

Decentralisation in Africa: Scope, Motivations and Impact on Service Delivery and Poverty

Lídia Cabral, Overseas Development Institute
March 2011

Summary

This paper reviews the literature on decentralisation in Africa, with a focus on impact on service delivery and poverty reduction. It notes decentralisation is not necessarily good or bad, but success depends on the details of policy design and context, particularly the political motivations of ruling elites and its relations with local power bases and constituencies. In Africa, decentralisation is widespread but not deep. Driven largely by political motivations, decentralisation experiences in the region have consisted mostly of deconcentration of administrative functions, rather than true devolution of powers. Although there is limited evidence available, the impact of decentralisation on service delivery is probably limited, judging by its impact on intermediate variables such as access to information, locus of power, administrative performance and accountability relations. The pro-poor character of decentralisation is also questionable. Available evidence does not confirm that decentralised governments perform better in delivering services to the poor, despite the fact they often are their largest constituency. In Africa, decentralisation has been essentially used to consolidate alliances with local elites and thereby reinforce central power, rather than to pursue pro-poor policies. Institutional weaknesses and fiscal constraints have also limited the success of decentralisation in Africa. Therefore, as an overarching governance process, decentralisation may have limited chances of success without a more structural transformation in African societies which reduces the polarisation of power and gives the median voter greater agency.

Introduction

Decentralisation reforms have been pursued throughout Africa over the last 30 years with the aims of improving governance efficiency and making policy more responsive to the needs of local people, particularly the poor. But behind these vocalised aims, political motivations are a major driving force. Decentralisation has often been used to expand the power of the ruling elite to local levels or to neutralise challenging forces emerging from below.

There is a lack of systematic analyses of decentralisation in Africa and its impact in service delivery and poverty reduction. The limited evidence available suggests, however, that decentralisation is yet to deliver its promised results. There is hardly any evidence that service delivery and poverty indicators have improved as result of decentralised governance.

The motivations of political leaders and the configuration of political systems – in Africa often characterised by the absence of accountability mechanisms and limited mobilisation of local constituencies – may explain in part the lack of success. Institutional weaknesses at both central and local level are also a major constraint in Africa, particularly the failure to design reform packages with a systematic sequencing and to coordinate all actors involved in decentralisation processes. Yet, some argue that decentralisation in Africa has not had a fair trial as few countries have experienced true devolution of powers and resources to local governments. Decentralisation processes have largely been incomplete.

Also, weaknesses found with local governance are a reflection of problems affecting governance more broadly and cannot be attributed to the decentralisation process.

This paper discusses the scope, motivations and impact of decentralisation with the following structure. After this introduction, section 2 reviews the concept of decentralisation and the rationale of decentralisation policies. It also discusses the elements for successful decentralisation. Section 3 analyses decentralisation in the Africa context. It discusses the extent and depth of decentralisation, the drivers and impact on service delivery and poverty. Section 4 concludes with a discussion of the limits of decentralisation in Africa. The paper also includes an appendix looking at the particular case of decentralised agricultural extension.

Concept, rationale and ingredients for success

Notions of decentralisation

Decentralisation is not a monolithic concept (Smoke 2003). It is often used in a loose way to refer to different forms of local governance, driven either by state or non-state actors. Examples of such loosely defined decentralisation practices would include: locally elected councils, traditional authorities, decentralised committees, local representatives of central government, etc. Lack of clarity about the precise meaning of decentralisation could, however, be a problem. Evidence from southern Africa indicates that the concurrence of varying types of decentralisation within a country often causes ambiguity, transaction costs and even conflict (SLSA Team 2003).

Ekpo (2008) defines decentralisation as a kind of vertical power sharing within the political system, whereby competences and responsibilities are distributed across different tiers of government. Decentralisation can take a variety of forms depending on the degree of distribution of powers and the nature of accountability.

A crucial distinction is that between deconcentration and devolution. Deconcentration, also referred to as administrative decentralisation, consists of the transfer of administrative responsibilities or functions to subordinate units of government, often on some geographical basis. Deconcentration entails the mere relocation of execution to the local level with decision-making power remaining at the centre. Devolution is a more far-reaching form of decentralisation which involves the transfer of governance powers and responsibilities to sub-national levels that are largely outside the direct control of the central government, often through an electoral process which makes local governments directly accountable to local people. Such important distinction is, however, often blurred in debates and policies about decentralisation (Smoke 2003). A related concept is that of delegation, which entails the transfer of responsibilities for public functions to parastatal or semi-autonomous government agencies, which implement programmes on behalf of central government. Some argue that deconcentration

Table 1. Selection of arguments in favour and against decentralisation

Arguments favourable to decentralisation	Arguments against decentralisation
<ul style="list-style-type: none"> • Local government have better information about local preferences, needs and the way local systems operate and can therefore allocate resources in a more efficient way • Quality of service provision can be improved since local governments are likely to be more sensitive to variations in local requirements and open to feedback from service users • Local governments are more accountable to local communities • Decentralised governance increases the chances for the poor to access policy processes • Local action can solve problems of collective action, providing sustainable use of common property resources • Decentralisation makes governments more responsive to the demand of local people by promoting competitiveness between sub-national governments¹ • Decentralisation may lead to more creative, innovative and responsive programmes by allowing local experimentation and by improving competitiveness of governments • Decentralisation may make cost recovery less difficult for governments as people may be more willing to pay for services if such services respond to their priorities and particularly if they have been involved in the decision-making process 	<ul style="list-style-type: none"> • Economies of scale at central level justify centralisation of services • Agglomeration economies in attracting skilled civil servants to the centre justify centralisation • Local governments are more subject to corruption and elite capture • Local governments can be regressive – minorities may find it more difficult to organise locally • Decentralisation can aggravate regional disparities in the provision of public services • Decentralisation can make coordination of national policies more complex • Decentralisation increases macro-economic risks of over-expanding the size of the public sector

Sources: Bardhan (1996), Azfar et al. (1999), Litvack and Seddon (1999), Smoke (2003) and Robinson (2003).

and delegation are not true forms of decentralisation (World Bank 2000).

Another common distinction, which overlaps with the above, is that between: fiscal, institutional or administrative, and political decentralisation. Fiscal decentralisation entails the transfer of powers to raise (tax) and retain (spend) financial resources to fulfil assigned responsibilities. Institutional decentralisation refers to the creation or development of administrative bodies, systems and mechanisms, at local or intergovernmental level, to manage and support the decentralisation process, including links between formal government bodies and other key local actors such as traditional authorities, non-governmental organisation or private sector agents (Smoke 2003). Political decentralisation entails a degree of accountability to local people, through, for example, an electoral process.

These three forms of decentralisation are closely linked. Political and institutional decentralisation would have little impact without the transfer of powers to generate and manage resources. Without a broadly inclusive local political process it would be difficult to ensure that sub-national governments understand and act on the needs of local people, irrespective of the quality of institutions and capacities to raise resources locally (Smoke 2003).

Privatisation and deregulation are also sometimes referred to as forms of decentralisation (also known as economic or market decentralisation), involving delegation of powers and resources to private ownership (Litvack and Seddon 1999).

This paper focuses essentially on decentralisation as devolution of powers to locally elected governments. Such form of decentralisation is sometimes referred to as 'democratic decentralisation' (Crook and Manor 2000). Reference is also made, however, to forms of decentralisation which entail only deconcentration of

administrative functions to the local level, as they often run in parallel to deeper decentralisation processes and tend to prevail in the Africa context.

Rationale

Decentralisation is often portrayed as a welcome governance reform expected to improve efficiency and equity of resource allocation and to promote participation and empowerment of local people. The success of decentralisation processes depends, however, and as discussed further below, on country circumstances, the design of the decentralisation process and the institutional arrangements governing its implementation. Smoke (2003) argues that decentralisation is not inherently positive or negative and recommends that any discussion about decentralisation starts from a neutral standpoint. Table 1 offers a selection of pros and cons.

It is commonly argued that since local governments are spatially and institutionally closer to the people, they have a better understanding of local needs and preferences and are better able to respond to these than central governments. Since the majority of the poor in Africa still live in rural and remote areas then the corollary to the above argument is that decentralised governments are more likely to carry out pro-poor policies. This argument has been questioned and there is mounting evidence that decentralisation is not necessarily pro-poor (Crook 2003, Jütting et al. 2005). Crook (2003) argues that the degree of responsiveness to the poor and the extent to which there is an impact on poverty are determined primarily by the politics of local-central relations and the general regime context, particularly the commitment of central political authorities to poverty reduction. Decentralisation may increase participation and accountability but there is no evidence, at least in the Africa context, that this generates better outputs (i.e. services)

and outcomes (i.e. measured in terms of social indicators) for the poor.

Social networks at local level may enable local governments to solve collective action problems. These same networks may however make local governments more prone to corruption (Bardhan 1996). Decentralisation could also exacerbate regional disparities and bring local elites into power, aggravating inequalities in the distribution of resources. Economies of scale and agglomeration may also be used to justify the centralisation of certain services.

Decentralisation may generate opportunities for cost recovery as people are usually more willing to pay for services if such services respond to their priorities and if they have been involved in the decision-making process. But decentralisation may also increase public spending and debt, posing threats to macroeconomic managing.

Decentralisation may hold the potential to empower local people and increase governance responsiveness to local needs but, as the following section discusses, a number of conditions have to be fulfilled for decentralisation reforms to generate the desired outcomes.

Ingredients for success?

What are the key ingredients for 'democratic decentralisation' to work? The literature suggests there are number of basic elements which should either be in place or developed as part of the decentralisation process. These relate to country specificities (such as, degree of democracy, institutional capacities and level of economic development) and the nature of the decentralisation process (policy design and implementation process), although Jütting et al. (2004) provide evidence that the latter may be more important than the former. Successful decentralisation is understood here as a process which improves outputs and outcomes at local level, including in the volume and quality of public services and reductions in income and non-income dimensions of poverty (e.g. empowerment).

The ingredients for successful decentralisation can be grouped into three categories: political, fiscal and administrative (Jütting et al. 2005).

Political factors

- Political commitment from the centre. Political commitment to decentralisation from the centre is essential for effective decentralisation, and especially pro-poor decentralisation processes. Evidence suggests that successful pro-poor decentralisation is associated with governments that are politically committed to the democratic empowerment of local governments, through the delegation of power and resources. Examples include the India states of West Bengal and Kerala, Bolivia, South Africa and the Philippines. In Ghana, the impact of the decentralisation process has been weakened due to somewhat partial deconcentration of powers, as central government maintained the presence of appointees in local government bodies (Jütting et al. 2005).
- Political commitment and leadership from local government. Commitment and leadership from local governments is also key to ensure effective response

to the opportunities presented by higher level commitment. The electoral process plays a role here as it should promote the competition required to ensure that the best leaders are put in office (Robinson 2003).

- Policy coherence. Policy coherence is a sign of commitment to decentralisation. It is often the case that central government adopts sectoral policies which undermine the power of local authorities by indirectly limiting resources and functions, compromising the decentralisation process (Jütting et al. 2005).
- Accountability mechanisms. Accountability mechanisms need to be in place to hold bureaucrats accountable to elected representatives and elected representatives accountable to citizens (Crook and Manor 2000).
- Political mobilisation of the poor. The extent of people's engagement, by the poor in particular, with decentralised policy processes depends, to some extent, on the presence of an organised civil society independent from the state and with capacity to promote the interests of the poor. A strong civil society and its inclusion in the decentralisation process seem to have strengthened pro-poor outcomes of decentralisation (ibid).
- Institutionalised participation. Some argue that having institutionalised arrangements to support participation in place (e.g. consultative bodies) will facilitate public engagement while others claim that such arrangements undermine popular resistance and oversight (Robinson 2003). Participatory budgets in Brazil are an example of reportedly successful experiences with institutionalised participation.

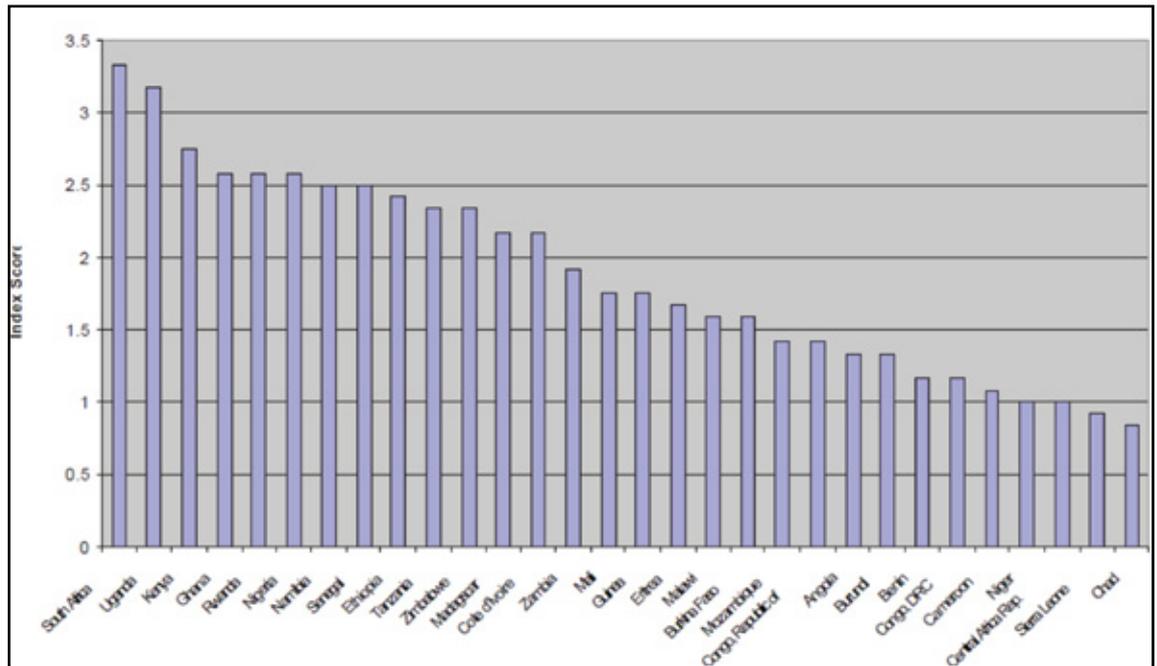
Fiscal factors

- Adequacy of financial resources. The availability of financial resources is a basic condition for effective decentralisation. Without some degree of financial decentralisation, the transfer of responsibilities cannot be operationalised. But the financial autonomy of local governments is bound to be constrained by the limited scope for raising revenue locally, the fact that transfers from central government are often earmarked to specific programmes and activities, and the fact that salaries and recurrent expenditures tend to account for a large share of local government budgets. Limited financial autonomy may undermine local government's capacity to implement local development programmes which respond to the needs of local people.

Administrative factors

- Division of central/local roles. There needs to be clarity about the distribution of responsibilities and powers between central and local governments and about the expected relationship between these different levels of governance, such as the rules and practices governing fiscal transfers. (Jütting et al. 2005, Ekpo 2008).
- Technical and managerial capacity. Technical and managerial capacities are often weak at local level. Decentralisation of responsibilities and resources is not necessarily accompanied by measures to ensure local government's capacity for planning, budgeting, implementing and monitoring. Lack of such capacities

Figure 1.2 Extent of decentralisation in Africa (aggregation of political, administrative and fiscal indexes)



Sources: Ndegwa (2002). Index score on a scale of 0 to 4.

is likely to have a bearing on service delivery (Robinson 2003). Jutting et al. (2005) suggest that successful decentralisation is not necessarily preceded by strong local human capacity, but investments in building local capacity are part of the decentralisation process.

Where such conditions are fulfilled, decentralisation could be a powerful tool for reducing poverty (Jutting et al. 2005, Ndegwa 2002). The challenge is that most of the above conditions cannot be fulfilled in practice, particularly in those countries where pro-poor decentralisation may be mostly needed, such as in many African countries. Smoke (2003) suggests that where the basic conditions are not in place they should be incorporated in the reform programme for building decentralisation. Ahmad et al. (2005) confirm this point by arguing that decentralisation is not a one-off policy change but an on-going process. It is therefore the dynamics of the process that matter. They emphasise the importance of reform sequencing, choice among different forms of decentralisation and how the politics is managed along the way.

Decentralisation processes in Africa

The wave of decentralisation in Africa started between the late 1980s and early 1990s, often in the context of public sector reforms associated with structural adjustment programmes. Countries like Uganda, Ghana, Nigeria, Botswana, Côte d'Ivoire, Kenya and Tanzania, were among the first to include decentralisation in their public sector reform packages.

There are important research gaps on decentralisation in Africa though. Few studies review decentralisation experiences across the region in a comprehensive and comparative way. Much of the available evidence is anecdotal or focused on a very specific set of issues, such as participation, empowerment or fiscal autonomy. Variety

of experiences and context makes comparison difficult. Some comparative studies have used the ratio of sub-national expenditures to central government expenditures as the indicators of the degree of decentralisation, but such indicator is misleading and provides no indication about the nature and depth of decentralisation policy.

Despite data gaps, available evidence suggests that the overall picture for decentralisation in Africa is glooming, as there are no undisputable success stories in terms of governance outputs and outcomes at local level. Failure has been explained, *inter alia*, by: over-centralisation of resources, limited transfers to sub-national government, narrow local revenue base, lack of local planning capacity, limited changes in legislation and the absence of a meaningful local political process (Robinson 2003).

Conyers (2007) argues, however, that decentralisation is yet to have a fair trial in Africa, as few African countries have experienced true devolution of powers and resources to local governments. Furthermore, weaknesses found with decentralised governance are a reflection of problems affecting governance more broadly, such as lack of accountability mechanisms, poor administrative capacity of the state and weak civil society.

Forms and depth of decentralisation

The extent and depth of decentralisation in Africa is assessed by Ndegwa (2002) on the basis of indexes measuring the degree of political, administrative and fiscal decentralisation in 30 African countries – Figure 1.2. Such assessment suggests a mixed picture. Although all countries were found to have structures of sub-national governance in place, analysis revealed the continued dominance by central government. Decentralisation in Africa has been widespread but not deep.

The study also indicates that decentralisation in Africa has been progressing unevenly both in terms of

geographical spread and in terms of the nature of decentralised capacities. Political decentralisation was found to be the most widespread component of the decentralisation process, although not necessarily deeply established. Although most countries have elected local structures, fairness and freedom of the electoral process are often questionable. Also, broad-based participation beyond elections and downward accountability³ were found to be low.

Countries scored relatively high on administrative decentralisation, a reflection of the fact that deconcentration has been the preferred pathway to decentralisation in Africa. But even administrative decentralisation has been of questionable quality. Upward accountability⁴, from local to central governments, scored very low. The transfer of powers to the local level has generally not been supported by supervision measures from the centre needed for the newly empowered local authorities to deliver on their new mandates and this may have compromised the effectiveness of the decentralisation process in Africa.

Fiscal decentralisation was found to be lagging behind – in more than half of the countries reviewed, local governments control less than 5% of the national public expenditure.

In Ndegwa's assessment, South Africa and Uganda appear consistently in the top ranking of decentralisation experiences. Kenya and Ethiopia appear, together with Ghana, Nigeria, Tanzania, Cote d'Ivoire, amongst other, in the group of countries with moderate degrees of decentralisation. Malawi is amongst the group of countries with low levels of decentralisation.

But Ndegwa's assessment has, as the author explains, a number of caveats. For example, the proportion of fiscal transfers to localities on national public expenditures, used to compute the fiscal decentralisation index, says nothing about the localities' discretionary power over the allocation such transfers. Also, Ndegwa's political index does not capture issues like equitable access to the political process. In fact, in another assessment (Jütting et al. 2005), Uganda get a less optimistic rating, largely due to strong direct central state intervention, limited local control over financial resources and elite capture of local politics in spite of increases in political participation.

Drivers

Although the explicit justifications for decentralisation may vary from country to country, political motivations tend to play a major role. Decentralisation may result from pressure to reform the state. The international community, driven by empowerment and efficiency narratives, has been an important driving force pushing for decentralisation reforms. But in the African context, the politics of ethno-regional relations is particularly important in shaping the design and outcomes of decentralisation (Crook and Sverrisson 2001, Ndegwa 2002, Crook 2003, Smoke 2003).

Crook and Sverrisson (2001) anticipate four possible decentralisation scenarios shaped by the nature of political relations between central and local governments. Such relations result primarily from the character and power bases of the ruling elite (at national level) and

their relationships with local elites. The configuration of local economic, social and political structures is, on the other hand, important to determine the power bases of local elites and hence their relationships with the ruling elite.

One possible scenario is that the ruling elite at central level seeks to expand and consolidate its power base through alliances with local elites. Under this scenario it is unlikely that decentralisation would produce pro-poor outcomes as policies and resource allocation would tend to reinforce conservative forces. Evidence suggests that governments in Nigeria, Ghana, Cote d'Ivoire, Kenya, Tanzania and Zimbabwe have all used decentralised structures to consolidate ruling party power and influence at the local level through alliances with local elites (Crook 2003).

Another scenario is that the ruling elite challenges local established powerful groups, for ideological, class or ethnic reasons. In this case, decentralisation is likely to take the form of deconcentration with a strong role played by central government to counter local elite capture and to construct a new political base. Although this is not necessarily a pro-poor scenario, there are a few examples of pro-poor policies being pursued in such contexts in Asia and Latin America (see section 3.4).

A third scenario would occur where there is a threat of regional/ethnic separatism or of emerging political rivals challenging central power. In this case central government would adopt a decentralisation strategy which would deliberately fragment local power bases into weak and politically insignificant units. In Uganda, decentralisation was used to fragment important geopolitical areas which constituted a threat to central power (Crook 2003).

Finally, the fourth scenario would be the consolidation of a powerful ruling elite in a context where local elites do not have significant autonomous power. Under this scenario, decentralisation would usually take the form of deconcentration, and would be used to articulate the power of the regime down to local level. Outcomes would in this case depend on the motivations of central government. If done well, decentralisation could in this context deliver more effective spatial redistribution of resources. But it could also consolidate a corrupt centrally-driven patronage system (Crook and Sverrisson 2001).

Impact on service delivery

The very limited evidence available on the impact of decentralisation on service delivery in Africa, 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). The few cases documenting a positive link between decentralisation and service delivery in Africa come from the health and roads maintenance sectors. Conyers (2007) quotes evidence from Mehrotra (2006) that indicates that decentralisation of primary healthcare services to locally elected health committees in Benin, Guinea and Mali, and to local government in Mozambique, has increased access to affordable health services and this has contributed to improvements in immunisation rates and infant mortality. Impact was found to be associated with the nature of the decentralisation process and was

likely to be greater where powers and resources were de facto transferred to local governments.

In spite of the shortage of studies assessing impact on service delivery there is a wealth of studies on the impact of decentralisation on intermediate variables affecting service delivery, such as access to local information, the locus of decision-making power, resource availability, administrative performance and accountability between central and local government (Conyers 2007, Ahmad et al. 2005). We discuss each of these in turn.

Participation (as a means to accessing local information) alone does not guarantee that the quality and relevance of development plans will be improved (important to improve allocative efficiency) and does not guarantee influence in policy making. It all depends on who participates and under which terms, which is determined by local power structures. Devolution of powers to local elected authorities does not necessarily ensure local interests and needs (particularly those of the poor) will be responded to. There is evidence suggesting that elected authorities have turned out to be less representative and responsive than central government (evidence quoted in Conyers 2007).

Participation in local governance can only play a meaningful role if local authorities have decision-making power. Early decentralisation experiences in Africa consisted of a mere deconcentration of planning and administrative capacities, with no real power transfer and hence limited impact. A frequent problem is that decision-making powers are often not accompanied by financial management powers. Local institutions are given decision-making competences but not allowed control over resource allocation which compromises impact over service delivery. Uganda provides an example of this (Jütting et al 2005).

If given financial powers, local authorities would only be able to exert such powers if financial resources are available, either through sources of tax revenue, user fees or transfers from central government. Tax revenue is rarely a significant source of revenue for local governments as the tax base of predominantly rural and poor areas is low and both central and local governments have no incentives to increase taxation for political reasons. Evidence from Uganda suggests that central government is sometimes the main obstacle to increasing taxation: the government of Uganda abolished an important source of local revenue despite objections from local government (Conyers 2007). User fees are hardly associated with decentralisation and have typically been introduced as part of structural adjustment programmes run by central governments rather than decentralisation reforms per se. Transfers from central government are typically the main source of revenue but these are often earmarked to specific activities and services defined at the centre and therefore do not guarantee that local needs and priorities will be addressed.

Administrative performance is, according to the literature, poor in most decentralised systems but this is a reflection of capacity limitations affecting the public sector more broadly. There is however evidence that improved downward accountability (through local elections and civil society mobilisation, for example) can enhance administrative performance.

Ahmad et al. (2005) emphasise the importance of accountability relationships between actors in the service delivery chain for public services. Decentralisation (or at least certain forms of decentralisation) introduces a new accountability relationship (between central and local policy-makers) while altering existing relationships (between citizens and elected politicians). The authors argue that such accountability mechanisms are critical for improving local service delivery as they affect the incentives facing service providers. The service delivery incentives facing local governments are likely to improve if they raise their own revenue through local taxes, rather than relying on central transfers whereas over-dependence on central transfers can undermine the accountability of local governments to their electorate and hence the incentives for improving service delivery. Intergovernmental fiscal transfers, on the other hand, introduce incentives (through budgeting and evaluation – i.e. local to central government accountability) to ensuring efficient service delivery and value for money. Where the tax base and capacity of central government to perform an oversight role are limited, as in much of SSA, the effects of decentralisation in service delivery are likely to be modest.

Hence, it seems that, overall, the impact of decentralisation in intermediate variables affecting service delivery outcomes depends on the particular design of decentralised government systems (e.g. extent of devolution of powers and resources) as well as the country's political, institutional and socio-economic context (e.g. local power structures, institutional capacities of government and local tax base).

Ahmad et al. (2005) also emphasise that the process of implementing decentralisation – such as the sequencing of reforms – can be as important as the design of the system in influencing service delivery outcomes. Decentralisation is a dynamic process and the sequencing of changes is hardly systematic but is determined by, often unpredictable, political openings that allow change to happen. Undertaking too many reforms too quickly risks overwhelming the capacity of local governments, creating opportunities for poor resource use and prematurely free local officials from central control without having in place effective mechanisms to account to local constituents (Smoke 2003). In Africa, decentralisation processes have often led to mismatches between fiscal, political and administrative responsibilities – e.g. political decentralisation without fiscal authority or design of fiscal transfers without clarity on expenditure (e.g. South Africa, Mozambique) – which have compromised service delivery outcomes.

Another important process aspect stressed by Smoke (2003) is coordination between different actors involved in the decentralisation process. Ministries of Local Government or Home Affairs are usually at the forefront of decentralisation reforms but other agencies also play a central role. Ministries of Finance have responsibilities for decentralising revenues and defining financial transfers to local levels. Sectoral ministries have a major role in the devolution of administrative responsibilities in their specific fields. Civil society organisations have an important role in mobilising local constituencies to engage with decentralised governance. Yet, one of the

greatest difficulties in most decentralisation efforts in Africa has precisely been coordination of all the actors involved and the failure to build linkages between the different components of decentralisation. Some countries have tried to devise coordination mechanisms (e.g. decentralisation secretariats) but with varying success (ibid).

Impact on poverty

Democratic decentralisation brings government closer to the electorate and therefore is expected to benefit most the median voter, who in most developing countries is poor. Available evidence does not confirm, however, that public policies in decentralised governments perform better in delivering services to the poor. The paradox is that policy-makers that depend upon political support from the poor do not effectively deliver basic services that benefit the poor (Ahmad et al. 2005).

Ahmad et al. (2005) argue that 'political market failures' explain the paradox. They discuss three types of political market imperfections: lack of information by voters about policy-making performance; social, ethno and ideological affiliations which lead to 'identity-based voting', with lower weight being given to policy outcomes; and lack of credibility of political promises to voters. In developing countries, poor voters are more likely to be uninformed and are more susceptible to vote on the basis of ethnic or religious identity. Politicians are likely to be credible only to the few voters with whom they maintain clientelist relations which means that public resources are allocated to benefit these clients to the detriment of broad public services accessible to the poor. Where such imperfections are significant, the authors claim, political decentralisation might not be the most effective way of improving pro-poor service delivery.

Evidence from a selection of sub-Saharan African countries⁵ shows that the degree of responsiveness by policy-makers to the poor and the extent to which decentralisation impacts on poverty are determined essentially

by the politics of local-central relations (e.g. extent to which ruling elites control local powers) and the commitment of central authorities to poverty reduction (Crook 2003). Decentralisation is unlikely to be pro-poor without improved accountability mechanisms at both local and national levels.

Crook (2003) assesses the pro-poor character of decentralisation experiences by analysing five dimensions of poverty: empowerment of the poor (i.e. responsiveness of government and effectiveness of participation of the poor), pro-poor economic growth, equality of income distribution, human development and spatial inequality. It concludes that decentralisation has had little impact on poverty in the selected African countries.

With regards to empowerment, although there are signs of increased participation in decentralised government in Africa, there is little evidence it has resulted in policy responsiveness, that is, better correspondence between the needs and preferences of the local people and public policy – Box 1 provides examples from Ghana, Cote d'Ivoire and Kenya.

The lack of responsiveness is due to weaknesses in accountability mechanisms which fail to ensure the interests of the poor are effectively represented in policy making. In Tanzania, responsiveness is particularly weak in rural and poorer districts where poverty and lack of education compromises constituents' capacity to access and influence district councillors.

As for commitment of local governments to pro-poor economic growth this is hardly present. In Nigeria, where most of the population depends on agriculture, most local governments do not have agricultural development programmes, spending their resources mostly on urban infrastructure and recurrent costs. Paradoxically, rural infrastructures, especially those to support agricultural development, are often not within the remit of local governments.

As for social equity, decentralisation in Africa does not tend to favour representation of disadvantaged groups,

Box 1. Participation not enough for pro-poor policy: the cases of Ghana, Cote d'Ivoire and Kenya

Evidence from selected African countries suggests that participation is a necessary but not sufficient condition for greater policy responsiveness to the needs of the poor.

In Ghana, District Assemblies were introduced in 1989, under the military rule, to improve electoral participation and enhance access to groups normally excluded from policy processes. These Assemblies have indeed improved participation, particularly those normally excluded such as farmers, traders and artisans. But their responsiveness to the needs of the people, particularly the less privileged in rural areas, such as women, has been disappointing. District surveys revealed the lack of congruence between District Assembly investments (in office buildings and equipment for the new Assemblies, as well as centrally determined programmes) and popular preferences for road repairs, health facilities, water supplies and electricity.

In Cote d'Ivoire, the systems of local Communes, urban settlements with population of usually less than 20,000, is largely dominated by the elite, with Mayors that continue living in Abidjan. Consultation with local citizens hardly takes place and the Communes' favoured investments, on town halls and secondary schools, hardly correspond to popular preferences for roads, social facilities and water supplies.

In Kenya, a country placed by the study at the bottom of the list in terms of reputation for pro-poor responsiveness (alongside Nigeria and Zimbabwe), a District Focus for Rural Development system was introduced in 1983. It incorporates representatives of locally elected government but it is essentially a deconcentration of central ministries tightly controlled by central officials. District Commissioners are appointed by the President and take decisions on resources allocations which are driven by political patronage while undermining local rules and procedures and the local revenue system (as there is reluctance to enforce tax payments and extract used charges to people known to politicians and officials). Representation by the poor is limited and popular participation 'an illusion'.

Source: Crook (2003)

but rather strengthen patronage networks which are hardly equitable in distributing rents. Some positive results for pro-poor decentralisation have however been reported in terms of spatial equality. In most African countries local governments are dependent on central transfers, as the local revenue base is very narrow. This means there is scope for redistribution of resources from richer to poorer regions. Decentralisation has produced positive results in countries where it allowed poor remote areas with few or no services to have access to new resources. In Ghana, the creation of the District Common Fund is an example of that. In Kenya, the District Focus for Rural Development system resulted in a redistribution to poorer areas but the motivations for this are likely to have been driven by political interests rather than by pro-poor concerns – the objective may have been to strengthen President Moi's political base outside the more affluent Kikuyu territory.

However, increased spatial distribution of resources can in some cases undermine poverty reduction objectives. It is argued that in Uganda, devolution of funding and increased in local tax raising fragmented available investment capital and made pro-poor redistribution of resources more difficult (Belshaw 2000 quoted in Crook 2003).

There are, however, success stories in terms of pro-poor decentralisation reforms, but these come from other world regions. The Indian states of West Bengal and Kerala and the Brazilian states of Ceará and Minas Gerais and Rio Grande do Sul provide the few documented positive experiences – Box 2.

Success is explained by the relationships between central and local ruling elites and the political goals of decentralisation reforms. The political motivations of strong central government interested in challenging conservative local elites and constructing a new political base through anti-poverty policies seems to have been the key to success. In Africa, however, the political motivations behind decentralisation reforms tend to follow a totally different logic. Decentralisation is often used to control local power bases or consolidate alliances with local elites in order to reinforce the ruling party's power and influence at the local level rather than to challenge local elites who are resistant to or uninterested in pro-poor policies. Decentralisation in Cote d'Ivoire, Kenya, Tanzania and Zimbabwe has been used to consolidate ruling party power at local level, and also to build new local power bases (e.g. Moi in Kenya).

Conclusion: the limits of decentralisation in Africa

In the analysis above a number of limitations to decentralisation in Africa emerge. These relate to institutional capacities, fiscal constraints and, above all, the political context.

Ethno-regional pluralism which characterises many African countries is a source of political instability and a challenge to the unitary structure of the state. Decentralisation is, in such contexts, risky and the depth of decentralisation reforms will be toned down by the threat of reinforcing political rivals or nurturing separatism. In such cases decentralisation is deliberately used to weaken rather than strengthen local power bases, while reinforcing central funding and control mechanisms that allow for spatial redistribution and centrally-focused patronage linkages (Crook 2003). In Nigeria the military regime used local governments to control ethnic opposition and transfer resources from oil producing to non-oil producing areas. In Uganda, decentralisation was used to fragment rival ethnic claims and put off demands for a multi-party system (ibid).

In more homogeneous societies, other factors may play a role. Political market failures – such as lack of information by voters on political performance – may explain the lack of responsiveness of policy-makers to the median voter, that is, the rural poor. Where political market failures are significant decentralisation is unlikely to be pro-poor.

Institutional weaknesses pose considerable obstacles to successful decentralisation. Some of these, such as local capacity gaps, can be addressed. But some other, which are closely associated with the political context are harder to tackle. For example, the effectiveness of downward accountability mechanisms depends on the political mobilisation of people. Upward accountability depends on the real motivations of central government. Furthermore, institutional coordination of different key players in the decentralisation process is premised not only on managerial capacity but more importantly on leadership and commitment by the key parts.

Fiscal constraints are related to the low resource base and limited absorptive capacity at local level due to institutional weaknesses. These constraints not only limit what local governments can effectively do with their newly assigned competences but, perhaps more importantly in the long term, they compromise the development of a local constituency for local government which would be the key source of demand for good local governance.

Box 2. Good practice with pro-poor decentralisation in India and Brazil

Democratic decentralisation in West Bengal, India, is associated with a programme of radical agrarian reform implemented over more than 20 years which produced significant benefits for the poor in terms of participation, growth of agricultural production and human development.

In Brazil, rural development programmes funded by federal government and state and city level programmes launched by progressive reforming parties have delivered considerable pro-poor outcomes. In the state of Ceará, the success of highly innovative rural preventive health and employment generating policies is explained by the dynamic interaction between local government, state government and civil society.

Source: Crook (2003)

Does this imply that decentralisation is doomed in Africa? It seems that, as an overarching governance process, decentralisation may have limited chances of success, without a more structural transformation in African societies which reduces the polarisation of power and gives the median voter more agency. Sector experiences suggest, however, that sector-bound decentralisation may be more manageable in the short term – the case of decentralised agricultural extension is analysed in annex. A limitation of sector-bound decentralisation is, however, its compartmentalisation into sector specific institutional arrangements which may make it ill-suited to respond to the complexity of rural livelihoods (SLSA Team 2003).

Appendix

Decentralisation in the agriculture sector: the case of extension services

Rationale for decentralising extension services

The literature suggests that decentralisation can an effective means for improving service delivery and reducing poverty provided certain conditions are in place and the political regime is favourable. But decentralisation does not necessarily make sense for any type of public services. Different public sector services will have different suitable governance arrangements. The specific services to decentralise and the form of decentralisation to adopt will depend on economies of scale affecting technical efficiency and degree of spillover effects beyond jurisdictional boundaries (Litvack and Seddon, 1999 eds, p.7).

In agriculture, there is a case for decentralising extension services, or at least some components of such services, as context specificity and responsiveness to demand ought to be important features of services provided and direct contact with beneficiaries (mostly farmers living in rural areas) is required. Decentralisation potentially increases user ownership of extension programmes (many use participatory methods) and financial support for services (through user chargers, outsourcing and private provision), thereby developing constituencies for extension and ensuring greater accountability (World Bank 2000).

Despite its suitability to decentralisation, extension services in the developing world, and in Africa in particular, remain heavily centralised although there have been some attempts to revert this.

Decentralisation of extension services have taken a variety of forms. Ghana in the 1990s deconcentrated its extension system by transferring management and technical functions to regional and district extension offices. This form of decentralisation proved however insufficient to ensure rural participation in planning and responsiveness to farmers' needs (Swanson and Samy 2002). There are examples of devolution of extension systems in Asia, Europe and America, whereby extension administrators are primarily responsible to the local government and local government co-finance extension services. There are also examples of delegation and privatisation of extension services – Integrated Rural Development projects, popular in the 1970s and 1980s in much of the developing world, often included extension components. Such projects were usually managed by autonomous administrative units which functioned well but

collapsed after the end of external funds. Transfer of extension functions from central government to the private sector, farmer associations and NGOs has become increasingly popular since the 1990s. International and national NGOs have been playing a particular important role in African countries and they have become particularly effective in providing educational and other services to small and marginal farm households in African countries (evidence quoted in Swanson and Samy 2002).

The conditions suggested in the literature for effective decentralisation of agricultural services are largely the same found for decentralisation in general. Drawing on a number of case studies, Swanson and Samy (2002) identify the following key elements for a successful decentralisation of national extension systems. One is a legal framework and structure of authority that defines the decentralised extension levels and how they relate to each other. Drawing on the earlier discussion in this paper, political commitment and clarity in the division of roles might be more important, however, than actual legislation. Stakeholder participation is identified as another essential ingredient in decentralising agricultural extension systems, as active civil societies play an important supporting role to decentralised extension. Adequate managerial capacity at lower levels to carry out additional responsibilities is another important success condition as well as knowledge and technical skills of extension agents. Adequate funding for local level extension is essential for implementation of decentralised extension. And finally, accountability to beneficiaries and to those who fund extension programmes is important to ensure good performance of extension systems. In addition to legal oversight and administrative mechanisms (such as monitoring systems or incentives schemes), it is suggested that promoting competition between different providers (public, private and NGOs) is an effective means to improve efficiency and accountability.

The case for decentralisation should not be used as an argument against the role of central government in agriculture, and in extension in particular. The provision of certain functions by central government agencies remains justifiable, largely for economies of scale, oversight and equity reasons. Central government has important coordination, backstopping, supervision and inter-regional distributional roles to play. A World Bank review of agricultural extension best practices suggests that functions best centralised are those that support national strategies and financing mechanisms, involve economies of scale and scope, serve various administrative regions, and require specialised technical input that may not be available at local level – Table 2.

Furthermore, there are risks associated with decentralisation which need to be taken into account: duplication of ineffective administrative structures in place at the centre, poor quality of services provided due to lack of adequate technical competences and financial resources (Swanson and Samy 2002). Lack of coordination between local administrations can also be a problem as different localities or regions can focus on promoting the same commodity leading to overproduction and low prices (World Bank 2000).

Table 2. Centralised and decentralised extension functions

Extension functions	Level of provision
Extension policy, strategy formulation and planning	Centralised
Training programmes for extension agents	Centralised or decentralised
Technical specialist support to extension agents	Centralised
Production of extension publications and other support materials	Centralised
Monitoring and evaluation	Both levels
Training programmes for farmers	Decentralised
Market information services	Centralised
Encouragement for private sector extension	Mixed
Mass media campaigns	Centralised, but may be decentralised
Internet/telephone dissemination of information and fielding questions from farmers, agribusinesses or extension agents	Centralised

Sources: World Bank (2000).

Table 3. Types of extension systems according to source of funding and delivery

	Public delivery	Private delivery
Public funding	Traditional government extension system	Outsourcing of responsibility for extension delivery to non-public sector providers such as NGOs and CBOs
Private funding	Government staff contracted by private agencies to deliver extension services	Commercial entities provide their suppliers with extension services required to improve their technical efficiency

Box 3. Good practice for decentralisation in World Bank extension projects

1. Centralise or decentralise programmes as appropriate to the particular extension service: programme execution and authority should rest at the level most appropriate for effective user influence. The local level is likely to be the adequate level for extension and adaptive research, the national or state level for extension support services and strategic and applied research.
2. Adapt strategies to local institutional environments: decentralisation strategies must conform to local needs and potential. Decentralisation of extension must reflect the general status of political decentralisation in a country.
3. Strengthen central support services for extension: decentralised extension requires central support to plan and coordinate programmes, facilitate institutional linkages, formulate policies and ensure that national priorities are addressed.
4. Provide mechanisms for policy formulation in mixed systems: reconciling national policy objectives with priorities emerging from decentralised programmes requires flexibility and planning and budgeting systems that integrate both sets of priorities.
5. Continue to provide public sector financing: decentralisation may initially increase the level of public funding required, but over the long term it offers opportunities for producers to cofinance some services. Financial participation will increase beneficiaries' ownership and interest in extension programmes.
6. Fiscal transfers for research and extension: fiscal transfers from central government will always be required. They should be structured to give users maximum influence over programme design.
7. Plan for transition and local capacity development: building local capacities is a prerequisite for decentralising extension services. Investments in staff development, management systems and facilities are required. All of this takes time.
8. Ensure monitoring and evaluation of decentralised systems: strong central M&E is required in the early stages of decentralisation. Local institutions need to develop their own M&E to support programme design and management at local level. Integration between different levels is required to produce quality and reliable information.

Source: World Bank (2000)

Evidence of impact of decentralised extension

Is there evidence that access and quality of extension services improves with decentralisation of extension systems? One study shows that access to extension services in Kenya has improved with decentralisation (Nambiro et al. 2006). Decentralisation of agricultural extension services in Kenya has involved decentralisation of government responsibilities through structural reforms and increased participation of end users in extension programmes. Four types of delivery system currently coexist in Kenya's decentralised extension system – Table 3.

Nambiro et al. (2006) show that farmers are more likely to seek extension advice in areas of greater decentralisation where different channels for delivery of extension services exist using complementary methods of operation. In particular, in agriculturally marginal areas (Makuni district in eastern Kenya) farmers living in areas of higher decentralisation of services were significantly more likely to access demand-induced extension. But the study also finds that income and literacy levels of the household head impact on the likelihood of receiving demand-induced extension services and therefore such services might marginalise the poor and ill-informed.

The study also finds that there is willingness to pay for extension services (by 49% of farmers enquired by the study) which justifies privatisation of extension if high quality services can be provided. Yet the study also notes that government has a crucial role to play in low potential and remote areas to ensure that the poor are not deprived of extension services. Also, public extension services are still considered the most affordable and reliable source of extension information (at least in high potential areas) although due to funding constraints might not be available in the quantity required.

Policy implications

There are important roles for public and private suppliers to play in decentralised extension systems. Coordination of activities between these different providers seems to be the key to ensure that complementarities are explored and duplication of efforts is avoided. The role of central services continues to be important in a decentralised extension system, particularly in ensuring coordination between providers and across regions and localities.

Good practice suggests that certain administrative functions, such as strategy development and monitoring and evaluation, as well as specialised technical support are better provided at central level – Box 3. Hence, central and local government need to support each other for decentralised extension systems to work effectively. In this new relationship, central government's role changes from one of control to one of supervision, facilitation and support (World Bank 2000).

As this paper illustrated, however, the extent to which relations between central and local government will work effectively depends to a considerable extent on underlying motivations and political dynamics as well as on the capacity of service users to make governments accountable.

End Notes

¹ People reveal their preferences by “voting with feet” and moving to those jurisdictions that satisfy their preferences (Azfar et al. 1999).

² The political decentralisation index takes into account the number of elected sub-national tiers, the score for the existence of direct elections for local governments, and the score for turnout and fairness of such elections. The administrative decentralisation index includes the score for the clarity of roles for national and local government provided by the law, the score indicative of where the actual responsibility for service delivery resided, and the score indicative of where the responsibility for civil servants resided. The fiscal decentralisation index was computed as the mean on the score given for the arrangements for fiscal transfers from the central government to localities and the score corresponding to the proportion of public expenditure controlled by the localities.

³ Downward accountability is measured by the presence of institutions necessary to enforce accountability, such as elections and citizen participation forums.

⁴ Upward accountability is measured on the basis of the existence of supervisory instruments on performance from the centre such as auditing of accounts, service delivery standards and monitoring and evaluation systems.

⁵ Primarily, Cote d'Ivoire, Ghana, Kenya, Nigeria and Tanzania

References

- Ahmad, J., S. Devarajan, S. Khemani and S. Shah (2005) 'Decentralisation and service delivery', World Bank Policy Research Working Paper 3603, May.
- Andrews, M. and L. Schroeder (2003) 'Sectoral decentralisation and intergovernmental arrangement in Africa', *Public Administration and Development*, 23 (1), pp. 29-40.
- Azfar, O., S. Kahkonen, A. Lanyi, P. Meagher and D. Rutherford (1999) 'Decentralization, governance and public services. The impact of institutional arrangements', Working paper 255, Center for Institutional Reform and the Informal Sector, University of Maryland.
- Bardhan, P. (1996) 'Decentralised development', *Indian Economic Review*, 31 (2), pp. 139-56.
- Cohen J. and S. Peterson (1999) *Administrative Decentralization: Strategies for Developing Countries*. Lynne Reinner: Boulder, CO.
- Conyers, D. (2007) 'Decentralisation and service delivery: lessons from Sub-Saharan Africa', *IDS Bulletin*, 38 (1), pp.18-32. Institute of Development Studies.
- Crook, R. and R. Manor (2000) 'Democratic decentralisation', OED Working Paper Series, 11. Operations Evaluation Department, World Bank.
- Crook, R. and R. Manor (1998) *Democracy and decentralisation in South Asia and West Africa*, Cambridge: Cambridge University Press.
- Crook, R. (2003) 'Decentralisation and poverty reduction in Africa: the politics of local-central relations', *Public Administration and Development*, 23 (1), pp. 77-88.
- Ekpo, A. (2008) 'Decentralization and service delivery: a framework', paper prepared for the African Economic Research Consortium, Nairobi.
- Foster, M., A. Brown and F. Naschold (2001) 'Sector programme approaches: will they work in agriculture?', *Development Policy Review*, 19 (3): 321-228. ODI, London.
- Jütting, J., E. Corsi, C. Kauffmann, I. McDonnell, H. Osterrieder, N. Pinaud and L. Wegner (2005) 'What makes decentralisation in developing countries pro-poor?', *The European Journal of Development Research*, 17 (4), pp. 626-648.
- Jütting, J., E. Corsi, C. Kauffmann, I. McDonnell, H. Osterrieder, N. Pinaud and L. Wegner (2004) 'Decentralisation and poverty in developing countries: exploring the impact', Working paper 236, OECD Development Centre.
- Litvack, J. and J. Seddon, edited (1999) 'Decentralization briefing notes', WBI working papers, World Bank Institute.
- Mehrotra, S. (2006) 'Governance and basic social services: ensuring accountability in service delivery through deep democratic decentralisation', *Journal of International Development*, 18, pp. 263-283.
- Nambiro, E., J. Omiti and L. Mugunieri (2006) 'Decentralisation and access to agricultural extension services in Kenya', paper presented at the International Association of Agricultural Economists Conference, Australia, Aug. 12-18.
- Ndegwa, S. N. (2002) 'Decentralisation in Africa: a stocktaking survey', *Africa Region Working Paper Series 40*, World Bank.
- Ribot, J. (2002) *Democratic Decentralization of Natural Resources: Institutionalizing Popular Participation*. World Resources Institute, Washington, DC.
- Robinson, M. (2007) 'Does Decentralisation Improve Equity and Efficiency in Public Service Delivery Provision?', *IDS Bulletin*, 38 (1), pp. 7-17. Institute of Development Studies.
- Robinson, M. (2003) 'Participation, local governance and decentralised service delivery', paper prepared for workshop on New Approaches to Decentralized Service Delivery, Santiago, Chile, March 2003. Institute of Development Studies.
- SLSA Team (2003) 'Decentralisations in Practice in Southern Africa', *IDS Bulletin*, Vol. 34 No. 3. Institute of Development Studies.
- Smoke, P. (2003) 'Decentralisation in Africa: goals, dimensions, myths and challenges', *Public Administration and Development*, 23 (1), pp. 7-16.
- World Bank (2000) 'Decentralising agricultural extension: lessons and good practice', *Good Practice Note, Agricultural Knowledge & Information Systems*, World Bank.

This **Working Paper** was written by **Lídia Cabral** of the **Future Agricultures Consortium**. The series editor is **Beatrice Ouma**. Further information about this series of Working Papers at: www.future-agricultures.org

The Future Agricultures Consortium aims to encourage critical debate and policy dialogue on the future of agriculture in Africa. The Consortium is a partnership between research-based organisations across Africa and in the UK. Future Agricultures Consortium Secretariat at the University of Sussex, Brighton BN1 9RE UK T +44 (0) 1273 915670 E info@future-agricultures.org

Readers are encouraged to quote or reproduce material from Future Agricultures Briefings in their own publications. In return, the Future Agricultures Consortium requests due acknowledgement and a copy of the publication.

FAC appreciates the support of the
UK Department for International Development (DFID)

