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# **DECENTRALIZATION OF GOVERNANCE AND SERVICE DELIVERY INSTITUTIONS**

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# DECENTRALIZATION OF URBAN GOVERNANCE IN DEVELOPING COUNTRIES: A “QUIET REVOLUTION”

2003 — Tim Campbell of the World Bank Institute calls it the “Quiet Revolution”

Next stage beyond 19<sup>th</sup> and 20<sup>th</sup> century decolonization and growth of independent national governments

2006-2007 — UN State of the World’s Cities Report

Dawn of the urban millennium — a majority of the world’s population is urbanized (living in cities and towns) for the first time in human history

Rapid urbanization in developing countries, especially Asia and Africa, such that the world may be 2/3 urban by beginning of the next (22<sup>nd</sup>) century

Growth of local government responsibilities, capacity, and resources is vital for addressing new urban challenges

## **INSTITUTIONAL MANIFESTATION OF GLOBAL CHANGE AND GROWTH OF LOCAL GOVERNMENT ACROSS THE DEVELOPING WORLD**

2004 — Creation of United Cities and Local Governments (UCLG)

Representing over 1,000 cities and towns from 127 countries,  
comprising a majority of the world's population

Merger of IULA, FMCU-UTO, and Metropolis

Outgrowth of 1996 United Nations “City Summit” in Istanbul, Turkey

- Habitat Agenda
- UNACLA (United Nations Advisory Committee of Local Authorities)
- UN “Istanbul +5” New York City, 2001

## ICLEI — LOCAL GOVERNMENTS FOR SUSTAINABILITY

- Nearly 500 cities and towns representing 300 million people
- Formed 1990
- UN World Summit on Sustainable Development, Rio De Janeiro, Brazil, 1992
- Local Agenda 21
- 2002 UN “Earth” Summit, Johannesburg, South Africa
- Coalition for Sustainable Urbanization
- Local Government Session
- Kaaren Taipale and Walter Hook articles

## 2000 — UN Millennium Development Goals (MDGs)

- Goal 7, Target 11 — Improving the lives of 100 million slum dwellers by 2020
- United Nations Human Settlements Program (UN-HABITAT)

## CITIES ALLIANCE

- Local governments — UCLG and Metropolis
- (13) National governments — Brazil, Canada, France, Germany, Italy, Japan, Netherlands, Nigeria, Norway, South Africa, Sweden, United Kingdom, United States of America
- International agencies — Asian Development Bank, United Nations Environment Program (UNEP), UN-HABITAT, World Bank
- Mona Serageldin (et al.) and Geoffrey Nwaka articles

Increasing prominence of urban local government leaders in national politics:

- Andres Manuel Lopez Obrador, Former Mayor of Mexico City, presidential candidate
- Jacques Chirac, Former Mayor of Paris, President of France
- Vladimir Putin, Former Deputy Mayor of St. Petersburg, President of Russian Federation
- Jiri Paroubek, Former Deputy Mayor of Prague, Prime Minister of Czech Republic
- Antanas Mockus, Former Mayor of Bogota, presidential candidate in Colombia
- Lee Myung-Bak, Mayor of Seoul, future presidential candidate in South Korea

## Three main types of decentralization from national government:

1. ADMINISTRATIVE — managing public infrastructure and services closer to local populations and areas
  2. FISCAL — shifting public sector resources to local level
  3. POLITICAL — moving decision-making authority to local level
- Can have central authority and resources with local administration
  - Can have transfer of resources but not authority
  - Can have transfer of authority but not resources
  - Can transfer authority and resources but not decision-making autonomy
  - Can transfer authority, resources, and decision-making autonomy (budget: revenue-raising and spending, regulations, etc.) but without local democratic participation

Tribal chieftains, regional warlords, large landowners

## **Decentralization can be top-down administrative reform or democratic political change**

### TOP-DOWN REFORM:

- Chile
- Indonesia (Emiel Wegelin article)
- Mexico (Yemile Mizrahi article)

Curitiba counter-example

### DEMOCRATIC CHANGE:

- Post-Communist Eastern Europe
- Philippines
- South Africa
- Brazil

ANC (national political party centralizing) and Kwazulu (regional power structures) counter-examples

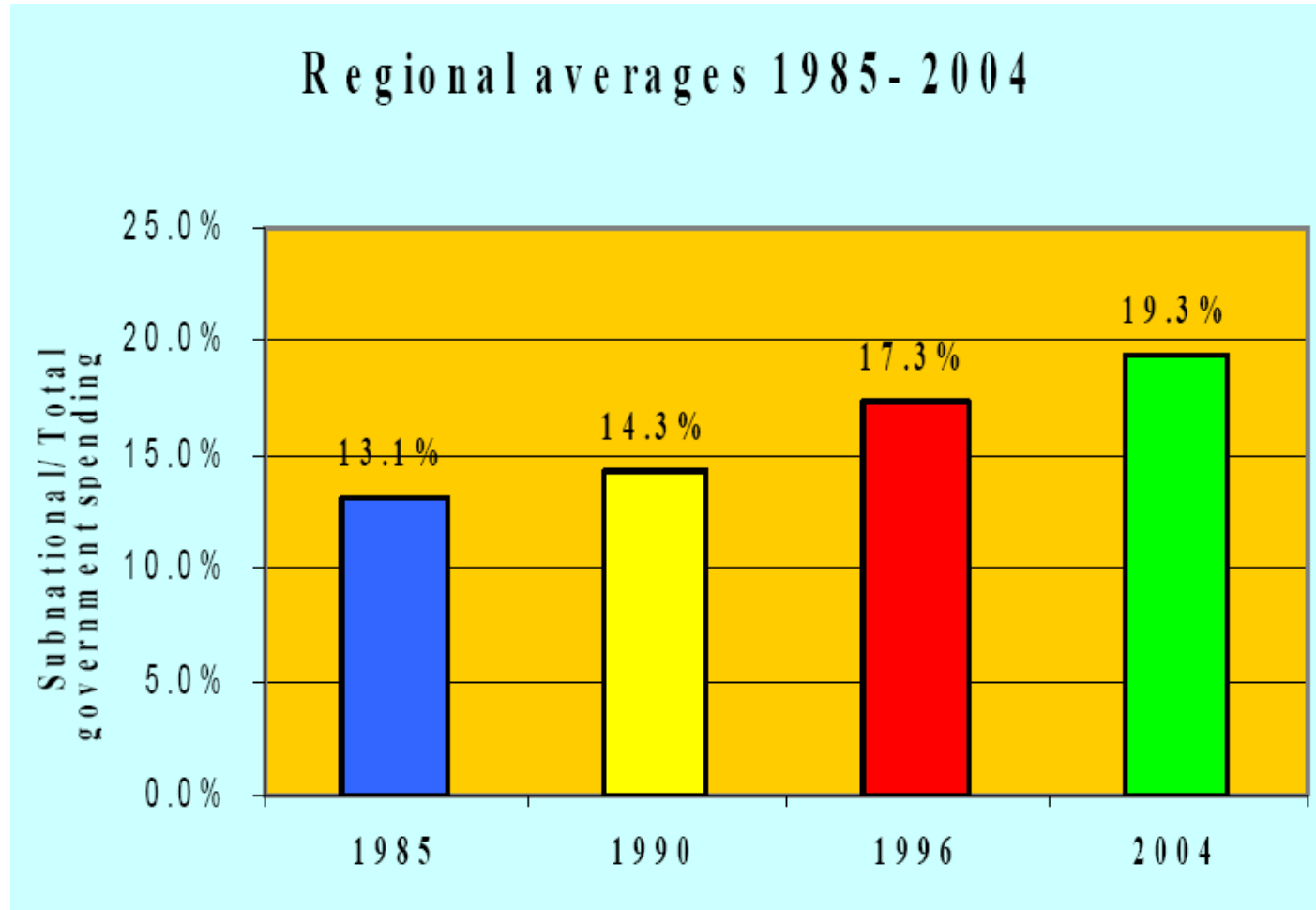


## FISCAL DECENTRALIZATION

1. Transfer of resources from central to local governments
2. Ability of local governments to raise revenue through taxes and fees
3. Ability of local governments to raise revenues through capital market debt instruments (Charles Billand article)
4. Ability of local governments to leverage private sector resources (Weiss OECD article), including privatization and PPPs
5. Ability of local governments to make autonomous revenue, spending, borrowing, and investment decisions

Issue of national equity of resource allocation across regions and localities (as well as within)

## Fiscal decentralization trends in the region



# KEY ISSUE — CAPACITY BUILDING

For elected and appointed public officials and for citizen groups

- TECHNICAL ASSISTANCE (USAID)
- TRAINING (Philippines Local Government Academy, IBAM in Brazil)
- BEST PRACTICES (UN-HABITAT Dubai awards, Ibero-American and Caribbean Forum, Medellin awards)

## **KEY ISSUE — LOCAL DEMOCRATIZATION AND ACCOUNTABILITY**






### Examples

- Participatory budgeting (Porto Alegre model)
- Commissions and citizen/civic councils
- Advisory groups
- Civil society/NGOs (advocacy, monitoring, education, organizing, service delivery, investment and development)
- Local elections

## Democratic elections of municipal government CEOs

Municipal governments: are mayors elected?		1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
	Before 1980																									
AR					★																					
BA	★ 1966																									
BH	★ 1973																									
BE			★																							
BO				★																						
BR <sup>1</sup>							★																			
CH												★														
CO	★ 1958																									
CR	★ 1949																									
DR	★ 1966																									
EC	★ 1979																									
ES						★																				
GU							★																			
GY	★ 1966																									
HO				★																						
JA	★ 1962																									
ME	★ 1917																									
NI												★														
PE		★																								
PN												★														
PY											★															
SU <sup>2</sup>										★																
TT	★ 1962																									
UY							★																			
VE	★ 1958																									

	Municipal government CEOs are directly or indirectly elected
	Intermediate government CEOs are directly or indirectly elected
	Level of government does not exist at all
	Level of government exists but the CEO is appointed
	Year of democratic transition or independence in the case of the Caribbean

<sup>1</sup>There were exceptions. During military rule, mayors of state capitals as well as around 170 cities were appointed in Brazil.

<sup>2</sup>In the case of Suriname, district councils are elected