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### **LORC Seminar organized by Groups 1 and 4**

Theme: 'Looking at Recent Japanese Local Regeneration Efforts from a Perspective of a Ugandan'

Speaker: John Kiyaga-Nsubuga (Director General, Uganda Management Institute)

Date and Time: Thursday 24 May, 2007, 17:00-18:30

Venue: Shieikan Building, Ryukoku University Fukakusa Campus and Chikokan Building, Ryukoku University Seta Campus

Participants: Fumihiko Saito, Kimie Tsuchiyama, Ben Ziwa (Graduate Student, Osaka University), two participants from JICA, Kyoharu Nishihara (Research Assistant, LORC), Mayuko Shimizu (Research Assistant, LORC), Ken Arai (Research Assistant, LORC).

The speaker has been deeply involved in the design and implementation of Uganda's decentralization policy and processes. He came to visit Japan for a training program hosted by LORC and funded by JICA, and has visited Miyama in Nantan City, Kora Town, Ohita Prefecture, National Governors' Association, and Ministry of Internal Affairs and Communication. The talk, as summarized below, was based on his impression after these visits.

- When comparing how countries have approached decentralization it is important to take account of their historical, cultural, political, social and administrative backgrounds. In this regard Japan and Uganda have very different backgrounds – for example, Japanese society is more cohesive, based on common language and history, and Japan has more resources than Uganda. However, there are certain similarities between the two countries which provide adequate grounds for comparison. These similarities include:
  1. both are now undergoing an extensive reform;
  2. in each country there are discrepancies in available resources between different local governments;
  3. both have been strongly influenced by the external power (Japan by the West, especially the US; and Uganda by foreign aid donors);
  4. both initially had highly centralized political system and are now decentralizing, though

through different paths;

- Japan and Uganda seem to be going toward two different directions. Japan is trying to merge small towns and villages to realize economies of scale, while Uganda is subdividing districts into smaller units in response to local political pressures.
- As regard to fiscal resources, Japanese local governments are less dependent on the center, and they have certain flexibility. In Uganda, on the other hand, local taxes are eliminated and the central government is taking control of the resources. Thus Ugandan local governments are more dependent on the center, and one could say there is a tendency toward re-centralization. For example, the salary of senior local government officials is now paid by the central government.
- The key question, therefore, is: to what extent does decentralization 1) generate benefits to local citizens, 2) improve local governance, 3) lead to local sustainability, and 4) can generate positive and continuous local government reform?
  
- In Ohita, One Village One Product movement has been attempted. This has made local economy vibrant and made people confident and proud of themselves.
- A different kind of local regeneration has been pursued in Miyama, a forest/mountain area which is not rich in natural resources. Here indigenous/traditional houses are serving as the 'product' and attracting a lot of tourists and new comers.
- In Kora Town a major economic activity is rice farming, but people are ingenious in regenerating by utilizing their existing water system.
- Having looked at these cases, the questions to be asked are: what made these attempts at local regeneration successful? How are Japanese local governments dealing with the issues of economic development? These questions are important since local economic development is one of the key issues in Uganda.
- The lessons learnt can be summarized in the following four points.
  1. Strong visionary leadership is crucial. In order to achieve effective social transformation, it is essential to gain national and international recognition, and the role of leader is critical in this. For example, One Village One Product movement is now spreading nationwide and even worldwide, and its success owes much to the leadership of Dr. Hiramatsu, the former Governor of Ohita Prefecture. And a lot of reforms currently going on in Japan originate from the former Prime Minister Mr. Hosokawa's leadership.

2. Local community regeneration/renewal can be done through local initiative. People at local level can make significant changes on their own, taking advantage of local uniqueness. Miyama's success exemplifies this. They preserve their uniqueness and 'sell' it by creative and effective marketing, while refusing to go for easy commercialization.
  3. Collective community action, with a bit of external assistance, can revitalize community. If people are mobilized and work together, they can make real difference and feel good about themselves in the process. This confidence/positive attitude can have a positive impact, though this element is often missing in the development discourse.
  4. Consensus building is necessary. It is important to consult widely before decisions are made, in order to involve as many members of the community as possible.
  5. Strong local government representation is essential. However, it did not appear that local governments are well represented at central government level in Japan.
- Uganda is now looking for an answer to the issues of local economic development. If such examples as One Village One Product could be more closely looked at and be related to the experience of Uganda, that would be of interest.

### **Comments and Discussion**

KT: In the 1960s, Japanese local governments went through radical economic development. While the administrative system was highly centralized, economically the focus was on rapid economic growth led by heavy industries. Such a way of economic development is clearly contrasted with those observed in Miyama or Ohita. One Village One Product, for example, can neither make huge amount of money nor be competitive in global economy but is sustainable, while the economic development of the 60s was not. These recent examples also show that although local revenue generation is not easy, it can be done successfully when connected to the unique resources of the locality.

The recent attempt at decentralization, which has been initiated in 2000, has another important rationale, that is to get people together in the process of decision making and consensus building. This wave of decentralization has been led by the effort by several local governments since the 1960s, when Japanese governmental system was still much more centralized.

It may be true that the central government still holds a strong power over local governments

– for example, many Mayors and Governors are ex-central government officers. This has been slowly changing, though. Japanese local governments have traditionally been ‘local public bodies’ which constitute ‘branches’ of the central government. They, however, are now changing to form local authorities, which they hope to transform into local governments.

FS: There were two important points in KT’s comment: 1) such as One Village One Product movement cannot make huge money but is sustainable; 2) decentralization is associated with collective decision making and bringing decision making process closer to people. These are the things that were observed in Miyama and Ohita, and are hoped to be seen in Uganda, too.

BZ: Decentralization is a process, and different countries are in different stages of this process. The challenge in Uganda now is to empower people who are voiceless. Voicelessness is due to lack of economic power to enable people to speak out with confidence. Local economic development is therefore important and for that very reason decentralization should not be ‘let go’ at the beginning. The central government has an important role to play in redistributing resources. A certain control by the central government is hence essential. The question is: what kind of control is desirable?

FS: Decentralization is the re-defining of the functions between the central and local governments, and there are different ways of ‘state building’. The central government remains to be an important actor, but its role is changing.

KT: The relationship between the central government and local governments is indeed a perplexed one. Unsuccessful local governments in Japan, which have serious financial problems, should also be looked at. The national government, too, has been heavily in debt, and 60% of its budget is from national bonds. The difficult financial situation of the Japanese central government provides the background against which decentralization has been pursued since 2000.

It may be fruitful to research into the unsuccessful cases of local economic development of the 1960s, which focused on heavy industries. Such a model of development brought huge debt to local governments and peoples, making the political system dependent on construction industry. Local economic development should be pursued not primarily to make huge money (which requires more resources, leading to more debt), but to get people together in dynamic communities that place emphasis on community wellbeing and mutual support.