Decentralization Theories Revisited: Lessons from Uganda[*]

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A powerful case for decentralization can be mounted.　Physical and social conditions in Africa favours it as a pragmatic response to the problems of government.　The inability of the central government to reach its citizens effectively suggests that something else is necessary.　The continuing strength of the democratic norm in the city and countryside demonstrates the persistent desire of people to participate in the management of their own affairs.

Kasfir, 1993, p. 25.

1 Decentralization in development thinking

Decentralization is one of the essential institutional reform efforts pursued in developing countries. This is often implemented by donor agencies, especially by the World Bank and the International Monetary Fund (IMF), and usually packaged together with attempts to minimize state interventions into economic activities and to liberalize markets by privatization and deregulation. Decentralization is intended to bring numerous improvements, and it is considered that decentralization can contribute to further democratization, more efficient public administration, to more effective development, and to good governance.

1-1 Pro-decentralization arguments

The argument is often presented in a following way.[1]　Decentralization brings public services closer to people, who have more opportunities to participate more actively in decision-making process of local policies and activities than in centrally decided ones.　This participation in turn contributes to improve accountability of public services, because people can scrutinize local governments more closely than central governments.　The services are also delivered more speedily than in the case of a centralized administration, since decentralization reduces often lengthy bureaucratic procedures for

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[1]　Academic origins and background for decentralization are diverse.　Some of the essential (normative) notions derive from classical liberal democratic theory.　In economics it is often associated with public choice theory, among others.　In the area of public administration, a recent emphasis on more efficient management often based on private sector practices tends to be called New Public Management (NPM).　In development studies, participatory approaches also influence decentralization.　See for example, Turner and Hulme, 1997; Mackintosh, and Roy 1999.　The overall review of decentralization can be found in Litvack, Ahmed, and Bird 1998; Mawhood, 1993; Manor, 1999; Olowu and Smoke, 1992; Turner and Hulme, 1997, chapter 7; the World Bank, 1999, chapter 5; and de Valk, and Wekwete, 1990.

decision making and implementation.   The services then become more responsive to and be tailored for different needs of different localities.   Accordingly often large bureaucracy at the center can be reduced, and limited public resources are more efficiently and effectively utilized.   This line of argument parallels to that of participatory development.   By encouraging people's participation in entire development processes, more effective and sustainable development outcomes can be ensured, because people can feel more ownership of activities in which they are participating.   This also contributes to nurture "civil society" in developing countries.   Democratization requires strong civil society in order to check the state from abusing its power.[2]

Decentralization is also considered to contribute to good governance.   The term "governance" tends to be differently defined depending on contexts.[3]   Broadly it is considered to be capacities in societies in which various stakeholders attempt to seek solutions that can bring positive outcomes for those who are concerned.   Good governance can therefore be established when stakeholders can reach a reasonably clear common vision, which guides their actions for mutual benefits.   In this process, governments, private sector, non-governmental organizations (NGOs), as well as ordinary people themselves have respective roles to play.   Since both governments and other actors play indispensable roles, no one can dictate other stakeholders.   Instead of one controlling others, partnership is required.   Therefore, a delicate balance between top-down and bottom-up communications and approaches needs to be sought.

Decentralization is accordingly a version of seeking such a balance in order to reach good governance.   By shifting more responsibilities and functions from central governments to sub-national governments, an adequate division of functions and responsibilities between different levels of government is considered be established.   Therefore this can enhance good governance.

1-2 Critiques against decentralization

Criticisms against decentralization, especially in the developing country contexts, are not uncommon, however.   Decentralization may foster more local royalty to regional identities than the national identity, and this may encourage more autonomy from the central government and even a territorial secession in multi-ethnic and multi-religious societies, particularly in Africa.   This puts the national integrity itself at risk.   Newly created autonomy may be manipulated by local elites for seeking their narrow personal benefits at the cost of general population who are in dare need of improved livelihood.   Decentralization may increase corruption at local level and thus this would not improve accountability.   The increased efficiency and effectiveness of public resources may not be realized, since resources (capital, human and even social) available at local level in low-income countries are very limited.   These scarce resources are more effectively utilized when they are concentrated at the national level.   Decentralization may also jeopardize equity among different localities. Resourceful areas may take advantage of opportunities created by decentralization while relatively poor areas cannot.

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[2] Civil society can be understood as an arena of a larger society in which interaction between the state and society takes place, and it tends to be active when and where the state is relatively strong (Migdal et al, 1994, p.23-30).

[3] See for instance, UNDP 2000a, p. 54; Turner and Hulme, 1997, p. 230.

What needs to be noted in the literature on decentralization is that there is a wide gap, both among supporters and critics of decentralization, between assumed outcomes and empirical evidence of supporting or discrediting the assumptions.   There has been a little systematic analysis of devising an appropriate framework to assess the effects of decentralization.[4]   This difficulty partly derives from the ambition that decentralization is hoped to achieve numerous goals at the same time: public administration restructuring, economic efficiency, political legitimacy and democratization, and ultimately poverty reduction.   The advocates often argue that improvement in one area in turn trigger better results in other areas.   They also tend to base their arguments on explicit and implicit normative values in supporting decentralization.   Thus the positive-sum outcomes are taken for granted.   One of the recent study concluded that "decentralization is neither good nor bad for efficiency, equity, or macroeconomic stability; but rather its effects depend on institution specific design" (Litvack, Ahmand, Bird, 1998, p. vii).   The processes of decentralization, however, involve many kinds of stakeholders in many different fronts.   Decentralization is indeed "a policy forced to carry an unrealistic burden of expectations regarding its ability to transform whole societies dominated by authoritarian or patronage politics" (Crook, and Manor, 1998, p. 302).   Outcomes of this bold decentralization are often negotiated and bargained over how political power and material benefits are shared and contested.   For meaningful analyses, impacts of decentralization, therefore, need to be decomposed.   It is not much useful to argue whether "decentralization" as a totality in a given country is "successful" or not.   Such evaluation would more likely to depend on who evaluates in what standard.   There usually is a mixture of some elements of success and failures. While some tendencies are for "positive sum," others are creating "zero sum" or even "negative sum."

In the context of developing countries in general (and in Africa in particular), there has been a swing from centralization to decentralization in the 1940s and the 1950s, when the transition from colonial to African administrations was sought.   Then with independence, new developing countries in the 1960s relied on centralized administrative structures,[5] and this centralization rarely produced political liberalism, economic growth nor human development (Wunsch and Olowu, 1995).   There were some initial efforts in the 1980s to "re-decentralize" the administrative structure, but this did not necessarily overcome the stated critiques against such approach.

This study in Uganda is not intended to answer all of the remaining questions on the debate over decentralization.   Instead it is intended to provide some useful points for further discussions by examining whether the assumptions of decentralization actually holds in today's context, as well as whether the critiques still remain valid.   This would have critical policy implications.   Because decentralization in Uganda is not a mere rhetoric contrary to other developing countries, this

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[4] Crook and Manor, 1998; Crook and Sverrisson, 1999 are notable exceptions.

[5] Some of the reasons include: the nationalist governments inherited centralized administrative structures when they took over power from previous colonial powers; these new governments put priority for national integration and nation-building, which was considered to be better served by centralization; many of these regimes are influenced by socialism, which often tended to centralize power and resources through the one-party structure, and even within capitalist states, development was assumed to be delivered by national planning and "trickle down" effects of economic growth.   In short, when "strong" states were needed, they were centralized.   See Litvack, Ahmand, Bird, 1998; de Valk, and Wekwete, 1990; Manor, 1999; Wunsch and Olowu, 1995; the World Bank, 1999, chapter 5; and Turner and Hulme, 1997, chapter 7.

examination provides essential links between theories and practices.

2 Lessons learned from the experiences of Uganda

When the National Resistance Movement (NRM) took power in Uganda in 1986, it instituted a five-layer hierarchy of council and committees from village to district levels, which later in 1995 renamed as the Local Council (LC).   The installation of the Council system was a response by the NRM partly based on their guerrilla war experience to topple the previous regime.   This was also their vision to build popular support to the NRM, which was in a much weaker position than established political parties when they took power.   The installation of this novel Council system was possible, because the state that the NRM inherited was virtually void of any institutional structures due to the long lasted civil war.   Since the late 1980s, the LC system has been functioning as a forum where local authorities interface with ordinary people at various administrative levels.   Uganda today probably has the clearest legal framework for decentralization in the African continent, and the government is deeply committed to decentralization.   The amount of financial resources transferred to local governments is one of the highest in Africa.

The experiences in Uganda's decentralization efforts inform us that decentralization is a long-term learning process involving various stakeholders, in which trials and errors took place in various aspects.   Decentralization is indeed a much bolder attempt to transform the wide range of social interactions among different stakeholders than what is often assumed in the literature, especially those adopted among donor agencies.   Decentralization clearly is not a simple social engineering based on a blue-print which can be used for anywhere.   This complexity obviously includes the state itself, which is often the most dominant social force in many countries.   But the state itself is affected by other stakeholders.   This process of mutual interactions under decentralization raises and renews various ironies and paradoxes.   Not surprisingly, therefore, decentralization in Uganda is a double-edged process.   As illustrated by the Table 1, which summarizes the situation in different activity areas, the situation is a mix of some improvements and new challenges.

On the one hand, several positive signs are noted.   First, the relationship between the central government and local governments is changing from the one of center being the controller over the latter to that of mutual partnership.   Participation of local stakeholders is slightly improved for critical policy making processes at the national level, as indicated by a symbolic example of the Budget Framework Paper conference process.   This is conceptualized as a shift from "zero sum" to "positive sum."   But the degree of participation still remains at a minimum level, and much needs to be done for attaining better accountability and democratic governance.   In addition, some service delivery ministries at the center are now being reorganized to cater for this new relationship.   This is considered to enhance responsiveness by the central government to local authorities.   Again this also raises a new challenge of translating this new structure into a genuine partnership arrangement between the central and local governments, which are critically linked through both political and administrative accountability relationships.   Accountability is still weak, and much more concerted efforts are needed.

Second, a still fragile yet significant strategic relationship between the government and the private/ NGO sector has also stared to grow at the local level.   Representatives of business community,

various associations and NGOs are now interacting with local governments for perusing mutually beneficial outcomes.   The signs of "positive-sum" relations started to grow.   This is particularly noteworthy in essential service areas of education and health, although a precise way in which this public-private partnership has been formed varies from one area to another.   This certainly improves responsiveness of service deliveries, and therefore improves both processes and outcomes of development effectiveness.   Nevertheless, while this new partnership can create appreciated collaboration, it can be a new source of vulnerability and complications for public-sector management.   The partners may attempt to exploit new opportunities for their own benefits at the cost of local population.

While these are generally considered as impressive progress, decentralization is potentially both to stabilize and destabilize the relations among stakeholders.   One of the serious problems is that stakeholders do not share a consensus view over the process of decentralization.   As a result, roles and responsibilities of each stakeholder are not fully redefined.   At the grassroots level, people are more actively involved in local decision-making than before, and now have higher expectations of improvement of their lives.   This can work in two ways.   It can harness their energy for participatory activities at the community level, but it can also frustrate such activities if people's expanding demands are not met.   Therefore, increased participation can lead to more harmony as well as more conflicts within the Ugandan multi-ethnic society.   Four essential issues are discussed here.

2-1 Cohesiveness of community

Decentralization can paradoxically both enhance and undermine social cohesiveness.   Space created by opening up opportunities for people to maneuver in order to receive essential services can both solidify and fragment different types of social bonds.   With increased interactions between local officials and populace, people have higher expectations for pubic services.   These hopes may be realized with satisfaction, but can also end in illusion and despair.   Decentralization changes the rules of the game played among stakeholders, but it also affects the way in which the players maneuver to take advantage of the newly emerging situations.   Thus, outcomes are far from certain.   One of the serious ironies in Uganda is that decentralization process may present a danger for rural communities to lose their cohesiveness.   This especially emerges from the case of primary school management.   While rich parents tend to send children in private schools, which are not in their community, the local residents who would like to seek collective improvements of their school do not get an anticipated collaboration from the rich neighbours.   Different interests in communities may discourage their members to participate in LC meetings, if this kind of social division may widen.   This confirms that what is often considered as a homogeneous community is simply a myth (Cleaver, 1999).

The poor are not a homogeneous category of social group either.   Even within a poor household, for instance, men, women, the youth, and the elderly do not necessarily share common positions in attempting to negotiate, collaborate and co-opt their interests with others.   Ethnicity and religion are other dimensions which may influence the negotiation over how their interests can be accommodated in the process of social change under decentralization.

2-2 Participation and conflict management

That communities are not monolithic may not be surprising.   Pluralism is often used both to justify and disprove decentralization.   For liberal democracy, it is often argued, decentralization can serve to balance different needs of different people, and therefore it is more suitable than centrally determined social policies applied across different spectrums of the population.   But the counter argument is that in developing countries context pluralism is often associated with sectarian tendencies and civil strife.   Uganda can certainly provide a typical of such African experience since independence.

The challenge, then, is that instead of letting pluralism to slide into negative-sum interactions among different stakeholders, how can pluralism be more positively harnessed for mutually satisfactory and empowering outcomes in Uganda in particular and in Africa in general?   One essential answer appears to lay how participation can overcome various conflicts at different levels.   Conflicts can arise over differences in opinions.   Conflict may be non-violent, but can become violent in certain occasions.

Stalemate of consensus building may become more common in the future, if decentralization leads to erode social cohesiveness.   Under traditional authorities, this could have been resolved by chiefs in the many parts of Africa.   Although the chiefs and clans still operate in very limited issues in Uganda, the LC system is now in charge of conflict resolution on almost all community issues. While this function of the LC is appreciated by the people at the grassroots level, people at the same time have significant reservations over the way it works at the moment.   The legitimacy of the LC system may be questioned, if the level of dissatisfaction increases.

Leaders at higher levels do face disagreements as well.   Tororo District is a good example in which leadership faced a motion of non-confidence from other Councillors in the middle of 2000.[6]   What should be noted is that current system does not provide clear structural procedure for resolving political stalemate at leadership level in local governments.   This needs to be clarified within the legal framework in order to enhance governability.

At another level, if management of conflict is an ultimate role of the state (often by force as the last mechanism), then its instruments (judicial courts and police) need to be impartial in exercising this crucial function.   Then a serious problem is that police is notorious for corruption not only in Uganda but in other developing countries as well.[7]   With decentralization, corruption is also decentralized.   This probably poses one of the biggest obstacles for the structural reform agenda. In Uganda, security and police are largely still under the central government, although at the local level there are frequent interactions with LC system.   The question is not as simple as police should be decentralized for reducing the level of corruption.   Instead, this critical issue should be addressed

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[6] This happened against the background that different types of Councillors (executive and non-executive) received different economic benefits, and this was probably kept as a source of frustration.

[7] Robert Chambers points out that in the process of participatory consultation with the poor police often appears as important issue, but often neglected in the mainstream poverty analysis (Chambers, 2000).

within the overall consideration to improve governance by wide range of stakeholders.

In summary, participatory development does no necessarily result in conflict-free harmonious outcomes.   Thus, conflict resolution mechanisms need to be clarified when disagreements arise within local political structures.   This is essential to safeguard decentralization from degenerating into "zero-sum" or even "negative-sum" results.

2-3 Process vs. outcomes

Participation and community involvement can be realized under the policy of decentralization without much difficulty, if prior experiences are already available.   Although local school management is far from ideal, historical experiences of local communities being involved in sustaining schools, even when the country was severely disrupted provides, a conducive context in which such community activities can take place.

Decentralization, however, paradoxically brings a clear tendency in which whereas contents of policy packages are more centrally determined, the implementation mechanism of these packages is decentralized with local administration in place.   In Uganda, this is particularly clear in the case of education.   Curriculum and standards for qualifying personnel are decided centrally, and local governments are asked to administer these standards.[8]   Likewise, the central government of Uganda now uses predominantly conditional grants for the inter-government fiscal transfer arrangement. This process does not necessarily increase participation of local stakeholders in the decision-making process of contents.   This is a clear contradiction against the rational of decentralization.   What is happening is Uganda is, therefore, simultaneous centralization and decentralization in different phases of policy making and management cycle.   This confirms what has been pointed out earlier:

> Decentralization in fact usually has been intended as a technique (or means) of achieving *central government programs* of economic and social development, especially in the countryside.   As a result, it is viewed as a technical rather than political issue, and as question of ensuring *better* control by the central rather than opening the door for true local initiative.
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> Emphasis original, Olowu, 1995, p. 87

The inherent contradiction of this tendency can be examined from the perspective of distributing different costs among different layers of the state machinery.   There are two broad types of costs which need to be weighted against with each other.   The first is a cost for needs assessment and identification.   This function can be discharged more inexpensively by local governments which are indeed closer to people at the grassroots level and knowledgeable of local conditions.   On the other hand, granting autonomy to sub-national governments would increase a second type of cost: coordination, support, supervision and monitoring.   This cost is still born by the central government (or in some cases by regional governments).   Lower levels of bureaucracy need this kind of supervision and coordination from higher levels.   The more decentralized state structure becomes, the more likely that coordination and monitoring cost increases.   Thus, the state may need *more*

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[8] This tendency applies to educational decentralization not only in Uganda but in other countries as well.   See a five-booklet serious of World Bank publications on Decentralization of Education (for example, Fiske, 1996).

resources in charge of this renewed function, especially at the central level.

The situation in Uganda is that contrary to this rational policy making is done centrally. Because support, supervision, coordination and monitoring will be enormously needed immediately to rectify the current weaknesses, this cost is anticipated to increase probably very significantly. Therefore, if the first cost of needs identification is not reduced, then the total government resources needed will likely to increase. The net result of administrative burden necessary for meeting these two types of costs may be greater than in the times of centralization. As a result, contrary to the notion of minimalist state, decentralization would not likely to end with downsized governments (Mackintosh and Roy, 1999, p. 19). This increase has to be weighted against benefits for fair judgement, which may also be much greater than centralized state. The apparent contradiction between centralized contents making and decentralized delivery of policies, however, prevents us from concluding firmly that the current decentralization contributes cost reduction of the public service.

2-4 Various accountability mechanisms

Table 2

This schizophrenia of simultaneous centralization of policy packages and decentralized delivery modality has a much wider implication to governance and accountability, as illustrated by the Table 2. The process in which local governments become implementers of centrally determined policy packages frustrates political accountability between local political leaders and their constituencies. This process, on the other hand, may be suitable to ensure administrative accountability between the central and local governments. The more decentralized process with higher level of autonomy can improve political accountability relationships between people at the grassroots level and local leaders, while the administrative accountability relationship between the central and local governments may not be as easily secured as in the other centralized case. This Table indicates that accountability roles around indeed a very complex web of stakeholder relationship in which who is accountable to whom (central government, local authorities, technocrats, people at the grassroots) on what grounds (political, and administrative/financial). The point is that the same development outcome can be derived by entirely different processes, while the different processes have much more complicated repercussions to different types of accountability. Thus in order to improve multiplicity of accountability, the process to produce outputs are at least as equally significant as outputs themselves. It may appear more suitable in the short term from the point of view of the central government to centralize policy contents, but long-term consequences may erode the entire base of the LC system on which the current NRM government is based both politically and administratively.

Accountability, in addition, can be better understood in a framework of rewards and sanctions in various domains. If accountability is a tool for effective quality control for better public administration, both rewards and sanctions should be used to establish any adequate standard of performance and to improve motivations of personnel. Material and social "carrots and sticks" can be used for this purpose. If accountability has financial and political aspects, rewards and sanctions can be both monetary as well as non-monetary. Salaries and social pressures, for example, can work as incentive mechanisms. For this to be effective, accurate information is much needed for

the media and the public to make reasonable judgement.   It is essential to identify who is a performer and non-performer.   It is also crucial to examine on what basis any performance can be judged.   Freedom of speech and the press are helpful for reaching more informed judgement.

In addition, what needs to be considered is that lower levels of sub-national governments and ordinary people at the grassroots level in Uganda (and in other developing countries) do not have many tools to reward or sanction political and administrative leadership.   Accountability can be more likely to be ensured when both those who account and those who are accounted for can be in more reciprocal relationships.   Such prospects may increase, if both sides would have less discrepancies in their access to incentive mechanisms.   The poor are the ultimate evaluators of development policies in any democratic system, but they obviously do have much less access to incentive mechanisms than their leaders.   Elections are essential but no sufficient to establish a fair and reciprocal accountability against those in power.   Here, associations of lower level administrations and people's movements can play a crucial role to offset such imbalances in their access to accountability tools.   It is encouraging that in Uganda the association of district governments now makes effective demands against the central governments to create such reciprocal and more accountable relationships.   In some districts, sub-country governments have just started to form similar associations.   Women's organizations appears to be one of the most effective social movements to voice women's concerns in order to influence national and local policies.   These associations do not guarantee mutually reinforcing accountability relationship, but do provide better opportunities to realize it.

These considerations have critical implications to the current polity; the NRM government bases its political support from people in rural areas who favors the LC system.   If the LC system becomes frustrated by becoming a mere administrating agent of centrally determined programs and activities, this frustration would pose a significant threat to the polity itself.   In this situation, what is at stake is legitimacy.   It is not clear whether the top political leadership within the NRM is aware of this potential danger, which can undermine their own grip on power.   Incompetence undermines legitimacy of the regime in power, and this can be avoided by decentralization of essential services to some degree.   However, the precise way in which the current decentralization is heading can negate the original purpose of decentralization – consolidating the position of the NRM in power by improving efficacy of the LC system.   This can be avoided if more political and administrative autonomy can be granted to local governments with enhanced support, supervision, and coordination by the central government.   This is a more consistent approach both politically and administratively.

3 Policy Implications

Despite these paradoxes, decentralization experiences in Uganda probably demonstrate *slightly* more positive than negative prospects.   But the remaining challenges are undoubtedly daunting. Therefore Uganda is at a critical juncture.   In order to safeguard decentralization not being over taken by negative prospects, the following important policy lessons should be learnt and appropriate actions need to be implemented.

These lessons learned from Uganda can be applicable to other developing world, and perhaps they may also provide useful points of consideration in the developed countries as well, some of which pursue similar structural reforms. Decentralization changes complex interrelations among different stakeholders in many different ways. The poor do not necessarily share homogeneous concerns, and gender, religion, ethnic and other social dimensions are critical to differentiate different needs of different people. But it is still possible to attain some mutually beneficial positive-sum outcomes. Especially, potentials for contributing mutual empowerment of both the state and the society in Uganda should not be dismissed, although this never means such a solution is easy. In order for this positive sum to be realized, much more synchronized efforts are needed on various areas at the same time.

3-1 Cohesive efforts at central and local levels

First, institutional reform efforts at the center and the local government levels need to be coordinated, and the reforms need to be implemented within a clearly defined and coherent framework (Mamdani, 1996). The political context in which reforms are pursued proves to be determinant in deciding such a framework can be devised. Unless political leadership both at the central and local levels consider decentralization serves their merit as well as much wider social goals, the leadership would not commit for such reforms, and initiatives cannot be owned by a developing country. Unless this ownership is firmly established, external aid would not be effective.

3-2 Mutually reinforcing motivations

Second, in order for essential public services (education and health) to be improved, both providers and recipients would need to be motivated for better performances. Providers require adequate incentives for improving performances, while recipients also need appropriate incentives for collaboration with local service providers. The incentive mechanism for both providers and recipients are interrelated, and with adequate framework of "carrots and sticks" positive-sum situations can be created. Both political and administrative leaderships need to present their policies and projects in a way that the poor and the marginalized conceive them as attractive enough to sacrifice their precious time and energy. This is particularly challenging since that the poor commonly experienced empty promises of leaders in the past. Limited government budgets make it difficult for financial incentives alone to be a very useful tool. Increased autonomy and discretion is, therefore, promising for this kind of mutually beneficial transformation (Tendler, 1997, p. 4-5). Within the newly created autonomy, partnerships among different stakeholders, especially public-private collaboration (including NGOs), can be seriously sought in order to open up new opportunities for further material and non-material incentives. This can create a momentum to change vicious to virtuous cycle.

3-3 Information for positive-sum solutions

Third, information plays an essential role to foster such mutually beneficial positive-sum relations. More accurate information should be provided to all stakeholders about their new roles as well as rights and responsibilities in the decentralized context. The information, especially related to local policies and budgets, should also be provided more thoroughly in order to enhance transparency.

This can reduce chances to having unnecessary suspicion and conflicts of views among stakeholders. But information does not automatically flow. A crucial dilemma of information dissemination is that it is still needs to be disseminated from the top to a large extent. This can create opportunities for those in power to manipulate and sometimes to monopolize essential information. The outcome of such is devastating for the poor who tend to have much less sources of information than the rich and the powerful. Indeed information needs to be disseminated and shared in a particular political, economic, and social context. With decentralization, it is critical to devise innovative information dissemination strategies which attempt to overcome this dilemma. New information strategies should also need to be targeted for different audiences than in the days of centralized administration. What is indispensable is that this is not a technical question but a political issue. If this is acknowledged, meaningful negotiations can start for attaining a mutually beneficial common vision among leaders and followers, as well as the powerful and the powerless. Technical solutions for innovative information dissemination strategies would follow.

3-4 Mutually empowering possibilities for the state and civil society

Finally, whereas it is often assumed that decentralization contributes to nurture civil society without much obstacles, associational life in reality becomes active at the level where the state is also active. As civil society is a counter balance to the state, it tends to engage actively with the centralized state at the national level. Decentralization does not automatically foster autonomous associational activities at the local level, unless the state at this local level is also active and becomes worthwhile for civil society to be engaged. If local governments are weak, then associations at the local level would not emerge as strong entities. This does not mean that all the activities of associational life are shaped solemnly by the state, but the state has profound influences on how civil society is shaped. What is happening in Uganda (and in many other developing countries) is that the local governments are in the process of building their capacities to plan and implement various activities. In this learning process, various associations, including NGOs, are also now responding to this (re)emerging local governments (Clayton, 1998). It can be anticipated that through these processes of respective capacity buildings of both governments and voluntary associations at the local level, mutually reinforcing positive-sum solutions can be achieved (Migdal et al, 1994). Service provisions are promising arenas around which this positive-sum relationships can be built. In some areas of Uganda this process has been initiated, which is an encouraging sign, although this does never mean that this process is free from problems. Mutually beneficial outcomes for both the state and civil society are possible, even though the process is never automatic. Therefore, current donor projects to nurture civil society would need to be based on this balanced argument. The results may be more promising if assistance can be simultaneously linked to the state and associational activities both at national as well as local levels.

4 Concluding remarks

The experiences of Ugandan decentralization clearly demonstrate that bringing power back to people, and bringing services closer to people would not automatically produce more effective and efficient public services. Decentralization is far from panacea, but this never means that old centralization can provider better outcomes. One ultimate question is that is the entire process of decentralization

"pro-poor"?　The simple answer to this question is "yes and no."　The final Table 3 summarizes the entire discussions.　The mixed situation in Uganda still appears to favor "yes" than "no," although affirmative and negative aspects are competing.

Table 3

In order for decentralization to deliver intended policy objectives, it is crucial for stakeholders to build a mutually agreeable consensus over goals, and the process for implementation need to be carefully worked out.　What is noteworthy is that the Local Council is an indispensable social network for most of the Ugandans.　This is a major achievement under the current regime.　The real challenge now, therefore, is how the people in Uganda can harness opportunities created by the LC system for positive-sum solutions.　Various stakeholders in Uganda, being at a critical juncture, can turn the opportunities to pro-poor outcomes, whose results are not necessarily anti-rich. Likewise there is a potential for arriving at mutually empowering positive-sum outcomes for both the state and society.

	POLITICAL & FISCAL	POLITICAL & FISCAL	EDUCATION & HEALTH	EDUCATION	HEALTH	OVERALL
	assumptions	results	assumptions	results	results	ASSESSMENT
participation	By bringing services closer to people, through active participation of the people, especially the poor, decentralization is to serve more democratic governance and improved accountability.	The degree of participation of local authorities and grassroots people in designing fiscal transfer systems is at minimum, although a recent initiative of BFP conference is significant. The local population has limited information on budgets and finance of LGs. The anticipated public scrutiny is extremely limited. Therefore it improved accountability negligibly. People believe that leaders are corrupt (often not true in reality at lower levels of LCs).	With participation of local people, the government is in better position to understand different local issues and needs, and hence better responses can be formulated at closer points.	In Uganda, people value education highly as a common issue. Thus it receives high priority among local officials and the public in general. The attendance for LC meeting on education is high. But decentralization has brought the centralized management of the curriculum and national standards of education.	In Uganda, health is considered essential for getting out of poverty. But treating and caring the sick is considered to be a family issue and not a community issue. Traditionally community involvement in health issues is low, and the tendency is that participation by people in the LC forums on health matters is relatively moderate - low. Health services are still vertically provided with donor assistance, and with the recent sector wide approach, the MoH control over the content of services may increase.	Decentralization paradoxically tends to bring more centrally determined contents of service delivery packages with decentralized delivery mechanism through local governments.
poverty	By improving efficiency and effectiveness of resources, it contributes to poverty reduction.	With decentralization, the central government is paradoxically regaining more control over how local expenditures should be spent through overwhelming reliance on various conditional grants. This does not appear to improve efficiency and effectiveness of resource utilization.	This would lead to effective essential public services like education and health.	UPE has improved the primary enrollment massively, but deteriorated the quality of education. Thus the results is mixed at best.	The quality of health care provided at delivery points may not have changed so much. But there is an indication that more people have recently started to appreciate the services. Outreach services seem to be effective where they are provided.	With decentralization essential services is now widely delivered to reach the poor, who often tend to be excluded previously. But this spreads the limited resources too widely and thinly. This raises a new challenge for resource utilization. Both the central and the local governments need to restructure their personnel and other resources to meet this new challenge.
empower-ment	By bringing services closer to the people, through active participation of the people, especially the poor and the disadvantaged, decentralization is to serve more democratic governance and empowerment of the poor and the disadvantaged.	Improvements over democratic governance is fulfilled at least particularly. The poor and the women now can participate and voice their concerns. Their expectation for the LC to function is also rising. But the limitations of the LC are also becoming clearer. Decentralization is a double edged process, and can backfire unless some visible changes can be made.	With decentralization, it is anticipated that local communities can engage small scale effective development initiatives. This can contribute to empower the disadvantaged.	UPE enabled poor families to send their children to schools which otherwise is not possible. Communities are willing to support education, including class room constructions. This contributes to empowerment of local communities. But, communities are also losing cohesiveness ironically because of decentralization and UPE.. With deteriorated education rich families send their children to schools outside of villages.	The community involvement in management of health clinics has started to disseminate useful information to local communities. Outreach activities and regular visits by health personnel help build social bonds between service providers and recipients. This has not yet resulted in visible improvements of health indicators.	Voices of the poor and the disadvantages can be heard, but the responses by the local authorities are limited. Decentralization creates social space within which small scale community initiatives can be promoted. But the same space also allows diverse actions of community members, some of which undermine social cohesiveness.
development process	Decentralization would serve to enrich social networks as the LC to interface with local population as a essential institution of local democratic governance.	At the grassroots, LC 1 is an indispensable social network highly valued by people. This is a genuine achievement. Yet people are disgusted with wide spread corruption. The political accountability between elected leaders and constituencies are not fully realized.	With decentralization, more consultation can be held at local level involving essential stakeholders, especially the "target groups" which are affected by development activities. This will encourage their active participation in development process, and will yield more effective outcomes.	On the one hand, communities are active in supporting local initiatives. On the other hand nationally determined standards do not leave much autonomy for local levels to enjoy.	Unlike education, in the health sector, community involvement has been relatively limited. The degree of public participation in consultation process is still limited. The level of services are too basic to allow regional flexibility.	The juxtaposition of re-centralized contents of services and decentralized delivery mechanism can create pro-poor outcomes by reducing material poverty, but is quite against the assumptions of participatory and democratic governance.

	FISCAL assumptions	FISCAL results	EDUCATION & HEALTH assumptions	EDUCATION results	HEALTH results	OVERALL ASSESSMENT
development outcome	With decentralization, more pro-poor growth can be achieved, and the outcomes will contribute to mitigate poverty. More specifically five major areas for national program areas will be better catered for under decentralization: agriculture, roads, education, health, and water/sanitation.	The current form of fiscal decentralization, which depends mostly in conditional grants, serves to produce outcomes which are considered to mitigate poverty, in line with the PEAP. The living conditions within Uganda vary particularly between the north and the south, but this variation is not well addressed in the current decentralization strategy.	Decentralization will lead to more local consultations, and this participatory process can deliver locally specific services tailored for different needs of different places.	The large amount of primary school rooms built with community support is a commendable achievement. This was made possible by central government funds, limited LC funds, and community contributions. But school facilities are standardized and curriculum is nationally decided. Thus, tailor made solutions are not really provided.	Many people at the grassroots level say that their home hygiene has improved significantly thanks to frequent discussions held at the LC meetings. The resource allocation for health by local government DECLINED with decentralization, and this has led the MoH to institute a conditional grant of PHC.	Decentralization centralizes policy contents and participation is limited to its implementation phase. But some innovative delivery attempts are made with some success. Desirable outcomes enhance credibility of leaders and legitimacy of polity. Undesirable ones undermine both.
responsive-ness	With decentralization, public services will better match to the concerns and needs of ordinary people. The speed of responses will become speedier. Partnerships with private sector including NGOs can be established.	Largely budgetary allocations match with people's aspirations. But the way this is decided is not fully participatory. Issues are discussed within the LC but feedback mechanism is extremely weak from upper to lower levels. This undermines popular perception over the LC's responsiveness. It in too early to see net resource increases by private sector in response to calls by local governments to private sector in local investments.	Wide range of local consultations and participatory process will enhance effectiveness of designing development initiatives. The speed of responses will become speedier. Partnerships with private sector including NGOs can be established.	It appears that responsiveness may be improved but not significantly. LC often discusses educational issues, but locally available means are limited and solutions tend to be provided from the central government. With the current efforts for recruiting required personnel for teaching and administration, the speed for responsiveness may improve in the near future. The private sector is responding in building community schools and private schools at both primary secondary levels.	Responsiveness is increasing perhaps significantly. A new initiative of health sub-district symbolizes a new significant service delivery structure emerging. The integration of curative and preventive services, and the public-private collaboration in service provision have started with appreciable impacts. This has increased the number of people seeking care and treatment at public health clinics. This in turn requires more human and material resources. As a result, the speed of responsiveness may be improved modestly at best.	Decentralization, through increased interaction between service providers and recipients, increases demand for services. But this creates a new challenge, and additional efforts are needed. Some of this can be met through a newly emerging public-private partnership. But because the private sector is still weak, and donor NGOs tend not to secure long-term partnership, this collaboration can create appreciated opportunities as well as be a new source of vulnerability and complications for public-sector management.
incentives	The adequate incentive mechanisms are needed for ensuring both political and administrative accountability.	The release of grants are not tied to performances nor improvement of accountability. For Ugandans, the notion of accountability is very foreign and new, given its historical past.	Service providers will be more motivated to improve performances since they are closely scrutinized by local population.	The basic salary and remuneration structure is still weak to attract qualified people for teaching. There is limited options for local incentives, although not exhausted.	The basic salary and remuneration structure is still weak to attract qualified people for rural facilities. Many health personnel are ill-qualified. The government has large salary arrears. There is limited options for local incentives, although not exhausted.	Rewards and sanctions need to be coherently devised and implemented holistically. Sticks without carrots are devastating to already unmotivated public workforce and the vulnerable poor. Carrots without sticks may create more corruption, and stakes involved are too high for all parties concerned.
rewards	Good performances needs to be rewarded, especially with additional resources made available.	The overall increase of grants transferred from the center to local governments, backed by increased donor support for decentralization	Good performances are rewarded financially and socially.	Good and bad performances are more or less equally treated. Supervision is not addressing needs for teachers. On the other hand, with assistance of NGOs, some communities are providing housing for teachers as an extra incentive for better teaching.	Support and supervision is weak at all levels, and needs to be redefined to cater for decentralization. Promotion and career development is not performance based. Some communities mobilized their resources to create additional incentives for health care, but this is much less than the case of education.	What are the possible non-material rewards that can be used for both service providers and recipients since monetary means are limited?
sanctions	Bad ones are punished with less resources entrusted.	There is no particular sanction mechanism between the center and the LGs.	Bad performances are punished financially and socially.	Sanctions are rarely exercised within the teaching service. It may be anticipated that where communities provide additional incentives, teachers may feel peer pressure for good work.	Sanctions are rarely exercised within the health service. Withdrawing rewards in case of bad performances is rarely exercised.	How can sanction be exercised without jeopardizing already fragile livelihood of poor service providers and recipients?
free riding vs. virtuous cycle	It can be avoided with appropriate accountability mechanism.	"Common pool" issue can take place in which local governments do not make much efforts to mobilize their revenue since the central government can supplement them.	Decentralization will create "virtuous cycle of incentives."	Virtuous cycle appears to be initiated when communities provide extra incentives (like housing) with NGO assistance.	Virtuous cycle can be initiated when service providers demonstrate that they can cope with increased demand and returns with better services to the public.	Virtuous cycle can be created, but requires variety of tasks to be addressed coherently and simultaneously. Each stakeholder needs to be motivated for mutual collaboration. Material as well as social aspects of motivation are closely linked.

Table 2 Re-centralization vs. decentralization: its accountability implications

	de facto re-centralization through sector investments	more decentralization through more unconditional grants
poverty outcome	it may lead to less material poverty by carrying out poverty focused activities	it may lead to less material poverty and possibly less non-material deprivation by carrying out poverty focused activities
the LC	the LC becomes less significant as a implementer of centrally decided activities	the LC becomes more significant as a development institution
the Councillors	the Local Councillors are frustrated and may try to infiltrate into the center-local relationship	the Local Councillors play more significant role in local decision making process in respective jurisdiction
the civil servants	the administrators become as a mere agents of line ministries of the central government	the administrators become more involved in serving the Local Council under its political leadership
the people at the grassroots	ambiguous: may appreciate outcome, but not appreciate the process	positive: may appreciate both the process and the outcome
accountability	civil servants more accountable to central line ministries administratively; political accountability deteriorates between the Local Councillors and constituencies	political accountability improves between the Local Councillors and constituencies; this in turn may improve the link between center and the LCs
Corruption at local governments	it may lead to less corruption if central governments improve supervision functions	it may lead to less corruption if the constituencies become more involved in monitoring local activities
political implication	not suitable for the NRM because this undermines the LC system; "cheap politics may pay off"	suitable for the NRM to consolidate the LC system; "cheap politics does not pay off"
responsiveness of the LC	unlikely to be enhanced	likely to be enhanced

Table 3   Different outcomes of different sectors

	Fiscal	Education	Health
participation	slightly more inclusive	more inclusive	not much change
service providers			
central gov.	high	high	high
district	moderate	moderate	moderate
sub-county	limited	limited	limited
village council	limited	limited	limited
service delivery points	limited	limited	limited
service recipients	no	limited	no
development process	slightly more participatory	moderately more participatory	slightly more participatory
development outcome	more effective	much more effective	more effective
responsiveness	slightly enhanced but still dominated by central government	slightly enhanced by demand driven approach	slightly enhanced by supply driven approach
empowerment	marginally improved?	marginally improved?	marginally improved?
service providers			
central gov.	moderate - high	moderate - high	moderate - high
district	limited	limited	limited
sub-county	no	no	no
village council	no	limited	no
service delivery points	no	limited	no
service recipients	limited	moderate-limited	very limited
pro-poor?	slightly ?	moderately	slightly ?

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