Decentralization Strategies for Empowerment

Many countries throughout the world are undertaking some forms of decentralization by shifting fiscal, political, and administrative responsibilities to lower levels of government. Decentralization is driven by unique circumstances in each setting. In some countries it is linked to recent democratization, while in others it is spurred by the failure of central government to deliver basic public services. The four elements of empowerment put forward in this paper—access to information, inclusion and participation, local organizational capacity, and accountability—are often integral components of successful decentralization.

In some countries, particularly those in the Europe and Central Asia Region, central governments have decentralized responsibilities to local governments for another reason: to reduce national fiscal deficits. By pushing expenditure functions down to local governments while retaining centralized tax bases, governments maintain macroeconomic balance; yet service delivery often declines due to underfunding. In these cases, the decentralization agenda is unlikely to achieve benefits unless it is modified to empower local governments through greater resources and a sound intergovernmental framework, and empower people so they can hold their local governments accountable.

The idea behind decentralization is that moving decision making closer to people will lead to public sector decisions that better reflect local needs and priorities. This in turn will lead to greater efficiency in public expenditures, improved governance, and greater equity. These results, however, are by no means automatic or easy to achieve. Efforts to decentralize usually stop at the local government level and often go no farther than the provincial or state level. Decentralization is unlikely to achieve its theoretical impact unless it extends down to the population, permits informed input in public decisions, and motivates local government to respond to this input. Further, as noted below, although empowerment can help achieve benefits of decentralization and vice versa, these processes are only part of an effective poverty alleviation strategy. There remains a strong role for central governments in ensuring adequate funding and incentives that target the poor, along with a legal framework that enables them to live securely.

Ukraine: The People’s Voice Program

After decades of centralized control, Ukraine has begun exploring ways in which bottom-up accountability can improve governance, but the country has moved haltingly with regard to decentralization. A pilot initiative introduced in 1999, with support from the World Bank and CIDA, demonstrates how greater citizen participation at the municipal level can lead to better service delivery and higher public satisfaction. Called the People’s Voice Program, this effort responds to the problem of insufficient public participation and control in the policy-making

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process, perceived as one of the major constraints to advancing reform in Ukraine. The program is being implemented along two fronts: (a) helping selected Ukrainian cities to improve their service delivery to households and businesses, and enhancing their level of integrity in the process; and (b) strengthening the capacity of citizen groups and officials to interact with each other in order to strengthen the overall quality of governance in these cities.

Ternopil and Ivano-Frankivsk were the first two Ukrainian cities chosen for the pilot. Under the supervision of a local NGO, the International Centre for Policy Studies, surveys were conducted in both cities among households, the business community, and public officials to identify the key problems associated with major services, and to identify the public’s priority service needs. The information gathered from the surveys, which included data on corruption, was widely distributed through the local media, public discussions, and NGOs, putting pressure on local leaders to respond to specific criticism and open channels for greater participation. Meanwhile, intensive technical assistance and training were provided to municipal officials and agencies to strengthen their capacity to listen and respond to citizen demands. Open budget hearings were introduced, task groups were set up to address the most pressing problems, and community advisory boards and working groups were established. In response to the survey in Ternopil, a gender audit of regional and local government policies, practices, and services was undertaken to ensure equitable inclusion of women.

The results of this greater participation have been very encouraging. Better informed and mobilized community groups now play active roles in public hearings that affect critical local public decisions. Certain demands such as the reform of public education have emerged as priorities for communities in both cities. In Ivano-Frankivsk, NGOs, parents, and education officials have come together to develop proposals to improve the local education system. An interesting innovation has been the establishment of “service centers,” one-stop shops where citizens can pay for all municipal services and will soon be able to file and monitor responses to their complaints. As a result of the wide consultations around the gender audit, community clusters have emerged to focus on issues such as women’s health. Other citizen working groups have formed around sectoral concerns such as housing and business development. The capacity of NGOs to raise awareness, facilitate public hearings, monitor and participate in service delivery, and become self-sufficient is also being enhanced.

The program has relied heavily upon the involvement and commitment of the city mayors and local officials. In fact, it is their initial interest and commitment that prompted the selection of Ternopil and Ivano-Frankivsk as the first pilots. These officials are now highly motivated to respond to this newly expressed citizen voice. As part of the program, a second round of surveys will be conducted in both cities to measure changes in citizen satisfaction with the public sector. In Ivano-Frankivsk, bimonthly surveys are planned for particular services.

It is expected that that mayors in other cities in Ukraine will be held up to the standards set in Ternopil and Ivano-Frankivsk. In the summer of 2001, two more cities, Kupyansk and Chuguiv, conducted baseline surveys. The models developed from these four pilots will be used as the basis for expanding the program further to interested cities in Ukraine and for demonstrating to the central government the potential merits of decentralization to participatory local governments.
Guinea: Investment in Rural Government to Improve Service Delivery

Guinea’s rural inhabitants represent 70 percent of its population and about 87 percent of its poor, a situation exacerbated by a quarter-century of command and control dictatorship between 1958 and 1984. Despite political changes in 1984, which emphasized decentralization and established 33 urban and 303 rural development communities (CRDs), the ensuing decade saw little improvement in rural poverty. Participation by rural citizens and provision of services to their localities remained low. In the mid-1990s the government recommitted itself to poverty alleviation and conducted an extensive participatory, bottom-up, strategic planning effort. Civil society representatives from across the country participated in these consultations and helped place the following priorities on the country agenda: rural development, basic education, primary health care, local entrepreneurship, and good governance.

As a follow-up to these consultations, in 1999 the Bank prepared two complementary five-year Adaptable Program Loans to support the government in its reform program: a Village Community Support Project ($22 million) to engage local communities directly, and a Capacity Building for Service Delivery Project ($19 million) to enhance public sector capacity (at both the prefecture and national levels) to respond to these communities. The components of both programs are aimed at widening and strengthening the process and impact of fiscal, administrative, and political decentralization by shifting resources, responsibilities, capacity, and accountability for service delivery to local governments and communities.

The combination of these two efforts represents a bottom-up/top-down approach that is at the heart of creating sustainable, meaningful empowerment through decentralization. The bottom-up strategy entails promoting active participation of the beneficiaries in the choice and delivery of needed services. To this end the program involves an extensive public information program, as well as the establishment of administrative and financial management and information systems at the prefecture and community levels to ensure the transparent use of resources. Also included are budget tracking and citizen satisfaction surveys to stimulate transparency and participation. Participation is also being encouraged by improving communication between public officials and citizens. Poor communication between service providers and beneficiaries as well as between the CRDs and prefecture agencies has been identified as a key barrier to effective service delivery in the past. The new approach, therefore, emphasizes improving communication and participation at the point of service delivery, particularly by developing local organizational capacity in the form of parent-teacher associations, health center management committees, and farmers groups.

The top-down effort has several components. In order for citizen groups to participate meaningfully in public decisions, responsibilities and resources need to be clearly assigned to different groups (such as levels of government and service providers). This initiative includes a revision of the framework governing roles and responsibilities of different levels of government under decentralization, and the establishment of decentralized delivery and management systems at the prefecture and CRD levels. Under a pilot initiative, some CRDs will be able to keep head

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63 This section draws on World Bank 2000.
taxes within their locality. Furthermore, as an initial step in increasing direct access of rural communities to the national fiscal authorities, these head tax resources will be matched by direct transfers of budgetary and donor funded resources from the center.

To reflect the growing shift in accountability to rural communities, a performance incentive system is being introduced to reward high-performing CRDs and public officials at the prefecture and central level on the basis of beneficiary satisfaction with services. Elected CDR councils are being made more representative, and Prefecture Development Councils are being established with membership elected by and accountable to CRDs, to advise on programs and budget trade-offs across CRDs. Prefects will eventually be responsible to these elected bodies for ensuring that local service needs are met. Taken together, these programs will help foster a range of governance, fiscal, and administrative reforms, which aim at the end of 10 to 15 years to achieve an 80 percent increase in access to and quality of all services to rural areas.

**Mbabane, Swaziland: Two-Way Communication**

Mbabane, Swaziland offers another example of how decentralization can lead to increased empowerment. Over the past few years, local authorities in Mbabane have encouraged empowerment to improve municipal services and increase citizen satisfaction with public sector performance. Information dissemination has been a notable element in this endeavor. The Mbabane city council has launched a website to publicize its policies and programs and to make accessing government services more user-friendly. Information about programs to upgrade informal settlements has been disseminated through radio, print, and even street theater. In an effort to gather views on the provision of municipal services, the city council has conducted surveys of citizens, the business sector, and city employees, and has strategic plans to follow up on survey results.

Information dissemination has led to greater participation in civic affairs. The city council has established a network of outreach facilitators to encourage input from community members and groups, particularly in the context of the urban upgrade project.

As a result of these developments, transparency in public processes and accountability of local authorities is increasing. The demand for accountability is further enhanced by the devolution of tax bases, which enables Mbabane to support almost two-thirds of its budget from its own local taxes. The city council presents an annual report (available to the public) and makes information on its programs and financial flows available to citizens through community meetings, the press, and its website. Photographs of each city council member are included in the annual report, increasing the sense of personal answerability. The largely elected city council (last elected in 1998), and the indirectly elected mayor, will face an increasingly informed and empowered citizenry in subsequent elections.
Philippines and Uganda: Limited Information Hampers Citizen Influence

A recent in-depth study of decentralization and governance in Uganda and the Philippines evaluated how well the different elements of empowerment were being implemented in these countries and what the impact was on delivery of social services. One of the most interesting findings of the study is that independent sources of local information play a key role in enabling effective participation. In both countries, citizens were less informed about local government than about national government. While citizens in both countries rely on the media for information about national politics and corruption, they rely largely on community leaders (in Uganda) and personal contacts (in the Philippines) for such information at the local level. The econometric analysis confirms the importance of access to the media by indicating its association with better education and health care.

In addition to weak local information leading to less effective participation, local accountability is weak because officials have very limited authority to respond to local needs. Although local leaders perceive the needs of their citizens more accurately than higher level leaders do, the reliance on earmarked transfers leaves them little scope for responding to these needs.

Decentralization: A Qualified Measure for Empowering the Poor

Some observers have argued that decentralizing poverty programs from the national to the local level can reduce costs and improve targeting. Local governments and administrators are likely to have better information about local conditions and people and are thus better able to identify local households in need. Others worry that decentralized resources may be prone to “capture” by local elites. Whether or not improved information can lead to better targeting of poverty programs depends on several factors, including the level of government involved, political institutions (for example, rules of the electoral system), community characteristics (including ethnic diversity, income inequality, historical and cultural factors, and so forth), and the design of the poverty program. An exciting research agenda is currently underway in the Bank’s Development Economics Unit to better understand the conditions that affect the ability of programs to reach the poor in decentralized settings.

Many of the benefits of decentralization seem most likely to be achieved when decisions are made at the village level, and least likely when decision making rests at the provincial level. Village-level decentralization can lead to greater participation, more effective local decisions, better development strategies, and improved service delivery. Widespread information dissemination can encourage participation at the local level, but it is only likely to lead to satisfying results if strong channels of accountability exist. If accountability is weak, citizen voices are unlikely to be effective even if they are heard. Even in a perfect democracy with full participation of all citizens and strong accountability of locally elected officials, decision making is unlikely to benefit the very poor and marginalized if they are a minority in the local

64 Azfar and others 2001; see also World Bank 2001.
population. (Where national minority groups represent a majority in a local jurisdiction, decentralization can be very advantageous.) Although some countries have modified their electoral rules to ensure participation by women and minority groups, this has had mixed results. In decentralized settings, decision making may be captured by the elite, and it is generally likely to favor the majority. Thus, decentralization has limitations for certain very poor groups and there remains an important role for the central government in ensuring safety nets for them, as well as an overall governance structure that provides security.

A recent careful study of Vietnam’s decentralized poverty programs illustrates the need for central government to play a continued strong role. Vietnam’s poverty programs have expanded considerably over the past decade and have relied on administration by provincial authorities. However, since they have lacked national norms for identifying the poor across regions, and have not consistently measured or monitored local needs, there is little sign that poor people or poor communes are being targeted. Data analysis indicates that the poorer provinces are less effective at targeting their poor than are wealthier provinces. Given that growing urban-rural disparities and risks that vary by community or area (such as natural disasters) are significant components of the national poverty profile, targeting of national programs by province is a problem. Although citizen empowerment is weak in Vietnam, the problems with its decentralized poverty programs are largely central design issues. Moreover, increasing information and participation in a situation of weak local accountability would likely have minimal impact.

Argentina also administers a decentralized poverty program that has been examined. Although the elements of empowerment are more strongly in place than is the case in Vietnam, similar problems were identified. Wealthier areas were more effective than poor areas in targeting poorer citizens. This does not seem surprising since the poverty reduction priorities of poor and wealthy areas may well be different, with the latter being more willing to identify individual communities and households requiring additional assistance. The study recommends more incentives for improved provincial targeting. In the case of national poverty programs, information and monitoring must feed back into the modification of central government policies to ensure desired results for poverty targeting.

**Conclusion**

While there are certainly places where empowerment has made effective decentralization possible, and decentralization has facilitated empowerment, actual outcomes depend on a host of details that differ from case to case—community characteristics, local institutions, the type of decentralization, and the mechanisms of empowerment (related to information dissemination, citizen participation, group formation, and accountability). Decentralization and empowerment are partner concepts. Together they have the potential to aid the development process, particularly for the poor, yet the challenges in better understanding them in each context remain large.

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65 Van de Walle 2001.
Resources


