Thematic Working Aid

Leave no one behind in practice

Decentralization & Local governance

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What do we know about the impact of decentralised local governments on marginalised people?

A major aim of decentralised governance is to bring government closer to people and, in the process, deliver services in an equitable and efficient manner, in accordance with the expressed needs of citizens.

The fact that government is located within smaller units with better information and a larger number of local representatives can lead to the greater inclusion of marginalised groups in decision-making and in accessing quality services. Viewed from this perspective, decentralisation is usually seen as a positive reform. However, the reform in and of itself is essentially value neutral – not only can it have both positive and negative effects, but its impact is conditioned by the nature of the reform, and the ways in which it is implemented.

Decentralisation reforms that are not explicitly designed to include marginalised populations – women, minorities, and the poor – can lead to worsened service delivery and representation outcomes for these groups (Faguet 2014). Its impact in terms of the inclusion of the most vulnerable is dependent on many of the same constraints that affect higher tiers of government – availability of resources, capacity, and very importantly, political will. In other words, inclusive governance is not synonymous with decentralised governance. Decentralisation reforms will only achieve inclusive governance if they explicitly set out to do so.
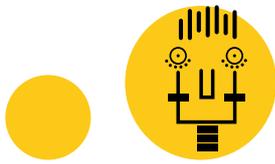
Decentralisation can help mitigate, or exacerbate, different types of inequality. These include:

Inequality across different regions (or local government units)
Central transfers to local government units are often formulaic and based on some principle of equalisation, but informal practices and politics can lead to unequal development across decentralised units. Some local governments may be better placed to capture more central funds through clientelistic practices based on party politics, and some may be better placed to raise more local revenues than others for a number of reasons (because they have richer populations, or better resource endowments).

In the latter case, greater fiscal decentralisation can mean increasing inequities across different parts of the country as equalisation from richer to poorer parts is restricted (Prud'homme 1995). There is also evidence that such disparities may increase more in low income countries where spatial inequality may already be high across regions, than in higher income countries where this effect may be much smaller, or non-existent (Rodríguez-Pose and Ezcurra 2010).

Inequality across urban and rural populations
A key rationale for decentralisation is that it can make it easier and more efficient for governments to reach more remote populations to deliver public services, especially those that live in rural areas (Treisman 2007). However, unless there is a distinct policy focus on the inclusion of remote populations within sub-units, decentralisation can reproduce the pattern of disproportionate benefits accruing to more urban parts of a municipality/district.

Inequality across population groups
Decentralisation does not automatically better service delivery to poorer populations within municipalities and can in fact lead to the creation of 'new microgeographies of exclusion' (Williams and Thampi 2013, Ahmad et al. 2005). It is not unusual for expenditure to be significantly unequal across sub-units of local government, nor the fact that those that benefit disproportionately from government expenditure on services like health, education, and sanitation are often those populations that are already better off (Reinikka and Svensson 2004).

There is evidence to suggest that though provision may increase as a whole to previously underprovided populations after decentralisation, this may often include those that live closer to executive offices, or those that are socially and politically more powerful (Cheema and Khan Mohmand 2007). Those that live in more remote parts, are socially less powerful, or are not connected to local politicians and officials may not see much improvement in their lives. At the same time, others have found that fiscal, rather than political, decentralisation can lead to reduced income inequality, and that this effect is larger in areas where per capita income is low, compared to places where it is higher. However, there may also be a 'threshold level of economic development' of a region at which fiscal decentralisation can be expected to reduce, rather than increase, inequality within local government units (Tselios et al. 2011).

Power and the greater risk of elite capture
Just as decentralisation brings government closer to people, it also brings greater resources and more state offices closer to local configurations of power. This can increase the risk of capture by local elites as costs of clientelism are lowered and monitoring becomes easier. Key measures to deal with the danger of elite capture include efforts to increase transparency of decision-making, resource allocation and expenditures, and to enhance the accountability of local officials to the citizens that they serve. Evidence suggests that where accountability exists and is robust, we can expect that service delivery will be transparent, responsive, and equitable. Where accountability is compromised by unhealthy political engagement centred around clientelism or polarising identity-based politics, service delivery to marginalised populations will suffer (Björkman and Svensson 2009; Khemani 2016). There is little evidence to suggest that accountability works more effectively at the local level than at higher tiers, but there is evidence (from India and Brazil) that political accountability at the local level can result in more equitable distribution of services and mitigate against elite capture (Bardhan et al. 2009, Melgar 2014).

Diagnosing and measuring marginalisation to enable inclusive decentralised governance

Mechanisms for the inclusion of different types of marginalised groups in decision-making processes within local government can vary by context and the particular politics of exclusion. What works in one place may not work effectively in another, and what may work well for one excluded population group may not work for another.

Furthermore, different types and sources of inequality (gender, class, minority status) may intersect to create very different forms of exclusion (Martínez-Palacios 2017).

Thus, it is important to understand the precise ways in which vulnerable groups experience exclusion, and develop a differentiated understanding of exclusion factors for each excluded group, in order to effectively implement inclusive governance at the local level.

Good information and rigorous research can contribute to a better understanding of how to establish and strengthen inclusive governance in particular contexts, and a process of accompanied learning during project implementation can ensure that stakeholders are aware of the particular ways in which marginalisation is manifested and experienced by different groups. This requires differentiated monitoring of outcomes as experienced by differently marginalised groups. Of particular importance are questions around how and when the specific interests of marginalised groups are represented in local governance, how such groups access municipal functions, and whether informal mechanisms exist that can either aid or constrain inclusion. It is also important to keep in mind that information collection processes can be deeply political, or constructed in ways that make them blind to certain populations.

Inclusive and differentiated data and information are, therefore, key for achieving inclusive governance. Such information should include:

- Good indicators of marginalisation that are context specific (that is, able to capture marginalisation as its definition, degree and form varies from sub-unit to sub-unit or group to group), and that do not leave any citizens or neighbourhoods behind.

- Extensive, regularly collected and updated data that are available to both the legislative and executive branches of local government for planning purposes, most importantly on factors that produce exclusion - race, class, gender, religion, location and others that will need to be identified in specific contexts - and the ways in which these intersect in different contexts to create particular forms of vulnerability.

- Rigorously produced evidence on the differential impact of decentralised governance on different population groups, and on the specific measures that work best for including marginalised populations across different contexts.

- Well established and efficient channels for the flow of all this information across the different decision-making bodies within local, regional and national governments so that policy making is evidence-based.

Strategic entry points to leave no one behind in decentralised governance

This section lists some interventions related to both the structure and process of local governance that can work to include marginalised populations across different types of contexts.

1. Quotas for marginalised populations

Quotas for descriptive representation remain a popular mechanism for ensuring greater inclusion of groups that may not otherwise make it to positions of power (Mansbridge 1999). They are usually instituted to increase the representation of women within national or regional legislatures and municipal councils. Reservations in India's local government system have resulted in women in some states occupying well over the stipulated 33 percent of seats (Jain 2002), and in Pakistan they have been used to ensure that women will be present at all on local councils. They have also been used to increase the representation of marginalised populations, such as ethnic and religious minorities and lower caste and class groups.

Evidence suggests that this has led to the emergence of new political leaders from marginalised communities (Fischer 2016), and to the greater social integration of marginalised populations (Chauchard 2014). Descriptive representation can thus lead to the greater social and political integration of excluded groups even when redistribution is not a direct outcome of such representation. At the same time, it needs to be pointed out that quotas have been critiqued as a strategy that may simply induce tokenistic participation, and may feed negative stereotypes of marginalised groups. These aspects need to be carefully mitigated in implementation.

2. Creating effective accountability relationships

Many recent accountability interventions have focused on the creation of social accountability between service providers and the citizens to whom they deliver services. Starting with Tendler's (1997) work in Brazil, the short route of social accountability received lots of attention in the literature and was advanced by donors through various interventions as the efficient and productive pathway for improved services. The fact that this worked better in some cases than others has led to the recognition that accountability relationships need to be focused around political processes. International policy frameworks have shifted since, in line with more recent literature that suggests that the sustainability of accountability relationships depends on healthy political engagement between citizens and their representatives, and linkages between representatives and service providers that are structured around political incentives (Khemani 2016, Gulzar and Pasquale 2017). More technical fixes for accountability should thus be coupled with interventions that make political relationships more robust at the local level. This can work well in favour of marginalised populations through the value of their votes to politicians hoping to gain power.

Two other mechanisms can particularly strengthen accountability:

Political processes of accountability can be strengthened by the establishment of invited spaces for participation by the state, such as citizen assemblies, or the organic development of created spaces of collective citizen action that can lead to the greater political capacity of citizens for demanding accountability (Gaventa 2004, Dauda 2006). Such mechanisms can include systems for public complaints and grievance redressal, such as rights of petitions, referendums, public debates, citizen initiatives and citizen assemblies.

This can work especially well for marginalised groups – evidence from Brazil and India shows that local assemblies or meetings that gather citizens with the explicit purpose of planning municipal priorities are attended more by marginalised social groups - and that organising such deliberative spaces can improve the targeting of delivery and resources to those that need them the most (Besley, Pande & Rao 2004).

Very often, local governments structures limit the oversight that directly elected representatives have over service providing agencies. Strong relationships of accountability are built on an amalgamation of three separate but wholly related processes - demand aggregation, representation, and responsiveness.

This requires representatives elected at the local level as mayors or councillors to aggregate citizen demands from all residents of their constituency, ensuring that the most vulnerable and marginalised are included; to represent these demands in a rationalised but equitable manner within representative fora, such as legislative assemblies and municipal councils, placing special emphasis on the needs of the more vulnerable; and to ensure a response to these demands, either themselves or by overseeing the work of service providers. Therefore, to be accountable and inclusive, local governments need to be structured in ways that create a link between electoral relationships and service delivery as seamlessly as possible.

3. **Creating cross-party alliances and champions, especially through women**
Local governments in some parts of the world, such as in the Western Balkans, can often be paralysed by polarisation along party lines. Most obviously, this compromises accountability of local party leaders, and also marginalises populations aligned with opposition parties. In Albania, women's alliances across party platforms have provided opportunities for more collective action to strengthen the ability of local councils to represent citizen interests. Connecting such women's alliances to community groups can ensure the greater representation of women's demands in particular – which can often be very different from those of men but are regularly under-represented (Chattopadhyay and Duflo 2004) – and can also lead to greater investment in poorer regions of a municipality (Olken 2010).

4. **Ensuring that information is available, user-centred and transparent**
Information can play a vital role in getting services to the most marginalised and remote populations – municipalities need differentiated and updated information on citizens and on intersecting sources of exclusion in order to deliver effectively and equitably, while citizens need transparent information from municipalities on decision-making and budgetary processes in order to be able to hold their representatives accountable.

Effective flows of information between local governments and citizens remain unusual in large parts of the world, especially for more remote and marginalised citizens (Ahmad et al. 2005). However, developments in technology, the spread of mobile phones, and the popularity of social media now provide new opportunities for keeping local governments and citizens better connected and informed of each other. Technology can also be used to set up complaint mechanisms, follow up systems, and develop applications that can facilitate these processes. However, it is important to remain cognisant of the fact that technology and e-governance can sometimes entrench marginalisation by playing up differential access across groups. A related intervention may be focused on ensuring that the information that is exchanged by municipalities with councillors, citizens, and commissions is consumable by these groups and is presented in formats that make sense to users. The lack of good, easily accessible, and disaggregated data can make goals of equalisation across municipalities difficult.

5. **Advocating for legal and political changes**
Advocacy efforts may be required in systems that are not structured to effectively represent and respond to citizen demands, especially from the most vulnerable and marginalised groups. This may include the empowerment of councils *vis-à-vis* the executive, creating more participatory spaces, disseminating more transparent information, and creating more institutionalised linkages between local government and community structures.

6. Equalising delivery across sub-units
The inclusion of remote populations requires that services be taken from urban centres to different parts of each local authority.

The need to travel to urban centres for each query can work to further marginalise citizens from governance because such journeys can be long, expensive and arduous for citizens with few resources. An effective way to include remote populations is through the establishment of one-stop citizen shops so that those municipal departments with which citizens have the most contact, especially those dealing with personal documents and permits, are accessible even in remote parts to citizens with questions, concerns and complaints. Such offices can also provide effective fora for the aggregation of citizen demands.

7. Training councillors and municipal staff on modes of greater inclusion
Expanding the work of municipalities to cover larger populations of previously excluded groups spread over all parts of the municipality can place considerable demands on municipal capacity, both in terms of resources and capabilities.

Local governments can be constrained in terms of funds, staff, input from councillors that work part time in many systems, and the capacity to work with large amounts of data and multiple documents in a timely and effective manner. Therefore, goals of equalisation and inclusion may require a serious investment in municipal capacity for demand aggregation, representation and deliberation, information processing, and responsiveness. Councillor and staff training is an important component of structuring the work of municipalities around inclusion and equalisation. Specific modules that can be of particular use include those on strengthening and promoting the role of women in council procedures; gender and social budgeting; structure and forms of exclusion in different parts of the country; and how to mobilise and work with marginalised communities.

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