

**Decentralization, Democratization,  
Deconcentration: A Theoretical Perspective with  
Emphasis on the African Experience**

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## ABSTRACT

This thesis takes the position that decentralization is a dynamic process in constant transition in Third World countries between centralization and decentralization. The author uses an historic approach to explore the process of decentralization as it affects local governments, particularly historic-cultural influences which have had a negative impact on the development of local government institutions. Among these the author includes an in-depth discussion of the influence of the British and French models of colonial administration. Examination is made of the evolution of decentralization terminology from the 1960's to the 1980's which shows a loosening up of the traditional definitions and the emergence of new 'mixed' forms of decentralization that integrate aspects of power transfer with central control. A typology of different types of decentralization gives some dimension to the modern decentralization process. To provide a better empirical understanding of the trends in decentralization reform, two case studies from the continent of Africa are presented. The first is on the Anglophone country of Zambia which is undergoing a strong re-centralization despite its long-lived decentralization rhetoric. The second case study is on the Francophone country of Morocco where an interesting experiment in tutorial decentralization is underway.

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# Chapter 1

## Introduction

The decentralization debate has been going on for several decades in the Third World. It started in the 50's and 60's with newly independent nations debating appropriate administrative form to suit the primary task of national unification. The debate has reemerged in the Third World in the 1980's for different reasons and in an entirely different political and economic context.

First of all, many Third World nations, emerging from the inhibiting insecurities of the infancy stage of nationhood, are facing a critical problem of rapid urban growth for which they are politically and institutionally ill-prepared. Furthermore, this condition coincides with economic recession and diminishing national resources available for development. Given this predicament, countries are spurred by both internal and external forces to redefine the policy and organizational structure by which they manage their development process. In particular, in the face of escalating demand, they are challenged to find more efficient solutions to the delivery and operation of urban services and to the internal generation, allocation and management of available resources. For many, this 'reorganization' or 'reorientation' falls

under the broad and vaguely-defined umbrella term, *decentralization*.

While most Third World nations have intellectually accepted the notion of decentralization in some form as an essential condition for political, economic and social development, they have been unprepared to referee the ensuing political debate over institutional reform and, in many cases, have either been unable or unwilling to take on the costly burden of long-neglected institutional development at the local level. More to the point, political elites at the center have fought to retain their power and political elite at the local level who are generally well-networked with central government authorities and may even have been paid to remain loyal to the center have been reluctant to disturb the status quo for fear of losing the influence and benefits of their position. Despite the struggle, policies of decentralization have appeared in the planning documents and presidential speeches of developing countries around the world and some significant experiments with decentralization theory have been undertaken.

There are a considerable number of politically and financially influential development organizations including the United Nations, the World Bank, the OECD and the U.S. Agency For International Development, which are advocating 'decentralization' as a major policy direction and program goal, largely based on the experience of the developed countries. Their intervention in the development process of Third World nations at the policy and program levels has influenced the decentralization experiences of Third World countries (and will continue to do so) though the degree to which their interventions have been constructive is still under evaluation.

I plan to explore, academically, major historic influences on the formation of modern local government in Third World countries. I will trace changes in the



lexicon of decentralization theory and use modern definitions to create a typological framework of decentralization policy. Finally, in the context of the foregoing, I will examine the transitional experiments of several countries with decentralization policy over the last three decades. In this examination I will try to make some distinction among the various types of decentralization policy these experiences represent and identify trends which could have implications for the nature of future external donor assistance to these countries. Like Cohen, I see the political importance of decentralization as “a process, not a condition,” one which is long-term and not necessarily flowing along a continuum from unity to diversity.[Cohen, p.17] I use the descriptor ‘transitional’ intentionally because countries often transition from one form of decentralization to another over time or may experience some forms such as privatisation simultaneously with others. In this exploration, I would also hope to identify those factors influencing the transition from one form of decentralization to another. As fiscal decentralization is becoming an increasingly important feature of the decentralization debate, I will attempt to highlight the fiscal reforms which in some respects may be the key indicators of transition.

The base of decentralization literature was established in the 1960’s by [Hicks], the [United Nations, 1962] and [Maddick]. An initial round of institutional explorations to modernize the decentralization literature of the 1960’s was launched in 1981. It primarily included a research program by the United Nations Development Administration Division with an international seminar in Khartoum in September 1981 [United Nations,1981]; a decentralized planning study by the International Labor Organization [ILO]; a United States Agency For International Development-funded research program at the Institute of International Studies, University of California [Institute of International Studies]; and a major Asia-focussed

research program established by the United Nations Centre for Regional Development in Nagoya, Japan, the preliminary results of which were reported at a seminar held there in July 1981 [UNCRD, 1982]. Third World authors made significant contributions to the research initiatives just mentioned above. I have found only one recent Third World-initiated research program on the subject of decentralization, an Asia-focussed initiative by the Bangladesh Academy for Rural Development.[Bangladesh Academy]

Similar research efforts continue today but with increasing emphasis on fiscal characteristics and implications of decentralization. Individual authors including Kochen, Rondinelli, Davey, Mawhood, Nellis, Conyers, Rowat(ed.) and Tordoff have made considerable contributions during the 1980's to the literature on decentralization in the Third World. Others, including Bahl, Schroeder, and Bird have focused on fiscal implications of decentralization.

The structure of this thesis will include: in Chapter 2, a discussion of historic cultural influences and the impact of French and English colonial models on local government development; in Chapter 3, a review of the evolution of definitions of decentralization and the elaboration of a typology of current observed forms of decentralization in the Third World; and in Chapter 4, a presentation of selected country briefs which exemplify major experiments in decentralization and illustrate the dynamism of the decentralization process as well as the hybrid nature of the structural forms themselves.

## Chapter 2

# The Impact Of Historic Cultural Influences And European Colonial Models On The Evolution Of Modern Local Government

It has often been said that only a study of history can give us a clear understanding of the present and of how to build effective tools for the future. We are all too often inclined to depend on the trends of our own generation and milieu to explain how things work and to guide the actions necessary to make them work better. This inclination may lead to serious misunderstandings of problems and inappropriate efforts to improve or replace present systems. V. Subramaniam in Rowat's *International Handbook on Local Government Reorganization* [p.591] criticized scholars of local government in the Third World for using inappropriate Western models as comparisons and focussing too closely on the local and immediate factors ef-

fecting the shape of local government rather than looking to the historic-cultural environment which has influenced its evolution both pre and post-independence.

He said:

“Local government in developing countries has been judged too long by artificial standards derived from exceptional developments in nineteenth and twentieth century Britain, Puritan New England, the expanding United States and the free cities of Europe. It is time that its ‘limited’ development in the new nations is set against the similar history of Western Europe, particularly France, and against the historical compulsions of colonialism, nationalism and economic development.”

Bearing in mind this criticism, it seems appropriate to devote this chapter to background information which will serve as an essential historical foundation for the chapters that follow. First, I will discuss three important cultural influences affecting attitudes toward local government, these being religion, ‘adoptive’ Western education, and elitism including presidentialism. Secondly, I will outline the features of the two major European local government models (British and French) which provided the legacy on which the ‘modern era’ structure of local government and central-local governmental relationships for many Third World nations are based.

## **2.1 Historic Cultural Influences**

For Third World countries undertaking public administrative reforms, there are important historic cultural influences affecting the ‘implementation’ form which decentralization policy may take within a society and more particularly the pace of implementation. I have chosen to review three areas of influence which I believe have caused a significant negative bias in local attitudes toward local government reforms: 1) the influence of religion, particularly the philosophy of Islam, 2) the

influence of Western education which was introduced with the colonialist regimes, and 3) the influence of dominating elites and heads of state. The strong grip of Islam in many countries inhibited the development of local government institutions. Islamic tenets may be seen as the cause of unsuccessful or slow implementation of decentralization policy in the Islamic countries. The Western educational influence biased local political leaders toward centralized structures of government in the image of the Western colonialists. It fostered attitudes of the inferiority of local institutions and the inability of local populations and rural elite to assume self-governing responsibilities. Finally, small groups of elites, responsible only to all-powerful heads of state, emerged in many countries to construct a national unity during the colonial and post-colonial era. In many instances, these elites evolved into 'centralists' dedicated more to self-enrichment and perpetuation of their own power and influence than to the well-being of the general populus they represented.

### **2.1.1 The Influence of Religion**

Down through the centuries, the Church of Western Europe, particularly the Catholic church, established a model in Third World countries of a highly centralized and powerful bureaucracy that was typically aligned with or an agent of the foreign colonizing powers. Until the recent (1960's) revolutionary theology emerged in Latin America, the Church made no strong effort to promote local institutionalization of power. Therefore, when we think of the historic role of the Western European Church in the developing countries, it can best be seen as one of reinforcing at the local level the will of the centralized administrative bureaucracy.

A religious influence of greater consequence for the evolution of local government institutions in a significant number of countries in the Third World is that of Islam.

Centuries of Islamic control and the Koranic code preceded later colonial influences. I would argue that in countries where Islam has historically been the predominant religion, the Koranic code may be far more significant in slowing or obstructing the progress of decentralization policy than the centralized administrative bureaucracies inherited from colonizers of Western Europe. Interestingly, the recent resurgence of Islamic fundamentalism in North Africa, the Middle East and Asia has not to my knowledge been studied in terms of its influence on local government institutions.

To begin with, it is useful to establish the basic relationships in Islamic theology which framework would influence the manner in which institutions, particularly at subnational or local levels, may be viewed. Bruno Etienne, an authority on North Africa and in particular Algerian history, describes the Islamic religion as a vehicle for total control of the individual “which favors a type of unanimous concensus” which can only be achieved through central control with no intermediaries.[Etienne, p.29] The Islamic theology tolerates no intermediaries between the individual and his God and this code is carried over into an ideal social order which places morally legitimate leadership at the top or center with no interference from processes or institutions which would cause separation of powers or checks and balances within the system and thus obscure the relationship of guidance and control between the center and the individual.[Nellis, 1983]

Historically, Islam has been instrumental in preventing the development of municipal institutions. If we go far back in history, Jones in his standard work on the cities of antiquity, *The Greek City from Alexander to Justinian*[Oxford,1940] documents Greek and Roman cities with a high degree of internal autonomy in the 2nd C. These civic institutions and local government authorities decayed steadily down through the centuries at the hands of the increasingly crushing central bureaucracy

of the Imperial government and the Roman Church. Quoting from Jones:

“...[Cities] had been in the past very useful institutions—they had collected the taxes, maintained public security, built the roads and performed countless other functions for the Imperial government—and if they could retain sufficient vigor to perform these tasks, so much the better. Despite the efforts of the Imperial government, the growth of the bureaucracy absorbed more and more the strength of the cities during the fourth and succeeding centuries.”[Jones, p.86]

By the time of the Muslim conquests of the Roman Empire, there was little left of juridical, political municipal institutions to inherit. Inheriting no municipal institutions, the Islamic society did not seek to create any. Instead, it perpetuated a centralized bureaucratic administration which had been the trend toward the end of Antiquity and perfectly suited the juridical structures of Islam. Any attempts toward municipal independence were quickly put down within the Islamic territorial empire and never went so far as to establish municipal institutions. As Hourani and Stern point out, the persistent absence of municipal institutions in Islamic countries is matched by “the absence of corporative institutions in general in Islamic society.” [Hourani and Stern, p.36]

An interesting almost paradoxical contrast can be made between the development of the Islamic cities west of the Indian sub-continent including Africa and those cities of Western Europe. The Islamic society through the Arab conquests took over “an incomparably more advanced urban life than Western Europe” with scarcely any disturbance to existing urban patterns yet “no corporate civic institutions ever developed within the framework of Islamic civilization” because it was anathema to the structure of Islam. On the other hand, the Latin-Germanic West which became Western Europe lost the Greco-Roman legacy of municipal organizations during the Feudal period and much of its urban towns network even disappeared. Yet

surprisingly, with no apparent foundation, when Western Europe emerged from the Dark Ages in the Eleventh Century, it experienced a widespread communal movement and “an astonishing efflorescence of corporative municipal institutions” leading to the growth of innumerable cities with internal autonomy. [Hourani and Stern , p.32-33] Subramaniam attributes this quest for structures of self-governance to the example set during the Feudal era by powerful commercial and craft elites who “secured the ‘freedom’ and self-government of several prosperous [European] cities.” [Subramaniam, 1980, p. 590] This seems a dubious foundation on which to rest a continental phenomenon.

By the Eighteenth century, the Koranic or Moslem law was culturally so deeply rooted in far-flung Third World countries that the Western European colonialists of the 18th to 20th centuries were quickly defeated in their efforts to supplant Islamic controls and custom. Even the French with their rigorously enforced policy of ‘assimilation’ were obliged to allow indigenous populations of their colonies to continue to be ruled by Koranic law overlaid by French law and administration. As Cowan notes on the subject of French rule in Algeria, “. . . agitation resulting from the failure to recognize the existence of Moslem law [was] threatening the very basis of French control.” [Cowan, p.39]

Coming back to my original thesis, those countries which historically became part of the Islamic territorial empire and were later subjected to colonial domination (especially French) have experienced centuries of centralized bureaucratic rule and can retain no historic memory of truly decentralized local government institutional structures. Furthermore, their peoples have lived for generations by the Islamic social codes which make Western notions of organizing local groups to achieve a degree of institutional or corporate autonomy from central control incomprehensible



and, for the more fundamentalist, perhaps even blasphemous.

The case of the Central Tunisia Development Project CTDP, financed and technically-assisted by USAID in 1979 is a good recent example of a cultural conflict. The CTDP was designed as the first independent regional development authority in Tunisia to promote localized development efforts, locally planned and controlled. It was legally empowered to undertake regional planning activities without all the traditional back and forth between local and central government. While the Tunisian Government cooperated in the design as a progressive intellectual exercise, this cooperation broke down in implementation. The operation failed at both local and central levels. First it failed because local councilors “find it ‘unthinkable’ that they can do anything but implement central directives... [They] are prevented by culture, custom and self-interest from undertaking the roles allowed by [new administrative] law.” [Nellis, 1983, p.162] Secondly, it failed because the implementation approach was rejected by central government officials who described it to be “an inappropriate American-inspired idea... completely alien to Tunisian sensibilities.” [Nellis, 1983, p.165] While decentralization policy has been promoted in any number of Islamic countries and is intellectually accepted as a progressive approach to development management, it is this history of ingrained cultural attitudes shaped by Islam which makes such policy difficult if not impossible to implement.

### **2.1.2 The Influence of Western Education**

While the British and the French followed different approaches in their governance of their colonies, both systems placed considerable importance on the value to the colonized of a Western education. Both British and French policy established a network of schools in the colonies based on their respective national educational

systems and facilitated through extensive scholarship programs the higher school and university education of thousands of promising young Third World nationals in French and British boarding schools and universities.

This process of education served to create a generation of educated elite in the developing countries who identified more strongly with European culture and philosophies than with their own. The experience was more dramatic for the francophone populations who were the object of intensive assimilation policy to make them into 'frenchmen'. In the British colonies, the educated elite adopted the country-wide orientation of the British centralized bureaucracy. They also developed a great suspicion of local self-government as a political vehicle of the British Colonial Office to undermine national independence movements and later as a threat to national integration. In the French colonies where the educated elite as 'assimiles' had fully embraced the French cultural identity, they sought exact replication of the French way of doing things. According to Subramaniam, in the former French colonies, "centralist tendencies were not conceived as retaliatory safeguards against a centralizing colonial administration" as in the British colonies; "but rather as necessary replications of French centralism itself." [Subramaniam, 1980, p.587]

Many among the educated elite either rejected or at least lost touch with their own cultures. Those who tried to reestablish their cultural identity found themselves somewhere between the two, what has been termed a third culture identity. For both Anglophone and Francophone intellectuals, centralist tendencies became ingrained in their understanding of the appropriate institutions for public administration and political control in their homelands and thus became the thrust of the post-independence governments led by these elites. The damage for the local government movement was that these Western-educated elite had lost faith in tra-

ditional institutions; and so, devoted themselves instead to recreating or reinforcing the mother country institutional models which had been exported to and, under English policy, conceived for the colonies.

There was one most articulate plea to the French Overseas Administration in 1942 to preserve local native institutions in the colonies as an essential foundation to the development of a modern society. [The village council and chieftancy structure would have been the logical forerunner to modern local government.] This plea was made by the Governor General of Sudan, Felix Eboué, himself a Guianan turned frenchman. Quoting from Eboué:

“By administering against the chiefs, we will end up by compromising the institution of the chief to the point of being obliged to administer more and more directly. The African official left alone in the bush, has only the fear of prison as a brake on his action, and temptation is often so strong that the brake no longer works. The chief, on the other hand, is restrained by custom, by invisible sanctions and by the feeling that he is the master of his people... A chief may administer his people badly, but it is rare that he is blind enough to destroy them.” [Eboué, p.582]

Interestingly, Eboué foresaw the importance of popularly recognized local authority and institutions as an essential vehicle to ensure local accountability and local participation in governance and development. These issues have come back to the forefront of national policy discussions in developing countries in recent years and are at the heart of the decentralization policy dialog. Unfortunately, Eboué’s pleas fell on the deaf ears of the indigenous educated elite, rigidly converted to and convinced of the superiority of the mother country institutions and the French Overseas Administration whose “conviction [was that] the institutions of Africa [were] not worth preserving and developing and that the boon of French civilization should be bestowed [in full] on the native population.” [Buell, p.987]

### 2.1.3 The Influence of Elitism and Presidentialism

Elitism is defined here as the political, economic and social dominance of a minority group over the majority, usually operating hand-in-hand with an all-powerful leader. In pre-colonial Africa, the authority of the office of the chief was unsurpassed and its power reinforced by a chief-designated ruling elite. In practice, however, (as confirmed in the earlier quote from Eboue) centuries of custom and spiritual tradition guided the designation of the powerful and the exercise of power, ensuring some measure of responsible and accountable leadership. Under colonial regimes, both English and French, the notion of elitism was reinforced and, in fact, became a tool of the administration for political control. The French created a highly-selective hierarchy of ‘assimilated’ civil servants who quickly perceived the possibilities of self-serving opportunities in a system which narrowly structured accountability only to the next immediate superior. The British also established an elite civil service corp and went even further to select a ruling class of bureaucrats based on ethnic or tribal origins (e.g. Ibo of Nigeria, Kikuyu of Kenya) and British educational background. Quick captures the sense of separation of the ruling elite from their own people in his study of post-colonial Zambia:

“The elite status [of bureaucrats] in the colonial system separated them from the rest of society and encouraged attitudes of superiority over illiterate ‘bush’ Africans. After Independence...young, well-educated public servants generally dislike—or even fear—working closely with the rural population; and this leads to the kind of formalism, distance, and avoidance in the relationship between bureaucrats and clients.” [Quick, p.391]

The most damaging consequence of the colonial era with respect to elitism was the destruction of a viable system of accountability. The office of the chief was either destroyed or subsumed into the colonial administration and the honorary

positions of the ruling elite became appointed positions of the State often obtained through graft. The close relationship between the rulers and the ruled which had existed in village systems was eliminated. The traditional leadership structure was thus cut off from a system of accountability which had evolved through centuries of carefully preserved cultural and ethical values and practices and was grafted into the impersonal, abstract notion of the State where the individual was able to escape or ignore traditional value systems.

The elimination of traditional forms of leadership selection and accountability and the subsequent models of highly centralized authoritarian rule by the colonial regimes set the example for the post-Independence emergence of presidentialism or the tendency to invest all powers in the head of state with no provision to protect against an inappropriate use of these powers. Writing about ex-British colonies, Nwabueze observed:

“The President is the government. His responsibility for it is entire and undivided. The executive power is vested in him alone, and in the exercise of it he is bound by no one’s advice. With him too lies the ultimate responsibility for policy.” [Nwabueze, p.175]

This trend toward presidentialism, particularly in the African Countries, has resulted in unstable administrations structured to the personality and changeable preferences of the head of state. Frequent presidential abuse of power and interference in the activities of all levels of government have reinforced a pattern of hierarchal authority focused on the president. This form of centralism in the extreme has created an atmosphere of insecurity among government officials, discouraging independent decision-making and initiative, and also undermining the development of rational systems of administration and control which might have facilitated an earlier development of local government institutional capacity and popular initia-

tive.

## 2.2 Colonial Models Of Local Government

The reason for my focus on the British and French colonial models of government is that these nations collectively have at some time controlled the affairs and helped shape the structure of the majority of today's sovereign Third World nations. The ultimate goal of both France and Britain in their colonial empires was to establish a successful administrative structure to control vast undeveloped territories with enormous diversity of peoples, languages, customs and geography.

These two European powers advocated very different political philosophies to determine the structure of their colonial administrative systems and, in particular, the place, if any, of self government or independent local governments within these systems. The fundamental policy principle guiding British operations in its colonies was 'indirect rule' which Cameron defines as "rule by the Governor of the territory through the agency of existing traditional authorities." [Cameron and Cooper, p.14] In contrast, the policy principle guiding the French was that of "assimilation" otherwise termed 'direct rule'; and defined by Cowan as "the imposition on colonial peoples of the culture, language and political institutions of France through a process of education and example." [Cowan, p.37] Structurally, the two models resulted for the British in a full-scale conciliar form of government down to the level of the 'bush' village; and, for the French, in popular representation permitted only down to the level of the territorial assembly, akin to a regional legislature. In both cases, local representation was largely bought or appointed so as to ensure conformance with the colonial government's position.

Despite the theoretical and structural differences in their respective approaches, operationally the systems remained heavily centralized. The consequent impact on the colonized was the same in two major respects: 1) traditional institutions were destroyed [French] or reformed [English] out of existence; and 2) the indigenous leadership cadre were indirectly [English, especially through the educational and civil service systems] or directly [French, through policies of assimilation and association] co-opted to the European way of thinking, both culturally and politically. These factors have had critical negative consequences for the development of a strong, modern and independent local government structure.

### **2.2.1 The British Model**

Despite the popular image of the British local government system as a model of decentralization, in the 19th C, it took an overseas form of strong administrative centralization in British-ruled South Asia (India, Pakistan, Burma, Malaysia and Ceylon(Sri Lanka) and Malaysia) and the Himalayan kingdoms (Nepal and Bhutan). Local government systems pre-dated colonial rule in Asia as illustrated by India where there existed a network of traditional rural local governments called panchayats. As Khanna and Bhatnagarere describe British rule in 19th C India, “they [the British] built up an increasingly centralized administrative system which proved inimical to the vigorous functioning of the village panchayats, with the result that they gradually ceased to exist in the length and breadth of the country.”[Khanna and Bhatnagar, p.426] The ultimate goal of the British in Asia was to create a unitary rule. The hierarchy established included a system of States subdivided into Districts. The major figures in the management structure were the District Collectors (indigenous but British-trained administrators) in whom were

concentrated all the executive, judicial, taxing and other powers. This was a simple administrative deconcentration of powers but with no ultimate decision-making authority. These district administrators had a reinforcing effect on central authority because of similar background and ethnic origins. Subramaniam's description sums up the importance of this system of bureaucrats: "The District Collector or his equivalent was the common denominator of all British administration in the empire and he dominated or debilitated all other institutions." [Subramaniam, 1980, p.584]

Local government bodies, the *panchayati raj*s, were (re)introduced by the British in the early 1900's in their Asia empire not to replace but to supplement district government. But, until after independence of South Asia from British rule in the 1940's, the local government form had no great popularity because it was seen as a political mechanism to divide centralized national independence movements. The Balvantray Mehta Committee Report issued in 1957 structured an institutional framework for democratic decentralization in Independent India. It proposed a three-tier hierarchal system consisting of:

1. *panchayats*, a directly elected institution at the base or village level,
2. *panchayat samitis*, a mixed institution of elected and co-opted members at the intermediate level covering a development block which grouped several panchayats and
3. *zila parashad* at the District level, representing mainly centrally-appointed staff, and charged with coordinating all the panchayat samitis in a District.

Functionally, the panchayat was to be responsible for civic amenities such as water supply, sanitation, maintenance of public streets, drains, tanks, lighting of village streets, land management, records management relating to cattle, disaster relief, maintenance of panchayat roads, culverts, bridges, drains, supervision of primary



schools, welfare of underprivileged classes, collection and maintenance of statistics.

The primary function of the next local government level, the panchayat samiti, was to coordinate all development activities for the block and its panchayats, managing the expenditure of most central and state development funds. The zila parishads supervised all activities of the panchayats samiti, approved their budgets and controlled the district-wide allocation of funds for central and state governments. Financial resources of the two bottom tiers, the panchayats and the panchayat samiti were designated as shown in Table 2.1.

Table 2.1: *Sources of Local Government Revenues, India, circa 1957*

<i>Panchayat</i>	<i>Panchayat Samiti</i>
i) 3/4 share of net land revenue realized	i) share of land revenue in block
ii) property or house tax	ii) cess on land revenue
iii) tax on markets	iii) tax on professions
iv) tax on transport vehicles	iv) surcharge of duty on transfer of property
v) octroi or terminal tax	v) net proceeds tolls/leases
vi) conservancy rate	vi) pilgrim tax
vii) water rate	vii) primary education cess
viii) lighting rate	viii) proceeds from fairs
ix) income from cattle ponds	ix) share of motor vehicle tax
x) slaughterhouse fees	x) voluntary public gifts
xi) grants from panchayats samiti	xi) government grants

Source: Narain, Iqbal in *Panchayati Raj* p.21-22

While the new panchayati raj bodies did legally receive a delegation of administrative and financial powers and were to function as representative bodies with regular elections, in operation, they stimulated little local participation, they remained poor, due in part to a reluctance to levy local taxes and ultimately they became “mere executive agencies of the state governments.” [Singhvi, p.143] According to Zink et al who studied the evolution of rural local government in India, “the

tradition of centralism in the country makes the local body [panchayati raj] more a kind of administrative agent of the state government, subject to the same conditions of discipline as its paid employees, rather than a Government authority with some exclusive jurisdiction or initiative of its own.” [Zink et al, p.81] This is not a surprising result as in practice there was no real devolution of power in the system, rather it was a decentralized administrative hierarchy between the state and village level.

In Africa, a similar British model of centralized rule was introduced at the turn of the century (circa 1900) but following a different approach defined above as ‘indirect rule.’ Some authors have attributed the system of Native Administration or Native Authority which emerged in Africa to a strategic decision by the British to establish control at the grassroots level in direct reaction against the loss of control in Asia to the middle class educated elites who were able to rally the masses against the British administration. Wraith argues, I think more realistically, that the decision to adopt indirect rule was the result of political and economic conditions faced locally in Africa. British administrators in Africa were confronted with powerful and diverse traditional institutions which would be difficult to dismantle without a considerable military and civilian force. Since the British did not have the financial resources or the personnel to establish a full-fledged system of direct administration in its African Empire, they chose to supplement the British Colonial Office resources by using the existing structure of traditional authority to the service of the Government. [Wraith, 1953]

Quite different from the French model, the British overseas administration at the local level had no uniformity. This was because there was enormous variety among traditional institutions, especially in West Africa, and the British political

structure constructed around these institutions, per force, reflected their diversity. The marriage was uncomfortable from the beginning because of the fundamental clash between traditional authorities which were social institutions based on centuries of custom and ceremony and the institutions of British public administration based on Western logic and management principles.

The effect of indirect rule in practice was to divide the allegiances of the traditional elite, the chiefs, by delegating to them certain powers of administrative representation on behalf of the British-controlled central government which powers separated them from a direct accountability to the traditional 'democratic' system of independent village councils and tied them, often with generous financial bonuses, to centralized British administration. It was not uncommon practice for the British Administration to replace recalcitrant chiefs with those of their own choice who had no credibility among the local people, having been selected outside of the traditional process of selection.

The operations of traditional authorities were subjected to close supervision and regular interference by the District Officer or Commissioner, ostensibly in an effort to alter local practices so as to build local institutions according to the British public administration model. The main functions of 'native authorities' were typically restricted to maintaining public order, keeping demographic statistics and collecting central government taxes. Their access to revenues was even more limited, the major source being a small proportion, fixed by the Direct Taxation Ordinance, of the direct taxes they collected on behalf of central government. In many cases, the revenues received were too small to maintain and equip even a marginally competent staff. The British Resident or District Officer had the authority to direct native authorities to issue any regulation he desired and if refused could issue the

law himself. Where traditional authorities were weak and seemingly incapable of managing administrative functions, the District Officer would take over most of the operations and would sideline the functions of the Native Authorities to matters of custom and ceremony (i.e. the Native Courts.) Many of the actions taken by District Officers served more to strengthen central control at the District Level than to build strong local institutions.

The result of this pattern of early colonial rule was, as in Asia, the demise of the power of the traditional 'democratic' institutions such as the local village councils, a compromise of the leadership role of the chief and a general loss of popular confidence and respect in local institutions. The centralized structure of power and resources would seem to make this result inevitable. Furthermore, the guiding policy of indirect rule aimed at preservation of indigenous institutions but never laid out a strategy for their evolution and integration into the larger system of government, leaving room for Governors and District Officers to sideline their development. Cowan is more generous in his assessment, suggesting that "the exponents of indirect rule, in their zeal to prevent the destruction of indigenous institutions, inadvertently prevented them from evolving at their normal tempo and so aided in their eventual stultification." [Cowan, p.23]

In the 1950's, the British Colonial Office requested its overseas territories to introduce major reforms to their local government systems so as to align them more closely to the British domestic model. The intended reforms noted below were set forth in a 1947 dispatch of the colonial secretary in what is often referred to as the Creech-Jones Memorandum on Local Government [Mawhood and Davey, p.405]:

1. Local authorities should be institutionally separate from central government and assume responsibility for a significant range of local services (primary

education, clinics and preventive health services, community development, and secondary roads being the most common).

2. These authorities should have their own funds and budgets and should raise a substantial part of their revenue through local direct taxation.
3. Local authorities should employ their own qualified staff, who could be seconded from the civil service where necessary in the early stages.
4. The authorities would be governed internally by councils, predominantly composed of popularly elected members.
5. Government administrators would withdraw from an executive to an advisory inspectorial role in relation to local government.

The problem with this request was that the British model was based on “an island country with a strongly developed sense of unity.” [Wraith, 1953, p.18] In this environment, the model could be standardized and uniform in all parts of England with confidence that local institutions with specified powers and duties would perform what was expected of them without much interference needed. The African environment was quite the opposite.

Because of the diversity among traditional or ‘native’ authorities, direct application of these reforms meant major modification or elimination of the Native Authorities to make way for the new local government administrative structure. These reforms were only half-heartedly implemented and in a way so as not to compromise the powers and resources of the District Government. This established a popularly-held attitude toward the new local government structure as politically superfluous and functionally inferior to the well-established District level of government.

In practice, the manner in which these reforms were implemented created an unstable foundation for the future of modern local government. In many Anglophone countries in Africa, the approach to implementing these reforms was to create multiple layers of local government while still retaining strong supervisory authority

and control of financial resources at the District level. In Uganda for example, the primary unit of local government became the *parish* (similar to the commune in the French-influenced systems) but the *parish* was made a sub-division of the *division* and the *division* a sub-division of the *county* and the *county* a sub-division of the *district*. This layered-approach significantly removed the operations and interests of the primary local government unit, the *parish*, from the direct attention of District and Central Government and created overlapping authorities which interfered with the natural development of local government institutional capacity.

To avoid the delegation of taxing authority to each local council level, the district council was designated as the rating and rate-collection authority for central government direct taxes (poll tax or capitation tax), the main source of local authority operating revenues. The sub-units of local government to the district obtained their share of the revenues from precepts levied on the district taxing councils. The district council in this system controlled local budgets and expenditures of all sub-bodies by determining in its own annual budget the amount of the demands from sub-bodies it would recognize and setting the tax rates accordingly. Local government councils did have authority to levy property taxes but local resistance was significant (often encouraged by central and district government political authorities), the available assessment mechanisms rudimentary, and the problems of unclear tenure prohibitive. Other revenue sources such as fees and charges for municipal services or the use of municipal facilities and proceeds from various local government commercial undertakings remained underexploited because in many countries the local authorities were debarred by statute from making any profits.

It was not uncommon for District Councils to push increased functional responsibilities onto unformed or inexperienced local government institutions without the

resources to carry them out and, when they failed to perform, to use this as an excuse to remove certain local government authorities to higher sub-units of government or to central government parastatals. Even in areas such as Kenya where an absence of strong chieftancies had permitted the system of 'indirect rule' to be fairly successful in forming reasonably well-functioning local institutions, the manner of interpretation of the local government reforms built in the failure of these local institutions because the reins of power, the resources and the credibility remained at the District level.

The local government image deteriorated further at the hands of highly centralized national unification movements during the immediate post-independence decades of the 1960's and 1970's which saw local government as a dangerous vehicle for promoting tribal separatism and intertribal conflict. Serious remedial reforms to shore up local government administrative and financial deficiencies began to appear only in the 1980's with the recognition of the substantial growth of local authorities and their services needs and the consequent drain of their financial demands on national and district level governments.

In retrospect, the theory behind the system of 'indirect rule,' that of converting or evolving traditional social institutions in Africa into modern, uniform local government institutions may have seemed clearly achievable to the Englishman at the turn of the century, using England as his frame of reference. Because of the complexity and diversity of the social and cultural environment in Africa and the power of existing traditional institutions, the system was not only a failure in many of the territories but also possibly retarded the natural evolution of traditional institutions toward more effective, indigenous structures of local government. 'Indirect rule' secured and preserved the position of the tenured traditional rulers, shielding

them from the natural forces of change which would have been demanded from their own peoples through the traditional village councils. When reform of existing traditional institutions proved too difficult for the British in situ, in its application, the system of 'indirect rule' became increasingly centralized, reinforcing the imported British ideas without reference to their propriety for local conditions.

Much confusion was generated by the British commitment to a parallel but unequal local government structure of Districts and 'Native Authorities'. By establishing a centralized British administrative structure administered at the all-powerful District level while at the same time promoting preservation of social governing traditions through the Native Authorities and yet subjecting these latter institutions to major foreign administrative reforms, both levels of government were compromised. The consequence was to seriously retard the progress that might have been expected toward establishing a uniform and rational system of local government.

### **2.2.2 The French Model**

While the French were also colonizers in Indo-China and the Caribbean, the principal French colonial presence was felt in Africa. France, through her military explorers, had by the 1900's laid claim or offered protection to the countries of the Mahgreb (Egypt, Algeria, Morocco, Tunisia and Libya); Equatorial Africa (the territories of Chad, Gabon, Middle Congo and Ubangi-Shari) which it organized into a federation in 1910; and most of West Africa which was confederated in 1920 and included the states of Senegal, Guinea, Ivory Coast, Dahomey, Sudan, Upper Volta, Niger and Mauritania plus two trust territories, Togo and the Cameroons.

For the French, the colonial experience of the 18th to 20th century was more than just a political and economic aggrandissement of the mother country. It was



a crusade of sorts to bring civilization to the uncivilized, and carried out with missionary fervor. The early French colonizers were impassioned by the political philosophy of the eighteenth century French Revolution which proposed the natural state of all reasoning men to be one of liberty, equality and fraternity. Since this universalist philosophy with its associated republican institutions was not widely adopted in Europe, it became inexorably identified with the French language, culture and institutions. A policy of 'assimilation', defined above, which some have called cultural imperialism, became a logical vehicle for transmitting these 'truths.' Assimilation became the backbone of the French colonial policy so much so that in Africa, a native who fully embraced the French culture, language and was trained in French schools was accepted as a social equal to a Frenchman of similar class. Much like the convertees to some religion, a clear social distinction was made between the 'evolues'(evolved or assimilated) and the 'non-evolues'(non-assimilated).

The importance of this policy of assimilation for this thesis on local government is the fact that native institutions were viewed by the French as worthless and requiring replacement as soon as populations could be maneuvered into accepting the replacement. The cowing of the local populations was accomplished in large part through the destruction or co-optation of the traditional leadership structure. Secondly, the imposition of the French culture on several generations of colonials and with it the moral conviction of its essential rightness as a substitute for their own 'inferior' cultures and institutions has had grave consequences on the ability of later generations to move from a state of dependence and apathy at the local level toward one of assuming responsibility for the design and operation of local government.

Unlike the British model, the administrative structure of the French overseas

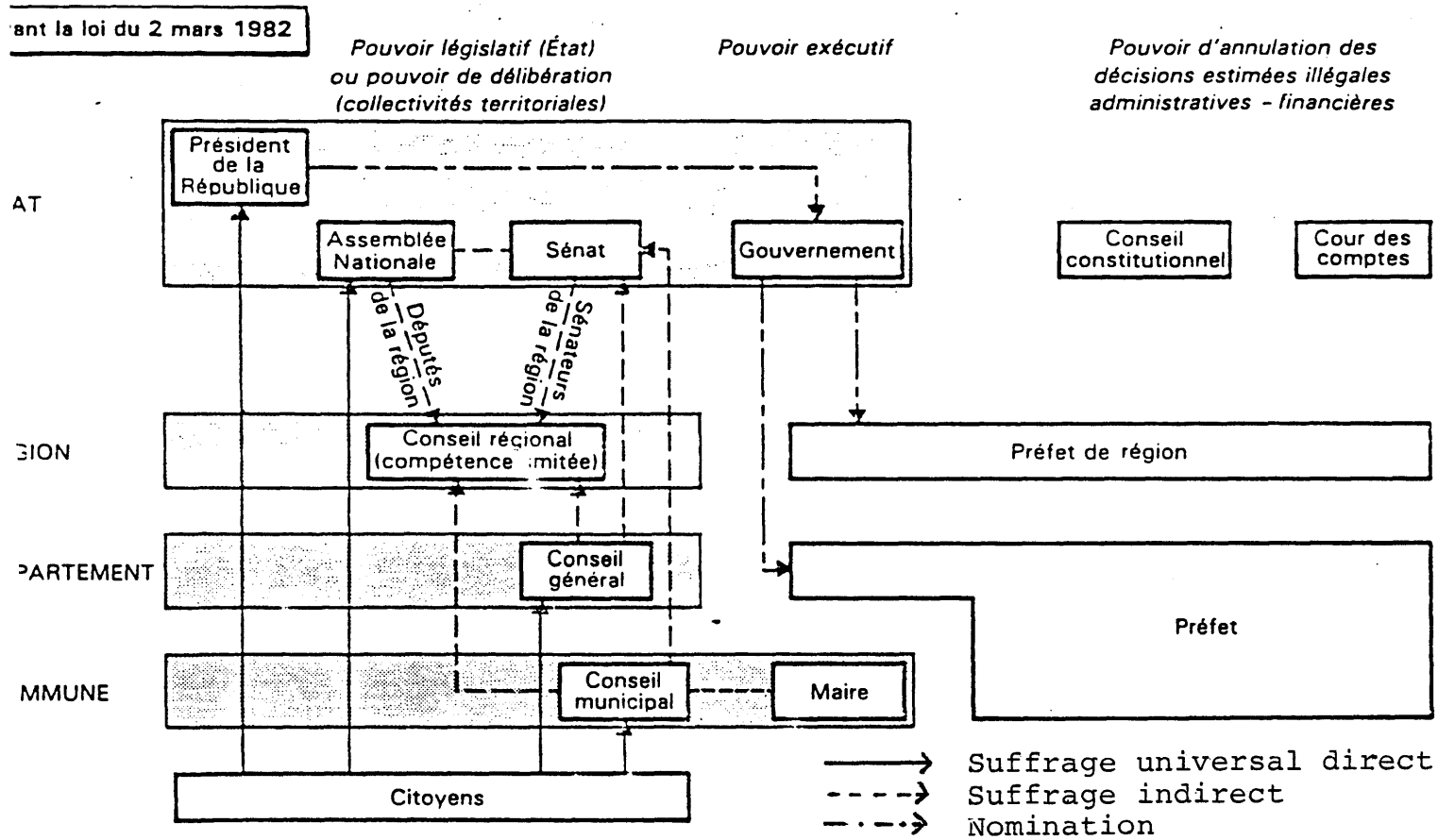
model of local government was a direct replication of the domestic government system in France. For this reason, it is useful to outline here the basic structure and division of power within the local government system of France.

The local government system in France itself underwent a major redesign at the the hands of Napoleon in 1800 to make the power of the executive all important and to rigidly re-establish a structure of central control. This was in reaction to the local autonomies, alluded to earlier, which had sprung up during the Feudal era. The structure of local government emerging from the Revolution, both rational and uniform in keeping with the universalist philosophy of that period, was contrived to control the widely scattered and geographically-separated agricultural populations in France. The system established included two levels of local government: 1) a system of *Departments*, also called *Prefectures* containing all the decentralized offices of the national ministries, each Department headed by a 'prefect' who was appointed by Government Decree to be the sole legal representative of the State; and 2) a system of *Communes* within each Department which were population centers, both rural and urban, each Commune headed by a Mayor who originally was a State-appointed official, later becoming a locally elected official. There was also created within each Department two overlapping, non-corporate administrative sub-divisions called *cantons* (a grouping of communes) and *arrondissements*, also called *sous-prefectures* (a geographic subdivision), both to facilitate Department administration and delivery of services. These entities were really extensions of the authority of the Department and never had any corporate or electoral structure. The administration of both Departments and Communes was guided at each governmental level by a consultative body of citizens (*conseil general*—Department level and *conseil municipal*—Commune level) who in the late eighteen hundreds became

locally-elected bodies in France. In fact, an 1884 law on communal administration gave the full power of decision-making on communal affairs to locally-elected councils. In theory this law should have subjugated the Mayor to their conciliar authority; but in practice, these powers were never exercised because of other central controls structured into the system. Figure 2.1 below is an evolution of this system, the regions being established in the 1950's, but it still preserves the basic structure established by Napoleon.

Typical of 'centralizing' controls designed into the system is the fact that French local authorities (Departments and Communes) remained, legally, organs of the State because their rights and powers were never written into the Constitution. Rather, they depended on a delegation or grant of power from a higher Constitutionally-defined authority such as the National Assembly. Without Constitutional definition, French local authorities have been subject to a changing scope of rights and powers from one Government to the next. Furthermore, the executives of the two sub-national levels of government, the Prefect and the Mayor, held dual responsibilities to their local councils and to the State, creating a division of allegiance which has kept the powers of the locally elected councils in check over the decades. Because local authorities were legally part of the corpus of State institutions, locally elected councilors were also subject to State scrutiny. A third critical circumscription of local powers by the State was the system of 'tutelage' or *tutelle* whereby the State or the Executive retained a power of approval (disapproval) over many local decisions with the authority to render local decisions null and void and, in the extreme, to dismiss individual councilors or full councils at will. These powers were administered through a hierarchal structure of State supervision whereby each member of the Executive, including Mayors and Prefets in their capacity as State

Figure 2.1: The Structure of Power in France, circa 1981



Source: DATAR

\*

representatives, was held accountable for his actions to the next highest administrative level.

Going back to the Francophone colonial experience, an interesting twist under the French is that the overseas territories, which today constitute whole countries, were, until the Loi Cadre of 1956, considered by France to be units of local government within their Federations. They had no decision-making authority, receiving full Executive direction from Paris. The Loi Cadre represented a major deconcentration of control by the French parliament to the African territories. It was brought on in part by the political pressure of the local government reforms underway in the British territories. As interpreted by M. Houphouet-Boigny, now President of the Ivory Coast and then leader of a major political party, RDA, representing the interests of Afrique Occidentale Francaise in French parliament:

“The essential aim of these reforms is, by accentuating the autonomy of the territories, to reaffirm their political individuality (personnalite politique). In a way, this represents the beginning of the road to the British form of self-government, with however, the maintenance of the essential links between the territories and the Republic.” [Speech given at Liege, November 30, 1956]

In the parliamentary debates of the period, however, the French goal was clearly “not a question of plagiarizing the English” but of diffusing “the profound uneasiness in Europeans and Africans” [in the African territories.] [Debats parlementaires, Assemblée nationale, Journal officiel, 1956, p. 1108 ff] The institutional and administrative reforms realized under the Loi Cadre withdrew powers from the Federation capitals in Dakar and Brazzaville and transferred them to the territories, permitting them individually to establish their own Executive (conseils de gouvernement or ministerial cabinets) and an internal system of local government. The local government systems established exactly replicated that of France and in no way

reflected any influence of the British local government reforms.

As indicated above, a highly-centralized and hierarchically controlled system of local government administration was transferred in tact to the French colonies with real legislative and executive power remaining centralized in Paris. The administrative structure included the *Governor General* of the Federation as the supreme head of government directly responsible to the President of France. The Governor General was assisted by a *conseil du gouvernement* comprised of the *Lieutenant Governor* of each colony. At the capital of each colony, the Lieutenant Governor established a *conseil d'administration* of a mix of elected and appointed members to assist in the colonial administration and approve the colonial budget. Elected representation was an empty gesture, however, as most Africans could not qualify to vote. The conseil d'administrations became the forerunner of the *conseils generaux* mentioned below and later evolved in post WWII into *territorial assemblies*. At the local level, the colony (or territory) was divided into *cercles* and *subdivisions*, also known as *regions* and *districts*. Each region and district were run by administrators (*prefets du region* and *prefets*) who themselves were supreme in their administrative area.

In the area of financial administration, there is little to discuss with respect to the local government level as local government didn't really exist in the British sense of the term. All finances were tightly controlled at the top of the apex, the metropole in Paris with budget approvals passed through the Federations to the individual territories and on down the ladder of administrative hierarchy. The Federations raised revenues through indirect taxes, largely from *export-import duties* and from a general consumption tax called the *taxe de consommation interieure*. The Territories raised operating revenues through direct taxes collected on behalf

of the Federation and partially rebated to them. These tax returns were known as *ristourne de droits*. The indirect taxes, particularly the customs dues were far more productive than the direct taxes. This made clear by the figures for the 1955 operating budget (*budget de fonctionnement*) of the Federation of West Africa where of the total 26.7 billion franc budget, almost 15 billion francs came from import-export duties and 7 billion francs from the *taxe de consommation interieure*. [FWA, p.2 and 7]

The budgets of the territories consisting of Federal grants and rebates on taxes were determined annually by a general assembly (*grand conseil*) at the Federation level, whose membership was 'elected' from the collection of *conseils generaux* or territorial assemblies within the Federation. Within each territory, the territorial assembly controlled the power of collection and rate setting for all types of taxes levied within the territory, including those collected by the communal authorities. It also approved the budgets of the lower orders of government. Given the different productive levels of revenue generation between the federations and the territories, the territories became increasingly dependent on Federal grants and budget deficit subsidies to the extent that they neglected aggressive budget and revenue management within their territories. This behavior pattern established a poor model for the development of rational financial management structures within the colonies.

In practice, while the *commune* was and still is the primary unit of local government in the French system, only a minor part of the colonized countries ever experienced the full representative communal form of government because the French considered few centers important enough to grant full communal status. In fact, only four full communes existed in the two Federations up until 1955. These were St Louis, Rufisque and Dakar in Senegal and Abidjan in Ivory Coast. As a result,

there was little opportunity in the former French colonies to develop any experience with the responsibilities of self-government at the local level. According to Coleman, “the French indifference or resistance towards local government reform in Afrique Noire [was] as much the uncritical extension to Africa of the ‘statist’ and centralist tradition of metropolitan France as it [was] a special imperial device for discouraging African autonomy.” [Coleman, p.55]

I would conjecture, less radically, that the French were strongly driven by their educative philosophy of assimilation in Africa which heavily influenced their approach to local government. The French actually established a graduated system of representation for the communes in Africa by creating several different categories. The *communes de plein exercice*, mentioned above, was the only category with an elected mayor and council to carry out the functions of municipal government; even so, their powers were severely restricted and their budgets approved and controlled by the central administration through the conseil general acting on behalf of the Lieutenant Governor. Furthermore, voting in local elections was limited to French and Africans who had become naturalised French citizens so that full universal suffrage had little real representative value among the Africans. In 1920, France created a second category of communes in the French territories called *communes mixtes*. This category was divided into three classes according to the level of elected representation allowed. *Communes of the first degree* had a municipal council (*commission municipale*) nominated by the Lieutenant Governor; *communes of the second degree* had a council elected by restricted suffrage; and *communes of the third degree* had a council elected by full universal suffrage but its mayor was appointed by the Lieutenant Governor. In fact the office of mayor for all three classes within the category of communes mixtes was an appointed position of the



central administration. The theory behind the French policy of gradual granting of representation was explained in 1921 by the then Governor General of French West Africa as follows:

“This progressive education, of which the last stage will be the full autonomy of the *commune de plein exercice* will make it possible to extend the benefit of municipal institutions to units at different stages of evolution... This apprenticeship in public life... [constitutes] the most rational and sensible political machinery for our African populations, which it is our duty to associate in an ever increasing measure in the management of their own affairs.” (Cited in [Buell, p.964])

It is interesting to take note of this progressive system of responsibility as a similar concept is now emerging in the former Francophone colonies in their decentralization process for which Nellis has coined the term ‘tutorial decentralization’. This approach will be discussed in the Moroccan case in Chapter 4.

With the advent of independence for the various colonies, this system of progressive education was lost when newly formed nations moved in the direction of more rigid centralization as a strategy for protection against internal political division. Thus, the centralization of the French model, coupled with the psychological legacy of assimilation policy and the recentralization under independence undermined any possibility for the development of a strong local government base or the evolution of capacity, confidence, and enthusiasm among local government elected officials.

Typically, the former French colonies have continued to closely imitate the administrative reforms of the mother country, France, in their own local government reforms at home, though with considerable lag time and with limited real decentralization of powers. A serious debate over local reforms and regionalization of power began in the early 1970’s in France with progressive ‘decentralization’ reforms sprin-

kled throughout the 1970's and early 1980's.[Borja, p.5] The decentralization trend began to appear in local government reforms in former French colonies in North Africa in the late 1970's and in West and Central Africa in the early 1980's. Back in the 1960's, Chapman identified the Commune of France as "the only primary area for local government." [Chapman, p.14] Indeed, the local government administrative reforms which have appeared over the last two decades in Francophone countries of the Third World have focused on decentralizing responsibilities and powers to the Communes. The Ivory Coast exemplifies the current enthusiasm for communal reform. In 1980 legal textes were enacted under the title *Organization Municipale en Cote d'Ivoire-Loi No. 80-1180* which raised 37 communes mixtes to the status of communes de plein exercice, 10 of which were municipalities making up the capital city, Abidjan. This reform was followed in 1985 by a revision elevating the number of communes from 37 to 134 including both rural and urban communes. While the political enthusiasm of the reform movement has elevated the number of communes with legally defined authorities, an implementation strategy has yet to be worked out and many designated communes, in an embryonic state of institutional development, may never exercise their full powers.

In summary, the French colonial regime did succeed in establishing a uniform administrative system of governance in the Francophone countries of the Third World but the model, replicating French public administration, was highly centralized with little or no effort to develop the institutional structure of local government. The policy of assimilation destroyed traditional local institutions and prejudiced local populations against their cultural institutional heritage. The consequence has been that local government institutions have remained underdeveloped and dependent on the center. Recent trends in France to reinforce local government powers and

resources are being copied in administrative reforms in the Francophone countries of the Third World. The decentralization policy represented by these reforms remains largely rhetorical, even in instances of a favorable political climate, because of the embryonic stage of development of the institutional infrastructure of all but the largest local government units.

As is evident from this chapter review, historic cultural influences and colonial policy appear to have played a major role in undermining the natural development of strong, indigenous local government institutions and systems in the Third World. Consequently, developing countries in the 1980's are finding it difficult to implement and institutionalize decentralization policy at the what Chapman termed the primary area for local government which, under the British system, are the municipalities and, under the French system, the Communes.

## Chapter 3

# Framing A Dynamic Process: Definitions And Typology Of Decentralization Policy

In the last chapter, I discussed the historic influences which have shaped the environments out of which decentralization policy is now emerging. In this chapter, I will first set forth the basic definitions associated with the concept of decentralization. Using these definitions, I will then construct a typology of decentralization not so much to show a continuum between the poles of centralization and decentralization as to give some dimension to the decentralization process.

The concept of decentralization is difficult to define because it is not simply a development technique to be applied to certain features of the existing system but instead it is “an entire alternative strategy in itself.” [Nellis, 1983, p.174] Decentralization is a broadly based process which, while not undermining the foundation of the existing political/administrative system, does progressively alter the way in

which the system is perceived and operated. While the conventional definitions of the decentralization process and elements of its policy language in Third World countries often come from external sources, the process itself as it is played out is a creature of the local environment and therefore ‘different’ for every country.

### 3.1 Modernizing Conventional Definitions

The definition of ‘decentralization’ has lost lexical clarity as a result of the preponderance of literature generated since the 1950’s on the subject using similar terminology to define the activities in many fields beyond development administration. For example, Peter Drucker in *The Practice of Management* writes of a trend toward “federal decentralization of the corporate entity” in the business world. [Drucker, p.205] In many of the Western Nations, the term decentralization has become politically popularized to the extent that it carries a connotation of being positive and its antonym negative, which value judgement is carried by donors into the Third World development theatre. Landau and Eagle describe decentralization and centralization as being “loaded terms” in the United States where the former is ‘good’ and the latter ‘bad.’ They also suggest that “the present emphasis on decentralization in the United States Agency for International Development [USAID] derives from the negative connotations of its antonym...not from considerations of its utility.” [Landau and Eagle, p.4] Finally, there has been considerable misuse (abuse) of the term ‘decentralization’ by political leaders and administrators to describe a variety of policies for which they seek popular support or to mask the true operations of an unpopular public administration. Subramaniam wrote of “Anglo-phone countries using the rhetoric of decentralization to draw a veil over the reality

of centralization.”[Subramaniam, 1980, p.590] Achour described the decentralization concept in Tunisia as “a political myth used by an aging leadership to offset criticism of their centralized single party rule.”[Achour and Moussa, p.348-349]

Definitions are essential to establishing a typological framework of the organizing principles of different types of decentralization. It is, I think, useful to look at the evolution of definitions of decentralization over the last three decades and to remember that the ‘reality’ of various forms of government administrative organization in the developing countries has itself been in a constant state of transition, requiring regular adaptation of definitions to describe any new empirical evidence.

### **3.2 Conventional Definitions of the 1960’s**

In the bureaucratic environment of the 1950’s, the British and French colonial administrations employed the terms ‘deconcentration’ and ‘decentralization’ to define the quite different modernizing trends in local government administration occurring within these two colonial powers or promoted by them as policy to their colonies. The trend in France was toward *economic decentralization* or ‘regionalization’ of planning and development responsibilities to permit a more balanced economic development of the nation. This trend was accompanied by administrative reorganization or deconcentration to accommodate the new regional orientation. But, as Cohen notes, “this was regionalism from the center, with no decentralization of decision-making at all.”[Ross and Cohen, p. 731] It was a movement that was based on the “special politics of economic administration well outside the traditional political arena,” and thus made no attempt to consider issues of any lower order participation in decision-making. This re-orientation affected the French colonies through

the Loi Cadre of 1956 which embodied the same emphases on decentralization of economic development and deconcentration of administration. In contrast, the English, as evidenced by the Colonial Secretary's (Creech Jones) Dispatch of 1947 (see Chapter 2), were intent on introducing reforms in their colonies which would bring them closer to the British domestic model of local government. The main emphasis of the reforms was on *legal decentralization*, establishing local authorities that were "separate legal entities" from central government with their own staff and "independent accounts and budgets, partly financed by direct taxation." [Mawhood and Davey, p.406-407]

In two of the original building blocks of the English language decentralization literature, *UN Report(ST/TAO/M/19) Decentralization for National and Local Development*(1962) and *Democracy, Decentralization and Development*(1963), Henry Maddick made a major lexicographical decision, criticized by some [Mawhood and Davey, p.2], to establish the notion of 'decentralization' as an umbrella term "embracing both processes of deconcentration and devolution." [Maddick, p.23] These two key types of decentralization, he defined as:

**Deconcentration:** the delegation of authority adequate for the discharge of specified functions to staff of a central department who are situated outside the headquarters.

**Devolution:** the legal conferring of powers to discharge specified or residual functions upon formally constituted local authorities.

As Maddick was an English scholar, not surprisingly his definitions reflected an English legal perspective and were biased toward the English model of local government. Maddick made a *legal* distinction between the two types of decentralization. The legal constitution under *devolution* of local authorities with legally-defined

powers and functions distinct from the central government, affording independent decision-making authority, distinguished it from the non-legal administrative redistribution of functions under *deconcentration* where “the effective control [particularly over allocative decisions] remains at the center.” [Conyers, 1983, p.102] These two terms, *deconcentration* and *devolution*, became the conventional definitions for decentralization in the English language literature.

While many of the French colonies were still under French control during the 1950's and early 1960's, for a number of the recently liberated English colonies, this was a period of initial experimentation with new forms of public administration. After years of submission to a heavily bureaucratic and centralized British overseas administration, the national leadership of some countries moved ideologically toward the establishment of the British 'domestic model' of independent or semi-autonomous local government units. The writings of African leaders Kaunda of Zambia, Nyerere of Tanzania and Nkrumah of Ghana and even the religious tenets of Gandhi in India hardened the legal versus administrative definitional distinction between the two types of decentralization.

There was a burst of literature in the 1950's in India on the subject of decentralization and the role of local government as this great nation searched for new administrative forms. A government committee report in 1957 defined decentralization as “a process whereby the government divests itself completely of certain duties and responsibilities and devolves them on to some other authority.” [Republic of India, p.7] New terms were coined: 'democratic decentralization' versus 'administrative decentralization' [Narain] and 'local self-government' versus 'local self-administration' to further specify what had become politically-charged definitions of decentralization.



Iqbal Narain, an Indian author, wrote a succinct essay in 1963 distinguishing among these terms on the basis of legitimate power as opposed to derived power. The organizing principle of *democratic decentralization* (also termed devolution or, a decade later, *participatory democracy*, see [Kaunda, 1974]) he wrote, “embodies a right” and, “stands for enjoyment of original power by the people.” [It is] “an extension of the democratic principle—extension of people’s right to manage their own affairs in a local area without any undue interference from regional or national authorities.” On the other hand, *administrative decentralization* (also deconcentration or delegation) “is the outcome of administrative expediency and is the exercise of derived power by a subordinate authority to be exercised [not as a right] at the pleasure of the superior.” [Narain, p.12-13] Narain footnotes English author Montague Harris to clarify the difference in the governing structures which house these organizing principles: *Local self-government* “implies government by the people themselves through freely elected representatives;” while *local self-administration* “exists wherever there is local self-government, but may also exist where a local authority merely carries out the orders of a higher authority, more or less in its own way.” [Harris, p.9]

While the rhetoric of the 1960s and 1970s leaned universally toward legal or ‘political’ decentralization, the real experiments such as the peoples democracies of Sudan, the ujamaa village movement of Tanzania, the panchayati raj of India were structured as a deconcentration of central government functions, extending the center to the local level in the form of a district council or a community development administration but with no discernable decentralization of decision-making authority to local populations. Hence Singvi’s description earlier quoted of India’s panchayati raj as “mere executive agencies of the state governments” [Singhvi, p.143]

and Fortmann's paradoxical observation in Tanzania that "in a nation with a strong ideological commitment to local control, even what would appear to be the minutiae of village life are subject to central control." [Fortmann, p.79] Thus, as Smith so aptly put it, the ambiguities of the language of decentralization were used by political leaders in the early years of decentralization to cover the ambiguities of their own politics.[Smith, 1985]

### **3.3 Modernizing Definitions in the 1980's**

The simple struggle from the 1950's through the 1970's between the two types of decentralization, deconcentration and devolution, has evolved to a complex assortment of administrative styles in the developing countries in the 1980's in order to accommodate each country's policy objectives and environmental (historic, political, cultural, economic) peculiarities. Once sharp distinctions of 'legal' versus 'administrative' have become blurred as the traditional types of decentralization have converged to form new hybrids. Consequently, current authors of the lexicon of decentralization (Conyers, Cohen et al, Landau and Eagle, Rondinelli), while retaining the old terms, are attempting to broaden their meaning to accommodate new forms of deconcentration-devolution as well as to establish new terms to describe what is happening today.

Authors still use 'decentralization' as a blanket or umbrella term to frame the types or categories of decentralization they have identified in various countries over the last decade. Definitions of the old categories have been loosened and new categories, such as *delegation* [to autonomous public agencies] and *privatization* [including delegation to non-public entities], have been added. The new types fall

somewhere between the notion of power transfer and that of central government administrative-restructuring; and in operation, represent something of both. Most observers of decentralization policy implementation would assert that this broadening of decentralization categories in number and definition signals a trend more toward the restructuring of central government administration through decentralized centralization or what Apthorpe and Conyers have termed ‘decentralization within centralization,’ than an actual transfer of power.[Apthorpe and Conyers, 1982]

### 3.3.1 Deconcentration

Rondinelli and Nellis’s modernized definition of the old term ‘deconcentration’ offers little notion of conceptual change from that of Maddick in 1963:

**deconcentration:** “The handing over of some administrative authority or responsibility to lower levels within central government ministries and agencies—a shifting of workload from centrally located officials to staff or offices outside the national capital.”[Rondinelli and Nellis, 1986, p.6]

To this definition, Cohen would add the clarification that “deconcentration is an administrative action and does not alter the flow of command [no basic transfer of power] in the system.”[Cohen, p.19] Some authors such as Coralie Bryant(1982) prefer the term ‘administrative decentralization’ to describe deconcentration. Since the responsibilities which are most often transferred are in the area of project planning and implementation, she would further specify this definition to “the delegation of some implementing powers to local levels..with some element of discretion and responsibility over the nature of those services at that level.”[Bryant and White, p.160] Using his definition quoted above, Rondinelli has identified ‘deconcentration’ as the most common form of decentralization over the last decade in the develop-

ing countries. He gives examples of Indonesia, Thailand, Pakistan, Tunisia, the Philippines, Morocco, Sri Lanka.

### 3.3.2 Delegation To Public Agencies

The next type of decentralization, *delegation to public agencies*, can in many respects be seen as a sub-category of deconcentration since its form is often distinct only in that the agent is usually a separate management entity created by and appended to central government rather than being central government itself. Keeping with Rondinelli and Nellis's definitions:

**delegation:** "The transfer of managerial responsibility [but not sovereign authority] for specifically defined functions to organizations outside the regular bureaucratic structure such as public corporations, regional development agencies, special function agencies, semi-autonomous project implementation units, diverse parastatal organizations." [Rondinelli and Nellis, 1986, p.7]

Landau and Eagle would make a distinction between different types of delegation, that is between the act of "delegating authority" versus the act of "granting authority." The latter is more recognized as a transfer of decisional authority enabling independent action by the recipients and thus constitutes a transfer or 'devolution' of power. The former establishes an 'acting for' status for the recipients. They remain "instructed actors" [without] "any independent status." [Landau and Eagle, p.5-6] The problem with this interpretation is that a *grant* of authority is still precarious as it is not a constitutional mandate and can be withdrawn at the discretion of the center.

A word needs to be said here concerning the era of the public agency or parastatal and why this type of decentralization was added to the lexicon. The rapidly expanding economies and populations of developing countries in the 1960's and

1970's encouraged many developing countries to create scores of national public agencies and quasi-public agencies in order to expand the archaic and heavily bureaucratic management structures of central government quickly and without loss of central control. While many of these agencies, as Cohen points out, had "an independent legal status," they were generally dependent on central government for their operating budgets, most often staffed by civil service employees and politically [because of central government controls and interference] unable to function according to principles of market economics.[Cohen, p.20]

Under policies of administrative decentralization, such national public agencies were typically decentralized to the regional and local levels where they assumed responsibility for public services delivery and investment on behalf of the central government, often usurping traditional local level responsibilities and leaving little opportunity for the development of local administrative and fiscal management expertise essential to modern local government operation. The creation of a decentralized structure of public agencies to represent central government in the field was urged by international donors thinking this would bring decision-making authority closer to the people and thus be more responsive to their needs. For the most part, however, the hierarchy created was center-responsive, poorly-managed and had to be deficit-financed. The majority of entities created, even in cases where they had been granted powers to permit their independence, operated as "instructed actors" of central government. The economic stringency of the 1980's has sounded a death knell for many public entities represented by this category of decentralization.

### 3.3.3 Delegation To Private Enterprise and Parallel Organizations

The same donors once supporting creation of an enlarged, decentralized public sector are now behind the dismantling and/or replacement of this supplemental public institutional infrastructure. The replacement process would develop a system of relationships partly with quasi-private or non-public organizations legally bound or politically persuaded to act on behalf of central government and partly with fully private entities granted the right to provide public services. The shift in emphasis from public to private is issuing in a new type of decentralization called *privatization* which Cohen defines as follows:

**privatization:** “The shift of supply responsibility from public authorities to private parties in certain erstwhile public goods areas... the critical difference [from public supply being] that production becomes a right of private property. As a result, it is not subject to the upper level governmental policy direction which public agencies may receive, and any accumulation of profits, etc. remains in private hands.” [Cohen, p.27]

As was the case with the various types of delegation mentioned above, privatization itself has a number of forms which can align it more closely to deconcentration or alternatively, more closely to devolution. Three major forms of privatization can be mentioned here:

**contracting-out:** “Transferring the task of supplying public services to other governmental jurisdictions or to private organizations instead of delivering the services through a government’s own personnel. This generally takes the form a the government retaining the role of ‘service facilitator,’ financing and regulating the service but transferring to the private sector the role of ‘supplier.’ Accountability is typically established by means of legal contract.” [Nolan, 1986, p.6-7]

In a real sense, the ultimate responsibility and authority remains with government with the contracted 'private sector' entities acting for government.

**delegation to parallel organizations:** "Decentralization of public authority to non-public organizations including voluntary service organizations, industrial and trade associations, religious organizations, professional groups, unions or syndicates, development cooperatives, political parties." [Cohen,Nolan, 1986, Rondinelli and Wilson]

This type of privatization frequently does not represent a formal delegation of public authority and responsibilities but rather an official recognition of the suitability of various interest groups to perform certain activities. Most often the activities of these associations are not legally 'contracted' with government as was the case in a) above, but they are tolerated and even encouraged (verbal and financial support) by government where they are seen to be politically or socially useful. Rondinelli suggests in reference to the activities of these local interest groups that "decentralization may be implicit in the concept of 'debureaucratization,' that is, allowing decisions to be made through political processes that involve larger numbers of special interest groups, rather than having the decisions made exclusively or primarily by government through legislation, executive decree or administrative regulation." [Rondinelli and Nellis, 1986, p.9] In the 1980s, this type of privatization is more and more overtly encouraged by governments strapped for resources because it facilitates the participation of local populations in the social and economic development of their communities and the mobilization of local resources. In countries moving increasingly toward true political decentralization, one might expect to see a mushrooming of parallel organizations and their eventual formalization and integration into the political process.

**free market and divestiture:** “Free market is the private provision of goods and services in response to market demand where the government is not involved in the transactions at all, or only minimally involved through some regulation. Divestiture is the sale of government assets for the provision of goods and services to the private sector with the assumption that market demand will stimulate sufficient production by the private sector.”[Nolan, 1986, p.11]

This form of privatization is the closest to devolution because the rights to private property must be acknowledged which, as indicated above in Cohen’s definition of privatization, limits the degree of policy control by government. The government forfeits direct control of activities but still supervises the operations of the private sector through regulation. The major inhibiting factor to free market growth of private sector services then becomes inappropriate government regulation.

### **3.3.4 Devolution**

Finally, we can take a look at the 1980s modifications to the old 1960s decentralization term ‘devolution.’ Going back to Rondinelli, the modernized term is defined as follows:

**devolution:** The creation or strengthening, financially or legally, of sub-national units of government, whose activities are substantially outside the direct control of the central government.[Rondinelli and Nellis, 1986, p. 8]

Rondinelli and Conyers both acknowledge that, in practice, where a form of devolution is in place such as in Papua, New Guinea, the central government usually retains some supervisory powers and makes large financial transfers.[Rondinelli, 1980, Conyers in Stohr] Conyers prefers to ignore the old distinction between devolution and deconcentration, being convinced that the majority of developing countries are implementing some form of hybrid of the two. What is particularly interesting in



this definition of devolution above is that conceptually devolution is now acknowledged to exist where there is a 'degree' of authority transfer rather than requiring absolute independence of the local government unit as in the British model popular in the 1950's. Even more significant is the fact that the importance of financial empowerment is put on an equal footing to legal empowerment.

The conceptual modifications to the definition of devolution are indicative of the new trends for decentralization in the 1980's. The emphasis is no longer on the creation of autonomous local government units but rather on the restructuring of intergovernmental relations as a whole to permit a decentralization of central government operations. The 'new decentralization' suggests a blending of the old notions of devolution-deconcentration which implies *power-sharing* among the different levels of government while maintaining a degree of control and coordination at the center. As power is equated to absolute decision-making authority, the struggle in defining the new relationships is to decide on the nature and degree of the decision-making authority to be transferred to sub-national government units and in particular to local government. The key issue on which the debate is turning in many developing countries is whether or not to permit a decentralization of allocative decisions accompanied by a restructuring of fiscal relationships and a redistribution of revenue-generating mechanisms. This is a highly political topic as control of resources is at the root of power and has created at the central government level a class of political elite whose livelihood and longevity has depended on their control of resources.

Whether rhetoric or reality, many countries in the 1980's have adopted 'decentralization' strategies which use varying interpretations of the Western terminology elaborated above. In any number of cases, reforms that look overtly to be a step

toward greater decentralization are in reality a justification for structuring greater political control of the center at the lower governmental levels. In sum, the use of the academic language of decentralization to define systems of local government administration in the Third World offers marginal clarity unless it is used in conjunction with a detailed description of a particular country's system so that the terms can be understood in their application context.

### **3.4 Creating A Typology**

In the 1960's, scholars of decentralization policy working with two opposing types of decentralization, deconcentration and devolution, were content to organize a typology as a continuum between the poles of extreme centralism and extreme decentralization and generally moving in one direction from centralization to decentralization.

In today's world, there exist many more types of recognized decentralization as well as a variety of criteria for measuring the degree of decentralization than existed in the 1960's. Collectively, however, they can not as a whole be confidently used to classify a country's system since "a system which is more centralized according to one criterion may be less centralized according to another." [Conyers, 1983, p.103][Cohen, p.17] In this sense, systems can be centralizing at the same time they are decentralizing. Furthermore, as noted above, the terminology defining decentralization is based on Western World concepts which may have different meanings and structural interpretations in non-Western systems of local government organization. Finally, not infrequently countries use the terminology of decentralization as a political vehicle in their stated policy to obscure unstated administrative re-

form initiatives which may be actually more centralizing in their effects on existing bureaucratic structures.

Carl Friedrich was one of the first scholars to try to liberate the notion of decentralization from its interpretation as a static type of government at some point on a continuum. Rather, he challenged academicians to think of decentralization as a *dynamic process* constantly moving back and forth between centralization and decentralization:

“It is essential that decentralizing patterns of the distribution of power be considered as dynamic, rather than static, as continually evolving and oscillating between greater unity and diversity...”

C. J. Friedrich, from *Man and His Government* (1963)

The empirical evidence of great variation and frequent changes in the decentralization-centralization balance within the internal intergovernmental systems of Third World countries in the 1980's requires scholars of today to accept the notion of decentralization as a process rather than a state of being.

Whereas in the 1960's, countries were emulating Western models of decentralization without initially much modification, today these countries are individually undertaking series of administrative reforms to design their own decentralization process in a way which suits specific social, economic or political objectives and is compatible with the local environment. Conyer's recent article on the subject captures this idea:

“...decentralization [should be] seen as a dynamic process of change [in less developed countries], which can in turn facilitate other sorts of change, not as a particular type of government structure.” [Conyers, 1986, p.601]

This all presents the problem of how one captures the notion of a 'process' which is dynamic in a typology which is more of a definitional or static classification tool.

A typology which is based on a continuum using 'conventional' terms alone can not really provide much clarity with respect to the proper categorization of a country's decentralization experience. Since there is as yet no substitution for the conventional terminology, one alternative is to retain this terminology as a framework for the typology and to describe each category broadly, based on the empirical evidence of types of systems that exist today. The process of decentralization might be understood as the movement or transition from one category of decentralization to another.

The typology which follows, therefore, represents an artificial continuum of stages of increasingly decentralized decision-making authority. It moves from a stage of *total centralization* to *administrative decentralization* where the seat of power remains at the center but individual tasks are delegated to peripheral units representing the center; to a stage of 'power-sharing' where there is a *mix of central-local controls* but where the balance of power tends to remain with the center; to *legal decentralization* where the State legally constitutes separate corporate local bodies to which it transfers governing authority and resources.

There are variations within each 'type' from country to country depending on local political circumstances, geography and the historical inheritance of colonialism, nationalism and economic development. Movements between 'types' have been observed over the last decade. Indonesia has moved since the 70s from a type I to a type II and, if currently proposed reforms are successfully implemented, may move on towards a type IIIa. Tanzania is moving from a type II toward a type V. Brazil is drafting a new constitution which should, if implemented, move it from a type IV to a type IVa. Most Third World countries appear to fall between type II and type III with recent trends in the direction of type III.

The categorization of countries within the typology was done on the basis of literature review and logical guessing. Detailed study of each case would be necessary to be more certain. Any attempt at categorization is complicated by the fact that a given country's political-administrative system may be transitioning from one category to another or may have characteristics of several categories simultaneously.

### 3.4.1 Typology Of Decentralization

**TYPE I: Centralization** Recognizing that there exists no such extreme as a “pure” case of centralization, this type classifies those cases for which all major decisions are taken at the center. Actions are directed by the center and carried out by central government-appointed agents. All resources are collected by or for the center and meted out through a system of center-controlled transfers.

- Zaire
- Korea
- Peru

**TYPE Ia: Centralization/City-State** Highly centralized operating systems dictated by the small size and geography of countries. Particularly evident in small island nations. (Jamaica has recently eliminated the local government authority of its capital, Kingston)

- Jamaica
- Singapore

**TYPE II: Administrative Deconcentration** Authorities and/or powers are delegated to local level bodies represented by a mix of central and local officials. These local level bodies have no ‘corporate’ status and often parallel conventional local government. The local bodies may take the form of development committees or coordinating committees, lodged at either the middle or local level or between the two. Fiscally dependent on central government with few own-source revenues.

- Kenya

- Philippines
- Tunisia
- Indonesia

**TYPE III: Legal Deconcentration/Devolution Mix-Middle Level** Authorities are granted or devolved to legally constituted corporate bodies staffed by a mix of locally-elected and centrally-appointed representatives. The local bodies are middle level government such as provinces or districts. They receive transfer of authority to expand own-source revenues but remain fiscally dependent on central government transfers.

- Sri Lanka
- Zambia
- Ghana
- Morocco

**TYPE IIIa: Legal Deconcentration/Devolution Mix-Local Level** Authorities are granted or devolved to legally constituted corporate bodies staffed by a mix of locally-elected and centrally-appointed representatives. These local level government bodies are typically municipalities (including metropolitan areas and special status cities) or, in the french-influenced systems, communes which are akin to the English 'parish.' Allocative and implementation powers received from central government are generally tied to development functions. Typically high dependency ratio on central government transfers.

- Ivory Coast
- Turkey

**TYPE IV: Federal System-Deconcentration** A federal system where powers and resources are delegated to middle and local-level bodies but strong control and intervention in the daily operations of these bodies is exercised by central government. Fiscal controls retained at the center though some discretion in allocations may be delegated to middle and local levels.

- Uganda
- Mexico
- Venezuela
- Argentina

**TYPE IVa: Federal System-Devolution** A federal system where powers and resources are devolved to middle and local levels i.e. states and/or municipalities. Central government retains a national policy planning and guidance role. Local development planning and implementation, revenue-generation and allocation functions are carried out at sub-national levels. Generally, fiscal decision-making and controls are devolved to the state level which may further delegate allocative and implementation responsibilities to the local government (municipal) level. Typically, annual central and state government transfers to local governments are a feature of such systems. Central government fiscal controls reduced to that exercised through conditional grants or transfers.

- Nigeria



- Brazil

**TYPE V: Legal Devolution-Dependent** Fully-elected local governments with full legal rights are established at the ‘provincial’ and/or ‘municipal’ levels. Significant powers and fiscal authorities are transferred to the local levels including taxing authorities, especially the property tax. While local governments are constituted as legally-separate, semi-autonomous entities, operationally they remain highly dependent on central government for fiscal and personnel resources.

- Papua-New Guinea

**TYPE VI: Legal Devolution-Independent** As in the case of centralization, there exists no “pure” case of complete decentralization. This category is rather to classify those countries where local government is moving increasingly toward fiscal and administrative self-reliance, cooperating with rather than depending upon central government. Key to the ability of local bodies to function as ‘separate entities’ is the power and ability to generate sufficiently important revenue sources locally so as to permit independent decision-making. Typically, this category may represent parts of a national system rather than the whole. Successfully functioning separate entities may be dictated by size, special status, geographic location or natural resource endowments. (A number of cities in Colombia are claimed to have achieved a level of financial self-sufficiency)

- Colombia

**Simultaneous Types** Forms of decentralization which occur simultaneously with other forms. This is particularly the case where countries are trying to lessen the administrative burden on central government and its administrative sub units such

as administrative field offices without losing full control. These types fit more with the concept of legal deconcentration, type III.

**TYPE VII: Privatisation** Transfer of the responsibility for executing governmental functions or delivering public services to private entities supervised by central or subnational units of government. This may take a variety of forms from the outright sale of public services, to contracting out to private firms, to the increased participation of voluntary organizations in the provision and maintenance of public goods. Except in the case of outright sale of the rights to a public enterprise to the private sector, the government maintains a supervisory role over private operations. This type is becoming increasingly frequent in the delivery of urban services, particularly in the sectors of health, education, transportation and water in Third World countries.

- Turkey

**TYPE VIII: Worker Self-Management and Syndicalism** Decentralization of the decision-making and responsibility to councils of workers within state-run or private enterprises. Often times it is party associated. This form provides some direct and democratic control to workers, decentralizing the base of power not only in economic life, but by association, in political and social life as well. There has been an erosion in this direction, particularly in highly centrally planned economies.

- Algeria
- Yugoslavia
- Mozambique

- Chile

**TYPE IX: Metropolitan Districts** Large capital cities in the Third World have been decentralized geographically by creating a number of municipalities as separate corporate entities under the umbrella of a metropolitan authority. The metropolitan authority retains responsibilities for city-wide services such as solid waste collection and for infrastructure investments but day-to-day operations and maintenance are expected to be undertaken by the individual municipal governments. Pressure is building to truly decentralize fiscal and development decision-making powers to the individual metropolitan municipalities following failures under the deconcentrated administrative framework of the metropolitan authority.

- Calcutta, India
- Abidjan, Ivory Coast

## Chapter 4

### Transitions and Trends In

### Decentralization Policy

### Implementation: Selected Country

### Briefs

Decentralization policy and progress in any one country is, a creature of complex and often countervailing forces within its own environment which, for the outside observer, are difficult to understand. The characteristics of decentralization policy are determined not only by the country's individual historic, economic and cultural environment, but also, and most especially, by the political setting into which the policy is introduced. A policy of decentralization in any form is highly political because "the process involves a transfer or redistribution of power and resources." [Cohen, p.17] Therefore things said or done in the name of decentralization may be more in the category of temporal political maneuvering than sus-

tainable structural decentralization. For example, transitions in the structures and processes of decentralization within a country may in large measure be a political response to diffuse local political tensions between the established power elite representing central control of decision-making and resources and the various indigenous groups including organized local populations, local intellectuals, middle-range officials decrying ineffective central government performance and by design or default promoting internal decentralization reforms.

Pressure is placed on both ends of this political spectrum by foreign parties, particularly foreign donors, interested in trading development resources for demonstrated policy reform toward greater efficiency and equity in the use and distribution of resources, which reforms may have both centralizing and decentralizing impacts. National leaders typically play a central role in how decentralization policy is officially represented and whether and how it is implemented. As a further complication, the rhetoric if not the process of decentralization has been adopted by a broad range of interest groups within countries as a means of achieving their objectives whether it be the implementation of rural development programs [Bryant and White], the drafting of more realistic national development plan objectives [Van Huyck, 1985], the strengthening of the Party [Lungu, 1983], the encouragement of popular participation through a form of local democracy. [Houphouet-Boigny, Kaunda, 1974] The result has been to make decentralization “an interdisciplinary subject” within countries. [Conyers, 1986]

Obviously, this makes the task of describing and interpreting what is happening in any one country extremely difficult and comparative studies, especially among countries from different world regions, achievable only on the basis of gross or very generalized indicators. For this reason, I have chosen to restrict the two briefs

presented in this chapter to countries in Africa which were former British or French colonies. First, I will discuss the case of the Anglophone country of Zambia which shows an example of a country whose decentralization rhetoric veils a trend toward re-centralization. Secondly, I will present the case of the Kingdom of Morocco, a Francophone country which is pursuing an interesting experiment with incremental decentralization using a tutorial approach.

## **4.1 Zambia: An Anglophone Experiment**

Various forms of anglophone decentralization experiments have been undertaken in Kenya, Tanzania, Ghana, Sudan and Zambia, initiated and promoted by exceptionally strong national leaders. In all cases, despite the policy rhetoric of the various regimes, little decentralization has actually occurred. At this point in their evolution, the experiences must really be classified more as experiments in administrative reorganization (or administrative deconcentration) to lessen the pressures on central government. A common problem arising was deconcentration at the top but replaced by a complex and overlapping system of central officers and agencies emerging at the subnational levels whose competing authorities and objectives have stifled any opportunity at the local level for true decentralization.

The Republic of Zambia has been held up as an example of a country struggling toward increased local autonomy in its central local administrative system. This image has been in large part built on the rhetoric and writings on 'participatory democracy' of its strong-man President, Kenneth Kaunda. In the three administrative reforms (1965, 1969, 1980) it has undergone since its political independence from Britain in 1964, the country has actually moved from a system of representa-

tive local councils with relative local autonomy toward a substantial strengthening of central controls and political Party dominance over local affairs. The result has been a progressive encroachment by four major interest groups upon local government autonomy since the 1960's. This evolution was forecast by the President himself in a speech he delivered to announce the 1969 reforms:

“Decentralization in centralism is a measure whereby through the Party and Government machinery, we still decentralize most of our Party and Government activities while retaining effective control of the Party and Government machinery at the centre in the interest of unity.” [Kaunda, 1968]

The key parties to the loss of authority at the local government level have been:

1. Central Government Ministries of Local Government and Finance limiting local authority in the key areas of budget, administrative functions and personnel;
2. parastatal agencies usurping traditional service responsibilities of local authorities;
3. Provincial and District Administrations vying to retain the deconcentration of Government decision-making at the territorial level; and
4. the ruling Party UNIP seizing control of vital staff positions on local councils and within the local government staffing structure.

Under the British Colonial Government in Zambia, a two strand system of local government was established. Rural areas were subject to the control of District Administration and the essentially powerless local 'native authorities' established under the policy of 'indirect rule.' Urban areas, however, were allowed to develop and operate as fairly independent units separate from District Administration and reporting directly to Central Government.

### 4.1.1 Minor Reforms during 1927-1975

The Municipal Corporations and Townships Ordinances of 1927 gave urban councils “wide discretionary powers” which included the authority to raise revenues locally through a *property rating* on all municipal council lands and improvements. [Greenwood and Howell, p.164] Urban councils were made responsible for the provision of a broad range of local services including markets, slaughterhouses, sewerage systems, water and electricity systems, solid waste disposal, parks, and police. Functions were essentially the same in municipalities and townships. The 1965 Local Government Act following Independence in 1964 abolished native authorities but recognized a system of local government authorities, both rural and urban, with democratically-elected local councils. This served to reinforce the autonomy of the existing urban local government units created under British rule and free rural councils from control by District Administration. An important distinction between the urban and rural councils was that the former had an elected mayor while the senior staff of the latter were until 1975 appointed by a statutory Provincial Local Government Services Board.

Almost simultaneously, the newly independent Zambia launched programs and reforms contradictory to the notion of strong participatory local government. The movement to nationalize private enterprises and to create innumerable new public corporations or parastatals ballooned the size of Central Government and the scope of its interference in local affairs. Between 1964 and 1970, the number of parastatals grew from 10 to 134 “reaching into almost all spheres of Zambian life.” [Lungu, 1983, Johns, p.218] The negative consequence of this movement on local urban councils was that parastatals increasingly took over the functions of urban development (housing, infrastructure) and services delivery, thus reducing, extra-



legally, local functional authority and leaving little incentive for the development of local capacity. Greenwood assessed this trend of parastatal development at the local level to be “the most significant development affecting local authorities since Independence.” [Greenwood and Howell, p.177]

#### **4.1.2 Deconcentration Reforms of 1969**

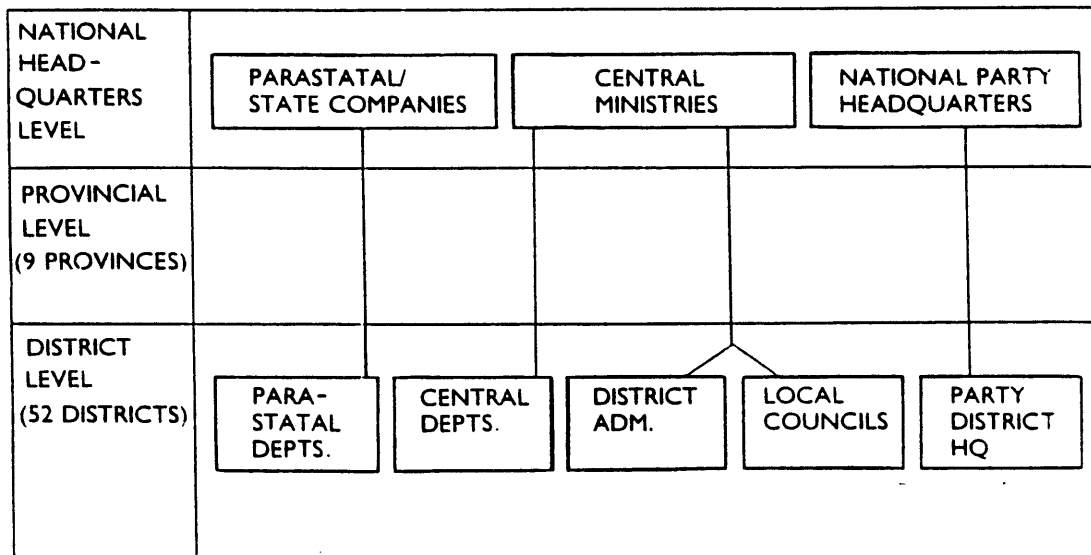
A second important trend toward strengthening the central government role at lower government levels began with the 1969 reforms which deconcentrated many Central Government ministry functions to their departments or offices operating at the District level. The 1969 reforms established District Development Committees, representing all the institutional players in the districts which included the local councils, the parastatals, the deconcentrated ministerial departments, the district administration and the UNIP Party. They also created the position of District Governor as the Central Government’s chief political and administrative officer overseeing all government and Party activities in the District. The District Governors were the chairpersons of District Development Committees and also chairmen ex-officio of the rural councils.

The 1969 reforms were promoted by Government as a major decentralization policy; however, in reality they were nothing more than administrative deconcentration of responsibilities to the District level. These reforms had little effect as the District Governors were given no statutory authority to enable them to carry out their functions and were therefore perceived as powerless and largely ignored. The reforms also did not change the power relationship between central and local government as local councils still functioned separately from the District level reporting directly to the Central Government, specifically to the Ministry of Local

Government. Local councils were still authorized to recruit and employ their own staff and budget and manage their own revenues and expenditures.

The structure of intergovernmental relationships following the 1969 reforms are shown in Diagram 4.1.

Figure 4.1: *Structure of District Administration, Zambia, 1969-1980*



Source: Lungu, Gatian F. 1986, p. 52.

While there was not another comprehensive set of administrative reforms before 1980, the President and Central Government undertook administrative and legal initiatives during the 1970's which resulted in the steady deterioration of the authorities of local government. The powers of the executive President grew enormously with the adoption of a constitutional amendment in 1969 empowering the President to declare any post in the Public Service political at his discretion. The President actively exercised this power, and by 1972 had placed most of the senior Public Service under the Office of the President. This included the positions of the District Governors. [Lungu, 1980, p.96] His power was considerably reinforced by the adoption of a one-party State constitution in 1973. Framers of the new constitution

stressed that “the one-party State would be a participatory democracy in which decision-making would be decentralized and important groups in the society would participate in the formulation of policy.” In practice, as Scott indicates, “much was conceded in rhetoric to the feelings of the local officials but little of substance was given away.” Instead, policy-making became increasingly concentrated in the hands of the President and his advisors, heavily influenced by the political elite in the form of senior civil servants, parastatal managing directors, trade union leaders, big business and professional personalities.[Scott, p.147-148]

Since pre-Independence, local governments had the authority to recruit, employ and dismiss their own staff, both foreign and domestic, subject to the oversight of the Local Government Service Commission only for cases of senior official dismissals. Local authorities lost this power by 1974 with the creation of a Local Government Service Commission “empowered to recruit, appoint, transfer, promote and dismiss all local authority staff.” [Republic of Zambia, 1975]

Central Government policy contributed to a weakening of the financial position of councils confronted by increasing demands for services. Aside from earmarked or specified grants for national public services such as health, the other important grant was the *rate grant*. This was paid to local councils in lieu of rates levied against government property. During the 1970’s the rate grant levels due became very undependable with central government making unilateral cuts of 20-35 percent. This was not catastrophic as the main revenue sources of particularly the local urban councils were locally generated through *rents*, *personal levy*, and *property rates*. While the Central Government didn’t hold the purse strings, it controlled rate levels and would not allow local councils to introduce higher charges to meet higher service costs and demand. Most councils fell seriously in arrears in the collections

of *rents* on civil servant housing during the 1970's because Central Government not only blocked rent increases, but also adopted an act in 1972 withdrawing local government authority to evict tenants in arrears. While this act was not sustained, the attitude in Central Government against rentor evictions discouraged conscientious local council enforcement of collection rights. The local councils also lost an important revenue source in 1973 when Central Government decided to eliminate the *head-lease* system of local councils leasing locally-located State land to raise revenues and replaced it with a direct lease system administered by the Commission of Lands and benefitting the Central Government rather than the local councils.

The personnel and budgetary controls cited above are examples of formal central interference in local affairs. Greenwood et al suggest that "formal control is a relatively minor part of much wider, and often informal pressures upon local authorities to conform to central policy directives." [Greenwood and Howell, p.176]

The Republic of Zambia's stated policy of 'decentralization' was, as indicated above, to establish participatory democracy and reaffirm local government autonomy; but, in practice, the period 1969-1980 clearly established a trend toward the strengthening of Provincial and District Administration at the expense of local government. In 1976 still another institution was added to the public institutions representing Central Government at the sub-national level, this being the State-appointed Provincial Central Committee which was to oversee the operations of the District Central Committee.

Thus, the form the policy took in implementation was not one of decentralization but rather one of administrative deconcentration of central government to the District level. In the process of deconcentration, the Government created what has been described by its own study of decentralized structures "a chaotic constellation

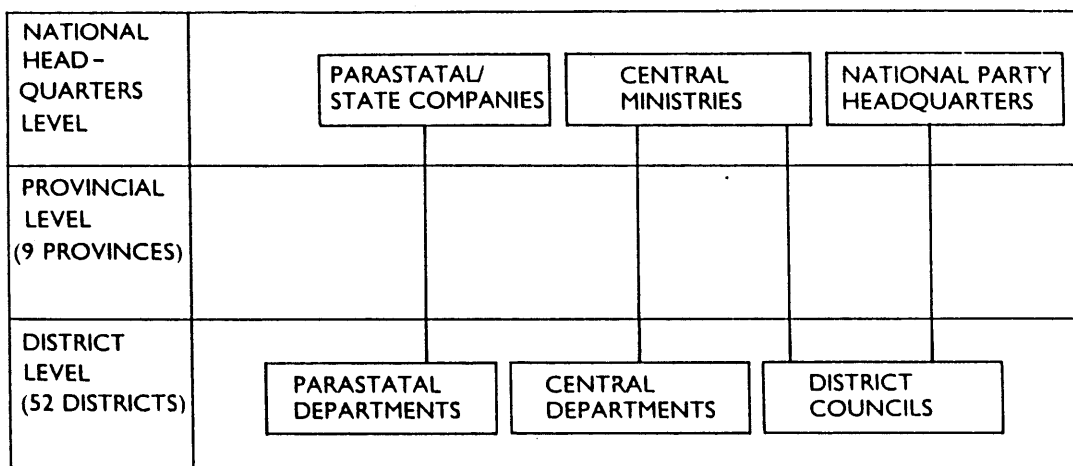
of organizational activities in which each department and agency in the district appears to have a separate administrative organization [presenting] a serious problem of coordination.” [Republic of Zambia, 1979, p.39] This problem of coordination was much exacerbated by the strong central control retained by the President as the Executive, who exercised his powers in the style of an interventionist autocrat rather than as a manager.

### **4.1.3 Integrated Deconcentration Reforms of 1980**

This trend toward deconcentration rather than decentralization was formalized in the 1980s with a third set of comprehensive administrative reforms passed under the Local Administration Act of 1980. The main goal of the 1980 reforms was to create “an integrated structure” of Central Government institutional representatives at the District level in the form of a District Council chaired by the District Governor. The former urban councils, rural councils, district administration and party were folded into the District Council which was a major centralizing reform. On the other hand, the District Governors were given the statutory powers to administer their functions which represented a delegation of authority that theoretically should have had a decentralizing effect. As can be seen in Diagram 4.2 below, the integration was only partial because Central Government Departments and deconcentrated parastatals were left out.

There was a major loss in local autonomy and an expansion of Central Government political control under these reforms as can be seen in the case of the urban councils. Urban councils not only were absorbed into the larger District Councils but their elected mayors were replaced by the appointed District Governors and their councilors were required for the first time to be Party members. The

Figure 4.2: *Structure of Integrated District Administration, Zambia, 1980*



Source: Lungu, Gatian F. 1986, p. 54.

reforms also abolished the professional Local Government Service and placed the responsibility for all local government appointments with the national Public Service Commission. This last reform has probably received the greatest hostility from local authorities who are now obliged to accept centrally-appointed civil servants as personnel “most of whom have risen through political consideration rather than merit.” [Lungu, 1980, p.88-89]

In summary, as we reflect over 20+ years of administrative reforms in Zambia, we see a stated policy of ‘decentralization’ and expansion of ‘participatory democracy’ but a process which in implementation has resulted in the progressive constriction of local government autonomy and the reduction of elected local representation in government. If we were to accept district level government as representative of local interest then the latest series of reforms (1980 Local Administration Act) may in reality be a “mixture of ‘centralization’ and ‘decentralization’.” [Conyers, 1986, p.596] However, the decision to leave parastatals and Central Government departments out of the integrated District administration dampens the decentralizing effect. First

of all, it has compromised the potential power of the figure of the District Governor by giving him authority over one-third of local administration and secondly, it has perpetuated direct Central Government authority and interference in District affairs through its parastatals and ministerial departments.

## 4.2 Morocco: A Francophone Experiment

The Francophone countries of North Africa have developed more quickly than their Sub-Saharan neighbors and have therefore been forced to acknowledge somewhat earlier the political, economic and administrative problems presented by their highly centralized organization of Government. In North Africa, Algeria began the trend away from uniquely centralist policies in 1967 by establishing a network of representative assemblies at the commune level called *assemblees populaire communales*. This was followed by the creation of provincial popular assemblies or *assemblees populaire de wilaya* in 1969. These assemblies were merely consultative and without power but they were the first elected bodies in what had heretofore been a non-representative, authoritarian regime. In the official rhetoric of the period, this was to be the beginning of “[institutional] construction at the base level” and a process to educate the local populations to the responsibilities of “[participatory] management...through their elected representatives.” [Boumedienne, p.3] The Boumedienne regime was the originator in Africa of this conceptual approach toward decentralization which John Nellis has termed *tutorial decentralization*. [As was mentioned earlier, the approach existed earlier for communes under the French colonial administration but was lost with Independence] The view of the Boumedienne regime as interpreted by Nellis was that “the [citizenry] was recently and

violently torn from its peasant origins and culture and in need of a lengthy and closely supervised apprenticeship before it can be entrusted with the full range of powers envisaged by the new system.” [Nellis, 1977, p.549]

This developmental model for decentralization of responsibilities and authorities toward local government has subsequently been adopted by other countries in North Africa (Tunisia, Morocco) and more recently in Francophone West Africa (Ivory Coast). There are skeptics who see this tutorial decentralization as a political ploy to secure local support for perpetuating a centralized regime. Local support is maintained through a process of very gradual transfer of responsibilities to the local level but always retaining, centrally, powers of management and review which can override or dismiss the actions of local government. On the other hand, it is readily acknowledged throughout Africa, and in many other parts of the world where countries are contemplating decentralization policy, the inexperience of local councilors and the lack of professional staff, equipment or sufficient financial resources at the local government level to quickly assume new responsibilities. Under such conditions, tutorial decentralization is a pragmatic short and medium term approach to obtain a long-term objective of communal self-sufficiency.

I have chosen to discuss the case of Morocco because this country appears to be genuinely attempting to pursue a tutorial decentralization strategy as a long-term developmental process for local government as opposed to using it as what some have termed a ‘political camouflage.’ As in all Francophone countries, the *commune* is at the center of the reform process to empower local government. The tutorial or pedagogical orientation to local government reforms was evident in Head of State, King Hassan II’s pronouncement in 1975 on local government reorganization:



“[the *communes*] are a school where one learns how to manage a budget, organize actions and execute plans, a school which trains citizens to be conscious of the true priorities and sensitive to the needs of the population.” [Kingdom of Morocco, p.18]

The King has shown steadfast support for a progressive reform strategy which would over time “integrate [communes] into the process of planning economic and social development.” [Kingdom of Morocco, p.19] The results since 1975 show more a preparation for decentralization than decentralization itself. The orientation, however, is well established which is a great achievement in a country such as Morocco which has been institutionally centralized for decades.

#### **4.2.1 Historic Centralizing Influences**

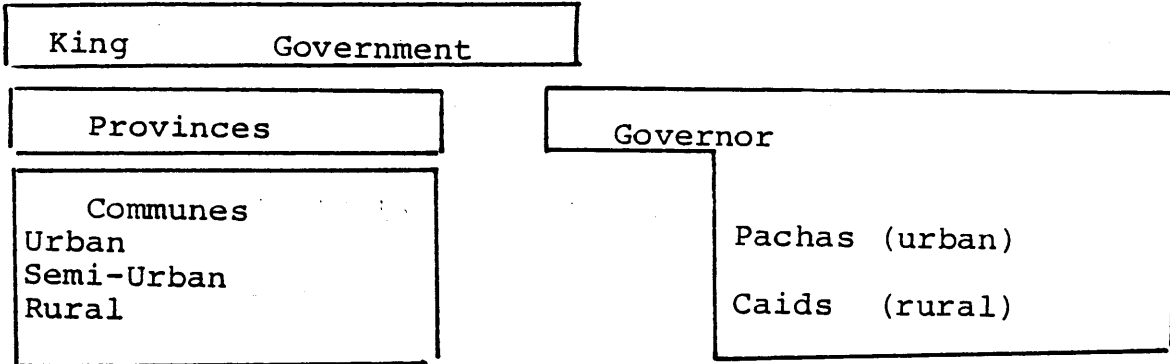
Historically, Morocco has many reasons contributing to its centralized State which make the current trend toward decentralization all the more impressive. In pre-colonial history circa 1500, rural Morocco was nothing more than “a large number of cohesive kin groups with no political center... [each group] deriving its inner cohesion from opposition to a changing exterior threat [from other groups].” [Hess, p.21] The notion of the State was almost non-existent. Valensi describes the Morocco of that era as a region where “there was almost no administrative apparatus—no salaried functionaries and no centralized administration whose employees were named by the government.” [Valensi, p.73] Wolf described it as a government of “decadence rather than political vigor.” [Wolf, p.3] The impotence or absence of a central government in Morocco (and elsewhere in North Africa) and the existence instead of an ‘uncontrolled’ political decentralization have been cited as the major contributing factors to the initial success of the Arab and Turkish invasions, to the fall of the Ottoman Empire in North Africa and to the ease of the later French colo-

nial occupation.[Hess,Brown] I believe, perhaps more than other influences, that this history of political decentralization with a weak center leading to foreign political occupation has biased the current Moroccan regime, paradoxically so, to retain a strong central government while simultaneously pursuing policies of political and economic decentralization.

To this history we must add other key centralizing influences which include the Islamic tradition introduced in the 7th century and the 19th century French colonial heritage. Islamic philosophy, as described earlier, emphasized the “organic unity” of social order, legitimizing a style of leadership which institutionalized a centralized State authority and power without tolerance for any autonomous base(s) of power whether they be political, institutional, administrative or social. The Islamic tradition was overlaid starting in 1912 with the highly-centralist and centralizing administrative tradition of the French. While the French only officially controlled the affairs of Morocco through its protectorate status for 40 years (1912-1956), it was sufficient time to erect “a veritable parallel administration of intervention which was progressively substituted for the administration of the protected state.”[Sibh, p.13] This should not be surprising when we reflect on the fact that Islam encumbered the development of any administrative institutions to cope with the day to day operations of sub-national government thus creating a vacuum which the French administration easily and quickly filled.

At Independence in 1956, the Kingdom of Morocco inherited an administrative system from the French diagrammed below that was more centralized than the metropole in France. (Refer to page 36 for the French model.)

Figure 4.3: *Structure of Local Government Administration, Morocco, circa 1956*



In reviewing Diagram 4.3, note that the ‘pacha’ and ‘caid’ were traditional officials of government appointed by the central government and representing central interests, the ‘pacha’ administering in the urban and semi-urban municipalities and the ‘caid’ in the rural municipalities. Typically these officials managed more than one municipality.

#### 4.2.2 Minor Reforms during 1956-1975

From 1956 until the major ‘decentralization’ reforms of 1975, the Moroccan Government undertook three minor reforms which really must be seen as acts of administrative deconcentration to bring the ‘inherited’ colonial model of local government administrations closer to the actual administrative model operating in France. First, in 1960 the Government took steps to ‘elect’ representative *communal councils* at the commune level; however, their role remained strictly consultative. They had no economic or administrative powers and so really were little more than token representative bodies at the local level.

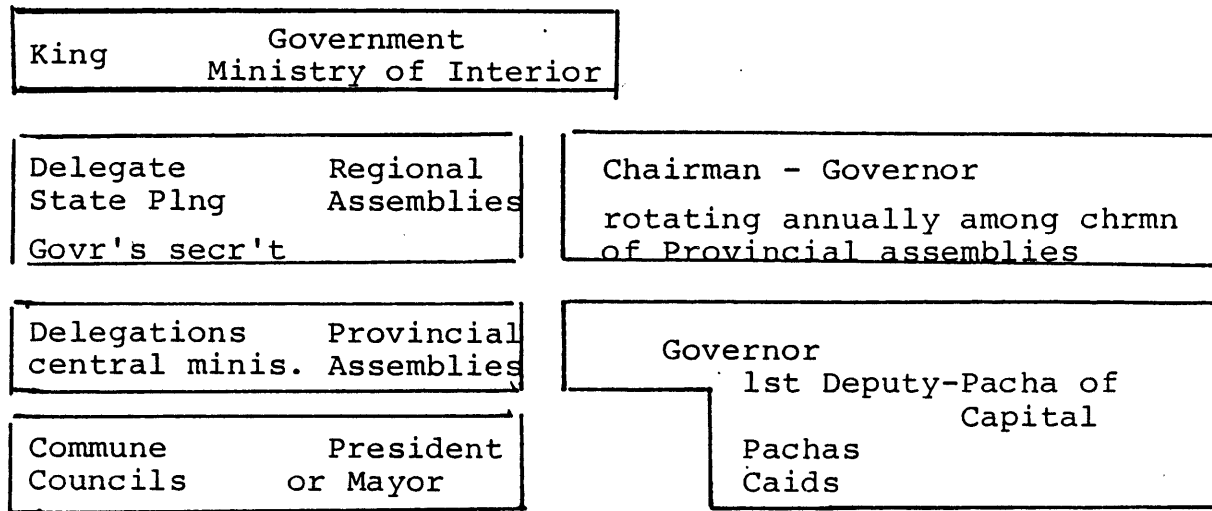
This first reform was followed by another realized in 1963 which created *provin-*

*cial assemblies* under the chairmanship of the ‘King’—appointed Governor. They were comprised of appointed or indirectly-elected representatives from local professional organizations and the communal councils and, similar to the communal councils, served in a consultative rather than authoritative capacity. Again this was a form of administrative deconcentration as they were to advise on provincial (including communal) administrative matters of which the most important was their review of the provincial budget prepared by the Governor. The provincial assemblies were given certain powers, including the authority to tax, most of which were never exercised because of the overriding power of the Governors. In practice, these assemblies remained weak and their recommendations often ignored by the Governors who directed their activities. This reform could be seen as a vehicle to provide the Governor with an administrative-executive body to reinforce, if only symbolically, the importance of his executive authority at the territorial or sub-national level of government.

Finally, in 1971, the last minor reform created *economic regions* and introduced *regional consultative assemblies* which were to function as purely sub-national administrative planning entities with no legislative or executive authority. Their main function was to propose investment priorities to the national planning administration. Assembly representatives were determined in the same manner as with the provincial assemblies, only drawn from all provinces comprising a region. Again, the importance of the role of the Governor was reinforced as the regional consultative assemblies had an annual rotating chairmanship from one provincial governor to the next and the activities of the assembly were guided by the chairman-governor’s secretariat.

As can be seen from Diagram 4.4, these minor reforms served to broaden the

Figure 4.4: *Structure of Local Government Administration, Morocco, circa 1983*



sub-national administrative framework of central government and to reinforce the authority of the Governor as the main link between central government and local government. The central government still retained at the center full control over fiscal authority and policy initiation and indirect control over all subnational governmental or administrative activities through the institutional concept of 'tutelle.' The concept of 'tutelle', as earlier explained, is a French legal-administrative notion incorporated into the Moroccan system which vests ultimate supervisory and approval authority over the actions of local government in central government. While the responsibility for exercising this authority may be delegated to agents of the central government such as Governors, the authority itself is retained at the center, most commonly in the Ministry of Interior.

The creation of powerless, pseudo-representative assemblies while strengthening the administrative roles of the sub-national central government officials, the Governors, the pachas and the caids, confirms the fact that this period 1956-1975 in

Moroccan history really represents one of administrative deconcentration. The reforms facilitated the activities of a hierarchic order of agents to carry out the tasks of central government without giving them ultimate control over fiscal matters or the authority to undertake policy initiatives.

We can see from Diagram 4.4 the all-powerful role of the provincial governors which exists to the present. The Governors are appointed by the King to represent the central government in the provinces. Their role is threefold: 1) to coordinate the activities of central ministry delegations to the provinces; 2) to maintain law and order; 3) to oversee the administrative, financial, and political affairs of the local governments, both rural and urban. As indicated above, the Governor also chairs the provincial assembly and on a rotating basis, the regional assembly. The Governor serves as the chairman of the board of all provincial *regies* which are local utility agencies to supply water, electricity or transport. More importantly, the Governor under the concept of 'tutelle' has been designated by Central Government with full oversight responsibility for the activities of the mayor and municipal council and can alter their actions or withdraw their authorities. Of particular consequence is the Governor's approval authority over commune budgets. While the municipalities prepare and ratify their own budgets, the Governor closely supervises the process to the point of imposing funding priorities within the budget as well as mandating the total budget amount.

The *pachas* and *caids*, pre-1975, functioned as delegates of authority for the governor, assuming supervisory responsibilities over the activities of the municipalities on behalf of the governor. Though their authorities post-1975 reform have been legally restricted to maintaining a broad range of law and order activities, operationally:

“most resolutions of the municipal councils do not take effect until the Governor either directly or through the pacha has exercised oversight responsibilities. The pacha has authority to step in and assume the responsibilities of the President of the Municipal Council if the latter fails or refuses to carry them out.” [Madhusudhan, p.5]

The extensive and on-going interference of the *pachas* and *caids* in the affairs of communes has caused considerable confusion and conflict at the local level over the real division of functional responsibilities between the local government and central government institutions.

### **4.2.3 Decentralization Reforms of 1975**

The advent of the ‘decentralization’ reforms in 1975, did not measureably change the structure of power and administration in government. The importance of the reforms was more in the official announcement of a reorientation of emphasis from a centralist to decentralist objective. They signalled a commitment, both legally and politically, toward gradual ‘empowerment’ of communes, defined earlier as legal devolution or legal decentralization. Secondly, they further strengthened the administrative powers of the Governors and subsequently granted partial fiscal powers to the provinces as sub-national administrative units of government. This second order of reforms at the provincial level, though receiving less attention, marks in my view the beginning of a shift from administrative deconcentration to administrative decentralization as evidenced by an actual transfer or sharing of fiscal power. This double-reform approach of legal decentralization to the communes and administrative decentralization to the provinces is exemplary of the hybrid forms of decentralization discussed in chapter 3. In the Moroccan case, however, such reforms are being tested in a protected or controlled environment. The institution of

tutelage remains lodged at the center, affording central government ultimate oversight authority over all sub-national administrative and local government activities; and, the approach is 'tutorial' and therefore also controlled by the center which decides when its students are ready to assume more responsibility and control over their own affairs.

Authors have speculated on any number of reasons behind this apparent attitudinal shift from a uniquely centralist system to a decentralizing one. The standard arguments are administrative and economic. The administrative argument was succinctly stated in the draft Social and Economic Development Plan for 1981-85:

"Most government departments have retained a centralised functional organization. The defects of this system are: slowness of administrative management, great distances between decision centers and information sources, congestion of central services, and an irrational utilisation of human resources." [Royaume de Maroc, 1981, Vol II, p.291]

"The functions of these services must be redefined in order to permit them to play fully the role which is assigned to them in the processes of decentralization and deconcentration." [Royaume de Maroc, 1981, Vol I p.73]

The economic argument in Morocco as elsewhere has been that excessively centralized control of decision-making and resources for development, particularly during periods of economic boom, has had a dampening affect on growth and has resulted in widening disparities among regions and classes of people with respect to services and income levels.

Nellis argues that the case of Morocco was basically political but tied to the administrative and economic arguments stated above because of the 'political discontent' generated by the conditions they represent. The political argument for Morocco, according to Nellis, was "to decentralize as part of a longer-run effort



aimed at weakening the effects of divisive factors” which would include both economic factors and the frustrations of local officials and populations heretofore powerless to improve local conditions.[Nellis, 1983, p.486] One divisive factor cited, which may have, historically, been significant in the decision to launch a decentralization reform was the struggle to incorporate or reincorporate the Western Sahara into Morocco. The promise of decentralization was possibly a political move to make the re-incorporation more palatable to the Western Saharans. However, the actions taken by the Moroccan Government since 1975 suggest a process which represents a much broader, more long-term commitment to the principles of decentralization than a historic regional struggle, albeit an expensive one, off of one border.

As indicated above, there were two prongs to the 1975 decentralization reforms, reform at the provincial level and reform at the commune level. At the provincial level, the Government set forth a program of reform proposing to improve coordination among the localized central government services by simplifying control processes, to improve qualitatively and quantitatively the personnel resources in Government field offices by increasing promotion possibilities from rural posts as well as salary and benefits, and to clarify the supervisory responsibilities of central government bodies at the provincial level. While these reforms were aimed at improving administrative efficiency, they have been slow in their realization both because of insufficient resources and “a reticence of a certain number of central services to cede prerogatives (implementation, launching of actions, recruitment and management of personnel) to their field units judged still too inexperienced and insufficiently endowed in human and physical means.”[Royaume de Maroc, 1981, p.73] Other subsequent reforms show a trend toward establishing a *power-sharing* relationship between central government and provincial government. The principle

example was the decision by Government in 1977 to make the provincial governors co-managers with the Ministry of Interior of the expenditures of the provinces and the communes, hence their budget approval authority earlier mentioned. They were also granted authority to take over control from central government of the supply credits of local offices of central ministries located in the provinces.

Far more significant in the longer run is the experiment underway at the commune level, launched by the 1975 reform. In 1975, King Hassan II promised “to enlarge to the maximum the attributions and responsibilities of elected representatives and to accord to them in the future the means, giving them the power, to control local efforts.” [Baldous, p.282] As an act of good faith, within a year the King had issued a series of royal decrees setting forth the new organization, attributions and budget procedures for communes under the decentralization reforms. These decrees were published in 1976 in the form of official legal texts [essential to permit administrative action in the French or French-influenced systems of government] under the title *Communal Organization: Organization of the Finances of Local Governments*. [Royaume De Maroc, 1976] While the commitment to decentralization is evidenced by these texts, they carefully preserve and integrate the ‘tutelle’ authority of central government. The issuance of these texts was followed in the same year by the country’s first nation-wide competitive elections to elect the representatives of the newly constituted representative municipal councils in both rural and urban communes.

As with the reforms at the provincial level, these at the commune level have experienced even slower implementation because of the more serious lack of personnel, equipment, resources and experience at the commune level. But then the intention of the reforms was to structure a *tutorial decentralization* which, by definition, is

expected to be a long-term process. For this reason, it is more important at this early stage in the Moroccan experience to focus on the development of the tools of the tutorial process than to measure the degree of decentralization achieved. The efforts by the Kingdom of Morocco to structure the tutorial process, as discussed below, have been concentrated in the two most critical areas, local finances and personnel and training.

**Tools For Reform in the Area of Finance** In the area of local government finance, two important steps have been taken by the Kingdom of Morocco to increase local government financial powers and resources, the legitimization of local financial administrations and the increased commitment of resources to local government. First, the issuance by Government of the enabling texts *legally* established the financial management powers of the elected municipal councils subject to 'tutelle' oversight of the State. They detailed, for the first time officially, a financial operating structure for communes which would permit development toward autonomous or quasi-autonomous financial operations. The reforms also called for a reform of the revenue-raising mechanisms available to local government so as to expand own-source revenues. There has been little progress on this latter objective though national tax reforms are under discussion and the problems of limited personnel, equipment and experience at the local level have made the achievement of any measure of real local financial autonomy unattainable in the short-run. However, ignoring the slow implementation process, the reorientation toward local government signaled by the 1975 reforms did heighten official recognition of the deficiencies in existing local government financial administration which has spurred efforts to incorporate these elements into supplemental reforms to aid the development of local

government institutions.

The second sign by the Kingdom of Morocco of a serious commitment to local government reforms has been the substantial increase in the level of central government resources committed to capital investment at the local government level despite national resource constraints imposed by the Western Sahara conflict and a flagging world economy. In 1976, as part of the decentralization reforms, the Government created the Local Government Development Fund(FDCLG) with an initial pledge of DH 1.1 million realized in tranches of DH 100 million in 1977, DH 400 million in 1979 and DH 600 million in 1980.[Madhusudhan, p.10][Nellis, 1983, p.168] This fund constitutes today the main source of central government subsidies for local government capital expenditures. In keeping with the parallel governing structure (provinces-pachas/caids) established under the system of tutelle (described above), allocation authority over these resources was entrusted to the Governors of the provinces. A second major central fund, the Communal Infrastructure Fund (FEC), created in 1959 to provide loans to local government for infrastructure and development projects, has expanded its lending volume from DH 33 million in 1977 to DH 250 million in 1985, with growth projected to DH 400 million by 1990.[Madhusudhan, p.11] Until 1978, most of its loans went to the wealthiest urban communes in the Center and Northwest regions of the country. To try to reverse this skewing of resource allocations, the Government set up a special mobile project unit in 1977 to aid smaller urban and rural communes, handicapped by shortage of technical staff, prepare project proposal submissions to the FEC. This was an important tutorial gesture toward achieving greater equity in resource allocations and providing technical support to local government until they could do for themselves. One would have to study the allocation patterns to determine if

this has had any real effect. Again, the Governors play a key role in the communes choice of projects for FEC loan requests and in the allocation of FEC loans. Finally, with respect to communal operating budgets, World Bank data, quoted by Nellis for the period 1977 to 1979, showed an increase of 170 percent in the level of direct transfers to local government to fund operating and recurrent costs.[Nellis, 1983, p.168] The source of these increases was most likely the 4-8 percent of proceeds from the center-collected sales tax on goods and services, the business registration fee or patente transferred yearly to municipalities, and the annual balancing subsidies provided to cover operating deficits.

There remains a sharp distinction between powers of financial management over funds received from above and powers of actual assessment, collection and allocation of key municipal revenue sources. At present, communes have total control on average of only 15 percent or less of their total revenues, this portion being the funds collected under local taxes and fees such a market stall rents, slaughterhouse fees and forest and mineral reserve leasing fees. This percentage for individual cities is often much less as evidenced by the 1980-1984 revenue figures for local taxes and fees in Marrakech (10%), Tangiers (6%), Sale (4%) and Ouzda (11%).[Madhusudhan, p.9] True decentralization requires that the powers to assess, collect and/or allocate, currently held at the center or provincial level, also be transferred to local government. Under Morocco's tutorial decentralization, the resources available to local government have been increased as indicated above; but, as indicated in Table 4.1, the sources of revenue for both operating and capital expenditures remain largely at the center with the allocation controls at the provincial level. Furthermore, while the resources from central and provincial government are increasing, there is an indication of an offsetting decrease in the proportional share of own-source revenues

Table 1: *Source of Local Government Revenues in Morocco, 1980-1982*

(Percent Distribution)

	1980	1981	1982
<i>Central Government Control</i>			
1. Central Government administered taxes	39.5	42.9	40.6
2. Subsidies and Transfers	40.1	41.1	44.9
<i>Local Government Control</i>			
3. Local Taxes and Fees	20.4	16.5	15.5
	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>

Source: Madhusudhan, R. *Review of Municipal Finance in Selected Countries in the Ea. Med-North Africa Region*, Unpublished Data, World Bank 1985, p. 6

raised by local governments themselves.

The reason given for the continuation of extensive financial controls from above is the inadequate system of collection and management at the local level to administer either center-generated or commune-generated resources. Also, except for the largest urban communes, communes have, in general, very limited local tax bases, making financial self-sufficiency an unrealistic goal or alternatively making a degree of dependency on central government resources a necessary component of local government financing. The expressed intent of the Moroccan Government is to retain financial controls on behalf of local government until the local units are appropriately structured and staffed to assume a greater degree of financial responsibility. A national tax reform currently under discussion, should clearly indicate whether there is a real commitment to truly decentralize financial powers to the communes through a restructuring of existing taxing mechanisms to permit greater local taxing authority and a higher degree of direct transfer of funds from central to local government rather than perpetuating the layer of financial controls through the parallel government structure.

**Tools For Reform in the Area of Personnel and Training** Personnel and training must be considered as a key area in decentralization policy analysis because poor staffing and management practices are often given as a major excuse for withholding responsibility and power from local government. The problems of locally-assigned civil servants and locally-elected representatives in Moroccan communes are echoed in most countries undergoing decentralization reforms in the context of traditionally highly centralized systems of government.

Many of the 849 communes in Morocco are operating with a skeleton staff. Few of the key department positions are filled with competent people and many other supervisory and management positions are left vacant. This severely overburdens the senior and mid-level staff in place and often means placing line employees in supervisory positions for which they have no previous experience or qualifications. Vacancies are due in part to the provincial location of many municipalities when most qualified workers prefer the largest cities. More importantly, the wages for municipal workers are considerably below public employees for central government. Some communes are even using common day laborer rates for their administrative employees.

Generally, there is an absence of a clearly stated personnel policy (job descriptions and qualifications, salary scales, promotion ladder, hiring guidelines) to guide and motivate employees in their careers. Absence of procedures for hiring has led to each commune operating on an ad hoc basis which leaves much room for doling out positions to relatives and friends, many of whom are unskilled. Staff at all levels are often operating in jobs which require a higher level or different type of skills training than they have had. Many lower level staff, particularly in the smaller communes, have extremely low educational and skills levels and a fair number are

illiterate.

Newly-elected municipal councils are frequently dysfunctional due to lack of role definition, absence of any job orientation and the fact that there is no compensation for their work, instilling little incentive to do much. Even conscientious councilors can not necessarily afford the uncompensated time and the cost of transport to participate fully. In one commune in the region of Kenitra, the absenteeism has been so bad that the president of the council has had to be legally convoqued from time to time to carry out his obligations under the law. As elected representatives of local populations, councilors are often traditional ethnic leaders who may be illiterate and are, for the most part, ignorant of most of the management tasks of local government and its relationships and responsibilities visavis central government. The limited sociological statistics of the 1976 municipal elections in Morocco showed 42 percent of the elected councilors to be illiterate, 40 percent to have only a primary level education and 17 percent to have attained a secondary school or high school diploma.[Baldous, p.300] With such conditions existing at the local level, the tutorial approach to decentralization would seem to be the only possible way to ease local units into the responsibilities of self-governance.

In the Morocco case, the Government has undertaken two significant initiatives to begin to build a professional corp at the local government level. First, in 1977, the Government created a local civil service corp to specially train civil servants for posts in local government. The corp's primary goal is to train, pay for and assign a secretary general to every commune to act as a chief administrative assistant to the council and council president. Secondly, the corps is forming other lower level technicians for service in local government systems. There is a problem with the secretary generals being poorly received by localities who perceive them as spies



of the central government who may collaborate more easily with the officials of the pachas and caids than with their own municipal councils. Nonetheless, this is the beginning of a professional staff at the local level, albeit centrally-trained and salaried.

A second action on the part of the Government to strengthen the personnel structure of local governments was the decision in 1981 to establish a Directorate of Training in the Ministry of Interior. This directorate known as the Direction de la Formation des Cadres is charged with the responsibility of identifying and addressing local government staff training and information needs including the needs of elected municipal councilors and officials. Previously training had been undertaken by a low level service of the Ministry which had graduated less than 2400 staff in 12 years of operation. Within a year, the new directorate had organized under its tutelage thirteen training centers with over 2300 students enrolled, a twelve-fold increase over the previous system.[Nellis, 1983, p.496] In keeping with the decentralization program goals, this Directorate has launched an important permanent series of on-the-job seminars to train and inform councilors and executive committee members of the duties, procedures, and rights of their elected offices.

I have labored over the Moroccan case because its tutorial approach to decentralization is being closely watched and imitated by other Third World countries struggling with similar challenges of decentralizing administrative and governing responsibilities to local governments. In Morocco as elsewhere highly ambitious and idealistic decentralization reforms have preceeded the mechanics of their implementation. In most cases, the responsibilities and powers implied by the reforms are way beyond the current level of institutional development and capacity in local government. The tutorial approach seeks to establish first an institutional base be-

fore making any substantial transfer of responsibilities and power. In structuring the tutorial approach to decentralization, the Moroccan Government has succeeded in substantially expanding central controls at the sub-national level through its reinforcement of the role and authority of the Governors and their territories, the provinces. This move has afforded a deconcentration of central government responsibilities while providing a closer level of supervision and administrative and technical support to the fledgling administrations of local communes. At the same time, Government has also retained ultimate approval authority, the privilege of the 'tutelle' at the center. Thus, there has really been no serious transfer of power as yet to the local governments.

The true test of Morocco's commitment to decentralization will be its willingness to seriously begin the transfer of power and in particular financial authority to local government units. The nation's decentralization reforms, at present, preserve the centralizing concept of 'tutelle.' In the long term, to achieve a successful degree of decentralization toward local government, this vestigial, french-inspired system of supervisory control and approval will have to be partially or totally dismantled to permit local decision-making and the authority to act on those decisions. Such a move would represent a major compromise of the political power of the center which the Kingdom of Morocco, steeped as it is in centralist tradition, may ultimately be unwilling to undertake.

# Chapter 5

## Conclusions

The major intentions of this thesis have been to underscore the political complexities of decentralization in theory and in practice in the Third World; to give justification for slow implementation progress; and to offer some observations on the dynamics of the process as guidance for those who would promote decentralization as a solution to development with efficiency. In these conclusions, therefore, I will take the opportunity to highlight some of the more salient points made in the thesis.

### 5.1 Historic Cultural Influences

Within any given country, both the policy and implementation of decentralization are largely shaped by local historic-cultural precedent, the prevalent societal values and expectations, and political personalities dominating a society at any given period of time. Among the historic-cultural influences discussed in the thesis, I believe the colonial history of Third World countries has had the most significant negative impact on their ability to develop modern forms of local government. This is primarily because the experience destroyed the traditional institutional base on

which modern government would likely have been formed.

There have been many authors who have praised the colonial experience in Africa as the source of enlightenment for backward regimes, bringing to them the more sophisticated Western ideas and institutions. It is my view that the colonial experience is largely responsible for stunting the growth of legitimate local government. First of all, the colonial policy of centralized administration destroyed (French) or compromised (British) indigenous governing institutions and either displaced or co-opted the traditional leadership to represent the interests of the abstract State rather than their people. Because the ultimate goal of both British and French systems was to maintain control over disparate populations, loyalty to the State from various indigenous officers in the civil service systems and [in the British case], the native authorities, was more highly valued than competence. Appointed, indigenous local officials were more likely selected on the basis of the former than the latter characteristic. This trend of elevating loyalty above competency has continued on into current administrations where it is commonplace for officials caught up in scandal to reappear in another part of government after a period of time with no apparent damage to their careers. The ultimate consequence of these colonial practices was the loss of legitimacy by local institutions and leadership in the eyes of local populations.

A second consequence of colonial rule, was the rupture of the highly-personalized system of accountability between ruler and the ruled tied to a centuries old traditional value structure. This was replaced by the foreign, impersonal notion of the State where the cumbersome bureaucracy and 'glass house' politics of imposing sanctions on officers for improper conduct or poor performance discouraged their

effective<sup>1</sup> application. This led to entrenched incompetency and untold graft and corruption which has generally biased attitudes at both local and central levels against local government officials. Conditions of corruption were so bad in Zambia as to serve as an excuse for central government to dismantle the local government civil service.

A third consequence which I attribute to the colonial metamorphosis was the imposition by the State of its role as paternalistic provider, ostensibly to win the allegiance of farflung, often ethnically-divided peoples. In the long run, this orientation has created a dependent, apathetic public unwilling to take local development initiative or pay for benefits when they expect all to be provided gratuitously by the State. This was particularly true of the French system of colonial administration. Mention was made of the financial dependency of the Territories(former colonies) on the Federation while neglecting their internal revenue and budget management. This mentality has been carried on into post-Independence national regimes and is most evident in trends of escalating intergovernmental transfers and shrinking local government revenue contributions.

Finally, the colonial model of government, whether British or French, established a highly centralized and bureaucratic system of administration suited more for control than development. This model prevented the development of strong local government during the colonial era and, post-Independence governments, controlled by Western educated elite [except in Algeria], reinforced this form, convinced of its utility to meeting their first priority of securing national unity. Taken collectively, these consequences of colonial rule provided a very unstable base from which to

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<sup>1</sup>Saying: "People who live in glass houses should not throw stones." Corruption has been evident at all levels of government so that accusers may be as guilty as the accused and therefore reluctant to carry out sanctions.

generate a vital local government system. As a result, local government has remained the weakest link in most governments, understaffed, underfunded and, until the recent decentralization emphasis, largely ignored.

## **5.2 Decentralization As A Dynamic Process**

The problems of achieving national-level development and the threatening politics of dissension in underdeveloped regions have forced many governments to consider changes to their center control-oriented administrative systems, changes which would encourage or facilitate regional and local development. Morocco launched into its major decentralization reforms in 1975 in part to win support from populations of the contested least-developed region of the West Sahara (South). Senegal reinforced its decentralization policy and programs in 1984 to diffuse separatist tensions in the least-developed region of the Casamance. Kenya, concerned by the failure of local development programs under center-headquartered sectoral development ministries, launched its 'district-focus for rural development' program in 1984. These reforms have been commonly grouped under the umbrella of 'decentralization.' They are indicative of a process of reform in each country which has been experimental and on-going and is therefore in a constant state of transition.

Series of reforms and re-reforms in many countries have pushed different components of their administrative systems back and forth along the decentralization-centralization continuum so that what has been emerging are numerous hybrid constructs of decentralization-centralization, designed to achieve development without compromising to too great an extent central control. In many cases, the reforms have been purely administrative restructuring among center-controlled sub-national

units and public agencies, though experimentation seems to be going increasingly in the direction of some measure of power transfer.

I believe the reason for these hybrid forms on the side of centralization is two-fold. First of all, historically-centralized governments that have achieved national unity and identity across typically vast geographic space settled by numerous different ethnic groups fear that too great a compromise of their central control may lead to internal political divisions or encourage infiltration by outside foreign interests. Secondly, many countries have very weak local government systems with little institutional base to which they can transfer responsibilities with confidence and so may seek an intermediate or interim solution of reinforcing provincial or district level government to supervise the activities of local government. On the decentralization side, it is claimed that greater local control of official representation through universal suffrage, of financial and administrative decision-making and of taxing and fee mechanisms to generate more resources locally is necessary to stimulate responsible performance by local officials, held politically accountable to local populations, and to generate enthusiasm among local populations to participate in development activities in which they have a voice. Furthermore, in a period of shrinking national resources, a growing number of central and local government representatives believe that more resources could be generated locally if localities had control of their generation rather than collecting on behalf of central government and depending on the tax rebate for their major source of revenues. These reasons and other arguments on either side of the centralization-decentralization debate keep the form of 'decentralization' in flux. The biases of important political personalities, particularly the heads of state, and of international donors on which countries may depend for significant percentages of their development budgets have

enormous influence over the direction of the reform movements.

### **5.3 Donor Shortsightedness and Biases**

Until recently, international donors have been more a handicap than an aid to the development of local government. Holding the purse strings for development resources, donors have an enormous amount of influence over Third World policy and development programs and as such, countries and their local government systems have been victims of donor omissions and biases. I want to cite three areas of concern where donor behavior has had or could have negative impacts on local government development.

In the 1960's and 1970's, donors, working closely with central governments, enthusiastically financed large-scale capital investments (i.i. water and transport systems) in the large and medium-size cities of Third World countries. National development agencies or parastatals were formed to execute the projects and carry them into start-up operations. The major problem was that little consideration was given to the abilities of recipient municipalities to assume the technical and financial responsibilities for operating, maintaining and debt-servicing these investments, themselves often inappropriate for want of local input in their planning. Alarming increases in local government financial or resource gaps (difference between internally-generated revenue receipts and revenue expenditures) have been generated in large part by such investments whose recurrent costs were either not planned for or whose revenue-generation or cost recovery potential was overestimated. Poor estimating may have been part of the politics of gaining project approval at the donor funding source. A good example of this shortsightedness in investment plan-



ning for the local level is the impact of World Bank-financed urban development projects in Calcutta, India. The estimated resource gap in 1981-82 for the Calcutta Metropolitan Area (CMA) was Rs 330 million, equivalent to 53 percent of the total CMA revenue expenditures. Approximately 48 percent of the gap, or Rs 160 million, was attributed to the World Bank-financed investment area within the CMA with a estimated Rs 120 million representing operating and maintenance cost for the investments.[Menezes, p.68] As the example points out, with most large-scale urban investments coming from sources external to the municipality and frequently from foreign donors, the local government has often become a 'project-taker' without a significant voice in the project decision-making or design process. The negative consequences for local government of the centralized-investment decision-making promoted by the donors have been the loss of development benefits through inappropriately maintained investments and the creation of a financial handicap through unplanned additions to debt service and operating expenditures.

As was indicated earlier, donors, biased by such models as the welfare state or 'Great Society' in the U.S. and nationalized public services in England, urged Third World governments to create in the 1960's and 1970's both national and sub-national public agencies to manage development activities and delivery of services in an institutional framework freed from the congestion of central government bureaucracy and closer to the intended beneficiaries. In many cases, donors helped create these agencies, both financially and technically. The Intergovernmental Finance Commission in Colombia which was headed by Bird in 1978 registered 129 such agencies in the larger cities, excluding central ministries and administrative departments.[Bird, p.50] Local government authorities, particularly the larger municipalities, lost responsibilities for delivery of local public services to decentralized

national public enterprises. These agencies effectively placed under central control in a decentralized framework almost all local public sector expenditures for major public services and investment in a manner which was overlapping and confusing in terms of areas of responsibility and which incorporated little effort to coordinate with local authorities. While the scores of public agencies may have represented progress for national institution-building, a major objective of the donor community, there was a negative impact on local government institution-building because reasons justifying the development of local capacity had been negated by the expansionary role of national public agency players.

There is a strong possibility that the new donor thrust toward privatization of public sector activities may have some similar negative consequences for local government unless it is moderated to take into consideration the institutional development needs of local government to function effectively in public-private partnerships for delivery of public goods and services. At present, many local governments have a poor understanding of what it means to be fiscally and administratively responsible for their own affairs since there has been so much interference by central government or its agents. Local governments need to be given the opportunity to develop a sense of what it takes to manage their own affairs before they can effectively delegate these responsibilities to private entities functioning on their behalf. Because local government institutions are so weak, there is a danger that public sector divestiture will turn into private sector contracting to provincial or district government for delivery of services, again with no local government input or responsibility. This private sector linkage to central government entities would perpetuate the backwardness of local government administrations in much the same way as the public agency era has.

Finally, donors have a tendency to popularize among each other development concepts such as ‘appropriate technology’ or ‘women in development’ or ‘small-scale enterprise development’, to develop a program approach or model from each concept and to try to make all countries conform to this model in exchange for development resources. A similar trend is occurring with the more recent introduction into the donor program terminology of the concepts of decentralization and privatization. The problem this presents is the fact that decentralization in interpretation and form differs from one country environment to the next, based largely on local political factors and the historic-cultural context in which it is developing. Efforts by donors to force a ‘fixed’ approach to decentralization onto developing countries may result in the waste of valuable resources on politically and culturally unacceptable actions to achieve decentralization. Not only are global models for decentralization likely to be largely biased by the donors’ own national experiences but they can encourage recipient countries to falsify policy intent in order to obtain resources essential to development. Because decentralization is an experimental and dynamic process in most Third World countries, donor assistance programs must remain flexible to be able to respond with sensitivity and speed to shifting development priorities within the local environment in support of this process.

## **5.4 Transfer of Power**

In the interpretation of many, decentralization is only real when there has been a transfer of political control, decision-making power and financial authority to the local level. However, in the instances where local governments have been elected by universal suffrage and given the legal authorities of decision-making and financial

control, it has been observed that the full extent of these powers are not exercised because of the weaknesses of local administrative capacity and the substantial on-going support of central government, financially or administratively, which enables local authorities to defer assumption of their new responsibilities.

Representative government at the local level is only useful if elected representatives can function effectively in their official positions. In the colonial era, where limited (appointed) representative government existed, representatives were often bought or intimidated into positions of agreement with central government. While there has been a movement toward 'popularly-elected' local governments under decentralization reforms in various countries, the councilors elected often have no educational background or experience to prepare them for the responsibilities of their positions. They are frequently ignorant of the administrative systems of local government and not clear on their mandate from the people or the role expected of them from the Government. Furthermore, the electorate itself is unfamiliar with what to expect of elected government and in many cases may revert back to direct appeals to central government authorities on issues of concern, circumventing their elected representatives. Some of these problems will change as local government administrations and the electorate become more used to the process of electing and working with an elected council and mayor. However, a repeated cycle of administrative assistance tied to the electoral term is needed to inform the electorate and to provide orientation and limited training to new councilors concerning the responsibilities of elected office in local government.

Exercising the decision-making authority vested in local government has also run into problems which, I believe, result from on-going interference in local affairs by central agencies or other sub-national units of government and ingrained attitudes

in local officials which inhibit their decision-making ability. This latter problem has cultural roots in hierarchal systems of government which never permitted decision-making to be taken at the local level. The role of local officials was always to act for higher level authorities and the role of the people was strictly passive, to be the voiceless objects of central government decision-making, good or bad. A whole learning process is needed at the local level to gain the confidence necessary to exercise decision-making authority responsibly and independently.

Governments, anxious to reinforce local government, are hastily shifting increasing amounts of resources to the local level rather than working out the more painful financial reforms which would vest a broader range of revenue-raising mechanisms and allocation authority in local government. Studies of the effects of rising intergovernmental transfers from central to local government in support of decentralization policy have shown not only a substitution effect of transfer funds for own-source revenues but also an actual deterioration of own-source contributions to operating budgets. So, in effect, an effort to assist local government development through budget support vehicles of government transfers and subsidies may have the effect of actually causing a deterioration in existing local systems and an increase in dependency levels because it makes no demands for financially responsible performance by local government.

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In conclusion, governments in the Third World which have launched into decentralization programs are struggling to maintain a *delicate balance* between control and development. They want to devolve the responsibilities and mechanisms of political, financial and administrative management enough to stimulate local authorities to assume much of the responsibilities for their own operation and devel-

opment; yet, they do not want to create independent entities which might eventually challenge the government's ultimate control of the political affairs and development resources of the nation.

The balance is tipped back towards centralization by unresolved questions of achieving some form of development equity among unequally-endowed regions and by the need to develop the institutional base at the local level to permit it to accept the responsibilities for running its own affairs. The tutorial approach to decentralization discussed at length in the Morocco case holds considerable promise for local government development. It is a gradual program of technical assistance and training to local government to prepare them to assume the responsibilities of power transfer and offers the flexibility of introducing increasing decentralization as local governments are prepared to accept the responsibility. This process of local institutional development is long term and must be recognized as such by outsiders seeking to offer advice or assistance. The sincerity, however, of governments pursuing a 'tutorial' decentralization process will be judged by their willingness to take some risks with local government to permit them increasing opportunities of learning by doing within a constructive and instructive system of accountability to central government.

It is not apparent that the popular promotion in classical decentralization theory toward total local government autonomy or self-reliance is either workable or desirable in the Third World; yet some change is necessary to stimulate a sharing of the development responsibilities now weighting down central government. Bird wrote in his treatise on intergovernmental finance in Colombia that "only when each level of government is responsible for raising its own expenditures is a concern for the efficiency and the effectiveness of public spending likely to be paramount in the

minds of those who make public decisions.” [Bird, p.55] Given the overwhelmingly centralized style of government in the Third World yet the practical problems of raising and using limited resources efficiently, the future for the decentralization process seems to promise a gradual movement toward making the various levels of government more individually responsible for their own resource generation and development but still within a supervisory framework tied to the center. This transition will ultimately necessitate a greater focus on strengthening the weakest link in the system, local government.

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Table 1: *Source of Local Government Revenues in Morocco, 1980-1982*

(Percent Distribution)

	1980	1981	1982
<i>Central Government Control</i>			
1. Central Government administered taxes	39.5	42.9	40.6
2. Subsidies and Transfers	40.1	41.1	44.9
<i>Local Government Control</i>			
3. Local Taxes and Fees	20.4	16.5	15.5
	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>

Source: Madhusudhan, R. *Review of Municipal Finance in Selected Countries in the Ea. Med-North Africa Region*, Unpublished Data, World Bank 1985, p. 6