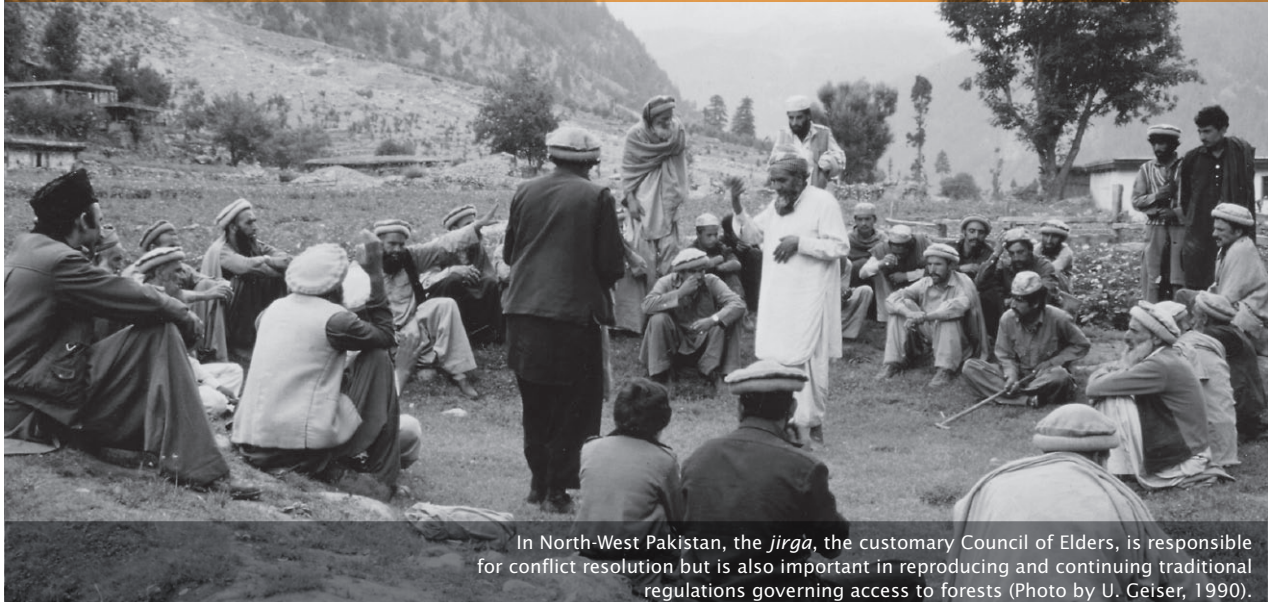


# research evidence for policy



In North-West Pakistan, the *jirga*, the customary Council of Elders, is responsible for conflict resolution but is also important in reproducing and continuing traditional regulations governing access to forests (Photo by U. Geiser, 1990).

## Overcoming ambiguities in decentralisation



Case studies featured here were conducted in: Argentina, Bolivia, Mexico, India, Nepal, Pakistan

### Policy Message

- Research in Latin America and Asia shows that decentralisation strengthens the state by making it more democratic and accountable.
- Decentralisation addresses competing interests. Transparent procedures for voicing concerns and for decision-making are essential to avoid elite capture of benefits.
- People's understanding of citizenship is often related to expectations of benefits. Livelihood considerations are important to sustain their interest.
- Decentralisation is a radical intervention in the political setting, requiring external donors to position themselves carefully.

- Most developing countries have made efforts to undertake decentralisation.
- Women and marginalised groups have enhanced their political power, and funds have been allocated to remote communities. A recent NCCR North-South publication, *Decentralisation Meets Local Complexity*, examines case studies in Latin America and South Asia. It confirms the importance of basic principles for successful decentralisation, such as participation, non-exclusion, efficacy, transparency and accountability. At the same time it shows that there is no "global blueprint", as decentralisation takes place in highly complex and diverse local contexts.
- **Indigenous initiatives in Bolivia**
- In Bolivia, decentralisation was initiated with the approval of the Law of Popular Participation (LPP) in 1994.
- According to this law, people can elect their authorities and be elected themselves at the community level.
- Local governments are responsible for infrastructure and development of their territory, and are under obligation to take women's demands into account. 'Grassroots Territorial Organisations' have the authority to control and supervise municipal work.
- Around 20% of the state budget is allocated to local authorities for developmental purposes.

The LPP was originally introduced as a governmental strategy to enhance the ruling party's influence at the grass-roots level. However, indigenous people took control of their municipal governments in order to meet their own needs. Their newly gained political power was essential for their confidence and self-determination. Indigenous organisations were strengthened and political structures were ultimately consolidated.

Research has also highlighted critical outcomes. The scarce resources allocated for the implementation of decentralisation are insufficient to meet the enormous needs of local



In Bolivia, the Law of Popular Participation (LPP) explicitly fosters political participation by women. Women not only participate in elections, but a quota system also secures their adequate representation in the local, departmental and national governments (Photo by J. L. Quintana for Agencia Boliviana de Información [ABI], 2008).

### Decentralisation

Decentralisation generally refers to the transfer of authority and responsibility for public functions from the central government to intermediate and local governments. Different types of decentralization should be distinguished because they have different characteristics, policy implications, and conditions for success. Types of decentralization include political, administrative, fiscal, and market decentralization. (<http://web.worldbank.org>)

### Citizenship

A citizen is a member of a political community who enjoys the rights and assumes the duties of membership. The concept of citizenship is composed of three main elements or dimensions. The first is citizenship as legal status, defined by civil, political and social rights. Here, the citizen is the legal person free to act according to the law and having the right to claim the law's protection. The second considers citizens specifically as political agents, actively participating in a society's political institutions. The third refers to citizenship as membership in a political community that furnishes a distinct source of identity. (Stanford Encyclopedia of Philosophy, <http://plato.stanford.edu/entries/citizenship/#4>)

- people, and conflicts over public funds are emerging among heterogeneous indigenous groups. Other concerns are related to limited transparency and accountability. Peasant authorities often start with little experience in public administration; they are absorbed by traditional bureaucracy, and inform their communities only insufficiently. Capacity development has been shown to be essential for addressing such challenges of local governance.

### Sustaining local governance in Kerala (India)

- In Kerala decentralisation was implemented in 1996, when 35–40% of the state's developmental budget was devolved to the local governments, the *panchayats*. The *panchayats* invested funds in drawing up plans and projects for the development of their territories. Additionally, these efforts were accompanied by training in public management for local governments, thereby institutionalising new rules of governance and encouraging transparency and accountability. Participation by all sectors of the population in the *grama sabhas* (village assemblies) and other fora transformed decentralisation into a mass movement. An important feature was that Kerala had already implemented land reforms, thereby weakening the most powerful barriers to deepening democracy.

- Decentralisation changed the nature of the relationship between people and the state. Prior to decentralisation, local NGOs had a major say in the implementation of welfare programmes. These organisations were

often led by the religious elite and powerful castes that maintained an associational network among themselves. Decentralisation tackled these power relations by assuring greater transparency and a more democratic distribution of resources. NCCR North-South research in the area found that new networks had been established for political advancement of the demands of the weak.

### Strengthening the state

These examples from India and Bolivia show that decentralisation offers new public spaces for including marginalised groups – indigenous organisations and local communities. Legal frameworks are accompanied by the allocation of development funds, thereby enabling local governments to address municipal priorities. Social networks and local people's effective strategies to take advantage of newly emerging opportunities help to deepen democracy.

Decentralisation is the arena where struggles to make the state responsible and accountable take place. Power structures – e.g. local elites – often impede a just distribution of material resources. NCCR North-South research has confirmed that decentralisation is an effective measure for balancing inequalities between social groups, but only if principles of good governance are observed.

### Citizenship and livelihood concerns

Decentralisation is based on the notion that people consider themselves citizens, fully and functionally related to the state. Research has shown that people's understanding of citizenship is often related to expectations of immediate benefits. If these expectations are not met, frustration and disillusionment result, as in the cases of Assam (India) and Nepal, where the inability of local governments to secure people's access to land and resources led to disenchantment with the idea of citizenship. Decentralisation efforts have proven to be effective when focused on people's livelihoods.

Additionally, sensitisation regarding people's responsibility for political participation, which goes beyond the immediate visibility of benefits, is important.



The state and its officials are often wrongly expected to function as a neutral body in the service of society. State officials are embedded in social relations and have to struggle to meet their own everyday livelihood needs, and are thus part and parcel of society. In this sense, the state is not an abstract entity, but deeply interwoven with local power structures. For effective decentralisation, it is important to take such local complexities into account.

### Balancing competing interests

As decentralisation often challenges existing power structures, it may provoke resistance from people and organisations that are bound to lose power. On the other hand, decentralisation raises expectations and hopes for inclusion, political participation and access to resources among excluded and disadvantaged groups, also beyond the local level. This creates strong, new and sometimes challenging links between local and national politics (see chart).

It has also been shown that delegation of responsibility to the local level may lead to undesirable side-effects, e.g. when overarching interests are no longer considered, as in watershed management. In such cases the principle of subsidiarity, which implies that matters should only be decentralised if they can be performed effectively and comprehensively at lower levels, has proven to be essential.

Finally, decentralisation is not a process of “social engineering”, but often a highly political and even emotional process. For development actors, it is crucial to take diverse and often contradicting interests into account, as frustration and disillusionment may arise when decentralisation leads to undesirable effects.

### Policy implications

NCCR North-South research has confirmed many insights gained by development practitioners, e.g. the need to devolve adequate financial resources and decision-making powers, or the need for local capacity development. In addition, this research has also shown that:

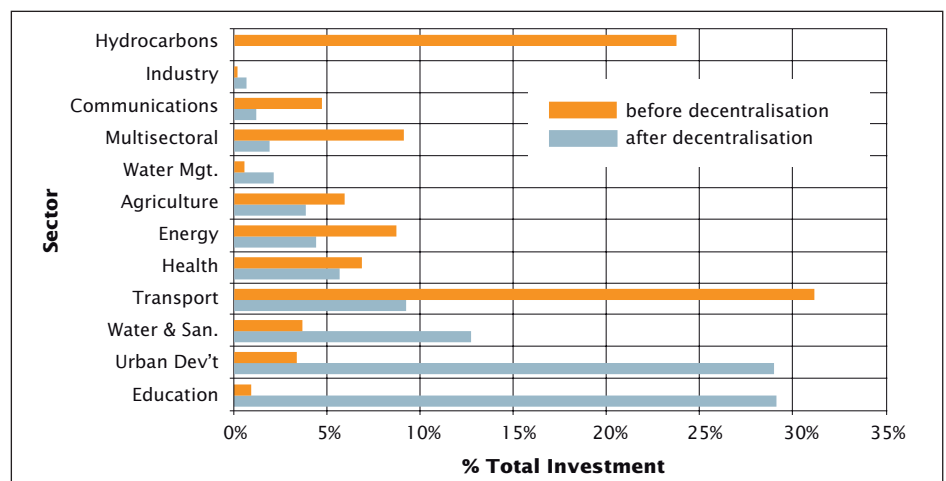
- Decentralisation is an arena for balancing inequalities, thus deepening democracy. It helps to strengthen the state, making it responsible for a

more equitable distribution of benefits.

- Decentralisation involves power shifts in which e.g. property rights and use of natural resources are negotiated (see box). As the Kerala example highlighted, distribution of land prior to decentralisation enhances its effectiveness.
- For local people, participation, self-determination and control over resources are very important and are often also related to identities and emotions. To avoid frustration and disillusionment, the livelihood concerns of all sectors of a population are important in view of the scarce financial resources available through decentralisation.
- Decentralisation is both a technical-managerial issue and a radical intervention in the political setting – it concerns the redefinition of state-society relations, including questions of legitimacy, citizenship and representation.



Men in Pakistan's North-West Frontier Province prepare for a meeting with the state's Forest Department to demand active involvement in local forest planning and use (Photo by U. Geiser, 2008)



In Bolivia, before decentralisation (1991–1993) the central government invested most in transport, hydrocarbons, multisectoral and energy. In the first years after decentralisation (1994–1996), local governments invested in education and urban development as well as in water and sanitation (Adapted from: Faguet, 2008).



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### evidence for policy

*evidence for policy* provides research highlights from the NCCR North-South on important development issues. The policy brief series offers information on topics such as governance, conflict, livelihoods, globalisation, sanitation, health, natural resources and sustainability in an accessible way. *evidence for policy* and further research information are available at [www.north-south.unibe.ch](http://www.north-south.unibe.ch) or from our research communicator Claudia Michel: [claudia.michel@cde.unibe.ch](mailto:claudia.michel@cde.unibe.ch)

## NCCR North-South case studies focus on how decentralisation actually works at the local level.

The case studies for Decentralisation Meets Local Complexity were carried out in Argentina, Bolivia, Mexico, India, Nepal and Pakistan.

### Nature conservation and livelihood insecurity in Nepal

Nepal invested in nature conservation by establishing protected areas. The corresponding state regulations threatened the livelihood security of local people by restricting customary rights of access to resources such as land and water. Decentralisation led to a more participatory approach through the creation of buffer zones around the parks. However, indigenous people's concerns are still not fully addressed, as they expected to regain their customary rights within the park areas.

### Decentralised forest management in Pakistan

In Pakistan, centralised forest management severely limited local rights of use. With decentralisation, local committees were established to introduce sustainable forest use, addressing people's livelihood concerns. But they had little effect because of existing conflicts between formal state legal instruments and informal customary rules and practices among local elites. Having identified this conflict, researchers facilitated a pilot process of mediation between local people, state officials and NGOs. Enhancement of mutual trust and consensus building were the first steps towards more sustainable and participatory forest management.

### Decentralisation and biodiversity conservation in Bolivia

In Bolivia, NCCR North-South research revealed a missing link between local governance of biodiversity in Tunari National Park and overarching national and international regulations. The latter did not take into account indigenous land use systems, and municipalities lacked the knowledge and power to intervene in state measures. Taking advantage of the LPP, researchers helped to gradually find alternatives to enhancing municipalities' influence on national biodiversity policies.

### Further reading

**Geiser U, Rist S, editors.** 2009. *Decentralisation Meets Local Complexity: Local Struggles, State Decentralisation and Access to Natural Resources in South Asia and Latin America*. Perspectives of the Swiss National Centre of Competence in Research (NCCR) North-South, University of Bern, Vol. 4. Bern: Geographica Bernensia, 310 pp. [www.north-south.unibe.ch/content.php/page/id/229](http://www.north-south.unibe.ch/content.php/page/id/229)

**Faguet JP.** 2008. Decentralisation's effects on public investment: Evidence and policy lessons from Bolivia and Colombia. *Journal of Development Studies* 44(8):1100–1121.

**Shahbaz B, Mbeyale G, Haller T.** 2008. Trees, trust and the state: A comparison of participatory forest management in Pakistan and Tanzania. *Journal of International Development* 20(5):641–653.

The NCCR North-South is a worldwide research network including seven partner institutions in Switzerland and some 160 universities, research institutions and development organisations in Africa, Asia, Latin America and Europe. Approximately 350 researchers worldwide contribute to the activities of the NCCR North-South.

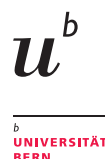
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