

M16. Decentralisation : official documents and means

Source CGLU Afrique, Cities Alliance, 2015 (see box and note page 69)

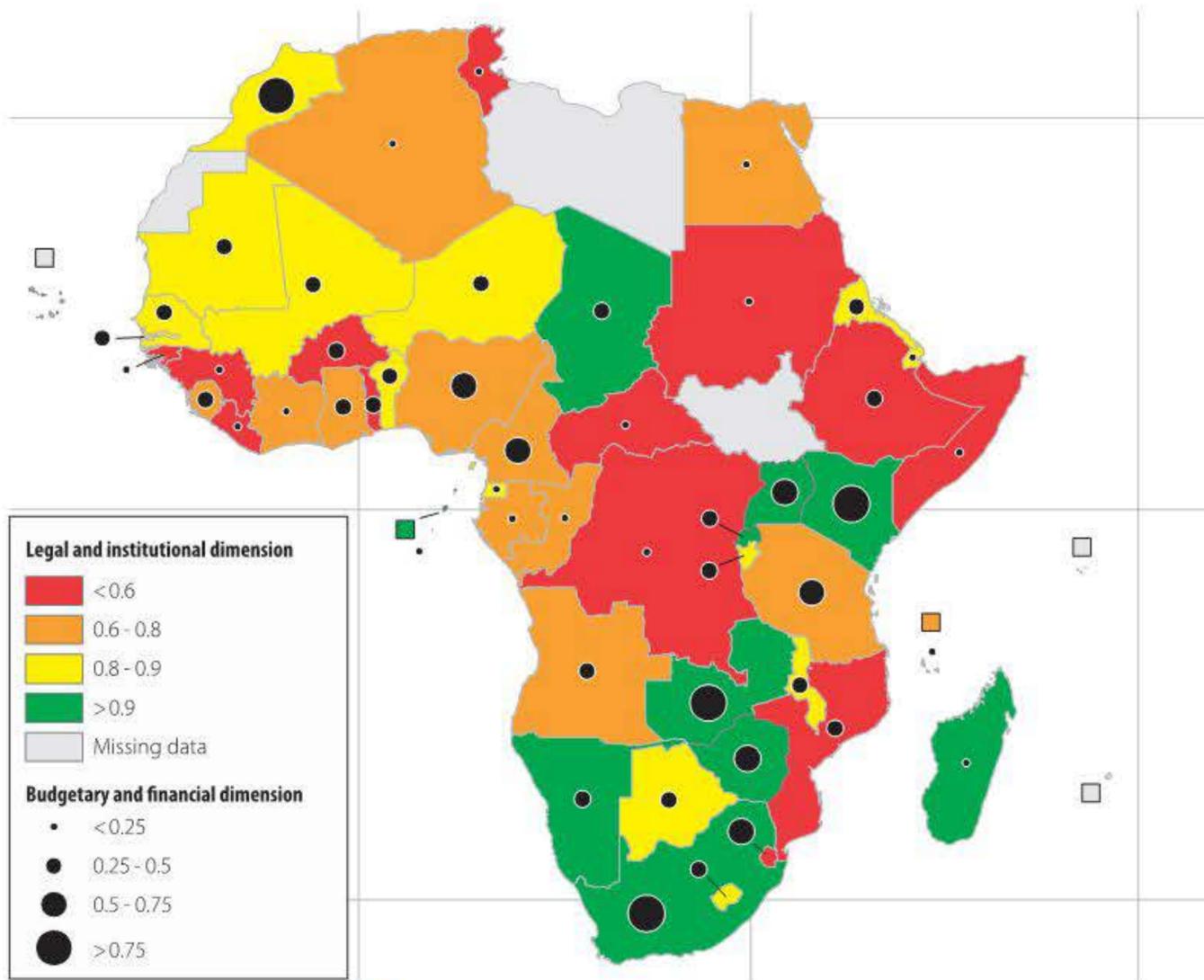
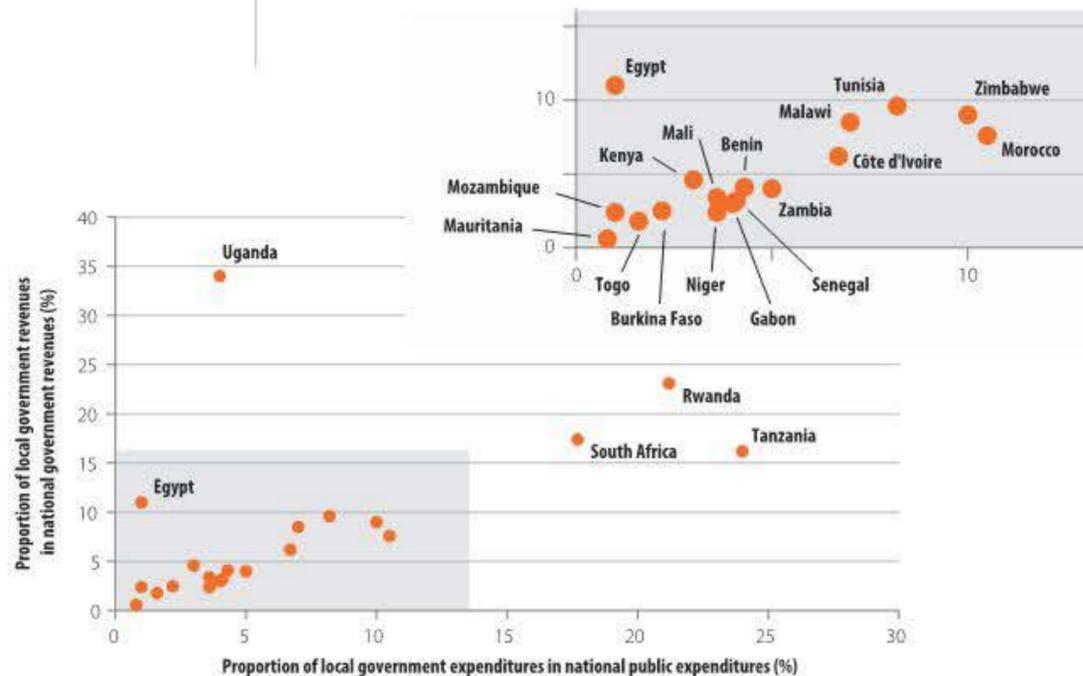
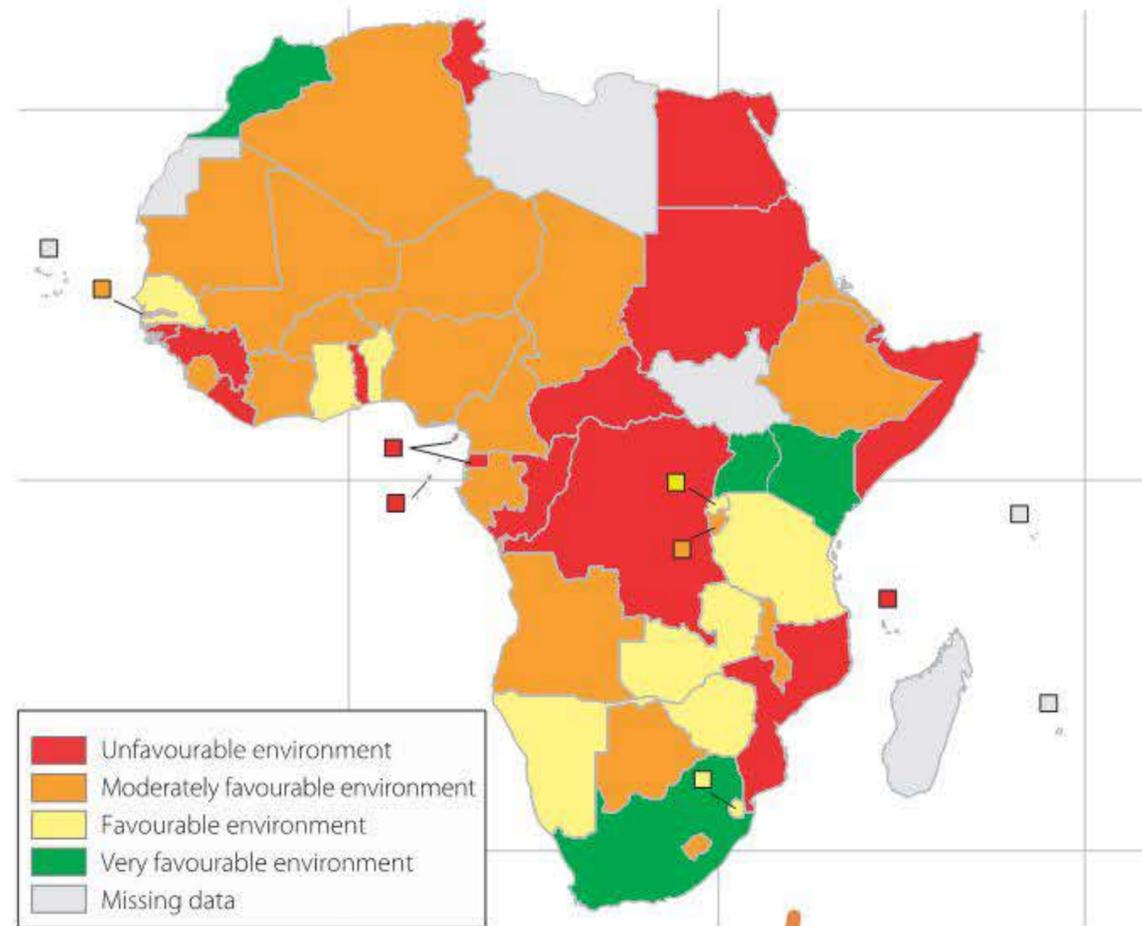


Fig. 8. Finance and local budgets

Source OCDE 2015

M17. Institutional environment of local governments

Source CGLU Afrique, Cities Alliance, 2015 (see box and note page 69)



DECENTRALISATION IN AFRICA: AN OPPORTUNITY FOR RURAL AREAS?

In Africa, as in the rest of the world, decentralisation is a key element of the institutional and political reforms undertaken since the 1990s. The decentralisation process is only just beginning to materialise in terms of the financial and budgetary autonomy of the local authorities. However, decentralisation remains promising for rural areas with authorities that have considerable governance potential for rebalancing investment, ensuring regional equity and managing tension and crises linked to resources.

• Decentralisation: a relatively recent process

With the establishment of local political and administrative authorities, each with their own powers and led by local officials, decentralisation is associated with the idea of better governance. By stimulating local development and bringing together policy makers and citizens, it holds the promise of new legitimacy for public action, which has been undermined by the structural adjustment policies of the 1980s and 1990s. Moreover, it is supposed to have a positive effect on stability, development and democracy. For rural areas in particular, decentralisation may foster better articulation between urban and rural territories, by building on mobility and trade between rural villages and intermediate towns, helping to boost the local economy through greater proximity between private initiatives, social dynamics and local decision-makers.

Many different factors are important in explaining the diversity of decentralisation dynamics depending on the country: the colonial legacy, institutional federalism, or the political

party system. The reality of decentralisation also depends on the quality of the devolution of the state and its administration or of the general functioning of the state in the case of a federal system: in both cases, the articulation between the local and central authorities is a decisive factor in planning the future of these rural territories. The combined analysis of several criteria makes it possible to examine the legal reality of decentralisation, but also its financial reality.

Local taxation is a good indicator of decentralisation and of the role actually played by the local authorities in the development of their territory. The share of local revenue and expenditure in global public expenditure clearly illustrates the fact that, with the exception of a few countries (Tanzania, South Africa, Uganda, Rwanda), decentralisation remains tentative and relatively ineffective. The local authorities rarely have the budgetary autonomy that would enable them to set up their own taxation system and they are generally very restricted in their expenditure, remaining largely under the supervision of central states. Consequently, the impression of greater decentralisation in some East African countries suggested by the maps should be balanced against the fact that the local authorities have limited powers in comparison with some French-speaking West African countries.

With decentralisation, the government of a country generally operates on three levels: central, regional and local. In rural areas, the regions (or provinces) sometimes have powers in terms of agricultural or rural policies. The local authorities are playing an increasingly important role in the field of natural resource management,

even if, for problematic issues such as property rights, the status of land and access to land, the central authorities continue to play a decisive role in large-scale land allocations.

• Decentralisation: an opportunity to be consolidated

Decentralisation is often perceived and presented as being able to play an important role in improving the living conditions of rural populations, through better access to basic services (health, education), but also through productive investment and rural infrastructure capable of boosting the local economy (roads, warehouses, local markets). It implies greater involvement of local people in their own development, which often varies according to the nature of the political regime.

Paradoxically, by giving powers to the local authorities for natural resource management and in particular for land tenure, decentralisation may contribute to "locally centralising" powers that were previously exercised by the villages or customary authorities. It is not unusual to find that decentralisation has increased the influence of several powerful local stakeholders, often officials, without opening up opportunities for people to participate in local affairs.

Today, almost all countries have a legal and constitutional framework for decentralisation and the challenge is to strengthen the existing local authorities to enable them to stimulate innovative governance that facilitates territorial development. Another challenge is to improve synergies between economic and social dynamics, the local authorities and the different state components (ministries and administrations) acting in the territory. But the increasing mobility of products, information and people makes governance structures more complex.

Decentralisation dynamics are also part of change processes concerning the role of the state and the increasing role played by regional economic organisations. The progress of decentralisation, supported by local social dynamics, territorial cohesion and socio-economic development, may provide a response to growing tension surrounding the use of resources, and may even make it possible to anticipate or prevent potential conflicts linked to the demographic and political restructuring underway in Africa.

The institutional environment of towns and local authorities is evaluated based on criteria concerning five fields – local governance, local capacities, financial autonomy, local efficiency and national institutional environment. The first map provides a representation of the formal progress of decentralisation by combining this progress in legal and constitutional terms (3 criteria) with the "reality" of decentralisation in terms of financial autonomy (2 criteria). The second map illustrates the favourable or unfavourable nature of the institutional environment of the local authorities based on the total marks obtained for each of the 10 criteria (CGLU, Cities Alliance, 2015)..

Denis Pesche and Amadou Diop