The Increased Proliferation of Local Government Structures and Service Delivery in Africa: Trends and Implications in Uganda

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Abstract

African countries are increasingly embracing decentralization as an administrative-political reform strategy believed to accelerate effective social service delivery. The belief is that promotion of popular public participation, enhancing accountability, ensuring a more efficient allocation of resources, strengthening local resource mobilization and financial management can best be achieved by taking political and administrative structures down to the people. Decentralization is better placed to address the concerns of creating and sustaining democratic institutions within a society, as well as the role of good governance in maintaining democratic institutions. The creation of sub-national administrative units has therefore been the prominent trend in many African countries since the 1990s. Uganda has witnessed a steep increase in the number of districts, rising from 39 to 79 in 2005 and up to 112 in 2010. The country ranks number one in Africa, and number four in the world, among countries with the highest sub-national administrative units per state. While there is obviously a strong case made for increased institutional proliferation of political and administrative structures, in practice the increased creation of sub-national governments has made it difficult for local governments to fulfill their duties. Granting of sub-national governments is serving as a façade for the avoidance of responsibility for major services on the part of the national government.

This paper explores the trend of the creation of districts in Uganda, evaluates their performance against the objectives of the decentralization policy in the country, and draws recommendations for strengthening the existing local governments beyond creating more.

Key words: Decentralization, Local Government, Financial Management, Service Delivery.

Introduction
Decentralization reforms have been pursued throughout Africa over the last 30 years, with the aim of improving governance efficiency and making policy more responsive to the needs of local people, particularly the poor (Lidia cabral, 2011). The period 1960-1990 in Africa was characterized by institutional and systems decay, socio-economic stagnation, and infrastructural deterioration, and the provision of public-social services was a myth.

The present wave of decentralization in Africa started between the late 1980s and early 1990s, often in the context of public sector reforms associated with structural adjustment programs (Siege and O’Mahony, 2002). Concerns regarding central administrative capacity, fiscal constraints and the limited accountability at all levels of government have led African states to place increased emphasis on the importance of decentralization and developing capacity for effective local governance. According to Braun and Grote (2000), the increased opportunities for citizen participation and ownership under decentralized systems are also claimed to contribute to social and political stability. With increasing frequency, those concerns have resulted in growing attention being paid to issues of decentralization, and especially to the relationship between decentralization and democratic governance. Countries like Uganda, Ghana, Nigeria, Botswana, Côte d’Ivoire, Kenya and Tanzania were among the first to include decentralization in their public sector reform packages.

Developing states, especially in Africa, Asia and Latin America, have in the past two decades enhanced decentralization as an administrative-political reform strategy believed to accelerate effective social service delivery and therefore salvage the credibility.

Among African citizens, decentralization has often been portrayed as a welcome governance reform expected to improve efficiency and equity of resource allocation and to promote participation and empowerment of local people.

**Figure 1. Extent of decentralization in Africa (aggregation of political, administrative, and fiscal indexes)**
Sources: Ndewga (2002). Index score on a scale of 0 to 4.

In Figure 1, South Africa and Uganda appeared consistently in the top ranking of decentralization experiences, while Kenya, Ethiopia, Ghana, Nigeria, Tanzania, Cote d’Ivoire, and Zambia represented moderate degrees of decentralization. Sierra Leone and Chad appeared amongst the group of countries with the lowest levels of decentralization by 2002. There is, however, still lack of systematic analyses of levels of decentralization in Africa beyond institutions and structures.

Decentralization in Uganda

The post-independent constitution of 1962 had established a highly decentralized system, combining federalism and semi-federal status in different areas. This was abolished in 1966, with the abrogation of the constitution and executive powers were vested in the presidency. The subsequent regimes did little to restore local governments in the country (Elliott, 2008).

The current decentralization in Uganda originated in the late 1980s, as part of a broader effort to restore state credibility and deepen democracy, following years of political and economic turmoil. Using a detailed legal framework, Uganda entrenched a political, administrative and fiscal decentralization as a strategy for a broad-based growth with poverty reduction (Okidi John and Madina, 2006).
This extensive devolution of powers is intended to improve service delivery by shifting responsibility for policy implementation to the local beneficiaries themselves; to promote good governance by placing emphasis on transparency and accountability in public sector management; to develop, broaden, and deepen political and administrative competence in the management of public affairs; to democratize society by promoting inclusive, representative, and gender-sensitive decision-making; and to alleviate poverty through collaborative efforts between central and local governments, donors, non-government organizations (NGOs), community-based organizations (CBOs), the private sector and other stakeholders (Local Government Act, 1997).

Uganda’s decentralization policy is based on the devolution of powers, functions, and responsibilities to popularly elected local governments. The local governments have powers to make and implement their own development plans; to make, approve, and execute their own budgets; to mobilize and expend resources according to their local priorities; to appoint statutory committees, boards and commissions; to make ordinances and by-laws that are consistent with the Constitution and other existing laws; to hire, manage, and fire personnel and to implement a broad range of decentralized services previously handled by the center (Uganda, 2005).

Decentralization in Uganda has meant conferring authority on local councils, converting them from appointed to popularly elected bodies and mobilizing the resources necessary for public services and administration of the councils. There are five levels of government (village-LC 1, Parish-LC 2, Sub-county-LC 3, County-LC-4 and District-LC 5), but political authority and significant resources are only with LC 3 and LC 5(Units of Decentralisation). The local government to which power is transferred is given a corporate status, and autonomy. Districts and the sub-counties have been made local governments that are body corporates under the Local Government Act (1997) that have complete responsibility for their budgets.

The minister responsible for local governments has no powers to terminate the mandate of a councilor. The revocation of a mandate of a councilor is constitutionally vested in the electorate, who can initiate the removal of any councilor through petitioning the electoral commission (Munyonyo, 1999). Local governments have been enabled to perform their functions by fiscal decentralization, where lower local governments are entitled to retain 65% of the tax revenue they collect on behalf of the government for local development, in accordance with local formulated policies (Local
Government Act, 1997). Conditional and unconditional grants are also appropriated to local governments to operationalize them. The regional imbalances and poverty are resolved by requiring central government to provide equalization grants to districts, which are lagging behind the national average standard in specific services.

Uganda has witnessed a steep increase in the number of districts, rising from 39 to 79 in 2005 and to 112 in 2010. The country ranks number one in Africa, and number four in the world, among countries with the highest sub-national administrative units per state.

Various reasons have been advanced to explain the proliferation of the districts; to improve on service delivery, to cater for ethnic concerns and regional balance, gerrymandering, the inability of the central government to resist local demands for new districts, the removal of regional opposition, patronage and electoral politics, as a means of job creation and distributive policy of ‘club goods’ (Green, 2008), and splitting big districts to make government administration easier.

According to the Local Government Act (1997), the objectives of Uganda’s decentralization policies are:

1. Transfer real power to local governments and thus reduce the workload of remote, under-resourced central officials;
2. Bring political and administrative control over services to the point where they are actually delivered, and thereby improve accountability and effectiveness, and promote people’s feeling of ‘ownership’ of programs and projects executed in their local governments;
3. Free local managers from central government constraints and enable them to develop effective and sustainable organizational structures that are tailored to local circumstances;
4. Improve financial accountability and responsibility by establishing a clear link between payment of taxes and provision of services.
5. Improve the capacity of local authorities to plan, finance and manage the delivery of services.

**Performance and challenges of districts in Uganda: Transfer real power to local governments**
The decentralization policy is anchored in a strong legal framework recognized by all government ministries and agencies, and all development partners, as the primary vehicle for promoting democracy, enhancing service provision, and reducing poverty.

Uganda has implemented an ambitious devolution since 1993 through which planning and decision-making power, administrative authority, and a sizable amount of resources were devolved to local governments. Local governments now have broader powers to deliver basic services, plan and budget, formulate by-laws and implement projects to modernize communities.

This transfer of real powers has, in practice, raised considerable ambiguity over the administrative and political mandates, which slow effective service delivery and threaten the sustainability of the very achievements. Power and authority have always been misused for selfish individual/group interests, at the expense of the public good at local government levels and, unfortunately, by the center.

In many cases, districts elected leaders, and appointed officials have misused the devolved powers to fight each other at the expense of service delivery. Resident district commissioners and district chairpersons are cases in point. This internal, local infighting has resulted in tension and inefficiencies in public sector management and development (Onyach Olaa, 2003). Arising from these conflicts of managing devolved powers, cases of unfair treatment, compensation, and damages against districts are numerous in many courts of law. Local governments have, in return, lost many resources (time and money) meant for service delivery, in litigation of such cases.

Public expenditure rates have sky-rocketed with each award of district status. The unguided proliferation of administrative units and structures have been at times supportive of, but in many instances created major impediments to, effective local governance and undermined the very essence of decentralization.

**Bringing political and administrative control over services to the point where they are actually delivered**

It is generally accepted, in theory and practice, that, under certain conditions and services, greater allocative and producer efficiencies are realized through decentralized expenditure (Martinez Vazquez and McNab, 2003). The logic hinges on the decentralization theorem of Limi (2005), that local governments can better discern
local preferences and can therefore produce the same services at lower costs, leading
to increased economic efficiency and growth.

In practice, the self-interest that drives public officials to behave to the detriment
of social development have been manifested in sub-national governments. The
proliferation of sub-national governments has only transferred and replicated, several-
fold, the point at which development-inhibiting factors operate (Okidi John and Madina,
2006).

The reward system currently in practice, which tends to favor elected leaders,
as opposed to career civil servants, is also demoralizing. This disparity between the
compensation of political leaders compared to the technical staff that are in charge of
districts’ budgets has served as a disincentive for effective service delivery.

**Free local managers from central government constraints and enable them to
develop effective and sustainable organizational structures**

Progress has been made in developing regulations, manuals, and guides for
financial management, planning, local governments’ public accounts committees,
internal audit, book-keeping, personnel management, legislation, records
management, and information management.

However, just as opening up more venues for individual action has created
more possibilities for people to behave well, it has also provided more possibilities
for them to behave poorly. Likewise, the actions of local political leaders have both
been at times supportive of, but in many instances created major impediments to,
service delivery.

Statutory bodies meant to facilitate council operations have been widely used
for selfish interests. Realizing the dangers of opening up many avenues for individual
action in local governments, central government has started returning some of the
structures to the center. While the government of Uganda is committed to managing
the public sector efficiently, transparently, and affordably, the continuous institutional
proliferation of political and administrative structures may not guarantee increased
services to the people.

People are starting to question the whole essence of decentralization, losing
interest in participation, accountability, and consequently trust, as Waghorne Mike
(2005: 13) put it:
What makes people lose faith is when the government uses words like “modernization” or “choice” to justify reform of public services. Such spin is widely seen as a smokescreen for other motives. People know what they have lost. Without association, they are too weak or too busy to do anything about it. Yet, history shows that while people may be prepared to lose or pay dearly to keep those functions for a time, they don’t like being treated as fools for long.

**Improve financial management and responsibility**

Decentralization has improved management of public funds in areas such as procurement, strengthening planning, budgeting, and accountability in local governments. Empowerment of local government through popular participation has also enhanced a sense of ownership and accountability, where the general public is now willing to challenge local officials on services meant for them. The heightened expectations and demands for better services have always been translated into the ballot boxes.

Local governments, in absolute terms, have a higher share of the recurrent and development resources of the state, as evidenced through annual sector reviews. The reviews of the decentralization policy itself indicate that the quality of service provision is significantly improving, over time. However, as a policy for linking financial to service delivery, decentralization falls short of realizing that objective in Uganda, despite a few isolated examples of successful service delivery, as in the case of immunization, education, and participatory planning (Muriisa 2008).

Although World Bank rates Uganda’s GDP per capita growth among the fastest, and at a higher average rate since the late 1980s than most African countries (Uganda 2010), current evidence suggests that Uganda is classified by the UN as one of the 49 Least Developed Countries, characterized by low per capita incomes, feeble human capital, and a high degree of economic vulnerability.

Between 1991 and 2010, for example, a total of 93 districts were created with minimal regard to the costs of public administration. Districts are created at a faster rate than the nation can understand or finance. Most of the newly created districts still find it difficult to fulfill their duties of effective and efficient service delivery. They are not in a position to generate adequate local revenue to supplement the central
government transfers, due to limited revenue sources, weak collection capacity, and political interventions that counter effective mobilization and collection.

In some of these districts, even the basic infrastructure does not exist on the ground. National Integrity Surveys that were carried out in 2002 and 2006 indicate that local governments, for instance, were perceived to be the second most corrupt institution in Uganda, exceeded only by the police (Basheka et al., 2010). This threatens the attainment of improved service delivery to the majority of the poor. Natukunda (2006) reports that the procurement process and award of tenders is the most abused and misused channel for political corruption. Politicians and civil servants alike connive and award tenders and contracts to their supporters, kin, and business associates, at worst turning these contracts into cash cows. Politicians also intervene in procurement processes to award tenders to their companies to recoup the heavy election expenses. The National Development Plan (2010) has identified public procurement corruption as one of the major factors likely to prevent Uganda from achieving its goals. Another very real problem with this movement to decentralization is that granting of sub-national governments is serving as a facade for the avoidance of responsibility for major services on the part of the national government.

Increasingly, the national government, pressed by its own financial problems, has exhibited a tendency to devolve responsibilities to local governments without providing sufficient resources.

**Improve the capacity of local authorities to plan, finance, and manage the delivery of services**

The government formulated the Fiscal Decentralization Strategy (FDS) that allows local governments some flexibility and/or discretion to reallocate resources between and within sectors, during the planning and budgeting process. The FDS is aimed at improving resource allocation, planning, budgeting, and budget execution. The increased grants have enabled local governments to deliver a wide range of services. Local revenue enhancement plans have also been developed by most local governments.

The increased proliferation of districts has meant local revenue decline, poor management, and lack of sustainability of social investments, and little focus on local economic development by local governments. Districts are created without recourse to physical plans, one of the biggest challenges of local governments. What passes
for planning in most local governments is a rudimentary form of land-use zoning, usually unrelated to any socio-economic framework, divorced from infrastructural engineering considerations and lacking any implementation mechanisms for meeting its goals.

The increased reliance on earmarked funds from the center has eroded the financial discretionary autonomy of local governments towards their local priorities. Increased freedom and power at the local level has affected the revenue base of local governments (Bahiigwa et al., 2004), through increased interference with the local revenue mobilization programs by local politicians, mainly for political selfish favors. The fragmentation of district local governments up to 112 by 2010 was out of touch with the reality of strengthening the capacity of local governments to plan, mobilize local revenue and consequently the urge to step up service delivery.

Conclusions

By and large, a powerful case for decentralization can still be mounted in Africa. The physical and social conditions in Africa favors it as a pragmatic response to the problems of government. Uganda, like the rest of Africa, faces a major challenge of ensuring that the political and administrative governance structures for managing government business are affordable and efficient.

In recent years, districts have been created without any systematic assessment of their viability. There is no evidence to suggest that this increased award of district status will facilitate realization of the policy objectives in Uganda.

There are no empirical studies that have specifically investigated the rationale behind the ongoing creation of these districts and the interaction between politics, decentralization, poverty reduction, and delivery of efficient services. The very limited evidence available on the impact of decentralization on service delivery in Africa, which focused on a reduced number of sectors and country cases, suggests that overall impact has been limited in terms of quality, quantity, and equity of service provision (Conyers 2007). Theoretical research points to politics other than service delivery as a catalyst for the proliferation of districts in many African countries such as Uganda.

Recommendations
Decentralization should be a gradual approach to dealing with the priority binding constraints to administrative and fiscal performance, instead of classing them as problems that decentralization must resolve (Okidi John and Madina, 2006). There is a need to determine an appropriate level and pace for decentralization in Africa. This should be consistent with country-specific democratic and economic levels of development. There should be a paradigm shift in Africa from decentralization to strengthening the capacity of local governments.

Local governments should be given the capacity to attract and retain qualified human resources, the capacity to mobilize and realize adequate resources, and empowered to determine and manage their development agendas, without further splitting of the existing sub-national governments.

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