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# **Decentralization: Prospects for Peace, Democracy and Development**

**Draft Background Paper**

**By**

**Dr. John-Mary Kauzya**

**Chief of Governance and Public Administration Branch**

**Division for Public Administration and Development Management**

**Department of Economic and Social Affairs**

**United Nations**

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## 1. Background

As part of the efforts to structure governments to promote the participation of the people in the decision-making processes as well as the development activities as one of the tenets of “good governance”, the policy of devolution of power and authority to sub-national governments, (generally referred to as decentralization), is increasingly adopted and applied in many countries. It is most often hypothesized that decentralized governance provides a structural arrangement and conducive playing field for stakeholders and players to promote peace, democracy, and development. Many countries are promoting decentralized governance as a measure for democratization, people empowerment and poverty reduction. However, the efforts in this regard are not moving at the same pace, with the same political conviction, using equally competent capacities, and with the same success. Some countries have gone beyond political hesitation and put in place policies of decentralization but they lack the requisite capacities for the implementation. Others are still politically hesitant, not sure of the role of decentralized governance in democratization, people empowerment, and poverty reduction. Others have moved a long way forward in implementing decentralization but still need the requisite capacities for sustaining it.

At policy level countries that have decentralized have done so in various ways in terms of the process through which the policies were formulated, debated and agreed, the structures that were put in place, the sharing of functions and resources (especially financial) between central governments and decentralized units as well as in the way devolution, deconcentration, and delegation were balanced. Some countries have decentralized by establishing federal systems, some have established decentralized systems with strong doses of devolution, and there are many whose decentralization is mostly characterized by deconcentration. What is generally observed is that the process of consolidating decentralized governance is still on-going and needs strong support not only because governments and people are preferring decentralization as a politico-administrative structural arrangement for their empowerment, but also because it promises a lot in terms of democratization, people empowerment, and poverty reduction which are very much in line with the Millennium Development Goals (MDGs)<sup>1</sup>.

Consequently, decentralized governance is increasingly being favored as the most suitable mode of governance through which poverty reduction interventions can be conceived, planned, implemented, monitored and evaluated. This is because it is hoped that the process of decentralization facilitates greater participation of communities in project identification, planning and implementation, which in turn increases ownership and the likelihood of sustainability. Decentralization is taken as a high value policy and used as an instrument of people's empowerment, a platform for sustainable democratization, a structure for mobilization of economic development, a weapon for people's reconciliation, social integration and well-being, and a vehicle for the promotion of a culture of political, economic, civic, and managerial / administrative good governance. There is, in some corners, also the hope that decentralization offers opportunities for peace in situations where power sharing can mitigate severe ethnic, religious, and territorial conflicts inside a country. For all these reason and perhaps even more, many development partners at local, national, regional, and international levels including intergovernmental bodies such as the United Nations Agencies are engaged in supporting decentralized governance in many countries.

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<sup>1</sup> The Millennium Development Goals were set in the United Nations Millennium Declaration (See United Nations official Document # A/56/326 of 6<sup>th</sup> September 2001: Road map towards the implementation of the United Nations Millennium Declaration: Report of the Secretary-General)

Continuous exchanges among the various local government bodies, development partners, as well as other key players in decentralized governance from different regions of the world will assist countries to further appreciate the value of decentralized governance, the various forms it takes, and the optimum ways of managing decentralized institutions of governance. It will also enhance chances of local governance institutions in specific countries to participate in and benefit from global governance.

## **2. Introduction**

It is in this context that the conference of European and African Regional Assemblies is organized on the theme of: “Decentralization: the new Dimension of Peace, Democracy and Development”. This is a conceptual background paper for the conference. It stipulates that even at conceptual level, the claim of decentralization being a vehicle for peace, democracy, and sustainable development is generally based on hope and expectation. A number of conceptual and practical issues are posed concerning the prospects of decentralization being an appropriate arrangement to promote peace, democracy, poverty reduction and development. The paper starts by establishing a working understanding of decentralization and discusses its potential for creating a sustainable equilibrium between centralizing and decentralizing forces. The various modes of decentralization are highlighted and its linkages with development, democratic participation and peace are discussed. Does decentralization lead to development? Does it lead to democratization? These are critical questions that experts, administrative and political practitioners at local and central government levels, as well as civil society actors and development partners, are anxious to debate and answer. A sharper question, however, concerns whether decentralization promotes peace. This question calls for not only debate but further research as well. The issue of peace is critical especially since the world seems to continuously traverse periods of severe violent conflicts including terrorism.

The major conceptual thread running through the paper is that decentralization is a process that provides a structural arrangement for democratic and peaceful development to be planned and implemented at local community level with the participation of the local people. It is an arrangement which can facilitate such activities only when it is appropriately designed and implemented and when appropriate conditions, such as political and leadership will, bureaucratic will (the will of Senior Public Servants especially in central government) as well as social will (the willingness and capacity of local communities to receive and manage the powers, responsibilities, functions and resources transferred to them) are obtained. Decentralization succeeds best in situations where there is a strong central government (strong in terms of legitimacy and capacity) as well as an empowered population at local community level. Otherwise it contains no intrinsic value for being a natural promoter of peaceful development and democracy. The whole issue is also contingent on the environment and situation in question. Sometimes decentralization will mitigate conflict by allowing sufficient shared exercise of power among competing groups. At other times, centralization may mitigate violence by strengthening central government and enabling it to sustain a stable strong State.

## **3. Decentralization: The Process of Balancing Centripetal and Centrifugal Forces**

In every country, and indeed every society, even those that are seemingly homogeneous, there are always centripetal forces tending towards centralization and centrifugal forces

tending towards the periphery. This is the fulcrum of decentralization which intervenes as a deliberate process to provide a stable and predictable structural arrangement where the two forces can interact and maintain a win-win position for forces of unity and indivisibility and those of local autonomy and diversity. The interplay between centripetal and centrifugal forces can lead to either total unity (strong centralized Unitary State) or total disintegration. It can also lead to a mid-point equilibrium of decentralized governance with shared exercise of power. The difference between decentralization and disintegration is very thin and it is based on purpose and controlled agreed shared exercise of power, authority, functions, resources and territorial control as opposed to forceful power sharing or power grabbing.

In governance and public administration affairs, decentralization is commonly regarded as a process through which powers, functions, responsibilities and resources are transferred from central government to local governments or decentralized entities by what ever name called. In practical terms, the crafters of decentralization are engaged in a process of striking a point of equilibrium between the periphery (the local) and the center. Decentralization, when appropriately crafted, provides a structural arrangement through which on one hand, critical issues such as; ensuring national unity and indivisibility, national interests, coordinated and evenly distributed national development, equity in the distribution of resources, and issues like guaranteeing local autonomy, identity, interests, safeguarding local social and cultural systems and values and managing local affairs locally on the other hand can be reconciled<sup>2</sup>. Through such decentralized structures, central governments, local governments, civil society, and local elites continuously engage in socio-politico-economic negotiation which maintains equilibrium in the socio-politico-economic atmosphere, especially through the participation of community level people in the decisions that concerns their wellbeing. Purposeful well planned and controlled decentralization is not conceived in terms of power struggle between central and local governments, but rather as part of a framework for State and public administration reform aimed at empowering local governments and communities legally, technically and financially to cater for their interest as the central government takes care of the higher missions of the State.

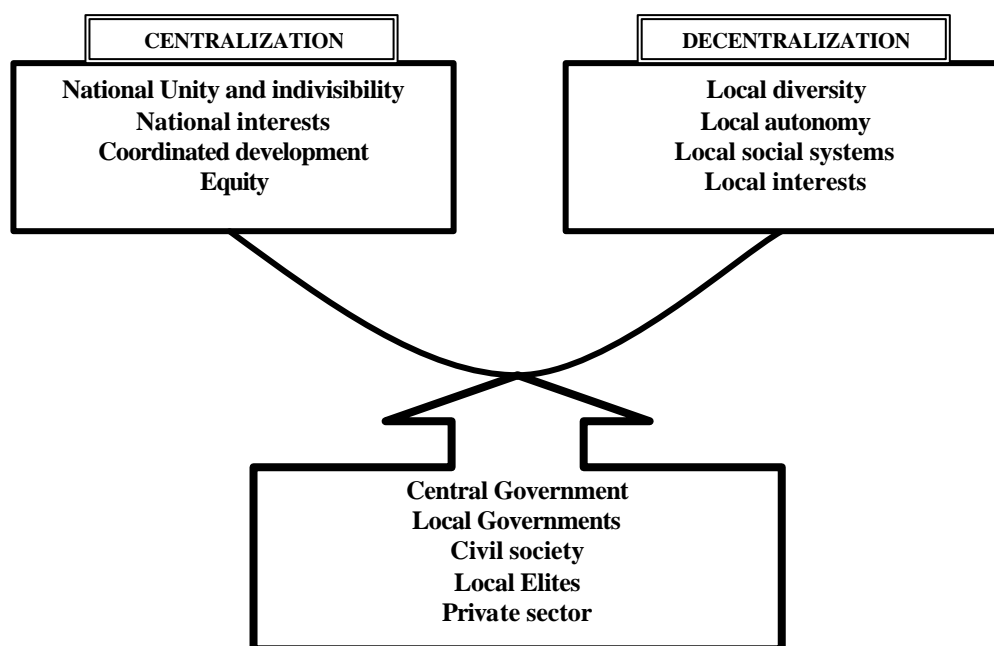
Decentralization is a generic term which covers a number of modes such as the following: (i) deconcentration which refers to the process of administrative decentralization whereby the central government designs a structure that enables its agents to work close to the local people in field units / agencies of central government, (ii) delegation which is the transfer of responsibilities from central government to semi-autonomous bodies that are directly accountable to the central government, (iii) devolution which is the process of transferring decision-making and implementation powers, functions, responsibilities and resources to legally constituted local governments, (iv) delocalization which is the spatial distribution of central government socio-economic development facilities and activities such as schools, hospitals, etc in peripheral regions. There are scholars who include privatization in the locus of decentralization but for the purpose of this paper it will not be discussed.

In general terms, it is difficult to come across a country that has undertaken only one of the above different types of decentralization. All countries, centralized or decentralized, always seek to find an appropriate mix of these types, the central question always concerning how much decision-making power should be transferred to local governments. This is directly linked to issues of political decentralization.

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<sup>2</sup> Interesting reading can be found in: Gay Braibant: Institutions Administratives Comparees: Les Controles (Fondation nationaux des Sciences politiques, Services de Polycopies, Paris, 1985-1986 pages 89 – 93) and in Jacques Chevallier, Science Administrative (Presse universitaire de France, paris, 1986, pages 372-386). See also Charles Debbasch, Science Administrative (5 ed.) (Daloz, Paris, 1989, pages 221-237).

Figure 1: Equilibrium of centralization and decentralization forces



#### 4. Political decentralization: A Basis for Local Participatory Decision-making

The general tendency is to understand political decentralization only from the aspect of local electoral practice whereby local people elect their leaders as well as their representatives in central government legislatures. However, political decentralization is far more than this narrow view. It is a process of political (decision-making) power transfer from central government to give citizens and/or their elected representatives more say in public decision-making in domains that go beyond politics to include general socio-economic development. Whether it is in matters of financial decision-making such as in deciding a local council budget as it is done in Participatory Budgeting” in Porto Alegre (Brazil)<sup>3</sup>, in issues of development planning such as designing a community development plan, in aspects of service delivery such as earmarking where a feeder road will pass, where a water well will be dug or where a school or a maternity center will be constructed, if the power to take such decisions is passed on from the center to local governments / people / communities, it is within the realm of political decentralization. The choice of leaders through election is just a small component of political decentralization. Political decentralization could be another name for devolution, especially if its provisions are enshrined in legal documents.

Seen against this light, political decentralization (being a process of transferring decision-making power and authority) becomes a strong vehicle for championing local diversity, local autonomy, local affairs, local socio-cultural systems and local interests and needs in general by providing a structural and institutionalized venue through which local people can participate and exert “more influence in the formulation and implementation of

<sup>3</sup> See for example: Zander Navarro: “Decentralization, Participation and Social Control of Public Resources: “Participatory Budgeting” in Porto Alegre” paper presented during the Workshop on: Citizen Participation in the Context of Fiscal Decentralization: Best Practices in Municipal Administration [Tokyo and Kobe, Japan, September 2 to 6, 2002]

policies” and the determination of their development in general.<sup>4</sup> If it is taken that democracy means the rule of the people, then political decentralization, by facilitating participation of the people in decision-making, promotes democracy.

## **5. Democratic decentralization: Creating a Playfield for Citizens’ Participation**

When political decentralization is understood in the above sense, then it becomes clear that it can be a vehicle for promoting democratic participation. In fact one would not see the value in political decentralization if it was not linked to the promotion of participation of local people or their representatives in the process of decision-making and implementation. In a general way, what is difficult about using political decentralization to promote democratic participation is not in understanding the linkage between the two but rather how to, through the process of decentralization, create structures that inspire local people and facilitate their participation in the decision-making and implementation process. In the majority of cases, structures such as Local Councils, Executive Committees, Local Government Civil Service etc, are established through decentralization in the belief that since they are near to the people and they are manned by representatives of the local people, they will suffice for participation. This is only partly true. Such structures represent what is known as vertical decentralization (i.e. the transfer of power, authority, functions, responsibilities, and resources from central government to local government). They promote participation by representation but not direct participation. And here lies the major problem. There are instances where the same structures that are established through decentralization to promote democratic participation become instruments of elected local dictatorships. They become structures of highly centralized local governments or “centralized decentralization”. One of the dangers to guard against in decentralization is the risk of “recentralization” at local level. For vertical decentralization to avoid this danger, it needs to be complimented by horizontal decentralization which is a process through which the local communities are empowered through community based civil society organizations as well as structural arrangements that integrate community socio-economic actors into the analysis of local problems and the decision preparation and making as well as implementation process of the local government structures. The example of the Community Development Committees in Rwanda is informative on this point:

“In line with decentralization, Community Development Committees (CDCs) were set up to identify needs and priorities in their development plans and form the planning process at the local levels. To ensure the actual participation of the population in its development, the planning should be a participatory process, including all the different levels. The Community Development Committee established at each level from the lowest (cell) to the highest (district) is an important organ for participatory planning for poverty reduction. The plans that are made at the cell level go up through the sector level, the district level and up to the national level. It is important to note that the civil society groups, NGOs and the private sector are legally included in the Community Development Committees and the planning process”<sup>5</sup>.

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<sup>4</sup> The World Bank Group: “Political Decentralization”, <http://www.worldbank.org/publicsector/decentralization/political.htm#2>

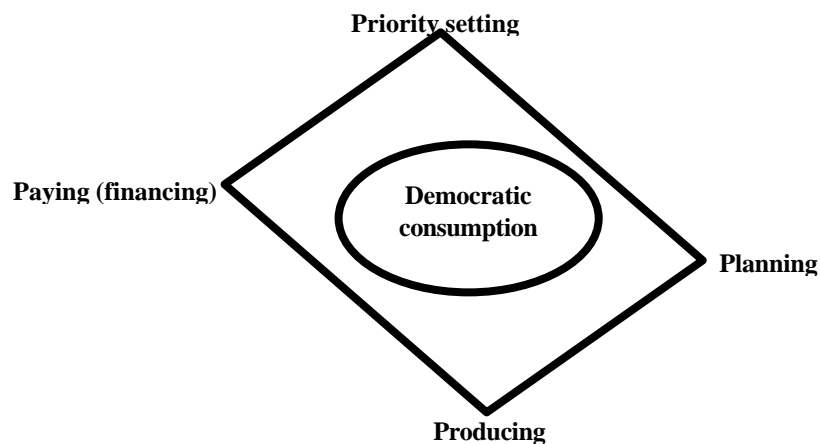
<sup>5</sup> Protais Musoni: “Innovations in Governance and Public Administration for Poverty Reduction in Post-Conflict Countries in a Globalized World: the Experience of Rwanda” in UNDESA, Searching for Innovations in Governance and Public Administration for Poverty Reduction, (United Nations, New York, 2004, pages 65)

Participation in elections is a matter of the vote which depending on the mandate of the elected leaders is once-in-a-period activity. For the people to be seen to participate fully this requires to be reinforced by voice, i.e. the day-to-day influence the people exert on their leaders to shape the decisions they take, and demand accountability from them for the resources put at their disposal. The World Bank Group puts it clearly:

“Voting democracy is often considered as satisfying the conditions for citizen participation and voice in the design of decentralized systems, but in practice this may not be sufficient. Meaningful participation requires that citizens be informed and that their voices have impact where consequences are immediate. The legal/regulatory system needs to provide for, at minimum, full, timely and easily accessible public disclosure of resource allocation decisions - in budgets, in procurements, and in expenditure programs. An output/ outcome orientation to expenditure management would be even more desirable”<sup>6</sup>.

Below we provide a framework for effective democratic and development-oriented participation:

*Figure 2: Framework for effective participation*



If it is accepted that democracy is not only premised on elections, then the most often expressed view that decentralization, especially devolution, enhances participation by providing political structural arrangement and legal provisions for voting to choose local leaders is just a small bit of the requirements for full participation. For decentralization or any other structural arrangement to facilitate socio-economic democratic participation, it must take into account the full range of the possibilities of participation. Certainly participation in election of local leaders is one of the various components of a people’s political participation. However, for a people to determine their destiny, they need to participate in (i) deciding which problems concern them most and in what ways in order to set priorities on which to expend their energies and resources for their own benefit, (ii) planning the way their problems will be solved and their needs met, (iii) working to produce goods and services and to distribute them through engagement in a full range of economic, commercial and non profit activities, (iv) paying for the goods and services which in essence underpins their participation in consumption. Elsewhere we have argued that “the biggest problem for developing countries is that because of their very low incomes, people expect to

<sup>6</sup> The World Bank Group: “Issues in Political Decentralization”, <http://www1.worldbank.org/publicsector/decentralization/political.htm>

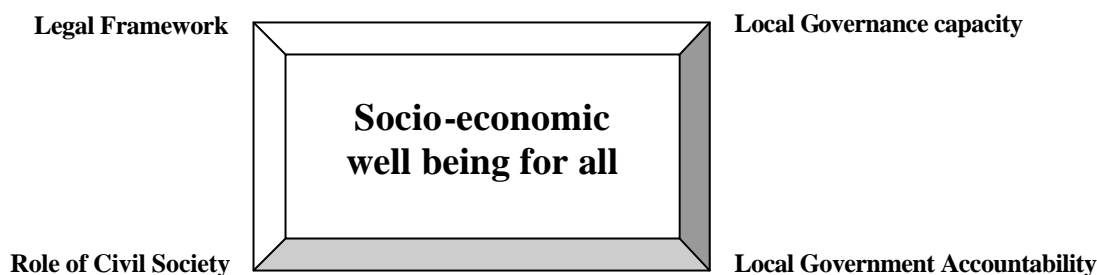
participate in consumption without participating in paying.”<sup>7</sup> Our observation has shown that in poor countries, the most needed democratic participation which eludes them is in consumption i.e. the participation of the majority in consumption of goods and services which underpins their well being.

To the extent that political decentralization (devolution) transfers the power, functions, and responsibility that enable local governments and communities to make socio-politico-economic decisions to determine their development, one would affirmatively say that that it promotes participation. However, caution needs to be taken here. Decentralization is a process that provides a conducive structural arrangement through which participation can be engineered. Whether participation does or does not take place depends on various factors including political, social, and bureaucratic will as well as the extent to which the local people and other stakeholders are empowered with knowledge, skills, attitudes, networks and resources.

## 6. Some of the characteristics to consider in designing democratic decentralization

There are five key characteristics<sup>8</sup> of democratic decentralization that can be observed when it is effectively implemented. They are: (i) legal reforms to devolve power not only to local governments but also to local communities (giving decision making power and authority to them especially in matters of socio-politico-economic local concern); (ii) strengthened local governments’ capacity (in terms of finances, personnel, organization structures, management systems, data and information, facilities, networks etc), (iii) local government accountability to both citizens and central government, transparency, and responsiveness; (iv)enhancing the role of civil society both at local level and national levels (practicing what we prefer to call horizontal decentralization) and (v)showing both intent and progress in improving the quality of life for the local people (i.e. enhancing people’s participation in consumption of goods and services). When designing democratic decentralization, all these characteristics must be factored in consciously using for example the following framework<sup>9</sup>.

Figure 3: Framework of what to include in democratic decentralization



<sup>7</sup> See John-May Kauzya: “Strengthening Local Governance capacity for Participation” in Dennis A. Rondinelli et al (Eds.): Reinventing Government for the Twenty-First Century: State capacity in a globalizing Society. (Kumarian Press, Inc, 2003 pages 181 -193)

<sup>8</sup> An interesting discussion of these characteristics is presented in: Camille Cates Barnett, et al : “Democratic Decentralization” Paper prepared for the United States Agency for International Development under the IQC for Democracy and Governance, Contract No. AEP-5468-I-00-6014-00, Task 1, Delivery Order 2: Use of Incentives to Encourage Devolution of Central Authority/Resources to Local Governments, 1997

<sup>9</sup> : The framework has been adapted from Camille Cates Barnett, et al : Op cit

Each of the above characteristics is detailed below with some guiding questions. Answering such questions during the design of decentralization may help to put in place a decentralization that can facilitate democratic participation.

### ***6.1 Legal Framework: Instituting Constitutional and Legal Reforms to Devolve Power to Local Structures***

- Do decision-making structures, power and authority of elected officials exist at the level at which revenue and service provision responsibilities have been transferred?
- Has an indigenous institution been created to instigate/maintain pressure for change?
- Do higher levels of government exercise only an ex-post facto audit of local government budget and operations according to clearly defined legal guidelines?

### ***6.2 Local Governance Capacity: Increasing Local governance actors' Ability to Act (financial and human resources, organization, authority)***

- Do sub-national/local governments have revenue generation capacity and revenue-raising authority that corresponds to expenditures required for service responsibilities?
- Are resources mobilized at the local level retained for use at the local level?
- Do central government grants to sub-national/local governments reward good management?
- Does local government have the authority to hire and fire its personnel, ensuring accountability to that level?
- Have structures been designed to support the participation of the local community in the governance at local level?

### ***6.3 Increasing Local Government Accountability***

- To what extent do electoral procedures build accountability to the electorate more than other centers of power?
- To what extent do all levels of government regularly disseminate information to citizens and other levels of government?
- To what extent does the public (citizens and media) have free access to public meetings and records?
- To what extent do local government procedures allow citizens to provide input before decisions are made about resource allocation?
- To what extent are the results of government decisions disseminated to citizens?
- To what extent is information about government performance readily available?
- Does privatization (if any) occur in a transparent manner?

#### **6.4 *Role of Civil Society (practice of horizontal decentralization / community empowerment)***

- Can partnerships between local government and NGOs, associations, business people, and similar organizations be formed? Or are there legislative and attitudinal obstacles to a strong civil society?
- Can NGOs, CBOs and other associations at local and national levels form and function without governmental interference and according to clearly defined legal guidelines?

#### **6.5 *Socio-economic well being: (Improving Quality of Life)***

- Are citizens consulted or do they have a mechanism to express their satisfaction or priorities for services?
- Does the local government provide information to citizens about how to access their services?
- Does the local government provide information to citizens about local economic, environmental, and social conditions?
- Does the local economic condition improve?

In the process of balancing competencies and freedom decentralization processes, in most cases, produce a mix of devolution, delocalization, delegation, and deconcentration. Therefore the above elements can only exist in a mix of micro-scenarios with some existing in more doses than others depending on the particular situation under consideration. It would not be realistic to expect every decentralized system to exhibit all the above in the same doses. They however provide an ideal that crafters of decentralized governance need to bear in mind. The most important aspect of designing democratic decentralization is to always bear in mind the critical question of: “what strings must be put in place to sustain a strong State within a decentralized governance system. When this question is not adequately addressed decentralization can easily turn into disintegration. Such strings may include the functions that are retained by the central government, (e.g. Legislature, Judiciary, Defense, Foreign Affairs, some services of a national nature, fiscal policy, etc). But the functions may not be sufficient. They need to be accompanied by the legitimacy of the state, the trust the central government has from the people in general and the capability of its institutions). In otherwise, the design of such strings will be the ingenuity of balancing the forces of national unity with those of local autonomy.

### **7. Decentralization and Peace: Does decentralization really promote peace?**

It is at the point of equilibrium between the forces for national unity and the forces of local diversity and autonomy that the linkage between decentralization and peace can be established. Conceptually, decentralization can be regarded as a process instrument for sustaining or even enhancing peace especially in a situation where peace already exists. We deliberately exclude situations of war or immediate post-war from this assertion because our experience in designing decentralized governance systems shows that in order for decentralization to succeed, it requires highly participatory discussion and consultations

devoid of suspicion which are basically impossible during war or immediately after war<sup>10</sup>. It should also be noted that during civil war, or even after it, in some cases, (for example in Somalia), there is no viable and accepted center to move away from and therefore decentralization would be an inappropriate term to apply. Taking Somalia for example, at this moment one would not be talking of decentralization simply because the periphery regions regard themselves as autonomous and the society is “uncentralized”. There is no centre from which to transfer power, authority, functions, responsibility and resources. On the contrary Somalia is currently trying to work out an arrangement for some form of centralized authority that can serve as a point of reference for a State called Somalia<sup>11</sup>. Whether the final arrangement will be federal or unitary, the process that is going on now is not a process of decentralization. It is a process of bringing together all the clan and traditional authorities that have remained dispersed and fighting one another since the fall of Siad Barre in 1991. Clearly this falls within the logic of centralization. It is an attempt to produce the opposite of the disintegration that took place at the fall of the Siad Barre regime. The process going on could be termed “recentralization” rather than decentralization.

There is need to distinguish a situation where powers, responsibilities, functions, resources etc are transferred from the center to local governments and / or communities during a period of peace from a situation where during a period of violent conflict (e.g. Civil war), territorial delimitations, powers, responsibilities, functions and resources are taken away from central government and given / offered to a fighting group as part of a negotiated settlement of the conflict. In such a situation the central government is so weak and contested that it has little room of maneuver to determine what is given and what is left. This is why in most cases such negotiated settlements require a third party to mediate the negotiations.

Therefore the critical question that begs for an answer, especially in troubled States (political turmoil and Civil war States), concerns whether really decentralization would put in place an institutional arrangement that can initiate and guarantee transition from war to durable peace. David A. Lake and Donald Rothchild in their paper, “Territorial Decentralization and Civil War Settlements” state that they find no cases of decentralization following a civil war after examining historical records since 1945<sup>12</sup>. Our contribution on this is that conceptually decentralization should not be looked for in situations of war.

In situations of war, before one can consider decentralization as a process that may lead to peace, one has got to diagnostically analyze the deeper causes of the conflict and what exactly is being contested. It must be understood that in war, if what is contested is control over territory then territorial decentralization (where specific territorial parts of a country are put under governance of one warring faction) may contribute to peace. However, this would not be decentralization in the real sense because it actually represents a loss on the part of the central government and a win on the part of the warring faction. The loser is weak and the winner is strong. This is not a durable framework for peace. Decentralization strengthens both the central government and the local governments by creating a situation of shared engaged governance where the concern of every one is not who has power over who but

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<sup>10</sup> Those interested in reading material on decentralization and peace in war and post-war situations can read : David A. Lake and Donald Rothchild: “Territorial Decentralization and Civil War Settlements” Prepared for *Power sharing and Peacemaking*, edited by Philip G. Roeder and Donald Rothchild, and funded by the Carnegie Corporation and the Institute on Global Conflict and Cooperation.

<sup>11</sup> See: “Somalia: Transitional Parliament Inaugurated in Nairobi” ([UN Integrated Regional Information Networks](#) August 23, 2004

<sup>12</sup> David A. Lake and Donald Rothchild, “Territorial Decentralization and Civil War Settlements” Paper Prepared for *Power sharing and Peacemaking*, edited by Philip G. Roeder and Donald Rothchild

how who ever has the power over what ever functions and resources can use it for the well being of the people. This is why decentralization is good for sustaining peace when peace exists. It is a process that works best within the framework of win-win and not win-lose.

Moving from peace to war often means power sharing. Decentralization does not work within the framework of power sharing. It works within the framework of shared exercise of power and these two are different. Power sharing refers to resolving disputes over who should have the most powerful position in the hierarchy of power in the country in question. Shared exercise of power on the other hand, refers to putting in place arrangements and practices that can facilitate various actors to exercise power in particular socio-politico-economic domains for the benefit of every one. For this decentralization is suitable.

There is however, a case for designing decentralized governance systems in order to promote peace. Once groups have started fighting for power within a framework of win-lose demanding power sharing and autonomy, then proposals put on the negotiation table could include power sharing arrangements designed within a framework of decentralized governance. Rarely, in such situations, do we find groups framing their demands in a way that emphasizes joint benefit. Within this win-lose framework, decentralized governance arrangements can be put in place as it was done in Bosnia where federal institutions were literally imposed from outside with the international community, more than the warring factions, believing that federalism (territorial decentralization) would work to re-install a peaceful State.

There are a number of cases in the world which seem to indicate that decentralized governance, when not well managed can lead to instability and war rather than peace. Such cases include Yugoslavia; a federal State (six republics and two autonomous provinces) under Josip Broz Tito which after 1989 broke into pieces following his death in 1980 and increasing centrifugal forces which weakened the center. Assisted by international recognition, the leaders of the separate republics moved in the early 1990s to assert their political autonomy and independence. Elections at the republic level facilitated this process of separation, bringing strong and determined leaders to power who emphasized the interests of their republics at the expense of the Yugoslav federation.

Another case is the former USSR and its subsequent disintegration into separate States where the efforts of Mikhail Gorbachev to restructure the country - especially in political liberalization (1988 to 1991) provided an opportunity for new nationalist demands for political autonomy with political elites in the fifteen Union Republics becoming increasingly assertive in their demands for greater autonomy from Moscow. The federation fragmented and the fifteen union republics became sovereign states in 1991. Up to today, the process of disintegration has not yet stopped.

In contemporary Ethiopia, although there is some success in the design and operation of the structure of federalism, the autonomy left to the provinces under the federal relationship still did not stop the Eritreans from demanding for, and eventually getting a sovereign state. The country has been locked in war with its "mother" Ethiopia.

Decentralization is best conceived within the logic of a unitary State or centralization and in periods of peace. Whether it is demand driven (i.e. demanded by the people or local forces) or supply driven (i.e. initiated by central government authorities which recently has been the general tendency), decentralization is a process that requires relative calm and peace to be negotiated. We believe therefore, that because it provides a structural arrangement for orderly negotiation and shared exercise of power on a continuous basis, it offers prospects in keeping peace. We however, have reservations on its prospects for establishing peace from a situation of war.

## 8. Decentralization, development and peace

The thesis we would like to advance is that development, especially when it is people-oriented, equitable, and involving, is a strong motor for engineering sustained peace. Within this thesis then, if decentralization is conceived, planned, implemented, and sustained as a structural arrangement to support and facilitate the involvement of the local people in the process of their own development, then it stands strong chances of promoting sustainable development and peace. However, decentralization should not be taken as a panacea for peace and development. The quotation below in this is pertinently challenging

An expert's assessment of institutional capacity and the extent of leverage from a decentralised system of government to increase its impact on poverty are of no concern to "the woman in her village". She just wants "clean water all year round, close to her home, with food to eat, shelter, access to health care, education for her children and a way of getting any modest produce from her home to a local market, where the product of her back-breaking labour can be turned into money" all as a modest first step in breaking the pernicious and degrading downward spiral of poverty – something that sub-Saharan Africa needs and desperately so. The question is, do we answer that fundamental assumption positively, namely; that local governance, through the instrument of decentralisation improves the lot of the poor, especially (but not exclusively) in the rural areas?<sup>13</sup>

It would be setting the stage for disappointment and loss of support for decentralization if we answered affirmatively with promise that decentralization will deliver such expectations. However, the potential for decentralized governance to support local level development should not be lost.

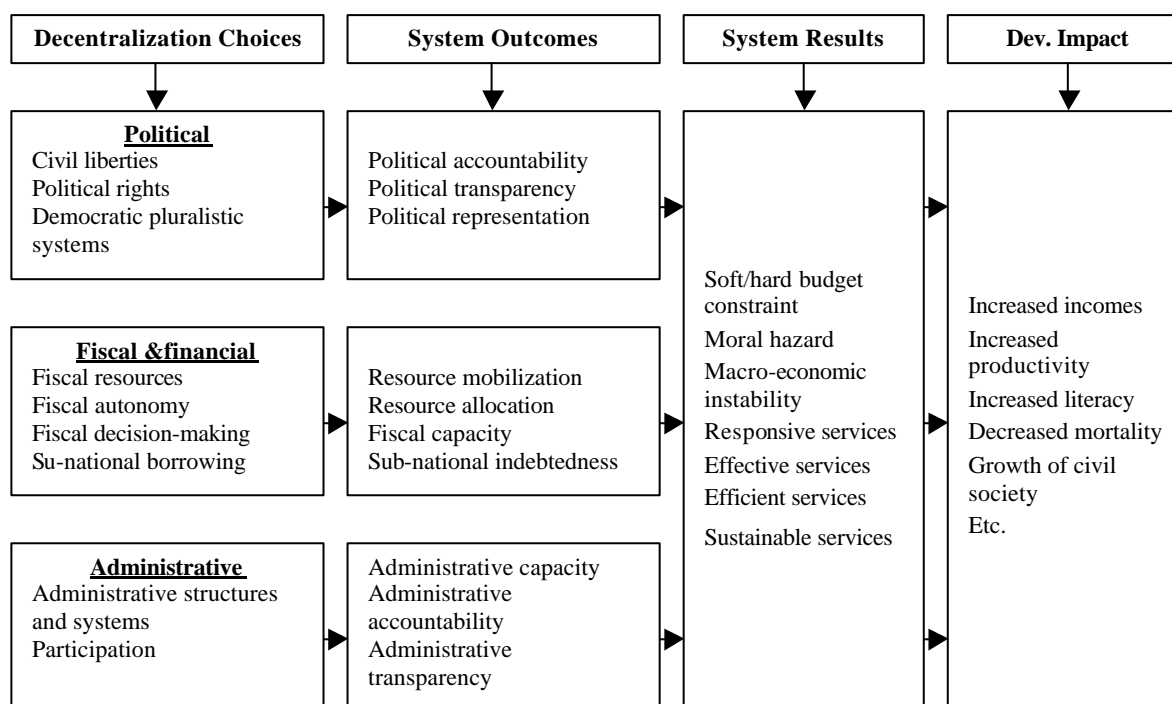
The Diagram below provides a conceptual basis for premising some local development prospects on decentralization<sup>14</sup>.

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<sup>13</sup>See United Nations Capital Development fund; "Poverty and local governance", Issue Paper for the Africa Governance Forum V, Maputo, May 2002.

<sup>14</sup> Source: Adapted from Parker, Andrew N. 1995, *Decentralization: The Way Forward for Rural Development?* Policy Research Working Paper 1475. The World Bank, Washington, D.C: See also, "Decentralization Toolkit" at [www.worldbank.org/publicsector/decentralization/toolkit](http://www.worldbank.org/publicsector/decentralization/toolkit)

Figure 4: Decentralization choices, outcomes, results and impact



To the extent that it is hoped that decentralization will facilitate (we prefer not to state that it leads to) resource mobilization at local level, resource allocation at national and micro community level, effective, efficient and sustainable service delivery, as well as increased incomes and productivity, it is possible to link it to development. What should be born in mind is that decentralization, as a process of structural re-arrangement, cannot in itself lead to development. It provides a playfield that has the potential to mobilize and motivate energies at local, national and international levels to focus development efforts at local community levels. This is sufficient to advocate for decentralized governance for local development.

At the design stage the development objectives of decentralization must be very specific so that it is clear to all actors that decentralization is being used as a vehicle for local level development. The nature and extent of the objectives pursued will determine the extent to which decentralization will be practically linked to development. For example, in Rwanda's strategy for implementing decentralization it is specifically stated that "the overall mandate of the decentralization is to ensure political, economic, social, managerial/administrative and technical empowerment of local populations to fight poverty by participating in planning and management of their development process"<sup>15</sup>. If the objective is political or administrative only, then it would not be realistic to expect decentralization to directly lead to development.

## 9. Conclusion

Decentralization, being a process that puts in place a structural arrangement for facilitating shared exercise of power among central government, local governments, and

<sup>15</sup> See Government of Rwanda, Ministry of Local Government and Social Affairs: "Strategy for implementing decentralization". (Government Official document).

local communities is a very wide subject difficult to discuss exhaustively in a paper of only some pages. In this paper we have contended that decentralization is a process which provides a structural arrangement for democratic and peaceful development to be planned and implemented at local community level with the participation of the local people. As a process it does not possess intrinsic or natural predisposition to lead to peace, democracy or development. Certain environmental and situation specific conditions must obtain for decentralization to be effective in facilitating democratic participation and development. Conditions that are conducive to successful and effective decentralization include: (i) a capable State that enjoys sufficient legitimacy and trust from the people to sustain it, (ii) political, bureaucratic and social will to plan and implement shared exercise of power, (iii) and empowered local people (civil society) that can receive and utilize the powers, functions, resources transferred to them, and (iv) a commitment from development partners and stakeholders to re-aligning their capacities to implement decentralization.

The most immediate and less doubtable outcome and value of decentralization is the promotion of participation of local people or their representatives in the process of decision-making and implementation. In structuring decentralized governance this should always be adequately taken into account in order to avoid putting in place structures of decentralization that can easily facilitate the development of local dictatorship or “centralized decentralization”. Vertical decentralization should always be accompanied by horizontal decentralization to empower local people to participate in local governance and counter the tendencies of local dictatorship.

In designing decentralization the centripetal and centrifugal forces should always be balanced to ensure provisions that cater for both interests of national unity, indivisibility and equal development as well as those of local autonomy and diversity. When this is not done either over centralization which leads to resentment from local populations, or disintegration may result. Shared exercise of power which should be the aim of decentralization always pre-supposes equilibrium between these two forces. While some people look at equilibrium only in terms of the way powers, functions, responsibilities, and resources are distributed, real effective equilibrium is best assured through participation by local people in planning, implementation, monitoring and evaluation of development activities especially at local level. This should always be the focus of political decentralization

Owing to the fact that, it provides a structural arrangement for orderly negotiation and shared exercise of power on a continuous basis, decentralization offers prospects for sustaining peace during a peaceful situation. There are reservations, however, on its prospects for establishing peace from a situation of war. Depending on the way it is designed and implemented, decentralization may mitigate conflict by allowing sufficient shared exercise of power among competing groups. On the other hand, centralization also may mitigate violence by strengthening central government and enabling it to sustain a stable strong State. In other words, decentralization is not a panacea, neither for peace and democracy nor for development. It may be a facilitating factor but not a determining valuable. The strength and value of decentralization, whether one is looking at peace and democracy or at development in general lies in the fact that it can be used to facilitate the participation of the people in determining their own development fate. This alone is sufficient ground for supporting decentralized governance.

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