DEMOCRACY, GOVERNANCE AND DECENTRALIZATION

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In the half century that has followed the conclusion of World War II there has been
increasing concern about issues of democratization and good governance. This concern was given
an initial impetus by the growing belief in the aftermath of World War II that democratic
governments were both less likely to seriously violate basic human rights as well as to resort to
violence and war as a means of resolving disputes between themselves.

Concern about the creation and sustaining of democratic institutions within a society, as well
as the role of good governance in maintaining democratic institutions, was further encouraged by
the disillusionment produced as a result of the difficulties, indeed in many instances failures, of
efforts at introducing democratic institutions in the various transitional societies of Africa, Asia and
Latin America. In particular, the failure of efforts at encouraging democratic economic development
within the framework of highly centralized states initially gave rise to much concern about issues
of good governance. During the past decade, with increasing frequency, those concerns have
resulted in growing attention being paid to issues of decentralization and especially to the
relationship between decentralization and democratic governance.

This last concern however is obviously not a totally new phenomenon. One need only turn
to the writings of Jean Jacques Rousseau and his observations on the functioning of Swiss cantons
and their role in serving as vehicles for the preparation of the citizenry to engage in democratic
governance to find some early speculations upon the relationship between democracy, governance
and decentralization. Equally relevant are the writings of Alexis de Tocqueville and his assessment
of democratic governance in the newly formed United States and in particular the importance of
local government and civil society for the maintenance and development of democratic institutions.

It is important to note that it was not simply in the Western tradition that emphasis upon
local governance and decentralized administration developed. While we do not have the same
written records, it is obvious that in many traditional societies especially in Africa and Latin
America, the historic pattern of development was, at least initially, in terms of highly localized governance structures. This was especially true of Africa up until the twentieth century.

The goal of the paper that follows will be to review the relationship between democratization, good governance and decentralization. It will look at both the benefits and the weaknesses of decentralization, examine the relationship between democratization, decentralization and the increasing worldwide concern with the development of a vigorous civil society and finally present a series of proposals designed to encourage the promotion of democratic decentralization.

**On Defining Governance, Democracy and Decentralization:**

At the outset, it is necessary to specify and understand more clearly the key elements at which we will be looking - governance; democracy; and decentralization. Because it is the most generic or elemental of the concepts, we will begin by examining the idea of governance (governance can be either democratic or non-democratic, centralized or decentralized and as such, it is the more fundamental concept). In the modern dialogue over democracy and governance, the concept of governance is often used in two quite different ways. Increasingly, among international organizations (such as the World Bank and the United Nations), governance is used as a concept to both provide a broad overview of and describe the way societies manage themselves. In the dialogue routinely engaged in by the United Nations and the World Bank "governance" is normally spoken of in terms of three systems - the political/administrative; the economic; and the civil society. When looking at governance from this perspective an important additional dimension is introduced into any discussion of the relationship between governance, democracy and decentralization because one is forced to pay attention to the significance of decentralization for economic development. This represents a very significant dimension in terms of the overall well-being of the society as a whole for it can be central to the defining of its development potential.

Governance has also been described and dealt with, particularly in the past two decades, in terms of how to improve the functioning of the actual political/administrative system extant in a particular country. The term used has been "good governance.". This has typically meant concern about civil service reform; the encouragement of efficient governmental organization (which frequently means the downsizing of government bureaucracies); and the strong encouragement of transparency and accountability in government.
There is obviously a long history of discussion about and consideration of what are the attributes of democracy and democratic governance. During the course of the past half century, most attention in this regard has focused upon four basic attributes. These include the conduct within a country of free and fair elections; the existence of a reasonably well-organized and competitive party system; a delineation of, respect for, and protection of basic civil liberties and human rights within the society; and, the encouragement, support of and active participation of a vigorous civil society and, in particular, strong interest groups.

While democracy and its attributes have been the topic of much thought, writing and discussion, it is still the case that there are not totally precise measures of or delineations of where democratic governance begins or ends within a society. In fact, democracy is inevitably a "work in progress." The institutions and processes of democracy are constantly in a state of evolution. Such evolution is not always necessarily in a progressive or productive fashion. Clearly there are moments in almost all societies in which democratic processes and values suffer setbacks. Likewise, there are other times when what is normally evolutionary progress toward higher levels of democratic governance sometimes become dramatic movement.

The concept of decentralization is perhaps a little less clearly defined in part because it is the newest of these concerns. One of the things that has added some misunderstanding to the debate and discussion over decentralization is the frequent confusion within countries over issues of decentralization, devolution, and deconcentration. In many countries, particularly in the African context, efforts made to "encourage decentralization" have ended up in considerable failure. In truth, more often than not these efforts have focused not on decentralization but rather on deconcentration - that is to say where central governments have sought to devolve power not to independent, autonomous local governments but rather have tried to create administrative structures through which they remain able to maintain control of what are essentially national government programs at the local level. In fact, real decentralization involves the devolution of both responsibilities and resources to relatively independent and autonomous sub-national authorities that are accountable not to any central national leadership of the country but to the citizens of the region and/or community.

An important element of the movement to decentralization has involved the organization and enhancement of governmental units beyond those of the national government. This has meant the strengthening and, in some cases, even the organizing of both local governments and intermediate levels of government (regions, provinces, states, etc.). Either simultaneously with this, or shortly thereafter, many countries, especially in Latin American have witnessed the emergence of
issues of fiscal decentralization - especially in terms of revenue sharing, national grants in aid and various types of privatization. Finally, this has also meant the encouragement and organizing of citizen participation, neighborhood groups and local grassroots community organizations in both rural and urban areas.

**On the Benefits of Decentralization:**

More often than not, the basic instinct of human society seems to be towards centralization and the implementation of a "centralizing impulse." In part, that is explained by what seems to be a fundamental desire to attempt to control ones environment and surroundings. This basic impulse in turn has been further enhanced in the modern era as individuals (in their family, their governments and the private sector as well) seek to develop long-term plans that require some measure of control. This natural impulse has been further enhanced as a result of the emergence during the past 60 years both by the idea of and the development of complex techniques of "strategic planning." Obviously for strategic planning to be effective one must minimize the unpredictability and uncertainty of the environment - all of which is done most effectively through the exercise of highly centralized authority.

There are two other factors which have played a significant role in encouraging centralization - particularly in the past half century. The first has been the result of most policy-makers desire to maintain the maximum feasible control over national economies and economic development. This is frequently used as an argument against decentralization. Second, those politicians who are less than dedicated and honorable normally find centralization a very handy strategy in the sense that it enables them to exploit more easily the resources of the society. In fact, if one wants to loot the resources of a country, it is far easier to do so when they are highly centralized as opposed to when they are dispersed throughout the many levels and segments of a society.

Indeed, at least in part, the civil strife that has torn apart Sierra Leone over the course of the past year was precipitated by the plans of the Country’s democratically elected President, Ahmad Tejan Kabbah, to decentralize both the military and some key governmental departments. Such a step would have significantly lessened the capacity of subsequent regimes to use the administrative structures of the central government to continue to loot the Country of the revenue generated by its substantial mineral resources. Since this had seemed to be the principal goal of at least some elements of virtually all predecessor regimes almost none of whom achieved power democratically,
the proposed decentralization represented a potentially dramatic and powerful change in the traditional way of doing things.

As noted at the outset, the current movement to decentralization has been fueled by disillusionment with the administrative and policy implementing capacity of highly centralized governance systems. This has especially been the case in terms of efforts to promote economic development activities through centralized planning. This disillusionment has developed both in Africa and in Latin America despite experiences and traditions that are in many respects quite different. In Latin America, since colonization centralism has been the traditional pattern of behavior. In Africa, decentralization has been more the historic (pre-World War II) norm. However, on both continents, recent efforts at implementing economic reforms through highly centralized governance structures has resulted in varying degrees of disillusionment with the capacity of centralized government to successfully carry out economic reform.

One consequence of the reaction against such centralism can be seen in the efforts of the principal international economic development agencies to energetically promote national decentralization strategies. The World Bank and the United Nations Development Program, as well as some regional development agencies (such as the Inter-American Development Bank) have in the past several years become vigorous advocates for the strengthening first, of legislative bodies (to lessen the likelihood of arbitrary executive action); then of the strengthening of local governments; and, finally, the decentralization of national ministries. Some of the national donor agencies such as the U.S. Agency for International Development and the Swedish International Development Agency have become even more aggressive in such efforts.

There are, however, far more fundamental reasons for and benefits deriving from organizing government structures in a decentralized fashion than simply to avoid past failures. The most important such benefit is the fact that decentralized governance serves to fragment and disperse political power. While it often tends to be overlooked in an era of declining confidence in government (coupled with the rise of multi-national corporations and a growing preoccupation with complex economic institutions) the reality is that government still remains potentially, if not in fact, the single most powerful institution in any society. Not only does it set the rules that govern the economic sector but government, and government alone, has the authority, capacity and power to legitimately take one's wealth, property, liberty and even one's life. In the face of this potentially awesome power, it is important to establish and maintain a system of checks and balances with regard to the exercise of governmental power.
Decentralized governance systems represent one, if not the single most important means of implementing and exercising such checks and balances. In that regard, decentralization has two manifestations. First, it is manifested in terms of decentralization of the capacity to exercise power within a government. That means as regards structures of governance, that, as political philosophers such as Montesquieu and Madison have argued, it is critical that no single unit, branch or actor be allowed to exercise all aspects of power and decision making within a government. In most cases this has meant establishing independent judiciaries and lawmaking bodies. These of course are the principals that influenced the initial establishment of the US government and, more recently, various other post World War II governmental reforms such as those in Germany and other European countries.

Obviously, the other important way to disperse power within any system of governance is through the establishment of multiple levels, jurisdiction and units of government, each of which has some measure of independence and autonomy from the other. This helps to ensure both that power and authority are not concentrated and to promote the creation of competing elites which serve to check the independence and power of each other and the central government as well. One can clearly see evidence of this phenomenon at work in the experience of Russia over the course of the past decade. Regional governing units have emerged as far more authoritative and influential institutions of governance within that country. In so doing, they have served to significantly lessen the capacity of the Kremlin leadership to dominate policy-making within the nation.

A second benefit of decentralization is that it serves to create additional civic space. By generating more centers of power, there are inevitably more venues in which civil society organizations - interest groups, business associations, labor unions, the media, etc. - can develop and find sustenance. This is extremely important in terms of the promotion of democracy in that it contributes significantly to the creation of non-governmental centers of authority and power within a society. Such centers of power, particularly when they operate independently of governmental control, can serve to hold government accountable. Indeed, because of the importance of civil society organizations in that regard, they are receiving increasing attention from international donors who are proponents of democratic development.

For example, in much of Africa and Latin America bi-lateral donors have, for well over a decade, focused on or encouraged the creation of many different kinds of civil society organizations. This has included unions, rural community development organizations, environmental and anti-poverty groups and the like. More recently the Inter-American Development Bank, as well as the United Nations Development Program, have begun to advocate the creation
and support of civil society organizations as a means to encourage in dependant gross roots democratic development.

Decentralized governance also helps to create opportunities for the emergence of opposition political groups and, in particular, create resources for opposition political parties. It is not by chance that, in a number of Latin American countries which have recently established elected local governments, the second most important elected political office in the country, the mayoralty of the capitol city, is in the hands of an opposition party. This is currently the case in Argentina, El Salvador, Mexico, Paraguay and Peru, among other countries. The successful obtaining of such offices in turn obviously represents a major political resource for the opposition in its efforts to gain power. The existence of decentralized governance generally, and local government in particular, serves in fact to provide an opportunity for political oppositions to mobilize and seek to concentrate their efforts in order to gain the political power that comes from holding an important office.

A fourth benefit of decentralization is that it creates numerous training grounds for the development of democratic skills and practices. As noted earlier, beginning with the writing of Rousseau, many observers have suggested that local government provides not only a stepping stone to higher office but indeed serves as an initial training experience for many people in the processes of negotiation, compromise and the like that are necessary elements in the process of democratic governance. In transitional countries, where there is not a tradition of democratic participation, this is particularly important as it provides an arena where those who have not been a part of the traditional governing elite can begin to develop their own political skills and experience.

A fifth benefit of decentralized governance is that it provides more options for individual citizens seeking a positive response from government. In essence, having alternative levels of governance provides options for individual citizens seeking the provision of a particular kind of governmental service or the redress of a particular problem. If the individual is unable to receive desired assistance at one level, they then have the option of pursuing, over the short or the long run, strategies designed to elicit a more positive response from another level or unit of government. This has especially been the case in the United States where many public services are either directly provided by 2 or more of what can sometimes be 3 or 4 levels of government (national, state, regional or county and municipal) or, alternatively, are financed by two or more levels of government.

A sixth benefit of a decentralized governance system is that it more readily provides for diversity in response to popular demands. Obviously, in the case of many countries, different regions have different kinds of resources, different kinds of needs and are the home to different
ethnic, regional or tribal groupings. A decentralized governance system provides at the same time opportunities for a certain measure of uniformity across a country but also opportunities for making required local adjustments in order to be more responsive to the needs and interests of the local population. This is especially the case in federal systems like Brazil and India, but it also serves a similar purpose in more centralized countries like China and Ukraine.

A seventh benefit of a decentralized governance system is that it often provides the citizenry with a greater sense of political efficacy. In general, people tend to respond more positively to government that is nearer to them and more tangible. This will often be the case even though the policies pursued by the government may not necessarily be the most favorable to the individuals involved. This is seen frequently for example in developed countries where the local tax system may be a more regressive one but the citizenry tend in public opinion polls to characterize their local, rather than the national, government as more responsive to their needs. In Bolivia, where the government has moved aggressively in the implementation of the "Popular Participation Law" one finds an excellent case of integrating the formerly marginalized into the political system through the structures of local governance.

An eighth benefit of decentralized government is that it provides the opportunity for local economic initiative. Highly centralized governance systems tend to concentrate both political and economic power in the capitol city of the nation. This concentration often serves to work against the interests of other cities and communities within a country. When power is highly centralized, communities some distance from the capitol city often have great difficulty in creating the environment that can facilitate community and economic development. They typically will lack revenue to invest in the kind of infrastructure necessary to make it feasible for private economic development to take place. Decentralized resources and authority serves to provide much greater opportunities for meaningful and responsive economic development.

One can get a good sense of the connection between economic development and the strength of sub-national governance in a country simply by examining the comparable figures regarding resources spent at the sub-national level in various parts of the world. In the economically highly developed European and North American countries in excess of 40 percent (as high as 70 percent in Sweden) of all governmental spending takes place at the sub-national or the local level, while in the economically less developed parts of the world that figures is typically in the order of 3 to 20 percent.

Indeed, data provided by the Economic Development Institute of the World Bank further illustrate the differential resource base of sub-national government in the highly versus the
economically less developed countries. For example, in North America and in Europe, 57 percent of all public sector employment is at the sub-national level, while in Africa the comparable figure is 6 percent; in Latin America, 21 percent; and in Asia, 37 percent. In essence, there is a very high correlation between the proportion of public employees operating at the sub-national level and level of national economic development.

The relationship between the relative importance of the role of sub-national government and the level of economic development is actually quite understandable. High levels of local autonomy and governmental capacity (including revenue raising ability and the authority to enact relevant local legislation) are clearly necessary pre-conditions of successful local economic development. Putting in place the appropriate legal framework and the necessary physical infrastructure is an important pre-condition of economic productivity. Absent such capacity, it becomes difficult for entrepreneurs to initiate new economic activity.

**Decentralized Government and Civil Society:**

As noted above, the past decade has witnessed increasing concern on the part of nationally based builders of democratic institutions, as well as the international donor community, with the promotion of a vigorous civil society. In fact, the building of an effective and vibrant civil society requires a supportive environment - both socially and institutionally. Such an environment obviously requires some measure of social trust and personal security, reasonably adequate employment opportunities and some measure of societal fairness. There are many ways in which government can encourage and support the development of civil society through the provision of different kinds of facilitating policies and the creation of various kinds of institutional mechanisms.

Obviously, tolerance for diversity of opinion, civil liberties and freedom of association is essential to a vibrant civil society. Because an individual's participation in civil society organizations usually requires some level of civic awareness and organization skill, such participation is more likely to flourish where there is a strong educational system. In addition, the existence of a free and open press, is both a significant part of a vibrant civil society as well as an important facilitating element. Likewise, government officials must, at the absolute least, be prepared to engage and dialogue with civil society actors.

In fact, the interaction between governments and civil society is often, even in transitional societies, very substantial and one that is highly reciprocal in the sense that each side seeks to influence the other. Governments not only significantly shape the environment within which civil
society operates, but agencies of government will very often seek to mobilize one or more elements of civil society to support policies which they wish to advance though the policy making process. Indeed, in western political cultures, it is commonplace for civil society organizations to aggressively pursue policy goals through political ends. In transitional countries, this also is becoming more common. Indeed, in countries like Chile and Sierra Leone (before the recent coup) local civil society organizations played key roles in bringing down authoritarian military regimes.

In general, decentralized government can be a very important element in the facilitation of an active and lively civil society. The more decentralized government is, and the stronger local governance capacity is, the more opportunities - in essence, the more arenas - are provided for the emergence of civil society institutions. In fact, very often it is the existence of local governance, combined with the emergence of local civil society institutions, that truly creates the pluralism that is so central to democratic institutional development. In that regard, local governments can and have played crucial facilitating roles in the development of vibrant civil societies. Local government policy and administrative practice can profoundly impact upon the capacity for civil society to emerge and play a role in governance. Likewise, the actions of local political leaders can either be supportive of or create major impediments to civil society development.

The regulations, statutes and procedures adopted by local government can either hinder or facilitate the development of all sorts of civil society organizations including locally based non-governmental organizations (NGO's). For example, the adoption and use of public hearings by local governments provides an important forum for civil society organizations to both impact public policy and gain legitimacy. Likewise, the use of citizen advisory bodies and public-private collaboration, as well as the making available of extensive public information about government operations, all contributes to the ability of civil society to function effectively.

Increasingly, local government leaders are recognizing that it is often in their interest to encourage the development of a civil society. This is especially so when local political officials are from a different political party, or faction, than national officials. Consequently, in many communities, throughout the world, where there has been tension between government and civil society organizations, new alliances are developing. This has become even more pronounced in the countries where, as democratic governance has begun to take root, popularly elected mayors have come to office. Sub-national government leaders are now increasingly perceiving that locally based civil society organizations represent, at the least, important allies in their effort to build institutional and financial resource capacity for their cities.
Indeed, Asuncion, Paraguay, provides an important illustration of the many ways that a local government, led by a committed Mayor, can facilitate the emergence of a robust civil society. In a country where the historic tradition was one of strong government discouragement of independent organizations, great secrecy and sometimes brutal oppression, former Mayor Carlos Filizzola, during a recently concluded five year term, helped to reverse 200 years of tradition through a series of dramatic initiatives that profoundly affected life in both his city and his country. These included strongly encouraging and supporting the organization of nearly 300 neighborhood-based community improvement organizations, dramatically expanding the amount and clarity of municipal information available to the citizenry, initiating public hearings on municipal activities, creating a variety of public-private partnerships and generally providing a supportive and encouraging environment for the initiation and sustaining of civil society organizations.

While the relationship between civil society and local government is very clearly reinforcing and mutually beneficial to both parties, there are also some complexities and ambiguities, indeed even paradoxes, in such relationships. In particular, the relationship between local governments and non-governmental organizations can be problematic. In many countries, some of the strongest local NGO's were in fact initiated by the international donor community as vehicles to facilitate going around incompetent or corrupt national regional and/or local governments for the provision of assistance. This has meant that, in some instances, significant rivalry for international donor resources has developed between emerging local institutions of government and established non-governmental organizations.

Such a conflict has been further exacerbated by the fact that, in many instances, when seeking to assist local governments, international donor organizations have tended to use NGO's to provide this assistance. In more that a few cases, this has caused resentment on the part of local government officials who frequently see themselves as being both more knowledgeable, and having more legitimate authority, than the NGO's that have been commissioned to provide them with technical assistance. Nevertheless, whatever the potential pitfalls might be, there is no question that the emergence of local government as a governance force is occurring hand in hand with the emergence of NGO's as important forces in many countries. Clearly, working both separately and together, strong local governments and vibrant NGO's are among the key builders of an effective democratic society.
A Few Caveats About Decentralization:

While there is obviously a strong case to be made for the decentralization of governance, there are also some dangers inherent in such a development. Given some measure of independence and autonomy, people can behave very well and very poorly, very tolerantly and very intolerantly, very honorably and very dishonorably. Just as opening up more venues for individual action creates more possibilities for people to behave well, it also provides more possibilities for them to behave poorly. Likewise, the actions of local political leaders can either be supportive of or create major impediments to civil society development. On the other hand, by having multiple centers of authority and levels of governance, one does provide more opportunities for those who behave responsibly to limit or counter-balance the damage done by those who behave irresponsibly.

One area in which sub-national government officials can behave just as responsibly or irresponsibly as national policy-makers is with regard to fiscal matters. The danger of irresponsibility is particularly great if local governments do not have the responsibility for raising their own revenue, but rather depend upon revenue being passed on from a higher level. That this would often serve to create a situation in which fiscal irresponsibility is prevalent is not surprising. Individuals who do not have to be accountable for the imposition of taxes, fees and the like, as a result of simple human nature, are likely to be less accountable in terms of how they expend the resources available to them.

Another potential danger in a decentralized system is that the various local units of government may be captured by quite narrowly based but highly organized local elites. The American, James Madison, writing in Federalist Number Ten, at a time when the emerging government of the United States was highly decentralized and highly localized, argued strongly for larger constituencies and larger units of governance based on the belief that such governments were much less susceptible to capture and control by local elites.

Another related potential problem inherent in the movement to greater decentralization and local autonomy is that local entities, even when well intentioned and responsive, are in fact likely to have a narrower perspective in terms of issues of broad public policy and well-being than are larger units of government. Thus, efforts to implement broad public policy for a country can, both intentionally and unintentionally, be thwarted by the actions of local governmental authorities. This is especially the case when the particular public policy is not clearly in the interest of the sub-national government involved.
Another very real problem with the movement to decentralization, and one that is increasingly becoming apparent in some countries as they correct initiatives aimed at decentralization, is that such a governance strategy can serve as a facade for the avoidance of responsibility for major services on the part of a national government. Increasingly, national governments, pressed by their own financial problems, are exhibiting a tendency to devolve responsibilities to local governments without providing the necessary resources.

This latter problem goes directly to a fundamental issue for any decentralization effort - the matching of responsibilities and resources. Because of the emergence of this problem, much of the focus in the past few years with regard to issues of decentralization, particularly on the part of the major international donor organizations, has been on the area of fiscal decentralization. Indeed, there has been a growing concern about the extent of fiscal decentralization and authority. The question is whether local governments will be in a position to meet the service delivery responsibilities that they are undertaking - either voluntarily or upon mandate from the national government. Absent adequate fiscal autonomy, or revenue decentralization, sub-national governments will not be able to do so.

Decentralization and Democracy - What is the Relationship?

Is some measure of decentralization a prerequisite to both democracy and the emergence of a vibrant civil society? Theoretically, one can conceive of a society or a nation in which there is such unity of thinking that political, governmental and economic power can be highly centralized within a small group of leaders who nevertheless remain fully responsive and accountable to the citizenry. In reality, however, since politics and governance is normally about who gets what, when and how, such situations are virtually impossible to find.

In contrast, it is almost impossible to conceive of a highly decentralized system of governance functioning without some measure of democracy to sustain it. Obviously, it is quite possible that a decentralized governance system can give rise to numerous parallel narrow and authoritarian elites. It does, however, seem hard to imagine that such a system will not give rise to some measure of differences of opinion and perspective. This in turn would require some small initial measure of democracy in the sense of acceptance of at least limited dissent or autonomy in certain spheres of activity. This does not necessarily mean that such a system will be highly democratic, since such an arrangement could function in an olegopolistic manner in which a series...
of antidemocratic warlords, local patrones, political bosses, etc. work collaboratively to ensure that their own capacity to exercise authoritarian control in their particular region is sustained.

In general, however, it seems evident that a more decentralized governance system is likely to be a more democratic system. As noted above, decentralization provides more opportunities for civic space and citizen participation and, consequently, for independent groups to emerge, for political opposition to develop and for individuals to practice and experience the exercise of free choice in democratic governance. For all those reasons, decentralization does represent a significant strategy in efforts to democratize societies.

There are a number of things that society, and thus government, can do in order to encourage good and efficient decentralization of governance institutions. This includes:

1. Effective decentralization requires strong local government. Moreover, local governance capacity depends highly upon local revenue raising capacity. Absent the ability to raise revenue, local government will inevitably remain in a dependent and vulnerable state and decentralization will be meaningless.

2. Strong local government also requires effective local law making capacity. Central governments must give regional and local governments a great deal of discretionary authority in terms of the passage of various kinds of laws, statutes and regulations. Absent this authority, local governance is not likely to flourish.

3. Meaningful decentralization requires strong support from national government policy makers and institutions. This may take the form of enabling legislation as well as legislation providing local units of government with the capacity to act autonomously and independently to provide needed services, regulate local activities and raise the revenue necessary to adequately fund local services.

4. Even the most permissive and supportive national government, if acting alone, cannot adequately insure meaningful, vibrant decentralization. Clearly there has to be significant local demand and local concern for the development and maintenance of a decentralized governance system. The reality is that the leaders of most centralized government are not, in truth, anxious to give up either resources or the authority to control them. For political purposes one may frequently hear national leaders speak of the need to encourage decentralization, local government capacity and citizen participation but the reality is that too often such statements gain meaning only when there is pressure from the local community to carry them out.
5. There is no one best way to structure a decentralized governance system. Those countries which have adopted decentralized governance systems reflect significant variation in terms of both the formal structures of sub-national governance and with regard to what services are carried out at national, regional, local or community levels. In general, there is a tendency to devolve education and health services to the most local level, but even in these areas, there is much variation. In fact, in almost all cases, the organizational structuring of the institutions of sub-national governance (and the resolution of the issue of what services will be carried out at what level) is a product of citizen demand, local history, administrative capacity, institutional self-interest, perceived efficiency and political negotiations. Moreover, these decisions, once made, are almost never set in stone. In truth, adjustments are frequently being made between the central and the local governments on these matters.
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