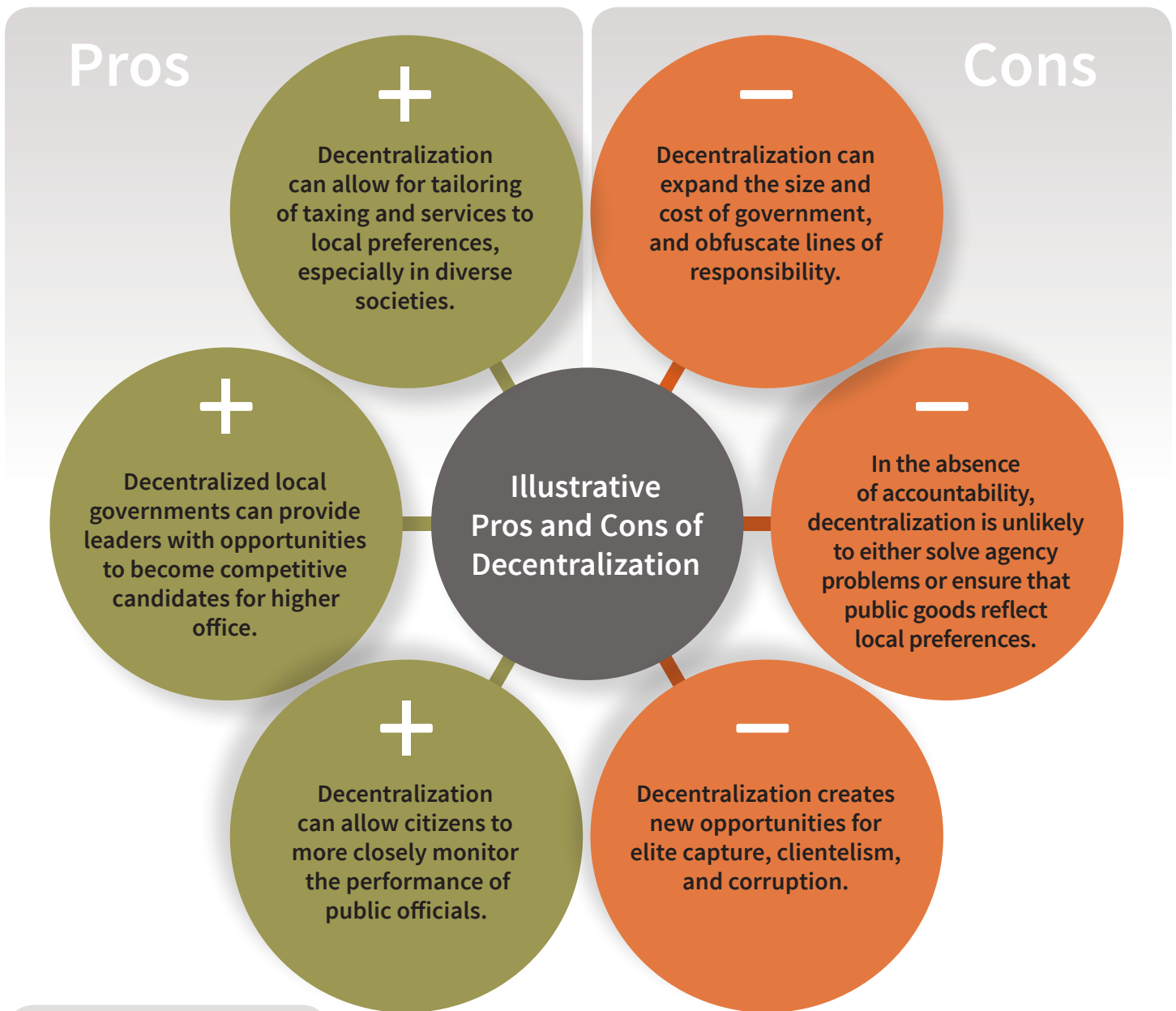# Decentralized Governance and Accountability

USAID-funded research presents findings about the practice of decentralization. Scholars from eight prominent U.S. universities explore accountability, participation, policy outcomes, and other critical issues. This research shows that understanding local contexts is crucial, as decentralization can have negative or positive effects on governance. In particular, decentralization is more likely to improve governance where competitive elections, a robust media, an active civil society, and sufficient resources and capacities are already in place.

Pros

+ Decentralization can allow for tailoring of taxing and services to local preferences, especially in diverse societies.

+ Decentralized local governments can provide leaders with opportunities to become competitive candidates for higher office.

+ Decentralization can allow citizens to more closely monitor the performance of public officials.

Illustrative Pros and Cons of Decentralization

Cons

− Decentralization can expand the size and cost of government, and obfuscate lines of responsibility.

− In the absence of accountability, decentralization is unlikely to either solve agency problems or ensure that public goods reflect local preferences.

− Decentralization creates new opportunities for elite capture, clientelism, and corruption.

Defining Decentralization

Decentralization is the transfer of power and resources from national governments to subnational governments. It can take the form of **devolution**, where subnational governments have a greater degree of autonomy to manage their affairs, or **deconcentration**, where local governments are simply an extension of the national government.

Decentralized Governance and Accountability

Decentralization and the Political Cycle

Participation

- Direct elections increase the legitimacy of local elites thus making community members more willing to contribute to local public goods.

- Traditional leaders are more likely to help resolve disputes and facilitate development when their legitimacy is more dependent on their community than on the state.

- Participatory budgeting is more likely to curb elite domination of politics in cities with a strong civil society and weakly institutionalized parties.

Policy Outcomes

- Own-source revenues tend to produce less waste and better services; yet, central transfers remain the most important revenue source for local governments in many countries.

- Local democracy is highly constrained by national authorities when local governments lack independent revenue sources.

- Decentralization can provide representation for marginalized, geographically concentrated groups, but may result in weakened administrative capacity and corruption.

Accountability

- Local civil society is more likely to provide robust checks and balances on decentralized governments in communities with strong social networks.

- Appointments of local officials rather than elections can produce good outcomes when the success of national officials depends on local output and parties are strong and reward performance.

- In settings where local public servants work for the national government, top-down oversight might curb absenteeism and corruption better than bottom-up oversight from the community.

Recommendations for Post-Conflict Settings

- Decentralization is most successful when all parties have a stake in the process.
- Support of traditional leaders is crucial to successful community-driven development.

- Community-driven development can improve service delivery and socioeconomic wellbeing, but does not always improve governance or prevent the return of violence.

- A sequenced approach to decentralization may be important to prevent non-state actors from capturing resources devolved to the local level.

About the Volume