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LORC Formation of Sustainable Society Lecture Series No. 1 (organized by Group 4)

Theme: 'The Formation and Consolidation of Local Democracy and Institutional Choice / Representation, Citizenship and the Public Domain: Institutional Choice in Decentralization'

Speaker: Dr. Jesse C. Ribot (World Resources Institute)

Date and Time: Wednesday 7 June, 2006, 13:30-16:00

Venue: Campus Plaza Kyoto

Participants: Nobutaka Matoba, Makoto Nishi (Graduate Student, Kyoto University), Minoru Obayashi, Rudy (Graduate Student, Kobe University), Fumihiko Saito, Jin Sato (University of Tokyo), Katsutaka Shiraishi, Takuya Takahashi (University of Shiga Prefecture), Kimie Tsuchiyama, Ken Arai

Prior to the talk, the speaker was introduced, and every participant introduced oneself. The content of the talk is as follows:

- Decentralization is a policy which almost every developing country claims to be undertaking. And almost every country is claiming that they are doing 'democratic' decentralization. What is new about this is that it has language, if not always practice, of enfranchisement, justice, and representation, especially in the last ten years. Most of these countries are also claiming to be undertaking decentralization of their natural resources in one form or another. I have been studying decentralization through natural resources management. Whereas other sectors (health, education etc.) require much more central definition and funding, natural resources tend to be revenue generating and are also the source of national wealth and also of local subsistence. Therefore, there will be a situation of tension in transferring control over natural resources from central government ministries to local population.
- Decentralization is, according to the literature, generally defined as the transfers from central government to lower levels within political administrative hierarchy of the state, and is NOT privatization. Decentralization came to be popular in policy circles partly because of the failure of privatization and structural adjustment of the 90s. Civil society movements could not go back to government and needed to do something else, and this led to the third sector approach then to decentralization.
- Under decentralization, it has been observed that governments are doing everything

BUT transferring resources to local levels of political administrative hierarchy, certainly not to democratically elected-local authorities. They are transferring resources to NGOs, customary authorities, committees, local administrative authorities etc. but rarely to local governments (elected representatives), as if the formers are representing local population. This is not a fair assumption.

- In transferring power to local arena, the (central) government, donors and NPOs make choices. The term 'choice' is used here in order to bring into our thinking related to the agency of the government, donors and NGOs in choosing local actors to work with. They make choices purposefully. Thus it needs to be examined why they are making certain choices and why they are avoiding local governments. The reason is these choices matter very deeply for the construction and consolidation of local government, which is necessary infrastructure for participation, integration and inclusion in the local arena.
- In the following, based on the earlier research, finished 1.5 years ago, its findings will be presented and then the new research programs on: 1) Commodity Chain Analysis as a Policy Tool; 2) Institutional Choice and Recognition will be briefly outlined.
- The research program started as a comparative research program in Africa (Senegal, Mali, Cameroon, Uganda, Zimbabwe, South Africa and Mozambique) to look at what decentralization processes in these country look like, and what the effects are on natural resources management, distributional equity within the communities, and other service delivery within these communities. The research was ethnographical one with case studies, and the framework for analysis used was 'actors, powers and accountability' approach¹, which basically looks at what the elements necessary for effective decentralization are.
- [PPT slide 6 'Defining Decentralization'] If decentralization is transfer of resources from central government to local levels of political administrative hierarchy, that would be the transfer to the democratic local government and to administrative local authority. The transferring of resources to such bodies as customary authority, NGO, individual and corporation and participation are NOT decentralization.
- [PPT slide 7 'Theoretical Mechanism of Decentralization Benefits'] There are theoretical reasons why people believe that decentralization produces positive outcomes. Those positive outcomes which are often heard in the discourse of decentralization are:

¹ Ribot, Jesse C. (2004) *Waiting for Democracy: The Politics of choice in Natural Resource Decentralization*. Washington, D.C.: World Resource Institute, pp. 15f, 17f.

enfranchisement; equity; efficiency; development; better service delivery; greater benefit retention. But the mechanisms are: better matching of services to needs (public choice theory); reduction of transaction costs (new institutionalism), i.e. by being closer one can mobilize local knowledge, skills and labor more easily, and can improve coordination out of 'being local'. There is also the balance of negative and positive outcomes in decision making ('internalizing externalities') What is common to all these theoretical justifications is that they all imply inclusion through some kind of mechanism, that is representations of local populations with some kind of power in the hands of those local representatives. One cannot better coordinate if one has no power, and one cannot mobilize anybody if one does not have power -- one needs some mechanism by which one can gather information about preferences, desires, and aspirations in order to represent local people, to be more responsive, to reduce transaction cost, and to better match resources to needs.

- [PPT Slide 8 'Representation=Responsiveness &/or Accountability'] Responsiveness and accountability are two key elements in the analysis of any decentralization. In what he calls a 'policy model of representation', Adam Przeworski breaks representation into responsiveness and/or accountability. When one has responsiveness AND accountability, it is called 'democratic'. One can still have representation which is just responsiveness, without democracy, which may be called benign dictatorship and it tends to be removed from representation, as history shows. Then, what are accountability and responsiveness? Basically the model Przeworski puts out is that there are local preferences and those preferences through various means (e.g. sanctions and communication) create signals. Those signals have to be translated into mandates, and these mandates into policies. Then the policies produce outcomes which create reactions, called sanctions. This circle gives, at least in a reductionist view, the elements one needs to study to know whether or not one has decentralization.
- In practice these are more complicated. Most populations have surely have preferences but these are very confused preferences, often internally contradictory, and they are fragmented among sub-units of a community. They do not necessarily know how to make them into signals. Also, the authorities do not necessarily know how to read them as signals, and they do not always know how to make them into a program or a mandate, nor do they necessarily have power. And there is also gap between policies and outcomes.
- [PPT slide 9 'Elements of Effective Decentralization'] The effective elements of the policy model are: institutions as actors with power that are accountable in some form or

another to local population. Representation is the integrated mechanism of today's integrated rural development.

- [PPT slide 10 (a diagram on accountability)] The diagram on the slide, now with accountability arrows, would help us understand why the decentralization through democratic local government and administrative local authority is decentralization effectively and the rest is not always decentralization. Local democratic governments are systematically downwardly accountable to local population, and that makes more likely candidates to fulfill the requirement of decentralization. Administrative local authorities too are mandated to be downwardly accountable, though may be not systematically. Customary authorities' downward accountability is questionable – they are often upwardly accountable to the central government and donors. NGOs follow the same pattern. Individuals and corporations tend also to be upwardly or internally accountable. Participatory processes in itself is not a form of decentralization, because it is not about transfer of powers. It is about mobilization of people.
- [PPT slide 11 (a diagram on ability to sanction)] Accountability is counter power, and accountability is sanction.
- [PPT slide 12 'What Happens in Practice?'] What happens in practice, then? There are two elements in terms of outcome: power choices in practice; choices of institutions in practice. What was found out generally is that when you had powers transferred to local institutions, they were upwardly accountable to the state, and they were rarely downwardly accountable. When you had institutions which are really downwardly accountable, they had no power. In short, there was very little decentralization.
- Democratic (elected) local institutions are rarely the targets of empowerment. Elected local institutions, when chosen, are often not democratic – it is important to look at election and think about the structure of election to know whether elected authority is democratic (e.g. number of political parties etc.).
- De-concentration to local branches of forest departments is very common, and privatization was very, very common. A lot of public resources have been privatized in the name of decentralization. NGOs and community groups are also often being chosen by donors. These are all happening even where there are plenty of well structured democratic, elected local authorities, e.g. in Mali where decentralization is extremely well structured. They in fact create competition with democratic local authority, and de-legitimize local democracy, while creating proliferation of committees. This created some capacity within villages to have negotiators with the outsiders but it also was confusing, uncoordinated, and not necessarily leading to very interesting investment.

- The use of NGOs to implement every project in the world is justified by donors and government as pluralism, i.e. it is expected to create competition and lead to democratic outcome. The problem is that in most cases pluralism is asserted in the absence of representation, and leads to exclusion. The idea of pluralism does not emerge out of vacuum – it emerges, at least in Western political philosophy, under representative system. In addition to NGOs, participatory processes and customary authorities are, of course, being chosen. Basically, many of these choices did frustrate elected local authorities.
- [PPT slide 14 'Choice of Powers in Practice'] As regard to the choice of powers, there is a whole arena that has to be looked at very carefully. What is transferred and what is not transferred is a critical question. Means of transfer matters profoundly. If transfer from central government to local authorities is secured, local authorities tend to exercise some discretion and freedom. Discretion is critical for an authority to be able to be responsive to local needs.
- As regard to the transfer of power, legislative transfer is better than decrees, which are better than ministerial orders. There are a lot of powers that have been transferred to various groups that could be taken back, and therefore made those groups much more upwardly accountable.
- Very few powers that have been transferred are discretionary. A lot of subsistence resources that were already controlled locally were being transferred. Powers to allocate lucrative resources were rarely transferred. (Though in Senegal and Mali, transfers of ability to allocate forestry concession could be observed, if not in practice at least at legal level. In Cameroon, there were interesting cases of significant fiscal resources being transferred to local authority.) Yet burdens of management have been transferred.
- There is a conflation of political and technical authorities. In other words, there are technical decisions, like whether or not certain species should be cut and what negative affects are, but who gets to cut the tree is political decision. Yet forestry services and wild life services in Uganda are taking those kinds of decision as technical decisions. That conflation is preventing the transfer of power that could easily have been transferred without threat to the resource. Whereas technical decision may have implications for threatening the resource, political decision should not.
- [PPT slide 15 'These choices constitute Government Tactics resisting decentralization'] One of the things seen was that choices are being used as tactics to resist decentralization. Not often for bad reasons: a lot of ministries are scared of losing their identities, their functions, and truly believe that local people are ignorant and need their

guidance. They are dedicated professionals but it is very hard to get them to stop believing that they are the best suited to operate. There are often technical problems in making these transfers too, and there are also power problems – they simply do not want to give up their power, for decentralization is asking the rich and powerful to give up their wealth and power. A thing to be noted is that decentralization seriously never happens unless there is some kind of crisis, e.g. fiscal, political, war, etc. It does not happen because technical authority says it is good for you. Donors can force it when there is a crisis. (c.f. ‘crisis theory’ – revolution is opportunistic.)

- [PPT slide 18 ‘Getting the Institutions Right?'] The model presented earlier is a pretty straight forward neo-classical model, based on if-then proposition. If you get institutions right, then you get better efficiency and better equity. But the issue is that we are not getting to ‘if’ in most cases. New institutionalism is being stomped out by larger set of political-economic forces. It is a kind of ‘Bambi Meets Godzilla’ situation [PPT slide 19 ‘New Institutionalism Meets Political Economy’] i.e. new institutionalism meets political economy. This is a trivialization of very complex situation because Bambi could run away and hide etc. But basically progress in local government is observed in Senegal and Mali, but it is a very slow progress.
- [PPT slide 20 ‘Conclusions’] What is needed is a better match of policy in order to protect procedural objectives of democracy against instrumental objectives of sectors. Sectors are the last frontier of decolonization: they are so reactionary and so conservative in their everyday behavior. They have their instrumental objectives like forest management, and for them the objective of local democratization is irrelevant. We need to think systematically how to subordinate sectors to the authority of local government. We also need to have a clear image of what needs to be transferred to local governments to acquire legitimacy. And who really is representative, how accountability mechanism operates, and how local representative authority become instantiated (i.e. to become recognizable in local culture). Election itself is not sufficient in anywhere – there are multiple accountability mechanisms behind local authority.
- Question of choice and recognition. The politics of choice are the politics of donors, governments, and international NGOs choosing local institutions. The politics of recognition is the effect that the choice has, and those local institutions that are recognized. ‘Recognition’ is the acknowledgement which confers power, legitimacy and other benefits upon local institutions.
- Decentralization theory indicates that equity and efficiency follows from representation, and in its name we see in all kind of other practices. These international institutions are

not recognizing representative authorities. Re-emergence of customary authority in Africa is a key outcome. The problem is that it encapsulates individuals in custom. There is often conflation of custom with customary authority. There is no problem in recognizing custom in democracy, but if custom is replaced by customary authority, then individuals are encapsulated in that authority. Enforcement of custom by the state is another problem. In choosing customary authorities, group identities are reified and reinforced. Nancy Fraser argues that it also risks violating human rights, for it often reinforces autocracy, patriarchy, gender inequalities, lineage based identities, and caste divisions². And reinforcement of culture adds to the political coercive power of the state, and to moral pressure on individuals.

- Legitimacy and authenticity are often discourses of justification for this and this is something that needs to be thought about carefully, i.e. what authenticity really means, and if legitimacy is really good in itself. Legitimacy does not have to be democratic, as Max Weber points out, and democracy is not only of the 'authentic' people. The discourse of authenticity can lead to exclusion, and can be a colonial project. The politics of recognition is not just politics of enfranchisement – this could also be politics of disenfranchisement and manipulation. Nancy Fraser, a critic of multiculturalism, basically says we need to establish equal representation as criteria or normative standard, which she calls 'participatory parity'. She uses this as criteria for asking the question: do you really want to maintain equity as a value to promote through the process of the creation of local democracy? She argues that all acts of recognition and all claims of recognition need to submit to some kind of democratic process of public justification.
- [PPT slide 27 'Framework for Future Analysis'] The current project is trying to empirically look at the effects of recognition in local democracy. It is going to look at representation in terms of three elements: representation itself; citizenship and belonging; public domain.
- Representation is important in terms of who is receiving power – if they are representative authorities or not. (Although when power is transferred, the means of transfer matters and if it is a conditional transfer, that can make even representative authority less representative.) The horizontal dimension is the mix of local authorities and competition between democratic or elected local authorities and other local authorities. When does that strengthen representation and when does it undermine it, why, and under what circumstances?

² Fraser, Nancy (2000) "Rethinking Recognition." *New Left Review*. No. 3. May-Jun: pp. 107-120.

- The second element, citizenship and belonging, is really about the way in which authority that receives power shapes forms of belonging. If it is to a public authority, the form of belonging is residency based citizenship. If it is to a customary / religious authority, it is about identity form of belonging, i.e. ethnicity, language etc. Privatization, then, leads to interests based form of belonging.
- In the third category, public domain, when you transfer to public authorities you are maintaining this public space. The public space is the space of democracy, i.e. public resources and decisions that democratic authorities represent people. If you privatize, you are enclosing and shrinking public domain. If authority is transferred to identity based form of authority, public domain is being 'de-secularized', and again this is a form of enclosure. All of these have implications back on the question of representation, because it shrinks the domain of representation and citizenship and belonging, because it shrinks the domain which people are motivated to belong.

Q&A

Q: My understanding is that you consider that decentralization in general failed. Is that correct?

A: No. It failed to occur in this current round of decentralization. If one looks historically, real powers have been transferred to local authorities in some ways. In forestry sector, and as regard to most of the natural resources, decentralization has, by and large, not occurred.

Q: I was expecting to see the benefits of decentralization. Yet your remark implies that we cannot observe it because decentralization has not occurred.

A: Not entirely so, because we did see some transfers in Cameroon, which did lead to positive community investment, sometimes to conflict but often to enrichment of communities. In Senegal the law has empowered local authorities, and even though the forest service is not letting them exercise these powers they are beginning to take powers by force. In Uganda, there is a case in Masindi district where the local authority did raise tax on forest product successfully and invested locally, while reducing corrupt access to forest. This was a positive outcome but in a very qualified context, where local government received only a tiny amount of forest, while the rest is given to others or retained by the central government.

Q: Do you want to put emphasize on democratic local governments to make decentralization beneficial?

A: Yes, but with a qualification that local government needs to be made more democratic in every case I have ever looked at. I think good governance cannot exist without good

government.

Q: You criticized some of the assumptions when decentralization policies are implemented. Usually they are implemented because they are good for A and B and C. There are of course many problems in that sort of assumption but what do you think would be most critical assumption which needs to be unfolded very carefully? Which aspects do you think is most understudied in trying to examine the effects of decentralization and resource management?

A: One of the hardest issues is to confront line ministries, concerning what is real technical problem and what is not. Research outcomes have been fed into policies, mainly through donors and some improvements are observed at the level of discourse, but in practice change does not necessarily occur. The gap between discourse and practice can only be narrowed if people know it exists, and very few people know what is happening in practice.

Q: Is that the reason why there is no arrow going between the donors and the government? [PPT slides 6 'Defining Decentralization', 10, 11 (diagrams on accountability and ability to sanction)]

A: More recently, there have been a move towards what is called 'budgetary support', and there should probably be arrows in between the donors and the government. Do you mean transfer arrow, or accountability arrow?

Q: Whichever. I think there is a lot going on between big NGOs, donors and the government.

A: Absolutely. That is a problematic arena.

Q: Do the length of arrows [PPT slides 10, 11 (diagrams on accountability and ability to sanction)] show the strength?

A: Very roughly. The diagram is based on theory and not on empirical work.

Q: Could you explain what you mean by 'participation' in the box? [PPT slides 6 'Defining Decentralization', 10, 11 (diagrams on accountability and ability to sanction)]

A: I mean participatory processes, i.e. participation as a tool to enhance inclusion of local population.

Q: One of the reasons why donors etc promote decentralization is by so doing it promotes participation at local level. Looking at the model of representation [PPT slide 8 'Representation=Responsiveness&/or Accountability'], through the process of participation, this entire circuit changes – people's individual preferences somehow get harmonized into what may be called group preference and therefore through participatory processes, better choices are made locally, then better outcome may be expected.

A: Absolutely. I think participation is characterized in the same way as decentralization except it is not institutionalized. That is an important difference. It is more of a tool, unless it becomes part of the process that a particular existing institution uses at continual basis. There are many forms of democracy: participatory; representative; deliberative, etc. There are many problems with participation that make it very weak, and it is also often very undemocratic form partly because of the social stigma of speaking out as a function of gender and class etc.

Q: When we do institutional analysis of natural resources etc., there tend to be a distance between cause and effect. You mentioned that you wanted to look at what decentralization does. When something happens, there may be other possible causes, and it is very difficult to attribute changes to decentralization. When you try to make that claim, have you come up with some ways to counter that kind of critique? Another point is that I think it is more interesting to look at the nature of mandates. For the things which the central government is willing to hand over are often those which the local authorities would not want to do. When you assess the progress of decentralization, do you have some sort of indicator or focal point?

A: I start looking at laws (previous laws) because decentralization is about change. I know forestry law very well, so I can look at those laws and see if any significant discretionary power (i.e. meaningful power that people want) gets transferred to locally accountable authority. The question about mandates is extremely rich. There are certain things that nobody would ever expect local government to do, e.g. building a bridge or highway, but as regard to forest and natural resources, the matter is different -- for the works done on nature is often regarded by government as if it is not labor. As for the question of the indicators for this, you just have to be flexible and look through the question of discretion and whether it is meaningful to those people. But also you have to measure it against the question of what could have been transferred. On the causal relation question, there are so many cases where decentralization is claimed to be the cause of certain effects. But in every case, it was the donor that paid for it. As far as I am concerned, that was not decentralization – just a donor project. So most of what we did was to work outside project areas (projects hide the disaster that exist outside the project area, and are serving as a little showcases to bring donors to). When we did this work we tried to pick up where we could find before and after ecological data. Since to measure this is rather too long term, we looked at changes in behavior and management practice, through interview (without asking their view on cause). Yet we found it extremely difficult.