



Participation and Local Government

Citizen participation in the decisionmaking and development activities of local governments can produce more efficient and effective delivery of services by the public sector. In order to foster participation, some responsibility must be devolved from the central to local government. However, the assignment of responsibilities to local governments cannot, by itself, ensure participation. Accountable local governments are key actors in any attempt to create an enabling environment for effective participation in public sector activities.

Background

Initiatives by central governments to decentralize significant responsibilities to local government are growing worldwide. As a result, local governments are playing an increasingly important role in the lives of their citizens in such areas as health, education and public works. They are also becoming more active in promoting local economic growth.

Responsibilities that can be most successfully devolved from central to local governments are those requiring location-specific decisionmaking and quick response times, and which have low economies of scale. Other criteria include activities which: do not significantly impact the priority objectives of the entire country; need close integration of cross-sector activities within the area of established local jurisdictions; do not require significant support from other government agencies; and can be contracted to the private sector for technical design, implementation and operation.

As central government responsibilities are devolved to local authorities, new opportunities are created for citizens, NGOs and the private sector to participate in local government activities. As a result, efficiency can be improved in the allocation of resources by better matching services and investments to the needs of stakeholders and their willingness to pay. Delivery of public services also can be improved. Other benefits include broadening accountability (as citizens are involved, mechanisms for accountability external to government are developed), improving equity (in this, central governments can play an important role by providing local governments with guidelines, financial support and quality control related to redistribution objectives) and sustaining benefits (participation can generate commitment to finance the recurrent costs of locally-provided goods and services). Because tensions often exist among these multiple objectives, they must

be considered in terms of priorities and trade-offs on a case-by-case basis.

While the formal structure of authority within governments can influence the type and degree of participation, other factors can be more important. Among these are incentives for central and local government decisionmakers and staff, for private sector entrepreneurs, for formal and informal citizens groups and for individuals. In addition, local governments differ greatly in responsibilities, capacity and operations, not only across countries and regions, but also within countries. For these reasons, the extent and kind of participation are especially sensitive to local circumstances.

Participation can also be impeded if the composition of local governments is nonrepresentative or when local elites hijack benefits intended for others, particularly the poor. The inability of the poor to bear the opportunity costs of their participation can also be an obstacle.

Role of Local Government

The skills required within the public sector at all levels are primarily those of political decisionmaking, planning and financing. While local governments can be assigned responsibility for provision of infrastructure and services, the private sector is often better able to carry out, manage and deliver these goods and services. By contracting the private sector, NGOs or community organizations to take on specific responsibilities, the need for multiple technical functions within local government is reduced.

In encouraging participation, local governments can act in one of three roles: as intermediary, creator of an enabling environment, or direct provider. Unfortunately, many development practitioners limit their expectations of local governments to only that of direct provider.

Role 1: Intermediary

Local governments can play an important role as intermediary between citizens and central government. Acting as intermediary, local governments can facilitate citizen access to information, resources and power controlled by the state, bilateral and multilateral donors, and others. This, in turn, should facilitate the flow of information on social, political or economic matters which can help local people make more informed decisions.

In response to citizen demands, local authorities can pressure central governments to provide resources to implement development activities. Local governments are also more likely to hear groups and individuals which “voice” demands and can help translate that voice so that it can be heard and understood by higher levels of government.

Role 2: Creator of an Enabling Environment

For local citizens to participate in local government requires that there be an enabling environment – a social and political context that encourages, supports and facilitates such participation. An appropriate social and political environment creates expanded opportunities for initiative to be taken by previously marginalized or excluded groups, and provides them with the opportunity to express their opinions, take responsibility for decisionmaking, implementation and operations, and make their voices heard.

Local governments are increasingly called upon to enact and enforce legislation in the form of local ordinances and bylaws. Participation can influence this process in two ways: first, by lobbying for changes in existing legislation and second, by pressuring local governments to comply with such laws. Equally important is the authority vested in local governments to decide who may or may not participate in specified development activities. While the creation of an enabling environment can potentially contribute to the achievement of many development objectives, it has most relevance in fostering greater equity and accountability of local government actions. It enables citizen demands for transparent decision making and operations to have an impact.

Role 3: Direct Provider

The greatest potential for participation by local citizens occurs when local governments provide services directly. This is increasingly the case when some specified responsibilities assigned to local governments can be contracted out to the private sector, NGOs, or community organizations. When such services are provided and produced locally, the geographical proximity of provider and consumer make participation that much easier. The adaptation and modification of services to local needs and conditions

is facilitated. In addition, the demonstration effect of providing services on a timely and adequate basis appears to encourage further community participation.

Mechanisms for Encouraging Participation

The effective facilitation of participation by local governments requires a context of good governance. There are at least four broad interrelated mechanisms through which citizens can enhance the accountability of local governments.

Public Involvement in the Legislative Process

Citizen participation in legislative functions provides the greatest potential for citizens to influence the development decisions of local governments. Just as policy making is a legislative function, so too is deciding how, and how much, public revenue to collect and choosing how to spend it.

Citizens can influence local governments’ legislative processes either indirectly - through elections or the pressure of interest groups - or directly, by being involved in decisions about specific applications of policies established by local governments.

In order for citizens to make informed decisions and effectively influence local government decisions, local government decisionmaking must be transparent and formal channels need to exist for interest groups to influence policy in a transparent manner. An example of such transparency is the established requirement that communities have access to the financial accounts of irrigation projects in the Philippines and Indonesia. Public hearings at the local level, especially as part of planning and budget processes, are another mechanism for facilitating transparent decisionmaking (Box 1).

Public Involvement in Executive Functions

It is more common for citizen groups to be directly involved in executive functions than it is for them to be involved in legislative matters. Executive functions involve implementation of policies and other operational decisions which have already been legislated. Typically, these include activities such as providing labor and other resources in kind for the implementation of already-determined government subprojects at the community level. But direct citizen involvement in executive functions can involve more significant roles, such as the right to approve the work of contractors or executing agencies before final payments are made.

Judicial Processes to Resolve Conflicts

In some countries, the judicial systems can be used by citizens to hold local governments accountable. In such systems, citizens can bring a lawsuit or complaint that local governments have operated illegally to formal

Box 1 **Public Hearings in Chile and Venezuela**

In the early years of the civilian government in Chile, municipalities continued to be headed by mayors appointed by central authorities. Nevertheless, in Conchali, an area of 140,000 low income residents in north-central Santiago, the mayor, as one of her first official activities, held a long series of community hearings involving municipal government staff, organized neighborhood groups and local residents. Based on these hearings, the mayor completely revised the city's recurrent and investment budgets. As a result, far greater resources were put into community services, particularly those assisting working women with families. Programs were expanded or created to provide assistance to the aged and teenagers, support child care, establish multi-purpose community centers and encourage primary health and nutrition.

In Venezuela, a 1989 law requires local governments to hold open meetings every three months, provided that a minimum of 10 citizens request such a meeting in writing. City councils are required to answer questions put to them in advance, and citizens are free to present their opinions, demands and proposals during the course of the meeting.

courts or arbitration and mediation commissions. For such systems to operate effectively, the legal framework within which local governments are supposed to operate must be clearly articulated and understood by citizens.

Consumers as Financial Participants

While financial transfers from central to local governments continue to play an important role in enabling the provision of goods and services at the local level, local governments increasingly need to generate more of their own revenues. Thus, local governments are increasingly requiring some payment by users for investment and services. When that happens, the role of citizens is transformed from passive beneficiaries to that of key decisionmakers — if the consumer does not participate by paying in one form or another, the flow of services will cease.

If citizen consumers are not provided with a role during the identification of potential investment in services, local governments run the risk that citizens will disengage following completion of the project investment phase. Citizen participation is best encouraged by identifying the groups that will need to be involved in financing and managing the post-project flow of benefits and working back from that perspective in order to involve those same stakeholders in the project design and implementation phase. In particular, it is important to ascertain the extent to which citizens are willing to pay some or all of the costs involved in a proposed service up front. Commitment to supporting the ongoing costs of operations and maintenance (O&M) is an important factor for ensuring sustainability. Evidence indicates that local citizens are increasingly prepared to finance O&M when they are able to associate the costs with improved services. In the Philippines, for example, market vendors agreed to a tripling of public market rental rates provided that local governments proceeded with the renovation and reconstruction of old, dilapidated markets.

Attempts to hold local governments and citizens mutually accountable for investment decisions are most likely to succeed where: demands for services are initiated locally; local governments present citizens with alternative cost and technology options for

potential services to be provided; and citizens can formalize their participation through the formation of groups to present their interests over the long term (Box 2).

Key Issues Determining Participation

The degree of citizen participation in local government decisionmaking and activity is affected by a range of factors. Several of these are generic; they arise in most settings. However, the manner in which they manifest themselves in a particular country or sectoral setting are unique.

Importance of the Non-formal Sector

Among the factors affecting the level of participation in local government are the economic and political importance of a country's non-formal sector, and how it is perceived by government. While the economic and political importance of the non-formal sector varies substantially among countries, it is likely to be stronger with respect to local government functions than those of the central government. Thus the effectiveness of the institutional arrangements which link citizens and local government must also be assessed.

Central-Local Government Linkages

The comprehensive term "decentralization" has been used to encompass a variety of alternative institutional structures. One type of decentralization — devolution — holds the most promise for participation. In devolved systems, responsibilities for a range of operations encompassing more than one sector are assigned by the central authority to local governments.

To the extent that local governments have discretionary authority, they can act as they see fit, bound only by broad national policy guidelines, their own capacities and the local physical environment.

An essential characteristic of discretionary authority is that the oversight role of central government is limited to ensuring that local governments operate within very broad national policy guidelines.

Nevertheless, for devolution to create a favorable context for participation, strong linkages and a

Box 2
Mutual Accountability in Brazil, Chile and Ghana

To address consumer preferences for sewage disposal systems in Recife, Brazil, local government offers families three choices: continue with their current system; connect to a conventional waterborne system; or connect to a condominial system which reduces construction costs by 75 percent and monthly tariffs by 65 percent. While availability of technology options has made a major contribution to citizen choice, community participation and organization have been crucial for sustaining citizen support.

Beginning in the early 1980s, responsibility for education in Chile was devolved to municipalities. The central government adopted an innovative method for spurring competition by subsidizing both municipal and private schools based on the number of students enrolled. This made parents into indirect decisionmakers with respect to the financing of education by virtue of their choice of schools for their children. The results were streamlined school budgets and more private schools in low income areas. Municipalities were thus pressured by parents to improve the quality of public schools and the mix of services provided.

In Kumasi, Ghana, the initial design of sanitation systems did not address the needs and preferences of local communities. Not surprisingly, these systems largely failed to sustain the intended benefits of two early Bank-financed projects. A new approach was adopted for the design of a third follow-on project: a survey was taken of potential users to estimate household willingness to pay for improvements of existing sanitation systems in the form of ventilated pit latrines or water closets connected to a sewer system. Based on the survey, it was found that while most households were willing to pay more for the improvements, they were only willing to pay as much for water closets as for pit latrines – despite the fact that the former are considerably more expensive to construct.

negotiated sharing of responsibility between central and local governments is required. Thus, such systems are likely to be complex and often lack clarity (Box 3). Many public sector economic management functions need to be performed at both central and local levels. Participation, therefore, is only partially affected by mechanisms under the internal control of local government. Other, higher levels of government, might be necessary to create an environment supportive of local participation.

Incentives and Commitments

Incentives are an important determinant for operational performance. The incentive issue substantially complicates attempts at effective participation because incentives derive from a

combination of economic, political and cultural interests. Nevertheless, without appropriate incentives and organizational support, it is unlikely that government staff will respond favorably to citizen participation, particularly if local government elites and senior staff regard citizen participation and lower-ranking staff as potentially threatening.

There are two key generic incentive areas which in large measure affect the way a decentralized system actually works: finance and personnel management. The exercise of effective discretion by local governments, and hence the citizens to whom they should be accountable, depends largely on the ability of the government to generate its own financial and staff resources to implement its own decisions.

Box 3
Fostering Local Participation in China

China's economic reform program explicitly links economic liberalization to decentralization. Significant responsibilities in education, agriculture and health have been devolved to the discretion of provincial administrations and on to prefectures, districts and counties.

An important feature of the Chinese system is that most government revenues are collected by local and provincial governments which retain control over a large percentage of them. Local governments have also been given authority to experiment with various reforms, the results of which are reviewed before they are extended to the country as a whole.

However, citizen participation is also hampered by several significant deficiencies in the Chinese model. Foremost among these is the absence of consistent and clearly established guidelines governing the interaction of the various public and private sector actors and functions. Central government authorities interact with local authorities through provincial governments as intermediaries on some issues; on other functions, the central government deals directly with local authorities, completely bypassing the provincial level.