DECENTRALIZATION AND GOOD GOVERNANCE IN AFRICA: INSTITUTIONAL CHALLENGES TO UGANDA’S LOCAL GOVERNMENTS

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Abstract

It has become increasingly clear in recent years that the effectiveness of efforts in developing countries to achieve human development goals hinges largely on the quality of governance in those countries and the zeal and commitment of governments’ and civil society institutions. 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. The political rationale for decentralization has always been good governance through enhancing local democracy, promoting transparency, accountability, integrity, and representation in the management of public affairs. Good governance can therefore be established when stakeholders can reach a reasonably clear common vision, which guides their actions for mutual benefits. In reality, however, there is a wide gap between assumed outcomes and empirical evidence of supporting or discrediting decentralization. Indeed, some studies conclude that decentralization is neither good nor bad for efficiency, equity, or good governance; but rather its effects depend on institution-specific designs. This paper explored the local governments’ institutional challenges to good governance in Uganda. The study adopted a cross-sectional survey design with a triangulation approach and a sample size of 302. The paper concludes that the current legal-administrative environment slows good governance; that citizens’ level of involvement and dynamism to effectively engage local governments, and lack of timely adequate information, greatly limit their participation. This lack of capacity to hire and retain competent personnel frustrates the performance of sub-national governments. The paper recommends central governments to make policies that support inclusion and involvement of all citizens, strengthening institutional policy reform processes and strengthening local government structures to support genuine political and administrative independence.
Key words: Decentralization, Good Governance, Local Government, Civil Society.

BACKGROUND

Disappointing progress in meeting national goals through centralized processes has induced many countries, especially in the developing world, to think beyond top-down development more seriously than in the past (Ronald & Henry, 2000). Rapid political, economic, demographic, and technological changes have fueled the trend to rely more heavily on lower levels of government for public sector activities (Giorgio, 2000).

The post-World War II period saw increasing concern about issues of democratization and good governance (Joseph Siege, 2002). This concern was given an initial impetus by the growing belief, in the aftermath of World War II, that democratic governments were less likely to seriously violate basic human rights and to resort to violence and war as a means of resolving disputes among themselves. With increasing frequency, these concerns have resulted in growing attention being paid to issues of decentralization and especially to the relationship between decentralization and good governance.

Devolution of power and authority to sub-national governments (generally referred to as decentralization) is increasingly adopted and applied in many African countries as one of the tenets of good governance (Saito, 2000). This is based on the premise that decentralized governance provides a structural arrangement and a level playing field for stakeholders and players to promote peace, democracy, and development. Many countries are promoting decentralized governance as a measure for democratization, people empowerment, and poverty reduction.

Decentralization has emerged as a highly popular strategy for improving public sector efficiency, responsiveness, and accountability in the developing world. 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.

As part of the efforts to structure governments to promote good governance and effective public administration, with participation of the people in the decision-making processes as well as in development activities, decentralization is increasingly adopted and applied in many African countries.

Drivers for decentralization in Africa
The overt failure of centralized public sector management which gave way to economic, fiscal and political crises on the 1970s and 1980s. Tanzania opted for abolition of local government all together to emphasize the notion of single party machine, unitary state, and centralized planning. Centralized administration resulted into economic crisis which engulfed Tanzania for the next ten years.

According to Devas (2005), Mwalimu Julius Nyerere expressed his disappointment and regretted the abolition of local governments in 1972 and the disbanding of co-operatives.

The resulting decline in state resources increased pressure for economic, institutional and political involvement and national unity. Countries like Namibia, South Africa, and Zimbabwe adopted the decentralization policy as a move geared toward dismantling systems of racial segregation and discrimination in the distribution of the national cake (Devas 2004). The aim was not only to devolve responsibilities but to eradicate racial imbalances.

Pressure came from increasingly sophisticated non-state actors – the civil society and private-sector who pressed for space to influence the decision-making process and to get more involved in public affairs, especially in service delivery and local development.

Pressure also came from external donors to establish leaner and efficient bureaucracies as a pathway to improving governance and service delivery (given that many African states are heavily dependent on donor funds for development their expenditures). The World Bank and other donor agencies have advocated, and even required, decentralization in a number of countries in Africa and Asia (World Bank, 2004).

African countries have also succumbed to the pressure of the increasing wave of the urbanization and metropolitanization phenomena in most countries.

Some ruling groups in Africa have adopted decentralization as a tool to neutralize or seek compromises with local elites with secessionist mentality, and as a solution for political stability. In Mozambique, decentralization was looked at as a process aiming at solving the basic political conflict between FRELIMO and RENAMO and to address the disequilibria that had dominated the society ever since the colonial period (Devas, 2005). The process was somehow linked to the nation-building process, with the aim of increasing people’s sentiment of belonging to the state and the nation, ‘by becoming owners of democracy.’ In Ethiopia, the transitional government of 1991 saw the removal of the centralized governance system as a key to preserving political stability and to ensuring its own legitimacy.
Decentralization is also often adopted by national level elites as a strategy for mobilizing and maintaining regional power bases (Crook, 2003).

There was also pressure from the globalization phenomenon which compelled many national governments to focus their attention on strategic issues of national socio-economic identity. Swaziland, Botswana, Zimbabwe, and Uganda have tried to bring about decentralization while acknowledging and incorporating traditional leadership.

There is now, however, an increasing note of skepticism about the results of decentralization, particularly because of the evident weaknesses of local level democratic processes in so many countries (Olowu et al., 2004; Shah et al., 2004; Wunsch, 2001).

**Decentralization in Uganda**

The post independence constitution of 1962 had established a highly decentralized system, combining federalism and semi-federal status in different areas, but this was abolished in 1966, with the abrogation of the constitution. Executive powers were vested in the presidency. Subsequent regimes did little to restore local governments in the country.

The present decentralization policy in Uganda was conceived in the late 1980s and implemented in the early 1990s as an administrative-political reform strategy considered the most suitable mode of governance through which poverty reduction interventions could be implemented and realized.

According to the Local Government Act (1997), the objectives of Uganda’s decentralization included transferring real power to the districts (including functions, powers, responsibilities, and services) and reducing the workload of government officials working in central government; to ensure democratic participation in, and control of, decision-making by the people concerned; to improve service delivery; to improve financial accountability by establishing a clear link between payment of taxes and provision of services and to provide for the election of local councils (and to improve the ability of local councils to plan, finance and manage the delivery of services to their constituents).

The policy aims at devolving substantive political, administrative, and fiscal powers and responsibilities to improve service delivery; to promote governance (transparency and accountability); democratize society; and alleviate poverty through collaborative efforts with NGOs, civic organizations and the private sector.
Uganda’s decentralization policy is based on the devolution of powers, functions and responsibilities to popularly elected local governments (Local Government Act, 1997). 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 centre (Uganda, 2005).

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.

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 decentralization).

The local government to which power is transferred is given a corporate status, autonomy and functions. 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 council. Districts and sub-counties have been made local governments that are body corporate under the local. The centre no longer approves by-laws of these local governments, except for harmonizing them with the constitution or any other law made by the legislature. The revocation of a mandate of a councilor is constitutionally vested in the electorate, who can initiate the removal of any councilor (Munyonyo 1999).

The central government opted to create districts as the highest level of local government in an attempt to satisfy regional and tribal demands for political power (Makara, 1998).
**Reality of decentralization in Africa**

The present concept of decentralization pursued by many African governments focuses on the promulgation and revised rules and responsibilities for administrative and political personnel, and on establishing the framework for some sort of local accountable political institutions (Olowu, 2004).

Global Action for Africa’s Development (GLAFAD) (Olowu, 2004) noted that any debate on decentralization policies and local government in Africa must be rooted in appreciation of the political realities that produce such policies.

Many African states were centralized during colonial rule and local authorities were inspired by local government systems in operation in the time of the respective colonial masters (Olowu 2004). Most colonial governments endorsed this colonial legacy after independence. In the French-speaking territories and British former colonies, for example, central governments continued appointing local government officials.

As a consequence, there has been a creeping centralization in favor of the central government, which exerts strong control over decentralized local units. Sub-Saharan Africa has not been able to take advantage of the potentials of local governments.

The quest for appropriate planning after independence in many African countries resulted in the adoption of decentralization (deconcentration), in the form of a network of development committees, which operated in every administrative unit in the field which was linked to the parent committee or a government ministry at the center (Oyugi 2000). These operated in countries such as Tanzania, Kenya, Lesotho, Tanzania, Botswana, and Zambia (Devas, 2004). Between the 1960s and 1980s, decentralization initiatives (deconcentration) were undertaken in the context of nation building and accompanied the Structural Adjustment Programs (SAPs) under donor initiative in countries like Kenya and Malawi, aimed to strengthen citizen participation in decision-making (Devas, 2004). The present wind of democratization and globalization has prompted African countries to adopt political and administrative decentralization (devolution).

In Uganda decentralization was seen as a tool to achieve national consensus among different groups, given the past political instability and tribal animosities (Ahamad *et al.*, 2006). The central government opted to create districts as the highest level of local
government, in an attempt to satisfy regional and tribal demands for political power (Makara, 1998).

Countries tend to adopt selective interpretations of decentralization and adjusted decentralization policies to suit the prevailing ideologies of development (Hussein 2004). The present decentralization is not static, but an evolving and dynamic process whose form and implementation pace are shaped by each country’s political and institutional arrangements, capacities and resources.

Despite the wide literature on decentralization governance today, the meaning, essence, and strategies of decentralization are still subjects of lively debate.

**Decentralization and good governance**

Decentralization is sometimes regarded as an alternative to centralization, yet, when viewed from the policy angle, decentralization is a complement and not an alternative to centralization. Both local and central elements are needed in every political system. Sometimes decentralization is considered as falling exclusively within public sector reform, yet it is much more than public sector, civil service, or administrative reform. It involves the relationship of all societal actors, whether governmental, private sector, or civil society.

The concept of “governance” has been applied to the processes through which public decisions are made (Ronald & Henry, 2000). Landell-Mills & Serageldin (1991) have defined governance as the use of political authority and exercise of control over a society and the management of resources for social and economic development. This definition emphasizes the political nature and the management aspect of governance. However, it does not define the nature of the relationship between the authorities (the governors) and the public (the governed). Charlick (1992) looked at governance as the effective management of public affairs through the generation of a regime (set of rules) accepted as legitimate, for the purpose of promoting and enhancing societal values sought by individuals and groups.

The fundamental principles of good governance include respect for the rule of law and human rights, political openness, participation and inclusiveness, equality and non-discrimination, effective and efficient processes and institutions, transparency, and accountability. According to Ronald & Henry (2000), decentralization offers a key element of the enabling environment for good governance through which responsibilities are transferred
from the central government to the local level, where citizens can more readily participate in decisions that affect them. Decentralization offers partnerships between local government institutions, civil society organizations and the private sector for attainment of good governance.

**Institutional decentralization**

Institutional decentralization refers to the administrative bodies, systems, and mechanisms, both sub-national and intergovernmental, which help to manage and support decentralization. It includes mechanisms that link formal government bodies to other key local actors—traditional, local decision-making structures (where they exist), non-governmental organizations, private sector partners (Olaa, Martin 2003): this is the basic institutional foundation on which decentralization is built. Interaction among government levels must be structured to balance national imperatives with local priorities, creating incentives for appropriate behavior and good performance by relevant actors at all levels (Devas, 2004).

According to the decentralization Secretariat (1996), sub-national government staff must have access to organizational structures and procedures that allow them to meet their obligations, including the development of a good working relationship with elected representative councils and adequate responsiveness to citizens.

The general implication by the literature reviewed is that the institutional frameworks in which decentralization must be designed and implemented are complex and poorly coordinated. According to Schneider (1999), decentralization and good governance thrives on institutional arrangements and implementation, so it is essential to avoid inefficiencies in the institutional arrangements. It must be part of an integrated development policy reflecting locally owned models and the country’s commitment. At a minimum, most developing countries have a central agency with local government oversight responsibilities, such as a Ministry of Local Government, a Ministry of Home Affairs, and a Ministry of the Interior (Devas, 2004). Often various sectoral ministries also have some say over local government provision of services that fall under their general responsibilities and expertise. According to Siato (2009), even in countries where local government councils are at least partially elected, they may not possess genuine political or bureaucratic independence, and they may be dominated by clientelistic local elites, in which case, local accountability means little if the
center can override the results of local democratic processes, which is frequently the case in African countries.

Even at local levels, according to Ronald & Henry (2000), participatory approaches often meet considerable resistance in most developing countries. Local managers complain that NGOs do not have the capacity to engage in partnerships, or that citizens’ lack the technical awareness to debate service options. Conversely, citizens and NGOs complain that local governments are too bureaucratic, are arrogant, and do not want to share power. Mutual mistrust is the standard.

Without appropriately designed and implemented structures and processes, as well as adequate sub-national capacity to manage the political and fiscal functions of sub-national governments, it becomes difficult to discern whether it is decentralization—the concept that fails good governance, or the inherent institutional lapses within the design/implementation.

**METHODOLOGY**

Based on the research objectives, the key research questions to the study were:

- How effective is the legal-administrative framework in local governance?
- What is the level and nature of interaction among central government and local governments?
- How effective is the involvement and participation of civil society in local governance?
- How easy is it to acquire and retain technical human capacity in local governance?

The research design was a cross-sectional survey that adopted both qualitative and quantitative approaches. The study population was regionally divided into Eastern, Western, Northern and Central Uganda. The sample size was 302, from whom 270 questionnaires were administered to participants of the Uganda Management Institute (UMI), randomly and purposively sampled from the four UMI centers; 22 respondents, including four chief administrative officers (CAOS), seven chief finance officers (CFOs), three Ministry of local government officials and eight politicians were individually interviewed, and 10 interviewed in a group.
Qualitative data was analyzed using descriptive statistics in the form of frequencies and percentages. The same technique was applied in the computation of means and standard deviations for the key institutional variables in the study.

Once the descriptive results were examined, the analysis used exploratory factor analysis to identify the major variables, which political and administrative stakeholders in local governance should use to strengthen decentralization and realize good governance.

Reliability of the results was confirmed through computing the Cronbach alpha coefficient, which ranged between 0.71 and 0.86, which was well above the internationally recommended 0.7 value.

**RESULTS AND DISCUSSION**

**Effectiveness of the legal-administrative framework**

Eighty-one percent submit that the legal-administrative framework is not effective in ensuring local governance because it erodes the autonomy of local governments.

Seventy-two percent believed that with the CAOs appointed by the centre and Resident District Commissioners (RDCs) appointed by the President and the councils controlled from the centre, and legal administrative machinery remains a preserve of central government staged on local soil; 88% submitted that the present set-up makes technical personnel officially accountable only to governments and not to the people they serve.

Even those who believed that the legal-administrative framework can be effective concede that without feasible financial autonomy, local governments cannot adequately respond to local needs and aspirations. This is because, without a reasonable level of financial independence delegated from the central government to local governments, autonomous local activities, which are based on aspirations of local population, can rarely be carried out. The resource base of local governments is, however, very limited, making them reliant on central government transfers for operations. This lack of financial autonomy affects the implementation of development plans and consequently limited service delivery, since most funds are diverted before they reach their final destination (Muriisa 2008). According to Kayizzi-Mugerwa (1999), the success of decentralization depends on the capacity of districts and urban governments to raise their own revenue and use it efficiently in the provision of services.
The legal-administrative framework was reported not to be self-enforcing in many aspects. This is in line with Deininger (2005), who stated that accounting systems, for example, are often extremely weak in local government and are open to all manner of disputes. Annual accounts are often finalized long after the end of the financial year (if at all, in some cases). On the ground, central governments rarely have the capacity to perform comprehensive external audits on all local governments.

The legal-administrative framework is to match the social costs of the fast-paced private sector and is largely unenforceable, and slow-inappropriate to other situations, resulting in corrupt tendencies. The procurement law in Uganda was raised by most respondents, which does not suit local government operations. This finding is supported by Kwame and Jacques (1999), that long and cumbersome procurement procedures cause corruption. A large number of complex, restrictive regulations, coupled with inadequate and inappropriate controls are characteristic of developing countries and helps corruption spread.

Conclusively, the legal-administrative environment in which the decentralization policy is implemented suffers from a number of weaknesses that slows good governance. Decision-making processes are unsystematic and mechanisms of accountability between officials and elected representatives are inadequate. The financial dependence on the center (and in some cases on donors) undermines the accountability of local governments to local voters and tax-payers.

**Nature of interaction between central and local governments**

Concerning the clarity of what should be the balance between central direction and local choice in a decentralized system, 61% of those who responded indicated that the balance is not clear.

According to one politician “*It clearly makes little sense to decentralize if the center then seeks to control in detail the use of resources locally*”.

Sixty-nine percent of those who are clear of the balance between the two governments do not approve of central governments detailed control in local government planning, priority setting, and budgeting, under the cover of central government transfers.
In some incidences, findings indicate that the “center-local” relationship that is supposed to facility autonomy in service delivery has turned into a “superior-subordinate relationship”, and, in some worst cases, failing some local governments.

Fjeldstad (2001) opined that, in practice, central supervision of local governments is weak and all too often central controls create more problems than they solve, including delays, frustrations, additional costs, and perverse behavior.

Although policy reforms, like the abolition of graduated tax and the recentralization of CAOs are implemented and directly affect local governments, they are not involved.

This clearly undermines the whole purpose of decentralization, in the meantime making centrally appointed staff the focus of local political discontent as they serve the interests of the center rather than the local government.

It was also found that some powerful politicians at the center refuse to detach themselves from the operations of their local governments. This finding is agreement with Golola (2003), who stated that politicians at the center have little wish to cede power to the local government. This failure to cede power by politicians at the center limits democracy and autonomous decision-making at the local level.

In conclusion, the central-local relations have become mired in political/technical conflicts, fault-finding and corruption channels for returning kickbacks for central government transfers, thereby eroding the legitimate objectives of strengthening local government and promoting good governance.

**Participation of civil society in local governance**

Findings show that the recent growth of civil society and the development of communications media have contributed to some transparency in decision-making in Uganda. Local radio has become a medium for debate about local issues, and phone-in programs with local political leaders have become quite common. Local and international NGOs have often been instrumental in fostering community-based organizations and encouraging them to make demands.

However, 60% reported that civil society is not effectively involved in local governance and 65% indicated that even the participating civil society (especially local
NGOs) lack the dynamism to be able to effectively engage with local governments on the nature of services provided in areas like planning, priority setting, and good governance.

At individual level, most of the people at the grassroots level do not know what their roles are *vis-à-vis* their councilors and administrators. This is mainly due to very limited opportunities for mutual contact between the people and councilors for LC 3 through 5 levels.

The hierarchy of the local council system is supposed to work in two ways. It has to disseminate government policies from the top downwards. Councils are also supposed to reflect people’s views and needs and pass them upwards. Yet, in reality, it functions more as a top-down and less as a bottom-up mechanism. It was often pointed out by respondents that meetings such as budget conferences are called at short notice, and when the gatherings take place, the agenda is often already decided. What the ordinary people wish to propose cannot be easily accommodated in these council meetings. These meetings in the end tend to be informative of government policy, rather than mutual discussions. Under the Uganda Local Government Act, citizens have the right to participate in annual budget conferences at each level of local government. In many cases this is little more than a formality, with participation limited to a few special-interest groups (Blore *et al.*, 2004).

This finding is supported by a Fumihiko (2007) who reported that farmers in districts said that policy-making is a top-down process because they are never given the chances to express their views and yet they did not believe farmers were well represented in the councils. People often complain of a lack of feedback from previous meetings. Even if they express their views and the councilors promise to take some kind of action, in most cases nothing happens.

Participation of the youth in local government issues is still very low. This is possibly because of high poverty and unemployment levels. Their concern is immediate income. This makes their participation ratios very low.

It was found that the information flow is, in many cases, not adequate, and without adequate information effective participation is not possible. Accountability depends on information being available to citizens, in a sufficiently comprehensible form, on how resources are being used (Goetz *et al.*, 2001). Although local governments are displaying financial/accounting information in public places, such information is deliberately too broad and technical for the public to understand.
In the final analysis, although citizens are increasingly ready to challenge authorities and demand accountability, their level of involvement and dynamism to effectively engage local governments, and lack of timely adequate information, greatly limits their participation.

**Hiring and retaining competent personnel**

The findings indicate a shortage of officials with the necessary technical, managerial and financial skills in local governments; 77% stated that this is due to the lack of financial resources to attract and retain high-caliber staff. This is possible, considering that the salary levels for local government staff in Uganda are only a fraction of what people earn in the private sector; 80% submitted that the very low wages mean that staff is preoccupied with searching for other income opportunities, whether corruptly or simply dysfunctionally.

Civil servants at the local level have mixed views on decentralization. Although it enhances their autonomy, which is liked by all, it bonds them to local posts and stations and limits their easy transfer to central ministry posts.

Lack of adequate funding of local governments paralyzed the personnel sector (Muriisa, 2008). The same problems of shortfalls in funding and personnel were pointed out in health, with limited medical personnel, and in education, with limited teaching staff. This finding is supported by UNDP the (2004), that increase in school enrolment was not matched by increased recruitment of new staff.

Lack of capacity to hire and retain competent personnel at sub-national government level, to exercise responsibility for service delivery, is a daunting challenge facing decentralization as a framework for service delivery and good governance. Local governments fail to manage public finances and maintain proper accounting procedures.

**RECOMMENDATIONS**

Local governments should take the initiative and involve the marginalized and vulnerable groups and address the practical barriers to enjoying the public good. This will bridge the perception gap between the services provided and the local needs of citizens. This can, however, only be achieved with substantial involvement and participation of such groups within a framework of equal opportunities.

Central government should make/revise policies that will ensure the effective inclusion and involvement of all citizens in the enjoyment of their economic and social rights.
Central government must continue to play a key role in ensuring that resources are properly used. All public money, whatever the level of collection, should be a supervisory concern of central government. After all, the level of collection is only an administrative convenience.

Instituting mechanisms to simplify published financial formation and breaking it into clear and user-friendly public information is important. This will substantially increase transparency and accountability, as well as the engagement of local authorities with citizens and civil society. Information will promote the emergence of a strong civil society that is capable of engaging effectively with local government, and not just on behalf of elite interests, but also on behalf of the poor.

Government should strengthen institutional reform for local governance, by speeding up the procurement policy reform process, so that clear and local appropriate procedures are in place, establishing a compensation system that will attract and retain required personnel.

Local governments must seek alternative motivational schemes to retain personnel. Central government should revise the fiscal decentralization policy, by giving local governments a more meaningful share of taxes to ensure financial autonomy.

The decentralization policy should be revised to strengthen a clearly defined self-enforcing, central-local government relationship, designed on a principal of mutual mandates. Good governance will be realized in situations where there is a strong central government (in terms of legitimacy and capacity) and an empowered population at local community level.

Local government structures should be strengthened to possess genuine political and administrative independence.

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