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DECENTRALIZATION, LOCAL GOVERNANCE AND ‘RECENTRALIZATION’ IN AFRICA

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SUMMARY

Although Many African states have pursued substantial decentralization reforms in the previous twenty years, many of these reforms are still experiencing problems in bringing about effective local governance. Often these problems grow from the difficulty in translating general reform initiatives into specific working arrangements at the local level that are effective in several key processes and operations. Specifically these include planning and capital investment, budgeting and fiscal management, personnel systems and management, and finance and revenue. A combination of central reluctance to relinquish authority in these key areas and the complexity of organizational redesign to support decentralization seem to explain these problems.

INTRODUCTION

African states, since the early 1980s, have expended much rhetoric and, in some cases, substantial resources on political and administrative decentralization, and the beginnings of local governance (genuine local control over important services and investments) (Tocqueville, 1966). These reforms involve significant changes in planning, budgeting, personnel, expenditure and service functions. They range from very substantial efforts, as in post-1985 Uganda, Botswana and Nigeria in the early 1990s, to more limited efforts as in Ghana, Kenya and Tanzania (Olowu, 2001). To achieve functioning local governance systems each state has had to wrestle with the legal and administrative details involved in this substantial political and administrative reform (Olowu and Smoke, 1992).

As seems often to be the case in any type of reform or reorganization, the ‘devil is in the details’. While political leaders may at times be serious in their commitment to decentralize and enable local governance to emerge, in the ‘nuts and bolts’ of change many obstacles are found (Smith, 1996). The most powerful of these seem to grow from the presistence of actors at the centre in trying to retain authority and resources (Olowu, 1990). Once these have been nominally transferred to local governments, they are equally persistent in trying to recapture them. Actors at the centre are frequently, though not always, successful in this. Often loopholes were left in decentralization legislation that allow central ministries and centrally employed civil servants to override or ignore local authorities. Or, in some cases, key changes in legislation and regulations are not made, leaving local governments unable to discharge their responsibilities. Often a seemingly minor provision for ministry sign-off regarding budget, annual plan or personnel decisions can become a vehicle to reintroduce central control. Local personnel may be so poorly trained or paid that local functions break down, or local institutions are poorly designed, so effective local decision making is impossible. Meanwhile, an effective local political process, one which involves the population in decision making and provides for public accountability, is generally absent. Since these situations lead to reassertion of central control, they could all be considered sources of ‘recentralization’. In some cases the ‘centre’, at least as understood to be the actors in the capital, does not recapture resources, but its former or current employees at localities do instead. Since power never or only temporarily reaches local dwellers, this might also be considered a type of recentralization.

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This article will explore the problem of recentralization in four key functions of local governments:

- planning and capital investment;
- budgeting and fiscal management;
- personnel systems and management; and
- finance and revenue.

These four functions are all critical for effective local governance. At the same time they are areas where substantial resources are distributed and where, given the intense competition for resources generally accepted as typical of contemporary African states (Herbst, 2000; Bayert, 1993), one might expect substantial competition from actors in these states to retain or capture those resources. The following sections discuss under what circumstances and how recentralization occurs.

PLANNING AND CAPITAL INVESTMENT

Nearly all African states still engage in 'planning'. And in several states discussed in the literature, nationally ordered, locally based 'planning' efforts have been touted as part of the decentralization reform: intended to strengthen local governance, enhance the local voice in national decisions and empower the people. Instead they have consumed local governments' resources, eroded their credibility, demonstrated their lack of authority, and sustained both local and national patterns of grassroots disempowerment. This pattern can be seen, for example, in Uganda, Kenya, Botswana, Zimbabwe and Ghana. The typical system, with some variations, is for district governments to be assigned to develop a local capital investment plan for the localities, encompassing such investments as health posts, road improvements, elementary schools, wells/standpipes, community halls, markets and the like. Local development planning officers are designated and assigned to localities, some sort of 'district development committee' is established, some sort of 'grassroots/citizen involvement' is required, and a lengthy process of choosing investments, setting priorities and establishing a 'plan' is begun. At the end, the plans are passed upward to be integrated into regional plans, and finally into a national plan that supposedly 'integrates' the local/regional plans into a comprehensive whole.

However, the reality is that the local effort was always for naught, and there is instead a top-down process through which national ministries select their priorities and determine what will be done at localities. Those priorities grow from doctrines, convenience, and personal and political interests at the centre. And as long as the capital investment budget is controlled by national ministries, it is hard to see why those in the centre would be forced to substitute the priorities of the localities for their judgements and interests. This erodes local authority, its access to resources appropriate to its needs, and the credibility of a local 'political process'. Over time, entropy seems to catch up to most of these planning efforts, and they decay into merely going through the motions. But, they are never replaced by any real process to develop or sustain local problem identification, information gathering, priority setting, budgeting capacity or action (Mutizwa-Mangiza, 1990; Cohen and Hook, 1985; Wunsch, 1998a, 2001; Oyugi, 1990; Crook and Manor, 1998; Wallis, 1990; Cohen, 1993; Tordoff, 1994).

The national/local 'planning game' can be seen as recentralization in two ways. The centre retains its historic control over resources flowing to the periphery. In environments of severe scarcity and turbulence, these facilitate patron–clientage and balance-of-power arrangements that sustain central control in general, and the influence of central ministries in particular. At the very least, such control can be used to neutralize and divide potential local opponents (Bates, 1981). Barkin and Chege (1989) feel these sorts of motivations lay behind much of the redirection of control of planning achieved by Kenya's 'District Focus' programme started by the Moi government in the early 1980s.

In the periphery, this sort of planning means local governance is discouraged by the absence of real decisions, and local civil service administrators are able to distribute capital resources, often for their comfort and convenience, and manage their local work lives without disturbance from local demands. The exchanges with the centre which influence their careers also continue undisturbed. Meanwhile, local elites can use what resources and influence they have in exchanges with the centre and with local bureaucrats to manipulate the distribution of local benefits to their own ends. Non-local, 'local planning' is thus in fact the antitheses of a viable, open, local political process. The fact that many technocrats sincerely support it for technocratic reasons does not alleviate its negative effects (Mawhood, 1993).

It is suggestive, perhaps, that in Nigeria's recent ill-fated decentralization effort this did not occur. For all of Nigeria's problems, and there were many, there was no top-down capital planning by 1990 in roads, health or education. The central government abandoned its direction of localities at the same time that it severely starved the states of the money and personnel they needed to replace the centre and direct much of anything at the localities. Central (or state-level) control was largely ended, but the absence there of a viable and broadly based local political process opened the door for local interests to capture many available resources, usually for roads or in corruption (Olowu and Wunsch, 1995; Wunsch and Olowu, 1996; Koehn, 1989). The upshot was that local planning was not much better in Nigeria, at least in the few short years local government existed in the 1990s, than anywhere else. Still, the national players were out of the process, and an optimistic interpretation is that a local political process simply had not yet had time to develop.

BUDGETING AND FISCAL MANAGEMENT

A serious problem for localities is managing their affairs effectively through budgeting. There are three problems: insufficient local technical personnel resources to perform the technical tasks of budgeting; the complexity and confusion of the budget process at the local level for elected officials; and dealing with central strategies to 'recapture' authority and resources nominally 'transferred' to local governments by manipulating and interfering with local budgeting and spending.

Shortfalls in technical personnel, and often also in the leadership and knowledge of elected personnel, are found in budgeting (and expenditure control) virtually throughout African local governments. Smoke (1994), Crook, (1994), Ayee, (1992, 1995), Crook and Manor, (1995), Olowu and Wunsch, (1995) and Wunsch (1998a, 2001) found such patterns, for example, in Ghana, Kenya, Nigeria, Côte d'Ivoire, Uganda and Swaziland. Scarcity of trained personnel and a lax public political process are associated with these patterns—so, particularly in Kenya, are complex procedures and delays in processing approvals by the national Ministry of Local Government which additionally burden already undertrained and overloaded personnel (Smoke, 1994). Regardless of the issues of central control, to be discussed below, the scarcity of personnel able to make and manage competent budgets and the erratic resource flows associated with the scarcity and turbulence of the African context would be formidable problems for local budgeting and management.

Secondly, and as Crook and Manor (1998, p. 241) point out, the 'often chaotic state' of local budgeting and accounting procedures made effective local priority setting, choices and management nearly impossible. Local elected personnel cannot effectively supervise local administration, and in some cases have essentially accepted, though reluctantly, this diminished role (Crook, 1994; Crook and Manor, 1998).

There is, of course also the overarching third problem of continued direct central control over local choices and resources (Wallis, 1990). In Ghana, Kenya and Uganda, for example, budgets are still subject to arbitrary oversight by central government officials. In all these states, central ministries also simply refused to disaggregate their budgets on a local base, thereby retaining their control (Tordoff, 1994; Batkin, 2001; Ayee, 1997). Even in countries such as Botswana, where this has been relaxed to some extent, there are other methods by which central control is maintained. One of the most difficult of these strategies to deal with is what some have called the 'repetitive budgeting game'. Well explained by Aaron Wildavsky in his classic 1975 article, this strategy is nearly everywhere pursued by the national 'Ministry of Finance' (or 'Treasury') in LDCs in order to keep control of spending (Wildavsky, 1975). This was primarily (or at least originally) pursued *vis-à-vis* other central ministries, but has been carried down to local governments where they have gained control of some resources. As Wildavsky explains, the economic turbulence and shortage of hard currency facing most LDCs means the Treasury does all it can to hold on to all funds as long as it is able: running short of bills it *must* pay (the military, key political supporters, international creditors or institutions) is the one thing to be avoided, above all else! One strategy to this end is to require agencies to keep all funds at the central bank, and to return repeatedly to it to get any funds released, even those long since authorized to them. Requiring repeated approval of expenditures, arbitrary denial of access to already authorized and approved funds circuitous requirements for re-authorization, delays in releasing funds and nitpicking with regard to forms, timing, amounts, etc. are all elements of this. While useful for the centre (at least for the finance ministry), it erodes the time, personnel resources, capacity to act, and authority of local governments. Officials regularly report they spend more time 'chasing their funds' in the capital than completing their work in the districts.

Kenya, Ghana, Botswana and Swaziland, among others, have such problems. It seems clear that the incentives of the Ministry of Finance (squeezing this flow of resources) are inconsistent with those of local government and impede the development of effective budgeting and management systems at the local level. Regardless of the macro-economic management issues involved here, it is clear to the author from interviews in several different countries (including Bangladesh and the Philippines) that this was also a simple issue of power by the ministries of finance or treasury *vis-à-vis* the rest of the central government, as well as along centre–periphery lines. Having the ability to intervene to turn off and on funds already legally others to spend offers senior finance officials (who have their own political interests) great power in the domestic political economy. It is not a resource they seem likely to give up, in spite of constitutional or statutory requirements, or national leadership commitments to decentralization. Certainly, it strongly sustains a central power which is hostile to decentralization. It also substitutes the personalistic politics of the cabinet for the statutory attempts to bring authority and resources to the periphery.

Again, Nigeria is a somewhat interesting variation. National micro-management of cash flows did not appear to be a problem in the periphery there in the early to mid-1990s, as it has been in such cases as Ghana, Uganda, Botswana and Swaziland. The relatively larger size of Nigeria plus the policy of large grants being released directly to localities probably explains this. However, those grants were often delayed, erratic and not reliable in timing or size because of macro-economic problems. Thus, the problem was not entirely eliminated. Scarcity and turbulence replaced a political economic game, but localities were still greatly weakened, as their cash flows were erratic and unreliable. Also, by the mid-1990s, the centre had reasserted detailed central control over education funds, the largest single local expenditure. Considering all this, in Nigeria during this time funds were erratic enough at the localities that it was still probably irrational for the grassroots to invest much in local politics.

Similar in its effects to local budgeting, though somewhat different in operation, are national mandates by the various service ministries to provide certain services, at certain staffing levels, at certain sites. Botswana has pursued a fairly serious decentralization policy since the 1970s (Wunsch, 1998a). In Botswana, local governments had substantial technical capacity and, through national grants, substantial fiscal resources. Botswana's Ministry of Finance kept a tight control on capital budgets, but operating budgets were well under local control—at least they appeared to be.

Several cycles of competitive elections meant there were the beginnings of a participative local political process in the localities. Many were governed by the political party in opposition at the centre, and local governments were generating their own priorities within and among the various sectors: health, roads, education, economic development activities and the like. Local budgeting there, while still with room for improvement, was conspicuously better than the author of this article has found in Nigeria, or than is reported in Kenya or Ghana (Olowu and Wunsch, 1995; Wunsch and Olowu, 1996; Smoke, 1994; Crook, 1994). Nonetheless, local political and administrative personnel found that national ministry policy/programme mandates in health, education and roads largely devoured their resources. 'What decisions are actually left to us?' several asked. They suggested that their development as decision-making institutions as well as their success in building constituent interest in and support for local government were challenged in part by their inability to act independently of central direction, or to respond to their constituents' wants and needs. A better person to appeal to, several local actors suggested, was the local MP, who could use his contacts in Gaborone to try to alter central edicts.

National mandates reflect some serious and genuinely felt national concerns and needs. Equity among regions, comprehensive responses to national concerns such as health and drought, general development strategies such as elementary education for all and the like, are certainly among them. Since in Botswana these appear not easily manipulable in the way that capital investments via top-down 'planning' are, it is not clear that adhering to them substantially furthers capture of resources by local elites. Still, their effect is simultaneously to preempt authority and resources supposedly earlier passed to localities, and in that process to render local government and a broadly based political life less valuable to local dwellers. In so far as they preempt local elites which may have misused earlier top-down grants, they are helpful. But they do not do a lot beyond that. Local political life is made more passive by them. One does better to tend one's farm, if one is a local dweller.

Nigeria is again an interesting case to consider. For a time in the late 1980s and 1990s, it did *not* require any set amount of funds to be spent in any specific area. And, absent these national mandates, a seriously competitive process developed at the local level over who received these funds. But this process was primarily among local notables: business, political and bureaucratic. Local services fared differently according to which among these actors was stronger, and what they pursued. But nowhere was there evidence of a broadly based political life developing when one research project was terminated in 1995 by the military coup that ended that particular local governance experiment (Olowu and Wunsch, 1995; Wunsch and Olowu, 1996). So, one could say, considering Nigeria and Botswana, that national mandates have a mixed impact on decentralization. They may restrict local corruption and capture by bureaucratic and popular notables which would erode the credibility of local government. But they also reduce the rationality of public involvement since so little is discretionary to local officials. However, if local notables are poised to capture these resources once made available, the Gordian knot still appears tight: one seems unable to have a local political process without resources to make it worth investing in, but distributing such resources seems to stimulate a 'notables' game that can preempt such a local process.

PERSONNEL SYSTEMS AND MANAGEMENT

The status of former civil servants, particularly those with technical qualifications, is a third key policy area. It affects profoundly both the authority of local officials as well the personal and professional prospects of the civil servants. It also affects the resources available to ministries at the centre—resources they need both to maintain their role in government (it is hard to be a senior manager with no one, or no budget, to manage), and resources to use in political exchanges within and among ministries at the centre: personnel assignments, promotions, training, overseas plums, policy priorities, programmes chosen, contracts to let, etc. (Manor, 1995).

In all this several issues are critical:

- Do administrative personnel retain a civil service status?
- Are they members of a national civil service, a special, 'unified', 'local' government civil service or simply civil servants in the employ of various districts?
- What salary, leave, professional development and retirement/pension rights and terms do they retain?
- In systems where they retain either a national or a unified 'local' civil service membership, who evaluates, promotes, transfers, etc., them: national, regional or local officials? Elected or other career administrative personnel?
- In systems where they retain some national or unified 'local' civil service membership, who directs them in their daily work: a local political official, or a professional/civil service person? If there is a distinction between 'technical' and 'policy' issues, who is in charge of which, and how is that line drawn?
- In situations where local officials are in charge, what relationship, if any, is continued with the former parent ministry regarding such questions as maintaining and assessing professional and technical competence, in-service training, advanced training in the capital or overseas, setting and maintaining technical SOPs and standards, continued technical support, etc.?

A variety of answers to these questions can be seen among the countries discussed in the literature (Tordoff, 1994). With one partial exception, though, none seemed to have resolved the issue in a way such that locally accountable government officials believed they had committed, technically competent civil service personnel working for them and responsive to their leadership. In most cases, local elected officials felt they had inadequate managerial authority over such personnel. In one, local officials had authority, but the quality of administrative personnel had deteriorated seriously.

In Ghana, technical personnel remain employees of a central ministry, but are supposed to be responsible and accountable to locally elected government officials. However, research by Ayee and Achempong finds such local government personnel generally are quite frustrated with their lack of effective authority over the civil service personnel (Ayee, 1997; Achempong, 1995). The latter frequently ignored local government policies and priorities, refused to attend personnel or cabinet meetings with local elected officials, and generally did a fairly good job of maintaining the *status quo ante*. This approach on their part, of course, is personally convenient, but also helps maintain the influence of the centre over the periphery. However, also, it does not appear particularly likely to shift influence toward local notables who might themselves prefer more control over these personnel. In any case, it does little to give the public or its representatives an incentive to invest in a local political process, for obvious reasons. Ayee found little evidence that such a process was developing. These problems were compounded by the failure of the central government to write or introduce any legislation that reorganized central ministries' operations to fit this new arrangement. In fact, it seemed the nominally decentralized 22 ministries remained unchanged (Ayee, 1997). Crook (1994) found similar patterns in his research in Ghana.

Nigeria's approach to this issue was again rather different. In 1992, as part of Nigeria's decentralization programme, all personnel in the former national 'Local Government Service Commission' were reassigned under political officers in the local governments. While they nominally retained pay, retirement and tenure status, their actual pay, evaluation, promotion and assignment were largely at local discretion. While this may have been an attempt to resolve the problems Ghana experienced (of continued central dominance over local policies and district personnel who could not command the attention of their employees) it led to a spate of complaints and was rescinded six months later. Meanwhile, senior health personnel at the local level were reassigned from the national ministry to local governments over the 1990–1992 period. However, central leadership and priority setting, for the most part, were not replaced by local initiative and skillful management. The outcome in the Nigerian health sector was a personnel cadre that appeared to drift and gradually erode in technical skill and performance. With rare exceptions, such as where an unusually dynamic senior technical office was supported by a proportionally committed and informed district chairman, professional decay seemed to be the result (Wunsch, 1998b).

Lack of local fiscal support reinforced these problems. Local notables in Nigeria did not seem particularly concerned with the health sector, and its budget generally fell well behind road construction and maintenance in particular, and capital projects in general (Ikhide *et al.*, 1993). The latter were expenditures which seemed likely more after to benefit notables' interests, usually business related (Mead, 1996). This neglect and decay seemed to engender no organized or general public political protest in any of the sites visited and researched during a two-year study of local health and decentraliztion (Olowu and Wunsch, 1995; Wunsch and Olowu, 1996). Cynicism, resigned anger and disappointment could be found, but nothing beyond (Ikhide *et al.*, 1993). As noted above, Crook and Manor (1998) found a similar pattern in Ghana.

The health sector in Nigeria suggests that simply separating the civil service from the centre is an incomplete solution to the problem of putting local officials in charge of service/technical personnel. Local leadership was weak, the health personnel were undertrained for the responsibilities quickly thrust on them, and there was no broad local political process to push for improvement from either of these. The Nigerian strategy certainly seemed to end central influence at local expense. But declining technical performance, budgetary neglect and local public passivity seemed the result rather than improved services and a broadly based local political dynamic. Public ignorance of the local budgetary process, the reality of very few resources to compete over in any case, preemption of the process by local elites, plus the always high costs of organization, may explain the budgetary outcomes and the local public passivity. The weak personnel in the health sector (training, professionalization, coherence and morale) explain much of its rapid decay. In the absence of such professionalization, local leadership and/or a local political process, the centre may well need to play a strong role or key services will collapse. While the states were supposed to play this role in Nigeria, in 1995 they had still not yet begun to do so. State leaders said inadequate funds and personnel caused this shortfall. In any case, the collapse seen in Nigeria's health sector was so serious that some serious ongoing technical support role by the centre will remain imperative, at least for any technically complex service area (Wunsch and Olowu, 1996). Of course, that places at risk the authority it seems reasonable to suggest is necessary for local government to be a rational endeavor for the grassroots.

In Côte d'Ivoire, non-professional personnel work at the pleasure of the mayor and council. Professional personnel retain their employment and career line in their respective national ministries. However, Crook and Manor find that the political pattern in Côte d'Ivoire, where mayors are of relatively high social status, and are usually nationally based (Abdijan) professional or political leaders, has meant they have enough influence to manage effectively the professional personnel, though not always without friction. The close 'tuttele' from the Ministry of the Interior, while greatly slowing and circumscribing the decisions of the communes, may also explain an apparent absence (or very low level) of corruption in local governance. The price of this is, of course, a local government with little discretion, and evidence that many local dwellers find it largely irrelevant to their lives (Crook and Manor 1998, p. 187).

The Botswana strategy is yet again another variation. In Botswana, as seen during field research in 1995, all local government civil service personnel were members of a national 'local government civil service' which controlled their terms of employment, assignments, promotion and retirement (Tordoff, 1994; Wunsch, 1998a). They had rights of tenure within that organization, which was managed by the Ministry of Local Government and Lands. However, they were also employees of the various units of local government which were responsible for their salaries, and to which they were to report for policy guidance, supervision, daily assignments, evaluation, discipline and the like.

In spite of the tension inherent in this somewhat ambiguous dual status, most local elected officials interviewed indicated this balancing act worked relatively well in the routine business of local government. With the exception of the district medical officers, political leaders were satisfied that the civil servants regarded them as their 'bosses', and were loyal to and committed to local priorities. Civil servants, for their part, were satisfied that the local leaders both listened to them appropriately regarding 'technical' issues, and gave good leadership in general district development issues and in setting priorities. While there was some dissatisfaction, it dealt with the centre, whose approach to assignment and reassignment was regarded by *both* local civil servants and political leaders as frequently arbitrary and disruptive—of personal lives (the civil servants) and of district programmes which depended on continuity in key technical personnel. Of course, as noted earlier regarded budgeting, central ministry 'mandates' placed clear parameters on the discretion of localities, and may have preempted technically related tensions between political and civil servant personnel. Perhaps, oddly enough, civil servant personnel seemed as frustrated with central mandates as did their political leaders. Central mandates, as locally implemented, seemed fairly consistent with national standards, and not particularly manipulable by 'games' played by local notables. It is possible some local technical personnel in Botswana were ready and able to begin tackling local development problems, and felt stifled by central micro-management.

The explanation for Botswana's relative 'success' in this area may be in the relative vitality of its local political process, which has led there to some measure of accountability in local governance. This is consistent with Crook and Manor's (1998) findings in India. Civil society organizations in Botswana are sometimes active in local affairs, several elections have been held since independence, power has turned over at many localities over the years, and in the several sites visited there were active oppositions in place in the local councils (Wunsch, 1998a). Exactly how Botswana reached this state is an interesting question, as the evidence heretofore covered suggests that the perverse cycles of local passivity, notables' capture of resources, local cynicism, etc., are hard to break. However, the relative political stability and continuity in Botswana, and the steady evolution of a democracy at the centre may well have spun off a political life in the periphery that seems absent in other examples (see Doan, 1995). Botswana's local governments have some discretion, some resources (albeit ones transferred from the centre) and relatively more active local political processes, though one with a lot of growing yet to do, according to some of its critics (Tordoff, 1988). Also, the centre has sustained its commitment to local governance for more than 20 years, and been able, because of the diamond industry, to offer localities very generous grants. Reports of the early years of decentralization in Botswana are replete with instances of corruption, non-performance and the like. However, most observers give it higher marks recently, though with room to improve nonetheless (Tordoff, 1988). So, a national democratic context, central commitment, substantial resources and time may be key ingredients in breaking from the central dominance discussed in this article, which seems to have eroded local government elsewhere in Africa. In accomplishing this Botswana also has altered two key contextual factors: severe scarcity and political turbulence (Wunsch, 1998a).

FINANCE AND REVENUE

Clearly a key ingredient for effective local governance is an adequate and stable source of revenue for local operations. There are three problematic aspects to this issue which affect local governance and the competition for resources that affect it:

- scale, role and stability of national grants and transfers;
- extent and source of local authority to raise own revenues; and
- lateral relations between local governments and local units of national agencies.

National grants and transfers

In several of the case countries discussed, national grants and transfers are the primary and critical source of funding for local government: Nigeria, Swaziland, Uganda, Botswana, Zimbabwe, Tanzania, and no doubt others not reviewed here. (Ghana and Kenya received national grants, but these cover only a minority of local expenses.) The scale and basis for these grants varies substantially, but regardless of that variation this system usually works in several ways to erode local political authority, decrease the incentive and opportunity to engage in a local political process by the grassroots and, over time, inhibit development of a stable resource base for local governments. It also, perhaps rather obviously, works to sustain central control and the central political economy tied around that. It has, in several of these countries, had negative consequences regarding the local distribution of power as well.

A central grants system for local revenue reflects the dominance of the centre in taxation. Based on essentially what are ‘severance’ taxes in commodity-dominated economies, the centre controls the lion’s share of public revenues. The severe scarcity reviewed earlier leaves the localities with little obvious tax base to work with. Revenue sharing seems a natural policy in this context, if one is concerned with strengthening local governance. Revenue-sharing systems vary, but are all based on some portion of the national accounts being transferred to local governments. Problems associated with this system include:

1. gross amount and its adequacy given local needs and responsibilities;
2. criteria for determining the size and allocations among local units;
3. reliability of timing and predictability of the amount of grant;
4. conditionalities of grant regarding required local services, local revenues, local cost recovery for services, etc.; and
5. provisions for audit at the local level.

Briefly, these are problems because the size of the grants are generally far less than are local needs; criteria to allocate funds among the districts tend to be arbitrary, opaque and rigid (Wunsch, 2001; Ayee, 1995); grants are highly unreliable in timing and in amount; grants lack ‘strings’ regarding local revenue and cost recovery and this acts as a disincentive to raise local revenues (Wunsch and Olowu, 1996; Wunsch, 1998b); their lack of strings regarding technical standards act as disincentives for quality local performance; and they are rarely followed up by any effective audit systems, which leads to sloppy and at times corrupt performance at localities.

The inadequacy and unreliability of the grants diminish effective local authority and, obviously, disrupt the local resource base. Also, the economic and political turbulence of the African context accentuates this unpredictability. Local government leaders may have been given nominal authority over certain services, but that authority is meaningless when their decisions are undercut by inability to act. Plans and programmes are rendered fiction by chronic resource shortages and erratic resource flows. Buildings are built but never staffed; staff are hired but can never work because they have no supplies (Olowu and Wunsch, 1995; Wunsch and Olowu, 1996). These alone would reduce the public incentive to invest in a local political process.

That funds are allocated from the top down in an opaque process further reduces the incentive for grassroots persons to follow local politics. The capture, expansion and direction of these sorts of funds respond to ‘insider’ political resources and games largely played at the centre, rather than to a public political process at the locality. In

Nigeria, at least, they represent the impact of, and an expansion of, the ‘neo-patrimonial’ politics of the centre to local government (Guyer, 1992; Berman, 1998). The generally non-existent or ineffective audit provisions one finds at the local level of governance generally in Africa raise the local attractiveness of these grants for those who have the resources to capture them, once they are allocated to local governments. All these add to the incentive of notables to keep the local political game closed or very shrunken, and reduce the opportunities for the grassroots to get involved (Wunsch, 2001).

The absence of equirements for local fund-raising or cost return also decreases the vitality of local governance. To begin with, lacking such requirements, little money is raised or recovered locally, so the resource base of local government is proportionately reduced. With fewer resources, the effective authority local governments have remains small, as does its impact on people’s lives.

Perhaps more importantly, local dwellers have much less incentive to involve themselves in local affairs. If local governments give them little, they ask even less. There are no, or virtually no, taxes, nor are there fees for what few services there might be. If local people have historically experienced local government as an incompetent and/or corrupt entity, they probably find passive and undemanding local governments a lot less threatening than ones that propose to tax them or charge them for formerly free, if erratic, services. Thus leaders are unlikely to push the issue of increased revenue (and thereby increased resources and effective authority), and local politics remains by default a small, closed circle (O’Donovan, 1992; Guyer, 1992; Crook and Manor, 1998; Wunsch, 2001).

Conversely, a local government that proposes to tax all, to charge for formerly free services, and to expand its activities has changed the calculus of local involvement. Now, resources flowing to notables are not coming from a distant ‘common pool’, in which a few lucky locals might pick up some cost-free services or income. Instead, the resources extracted represent a draw on the local dweller’s own resources, and ‘breaking even’ requires him/her to get involved in local affairs to influence how resources are expended. In so far as taxes are levied generally, they are also more likely to stimulate a public political life (Slater, 1997). The broadened impact of governmental decisions on the community will compete with a private political process where only individuals scramble for their share of the ‘cost-free’ pie. Interestingly, enough, even though cynicism and apathy were the eventual result in Ghana, where local governments raise a majority of their revenues through local taxes, initially there were much higher levels of participation at the local level than in Nigeria (Crook and Manor, 1998).

While it is still a long distance to an active local political process and effective accountability, absent these incentives to motivate people to get involved it is hard to see how the process would *ever* start. Issues of notable manipulation, co-optation and intimidation will still remain, but now they would be a more general concern, as they affect what are seen as local resources, and not just national windfalls.

Extent and source of local authority to raise own revenues

The power to tax may be the power to destroy, but it is also a key ingredient in the power to build—institutions, programmes, and a public political process. Dependent only on erratic and inadequate national grants, local government units remain resource-starved, hamstrung in ability to exercise authority, and facing local dwellers who are largely passive, cynical or scrambling for resources as individual entrepreneurs. However, even raising local revenues is only one step toward viable local governance.

Local government in Kenya, where they receive little in national transfers (beyond funds for teachers’ salaries), is hampered by arbitrary and delayed decisions by the Ministry of Local Government on what levies individual localities might raise, and at what levels they can tax. While the revenue sources available to local governments in general are fairly diverse, and some are rather generous, Smoke finds no rationale as to which local governments receive which authority: some may collect a lot, others little. Furthermore, approvals for requests for taxes or rates are frequently delayed well beyond the time they are to start, as well as being arbitrarily changed. Thus local governments cannot plan revenues, and often must delay collections or later make refunds. Kenya’s local tax collections are also hampered by the shortfalls in numbers and competency of revenue collection personnel, and the difficulty of assuring that all revenues collected reach government coffers (Smoke, 1994). Similar problems with shortfalls in revenue collection can be found in Uganda (Livingstone and Charlton, 1998; Wunsch, 2001; Batkin, 2001). Ghana’s problems were reviewed above.

Most revenues authorized to local governments in Africa (and among LDCs generally) raise only pennies. They are market fees, minor business taxes and the like (Bird, 1990). While property rates and agricultural cesses may be authorized, the infrastructure needed to organize and raise them is well beyond most local governments, the political price to exact them seems to intimidate most officials from it, and corruption often renders them moot in any case (Smoke, 1994; Batkin, 2001; Wunsch, 1998). Whether or not they actually fear losing their jobs, give up in the face of the conflict it engenders, or fear stimulating a public that would follow more closely how the money was spent, local officials rarely push the 'envelope' on taxation for long (Crook, 1994; Wunsch, 2001). They have been content to continue on a national grants system, or a few local taxes, limited in size as they might be. Of course, national control over the lion's share of revenue retains national dominance of the peripheral areas, and helps maintain what Cohen (1993) called 'crony statism'. Whether or not so intended, all in all the current system of weak local taxes, weakly pursued, has left local officials and other notables pretty much in charge, at least in whatever limited space central authorities give to them. But it has also left localities weak in resources, authority and political process. Crook and Manor (1998) find similar patterns and dynamics operating in Côte d'Ivoire.

Legal status of local governments

In Kenya, where Smoke finds a number of urban local governments beginning to function fairly effectively, their status *vis-à-vis* locally based offices of the national government has become an important fiscal issue. Local governments there are responsible for providing several key utilities on a fee basis: water and electricity in particular. Local units of national government are to pay the localities for these services. However, while local governments do provide the services to such entities as hospitals, schools, police barracks and stations and the like, the central ministries simply ignore the billings. Feeling unable to shut off these services, whose costs are not inconsiderable, the local units are stuck for the cost. They have no legal status nor arena where they can sue for the funds due to them. Furthermore, as noted above regarding the arbitrary and usually delayed approval they face for various local revenue sources and rates, their fate is in the hands of a distant and slow Ministry of Local Government, staffed with what are usually regarded as undertrained personnel. Local governments have no legal status to compel action or receive redress for arbitrary, incompetent or non-existent actions by the Ministry (Smoke, 1994).

The fiscal implications of this are obvious. But there is a broader legal implication that should be noted. Local governments are, in effect, still bureaucratic dependencies of the national government. Rather than possessing juridical standing (the ability to sue other units of government in courts of law able to make binding decisions) they are reduced to working through administrative channels and begging for what by law should be theirs. When that is not in the interest of central politics, they lose.

Ayee's (1997) research on reforms in civil service procedures and regulations needed to effect decentralization in Ghana underscores this problem. While proclamations had been issued and statutes passed, the old, top-down civil service rules and regulations remained unchanged. And local governments had no recourse when they ran up against them. Botswana's local officials reported much the same problem (Wunsch, 1998a). The situation is, of course, supportive of control by the centre, just as it erodes local authority and dissipates local resources.

SUMMARY AND CONCLUSIONS

This article has explored the operation of several key organizational arrangements used in African states to facilitate decentralization and structure local governance. It has suggested that none of these work particularly well in encouraging development of genuine local-level authority, the transfer of resources to localities, development of a broadly based process of accountability, or building institutions that work effectively and reliably to facilitate decisions and make them realities. This seems to be because authority and resources are captured by either (or both) central or local actors who have an interest in preventing them from reaching local governments, and/or because the design of local institutions and processes is frequently flawed. At times there are operational problems in these four functions because of the simple difficulty of building working local institutions which can provide complex and technically demanding services in Africa's context of scarcity and general turbulence. With the exception of Botswana, where a very unusual political environment may have overcome turbulence and allowed a more broadly based political life to exercise some influence over the centre, and whose relative wealth (diamonds) may have temporarily altered the intense competition characteristic of Africa's severe scarcity, a top-down, decentralization/local governance strategy still faces substantial challenges in contemporary Africa.[1]

Nonetheless, a learning curve is being travelled. For example, Botswana's early years of decentralization, the 1970s and 1980s, were challenged by many of these same problems (Tordoff, 1988). Other states, such as Uganda, are undergoing intense conversations at the centre over possible changes to key financial and budgeting provisions which would greatly benefit local governance (Batkin, 2001). Furthermore, local officials are gaining in knowledge and experience, and with continued pressures on the centre to reduce its budgets and numbers, local officials are unlikely to be eliminated (World Bank, 1998/99). Meanwhile, their own political interests will likely lead them to exert pressure to create workable administrative systems. It is their growing knowledge and the pressure they can wield from below that are most likely to defeat 'recentralization' in Africa.

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[1]The possibility that a disengaged or weak state can provide fertile grounds for developing local governance in its absence (a sort of 'inadvertent decentralization') is explored in Bierschenk and Oliver de Patterson (1998), Sardan (1997), MacGaffey (1992), Tripp (1998), Davis *et al.* (1994), Woods (1999) and Fass (2001).

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