mozambique | < 2 | 50 | Fees; Property sales | Autarquia Compensation Fund (FCA) |
| Nigeria | 50 | 10 | Property tax | Federation Account (approx. 47% to SNG) |
| South Africa | 40+ (TBD) | provinces < 10 (TBD) | Property tax (local) | Equitable share (36% to SNG); conditional grants |
| Tanzania | 27 | 7 | Service levies Fees | Capital Development Grants; conditional grants |
| Uganda | 40+ | 20 | Graduated Personal Tax | Unconditional, conditional, equalization grants (35% to SNG) |

Sources: USAID country reports; Division of Revenue Act (Republic of South Africa) 2010

Notes: SNG revenue from own-source taxation is variable from year to year in several countries; we use the most recent year, but consider previous years (as in Mozambique, which was 56% in 2008, but 42% the year prior). Percentages are estimated by the authors in some instances, using figures in the Desk Study reports. In Ethiopia, woreda (district) revenue bases vary from state to state, as do both woreda and state own-source collections

Formula-Based Intergovernmental Transfers

A second major change that holds across many cases is the creation of intergovernmental transfers (IGTs) that are automatic and formula based. That is, central governments have committed in many cases to transfers that are not purely discretionary, but rather provide SNGs with some predictability in planning for resources. Such transfers may follow a variety of different formulas. Many include some weighting for basic demographic criteria, including the population of a SNG unit, age and labor force distributions, and possibly human development criteria such as poverty rates. (There is also often a small guaranteed baseline amount fixed for every SNG.) Formulas may also take into account some indicator of SNG tax effort, or may incorporate some co-financing requirement on the part of SNG.

In Africa, where local tax bases are particularly low (even relative to Latin America, e.g.) self-financing through most traditional local taxes is not a viable option if SNGs are to be responsible for major public services such as education and health.²² Property taxes, for instance, bring in

²² The governance implications of IGT are of considerable interest in the study of fiscal decentralization. For some scholars, own-source revenues are the only truly autonomous revenues, and reliance on transfers implies dependence, as well as the possibility that SNGs may compromise the national macroeconomy by taking advantage of implicit soft budget constraints (cf. Diaz-Cayeros, 2006; Rodden, 2006; Wibbels, 2005). For others, transfers can represent a meaningful and autonomous source of revenue, and dependence on IGT is not necessarily detrimental to sub-national interests. Much of this debate on the nature and extent of fiscal decentralization comes from outside Africa, in regions such as North America and Latin America.

only modest revenues even in Africa's largest and most modern cities. In rural areas, where incomes are low and agriculture extensive (and land values are thus modest), local governments would need to institute predatory tax rates to coerce enough funds out of local residents to build schools and clinics. Infrastructure construction is often one of the tasks offloaded to SNGs, despite the fact that this involves capital investments that central governments have more capacity to make. It is a politically attractive strategy for the center where service provision is poor and resources are lacking to relinquish responsibilities while spending less and maintaining a firm hold on key levers of control such as hiring and salaries, thereby holding local governments hostage with conditional intergovernmental transfers.

Of course, variations emerge, as we will discuss in Chapter 4. Formulas are used for the transfer of a relatively meaningful portion of the state budget in countries, with the three federal countries (Ethiopia, Nigeria, and South Africa) plus Tanzania and Uganda each having SNGs that undertake over a quarter of national spending, despite often limited tax bases. Formula-based transfers are also used in a more limited or modified fashion in the remaining countries, namely those Francophone and Lusophone countries that were historically among the most centralized in the study—Burkina Faso, Mali, and Mozambique—along with Botswana. Here, the details vary, but the pattern among these countries is a less complete set of transfers—they are very limited in all four countries, and are further limited because most are based on central-SNG co-financing (in Mali), or because much of the country is not covered by elected SNGs (in Mozambique).

Formula-based IGT are a meaningful achievement in most of our cases, and offer revenue predictability to SNGs. They may also provide considerable *autonomy*, though this depends upon whether formula-based transfers are sufficient to meet responsibilities. Even where revenue transfers are considerable, they open the door to (often justified) central government monitoring of SNG expenditures.²³ SNGs have received major responsibilities (e.g., in health and education), but top-down authority in these areas remains substantial. This is consistent with fiscal decentralization in which own-source revenues are limited and intergovernmental transfers substantial. The exceptions to this trend—especially in the federal cases of Ethiopia and Nigeria—will be examined in Chapter 4.

Own-source Revenues and Borrowing (de jure)

Legal changes have also empowered SNG to raise own-source revenues and indeed to borrow openly in capital markets. African governments have often permitted SNGs to raise their own resources. In many countries, large cities (especially capital cities such as Accra, Bamako, Maputo, and the like) have made some use of these provisions. The changes have devolved the power to collect local taxes, such as property taxes or head taxes in rural areas; and fees, such as on market stalls and vehicles. The right to borrow in capital markets was afforded to SNGs in many cases (albeit not clearly outlined in all). Of course, access to own-source revenues and to borrowing for most African SNGs is limited much more by lack of a meaningful revenue base than by legal restrictions. In other words, when it comes to raising taxes and borrowing, SNGs may have little autonomy, even if they do have authority.

²³ Here, we may usefully distinguish between *revenue autonomy* and *expenditure autonomy*. Instead of worries about the status of their revenue guarantees, the real limitation transfers impose on SNGs comes on the expenditure side (cf. Dickovick, 2011 forthcoming). Formula-based transfers may be good guarantees of revenues for SNGs where central governments are mandated by law to pass along resources. In Africa, guaranteed transfers may even generate more SNG autonomy than devolving tax bases, since local tax bases are so limited.

2.3.2 LIMITATIONS

Limitations on fiscal decentralization are numerous. First, most of the studies of the unitary state cases find that the resources devolved are inadequate to meet the ostensibly decentralized service responsibilities. Furthermore, SNGs have limited own-source revenues to address this problem autonomously, and are dependent upon central government transfers; this in turn leads to a final constraint, which is that central governments have—often justifiably—earmarked or limited how transfers may be spent. Together, these convey a sense that SNGs have very limited autonomy over their own spending choices.

Mandates: Unclear, Unfunded, or Underfunded

One of the principal limitations to fiscal decentralization is the fact that many of the devolved responsibilities are either unclearly assigned to SNGs or are inadequately funded. Decentralization of a major public service responsibility (such as education or health) is made much less relevant when SNG finance does not follow function. In such circumstances, decentralization appears more a central government effort to offload costly responsibilities than an effort to enhance governance.

The first problem with expenditure mandates is the unclear assignment of specific responsibilities to specific government actors. While laws have established frameworks for the decentralization of expenditures, the distribution of powers and responsibilities is often not clearly delineated. This leads to different state institutions having concurrent competencies in major expenditure areas. For instance, elected officials at the local level may be responsible for running primary schools and overseeing teachers, but school budgets may be approved by deconcentrated officials at the regional level and final decisions on staffing made by central ministries. This leads to uncertainty in decision making and complicates the question of sub-national authority, autonomy, and accountability. It may not be possible to specify all assignments in detail in overarching decentralization laws, but more enabling legislation—especially in different public service sectors—is needed in several cases.

A second major complication in assigning expenditures to SNGs has been unfunded and underfunded mandates. In many cases, central governments have used decentralization to rid themselves of major public service responsibilities, offloading these to SNGs with either no accompanying resources or inadequate resources. This leaves the implementation of decentralization incomplete. A manifestation of this is in the civil service, where control over personnel has often not been devolved to local levels. Even where education has been nominally decentralized to SNGs in a relatively comprehensive legal framework, for instance, the practical implication of limited SNG revenues is that SNGs have been unable to assume responsibility for personnel. The consolidation of decentralization has thus lagged far behind the passage of laws in many cases. It is difficult to determine whether central governments established frameworks for decentralization of major expenditures with the intention of only gradual implementation, recognizing the resource limitations of SNG. Whether intended or not, the reality has been only limited decentralization of some of the major line items—notably personnel expenses—driving public service expenditures.

The issue of funding expenditure responsibilities can relate to the question of where resources come from. Un(der)funded mandates may be most problematic where SNGs rely heavily on intergovernmental transfers, since central governments have greater control over the resources of

SNGs; in theory, SNGs could respond to expenditure mandates by increasing own-source revenues, where these are available. In practice, however, un(der)funded mandates can also occur where own-source revenues predominate, because many African local governments and districts have extremely limited tax bases. In Mozambique, for instance, the capital Maputo is responsible for about 30% of all the own-source revenues in the country, and the three largest cities are responsible for over half of the own-source collections (Mozambique Decentralization Field Assessment, p. 32). Even dramatic increases in tax rates and perfect citizen compliance would be inadequate for most other local governments to meet the demands of primary education. These un(der)funded mandates can be seen in many cases: Burkina Faso, Mali, Mozambique, etc. Unfunded mandates do not prevail in all cases, and are not the case in the federal countries (see Chapter 4).

Low Own-Source Revenues (and Dependence on IGT)

SNGs are also limited by the nature and extent of fiscal decentralization. Own-source revenues in African SNGs are largely insufficient to cover significant responsibilities in decentralized public services. At the local level, own sources are typically limited to taxes and fees such as property rates, market fees, vehicle fees, and fees for registry services (marriage certificates, etc.). Own-source revenues are even more limited at the intermediate (state, province, and region) level in most cases, even in federal systems, and these levels habitually rely upon central government transfers. The limited own-source revenues of SNGs imply that central governments may continue to exert influence over SNG spending, since it has a vested interest in monitoring and shaping expenditure. Limited own-source revenues also interact with the aforementioned problem of unfunded mandates. Where SNGs depend on transfers to fund social services, yet these transfers are inadequate, there are few opportunities for rectifying the imbalance autonomously. The dependence on transfers instead of own-source revenues means that SNG revenues are relatively inelastic in the face of major expenditure responsibilities.

Own-source revenues are limited in all case countries, albeit in ways that vary by country, and by level of SNGs within a country (as we will explore in Chapter 4). In some SNGs, own-source revenues are small relative to IGTs, while in other countries own-source revenues are a large proportion of SNG resources, yet are small in absolute amount. The consistent finding is that few SNGs in Africa have own-source revenue sources that are both substantial and drive their budgets. South Africa's provinces and Nigeria's states, for instance, raise only a small fraction of their overall revenue from own sources, yet they have very substantial public service responsibilities; this affects the ability of these intermediate levels of government to establish their own spending priorities. On the other hand, local governments in South Africa and many lower-income unitary states raise much of their own revenue, yet have much more limited spending responsibilities. Virtually no African SNGs approximate the model of American local governments, where substantial revenues from local taxes are adequate to fund most public education.

Central Government Monitoring, Standards, and Top-Down Control

Central governments can continue to use administrative channels (in addition to legislation and other mechanisms) to monitor SNGs and ensure compliance with central government prerogatives. Insofar as expenditure responsibilities are treated as part of fiscal decentralization, central government monitoring and standards are an important check on devolution.

The first set of procedures used is reporting requirements. SNGs may be required to report to the center either before or after undertaking expenditures, or both. Prior to a fiscal year, SNGs may be required to submit detailed line item budgets to central governments. This happens in South Africa and Uganda (with their respective Medium-Term Expenditure Frameworks [MTEFs]), but also in countries such as Mali and Burkina Faso where sub-national administrative officials (*préfets*, or prefects) approve local government budgets. After the fact, SNG action may be subject to further review by the center. Deconcentrated administrative actors operated alongside (or interspersed among) devolved authorities in all seven unitary countries—Botswana, Burkina Faso, Ghana, Mali, Mozambique, Tanzania, and Uganda. This reflects a degree of close top-down monitoring and supervision of SNGs.

Central government control through monitoring and enforcement of required standards is a second approach used in the fiscal decentralization processes in some of the countries in the sample. This holds even in federal countries such as South Africa, which features standards across public service sectors, with examples including guidance for numbers of schools per population, or maximum pupil/teacher ratios. Uganda also uses such standards. This can constitute a “back door” to shape SNG expenditure. Even where SNGs have autonomous budgets (in terms of the line items they establish), centrally established standards of public service provision can arithmetically direct SNG revenues to certain spending categories. This may be desirable in many circumstances—it may redirect resources from sub-national patronage networks to broadly beneficial public goods, for instance—and is a clear prerogative of national policy, but it may also be an indirect method of circumscribing SNG autonomy.

Findings

Fiscal Decentralization (Section 2.3)

- African countries have small local tax bases and SNGs have limited own-source revenues.
- SNGs rely heavily on IGTs from the center for their revenues.
- IGT are based on formulas in many cases, and not on the discretion of central governments.
- Central governments sometimes offload responsibilities to SNGs without adequate finances.
- It is unclear what level of government is responsible for which services in many instances.
- Central governments can control fiscal decentralization by monitoring expenditures and setting standards and guidelines for SNGs to follow.

2.4 ADMINISTRATIVE DECENTRALIZATION

Administrative decentralization and deconcentration have advanced considerably, which is an achievement relative to highly centralized patterns of past administration. However, the limitations on decentralization are the flip side of this coin: the civil service remains highly

centralized in most countries, and local capacity remains underdeveloped, especially in rural areas.²⁴ Again, we first note achievements, followed by limitations.

2.4.1 ACHIEVEMENTS

The establishment of sub-national administrative structures as part of administrative decentralization has been one of the most consistent achievements of African decentralization in a comparative perspective; this relates to the changes in authority mentioned previously (Section 2.1). The legal frameworks that initiated decentralization have been paralleled by the construction of significant institutional architecture to manage decentralized governance.

Deconcentration and the Devolution of Planning

Administrative decentralization in the form of deconcentration has occurred even in the most centralized unitary cases in our sample: Botswana, Burkina Faso, Mali, and Mozambique. It has also been a prominent feature in the other unitary states of Ghana, Tanzania, and Uganda, although other elements of decentralization (such as fiscal devolution) have advanced farther in these latter cases, making deconcentration appear less prominent by comparison. Administrative decentralization has also been an important part of the policy mix in federal states, but in a different form. In these cases, large numbers of civil servants in public service sectors (education, health, etc.) have been devolved to SNGs.

Achievements in this area include the establishment of a range of necessary administrative bodies, such as provincial or state treasuries, and secretariats at the local level. This also includes mechanisms designed explicitly and exclusively for managing intergovernmental relations, such as local government ministries and line ministry administrations to ensure deconcentration in various sectors. Countries have built administrative structures to support political decentralization, such as electoral commissions to handle sub-national elections, and fiscal decentralization with systems for IGTs and tax sharing (such as Nigeria’s Federation Account and South Africa’s National Treasury offices supporting the division of the “equitable share”).

Examples abound in the area of administrative decentralization, as any degree of decentralization is unthinkable without the creation of new supporting institutions. Even where decentralization is attenuated or partially reversed, these administrative bodies tend to persist. This can be seen in Uganda, where the structure of the political system can be seen as a major achievement of decentralization, regardless of efforts to recentralize some authority.

TABLE 2.5. MULTI-YEAR BUDGET ESTIMATES

Question: *Does the annual budget documentation submitted to the legislature contain multiyear expenditure estimates?*

| | |
|-----------------------------|--|
| No | Botswana, Burkina Faso, Ethiopia, Mozambique |
| Yes, at the aggregate level | Uganda |
| Yes, at the ministry level | Ghana, Mali, Nigeria |
| Yes, at the line item level | South Africa |

Source: de Renzio and Wehner, with Seiferling, 2008.

²⁴ While national capacity is limited in a broadly comparative sense, the lack of local capacity is most pronounced.

Some of the main achievements have been in the devolution of planning for local development, and budgeting and managing the resources required for public services. Again, this links to the areas of political and fiscal decentralization. Elected officials at local and intermediate levels are now responsible for drawing up budgets, mostly on an annual basis, but in some cases on a multiyear planning basis. Table 2.5 shows the breakdown of budgeting practices in our cases. This refers to the national level, but has obvious implications for sub-national levels, whose estimates are incorporated into national budgets given the prevalence of IGTs. Such planning typically requires considerable coordination across sectors (horizontally) and levels of government (vertically). An indirect consequence of the increases in authority and autonomy are increasing sub-national capacity by virtue of the need to plan across service areas over time; while sub-national technical capacity is still low in many countries, the continuation of decentralized governance is likely to increase familiarity with development planning and budgeting practices over the long run.

Deconcentration is also an essential element of decentralized governance, especially in unitary states in Africa. Even in the presence of considerable devolution, deconcentrated officials play an important role in supporting, monitoring, planning, and administering public action. This can be seen in countries such as Ghana, Mali, and Tanzania, where appointed officials (at regional or district levels) coexist alongside elected officials at local or district levels, with the stated intention of coordinating sub-national spending and planning. In addition to these coordination responsibilities, these deconcentrated state officials may also exercise decision-making authority or supervisory control over devolved local governments in some cases, as in the tutelage or *tutelle* highlighted in the USAID Desk Study of Burkina Faso (2010). While this clearly restricts devolution, it is difficult to determine *a priori* whether such a role for deconcentrated officials undermines or supports governance more generally. As noted elsewhere in the report, administrative deconcentration may be an appropriate initial step in three contexts particularly prevalent in Africa: where national unity is questionable, where SNGs face capacity constraints, or where all levels of government are confronted with financial constraints. Given these frequent challenges in Africa, administrative deconcentration may be a sensible reform path, with the necessary caveat that power remains with central states that have not often demonstrated sustained records of good governance over time.

Administrative decentralization also includes the possible transfer of a wide range of civil servants to decentralized control. The public employees transferred may include those in decentralized sectors, such as schoolteachers or public health officials. Civil service reform has lagged in many cases, but these employees do often report to SNGs or to sub-national administrative units. In the federal cases (Ethiopia, Nigeria, and South Africa), many public sector employees are now administered by SNGs, and fitful attempts to decentralize staff have been made even in some unitary cases (such as Ghana and Mali). Even in the most centralized unitary states (Burkina Faso and Mozambique), civil servants now frequently report to deconcentrated officials rather than to distant central ministries. This can have positive developmental consequences if deconcentrated officials are more attuned to local realities; upward accountability may prevail, but deconcentrated accountability can be preferable to centralized reporting, and it is increasingly common in Africa.

2.4.2 LIMITATIONS ON ADMINISTRATIVE DECENTRALIZATION

There are two substantial limitations on administrative decentralization. The first is the continued influence central governments exert over civil servants. The second is the observation that sub-national capacity is low in many cases. We treat these two limitations in turn.

Civil Service and the Reach of Central Government

Central governments continue to be predominant in administering and managing the civil service in Africa. This is a restriction on the spending autonomy of SNGs, and an important one. For many of the cases, the decentralization of education or of health care is made much less dramatic by the fact that the main category of recurring expenditures—personnel salaries—are still a central government prerogative. Many civil servants remain central government employees, even if they are nominally responsible to local elected officials or deconcentrated officials. Others have career paths shaped by central ministries, even in decentralized service areas. Even where civil servants are sub-national employees, a variety of factors continues to facilitate the exercise of central power.

Perhaps the leading example that illustrates the broader phenomenon is the education sector. Teachers’ salaries comprise one of the largest expense categories in the decentralized services in most countries. Yet teachers’ salaries (including adjustments to these salaries by location) are set by central governments in many cases. This can be by rule or can occur in practice due to centralized wage bargaining by a national public sector union; both central governments and teachers may often prefer to centralize the collective bargaining process and have teachers respond to central governments whose resources are relatively more secure than those of SNGs.

TABLE 2.6. DECENTRALIZATION AND CENTRAL CONTROL OF THE CIVIL SERVICE: THE EDUCATION SECTOR

| Form | Characteristics | Case Examples |
|-------------------------|---|----------------------------|
| Deconcentration | Ministry of Education employs teachers; sub-national administrative units manage, administer teachers; SNGs have little authority | Burkina Faso Mozambique |
| Delegation | Ministry establishes and pays salaries; SNGs “pass along” salaries from Ministry to teachers | Mali |
| Contract Control | SNGs nominally employ teachers <i>de jure</i> ; Teachers’ unions bargain with Ministry of Education (wages, job tenure) <i>de facto</i> | South Africa |
| Devolution | SNGs employ and contract with teachers; Ministry of Education and deconcentrated officials have little/no control | Ethiopia Nigeria |

The particular form of central government control over the civil service may be more or less direct and more or less complete. In fact, we may consider a sliding scale or spectrum of centralized and decentralized approaches to human resource management (HRM), as shown in Table 2.6. The most direct and complete form of continued central control is the perpetuation of central government employment for public service employees: teachers are employees of the Ministry of Education; are paid by the central government; and may be hired, fired, and (re)assigned from one location to another by the central ministry. In practice, this works through deconcentration of such responsibility to sub-national administrative units. Somewhat more decentralized is using SNGs as delegated agents to “pass along” salaries established and paid by the center. At the more decentralized end of the spectrum, SNGs may be the employers of teachers; yet even here, the center may exercise substantial power, as in the case where national teachers’ unions bargain collectively with central authorities rather than SNGs on such issues as wages and job tenure. Finally, the most devolved form of HRM occurs when SNGs have full

control over the careers of the personnel they employ. As seen in Table 2.6, all of these mechanisms exist in the case countries. The countries not mentioned in the table have a partially decentralized, partially centralized civil service where laws mandating decentralized control are either contradicted by sectoral laws (Ghana) or are incomplete in their implementation (Botswana, Tanzania, and Uganda). This shows the multitude of different ways decentralization can blend national and local control over public service provision.

Local Capacity

Limitations on local capacity are one of the more consistent observations in reports from the sample countries. With the exceptions of the relatively industrialized economies of Nigeria and South Africa, the various country reports emphasize that the capacity of devolved and deconcentrated officials is a significant constraint on the functioning of decentralized governance, though some (such as Tanzania) report improvements over time as sub-national officials grow accustomed to their functions. Even in the two largest economies, capacity is problematic in myriad ways, as there is considerable evidence of corruption and of a desire on the part of qualified personnel to take central government positions. Capacity questions are serious in several areas: managing fiscal resources, administering staff, preparing plans and budgets, and ensuring the necessary technical aspects of public goods provision. It may be manifested in illiteracy or low technical literacy, inability to prepare documentation or respond to citizen requests, or failure to comply with directives and standards, among other possibilities. The observation of low capacity holds for both sub-national elected officials and deconcentrated state employees.

At some level, this observed lack of capacity at local levels is unremarkable. Central states are themselves weak in many of the 10 cases, and local states are likely to be the more underdeveloped parts of these states, especially in rural areas. The relative underdevelopment of the local state exists for multiple reasons. First, African states simply have long records of centralization, fiscal weakness, and reliance on predatory or clientelistic mechanisms for rule.²⁵ Most states depended upon the cooptation of local agents—whether elites or traditional authorities—and their incorporation into patronage networks. In this context, the construction of local authority was informal and operated through mechanisms that ran parallel to organized local government; the local state scarcely developed even the limited trappings of state power associated with the weak central states located in capital cities. Second, and related to the underdevelopment of states generally, is that career paths matter. Most African functionaries view appointments in the capital city as key to career progression, as well as a more agreeable lifestyle. As more accomplished officials gravitate toward the political center, relatively less capable civil servants come to staff the distant posts. The same held for elected officials, which were largely nonexistent for most of post-independence history; local governments were long appointed (and not elected), so there is little history of the cultivation of local capacity among elected officials, a phenomenon more commonly found in the industrialized world (e.g., in Latin America).

While we do not dispute the finding that capacity is low, we believe it must be placed in a larger context of political incentives and time horizons. Beginning with political incentives, we note

²⁵ South Africa is the clearest exception among our cases, being a country that developed a functioning tax state over time (cf. Lieberman, 2003).

that commentators who declaim low sub-national capacity are often found in central government bureaucracies. While the observation may be factually accurate, central government actors may see low sub-national capacity as justification to retain their prerogatives, influence, and control. Thus, we question whether low capacity is evidence of a need for less decentralization, or rather evidence that decentralization requires greater state support. Indeed, with reference to observations by central government actors, we would note that low sub-national capacity must be considered in relative terms, and compared to the record of central states, which themselves have long records of poor performance in promoting development, limited achievements in providing public goods, and well-established reputations for corruption and rent seeking (cf. Chabal and Daloz, 1999; Wunsch and Olowu, 1990).

Related to the long failures of central states is the important issue of time horizons. At the most fundamental level, decentralization is a recent phenomenon, and sub-national actors have only had a short period of time in which to master issues as technically sophisticated as composite budgeting, concurrent competencies, and multiyear developmental planning—and to do so with limited fiscal and human resources. We might plausibly expect growing pains with such processes in formerly centralized systems, even in societies (e.g., France) where levels of human capital and resources are quite high. In such environments, a longer-term dynamic calculus also matters; capacity is likely to remain low for as long as sub-national units are given few opportunities to exercise authority, autonomy, and accountability. This is a vicious circle that can emerge in which low sub-national capacity engenders a furthering of centralized rule. So long as a lack of capacity justifies a lack of decentralization, capacity at decentralized levels is likely to remain low. This observation does not imply that decentralization should be precipitous or overambitious, but rather intends to place in proper context the unambiguous observation that sub-national capacity is limited at present.

To expand upon this issue, we turn from the obvious limitations of capacity—which is true, but perhaps not surprising or illuminating—to some exceptional achievements of decentralization in Chapter 3. These include some cases where capacity has been enhanced, along with achievements in the many other intermediate objectives of decentralization.

Findings

Administrative Decentralization (Section 2.4)

- Deconcentration features prominently in Africa, especially in unitary states.
- Central governments continue to exert considerable control over decentralized civil servants.
- Low capacity at local and national levels is a challenge for administrative decentralization.
- Low local capacity is sometimes used as an excuse not to decentralize, despite African central governments having poor records of public service provision, efficiency, and probity.

2.5 LOCAL SERVICE PROVISION

Two key findings regarding the implementation of local service provision of public goods emerge. First, initial motivations for decentralization matter for the quality of reform implementation. The consequence of prioritization is that *local governance reforms that were intended to establish legitimacy and stability may successfully achieve those objectives without an accompanied realization of increased service provision*. Ghana is a key example of a highly functioning, institutionally embedded system of local governance, but one that has not generally expanded or improved capacity for service delivery. A focus on achieving national political legitimacy and accountability has successfully achieved its objectives, and electoral and upward accountability is among the highest on the continent. However, weak planning, a lack of control over staffing, persistent emphasis on central control, weak professional and technical support by the center, dominance of local councils by local executives and administrative personnel, weaknesses in local public and civil society participation, and the failure of local officials to effectively link accountability of local service delivery personnel, are the particular shortcomings affecting capacity in Ghana, and are echoed in the case studies across the continent (Ghana Desk Study Report, p. 20). More structural constraints to capacity include socially heterogeneous constituencies, dispersed across large areas, dependent on weak transportation and communication networks. “Local governments have difficulty resolving free-rider issues, managing common pool resources, and enforcing decisions due to the high transaction costs associated with their limited local legitimacy” (Ghana Desk Study, p. 29). Perhaps most challenging is that constituents faced with no improvement in public service delivery lose faith in the local governance system, and a negative feedback cycle begins with citizens less willing to pay taxes and harness their own energies and resources for local development projects (Ghana Desk Study Report, p. 13). When disenchantment with lack of improvement in service provision is pervasive, it can also lead to diminished political participation, which potentially harms the long-term progress made on the political objectives of decentralization reforms. The positive side of this finding is that local governance reforms where the provision of local public goods was a key issue motivating decentralization (in some cases tied to post-conflict reintegration), more progress has been achieved (Uganda, Tanzania, and Mozambique). This progress has been made in the face of resource constraints. While in all countries the record across municipalities was mixed, in these countries it is suggested that effectiveness was rather good, particularly in areas

such as waste management, sanitation, drainage, road construction, etc. (Mozambique Desk Study Report, p. 25).

A second and related point is that the amount of resources available to municipalities does not correlate directly with their improved performance in service delivery. The input of financial resources is not equal to output in local public goods provision.²⁶ Nowhere is this more evident than in Nigeria, which highlights the extreme example of massive increase of funding and no discernible improvements in public goods provision. This may be because Nigeria lacks effective structures of accountability, and the perverse incentives created by the distribution of oil revenues through Nigeria's fiscal federalism, create no incentives for enhanced local revenue effort nor more effective LGA services or local economic development. While Nigeria exemplifies a case in which central funding to SNGs increased without a correlated bump in service provision, the lack of direct correlation between funding and output has more positive connotations in extremely resource-poor environments, where despite incredibly insufficient resources, capacity has increased with decentralization in a few cases. Village associations and various other forms of civil society organizations are harnessed to contribute to service provision and synchronize expectations between constituents and local governments (Mali, Mozambique, and Tanzania). In Mali, although local government resources were found to be insufficient to cover basic needs, the village associations are playing a key role in providing important infrastructure and disseminating information to communities (Mali Desk Study, p. 22). They have also mobilized funds in certain circumstances to pursue development projects or meet service delivery objectives. Mayors are also playing a key role—with increased authority and autonomy, they are contributing to the sustainability of service delivery by networking outside the community to arrange funding, and elected officials are playing an advocacy role with public and private actors to make sure that community needs are met (Tefft et al., 2003, p. 5). In Tanzania, decentralization has been “practiced with an emphasis on the increase of locally available resources for development and corresponding citizen engagement through user groups” (Tanzania Desk Study, p. 1).

The broad point is that a genuine focus on service provision as a political goal (ideally with likely electoral benefits) and establishment of linkages with village organizations to harness constituents' energy and resources for local public service provision holds promise for improvement across the board, particularly where accountability mechanisms are strong.

Findings

Local Service Provision (Section 2.5)

- Improvements in the quality of local service provision depend upon the underlying motivations for decentralization.
- Increases in resource inputs do not always correlate with improvements in outputs.

²⁶ This point is frequently obfuscated by the general phenomenon of extremely resource-poor contexts.

3.0 EXCEPTIONAL SUCCESSES

This chapter provides an in-depth look at exceptional cases that highlight best practices and possibilities for learning. We respond in particular to many of the decentralization deficits addressed in Chapter 2 and describe empirical cases where substantial progress has been made to overcome them.

3.1 INSTITUTIONALIZING LEGAL AUTHORITY

We have found that enhancements in legal authority are among the clearest advances in decentralization, but some cases are especially noteworthy. A leading example is the post-conflict reconstruction of state authority in Ethiopia. We also consider the numerous processes of creation and demarcation of boundaries that have been flexible, albeit politically motivated.

3.1.1 INSTITUTIONALIZING A FRAMEWORK FOR SELF-RULE IN ETHIOPIA

Ethiopia's dramatic decentralization since 1991 has been an exceptional feat in several realms. First and foremost, the country is a striking case of "ethnic federalism" in which the major ethnicities have been allotted their own regional states. The willingness to ally geographic, territorial claims with autonomous governance has been extremely limited in Africa, with many countries fearing that recognition of such claims would further push the country into disintegration. Ethiopia's successful emergence from civil conflict and stable management of the ethnic federal system for two decades is a critical case to consider the possibilities for truly extensive reforms across the continent.

The structural, legal basis is a strong foundation for effective local governance in Ethiopia, and has emerged over time in practice as well as in complexity of the local governance system. The legal framework was clearly established in the 1995 Constitution, *but was already in practice prior to its legal framing, established in the transition in 1991*. This initial scaffolding provided for the federal-regional state relationship, and three further layers of government (zones, *woredas*, and *kebeles*) were established in the early 2000s to devolve power to the district level. The federal system provides the nine regional states the right to their own constitutions. Furthermore, regional authority is reinforced by a constitutional clause (52[1]) claiming residual powers, such that any responsibilities not specifically assigned to the federal level are reserved to the states (Ethiopia Desk Study p. 8). Combined with significant fiscal authority (expenditure and revenue), the regional governments have successfully pursued self-governance. Ethiopia's regions even have a separate civil service from the national civil service, which enables the regions to have control over personnel and staffing decisions. However, the strong ties to the hegemonic party, the Ethiopian Peoples' Democratic Revolutionary Front (EPRDF), create limitations to autonomy.

At the district level, the *woredas* vary in their duties because their constitutional powers are determined within the region. While there are modest variations, the districts are autonomous

self-governing units to which power and resources are devolved. Councils are elected by the citizens of the districts, and the councils select their executive cabinets. While the *woreda* is subordinate to the regional government, they are largely responsible for implementation of social services, economic development, and administrative plans and programs.

Ethnic federalism in Ethiopia is in many ways an astounding accomplishment. Some critics predicted that ethnic decentralization, by providing significant authority and autonomy to specific ethnic groups within the country, provides a recipe for dismemberment of the nation and unbalanced resource distribution. Rather, this case to date demonstrates that significant carving up of the national territory and meaningful decentralization can provide self-rule to various ethnic groups and encourage voluntary sense of belonging, and acts as a restraint for further disintegration—halting ethnic conflict and preventing the breakdown of the government (Ethiopia Desk Study, p. 27).²⁷ The increasing hegemony of the authoritarian EPRDF over time, largely through its domination of the political system, highlights the possible tradeoffs apparent in the effects of decentralization reforms. Establishing an increasingly stable ethno-federal system occurred simultaneously with the strengthening of the autocratic regime via the extension of the dominant party throughout the national territory.

3.1.2 DEMARCATION AND CREATION OF SUB-NATIONAL GOVERNMENTS IN COMPARATIVE PERSPECTIVE

Several countries have undertaken processes to increase the number of SNG elected bodies, and there have also been some movements in the direction of consolidation. This is a question of redefining legal authority at the sub-national level. We do not posit an ideal ratio of population per SNG unit, but would note that there are in the reports some efforts to either expand or rationalize the size and shape of SNGs.

Flexibility in the creation and demarcation of SNG units can be a rational response to dysfunction. Several country reports note that very small units at the sub-district level are difficult to coordinate, fund and staff, and therefore, remain largely ineffective. Ghana's desk study notes that the unit committees are largely neglected by policymakers and ignored by citizens. These sub-district structures number over 16,000, which may be too numerous, given that some of them are not even staffed. Ethiopia has about 3.6 million elected sub-national posts (including local committees known as sub-*kebeles*), for a population of approximately 80 million people. In Mali, the donor representative responsible for coordinating all donor activity on decentralization noted that the intermediate *cercle* level was predicated on old French colonial *arrondissements*, and has little rationale. He advocated abolishing the level as superfluous. These cases can make the argument for streamlining resources to other local government units to promote quality and function while still operating at the local level.

In other cases, new units are created for political purposes. In Nigeria, it is clear that the dramatic increase over time in the number of LGAs is to provide a system of spoils distribution, whereas the more restrained creation of new regional states systematically over time has been more feasibly interpreted as an attempt to facilitate governability. "Since LGAs are seen as a source of incomes to local residents, there is a strong gravitational pull to establish more of them, to locate LGA headquarters in their communities, and to resist their loss. This, rather than enhancing

²⁷ The secession of Eritrea and successive boundary wars between the countries is a major exception to this point.

grassroots democracy or local development, indeed seems to have driven much of the LGA politics in the pre- and post-1999 era, and at times led to considerable violence” (Nigeria Desk Study, p. 15). In Mali, the location and number of local governments has been coordinated with citizens playing an active role in the process. The *Groupes d'étude et de mobilisation aux niveaux régional et local* (GREM and GLEM) used civil society to help design the communes and promote civic education across the country (Mali Desk Study, p. 21). An important consideration in Mali is the choice of the seat of the municipal government, which has been interpreted by villagers as akin to the colonial *arrondissement*, and therefore seen as concentrating these powers in one village and allowing that village to dominate other villages in the commune (Mali Desk Study, p. 20). Because local notables maintain veto power, they must be associated with the location of the commune seat, as a strategy to preserve their power. The location and creation of communes has also raised tensions between indigenous families and settler villages, as we have seen in a number of cases.

Additionally, local government units can be eliminated or halted for political purposes as well. South Africa undertook a demarcation process about a decade ago that reduced the number of municipalities from over 800 to under 300. This created more municipalities likely to “go ANC”, so the political incentives merit consideration, but this may have rationalized the provision of public services in some areas. Similarly, the governing party in Mozambique (FRELIMO) passed a law to devolve authority nationwide, but reversed this in 1996 after the surprisingly strong performance of the opposition (RENAMO) in sub-national elections.

In sum, there has been much willingness to create new boundaries at the local level, in attempts to rationalize political, administrative, and fiscal imperatives. This initiative in and of itself is a welcome alternative to national-level boundaries, which have been interpreted as overly static, and political leaders have been unwilling to consider alternative visions of viable states (Herbst, 2000). It is a welcome development to see ingenuity and gradual adaptation to the political socioeconomic and demographic realities in creating viable local government units. However, it is clear that in the majority of cases, new units are created for political manipulation or are remnants of historical legacies that are neither fiscally viable nor administratively efficient. Countries should be equally willing to do away with superfluous levels of government as they are to create new jurisdictions, based on a technical analysis of feasibility (see USAID, 2009).

Other Success Stories

Institutionalizing Legal Authority (Section 3.1)

- Consensus-building over three years in the rollout of decentralization in Uganda;
- Variations between the constitutions of different regional states in Ethiopia;
- Empowering multiple levels of government in a constitutional process in South Africa;
- Conversion of deconcentrated units into partially elected units in districts and regions in Mali; and
- Asymmetric decentralization to stabilize a post-conflict environment in Mozambique.

3.2 PROMOTING FISCAL AUTONOMY

Fiscal autonomy can occur through pre-set IGTs that give SNGs discretion on their use, or through the promotion of local taxation and collection of own-source revenues. In both cases, collection and distribution mechanisms have been established to overcome many of the difficulties associated with local governance political reforms (establishing local elections, and the presence of new opposition parties) and fiscal responsibilities. In tax collection data from Senegal, Juul (2006) finds that new local elections and simultaneous transfer of responsibility to local tax collection precipitates a dramatic decline in tax revenue. The motives are rational: local politicians are unwilling to implement existing taxes or propose new sources of tax revenue for fear of electoral retaliation by voters; and citizens do not trust that the funds will be committed to the public good given the new interparty competitive dynamic and fear less the national party's ability to impose punishment on the locality for non-payment in the new system. These are temporal, transitional adjustments, but in the cases of South Africa, Ghana, and Mali discussed below, initial hesitation was replaced over time by complex systems that increased trust (payment) and participation (monitoring), as well as fiscal autonomy.

3.2.1 WHY IS FISCAL FEDERALISM NOT PERILOUS IN SOUTH AFRICA?

Among the 10 countries here, South Africa may earn the distinction of being the most highly functioning system of intergovernmental fiscal relations, despite early challenges with decentralization in the 1990s. It couples considerable fiscal decentralization (mostly through IGTs) with substantial central control over expenditure drivers. The result is a fiscal federal system in which “the country has significantly improved its macro fiscal and monetary conditions” and “one key determinant has been the central government's ability to impose to a large degree a hard budget constraint on sub-national governments” (Ahmad, 2003, p. 348).

Central control over SNG expenditure comes from a cohesive (albeit extensive) set of intergovernmental institutions that provides central guidance to SNG elected officials on expenditures, and ensures monitoring of these. Relevant institutions include requirements for multiyear budgeting down to the level of line items (MTEF), regular inter-ministerial meetings within sectors between the central and provincial levels of government, provincial borrowing powers that are subject to central government review, and a reputation for hard budget constraints earned in the years after some provincial profligacy in the late 1990s. This is all buttressed by the dominance of the single party (the ANC), but hierarchical control operates through state mechanisms in a relatively democratic society, such that influence over SNG politicians is not restricted to intraparty dynamics.

The strongest complaints with respect to decentralization are about the relative lack of fiscal autonomy for SNGs (as well as a degree of party nepotism and some degree of corruption noted in the desk study). However, the latter problems of rent seeking are seen to be quite limited relative to the Nigerian case and the Ethiopian case where a single party governs with far fewer democratic credentials. With respect to the lack of fiscal autonomy, it is true that South Africa's SNGs have few own-source revenues and are tightly monitored with respect to expenditure. On the other hand, SNGs are guaranteed a considerable portion of the national cake through the division of revenue (the “equitable share”), and are responsible for somewhere over 40% of all government expenditure. This cannot be considered highly centralized by African standards.

A takeaway lesson from this case is that political, fiscal, and administrative devolution can be consistent with a healthy dose of central control. Given the centripetal forces that now prevail in South Africa and in many other African cases (with the possible exception of Nigeria), excessive SNG autonomy is scarcely a worry even where IGT predominate in fiscal decentralization, which might invite sub-national abuses in robust federal systems elsewhere (cf. Rodden, 2006). Indeed, given the considerable power exerted by the center over SNG expenditures, it is worth reconsidering the forgotten stepchild of decentralization that is neither full devolution nor limited to central state controlled deconcentration: South Africa's form of intergovernmental relations may approximate a functional form of delegation in certain aspects.

3.2.2 LOCAL TAX COLLECTORS AND FORMULA-BASED REDISTRIBUTION IN GHANA

Ghana presents an interesting case of functional complementarity. The district-level assemblies (MMDAs) are the sole taxing authority in the districts. Due to ineffective collection, lack of punishment for default, and citizens' reticence to pay, own-source revenue is limited; therefore, an important stream of revenue for the MMDAs is the District Assemblies Common Fund (DACF), which delineates a fixed formula of intergovernmental transfer. The DACF was recently increased from 5% to 7.5% of total government revenues. The DACF is then redistributed according to a revenue-sharing formula approved annually for the year in question by Parliament (Ghana Desk Study, p 4). The DACF amounts to 37% of revenues for the MMDAS (twice the amount raised by own-source revenues) while total grants given by the central government (salaries, donor support, etc.) accounts for the remaining 45%. The DACF is an important initiative because it provides a constitutionally guaranteed minimum share of government revenues, and thereby provides some financial independence. It would be helpful for the MMDAs to receive even a greater total amount of national revenue, so that its use could move substantially beyond central directives that come in the form of earmarks, and thereby increasing expenditure autonomy. Nevertheless, this example highlights the idea that the formula-based IGT is a model upon which to build.

3.2.3 LOCAL RESOURCE MOBILIZATION IN MALI

The Mali field study examines the prospects for local resource mobilization from institutions outside of formal governing structures. It notes that many Malians do not pay their local taxes, yet contribute significant amounts to village development associations of various forms. Across many countries in Africa, social demands and expectations hold that citizens in local communities contribute to local projects according to their ability. These voluntary contributions (*cotisations* in Francophone countries) have been used to build public infrastructure ranging from markets to religious structures to schools.

Among the organizations of repute in Mali are the *kafos*, whose boundaries are not necessarily related to legal demarcations, but rather reflect centuries-old socioeconomic units. *Kafos* thus cut across multiple villages, complicating coordination with local government, but often paying attention to local linkages that formal boundaries ignore. Similar organizations (known in Mali as *tons*) may also be at the level of a village or sub-region. Indeed, indigenous civil society institutions may even be international, as in the case of migrants' associations (or emigrant associations) based in France or elsewhere that support development in their hometowns or sub-regions.

Such institutions can draw on rich veins of social capital, leveraging trust and social pressure to ensure voluntary (as opposed to compulsory or coerced) compliance and participation. Since participation is considerable, it is worth noting that the voluntary nature of contributions to such organizations may have an advantage in terms of public goods outcomes: support for these organizations is likely to be conditional upon performance, with local residents opting not to support them if they are dysfunctional or corrupt. This contrasts usefully with local governments, where resource mobilization is nominally coercive, and tax compliance is expected regardless of rent seeking or the absence of downward accountability.

The Mali study notes that autonomous institutions can also exhibit impressive characteristics of accountability and autonomy, and they show a clear capacity to mobilize resources. They may be indigenous civil society institutions, but we note they are not necessarily linked to traditional authority or customary authority. Indeed, whereas many traditional authority structures come under fire for failing to meet governance criteria associated with contemporary democracy (such as formal inclusion of elections, or formalized consideration of women’s perspectives), these indigenous institutions may have highly developed systems of democratic governance, including multiple “officers” with separate roles to ensure public accountability.

Insofar as these organizations exist in other countries, they may be a model for both policy planning and for donor cooperation. We might consider, for instance, burial societies in South Africa as prospective sources of investment capital. One key from the Mali example is that such mechanisms seem to work because they are autonomous from government, and this affects their accountability and (importantly) their legitimacy. Attempts to subordinate such institutions to government (whether devolved, deconcentrated, or centralized) may undermine the very principles that facilitate collective action in these indigenous institutions. The linkage to decentralization is thus delicate, but a final illustration shows the prospects. The local government council in the commune of Niéna articulated that they mobilized resources from indigenous development organizations, and coupled these with local tax revenues (raised in part through cooperation with customary authorities) to collaborate with deconcentrated officials and leverage “drawing rights” from the national investment fund. The simple lesson from this example is the importance of inter-institutional collaboration. The relevant actors were indigenous civil society institutions, devolved government, deconcentrated officials, traditional authorities, and the central government, with each contributing to local development.

Other Success Stories

Promoting Fiscal Autonomy (Section 3.2)

- The presence of equalization grants for Local Councils in Uganda;
- Substantial guarantees of funds for SNGs from the Federation Account in Nigeria; and
- Increasing amounts of intergovernmental transfers in Tanzania.

3.3 DECENTERING POLITICAL ACCOUNTABILITY

Much accountability in Africa operates through upward accountability to the center. Some experiences, however, are noteworthy for their advances in downward accountability, whether through electoral mechanisms (Botswana) or civil society mechanisms (Tanzania).²⁸

3.3.1 ELECTORAL MECHANISMS IN BOTSWANA

Botswana provides a particularly useful and relevant example of electoral mechanisms of political accountability, particularly given the prevalence of dominant parties across the 10 cases. In the rare cases of stable, two (or multi) party competition, electoral incentives provide some check on local councilors' actions, and opposition parties provide an ongoing critique, which helps to disseminate information to citizens. In dominant party systems, the lack of viable opposition presents a challenge. However, Botswana demonstrates how even where dominant parties prevail (in a fairly centralized system), the establishment of local-level governments and competitive elections is an important, independent factor that can provide avenues of information to citizens and political leaders alike. In Botswana, even though opposition parties are unable financially to field candidates in every ward, uncontested council elections are quite uncommon given the multiparty competition following the formation in 1969 of the Botswana National Front (BNF) and its evolution into a national political party, followed by the creation of the Botswana Congress Party (BCP) as well as the Botswana Movement for Democracy (BMD) (see Table 4, Botswana Field Study). Electoral turnover occurs in both rural and urban areas, forcing individual councilors to be responsive to constituency demands, and providing a mechanism for voters to demonstrate their preferences. This is not to deny that the dominant party, the BDP, has an immense advantage due to incumbency and financial resources, but rather suggests the importance of opposition victories accumulating over time to contribute to the strength of opposition as a viable alternative on the national as well as the local scene. "The BDP initially enjoyed comfortable majorities on some of the urban councils, but the cities became opposition strongholds", and urban elections are now highly competitive (Botswana Field Study, p. 20). Rural areas favor the BDP, but regional strongholds belong to the opposition there as well. In addition, because local council elected officials often play a critical role in campaigning for their party's parliamentary candidate and mobilizing support for their party, local government positions can provide a foothold for opposition parties to grow in strength and numbers, changing the dynamic of the party system over time, and provide a forum for vigorous debate.

3.3.2 CIVIL SOCIETY MECHANISMS IN TANZANIA

In Tanzania, studies have reported significant increase in various forms of direct citizen participation in local institutions as well as increases in citizen involvement in preparation of village/ward plans. This has corresponded with increasing trust in LGA political leaders, local government institutions, and reform initiatives. Increases have been most significant in citizen participation in user groups, which indicates that the form of decentralization put in place has in practice foremost been deconcentration or user-group strengthening driven by sector reforms

²⁸ Another case of interest in this regard, while not covered in the USAID case studies, is Benin. While the party system is highly volatile and fragmented in Benin, highly competitive elections at the national and local levels provide vertical accountability mechanisms. Importantly, while there has been a tendency for political parties to cluster around the presidential victor at the national level (in Parliament, for example), *the local level* provides an important foundation for maintaining a stronger oppositional presence. As an example, the former president of Benin, Nicéphore Soglo, has reigned as the mayor of Cotonou (the economic capital) following his defeat, and from that seat kept the spirit of opposition alive throughout the country.

(education in particular), rather than by strengthening the core local government structures (Tanzania Desk Study, p. 26). The overall trends suggest accountability and participation through local governments. The local government system in Tanzania is unique to the extent to which a dense system of local government structures is put in place at the community level and has been functional and relevant and that level of sub-national authority (in contrast to reports from Uganda, Ghana, etc. that the sub-district level of administration was largely ineffective). The complex functionality of the multilevel governance system is in part a legacy of Tanzania's one-party socialist heritage, which sought to engage from the level of the neighborhood to the ruling party through community organizations—and indeed, to usurp community organizations to make them part of the party-state (Tanzania Field Study, p. 6).

A recent reform that has encouraged the active civil society in Tanzania to take on direct roles of accountability has been the use of Public Expenditure Tracking Systems (PETS). These were emphasized starting in 2002 by external donors seeking to promote the “demand side of accountability”, and have included a variety of approaches from gauging satisfaction with particular services, to examining expenditure compared to budgets for individual sectors or projects. In Tanzania, the PETS implementation mapped onto a long-standing system of community-level committees charged with planning and oversight at the village, *mtaa*, and facility levels (Tanzania Field Study, p. 15). These are existing local government structures charged with planning and oversight of services. The remarkable spread of this type of Social Accountability Monitoring system more generally has been widely supported by donor funds, and has contributed directly to the increased levels of trust and participation noted above.

Other Success Stories

Decentering Political Accountability (Section 3.3)

- Multiple interlocking levels of devolution and deconcentration in Uganda;
- Use of local FM radio for dialogue between citizens and elected officials in Uganda and Ghana; and
- Community improvement organizations in the provision of public services in Nigeria.

3.4 BUILDING ADMINISTRATIVE CAPACITY: WHERE HAS IT WORKED?

Low capacity at sub-national levels is one of the more consistent findings across the cases. It makes improvements in this area especially urgent. This final section thus isolates a pair of cases where silver linings can be found on the cloud: Tanzania and Nigeria. The inclusion of the latter is deliberate, to show that even in environments where governance is weak, steps can be made to improve capacity.

3.4.1 TIME AND SEQUENCE IN TANZANIA

Time and sequence reassert themselves in the case of Tanzania, as decentralization reforms have strengthened local governments gradually over the last decade as key players in local service delivery. Local governments in Tanzania manage a significant level of resources (both in terms of staff and finance) in comparison with other African countries. A dense system of local government structures is put in place at the community level. Effective decision-making power

over how these services are funded, delivered and overseen has not been effectively devolved, thus the management of delivery of key services has been transferred to districts, without the related autonomy. However, the key point in this case is that it has been possible to increase local resources for development and increase citizen engagement effectively (even where autonomy has lagged, due to political rational at the center).

Furthermore, it is useful to note that there is a trend over time in increasing administrative capacity. This reinforces the argument in Chapter 2 that low SNG capacity has been used to justify halting decentralization (see also Ribot, 2002). The Tanzania case seems to suggest that increases in funding “has been accompanied by increasing capacities of financial management and fiscal discipline” (Tanzania Field Study Draft, p. 39). This suggests that under certain circumstances, the building of capacity is in the giving of it. That is, building capacity may be a medium-term to long-term endeavor, but only advances with increasing responsibilities over time.

3.4.2 CAPACITY IN NIGERIA

Nigeria may seem an unlikely place to look for good news on government capacity, given the country’s long record of patronage, corruption, and ineffective administration. The desk study reports pervasive problems with capacity in Nigeria (including overstaffing, ineffective personnel, and the use of the civil service as a patronage network and a spoils system. Nonetheless, the case serves to show that successes (and some best practices) can be found even in inauspicious environments. First, it notes that a serious “commitment to the training of local government personnel”, including the establishment of a new Administrative Staff College along with other public and private institutions. Second, the “harmonization of salaries of local government with those at the state and federal level” has provided incentives for human resources to remain in local government service (though it complicates local government budgets). Finally, local government staff are now protected by “local government service commissions”, which similarly provide greater support to sub-national personnel. Together, these initiatives are making a dent in the pervasive sense of low capacity in Nigeria.

Other Success Stories

Building Administrative Capacity (Section 3.4)

- Mobilization of village associations and coordination with donors for service delivery in Mali;
- Progress in infrastructure (sanitation, waste, roads, etc.) and administration in Mozambique; and
- Local government associations working to build capacity in Uganda and South Africa.

4.0 PATTERNS OF VARIATION

In this chapter, we undertake a comparative analysis of how variations between our cases seem to affect either the process or the outcomes of decentralization. We structure the chapter around some of the key variables that shape African politics and African decentralization. Using these, we ask (in a preliminary fashion) whether these variables affect the goals and intermediate objectives of decentralization. Since some variables are likely to affect certain goals or objectives and not others, we organize the chapter around independent variables that merit preliminary hypothesis testing: demographic, geographic, and economic realities (4.1); historical legacies of colonialism (4.2); historical legacies of conflict (4.3); regime types, or the extent of democracy (4.4); federalism and unitarism (4.5); decentralization sequences (4.6); fiscal decentralization patterns (4.7); political parties and party systems (4.8); and the importance of traditional authority (4.9). Of course, many of these variables condition one another, and cannot be treated in complete isolation; we recognize these correlations and interactions, but argue that these concepts and variables deserve explicit consideration.

4.1 DEMOGRAPHIES, GEOGRAPHIES, AND ECONOMIES

Some of the most fundamental variables likely to affect decentralization and its impacts are largely beyond the control of national governments. They are the demographic realities of each country, to include population and population density, as well as the basics of “ethnic arithmetic”. Africa is, of course, ethnically diverse, and this holds across most of the countries in the sample. Conflict has existed in many of the cases, and ethnicity has been a major mobilizing factor in many conflicts.

We will turn to conflict and federalism in future sections, but note here that the goals of decentralization are all influenced by what Herbst (2000) considers the fundamental dilemma of African statecraft: broadcasting authority to populations that are poorly integrated with the nation-state. Population growth and urbanization have dramatically changed Africa’s national and local population densities over the years, but most states still have difficulty penetrating the rural areas where a majority of Africans still lives. This is manifested most directly in a development outcome, with more limited access to public services in rural areas.

The variations between the cases are noteworthy in the sense that South Africa and Botswana have higher GDP/capita than the other countries, and thus a more robust fiscal base for supporting government at all levels. The remaining countries are all low income, with Nigeria being noteworthy not in terms of GDP/capita, but in terms of the absolute size of the industrial economy. It may be most plausible in these cases to talk about SNGs that might raise sufficient own-source revenues to fund the decentralization of public services and administration. Yet even in these cases, vertical fiscal imbalance prevails and IGTs feature prominently in funding decentralization. We find somewhat more funds available for government functions, but the only consistent finding linking demographics and economic development to the functioning of

decentralization is self-evident and unsurprising: these countries offer fewer reports of weak *capacity* at some levels of SNGs.

Findings

Demographics, Geographies, and Economies (Section 4.1)

- Decentralization in Africa often is a response to “ethnic arithmetic”.
- The largest population countries tend to be federal, with resulting increases in SNG autonomy.
- There is little evidence that economic variations lead to greater or lesser decentralization.

4.2 COLONIAL HERITAGE

The countries in the study with the most consistent historical record of centralization are probably the three former Francophone and Lusophone countries: Burkina Faso, Mali, and Mozambique. These countries remain at the more centralized end of the spectrum today, with Burkina Faso having a strong emphasis on central state oversight (*tutelle*), Mali having only limited fiscal transfers to elected SNGs, and Mozambique having an asymmetric decentralization that represents the only process in our sample where elected local government does not exist throughout the country. The continued prevalence of centralism in these cases is probably not coincidental. It may hold for historical-institutional reasons (such as path-dependence) or because the political cultures of these nation-states and their elites have come inherently to favor state power, but legacies of centralism tend to linger. In these cases, some authority has been devolved, but autonomy is limited, accountability continues to operate upward (even alongside electoral accountability at the local level), and local capacity remains underdeveloped.

On the other hand, the former British colonies—Botswana, Ghana, Nigeria, South Africa, Tanzania, and Uganda—took diverse post-colonial paths, and surprisingly little can be said with respect to how this affected decentralization. The British legacy of “indirect rule” was long posited to be more decentralized than French rule, though later work has called into question whether the realities of colonial states admitted any significant distinction (cf. Mamdani, 1996; Young, 1994). In these cases, we find two federations with significant devolved responsibilities in Nigeria and South Africa. Botswana is a sparsely populated, relatively democratic and wealthy outlier in which a dominant party has retained control and sought recentralization after modest decentralization. The remaining three cases—Ghana, Tanzania, and Uganda—had quite different post-colonial histories that have proved more directly consequential for contemporary politics than British rule. Ghana experienced multiple coups and changes from military to civilian rule and back, culminating in a military leader whose slow democratization gave rise to today’s robust two-party system. Tanzania proved a more stable, dominant-party civilian regime over time, and leading party dominance continues today. Uganda underwent massive civil strife and the virtual collapse of the state before decentralization emerged as a post-conflict solution. Given this diversity, we may say that British rule had the ambiguous merit of *not* affecting contemporary governance as much as the French tradition, or at least of facilitating greater variation in its ex-colonies; of course, this assertion would benefit from comparative checking with more former French and Portuguese colonies.

Finally, we note that Ethiopia is a *sui generis* case with regard to colonial history, as it was never colonized apart from an Italian occupation (1936-1941) that faced constant resistance. In this case, it may be said that the long empire and the Marxist-Leninist Derg gave rise to considerable centrifugal forces that resulted in ethnic federalism (and indeed in the secession of Eritrea from Ethiopia in 1993, which engendered a war that continues to darken Ethiopian politics today).

Findings

Colonial Heritage (Section 4.2)

- Francophone heritage is associated with a historically centralized model in which deconcentration is likely to feature prominently.
- Anglophone heritage has given rise to a wide range of decentralization experiences, from robust federalism to highly centralized unitary states.
- Other colonial experiences (e.g., Lusophone, or no colonial power) are not numerous enough in the study to reach comparative conclusions, but factors such as post conflict will matter.

From these findings, we might conclude—tentatively—that colonial heritage had some affect on contemporary decentralization by contributing to broad historical trends at an early stage in state formation, with Francophone and Lusophone countries having some greater tendency toward centralism and British colonization leading to a wide range of outcomes.

4.3 CONFLICT AND POST-CONFLICT ENVIRONMENTS

We would expect a country’s history of conflict and social strife to shape its decentralization process(es). This is especially true since federalism and decentralization are themselves partly predicated on the ability to accommodate regional, ethnic, or other identity differences by giving population subgroups a stake in the political system and levels of government at which national minorities can exercise power with some autonomy.

Given the large number and varying intensity of wars, conflicts, coups, and incidents of instability in Africa, we view the post-conflict variable as a continuum. We offer a typology in Figure 4.1. At one end are the regimes or states that emerged out of a civil war. Mozambique and Uganda are the clearest cases here, along with Ethiopia. In three other countries, internal strife featured prominently as a factor in calculations regarding regime stability and directly influenced calculations about decentralization, but was somewhat more contained than in the cases of all-out civil war: Mali, Nigeria and South Africa. (It should be noted that in both Nigeria and South Africa, civil wars at more distant historical moments—whether the early 1900s or late 1960s—affected the early establishment of federalism; these occurred at a farther remove from the present regimes.) Two other countries—Burkina Faso and Ghana—may have had histories of some coups and conflict, but these were not significant in shaping the decentralization agenda. Tanzania has witnessed some issues with Zanzibar, but these have not destabilized the long-standing regime. Finally, Botswana is a case where no significant legacy of conflict exists.

This typology helps shed some light on the conditions supporting decentralization. In all cases of civil war or instability, a legacy of conflict pushed the calculus in the direction of greater decentralization, even as governing elites attempted to retain considerable central authority in an effort to maintain stability and national unity. This may be seen as a constrained optimization by

elites facing incentives to accommodate prominent sub-national or regional actors, even if they would prefer continued centralization. On the assumption that central government elites—at least in the national executive—would prefer not to decentralize, we may characterize these as decentralizations under duress.²⁹

FIGURE 4.1. A CONTINUUM OF CONFLICT

| Low conflict | Limited/Coups | Instability | Civil War |
|--|---|---|--|
| <ul style="list-style-type: none"> • Botswana • Tanzania | <ul style="list-style-type: none"> • Ghana • Burkina Faso | <ul style="list-style-type: none"> • Mali • Nigeria • South Africa | <ul style="list-style-type: none"> • Ethiopia • Mozambique • Uganda |

In these cases, we might theoretically expect support for decentralization to wane once the goal of national stability seems reasonably under control. Conversely, if decentralization is “sticky”, it may persist even after the initial impetus is gone (cf. Mahoney, 2000; Pierson, 2000). So, do we find efforts at (re)centralization after conflict has abated, or do we find decentralization proves “sticky”?

We find partial support for both of these propositions. First, regimes in many cases have indeed attempted to delimit or undercut decentralization once the nation-state and regime have stabilized. This has happened with the centralizing tendencies of the ANC in South Africa and EPRDF in Ethiopia, with the no-party state and recentralizing moves in Uganda, and even in such seemingly small-bore efforts as FRELIMO’s excising of parts of selected Mozambican municipalities (such as Ilha do Moçambique). In the interest of comparative checking, we may also note that the non-conflict nation of Botswana has witnessed a similar push for recentralization under the BDP. This might suggest that preferences to recentralize are not caused by the abatement of conflict, but are more a function of a stable governing regime. In a sense, the Botswana case confirms a broader intuition regarding central government preferences. Under normal circumstances, the center will rarely prefer decentralization.³⁰ Instead, decentralization will occur when national actors have some incentives to decentralize as a second best option. One such set of incentives is when national unity is at stake; others include partisan and individual incentives described elsewhere in the study.

²⁹ In general, even though we stress the contexts in which governing parties have benefitted from decentralization to strengthen their linkages at the local level and have actually expanded their dominance through the process of implementing reforms, these advantages were not necessarily anticipated at the outset and were often resisted in terms of their legal acceptance as well as their practical application. It is precisely in the partial implementation that central governments have found their advantages and created a stable equilibrium in which overt recentralization is not attempted.

³⁰ We should also take care to disaggregate the center or central government. Of course, there are national representatives of sub-national interests, and these will often push for decentralizing power and resources. The most obvious examples are territorially elected representatives, especially those in upper chambers in federations. The actors with the most consistent and greatest interest in centralization will be those in the national executive, to include presidents and state bureaucracies, along with the military in many circumstances.

TABLE 4.1. LEGACIES OF CONFLICT IN 10 AFRICAN COUNTRIES

| Country | Nature of Conflict | Duration | Notes |
|---------------------|--------------------|-----------------------|---|
| Botswana | N/A | N/A | No significant armed conflict |
| Burkina Faso | Limited (coups) | ca. 1987 | Last coup in 1987 |
| Ethiopia | Civil war | 1980s – 1990s | Regime came to power via overthrow/force of arms |
| Ghana | Limited (coups) | ca. 1981 | Conflict in north, not generalized Multiple coups, last coup in 1981 |
| Mali | Instability | Ongoing | Conflict in north, not generalized Overthrow with democratization in 1991 |
| Mozambique | Civil war | 1970s – 1992 | War of independence in 1970s Civil war from 1970s to 1992 |
| Nigeria | Instability | ongoing | Civil war (Biafra) in 1960s-1970 Continuing conflict: sectarian; Niger Delta |
| South Africa | Instability | 1980s – 1990s | Conflict at end of apartheid era Conflict during transition |
| Tanzania | N/A | N/A | No significant armed conflict |
| Uganda | Civil war | 1979-1986, ongoing | Regime came to power via overthrow/force of arms Continuing conflict: Lord's Resistance Army |

Sources: USAID country reports

On the other hand, the extent of recentralization has been very limited at best. For instance, we find no cases of reversing political decentralization by returning to the appointment of previously elected SNG officials, nor do we find significant reversals of fiscal decentralization once it has been established and funds have been sent to devolved governments. In some instances, deconcentrated authority has been pulled back up the hierarchy, and in some of the instances noted above—e.g., Botswana and Uganda—recentralization has been explicitly attempted. Yet the achievements of would be recentralizers are remarkably modest. Short of regime changes that establish more authoritarian forms of rule, it has been easier for central governments to operate through administrative control over expenditure than it has to stop sub-national elections or recentralize revenues. Decentralization can be understood as creating vested interests in its own continuation—elected local officials tend to want to perpetuate their own posts and retain their own resources, and are willing to struggle for these prerogatives. It is inherently difficult in most political systems to secure the acquiescence of such vested interests. In a sense, even if decentralization was intended to extend state power and patronage networks by bringing more people into office (including millions of people in Ethiopia), it has indeed had the effect of deepening democracy by complicating the centralization of power on a continent where centralized states have been notorious for a long record of governance failures.

Findings

Conflict and Post-Conflict Societies (Section 4.3)

- Decentralization has been used frequently in post-conflict societies, with the initial framework often established as part of peace negotiations.
- There are no indications that devolution or deconcentration has compromised stability.
- Decentralization has probably helped stabilize post-conflict societies.

4.4 REGIME TYPES: AUTHORITARIAN AND DEMOCRATIC REGIMES

The framework of decentralization has been successfully established under authoritarian and democratic regimes alike. This is particularly because it can be advanced for rational political objectives in the range of regime types; decentralization is not limited to a democratizing agenda.

Largely motivated by the objective of political stability and increased legitimacy domestically, as well as a response to donor pressures, authoritarian regimes in Burkina Faso, Ethiopia, Uganda, and military and civilian governments in Nigeria have all sought to create and institutionalize a legal basis for decentralization. In Burkina Faso, the administrative and legal infrastructure has been recently completed, but the gradual approach of the government has been interpreted as a reticence to further advance the process by transferring effective competence and fiscal resources to the communes, thereby limiting their practical relevance. In contrast, the remaining three cases of authoritarian regimes have demonstrated some of the greatest commitment to decentralization across the continent. Uganda, Ethiopia, and Nigeria all sought to initiate decentralization reforms to address the need for post-conflict stability and state-building, and to integrate and simultaneously provide autonomy to heterogeneous populations. In Nigeria, local governments enjoyed greater autonomy, resources, capacity, and closer supervision under military governance. In Uganda, decentralization was well established under the ‘movement’ regime, and the later transition to multipartyism correlated with politically driven policies to create extensive new districts (e.g., fragmentation), recentralization of senior local government staff recruitment, and establishment of regional tiers—reinforcing the power of the central government. After transitions to democracy, threats of political instability might be hypothesized to provide incentives for recentralization, but the record here is mixed. For example, Nigeria’s central governments have deepened decentralization as a tactic to promote stability (i.e., with the creation of more states), while governing parties have guarded or reasserted central control in precarious situations in Ethiopia, Mozambique, and Uganda.

Decentralization in democratic regimes has progressed as part of the democratization agenda, initiated in most cases during the transition. However, it is important to note that the successive deepening of and commitment to meaningful decentralized administrative practice often emerges in one-party dominant democracies (see below for party system). Only in Ghana is there a political commitment to a decentralization agenda from both incumbent and opposition alike as they successively alternate in these positions. Ghana, therefore, provides the emblematic case of increased electoral accountability through competitive local elections. The commitment to decentralization has not wavered through alternations in Ghana, in part because both parties have valued the positions they hold in local government while in opposition to sustain them. In Tanzania, Mali, Mozambique, Botswana, and South Africa, the elections at the national and local levels are largely free and fair, but the relative weakness of the opposition limits their competitiveness. In these cases, incumbent parties continue to pursue decentralization reforms in attempts to increase capacity, defray the responsibilities of service provision from the national level, pursue socioeconomic development in part by increasing citizen engagement, and—perhaps most importantly, from a political economy perspective—further embed the influence of the incumbent party throughout the national territory. For many democratic regimes, once the political dividends of consolidating a stable dominant party system have been achieved through political and administrative decentralization reforms, the tendency to maintain control over key fiscal and staffing decisions remains strong.

Findings

Regime Types: Democracy and Authoritarianism (Section 4.4)

- Decentralization has accompanied democratization in many cases.
- Authoritarian regimes can have real incentives to decentralize, such as stabilizing a regime and consolidating power through party control or patronage.
- Democratic regimes do not necessarily favor devolution or decentralization.
- Self-sustaining dynamics of decentralization are likeliest where elections are competitive, and not just “free and fair”.

4.5 FEDERALISM AND UNITARISM

The constitutional distribution of power to sub-national units in Africa relates closely to the question of ethnicity and identity politics. Africa counts three major federal states, all of which are included in this study: Ethiopia, Nigeria, and South Africa.³¹ The remaining seven countries in this study have unitary structures. Federalism can support democracy by giving a wide range of actors—especially national minorities that are clustered in a certain region—a stake in the political system. This is the promise and the premise of “holding-together federalism” (Stepan, 1999). It is hypothesized to facilitate both stability and democracy (and development, as an indirect result).

Federalism is predicated on protections for SNGs that make sub-national power self-reinforcing in a political system. The definition of a federal state may be based upon constitutional guarantees of authority and autonomy for SNGs, or upon guaranteed representation for SNGs in the national legislature, usually in an upper chamber. In practice, both of these institutional design elements hold in our federal cases, and indeed in most federations worldwide. Federalism thus shapes the authority, autonomy, and accountability of SNGs by definition, as it is both a determinant and an indicator of the extent of centralism or decentralism.³² Through foundational laws and institutional mechanisms that provide SNGs with greater political authority and autonomy in their respective jurisdictions, federal states generally encourage higher levels of political, fiscal, and administrative devolution than unitary states. It is not a coincidence that Ethiopia, Nigeria, and South Africa have three of the highest proportions of government expenditures undertaken at sub-national levels among our countries. Accountability is also affected, as federalism directs citizen attention to intermediate-level governments (states, provinces, and regions), and as national legislatures have a degree of territorial representation. In order to pass laws through the national legislature, would-be centralizers need to contemplate impacts on the prerogatives of SNGs, since representatives of the regions can be expected to defend these.

Decentralization and federalism are mutually reinforcing, and it is not always clear which came first. In the three relevant cases here, federalism was an explicit choice by national governing

³¹ This is the most common list of Africa’s federal countries, though the tiny island archipelago of Comoros may also be included. Sudan and the Democratic Republic of the Congo, despite their size are generally not viewed as federal given that they fail to meet the modicum of sub-national democratic practice (such as elections).

³² We use centralism and decentralism here to convey that federalism can have comparative static as well as dynamic effects. The existence of federalism may push a country toward decentralized governance, even absent an active process of decentralization; unitarism correlates with greater centralism, even where there is no furthering of centralization.

elites responding to the challenges of identity politics and the maintenance of national stability. In this sense, federalism created decentralized institutions, but it was ultimately the “decentralized” (or more precisely, centrifugal) nature of the societies themselves that led to the decision to federalize. Federalism did not emerge in a vacuum to mandate decentralization. Federalism did more to codify the political power of sub-national identity groups than it did to create these. Of course, this can reinforce regional identities in the long term, but at its origins, federalism seems to be as much reaction as proactive creation.

It is also striking what federalism itself *cannot* explain. Governance in federal systems is not necessarily decentralized, despite federalism’s importance in backstopping authority and autonomy and pointing accountability downward. Federalism is also influenced by other political institutions, as well as broader social and economic trends. Of particular importance is the structure of the political party system. While federalism guarantees authority and autonomy for the various levels of government in Ethiopia and South Africa, the top-down power of national party elites in dominant parties dramatically alters the impact of these guarantees. Where SNG officials are beholden to national party leaders and a single party dominates national and sub-national politics, the party system can substitute for state administrative mechanisms to ensure top-down control, notwithstanding federalism. What holds for Ethiopia and South Africa also seems to hold in Nigeria at the level of the state-local government interaction. When party systems enter the mix, the formal constitutional basis of decentralized governance matters less for sub-national autonomy and accountability than might be expected.

Unitary states may also approximate the institutional designs and realities of federal states, giving further pause to assertions regarding the importance of federalism. For instance, in Mali, SNGs have a weak form of territorial representation in the national legislature. There is indirect election of members of a high council by region; the high council is consultative, which would not be the case in a federal system, but the country is beginning constitutional debates over the establishment of a meaningful senate, despite its unitary structure. Similarly, there is not a significant difference between our federal and unitary states in the number of levels of administrations, nor even in the number of levels of elected sub-national governments. Unitary states, such as Mali and Uganda, may have three or more elected levels of sub-national government; Ethiopia also has at least three or four (and as many as five), but Nigeria and South Africa have just two.³³ The unitary Francophone states of Mali and Burkina Faso even have elected regional government with legislatures and executives, which would be expected in federal states and not necessarily in highly centralized former French colonies. In light of these structures, it is clear that federalism itself is not the sole guarantee of regional autonomy.

A final observation on federalism relates to the fact that federal systems have multiple levels of SNGs, assuming local government is elected. One of the more intriguing observations in the field studies is the cascading responsibility between the multiple levels of SNGs in federal systems. The intermediate/*meso* level (states and provinces) exerts different levels of authority over the local level. In South Africa, limitations on provincial intervention in municipal affairs are considerable. In Nigeria, by contrast, most states intervene extensively (even excessively) in the affairs of local government. In Ethiopia, one has a sense of greater variation by state in the control

³³ This is striking, as Nigeria’s population is Africa’s largest by far, with about 150 million citizens and 15% of the continent’s population, and Ethiopia is the second most populous country on the continent.

of state over *woreda* (and, further down the line, *woreda* over *kebele*). While the causes are not clearly identified, we may posit that this emerges from an interaction between regional identity and political party system. South Africa has a system in which top-down control remains considerable, due to historical legacies and to the dominant party; paradoxically, a strong center may protect the local level from the intermediate level. Nigeria and Ethiopia have major regional identities, but Nigeria has the somewhat looser party system and Ethiopia a dominant single party. Again, the unifying institution at the center may serve to mitigate regional assertions of power.

Findings

Federalism and Unitarism (Section 4.5)

- Most of Africa’s states are unitary, and these countries differ systematically from Africa’s three major federal states (all of which are in this study).
- Federalism is associated with more devolution, SNG authority, autonomy, and accountability.
- Federalism does not cause devolution on its own; rather both are a response to social realities.
- Federalism does not necessarily mean SNG autonomy is guaranteed or that accountability is downward, as this depends on other factors such as political party systems and state power.
- Federal and unitary states may both have multiple levels of SNGs, and in both, the intermediate levels may exert considerable authority over local governments.

4.6 TIMING AND SEQUENCING

The timing and sequencing of major events shape a range of social and political outcomes (Mahoney, 2000; Pierson, 2000). With regard to timing, decentralization may emerge at different historical moments, relative to factors at various levels. Sweeping international forces and changes, such as the end of the Cold War, may condition the historical moment. So may domestic factors, such as democratization processes, or long-term trends of economic development. Outcomes may differ, for instance, between a poor country that decentralized rapidly during the wave of post-1989 democratization vs. a wealthy country that decentralized in the 1960s. We mainly pursue these timing issues in other sections. With respect to development, for instance, we find a correlation between the most industrialized and largest economies in the sample—Nigeria and South Africa—and the presence of more extensive decentralization to states and provinces, but we take the opportunity to examine this under the question of federalism for these two cases. We also note that most of the issues of timing are “controlled for” by the fact that most of the decentralization reforms took place in earnest in the 1990s, even if framework laws were passed (i.e., Nigeria and Tanzania) earlier.³⁴

Most decentralization initiatives were part of the democratization agenda that had its greatest momentum in early 1990s. Thus the democratizing potential of decentralization (providing a

³⁴ The economically successful nation of Botswana is the most confounding case here, as it democratized, decentralized, and developed economically on an earlier time frame than most of the other cases. But Botswana’s exceptionalism does not yield immediate comparative insights, vis-à-vis the other unitary cases.

foundation for opposition) may have been a historically unique interaction in certain cases (such as Ghana, Mali, and South Africa), for example, and not likely to be replicated in countries such as Burkina Faso. Similarly, democratization and post-conflict stability are often correlated agendas. Thus, Mali, Mozambique, and Nigeria are examples where decentralization was sought primarily as a tool for establishing political legitimacy and stability, via decentralized democracy. Such decentralization programs have democracy and stability as primary goals, and less focus on service delivery and development as intended outcomes. Therefore, timing and sequence may largely be reflective of initial goals.

The sequence in which decentralization plays out can also matter in generating autonomy for SNGs (Falleti, 2005). At issue is the sequence between political, fiscal, and administrative decentralization. Sequences of reform that begin with *political decentralization* would be expected to lead to the greatest autonomy for SNGs, and sequences that begin with *administrative decentralization* would be expected to lead to the least autonomy for SNGs.³⁵ Here, we find that Africa partially counters our expectation, as even the countries where political decentralization went first have witnessed considerable assertions of central government control. A decentralization sequence in which sub-national actors claim political power, followed by revenues and responsibilities, does not always result in a base for substantial devolution in Africa. Central control is greatest in the countries that decentralized administrative responsibilities (such as personnel) first, but central governments find significant ways to delimit and control decentralization, regardless of sequence.

Several African cases also tend toward simultaneous or nearly simultaneous decentralization across the dimensions, especially in the federal states. Fiscal decentralization rarely precedes administrative decentralization in any significant way, but they do often go together. Together, this suggests that the discussion of decentralization sequence requires “African amendments” to explain the lack of more thorough decentralization when the sequence would predict devolution of power. In short, the decentralization sequence may correlate with SNG autonomy, but its impact is lessened by the salience of other variables and the continued ability of African central governments to exert top-down authority.

³⁵ We would raise two questions regarding Falleti’s (2005, 2010) sequential theory. First is the question of causality. Africa’s decentralization sequences are themselves consequences of other events, and are entangled with other variables. The decentralization sequence does not emerge in a vacuum as an elite choice, but rather itself responds to broader social and political realities. This calls into question whether the decentralization sequence is the causal variable, or simply an intervening variable that mediates the impact of other more fundamental causes. A second issue is the complexity of sequences. Decentralization processes are not neat processes that can be quickly captured. Political decentralization has clear indicators, but fiscal and administrative decentralization are much harder to pin down as having “happened or not”, and are therefore susceptible to measurement error. This in turn can lead to selecting indicators that fit the preferred model. This criticism is not directed at the cases examined in Falleti (2005, 2010) but is rather to note that use of the framework going forward may require adaptation.

Findings

Timing and Sequencing (Section 4.6)

- Decentralization has accompanied democratization and stabilization in many cases, and regime support for decentralization has often waned over time.
- Decentralization has occurred simultaneously across all three dimensions (political, fiscal, and administrative) in some countries and sequentially in others.
- Simultaneous decentralization is associated with generally higher levels of devolution and SNG autonomy.
- Even in cases where political decentralization came first, central governments in Africa have many levers to reassert control.

4.7 PATTERNS OF FISCAL DECENTRALIZATION

Given the economic realities of the continent, African SNGs will face continued vertical fiscal imbalance, and will face it indefinitely. Own-source revenues will be inadequate for the full realization of expenditure responsibilities for the foreseeable future (cf. Smoke, 2000). Thus, decentralization requires significant IGTs. This reliance on transfers could theoretically serve to complicate economic development if SNGs are too powerful (and can overspend and demand bailouts from the center). We can say little from the cases about the effects of decentralization on economic growth.

There is little indication that African decentralization has stimulated growth by bringing about constructive inter-jurisdictional competition. Our case studies simply say too little about such a dynamic.³⁶ More optimistically, we also have few indications that SNGs face soft budget constraints or can blackmail central governments into providing bailouts by spending beyond their means. This “dog that didn’t bark” is of interest because it is hypothesized to occur where IGTs are a significant source of SNG resources (Wibbels, 2005).³⁷ The fact that we see no linkage between fiscal decentralization and economic growth in the case studies may be attributable to the fact that SNG fiscal autonomy in Africa is tempered by significant centripetal forces, while citizen mobility is tempered by significant centrifugal forces. With respect to centripetal forces, SNGs do not have the independent control over the tax burdens (and even public services) in their own jurisdictions that are necessary for the theory of market-preserving federalism to function. Where SNGs cannot meaningfully compete with one another on the basis of tax rates, they are left with the quality of public services as their main means of competing. Even some of the SNGs likeliest to meet the theory’s requirements—the states and provinces in federations—tend to have considerable guidance placed upon their actions by the center through administrative and party mechanisms.³⁸ The other major limitation on the competition comes with the salience of regional identity, which matters in many African cases. Recent work has

³⁶ According to the theory of market-preserving federalism (MPF), decentralized governance encourages healthy competition between sub-national units, as these strive to attract industrial capital and human capital (cf. Rodden and Rose-Ackerman, 1997; Weingast, 1995); prominent examples include Britain at the time of the Industrial Revolution and contemporary China (Montinola et al., 1995).

³⁷ Wibbels (2005) calls this “market-distorting federalism”.

³⁸ The exception is Nigeria, where states have considerable autonomy, but even here a reliance on IGT prevails.

argued that populations are likely to exhibit considerable “stickiness” in their choice of location, not just due to the economic costs of moving, but also because they are often in regions or provinces where they are surrounded by co-ethnics or others in their identity in-group (cf. Levy, 2007). This is likely to hold in Africa where ethnic groups are often regionally clustered, and even more so when there is a history of interethnic conflicts, wars, or coups. For example, a Christian of Ibo ethnicity may be unlikely to move to a Hausa state in Nigeria’s Muslim north, regardless of whether that state has a reputation for low taxes and quality services. Similar calculations are likely to hold for population groups in nearly all of the other countries in the sample. African citizens will rarely “vote with their feet” or exercise an “exit option” to leave underperforming jurisdictions (cf. Tiebout, 1956; Hirschman, 1970).

Findings

Patterns of Fiscal Decentralization (Section 4.7)

- African SNGs rely heavily on IGTs for their resources.
- Given reliance on IGTs, there is little evidence of competition between jurisdictions in Africa.
- Despite reliance on IGTs, there are no significant problems for macroeconomic management.

4.8 POLITICAL PARTIES AND PARTY SYSTEMS

Political party systems can be usefully differentiated according to their degree of stability versus volatility and fragmentation. Moreover, where one party is dominant due to its hegemonic control of (state) resources, limitations of competition, or the weakness and incoherence of the opposition, inter-party competitiveness is quite obviously limited. This does not mean that local elections are not competitive, as frequently sub-national competitions in particular provide an important internal party selection mechanism, and alternation of candidates may be frequent. It is essential to consider national and local-level dynamics, as well as internal and external competitiveness within the party system, given that a dominant party *may* be competitive internally at the local level (e.g., Tanzania).

One clear finding from this set of country cases is that dominant parties have rational reasons to support decentralization initiatives, and have successfully carried out such reforms while consolidating their own hegemonic position. For example, in Ethiopia, the EPRDF has established a significant degree of political, fiscal, and administrative decentralization in a short period of time, while successfully using it as an approach to resolve problems of nationality and ethnicity. Furthermore, “decentralization has consolidated and flourished in tandem with the governing party developing strong links down to local levels”. In the majority of dominant party systems, what was good for stability and decentralization was also good for the party, with decentralized units performing as transmission belts for central prerogatives. In the few cases where decentralization has improved capacity and service delivery (Mozambique and Tanzania), the incumbent party benefits from citizen satisfaction. In the many cases where service delivery has not improved, initial dividends to the incumbent party were in increased political legitimacy (Ghana), and relations of patronage established, as party members take up new positions at the local level (Nigeria).

An outlier in this categorization is Botswana, which exemplifies a dominant party in a competitive democracy, which is recalcitrant to decentralization reforms that would provide local government regional bases to the opposition. The ANC in South Africa, following the negotiated transition to post-apartheid democracy that established an essential legal framework for local governance, has similar hesitation to provide opposition with regional bases, although opposition parties remain committed to decentralization.

Where the political party system provides for a strong, coherent, and viable opposition, accountability is strongest (Ghana). Where opposition parties are weak (Mozambique, Tanzania, and Botswana), and particularly fragmented (South Africa, Mali, and Nigeria), they offer little to no political competition in local elections. As is the case in Mozambique, the dominant party is increasingly able to fuse the party and state, and use state resources at the national and local levels to consolidate their advantage. The lack of effective opposition reduces accountability because there is no effective check against government, and elections do not reflect positive or negative performance of the incumbent candidates.

Ghana provides the best example of a competitive, viable party system that contributes to increased accountability and autonomy, and feeds the cycle of support for decentralization (as both parties expect to be voted out of office and rely on local government positions and regional bases during their time in opposition to provide a foundation for their eventual return to power). However, even this exemplary case highlights the tension between national-level party system competitiveness and local-level practices, which are by no means synchronized. In Ghana, the district elections are legally non-partisan, although the national party superstructure is informally mapped onto the candidates. In other cases, where national-level elections are dominated by a hegemonic party, the local-level elections have provided opportunities for popular and effective politicians to forge their own party labels (Mozambique) and potentially provides a foundation for a stronger opposition, increasing accountability at the national and local levels over time.

Findings

Political Parties and Party Systems (Section 4.8)

- Dominant party systems represent the majority of African countries; the level of inter- and intra-party competition varies within these systems according to range of regime type from highly authoritarian to democratic.
- Dominant parties have strengthened their own position in many cases through strategic/partial implementation of decentralization reforms.
- Accountability is greatest where the party system is highly competitive *and* stable.

TABLE 4.2. REGIME TYPE AND PARTY SYSTEM IN 10 AFRICAN COUNTRIES

| Country | Party System | Regime: FH Score A. Year of Legal Implementation; B. Current | Governing Party Commitment to Decentralization | Motivation |
|---------------------|---|--|--|--|
| Botswana | One Party Dominant | Democratic A. 1965: 3, 4 (PF) B. 2, 2 (F) | No | Maintain centralized power Avoid opposition bases |
| Burkina Faso | One Party Dominant | Authoritarian A. 1998: 5, 4 (PF) B. 5, 3 (PF) | Yes to initial deconcentration; Gradual speed to maintain control over process or avoid further | Spread influence throughout country Respond to donor pressure |
| Ethiopia | One Party Dominant | Authoritarian A. 1993: 6, 5 (NF) B. 5,5 (PF) | EPRDF undermines 'democratic' decentral. but develops stronger links down to local levels | Initial: stability and governability out of conflict Later: improve service delivery, increase party penetration |
| Ghana | Stable, Two Party (alternation) | Democratic A. 1988: 6, 5 (NF) B. 1, 2 (F) | Yes – BOTH main parties support | Initial: participatory to avoid democratization; Continued: regional support bases and supporter patronage |
| Mali | Fragmented Dominant Party | Democratic A. 1995: 2,3 (F) B. 2, 3 (F) | Yes – initially for stability and democracy. Support wanes over time | Initial: Social integrity as key (peace). Current: seek increased capacity (citizen engagement) for services and development |
| Mozambique | One Party Dominant, Weak Opposition | Democratic A. 1997: 3,4 (PF) B. 3,3, (PF) | Initially supported for post-war stabilization; Current: Limited support, gradual implementation | Initial: post-conflict support Later: with strong opposition showing in rural districts, created an urban/rural divide to privilege municipalities. |
| Nigeria | Fragmented; Personalist; Dominant Party | Democratic (Military-Civilian Alternation) A. 1976: 6, 4 (PF) B. 5,4 (PF) | All parties support, want to create more districts | Vehicle of patronage distribution Competition over share of national oil revenue to local governments |
| South Africa | One Party Dominant, Weak Opposition | Democratic A. 1994: 2,3 (F); B. 2,2 (F) | Initial reform part of negotiated transition to democracy; then preference for re-centralization | ANC suspicious of LG as threat to national economic management |
| Tanzania | One-Party Dominant Weak Opposition | Democratic A. 1996: 5,5 (PF); B. 4,3 (PF) | Yes | Increase citizen participation and LG capacity Mobilize base for national elections |
| Uganda | One-Party Dominant Emergent Opposition (Weak) | Semi-Authoritarian (Recent transition to multiparty) A. 1993: 6,5 (NF); B. 5,4 (PF) | Yes (with some recent recentralization) | Initial: government stability and service delivery (post-conflict) Later: Re-centralization with lack of performance and challenges from central ministries |

Sources: Freedom House (FH)*; USAID country reports.

*FH Scoring: Free (F); Partly Free (PH); Not Free (NF)

4.9 POWER OF TRADITIONAL AUTHORITY

In most of the countries surveyed, traditional leaders remain an important source of authority within the community, and the question of appropriate linkage is most germane. Three key issues emerge. First, in many instances, traditional authorities maintain control over land; their influence affects the potential tax base of local governments and potentially increases the difficulty of funding local government operations from own-source revenues (Ghana). Secondly, in a significant number of countries, decentralization has increased the prerogatives of local authorities, and with the shift in power has come a shift in politically salient communal identities. Through decentralized political institutions, politicians increasingly use local collective identities to mobilize for elections, and with the creation of a new level of political and administrative institution, decentralization has reshaped and altered the salience of particular identities (Burkina Faso). Most commonly noted is an increasing tension between indigenous populations (firstcomers) and settlers (or latecomers). As the stakes of political competition increase at the local level, new tensions and divisions have emerged.

Finally, traditional authorities have sought to maintain influence and keep control over their followers and particular issues (land, security, and justice). In some cases, this has created conflictual relations between tribal administration and local authorities. In general, the initial focus on decentralization was technical and has largely ignored questions of appropriate and useful linkages with traditional authorities, but as practical realities impinged, elected officials realized they could “accomplish very little without the support of traditional authorities” (Mali), in effect suggesting their veto power. In recognition of their prominence in many communities, their representation of important social networks, as well potential electoral dividends to incumbents that formally recognize traditional authorities, some later reforms required a greater formal role (Uganda and South Africa). Later decentralization reforms have in part sought to address this by creating government-sanctioned positions for traditional authorities, as part of local councils (Botswana). While this formal recognition can partially restore their status and authority and contribute to the capacity of the council by mobilizing citizen support, critics charge that their inclusion as non-elected members diminishes the democratic character of the councils. Whereas traditional administration may have initially opposed local governance, seeing it as interference in their spheres of responsibility, with their formal recognition, some traditional authorities begin to benefit from decentralization and have begun to support its implementation.

Findings

Traditional Authority (Section 4.9)

- *Which* ethnic identities are politically relevant has shifted along with administrative and political decentralization.
 - An emerging division at the local level is between firstcomers and latecomers. Thus far, it does not map onto nationally salient ethnic divisions (particularly because ‘settler’ populations may be a vulnerable minority).
- Later stages of decentralization reforms have attempted to create useful linkages to traditional authorities to harness their social resources and support for local initiatives.

5.0 THE WAY FORWARD: POLICY IMPLICATIONS

African decentralizations have come a long way in 20 years, much like African democratization. Indeed, an analogy between the two may be appropriate. In both democratization and decentralization, the period from 1990 to the present has seen considerable movement, with exhilarating advances and discouraging setbacks. Both processes have distributed power more broadly and engendered somewhat greater political inclusion. Yet both processes are quite incomplete, at least as measured by their intended aims. As noted by prominent observers of democratization processes, there is a major distinction between a transition to a new political regime and the consolidation of that regime (Linz and Stepan, 1996). What holds for democratization in Africa—some impressive transitions, but insufficient consolidation—also holds for decentralization. By way of conclusion, we offer some policy implications of the analysis. We begin this chapter with a review of where decentralization is succeeding and where it has fallen short (Section 5.1). We then turn to some takeaway lessons in Section 5.2.

5.1 COMPARATIVE LESSONS

We have noted at different places in this report several of the achievements of African decentralization, as well as the shortcomings. We briefly recap these at this time, and propose a clustering of cases that may build on the variations outlined in Chapter 4.

5.1.1 WHERE AFRICAN DECENTRALIZATION IS SUCCEEDING

African decentralization has seen some significant successes. The first is easily overlooked, and it counters the analogy above between democratization and decentralization. While waves of democratization have proved susceptible to reverse waves, there is relatively little in the way of blatant or explicit recentralization of power in sub-Saharan Africa. This is striking on a continent where state power has been historically centralized and rarely divided or separated (cf. Chabal and Daloz, 1999). Apart from widespread reassertion of central control over the civil service in Botswana and Uganda (and many other countries), and some furthering of central controls in South Africa, decentralization has largely stuck. Of course, this is not to say “the center cannot hold”. As we will note below, there are multiple constraints placed by central governments that may be considered decentralization deficits. Rather, the fact is decentralization matters in the very non-trivial sense that it has persisted. Its persistence is proof that decentralization has been found to be politically desirable (in the way it has been implemented thus far) to many governing parties across the continent.

This persistence of decentralization plays out across the three dimensions. Political decentralization has succeeded insofar as all of the cases here have regularly scheduled elections for sub-national governments. While this may sound like a modest achievement, we note that it occurs even in regimes that are not fully democratic and are dominated by

a single party, such as Ethiopia and Burkina Faso. Of course, some elements of African rule (such as one-party dominance) have replicated themselves across different institutional environments, and sub-national elections are not always competitive, which we note below. Still, sub-national elections are fairly consistent and do not appear to be significantly worse than the respective national elections in terms of how free and fair they are. Political decentralization has also seen the establishment of mechanisms for civil society action in several countries. This implies that partial achievements in *authority*, *autonomy*, and downward *accountability* are likely to persist once established.

On the fiscal side, devolution has been put in place and has rarely been reversed (though central governments have recentralized certain expenditures, earmarked expenditures, and constrained local action in selected cases). Most of the countries have relatively stable and legally guaranteed access to a portion of government revenue through transfers. This autonomy may be less than that associated with substantial own-source revenue, but given the economic realities in many of Africa's localities, transfers may be a more viable source of funds. Given vertical fiscal imbalance and the likelihood that transfers will be required indefinitely to support decentralized expenditures, the degree of "automaticity" of these transfers is advantageous to SNGs. While some countries (e.g., Botswana and Burkina Faso) rely on discretionary transfers, most other countries rely on transfer formulas that provide predictability and less room for central government manipulation. Access to resources even rises to the level of constitutional guarantees in federal states.

The final dimension of decentralization—administrative—has witnessed considerable achievements, as we can include here the advances in deconcentrating state authority. Here, there has been a major change in many of the countries, only a few of which were governed by their existing sub-national administrative units as of 20 years ago. Deconcentration has resulted in the establishment of institutional architectures in countries from Mali to Uganda. Apart from the mere fact of state building, this deconcentration may be an appropriate and judicious first step in a longer-term pattern of decentralization that may eventually include fuller devolution.³⁹

Finally, with regard to service provision, findings are mixed. Some countries (Mozambique, Tanzania, and Uganda) seem to show that service provision can improve as a consequence of decentralization, as noted in Section 2.5. Similarly, some countries (including Mozambique and Tanzania) show constructive collaboration between SNGs and civil society. There are no conclusive and demonstrable trends with regard to improvements or declines in outcomes, but we believe this itself offers an important analytical conclusion about service provision, as we will note at the end of the chapter.

5.1.2 WHERE AFRICAN DECENTRALIZATION IS FAILING

The achievements above reflect the establishment and durability of frameworks—legal, political, fiscal, and administrative—to support decentralization. These exist. Nonetheless, we find significant limitations in meeting some of the objectives from

³⁹ Ed Connerley and Jeremy Meadows offered important perspectives on this question, including attention to factors that may make deconcentration recommendable.

Chapter 1, especially in autonomy and accountability—without which decentralization cannot be called democratic.

On the political side, we have noted that dominant political parties have served as significant centripetal forces in most of these countries. While a degree of central control is an appropriate element of any intergovernmental system, the extent of top-down power in most of the countries has seriously affected sub-national autonomy and accountability. Even where sub-national elections are held, they may not be competitive. Where a single party dominates at all levels (or even in those certain regions of a country where the national governing party dominates), sub-national actors are likely to remain beholden to central decision makers.⁴⁰ This is especially true in the several cases where national party leaders exercise leverage through control over local lists for candidate selection (cf. Ribot, 2002). These political dynamics limit the localizing nature of decentralization by giving politicians incentives to direct attention away from territorial constituencies and instead consider themselves upwardly accountable to national elites.

On the fiscal side as well, dependence on IGTs may compromise sub-national autonomy. In particular, transfers tend to be conditional, or heavily earmarked or directed by the center. This reality in Africa appears to contrast with some studies of fiscal decentralization in more advanced regions, where the literature on fiscal federalism holds that transfer dependence can have negative ramifications for national macroeconomic governance by giving SNGs only soft budget constraints. The finding is inverted in Africa's unitary states at least, and in federal South Africa as well. In Africa's political economies, dependence on IGTs does not mean SNGs have central governments over the barrel, but rather that central governments have far greater opportunity to exercise control over sub-national expenditure. This is likely to be a function of the centripetal forces in African governance, most notably the historical power of the state and the aforementioned single-party systems.

Even where transfers do not dominate, SNGs have little fiscal autonomy due to the basic economic constraints of low incomes and scarce wealth. Paradoxically, the countries with the least reliance on IGTs are among the least decentralized. In Burkina Faso and Mozambique, SNGs have about half of their expenditures financed out of own-source revenues. This is an empirical artifact that says less about the robustness of local tax bases (which are very limited), and more about the paltry nature of IGTs in these countries.

While own-source revenues are unlikely to be a fiscal solution in much of Africa, we also note that the reliance on IGTs can compromise fiscal accountability, as taxpayers are likely to see less direct correlations between their own local tax effort and the provision of public goods.⁴¹ As noted in the Nigeria Field Study report (Draft, p. 31), the lack of

⁴⁰ Ghana is the exception to the rule here, being the only coherent two-party state out of the 10 studied. But we would note that competitiveness is an issue even here. Whereas national elections are highly competitive, SNG elections result in certain regions of the country being *de facto* sub-national one-party states. This criticism is most salient for the Ashanti Region, where the New Patriotic Party (NPP) dominates, and Volta Region, where the National Democratic Congress (NDC) dominates. In a highly democratic context, this reflects voter preferences, but nonetheless raises questions about local responsiveness.

⁴¹ This should not downplay the importance of equalization grants across jurisdictions.

own-source tax collection implies the lack of a “fiduciary contract between citizens and the local government”. In a state characterized by the “resource curse” where the vast majority of government revenues come from petroleum, this has negative long-term ramifications for the construction of an accountable tax state.

Finally, a limitation on decentralization emerges with administrative decentralization as well, insofar as deconcentrated administrations prevail over devolved SNGs in many cases. We will return to this question momentarily, and note that deconcentration may be advantageous at times, but note here that democratic decentralization seems less complete where state authorities have control over SNGs.

5.1.3 REVISITING PATTERNS OF VARIATION

From Chapter 4, the image that begins to emerge of African decentralization is one in which there are interactions between multiple influential variables that condition whether the goals and objectives of decentralization are met: demographics; pre-colonial, colonial and post-colonial history; and political institutions such as federalism and party systems. No one of these variables shapes decentralization and its outcomes in isolation; instead, they interact in multiple ways to generate differing results. In light of this causal complexity, we believe we may usefully cluster our cases into several groups for the purposes of synthesizing findings.

The first is the group of three federal countries: **Ethiopia, Nigeria, and South Africa**. At many points in the report, we have noted the exceptions they represent. These all have significant legacies of identity politics that shaped the choice for federalism, and all have faced the prospect of civic unrest or instability as a result. In these countries, decentralization was intended at least in part to manage political cleavages and to promote stability. They all have political decentralization at multiple levels of SNG, along with considerable fiscal devolution. Consistent with the existence of federalism, these countries exhibit higher levels of SNG *authority* and *autonomy*, and these characteristics may imply that *accountability* may be decentered, even if the autonomy of provinces is quite circumscribed in South Africa

While federalism can be expected to generate these comparative statics, also striking is the centripetal force exerted by the dominant party in Ethiopia and South Africa, and to a lesser extent in Nigeria. That is, the finding that political party systems can greatly attenuate SNG autonomy hold even for the most constitutionally decentralized countries in our sample. Federalism also correlates with size, and thus generally with the absolute size of an economy. This holds for Nigeria and South Africa, though not as much for Ethiopia, which remains very low income, rural, and agricultural. Nigeria and South Africa are the two economic powerhouses of sub-Saharan Africa, featuring significant industrial bases. We can expect some degree of *capacity* to correlate with this, though capacity in both (and especially in Nigeria) is compromised by personalism, corruption, and clientelistic pursuits. Nonetheless, Nigeria and South Africa may have two of the more developed institutional frameworks for intergovernmental relations, and such aspects as the Federation Account and the equitable share may serve as examples for advancing devolution in the more unitary states.

The second group of countries is those that are the most centralized: **Botswana, Burkina Faso, Mali, and Mozambique**. To some extent, we may say that a Francophone past points in the direction of centralization. Mozambique is our only Lusophone case, but we may note that its particularity with respect to colonialism was a major civil war that began with the war for independence—an observation that may also have some resonance for the other mainland Lusophone countries of Angola and Guinea-Bissau. Botswana fits oddly with respect to colonial heritage, but the sparsely populated country was originally a protectorate and never had a significant degree of decentralization, despite democracy.

This set of cases is striking particularly for the ways SNG autonomy has been limited on the fiscal and administrative dimensions. These four countries have SNGs that undertake only a small fraction of total government spending. In Burkina Faso, Mali, and Mozambique, elected governments are actively overseen by deconcentrated entities that run parallel to SNGs. The limited fiscal base and the importance of state tutelage seriously constrain SNGs. This holds despite variations between these cases in other areas, such as Mali having a more bottom-up electoral process with multiple levels of SNGs, and Mozambique having an asymmetric devolution process across the national territory. In all these countries, downward accountability exists through elections, but is tempered by continued state administrative controls.

The final group comprised of the Anglophone countries of **Ghana, Tanzania, and Uganda**. These countries are “middling” with respect to decentralization. Despite their common colonial heritage, they come from quite different backgrounds with respect to conflict. Decentralization in Uganda was about stability as well as service provision, while this was true to a lesser extent in Ghana, and Tanzania scarcely at all. State legitimacy did serve as an impetus for decentralization in each case. The results in all three have been growing fiscal responsibilities for SNGs—setting these apart from the more centralized unitary states above—but also a continued exercise of state control through such mechanisms as the national civil service.

Also striking is that this cluster contains the largest variations in party systems, with Ghana being the outlier in our whole sample as a highly competitive two-party system. These countries have each witnessed small attempts at reassertions of state control alongside consolidation of relatively stable decentralization processes. As this has happened, these countries have settled into what may be roughly termed a “semi-decentralized equilibrium” that could constitute a meaningful set of models for centralized countries aspiring toward greater decentralism.

5.2 CONCLUSIONS FOR POLICYMAKERS

Taking as given an interest in decentralization—say, from a hypothetical African minister intrigued by the prospect of what it might engender—our comparative conclusions focus on the relative merits of the two main forms of decentralization elaborated in the report: devolution and deconcentration. First, however, we offer brief comments on the scope conditions for this analysis.

5.2.1 LOOKING FORWARD AND BEYOND THE 10 CASES

Beyond our sample of 10 countries, the states of sub-Saharan Africa are all unitary. They are also disproportionately Francophone. This has significant implications for any lessons policymakers may wish to draw regarding advice for countries that may contemplate future decentralization. Other African countries that move toward decentralization will do so (on average) from a historical trajectory reputed to be more centralized and statist than the trend here. The most telling models for these cases may be Burkina Faso and Mali, with their continued emphasis on deconcentration running parallel to devolution and low degrees of fiscal decentralization. Whether we consider hypothetical ministers of local government envisioning decentralization or donor agencies wishing to promote it, we must identify these as scope conditions in any comparative extension of our analysis. For other African countries, then, we might ask about the relative merits of devolution and deconcentration. This central debate cuts across many of our findings, and matters in a pragmatic sense because decentralization elsewhere in Africa is likely to have a large dose of deconcentration.

5.2.2 IS DEVOLUTION OR DECONCENTRATION PREFERABLE?

Programming in democratic local governance has a built-in normative preference in favor of the devolution of power, because the concept of democracy is so closely linked to devolution. But this does not suggest that devolution is always to be preferred to deconcentration. Indeed, ensuring an adequate degree of central control in a polity has historically been one of the greatest challenges of governance. A long line of scholars have noted that national unity, statehood, and a fundamental rule of law are essential prerequisites for more advanced systems of accountability (cf. Huntington, 1968; North et al., 2009; Rustow, 1970). This has held with specific reference to Africa, where some have argued that the basic dilemma is not the construction of too much state power over time, but too little (cf. Acemoglu et al., 2001; Chabal and Daloz, 1999; Herbst, 2000). In such environments, a degree of *centralization* may be appropriate for the goals of stability, democracy, and development. Insofar as decentralization enhances national legitimacy and contributes to the project of state building, it can contribute in all three areas. We argue that devolution is indeed key to the goal of democracy (at least insofar as democratic local governance is concerned), but that deconcentration may be judicious (especially as a first step) in environments where national unity is precarious and stability is the central issue. Moreover, a degree of central control is important for economic management, though this is most important in federal conditions rarely seen in Africa.

The Advantages of Devolution: Links to Democracy

In both *democratic decentralization* and *democratic local governance*, democracy features prominently as a concept. While deconcentration within a nationally democratic regime can be consistent with democracy, we note that devolution is more inherently constructive of *democratic local governance* by extending the electoral aspect of democracy down to local levels and facilitating (though not necessitating) downward accountability. Accordingly, we argue this to be the clearest advantage of devolution over deconcentration when examining prospective goals.

Deconcentration vs. Devolution: Links to Stability

Deconcentration may or may not be preferable to devolution when questions of national stability are at issue. To use a non-African example, the DDPH notes that in the debate over decentralization in Afghanistan in 2002, the notion of federalism came to be associated with regional warlords. This logic can be seen in some of the existing case studies, but may be even more salient for several African countries where decentralization is either less advanced or has existed *de facto* not as a matter of central state policy but by virtue of state failure or collapse: Democratic Republic of the Congo, Somalia, and Sudan, for example, or possibly Angola, Liberia, or Sierra Leone. Accordingly, it would be unwise to counsel precipitous devolution in states that may be unable to support it peacefully.

Evidence here is mixed, and our findings are complicated by the fact that nearly all the countries, particularly the post-conflict cases, have seen their conflicts either stabilize or subside as they have decentralized. (The cases were selected for having undertaken some decentralization, and even in the most horrific post-conflict cases, the decrease in the degree of conflict is implicit in the post-conflict concept.) The most prominent exceptions are Nigeria and Uganda, where some instability continues. Both of these countries undertook relatively comprehensive devolutions, largely in attempts to mitigate conflict and restore a modicum of state authority. These efforts cannot be credited with solving conflict, but neither can devolution itself be held responsible for the perpetuation of conflict in either case.

In conclusion, then, there is not a clear pattern linking devolution or deconcentration to stability or instability, since all countries have undertaken some devolution and all have reported at least some advances in stability. We do not know what would have happened in Mozambique with more and faster devolution; or what would have happened in Ethiopia, Nigeria, or Uganda if those countries had deconcentrated instead of undertaking “big push” decentralization programs. Our modest (but encouraging) conclusion is that decentralization of either form has proved to be largely consistent with conflict mitigation. At the very least, neither devolution nor deconcentration can be said in these cases to have significantly exacerbated civil strife.

Fiscal Decentralization in Africa: Links to Development

Development may be looked at through the lens of economic growth or through the lens of service delivery, to name just two perspectives. The implications (positive or negative) of fiscal decentralization for macroeconomic management seem to be modest, given the centripetal forces of state and party. The likeliest country to watch for economic troubles in this regard may be Nigeria, with its reputation for general government profligacy and corruption, more fragmented party system, and politically powerful state governments. Beyond this, however, we observe few contra-indications for a significant devolution of fiscal resources to SNGs via transfers. Our expectation is that in most African countries—if our sample is representative—such devolution may come paired with a continued significant role for central governments in monitoring expenditures. The example of South Africa is one in which the center devolves major responsibilities, yet exerts significant control via monitoring and setting of standards. We find this preferable to underdecentralizing, as in Burkina Faso where the center exercises an overbearing

tutelle; South Africa has nominally devolved power, but through its expenditure management sometimes feels closer to deconcentration or delegation. Regardless, public services are stronger than in other countries, though overall levels of development of course matter as well here.

Given that the findings are modest with respect to fiscal decentralization and the macroeconomy, the development question largely comes down to whether fiscal decentralization affects service delivery. Some improvements in service provision have come from decentralization even in Mozambique, where decentralization has been asymmetric, and devolution incomplete. The option for deconcentration may have been judicious in this case, given the post-conflict context, though it also likely had political advantages for FRELIMO in that it represented less of a power giveaway to its one-time enemy and now political rival RENAMO. Given the shattering of state authority in places such as Mozambique, and the potential for renewed conflict—at least in the 1990s—deconcentrating responsibility may enhance development without putting stability at risk. That said, examples such as Uganda show that more advanced devolution contributed to stability and development in post-conflict societies as well. We conclude with final observations on what this implies for the link between decentralization and its goals.

5.2.3 CONCLUSION

Decentralization is increasingly entrenched in many African countries. This does not imply that it is complete or consolidated, or that it has achieved its posited goals and objectives. We have found from the examination of 10 cases that legal authority has been transferred to sub-national governments and sub-national administrative units to a considerable degree. This has occurred without significantly compromising stability, and has engendered some modest advances in service provision, a key component of development. Since elected local governments exist in all cases, this has also occurred with advances on the democracy front.

On the other hand, there remain significant limitations to African decentralization, if we take together the goal of democracy and the objectives of autonomy and accountability. As noted in our report, elections at local levels are not themselves guarantees of SNG autonomy nor of downward accountability (cf. Agrawal and Ribot, 1999, Ribot, 2002). The prevalence of deconcentration that “controls” devolution, coupled with a preponderance of one-party systems, ensures that state and party networks continue to exert top-down control to a considerable degree; the famously chaotic and personalist political economy of Nigeria is the clearest exception, but even here the centralist phenomenon occurs, though perhaps most clearly in the form of control over local government authorities by the states of the federation. The fact of continued upward accountability and limited autonomy holds from genuinely federal systems to the most historically centralized states. Many aspects of decentralization thus remain contingent upon the incentives of actors at central levels; decentralization is not a magic bullet to improve African governance.⁴²

⁴² Thanks to Jonathan Rodden for his thoughts on this formulation.

Beyond partial achievements in the areas of stability and democracy and several objectives of decentralization, identifying the achievements in development from decentralization are surprisingly elusive. Public services seem to have modestly improved in some cases, but clear evidence of a positive impact of decentralization on service delivery is lacking. Perhaps this is to be expected in the early years of any reform; what can be said is that there is no evidence of catastrophic declines in service provision or economic performance resulting from deconcentration or even from fiscal devolution. If we reasonably expect the capacity of sub-national governments and administrative units to increase over time as they settle into their still-new roles, then there is ample reason to advocate for continuing and furthering the processes observed in this study.

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