

Dickovick, J. Tyler

Working Paper

Foreign aid and decentralization: Policies for autonomy and programming for responsiveness

WIDER Working Paper, No. 2013/044

Provided in Cooperation with:

United Nations University (UNU), World Institute for Development Economics Research (WIDER)

Suggested Citation: Dickovick, J. Tyler (2013) : Foreign aid and decentralization: Policies for autonomy and programming for responsiveness, WIDER Working Paper, No. 2013/044, ISBN 978-92-9230-621-2, The United Nations University World Institute for Development Economics Research (UNU-WIDER), Helsinki

This Version is available at:

<http://hdl.handle.net/10419/80899>

Standard-Nutzungsbedingungen:

Die Dokumente auf EconStor dürfen zu eigenen wissenschaftlichen Zwecken und zum Privatgebrauch gespeichert und kopiert werden.

Sie dürfen die Dokumente nicht für öffentliche oder kommerzielle Zwecke vervielfältigen, öffentlich ausstellen, öffentlich zugänglich machen, vertreiben oder anderweitig nutzen.

Sofern die Verfasser die Dokumente unter Open-Content-Lizenzen (insbesondere CC-Lizenzen) zur Verfügung gestellt haben sollten, gelten abweichend von diesen Nutzungsbedingungen die in der dort genannten Lizenz gewährten Nutzungsrechte.

Terms of use:

Documents in EconStor may be saved and copied for your personal and scholarly purposes.

You are not to copy documents for public or commercial purposes, to exhibit the documents publicly, to make them publicly available on the internet, or to distribute or otherwise use the documents in public.

If the documents have been made available under an Open Content Licence (especially Creative Commons Licences), you may exercise further usage rights as specified in the indicated licence.



WIDER Working Paper No. 2013/044

Foreign aid and decentralization

Policies for autonomy and programming for responsiveness

J. Tyler Dickovick*

April 2013

Abstract

Donor support for decentralization comes in two main categories: recommendations at the policy level and project activities at the programming level. At the policy level, donors promote decentralization by recommending greater autonomy for subnational actors. That is, they advocate for reforms that increase the extent (or ‘quantity’) of decentralization. At the programming level, donors implement projects intended to improve the capacity and accountability (or ‘quality’) of decentralized governance. This paper’s argument is twofold. First, donors have had modest impacts on the quantity of decentralization where they have engaged in policy reform because the variables that shape the extent of decentralization .../

Keywords: decentralization, development, local governance, Africa

JEL classification: N47, O20

Copyright © UNU-WIDER 2013

* Washington and Lee University, email: DickovickT@wlu.edu

This study has been prepared within the UNU-WIDER project ‘ReCom—Research and Communication on Foreign Aid’, directed by Tony Addison and Finn Tarp.

UNU-WIDER gratefully acknowledges specific programme contributions from the governments of Denmark (Ministry of Foreign Affairs, Danida) and Sweden (Swedish International Development Cooperation Agency—Sida) for ReCom. UNU-WIDER also gratefully acknowledges core financial support to its work programme from the governments of Denmark, Finland, Sweden, and the United Kingdom.

ISSN 1798-7237

ISBN 978-92-9230-621-2



... are found primarily in the contexts—the history, politics, social realities, and economic conditions—of partner countries. Second, decentralization quality may be improved by effective design and implementation of donor programmes and projects, but systematic variation in the efficacy of programming is compromised by measurement challenges and conflicting donor emphases.

Acknowledgements

The author would like to acknowledge several people who have offered constructive commentary on previous versions of this paper. First and foremost, Danielle Resnick offered in-depth commentary and analysis that greatly improved the paper. Marc Howard Ross similarly offered excellent comments. The author is also grateful to Rachel Riedl and Jeremy Meadows for their reflections on these issues, and to Gary Bland, Jamie Boex, Ed Connerley, Ben Feit, and Ryan McCannell for their comments on previous versions and related work.

The World Institute for Development Economics Research (WIDER) was established by the United Nations University (UNU) as its first research and training centre and started work in Helsinki, Finland in 1985. The Institute undertakes applied research and policy analysis on structural changes affecting the developing and transitional economies, provides a forum for the advocacy of policies leading to robust, equitable and environmentally sustainable growth, and promotes capacity strengthening and training in the field of economic and social policy making. Work is carried out by staff researchers and visiting scholars in Helsinki and through networks of collaborating scholars and institutions around the world.

www.wider.unu.edu

publications@wider.unu.edu

UNU World Institute for Development Economics Research (UNU-WIDER)
Katajanokanlaituri 6 B, 00160 Helsinki, Finland

Typescript prepared by Janis Vehmaan-Kreula at UNU-WIDER.

The views expressed in this publication are those of the author(s). Publication does not imply endorsement by the Institute or the United Nations University, nor by the programme/project sponsors, of any of the views expressed.

1 Introduction

Decentralization has been one of the leading governance initiatives advocated by donor agencies over the past two decades, especially in regions that have historically had centralized states, such as Africa and the post-communist world. Due to its theorized ability to promote stability, more inclusive grassroots participation, and enhanced governmental efficiency, decentralization has been popular with both left-leaning and right-leaning advocates and institutions, even as it is widely acknowledged that decentralization is not a panacea.¹ But what works in decentralization? This paper offers steps toward generalizable claims about the linkage between decentralization and aid effectiveness. It synthesizes existing findings and offers new conclusions about what works, what does not, and why.

Donor support for decentralization comes in two main categories: recommendations at the policy level and project activities at the programming level. At the policy level, donors promote decentralization by recommending greater autonomy for subnational actors. That is, they advocate for reforms that increase the extent (or ‘quantity’) of decentralization. At the programming level, donors implement projects intended to improve the capacity and accountability (or ‘quality’) of decentralized governance.

This paper’s argument is twofold. First, donors have had modest impacts on the quantity of decentralization where they have engaged in policy reform because the variables that shape the extent of decentralization are found primarily in the contexts—the history, politics, social realities, and economic conditions—of partner countries. Second, decentralization quality may be improved by effective design and implementation of donor programmes and projects, but systematic variation in the efficacy of programming is compromised by measurement challenges and conflicting donor emphases. This paper explores both sets of donor intervention—at the policy level and the programming level—and in so doing, proposes an analytical framework to guide future thinking.

After a clarification of key concepts in section 1, this paper proposes a framework in section 2 to understand the distinction between decentralization as an outcome vs. decentralization as an input to other goals (such as good governance, democratic deepening, or economic or social development). A key is differentiating whether decentralization initiatives seek more *autonomy* of subnational actors vis-à-vis central governments, or more *responsiveness* of subnational actors to local citizens. Section 3 highlights several commonalities across countries on both autonomy and responsiveness. Section 4 then explores donor impacts on the autonomy of decentralized governments, while section 5 assesses programming impacts; in both instances, donor achievements are modest. The paper forwards recommendations in section 6 about what could work in decentralization programming across country contexts. The paper draws upon individual country evaluations, existing comparative studies, academic research, and new syntheses. Although the emphasis is predominantly on Africa, the lessons are comparative.

¹ The logic by which decentralization contributes to good governance outcomes is not explored at length here. An overview can be found in USAID (2009), which synthesizes the literature on how decentralization can contribute to the goals of stability or security, economic growth and service provision, and democratic deepening.

2 Clarifying decentralization as concept and variable

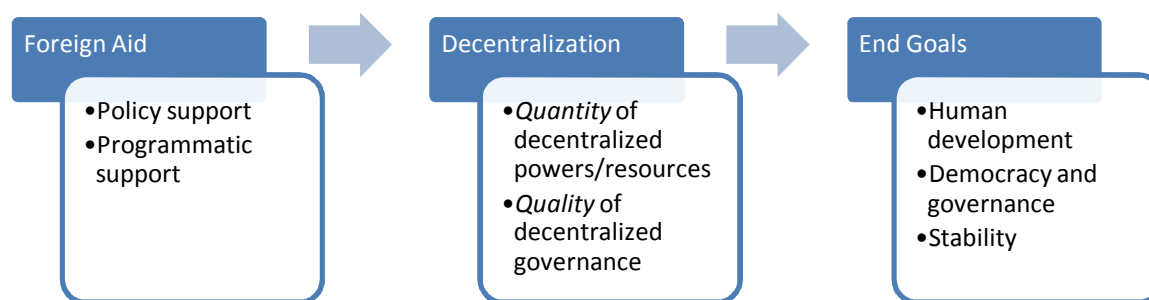
The term decentralization is slippery, and many scholars of decentralization have lamented its conceptual confusion and proliferation of definitions (Cheema and Rondinelli 2007). For clarity and specificity, this paper defines decentralization as a *process by which central governments confer powers and resources to subnational government units*. This can be to local governments or to intermediate levels of subnational government, such as regions, states, or provinces. It takes place in three dimensions: political (by promoting subnational elections), fiscal (by promoting subnational government access to revenue sources), and administrative (by conferring responsibilities to subnational governments in managing expenditures and planning responsibilities). This paper focuses on devolution, which involves the decentralization of powers, resources, and responsibilities to elected subnational governments, and less on deconcentration, which entails central governments decentralizing to subnational field offices under central control.²

One implication of defining decentralization as a *process* is that the term is conceptually distinct from ‘local governance’. In theory, donor initiatives may support local governance without supporting a process that actually decentralizes power (e.g., by improving the capacity of local officials to perform existing functions without enhancing their powers). Conversely, it is also possible to support processes that decentralize power without fully considering the impacts on local governance, although most support for decentralization presupposes some alteration of governance patterns.

Confusion about the many aspects of decentralization proliferates when causal arguments are forwarded. This is because decentralization operates as both cause and effect: it can *cause* desirable outcomes, such as development and democratic governance, but decentralization itself is also the intended *consequence* of donor programmes. Foreign aid seeks to promote decentralization, which in turn contributes to greater development, improved governance, and stability. Each of these end goals has its own theoretical logic to underpin why decentralization is advantageous. Full exploration of these linkages is beyond the scope of this paper, but according to theory decentralization can: improve economic development by requiring subnational jurisdictions to compete with one another for residents (corporate and individual) in a market-like environment; enhance service provision through greater government access to local information and shorter response times; deepen democracy by facilitating grassroots participation for more local residents and historically underrepresented groups; and even generate social stability by providing a stake in the governing system to ethnic or regional minority groups that hold grievances about the central state (USAID 2009, *inter alia*). One way to situate decentralization coherently is to say it fits in the middle of a causal chain, as seen schematically in Figure 1 below. Many programmes aim to support decentralization itself, on the grounds that it will in turn produce other good outcomes on its own.

² I do not examine privatization or other changes in which central governments forego some power or resource by granting it to private or non-governmental actors.

Figure 1: Foreign aid and decentralization: a two-step process



Source: Author’s illustration.

3 Foreign aid and decentralization: a causal framework

This section disaggregates donor efforts in decentralization into two principal areas. The first column of Table 1 treats decentralization as an outcome of foreign aid. This implies *policy level* action to enhance the amount of autonomy that sub-national governments (SNGs) have, with respect to their powers, resources, and responsibilities. To understand how foreign aid can contribute at this level, the relevant causal question is: what are the causes of decentralization? The second column treats other end goals as the outcomes of foreign aid intervention—namely development and improved governance—with decentralization an instrument or intervening variable in the process. For foreign aid to help in this type of intervention, action generally occurs at the programming or project level to improve the responsiveness of subnational actors to their constituents.³ This means greater capacity for action and accountability to the citizenry. The key question for this type of intervention is, What are the effects or consequences of decentralization?

Table 1: Foreign aid and decentralization: two categories of intervention

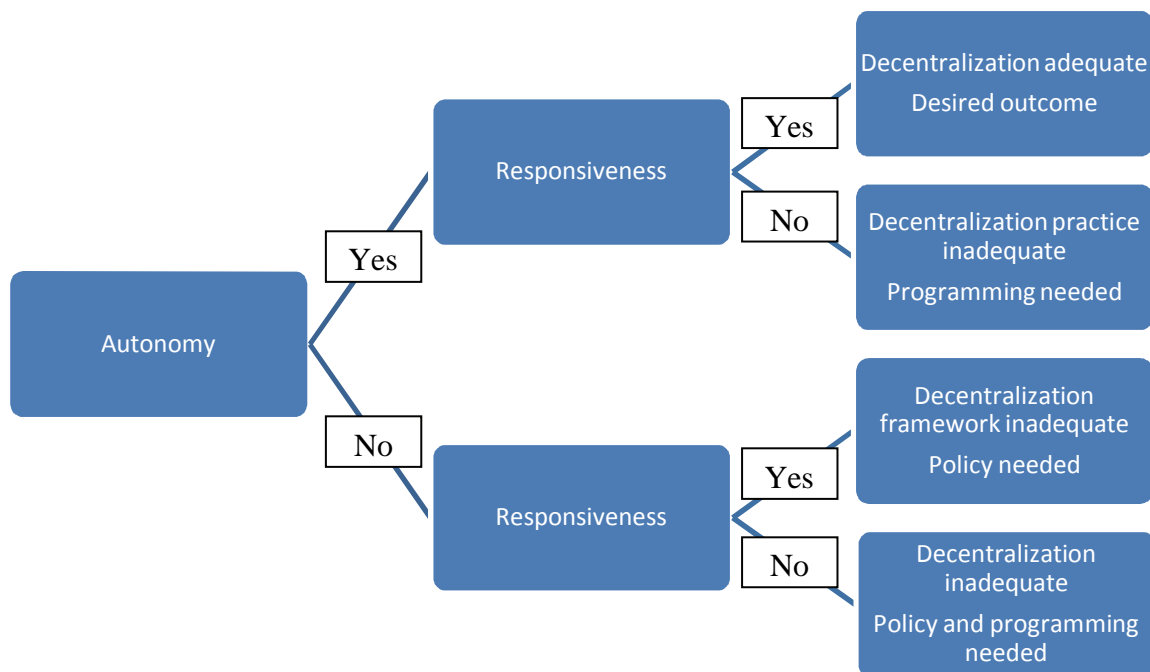
Operational level for donor initiatives	Policy level	Programming/projects level
Outcome of interest	Decentralization	Development and governance
Ends vs. means	Decentralization as end in itself	Decentralization as means to an end
Causal question	What are causes of decentralization?	What are effects / consequences of decentralization?
Outcome of interest	Autonomy (powers and responsibilities)	Responsiveness (capacity and accountability)
What to promote	Promote decentralization of governance (quantity)	Promote improved decentralized governance (quality)

Source: Author.

³ It is possible to support policy for responsiveness, of course, or programming for autonomy. This simply captures the broad trend in donor action.

To make claims about the effectiveness of decentralization initiatives, one must distinguish between programmes that seek to support subnational *autonomy* and those that support *responsiveness*. The relative importance of each of these as a foreign aid strategy depends upon the existing gaps or deficits in governance in a given country. Figure 2 illustrates this in the form of a decision tree that begins with autonomy. The desired outcome follows the top path, in which SNGs have adequate autonomy and are ‘willing and able’ to respond to citizen needs. To the extent this outcome already exists, aid to support decentralization is less necessary. The next outcome is where SNGs have autonomy according to the law, but lack responsiveness at the second node in the tree. In these cases, programming and project support is needed because decentralization is lagging in practice. Conversely, if SNGs do not have autonomy, but are responsive to local needs, then the emphasis should be on policy reform. Finally, where both autonomy and responsiveness are lacking, the task is larger, with both policy and programming needed to alter the pattern of governance.

Figure 2: Promoting autonomy and responsiveness: a framework



Source: Author’s illustration.

The four possibilities can be illustrated using examples (Table 2). The most desirable outcome is where SNGs have autonomy and are responsive to the needs and preferences of local populations. Some of the better known models in the world are in Brazil, where the major city of Porto Alegre adopted participatory budgeting practices that received general acclaim and the state of Ceará developed a reputation for effective governance in the 1990s (Goldfrank 2011; Tandler 1998).⁴ In Africa, recent research has shown that similar responsiveness has happened in Lagos State, Nigeria.⁵ These examples are both from federal contexts where SNGs have considerable political and fiscal autonomy from the center. At the same time, many other SNGs in these two federal countries have exhibited much poorer

⁴ This general acclaim does not mean that these successes have been accepted without scrutiny, nor have they been replicated systematically elsewhere.

⁵ Some of the strong findings here come from work in progress by Nic Cheeseman, Adrienne Le Bas, and colleagues.

responsiveness and accountability; this was true in much of northeastern Brazil (a poorer and more clientelistic region) especially up to the mid-1990s, and remains true in many Nigerian states today.

The other two possibilities are cases where autonomy is low. This scenario is much more common than high autonomy in Africa and in most countries where donor agencies promote decentralization. Low responsiveness in such cases is unsurprising, as unempowered SNGs struggle to respond effectively to local needs. Examples abound from francophone African countries such as Burkina Faso, Mali, and Senegal (Englebert and Sangare 2010; Dickovick 2011). More intriguing (and rarer) are cases where local government autonomy is low, and yet local governance remains responsive. Such a result may sound paradoxical, but it can occur when local governance is led by non-state institutions. In selected communities in Chad and Mali, communities have used independent institutions to correct for the absence or neglect by formal government bodies (Fass and Desloovere 2004; Dickovick and Riedl 2010). Hometown associations, village development organizations, and other such entities will often co-ordinate public action and provide public services in rural areas. Such actors are often among the institutions most responsive to local needs, and most accountable to local populations; their unelected status illustrates that the quality of local *governance* depends upon more than simply the quality of local *government*. Lund (2007) refers to these as ‘twilight institutions’ that thrive by straddling the blurred line between formal and informal institutions; they become crucial to governance in many countries where local governments lack power.

Table 2: Autonomy and responsiveness: a matrix

		Responsiveness	
		High	Low
Autonomy	High	Porto Alegre (city) & Ceará (state), Brazil Lagos State, Nigeria	Other Nigerian states Brazilian states (1980s/90s)
	Low	Niéna, Mali Chad	Niono, Mali Burkina Faso

Source: Author.

This framework allows donors and policymakers to make sense of variations in how decentralization has taken shape. Having disaggregated decentralization into *policy supporting autonomy* and *programming supporting responsiveness*, we can inquire about the conditions under which these two sets of interventions can work.

4 Trends and commonalities across country contexts

Looking across countries, several trends help explain why decentralization has had limited success in most places, both in terms of autonomy and in terms of enhanced responsiveness.

4.1 Commonalities in policy interventions

Across countries, decentralization has lagged partly because its full flourishing would require action in each of three different dimensions—political, fiscal, and administrative—for SNGs to have a meaningful degree of autonomy.⁶ SNGs must be elected independently from the center (political decentralization), have guaranteed access to tax bases and/or revenue transfers from central government (fiscal decentralization), and have the ability to establish their own plans, budgets, procedures, and control their own human resources (administrative decentralization).⁷ A commonality in Africa is that a lack of decentralization in the fiscal and administrative dimensions has hindered local autonomy regardless of whether subnational elections have been held. Autonomy may seem to move forward on one dimension, yet be undermined or negated in others. In work on Latin America, Falletti (2010) has attributed low overall autonomy to the sequence of decentralization across the political, fiscal, and administrative dimensions. Findings from Africa evoke the three dimensions, though it is unclear that the sequence itself is empirically significant, given real ambiguities in periodizing when decentralization took place in each dimension. In any event, fiscal and administrative constraints seem to have substantially limited the meaningfulness of political decentralization in Africa.

A second finding across countries is that the extent of decentralization is a mixed bag, even when it does occur across various dimensions. The World Bank (2008) found that its efforts at the policy level had contributed to legal frameworks and clear fiscal transfer rules, but had not succeeded in the clear delineation of responsibilities between levels of government. A comparative study of 10 African countries by the United States Agency for International Development (USAID 2009) also found several major achievements coupled with other significant drawbacks.⁸ Decentralization advanced politically with regular and institutionalized elections at subnational levels, fiscally with constitutional or legal guarantees of revenues for SNGs (in the form of tax bases and transfers from the center), and administratively with responsibilities in major public service areas such as health and education. On the flip side, autonomy was limited politically by the prevalence of dominant political parties, fiscally by low own-source revenue bases for SNGs (which left their spending circumscribed by central mandates placed on intergovernmental transfers), and administratively by the political culture of top-down state administrations. Specific cases vary, with more fiscal decentralization or more central mandates in some countries than others, but advances across dimensions are generally partial.

A third finding is the persistence of challenges pertaining to subnational autonomy over civil servants.⁹ The process of making most civil servants accountable to SNGs has been slow and incomplete, due to the incentives facing the relevant stakeholders. Central governments rarely wish to transfer authority over civil servants to SNGs, either because they wish to control patronage opportunities, or to defend their political prerogative, or because they are genuinely concerned about the capacity of SNG administration and management in some cases. For their part, civil servants, including teachers and health officials, rarely wish to be SNG

⁶ Falletti (2010), *inter alia*.

⁷ Indeed, Falletti (2010) finds that the degree of autonomy is furthermore dependent upon the sequence in which these dimensions or forms of decentralization are enacted and implemented, with decentralization increasing autonomy the most when political decentralization comes first, followed by fiscal, then administrative.

⁸ See Dickovick and Riedl (2010) for a more extensive synthesis of findings.

⁹ See especially Steffensen et al. (2004).

employees. Being part of a subnational civil service could result in reduced pay and benefits, and less control over postings, which is a major concern for many public employees whose ambitions are often to work toward higher posts at the national level (preferably in larger cities), rather than remain posted in remote rural areas. SNGs themselves are the only government actors with clear incentives to see decentralization of administrative and human resources, and they generally lack the political prowess on their own to make it happen. In addition to these problems, human resource management and administrative systems often lack the capacity to execute transfers. As a result, decentralization has lagged in implementation after it has passed into law.

A last finding about autonomy is the acknowledgement that SNG capacity is relatively low, partly due to their newness. Different actors draw different inferences from this finding, with central governments often concluding that it gives reason to slow or halt any devolution or further autonomy, while many in the donor community infer that it necessitates efforts by central governments alongside donors to build local capacity to support autonomy. This links to programmatic efforts to support subnational administration, and these programmatic efforts have their own commonalities as well.

4.2 Commonalities in programmatic interventions

The first commonality about donor interventions is that the performance and responsiveness of decentralized governments is affected by the autonomy of those SNGs. That is, the *quantity* of decentralization itself (or the amount of autonomy that SNGs have) affects the *quality* of decentralized governance.¹⁰ Some countries have undertaken considerable decentralization across the political, administrative, and fiscal domains, while others have made limited or modest change (or none at all), and the extent helps determine whether governance will be responsive.

The second finding about donor support for decentralization is that central governments must be incorporated into the process in meaningful ways. Findings here come from many perspectives: central governments must be invested in decentralization and commit to fiscal transfers for it to work; they must facilitate co-ordinated action between SNGs and across sectors; they must develop management and administration systems to which donor support can be aligned; and so on.¹¹ Different observers vary on how much they believe national governments should be ‘central’ to the process, but nearly all observers understand *decentralization must be embedded in a broader, functioning system of intergovernmental relations*. To recall a conceptual distinction, making decentralization work is about more than just supporting local governments; it is about strengthening the system of governance in which decentralized governments take part.

¹⁰ The ‘quantity’ of decentralization can be measured in a number of ways. Falletti (2010) offers measurements in the political, fiscal, and administrative dimensions. As a step toward measures that are directly about autonomy across several areas, Dickovick (2011) offers qualitative measures of three types of subnational autonomy: revenue autonomy (measured by the legal basis for transfers, size of transfers, and devolved tax bases); expenditure autonomy (measured by the extent of central government ear-marking and monitoring across revenue sources); and contractual autonomy (measured by the ability of SNGs to contract debt and control their own wage bills).

¹¹ For varying perspectives, see OECD (2004), World Bank (2008), Smoke and Winters (2011).

A third commonality across evaluations of aid effectiveness is that donor co-ordination matters. This consensus in the donor community (particularly after the Paris Declaration on Aid Effectiveness of 2005) implies some harmonization of efforts across agencies to avoid duplication and reduce transaction costs.¹² For decentralization, proper co-ordination also means ensuring donor agencies do not work at cross purposes, which has occurred when support for decentralizing functions contradicts sectoral efforts at central government co-ordination or national systems of public financial management.¹³ Across Africa, bilateral donors like USAID have often pushed to devolve sectoral decision making to local levels (such as through local school committees or local health councils), while multilateral lending agencies such as the World Bank have often invested in empowering ministries of Finance to control the uses of intergovernmental transfers to local officials within those sectors. These are not necessarily contradictory. Indeed, donor efforts are welcome on both sides of this equation, and latent tensions between the approaches typically reflect underlying ambiguities in decentralization framework laws that necessarily allocate power to different levels of government and different ministries. While the public financial management approach and the decentralized decisionmaking approach are both necessary, the possibility of contradiction places a premium on donor collaboration.

5 Policy to promote subnational autonomy

Regardless of commonalities, country context matters because it gives rise to variation between cases. A key question for foreign aid effectiveness is what factors give rise to subnational autonomy? The background conditions that facilitate more or less decentralization are grouped into four categories: *historical*, *societal* (including demography), *political*, and *economic* (including geography). Each points toward what is needed in initiatives to support subnational autonomy.

5.1 Historical legacies: colonial heritage and the post-independence state

A structured comparison of decentralization experiences shows that history matters.¹⁴ Though history is not normatively enticing for policy advocates (because it cannot be changed), donors have long known that subnational autonomy is shaped by historical trajectories. Decentralization in developing countries since the 1980s has been most extensive and dramatic in countries that are large and relatively wealthy. Economic modernization has promoted decentralized governance in big ‘emerging markets’ such as Brazil, Indonesia, Russia, Argentina, and South Africa (even if some witnessed some subsequent recentralization). The corollary is that decentralization has happened less in smaller, lower-income countries. Formerly centralized states have resisted decentralization in practice, and long-standing centralism is difficult, though not impossible, to break. Even where decentralization laws are strong on paper (*de jure*), decentralization is often weak in practice (*de facto*). Where government has been decentralized in law, governance may remain centralized. Central governments have used many tactics and strategies to retain authority.

¹² See Smoke and Winters (2011).

¹³ OECD (2004); Smoke and Winters (2011).

¹⁴ A hypothesis about why these variables would be less highlighted is that policy advocates have an (understandable) analytical tendency to search for the impacts of variables that can be altered by institutional design, while disregarding those variables (such as history) that cannot be affected. History routinely informs the contextual analyses of donors and political scientists, and thus affects the shape of projects and programmes, but policy recommendations of necessity focus on design elements.

Scholars have referred to ‘repertoires of domination’, for instance.¹⁵ There are also indications that decentralization policy in certain cases has been formulated to appease donors, with little intent to transform governance practice.¹⁶ The implications for foreign aid are that decentralization is often modest when it is ‘championed’ by a centralized state.

Countries with long-standing patterns of centralized rule face inertia that prevents robust decentralization. Colonial legacies matter, as is clear in Africa, where colonial experiences are most recent. After decentralization, most former French colonies retain statist, centralized authority. Anglophone countries vary somewhat more than their francophone or lusophone counterparts in the level of decentralization.¹⁷ Yet colonialism is not the only history that matters. Post-colonial efforts at state-building in Africa also neglected municipal government, and typically featured single-party states or military rule, neither of which was conducive to bottom-up governance. This was exacerbated by nearly three decades characterized by economic decline, state dysfunction, and social conflict over the division of national resources. Most commonly, centralized states have emerged that closely monitor SNG activities, regardless of legal frameworks for decentralization. Thus, history has shaped the structure—often centralized, but with variations by country—of the contemporary state.

5.2 Societal conditions: ethnicity, conflict, and the stability imperative

The second cluster of factors driving the variability of SNG autonomy across countries is ethnic and regional conflict, and the corresponding imperative to promote national stability. Africa in particular is characterized by many multi-ethnic states with deep social tensions and low levels of economic and political development. The strongest moves toward decentralization have come when central governments have needed to stabilize the ethno-regional balance of the state, rather than from attempts by strong governments to promote economic development or to deepen democracy.

The most apparent examples of greater autonomy come from countries that adopted federalism, though the logic also extends to unitary states. Federalism is a form of decentralized governance that usually equates to high levels of autonomy. In Africa, the three large federal countries—Ethiopia, Nigeria, and South Africa—all decentralized for reasons of stability in multi-ethnic (or multi-racial) societies. There are also many unitary states where decentralization has been a response to a national stability imperative. The notion of autonomy is central to secessionist and independence movements, and central governments have conceded to this most ‘extreme’ form of decentralization in some cases of lasting conflict, such as South Sudan and East Timor (and previously in Eastern Europe). The stability imperative also explains relatively robust moves toward decentralization in countries such as Uganda and now Kenya, while also having some impact on the modest decentralizing reforms in several other countries.¹⁸ A threat to stability does not necessarily lead to decentralization, but it is the factor that best explains major increases in autonomy in Africa and several other countries.¹⁹

¹⁵ Poteete and Ribot (2011).

¹⁶ See Englebert and Sangare (2010). On this interaction between donors and developing country governments, see van de Walle (2001).

¹⁷ See Dickovick and Riedl (2010).

¹⁸ See Seely (2001) on Mali, and Reaud and Weimer (2010) on Mozambique.

¹⁹ See Brancati (2009).

5.3 Political incentives and political will

Decentralization is itself paradoxical in that it seemingly requires a sovereign political actor (the central government) to willingly give up power, resources, and/or authority.²⁰ Political actors rarely give these up by choice, regardless of their ideological persuasions. This leaves at least two main reasons why central governments would rationally support meaningful decentralization. One, it is often a decision made under some form of political duress (as noted above with the stability imperative). Decentralization is perhaps not a government's most favoured option, but it may work as a form of constrained optimization or bounded rationality; the government or regime might prefer to keep authority centralized, but recognize that failing to decentralize might make matters worse. Two, a central government may actually foresee advantages from decentralization. This can happen if it facilitates a power play by which the central government builds up its footholds at the subnational level, either for future electoral purposes or for opportunities to increase its leverage by extending patronage down to actors at the local level. There are thus multiple reasons why central government actors might choose to decentralize in which their 'choice' reflects an *incentive* to decentralize, not so-called 'political will'.

Political institutions generate incentives and thereby shape how individuals behave. Patterns of electoral representation, for instance, matter for whether legislators and national executives will support decentralization, with electoral rules and the fates of political parties being especially important. A politician whose future nomination depends upon satisfying constituents in an electoral district will be more likely to support localized interests than one whose electoral future depends upon placement on his/her party's list of candidates, since the latter will usually vote in a way that reflects the interests of national party leaders.²¹ Incentives also operate for political parties as well as individuals: a party with a strong base at subnational levels will likely be more favourable to decentralization than another that is set to dominate the national level.²² In some circumstances, political parties may decentralize in order to shore up their legitimacy; this occurred in Mexico and Ghana in the 1980s, among other cases.²³ Yet another reason elected officials may support decentralization is to 'offload' responsibilities to the subnational level if the central government has inadequate resources to fulfill responsibilities.²⁴

The most significant political motivation for decentralization in many countries was the aforementioned issue of national stability or unity. This is especially true in countries with dominant political parties that control their respective states and would generally have few incentives to decentralize. Some of the most extensive decentralization processes have occurred where federalism was required to 'hold together' a divided nation-state.²⁵ It has also held in unitary countries where decentralization was a basis for conflict mitigation or even state reconstruction, with examples including Mali, Mozambique, and Uganda.²⁶

²⁰ This point has been made by many people. I am thankful to Paul Smoke for his clear articulation of this idea in a workshop in New York in 2010.

²¹ Willis et al. (1999).

²² O'Neill (2005).

²³ Rodriguez (1997); Ayee and Dickovick (2010).

²⁴ Prud'homme (1995).

²⁵ On 'holding together', see Stepan (1999). On the link between decentralization and stability, see Brancati (2009).

²⁶ On these cases, see Seely (2001); Reaud and Weimer (2010); Lambright (2010).

A principal lesson is thus the need to understand the political economy of central government decisionmaking. Decentralization has been most comprehensive when failing to decentralize would risk a regime's collapse. It has been somewhat less robust, but still supported, when central governments could realize some partisan or electoral advantage from decentralizing. It has been weaker when pushed by donors in the absence of such incentives. And real increases in autonomy have been virtually non-existent when decentralization has been pushed mainly by donors and local politicians themselves.

5.4 Economic conditions: the distribution of wealth

A country's economic structure can also shape its decentralization. Of course, industrialization is limited and shallow in many developing countries, but more influential for shaping donor initiatives among developing countries is the geographic concentration and distribution of wealth. Most African countries, for instance, have an economy in which the dominant economic center is either the capital city or the main port (with these often being one and the same), and secondary towns that are much smaller. This is distinct from countries where wealth is more evenly distributed. It is also sometimes distinct from economies that are centered on mining a particular mineral resource base.

Variations in resources and wealth within a country bring to the fore distinctions between rural and urban areas, and between the largest cities and secondary cities. Tax capacity is highest in major urban centers (such as Dakar, Kampala, or Maputo) and relatively insignificant in other areas in many countries. Local tax bases in major cities may be adequate to the task of providing decentralized services such as public infrastructure and even hiring human resources through collection of property taxes and user fees, but rural areas and small towns will struggle to expand services beyond civil registries and basic sanitation. Rural localities with limited tax bases will depend upon central government transfers for funding, and on central government ministries for the deployment of civil servants.²⁷

These different realities reflect the need for multifaceted donor approaches. In particular, *autonomy-promoting* initiatives that install a decentralization framework will do little for under-resourced rural areas, unless these are accompanied by ample intergovernmental transfers. As for natural resource rich countries, these often require balancing nationwide demands for distribution of resources with calls from the resource-rich regions to retain a substantial portion of the resource wealth located in their region. Wherever uneven patterns of distribution emerge, the consequence has usually been some accommodation or compromise between the two extremes of massive redistribution of wealth and total local autonomy over wealth and resources. The extent of the concessions to wealthier regions varies with political factors (including how well the various regions are represented in national political institutions), but it is common for wealthier cities to finance a greater proportion of their public services through own-source revenues (usually property taxes and user fees), while intergovernmental transfer formulas have modestly benefited poorer rural areas by incorporating equalization grants or adjustments for poverty levels. In resource-rich Nigeria, for instance, a 'derivation' principle has reserved a portion of oil revenues for regions of origin, while the majority of revenues have flowed into a national fund for

²⁷ Again, a distinction is found in some federal states, especially Nigeria and Ethiopia, where the intermediate level of government (the states) exercise control over the civil service at local levels. Some unitary states have made partial moves toward local government civil service structures, but even these retain strong elements of central ministerial control.

automatic redistribution to states and local authorities nationwide. This uneven economic topography has shaped the details of fiscal arrangements, but at a macro level there is little evidence that the quest for economic competitiveness (as theorized by economists) has been a prime driver in conferring autonomy to SNGs.

5.5 Implications for donor support: limitations on impact and propitious environments

The analysis above holds several implications for donors. The first is that central government incentives to decentralize are crucial. Autonomy has been enhanced to the greatest extent when a stability imperative has been present; this imperative has been a key factor behind the advent of subnational autonomy in most non-trivial cases of decentralization in Africa. Instances where central governments have a more contingent political motivation to decentralize—such as partisan advantage—can also result in reform, but these are more likely to be ‘partial’, and subject to reversal or recentralization if incentives shift and decentralization is not ‘locked in’ by federalism or other strong features. The theorized governance advantages of decentralization (whether promoting popular participation, enabling more localized responsiveness, and generating healthy economic competition between jurisdictions) have not often been significant in leading central governments to increase SNG autonomy.

The second lesson is related: some major factors are beyond the control of donors (and even some central governments) in the short- to medium-run. For illustrative purposes, consider a hypothetical country in Africa. It is low-income, albeit urbanizing and exhibiting modest advances in human development. Its capital city serves as the main port and generates a third or more of all economic activity, and it has a relatively poor hinterland weighted toward subsistence agriculture. Its historical legacy is a centralized state, and it has resource-scarce governments at the central and local levels alike.²⁸ Finally, it has a rather dominant political party/movement that wins national elections repeatedly. In these circumstances (which are rather common), decentralization confronts the dilemmas of economic and political centralism, and efforts to support decentralization are thus likely not to be transformative in terms of enhancing subnational autonomy. Even with the passage of decentralization framework laws, SNGs will likely face considerable impediments in practice.

Environments for supporting SNG autonomy are thus most propitious where donor preferences and central government incentives align. Where donors are ‘pushing on an open door’, they can bring technical capacity to bear in shaping decentralization frameworks. By contrast, decentralization has created less autonomy—regardless of donor efforts—where central governments have reason to resist it, or donors are pushing on a locked door (World Bank 2010). Where central governments have incentives to retain authority, donors are unlikely to generate substantial subnational autonomy themselves. They may be able to support a degree of administrative decentralization, as in francophone African countries

²⁸ A partial list of such countries could include Benin, Eritrea, Gabon, Gambia, Guinea, Guinea-Bissau, Mozambique, Senegal, Tanzania, and Togo. Extending the example to include one or two main cities besides the national capital, the list could be expanded to Cameroon, Kenya, and Namibia. Landlocked countries that have similar characteristics—with the exception of no open-water port—include Burundi, Central African Republic, Chad, Ethiopia, Malawi, Mali, Niger, Rwanda, and Uganda. Under the more inclusive definition, this is about half of the countries of sub-Saharan Africa. Oil-rich countries such as Angola and Nigeria are partial exceptions, given the availability of fiscal resources to central governments, though they share some other characteristics.

(Benin, Burkina Faso, and Senegal, e.g.), but should expect only nominal increases in autonomy. Centralized states can benefit from formal or legal changes that enhance decentralization—in fact, such policy support is necessary for effective SNGs—but policies to enhance subnational autonomy are insufficient, and face impediments in the short-run. The more visibly consequential interventions *in the short-run* in centralized countries are likely to be in local-level programming.

6 Projects and programmes to promote subnational responsiveness

The other element of this paper's framework is the quality of decentralized governance, and how responsive subnational actors are to citizen needs and demands. To be responsive, SNGs need to be 'ready, willing, and able' to attend to demands. In more formal governance terms, readiness and ability can be recast in terms of capacity, while willingness can be reframed as accountability. Subnational governance demands both the capacity to undertake a certain task, and the incentives to perform that task in a way that reflects citizen preferences. From a donor perspective, then, the key question is: what programming will give subnational governance the capacity to meet local needs and the motivation to do so? Three subsections here outline the challenge of measurement, the programme modalities that matter (in meta-analysis), and the importance of pairing autonomy with accountability.

6.1 The challenge of measurement

Decentralization initiatives face challenges in measuring impact. A first issue is driven by the practical difficulties inherent in seeking direct measures of desired (yet often amorphous) outcomes such as 'responsiveness'. Many donor reports necessarily focus on inputs and outputs, which are indirect measures of how governance actually operates. The modal report from a development institution offers verifiable quantities of actions undertaken, often derived from underlying databases of meetings held and roll calls, or physical infrastructure items put in place.²⁹ The emphasis is on how many people came into contact with the project (on the human capital side) and what buildings and supplies have resulted (on the physical capital side), with elements of social capital largely presumed to improve through these other forms of capital. This is perhaps inevitable, since it is exceedingly difficult to measure changes in the social capital, attitudes, norms, and habits that will underpin behaviour over the long run.

Another empirical challenge must be recognized as well: it is the relatively scant reporting on project and programme failures. This can be seen from a brief examination of 21 evaluation reports from the World Bank, drawn from a sample of seven African countries distributed across sub-regions and by former colonial power (Benin, Burkina Faso, Ethiopia, Ghana, Kenya, Mali, Mozambique); the list of reports is provided in an appendix, and the focus of most interventions is enhancing the capacity of local government institutions to respond to citizen needs through the provision of public services. Each featured two evaluation measures of progress toward these objectives: the project's 'progress towards achievement of Project Development Objectives' and the 'Overall Implementation Progress'. The two measures per report gives a total of 42 measures, with the scale for overall outcomes being 'Satisfactory', 'moderately satisfactory', 'moderately unsatisfactory', and 'unsatisfactory'. Table 3 shows the results.

²⁹ For example, see the World Bank's site that provides access to its reports on decentralization projects.

Table 3: Ratings of World Bank decentralization programmes

Rating	Achieving objectives (n = 21)	Implementation (n = 21)	Overall (n = 42)
Satisfactory	15 (71.4%)	13 (61.9%)	28 (66.7%)
Moderately satisfactory	6 (28.6%)	7 (33.3%)	13 (31.0%)
Moderately unsatisfactory	0	1 (4.8%)	1 (2.3%)
Unsatisfactory	0	0	0

Source: Please see World Bank reports listed in Appendix 1.

The breakdown was 67 per cent Satisfactory and 31 per cent moderately satisfactory, respectively, or 98 per cent of observations evaluated as at least moderately satisfactory. This may partly reflect successful programme design and implementation, but also illuminates incentives facing donor institutions and individuals within donor agencies. No advantage accrues to most institutions, individuals, or units from reporting a broad distribution of outcomes, however scientifically useful; rather, incentives are to report successes, perhaps with acknowledgement of lessons learned for the future. Clear expressions of what does *not* work are relatively scarce (and likely scarcer than underlying shortcomings themselves). The ability of observers to disaggregate what works is constrained by low variance in reported successes and failures.

Useful exceptions to this trend are found in studies that offer mixed evaluations of decentralization support. A major World Bank review (2008) finds that decentralization progressed in areas of legal frameworks, intergovernmental fiscal relations, and subnational fiscal management, and was less successful in the areas of devolving functions and mobilizing own-source revenues at the subnational level. These outcomes are consistent with a USAID report (2010) on 10 African countries, with both reports concurring that results were quite contingent upon the political incentives facing central governments.³⁰ Both found that autonomy was circumscribed at local levels under decentralization. This leads to the finding that autonomy must be paired with accountability, as explained hereafter.

6.2 Project and programme modalities

One major question about donor projects is whether certain modalities of support are more effective than others. At the general level, is the best approach general budget support to central government or SNGs, or technical assistance through programmatic interventions? Should support be sector-specific or cross-sectoral? There is no clear evidence that one of these is 'ideal'. Rather, findings and conclusions seem to be contingent upon different outcomes of interest among different donors and observers.

The empirical challenge here comes with conflicting evidence from different studies, which can be briefly considered in a qualitative meta-analysis. One note is that contradictory findings often come from a blurring of the distinction made in the early sections of this paper. When different observers ask whether decentralization works, they may mean different things. Some evaluations of performance focus on the first step in the causal chain

³⁰ World Bank (2008); Dickovick and Riedl (2010).

(supporting autonomy), while others focus on the second step (supporting responsiveness for development). For instance, Smoke and Winters (2011) emphasize the need for co-ordinated actions between donors and central government systems to ensure effective service provision. Meanwhile, an OECD report (2004) cautioned against centrally-co-ordinated sector-wide approaches (SWAs) on the grounds that these can undermine SNG autonomy. Table 4 below summarizes several perspectives. These show findings that simultaneously echo one another on certain commonalities (highlighted in section 3), especially on donor co-ordination and harmonization and on the need for directing support to local finances. They also contradict one another on such issues as the need for more or less central government co-ordination of subnational action.

Table 4: Selected comparative reports and findings

Agency (authors)/date	No. of case studies	Key findings
OECD 2004	N/A	Need for donor co-ordination/harmonization Support local government finances Need to work with central governments Be cautious about SWAs and central co-ordination
DPWG-DeLoG (Smoke and Winters 2011)	3	Need for donor co-ordination/harmonization Develop country management systems and central co-ordination Emphasis on efficiency in service provision
UCLG 2009	10	Need for donor co-ordination/harmonization Use basket funds for local autonomy Support establishing local government associations
UNCDF (Manor 2007)	6	UNCDF has comparative advantage in decentralization Pilot local experiments and scale up nationally Need to work with central governments

Source: Author.

Indeed, a central point of contention seems to be the relative merits of working with central government institutions or working in more decentralized fashion. This is reflected in the meta-analysis below. Smoke and Winters (2011), writing on behalf of the Development Partners Working Group on Decentralization and Local Governance, focus on the need for central co-ordination and management systems. By contrast, a more bottom-up model is reflected in such approaches as local pilot experiments under the auspices of the United Nations Capital Development Fund, or UNCDF (Manor 2007), and local government associations (United Cities and Local Governments 2009). It also plays out visibly on the ground in countries from Kenya to Mali to South Africa. In many countries, ministries of finance or planning often have a desire for more centralized co-ordination while ministries of local government and SNGs prefer greater autonomy, and donor interventions map onto these differences. Even in the presence of constructive donor co-ordination and co-operation, some development agencies, such as the World Bank) may focus more on effective central control

of finances while other agencies, including USAID or the UNCDF, focus on subnational empowerment in the rural areas of some countries. Efforts to ensure central co-ordination and local autonomy are not necessarily contradictory, especially since decentralization must operate in a web of intergovernmental relations that requires a balance of powers. But, a meta-analysis across donor agencies is unlikely to offer broad consensus on the relative balance.

In short, the empirics are still unclear on the best programme modalities. One way through the impasse for the future is to incorporate improved social-scientific methodologies for measurement in programme design.³¹ Donor institutions can accumulate data following protocols that include: developing baseline measures of development and governance in target communities against which ‘post-treatment’ results can be compared, using or approximating random assignment or other sampling designs in selecting communities (USAID 2009, chapter 6); and developing internal incentive mechanisms that encourage the transparent dissemination of ‘negative results’. Decentralization’s effectiveness in the medium-run will benefit from self-conscious methodology prior to the commencement of programming activity, coupled with rigorous analysis of variations across communities in a single country programme.

6.3 Pairing autonomy and accountability

Another lesson from evaluations of donor action is that the prior extent of decentralization matters. The extent of autonomy affects accountability, which in turn shape whether projects and programmes function well. Central governments that limit SNG autonomy regularly compromise their capacity to respond to local needs. And indeed, qualitative work from Africa has found that accountability continues to flow mainly upward through the central state, while Afrobarometer data suggests a continued lack of confidence in local government.³² For instance, customary authorities in Mali earn greater trust than local governments, with the latter viewed as contributing little to local development. In contexts like these, actors besides local government have carved out space for themselves in governance. This can be beneficial when the actors are public-service minded NGOs and civil society organizations, but they can also be more detrimental actors, such as ‘development brokers’ seeking personal gain from project support, traditional elites looking to capture rents from local government, or even local vigilantes.³³ In contrast to ‘low autonomy environments’, research from Latin America has found that participation in decentralized governance increases alongside the fiscal significance of local governments (Goldfrank 2011). Where SNGs have scant resources and few responsibilities, citizens (rather rationally) cannot be bothered to sustain high levels of participatory engagement, whereas they participate more willingly when SNGs are more consequential. This suggests that subnational governance depends in part on the autonomy (or ‘quantity’ of decentralization) noted above.

These findings suggest that donor action requires several interlocking features: the promotion of autonomy of SNGs from central government; state-building to ensure adequate autonomy of the SNGs from civil society; empowerment of a range of civil society actors that draws upon existing resources; and central government ability to monitor, co-ordinate, and check subnational action. In short, decentralization requires *countervailing forces that balance the*

³¹ This is noted as well in Smoke and Winters (2011).

³² See Ribot (2002).

³³ See Bierschenk and Olivier de Sardan (2003); Lund (2007).

powers of three sets of actors: SNGs, local civil society, and central governments. If any of the three dominates the relationship, governance suffers. Donor initiatives should thus not simply look to empower SNGs but instead work to ensure this complementarity in the correlation of forces. It requires a balance between local government autonomy and local government accountability to other actors. The rule of thumb is promoting political, fiscal, and administrative decentralization for local government autonomy, with civil society ensuring downward accountability and central government retaining oversight to ensure sufficient upward accountability.

A last related issue is that multiple actors need access to information. Civil society must have access to information from SNGs, and vice versa. Information must flow between levels of government, and institutions at the same level of government (such as ministries or executives and assembly members) must communicate openly. The theoretical benefits from decentralization for local development and democratic governance are all predicated on the availability of information to local residents and others.³⁴ Nearly all evaluations of decentralization indicate the importance of improving information flows in one or another direction.

6.4 Implications for donors: intergovernmental relations and information flows

Several lessons can be gleaned from this analysis of donor programming. First, making decentralization work is not just about supporting SNGs, but requires developing meaningful roles and interactions for central governments, civil society, and various other actors, including donors. Second, policy to support autonomy and programming to support responsiveness/accountability are interlocking. Downward accountability is ill-suited to thrive without SNG autonomy, and autonomy will not contribute to good governance without accountability. Third, donor evaluations have found a need for greater transparency in information. This finding is both appropriate and ironic. It is appropriate because it gets at core assumptions about how decentralization operates: local governance may be more effective than centralized governance due to greater information flows among the relevant actors in the state and in civil society. It is ironic because it points to a more methodological lesson from donors' decentralization experiences: donors too are challenged in ensuring transparent information flows. If virtually all projects to enhance local governance are at least moderately satisfactory, then there are few comparative lessons to be learned, since everything works.³⁵ On the other hand, if fewer projects are genuinely satisfactory, then we have misreporting, or a lack of transparency about donor projects themselves. This places donor calls for transparency in another light. Some studies (World Bank 2008; Dickovick and Riedl 2010) offer a mix of successes and failings in decentralization efforts, and this presents a way forward that will be most useful when variations become reflected more systematically at the project level.

³⁴ I am thankful to Staffan Lindberg for his concise formulation of this insight at a seminar in Washington, DC in November 2011.

³⁵ That said, a step for future research could more systematically examine what gives rise to variations such as 'fully' and 'moderately' satisfactory outcomes, insofar as these reflect meaningful differences between relatively effective and ineffective projects.

7 Concluding recommendations: methods and building autonomy with responsiveness

This paper concludes by bringing together the implications of the analysis and recommendations for future action. The first recommendations consist of a set of methodological approaches for programming. Going forward, donor work on decentralization should seek to gain from recent methodological advances in development studies, coupled with the fact that decentralization builds in the notion of working across multiple jurisdictions in a single country. Recent innovations can generate better evidence in an era when donor agencies have become committed to demonstrating aid effectiveness. One approach is random assignment of programming across communities, with measures of outcomes in both the ‘control’ and ‘treatment’ communities. This allows researchers to control for what projects/programmes actually achieve that would not have been achieved anyway in their absence due to the characteristics of individuals involved.³⁶ Many programmes may find positive effects and argue that these can be replicated and scaled, but in fact positive outcomes may come from the self-selection of those individuals who participate (and who are not randomly-selected or representative), or from the non-random selection of favourable target communities. In decentralization, it is feasible to measure changes over time in communities with interventions and others with similar attributes that did not receive the interventions.³⁷

Other approaches have been used by scholars and are increasingly advocated by development agencies. One is to approximate the ‘natural experiment’ often found in a post-decentralization environment. A leading example comes not from the developing world, but from Italy, where Putnam (1994) used the advent of a major decentralizing reform as an opportunity to study how institutional effectiveness came to vary in a single country (hence an environment that controlled for some variables) over time. This again builds upon the fact that decentralization generates many ‘observations’ within a single country environment. This can be conducted on the basis of qualitative comparison (of, say, two or three communities) or more quantitatively through larger sample sizes of communities after decentralization (Grindle 2009). Many of these approaches will trade off higher measurement costs (by including more communities or longer measurement periods) for the improved validity of the measures. In any event, such approaches have been advocated in decentralization programming guidance (USAID 2009, *inter alia*). A final innovation draws upon UNCDF’s approach that pilots development funds to the local level, in the hopes of scaling up to the national level, but placing a premium on the virtues of careful ‘case selection’ and understanding the scope conditions under which interventions work.³⁸

Decentralization is well-suited to leverage these methodological trends, because it presupposes initiatives that have local effects multiplied across many jurisdictions, such that a country is not a single observation, but a larger set of subnational observations.³⁹ Decentralization is thus amenable to prior assignment of communities to be targeted for programming, and these can be selected on criteria that maximize the ability to measure faithfully what works and what does not. It may be tempting to select the most favourable

³⁶ See, e.g. Duflo and Saez (2002).

³⁷ Ideally, a community with the intervention/project would be contrasted with a community that requested intervention and did not receive it, as well as a community that did not seek the intervention/project.

³⁸ See Manor (2007) for the evaluation of the UNCDF approach, and OECD (2004) for commentary on it.

³⁹ See USAID (2009), especially chapter 6. See Eaton et al. (2010).

communities for targeting on the expectation that ‘impact’ will be highest, but the insights from new methods directly challenge this approach: the intuition is that those most favourable communities would have done well anyway, and the actual impact of project investment is thus small.

Donors can also offer a greater supply of information about failed projects and programmes, or greater openness about the distribution of successes and failures.⁴⁰ Publicizing ‘failures’ is less satisfying than emphasizing satisfactory outcomes, but ‘negative results’ allow analysts to differentiate more fully between effective and ineffective approaches. By way of inversion, the dissemination of ‘worst practices’ can become more analytically meaningful than the much-lauded ‘best practices’, precisely because the former contain more new information to shape future interventions. One worthwhile approach would be to focus on subnational variations within a given case (whether a country or a project). Where donor agencies report variations across subnational units or variations in performance over time, opportunities for learning are enhanced. Taken together, these methodological recommendations imply changes at all project stages, from programme design and implementation to monitoring and final evaluation. Improvements at these stages are within reach and would very likely enhance programme quality and measurement validity over the medium run. Methods are thus not of mere ‘academic interest’: they go to the core of making interventions effective.

Beyond methodology, a second set of recommendations is for what might be prioritized in project and programme design. Decentralization will be most effective when it combines policy favouring subnational autonomy with programming that enhances responsiveness. Making decentralization work through this set of characteristics requires actions by several political groups: central government, SNGs, and local civil society, in addition to individual citizens at large. There is a consensus that *decentralization and local governance in fact require effective intergovernmental relations*, not simply support for local governments alone. Effective interventions come from enhancing the accountability of SNG to other actors, while enhancing the capacity of SNGs to supply services and information. This can be seen as *building the state-society relationship at the local level*.

Donor programmes can in some instances *simultaneously support autonomy and responsiveness at the local level*, by encouraging desirable traits such as capacity and patterns of downward accountability (rather than upward).⁴¹ One illustrative approach is through co-financing of public goods and services by social institutions, local governments, and central government funds. Ideally, this would take the form of organized civil society organizations collecting resources (human, physical, and financial) from contributing members for projects identified by the community, with the subsequent steps being complementary funding and support from local governments (which are often resource-poor) and finally a matching of the required funding by central government institutions. The evidence supporting this proposition is suggestive, if not conclusive. Examples include programmes requiring participatory planning and budgeting processes, such as the United Nations Development Programme’s (UNDP) former Rural Decentralization Support Programme (PADMIR) in Senegal, or programmes that require local governments to generate a percentage of a project before requesting central government funding, such as through the National Investment Agency for

⁴⁰ Decentralization studies would benefit from the creation of a comprehensive sortable database of donor projects and programmes, which could be made cost effective via donor co-ordination.

⁴¹ On patterns of accountability, see especially Ribot (2002).

Local Governments (ANICT) in Mali.⁴² Combining these characteristics—co-financing across levels of government with requirements for participatory planning and budgeting—could contribute to autonomy, capacity, and accountability from the bottom up. Ample theoretical support and evidence comes from local efforts at institution building and public goods provision around the world.⁴³ This favourable record contrasts markedly with the ‘failure of the centralized state’.⁴⁴

In conclusion, donor initiatives in decentralization have sought to promote decentralization as a means to an end and an end in its own right. This is appropriate, since effective local governance and local development require both autonomy for local governments and responsiveness from them. Many aspects of autonomy are ‘baked in’ through variables and factors beyond donor control, but it is possible to promote greater subnational autonomy under certain circumstances where government incentives present a propitious environment. The variables that condition donor success in local-level programming are harder to detect, but answers would become clearer through a larger sample of observed project failures. In sum, a concluding recommendation is for an approach that supports the *de facto* autonomy of SNGs through programming to enhance their linkages to civil society and their capacity to make demands on central governments, combined with checks on those SNGs from civil society and the center. Such an approach builds upon evidence from what has worked, while acknowledging what is beyond donor control and retaining an emphasis on what can be changed.

References

- Ayee, J. and J.T. Dickovick (2010). *Ghana Desk Study*. Washington, DC: USAID.
- Bierschenk, T. and J.-P. Olivier de Sardan (2003). ‘Powers in the Village: Rural Benin Between Democratisation and Decentralisation’. *Africa*, 73(2): 145-73.
- Brancati, D. (2009). *Peace by Design: Managing Intrastate Conflict Through Decentralization*. New York: Oxford University Press.
- Cheema, G.S. and D. Rondinelli (eds) (2007). *Decentralizing Governance: Emerging Concepts and Practices*. Washington, DC: Brookings Institution Press.
- Dickovick, J.T. (2011). *Decentralization and Recentralization in the Developing World: Comparative Studies from Africa and Latin America*. University Park, PA: Pennsylvania State University Press.
- Dickovick, J.T. and R. Riedl (2010). *Comparative Analysis of Decentralization in Africa: Final Report and Summary of Findings*. Washington, DC: USAID.
- Duflo, E. and E. Saez (2002). ‘The Role of Information and Social Interactions in Retirement Plan Decisions: Evidence from a Randomized Experiment’. NBER Working Paper No. 8885. Available at: <http://www.nber.org/papers/w8885>, accessed 8 August 2012.

⁴² PADMIR: *Programme d’Appui à la Décentralisation en Milieu Rural*; ANICT: *Agence Nationale d’Investissement des Collectivités Territoriales*. For the final evaluation of PADMIR (in French), see <http://erc.undp.org/evaluationadmin/manageevaluation/viewevaluationdetail.html?evalid=4513>.

⁴³ See especially Ostrom (1990).

⁴⁴ Wunsch and Olowu (1990); see also Scott (1998).

- Eaton, K., K. Kaiser, and P. Smoke (2010). *The Political Economy of Decentralization Reforms: Implications for Aid Effectiveness*. Washington, DC: World Bank.
- Englebert, P. and N. Sangare (2010). *Burkina Faso Desk Study*. Washington, DC: USAID.
- Falleti, T. (2010). *Decentralization and Subnational Politics in Latin America*. Cambridge: Cambridge University Press.
- Fass, S. and G. Desloovere (2004). 'Chad: Governance by the Grassroots'. In D. Olowu and J. Wunsch (eds), *Local Governance in Africa: The Challenges of Democratic Decentralization*. Boulder, CO: Lynne Rienner Publications.
- Goldfrank, B. (2011). *Deepening Local Democracy in Latin America: Participation, Decentralization, and the Left*. University Park, PA: Pennsylvania State University Press.
- Grindle, M. (2009). *Going Local: Decentralization, Democratization, and the Promise of Good Governance*. Princeton: Princeton University Press.
- Lambright, G. (2010). *Decentralization in Uganda: Explaining Successes and Failures in Local Governance*. Boulder, CO: FirstForum Press.
- Lund, C. (ed.) (2007). *Twilight Institutions: Public Authority and Local Politics in Africa*. New York: Wiley-Blackwell.
- Manor, J. (ed.) (2007). *Aid that Works: Successful Development in Fragile States*. Washington DC: World Bank. Available at: <http://documents.worldbank.org/curated/en/2007/01/7296729/aid-works-successful-development-fragile-states>, accessed 10 August 2012.
- Manor, J. (2008). 'Findings from Six Country-Level Evaluations of UNCDF Local Development Programmes: an External View'. New York: UNCDF.
- Organization for Economic Cooperation and Development (OECD) (2004). 'Lessons Learned on Donor Support to Decentralisation and Local Governance'. Paris: OECD. Available at: http://www.delog.org/cms/upload/pdf/Harmonization_and_Aid_Effectiveness_Jan_2011.pdf, accessed 24 June 2012 and 3 August 2012.
- O'Neill, K. (2005). *Decentralizing the State: Elections, Parties, and Local Power in the Andes*. New York: Cambridge University Press.
- Ostrom, E. (1990). *Governing the Commons: The Evolution of Institutions for Collective Action*. Cambridge: Cambridge University Press.
- Poteete, A. and J. Ribot (2011). 'Repertoires of Domination: Decentralization as Process in Botswana and Senegal'. *World Development*, 39(3): 439-49.
- Prud'homme, R. (1995). 'The Dangers of Decentralization'. *World Bank Research Observer*, 10(2): 201-20.
- Putnam, R. (1994). *Making Democracy Work: Civic Traditions in Modern Italy*. Princeton: Princeton University Press.
- Reaud, B. and B. Weimer (2010). *Mozambique Desk Study*. Washington, DC: USAID.
- Ribot, J. (2002). *African Decentralization: Local Actors, Powers, and Accountability*. New York: UNRISD.
- Rodriguez, V. (1997). *Decentralization in Mexico: From Reforma Municipal to Solidaridad to Nuevo Federalismo*. Boulder, CO: Westview Press.

- Scott, J. (1998). *Seeing Like a State: How Certain Schemes to Improve the Human Condition Have Failed*. New Haven: Yale University Press.
- Seely, J. (2001). 'A Political Analysis of Decentralization: Coopting the Tuareg Threat in Mali'. *Journal of Modern African Studies*, 39(3): 499-524.
- Smoke, P. and M. Winters (2011). 'Donor Program Harmonization, Aid Effectiveness, and Decentralized Governance'. Available at: http://www.delog.org/cms/upload/pdf/Harmonization_and_Aid_Effectiveness_Jan_2011.pdf, accessed August 10, 2012.
- Stepan, A. (1999). 'Federalism and Democracy: Beyond the U.S. Model'. *Journal of Democracy*, 10(4): 19-34.
- Steffensen, J., P. Tidemand, H. Naitore, E. Ssesewankambo, and E. Mwaipopo (2004). 'A Comparative Analysis of Decentralisation in Kenya, Tanzania, and Uganda'. Available at: <http://www.dege.biz/FINALSYNTHESISREPORTnovember.pdf>. Accessed 24 June 2012.
- Tendler, J. (1998). *Good Government in the Tropics*. Baltimore: Johns Hopkins University Press.
- United Cities and Local Governments (2009). 'UCLG Position Paper on Aid Effectiveness and Local Government: Understanding the link between governance and development'. Available at: http://www.cib-uclg.org/files/pdf/News/2009/22-12/EN_UCLG_Position_Paper_Final.pdf, accessed 15 April 2013.
- United States Agency for International Development (USAID) (2009). *Democratic Decentralization Programming Handbook*. Washington, DC: USAID.
- Van de Walle, N. (2001). *African Economies and the Politics of Permanent Crisis, 1979-1999*. Cambridge: Cambridge University Press.
- Willis, E., C. Garman, and S. Haggard (1999). 'The Politics of Decentralization in Latin America'. *Latin American Research Review*, 34(1): 7-56.
- Wunsch, J. and D. Olowu (1990). *The Failure of the Centralized State*. Boulder, CO: Westview Press.
- World Bank (2008). *Decentralization in Client Countries: An Evaluation of World Bank Support, 1990-2007*. Washington DC: World Bank.

Appendix 1: List of World Bank reports consulted

WB_Benin1_ISR: Second Decentralized City Management (P082725)

WB_Benin2_ISR: BN-National Community Driven Development Project (P081484)

WB_BurkinaFaso1_ISR: Local Government Support Project (P120517)

WB_BurkinaFaso2_ISR: Decentralized Urban Capacity Building Project (P084027)

WB_BurkinaFaso3_ISR: Second Phase Community Based Rural Development Project (P098378)

WB_BurkinaFaso4_ISR: Administration Capacity Building Project (P078596)

WB_Ethiopia1_ISR: Ethiopia Protection of Basic Services Program Phase II Project (P103022)

WB_Ethiopia2_ISR: Urban Local Govt Development Project (P101474)

WB_Ethiopia3_ISR: Pastoral Community Development Project II (P108932)

WB_Ethiopia4_ISR: Public Sector Capacity Building Program Support Project (P074020)

WB_Ethiopia5_ISR: Ethiopia Water Supply and Sanitation Project (P076735)

WB_Ghana1_ISR: Land Administration Project - 2 (P120636)

WB_Ghana2_ISR: Ghana Local Government Capacity Support Project (P122692)

WB_Ghana3_ISR: Ghana Urban Transport Project (P100619)

WB_Ghana4_ISR: Education Sector Project (P050620)

WB_Ghana5_ISR: Land Administration Project (P071157)

WB_Kenya1_ISR: Municipal Program (P066488)

WB_Mali1_ISR: Urban Local Government Support Project (P116602)

WB_Mali1_ISR: ML - Governance and Budget Decentralization Technical Assistance Project (P112821)

WB_Mozambique1_ISR: National Decentralized Planning and Finance Program (P107311)

WB_Mozambique2_ISR: Technical and Vocational Education and Training (P087347)