

Strategies Sectors | **Economy & Territory**

Decentralisation in the Arab World Must Be Strengthened to Provide Better Services

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Decentralisation on the Agenda¹

One of the major features of democracies is the extent to which the State is decentralised. With the advent of democratic transformations in the Arab world, decentralisation already is or will soon be on the reform agenda. Decentralisation is desired for two reasons. One, it enhances democracy and participation in managing local affairs. Two, it consequently leads to better developmental outcomes. The assumption is that delegating authority to lower level authorities will make service provision more effective, as it will be more responsive to the actual needs of beneficiaries, while political representation will also be enhanced through better participatory practices. Moreover, decentralisation is believed to increase representation for religious and ethnic minorities and empower local communities. Many also claim that it encourages flexibility, creativeness, and innovation, in addition to holding local politicians directly accountable.

In the context of the Arab world, decentralisation was partially established by colonial authorities to control the power of strong local leaderships. After the founding of independent nation-states, governments favoured social welfare policies to gain support and legitimacy, often privileging authoritarian rule. Progressively, structural adjustment policies

and neoliberal reforms drastically altered the socio-political system in favour of the governing authorities and their associated elites, leading to a drastic increase in poverty levels. Governments in the Arab region continued to advocate decentralisation, often under the auspices of foreign donors, but very little effective decentralisation of authority was being implemented. Deconcentration was the actual dominant practice, which namely served to strengthen the central government's domination. This led to a major crisis of accountability between different levels of governments as well as vis-à-vis citizens.

In 2013, the Lebanese Center for Policy Studies (LCPS) led a research project funded by the Open Society Foundation on decentralisation, democratisation, and the role of regional administrations for better service delivery in the Arab world. The framework used to study decentralisation and service delivery in the Arab world is structured along three components: i) the making and the politics of decentralisation; ii) the legislation and practice of service delivery; and iii) the fiscal structures of decentralisation. In all three components, we seek to understand the legal framework guiding the studied issue, its evolution over time and its actual practice. One of the objectives is to identify and qualify the gaps and hurdles that impede the implementation of a more decentralised and democratic system of governance, but also to study carefully how these gaps are being navigated, circumvented, and regulated. The project aimed to lay the groundwork for sharing decentralisation and service delivery experiences in five Arab countries: Lebanon, Jordan, Morocco, Tunisia, and Yemen. Five cross-cutting themes emerged from the case studies, which are presented below.

¹ This article is based on a policy brief and book published by LCPS titled "Decentralisation, Urban Management and Service Delivery in the Arab World."

Colonial Legacies Determine Decentralisation Policies

The first theme focuses on how colonial legacies and regional histories determine contemporary decentralisation policies and discourses. The analysis of the political history of country cases reveals that interactions and hierarchies between groups living in regions of the Arab world prior to colonial rule were very much regulated according to a decentralised architecture of power. Colonial regimes deeply re-configured these relationships via the drawing of new territorial and administrative boundaries that cut across regions and hinterlands. They used the technical and administrative dimensions of decentralisation to justify their reforms and to control territories and opposition groups. The aim was to have a firm grip on the newly formed nation-states' territories, applying the classic 'divide and rule' adage. With the establishment of independent nation-states, this approach was further consolidated, using the narrative of the need to build a strong modern state. Deconcentration reforms continued with the same objective of extending the eyes and ears of the central State to localities. However, municipal elections started to be held, and democratic representation began to emerge at the local level.

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This colonial legacy of decentralisation is not the same across Arab states. While in Morocco, Tunisia, Lebanon and Jordan, the building of post-colonial nation-states used centralisation to consolidate state power, in Yemen, decentralisation was preferred as a tool to balance regional powers. In either case, centralisation and decentralisation narratives were used to consolidate the interests of the ruling elites and their networks. These narratives were often accompanied by a modernisation rhetoric that praises the values of a strong state needing to control service delivery and secure its authority over national territory. In Jordan, the King advocates decen-

tralisation to further secure the power of original Jordanian families, create jobs and maintain social peace, while controlling the emergence of Islamist groups within municipalities. In Lebanon, municipalities are also taken up by sectarian ruling powers to further their control over territories and access economic development rents, as well as distribute services to their clientele.

The social and territorial organisational system of Tunisian tribes provided services to constituencies according to a decentralisation hierarchy that was replaced under colonial rule with a new administrative geography aiming to control their power. The independent Tunisian nation-state further consolidated this territorial subdivision and positioned its representatives to supervise regions and localities and administer service delivery. In Morocco, the deconcentration of state services similarly serves to place 'eyes on the street' of the most remote tribal regions, via an extensive administrative system. This ambivalent system that both centralises and decentralises authority well illustrates the policy tensions and contradictions that characterise decentralisation issues in Morocco.

Central Governments Support and Subvert Decentralisation Policies

The second theme investigates how the State advocates but also subverts decentralisation reforms. National actors in Arab countries understood the importance of promoting decentralisation as a reform tool, because this was what international donors desired. Many public officials were wary of relinquishing power and resources and paid lip service to decentralisation. This meant both a push toward adopting decentralisation policies and simultaneously finding ways to circumvent their full implementation. Such dual positioning often leads to paradoxical situations where governments issue decentralisation policies that are halted by other policies, often fiscal, that restrict their applicability. The findings show that international donors are indirectly contributing to the increased centralisation of state power and services, not to mention furthering corruption and inefficiency.

Yemen is a case in point where decentralisation is strongly encouraged by the central State in terms of policy-making, and thanks to extensive aid from donors, leading to relatively effective deconcentration of

technical and administrative services. However, when it comes to political decentralisation, legal, fiscal, and territorial tools are used to restrict the effective empowerment of local authorities. In Morocco, the monarchy exercises stringent controls over elected local authorities via fiscal and administrative mechanisms. In addition, it uses international aid dedicated to decentralisation to strengthen central state services and appoints regional authorities that supervise locally elected governments, at the expense of their empowerment. The Lebanese Ministry of Interior is another example, as it uses multiple sources of funds to study decentralisation reforms, train its employees, and establish in-house service structures -ultimately consolidating its own constituencies and networks at the expense of enhancing local and regional governance.

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A major tool the central State uses to backstop the works of local and regional governments is fiscal control. Indeed, it can provide municipalities with many prerogatives on paper, but can impede their ability to operate and execute by withholding payments, like in Lebanon, or requesting additional fiscal contributions for unexpected expenses, like in Tunisia. It can also, illegally, operate unequal payments, favouring its partners and challenging its enemies.

Decentralised Services Need More Resources and Partnerships with Public-Private and Civil Society Actors

The third theme examines urban management and service delivery, public-private partnerships, and the role of civil society groups. Urban management and service delivery are in most cases relatively centralised services led by national-scale public agencies. Increasingly, infrastructural and technical services are being decentralised to local scales, of-

ten without sufficient human and fiscal resources to manage and maintain them. These are usually coordinated via public-private partnerships according to complicated legal and institutional setups. Such opaque setups lead to management and provision problems, which local governments are directly bearing because issues of accountability have not been clearly defined.

In Morocco, local governments constantly need to negotiate with the central State to access urban services and fiscal resources, generating tensions, especially when conflicts within local governments prevent bargaining strategies. This is comparable to the case of a regional administration in Lebanon (Suwayjani), which managed to get funding to build a waste management plant in its district but failed at insuring a steady flow of resources to maintain the plant, and hence ended up relinquishing its operation to a central state agency. In Tunisia, local governments are unable to control urban management and planning because of their limited resources, lack of legal tools and the pressure of private economic interests. In Jordan, the amalgamation reform of municipalities in 2001 did not improve service delivery as planned; on the contrary, it increased clientelism and inequality in accessing services. Jordanian municipalities are thus mostly unable to effectively provide services to their dwellers and are quite dependent on the central government, mainly due to a lack of technical and fiscal resources. In Tunisia, a dynamic mayor worked closely with NGOs concerned with public transportation, and coordinated a free school transportation system. In Lebanon, a charismatic mayor helped civil society groups establish a successful ecotourism project.

Municipalities Are Reluctant to Collect Local Taxes to Secure Political Loyalty

The fourth theme relates to the reluctance of municipalities to collect local taxes. In all countries, municipalities suffer from low revenues. This is largely attributed to the fact that central governments have given local administrations little tax authority. Central governments have also stalled in distributing funds to local authorities from the intergovernmental grant system. In some instances, like in Jordan and Yemen,

fiscal allocations to local governments followed a political logic, favouring the hometowns of ministers and parliamentarians.

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However, some local governments have failed to optimise on the tax authority granted to them. For some, this is a matter of weak human resources and a poor system of identifying taxpayers. In other cases, municipal councils have chosen not to collect taxes or fees from their constituencies. They unofficially exempted some taxpayers from paying local taxes to gain political loyalty. In Jordan, up to 40% of municipal revenues were not collected in 2003. Jordanian mayors seemed to prefer negotiating grant transfers from the central State rather than antagonise their immediate constituency. In Morocco, too, fear of losing their electoral base, clientelism, and mistrust of public finance make mayors reluctant to collect taxes. Similarly in Yemen, local councils did not want to upset the popular base they needed to appease.

Leadership and Networks of Local Officials Make Municipalities Perform Better

The fifth theme investigates innovations undertaken by local and regional governments. In particular it

explores the features that explain the noteworthy performance of some local and regional governments, their abilities to negotiate their ways through hurdles to delivering better services, think holistically about development projects and establish various partnerships for spatial planning. Such features include leadership, networks, civil society dynamics, political competition, governance, and territoriality. Innovative experiences demonstrate that decentralisation policies can open up avenues for improved service delivery and urban management, and for social and political change, albeit timid and contained.

In Yemen, some local leaders have strong abilities to negotiate with national authorities while advancing solutions that meet their constituencies' needs, often using both legal and extra-judicial networks. For instance, one local council managed to bypass the constraints of limited resources and established cultural activities in its town while another brought water and sanitation services to its constituency despite technical and geographic hurdles. Some regional governments in Lebanon succeeded in negotiating grant packages and mobilising local partnerships to promote strategic planning for their region and initiate economic development through ecotourism strategies (e.g. Jezzine, Sour, Dinniye). Service delivery on the regional level seems to also be more successful in Tunisia where experiences of public transportation in the district of Sidi Bouzid led to positive outcomes. In Morocco, some municipalities led by charismatic figures are succeeding in using institutional setups and international grants to direct them to their locality's needs. Matters were more complex in Jordan, where strong centralisation and direct interventionism by the King prevents opportunities for manoeuvring autonomously at the local level.