Decentralisation in local government planning: Is it a panacea for municipal service delivery?

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Abstract

This paper attempts to explore whether decentralisation of power in planning and implementation at the local government is a panacea in advancing the efficiency of municipal service delivery. The debate about decentralisation in local government planning and implementation is far from unobtrusive, and it remains a pertinent issue in the recent and on-going political transformation in South Africa. The imprecision to the notion of decentralisation is that it signals a shift and cascade the planning powers and responsibilities from the central government to local government in order to aid people at the ground the power to govern. Local government as the delivery arm of the state is a product of decentralisation, as entrenched in Chapter 3 and 7 of the Constitution of 1996. Therefore, decentralisation is bound in a turbulent environment to deliver municipal services to beneficiaries in their areas of jurisdiction. Centralised approach (top-down) for planning and implementation exclusively at the local government led to fragmented planning that rarely reflect the actual needs of communities, which ultimately lead to the proliferation of service delivery backlogs in may rural areas of South Africa. This paper argues that the culmination of decentralisation in planning and implementation enhances the delivery of services at the local government. The argument of the paper is prolonged by the realisation of the following: decentralisation increases the responsiveness of the local communities and their needs; it increases financial and administrative capacity at the local level and also leads to the greater acceptance and ownership of development programmes and projects in the communities. This paper concludes by giving salient features for effective service delivery through the decentralised local government planning.

Keywords: Decentralisation, Municipal Service Delivery, Integrated Development Plan (IDP), Developmental Local Government.

Introduction and background

This paper attempts to study to study the following pivotal question: does decentralisation in local government planning a panacea in improving efficiency of the municipal service delivery in rural areas of South Africa? Decentralisation as a

local government approach to planning and implementation has been championed by a vast amount of academics and practitioners as a strategy for achieving improved service delivery and accountability at the local level. According to Ghuman and Ranjeet (2013) decentralisation has resulted in improvements in the delivery of local services accompanied by full autonomy of local government, regular capacity building of local officials and participatory governance. Some scholars' contrary lament that centralised approach to planning is more efficient and successful in redistributing resources in favour of the poor (Bossert, Larranaga, Giedion, Arbelaez, and Bowser, 2003). Therefore, the latter caution the debate about decentralisation which remains a pertinent issue in the recent and on-going political transformation in South Africa. It is of paramount importance to note that motivating factors of decentralisation vary across different countries, yet the underlying ideology or philosophy remains improvement in the delivery of municipal services (Shan and Thompson, 2004).

The local government as the sphere of government closest to its constituents and the delivery of arm of state is a product of decentralisation. The local government is assigned the responsibility by various pieces of legislation to promote bottom-up (micro-level) approach to development planning and implementation as opposed to centralised top-down planning and management approach to development that led to fragment planning that rarely reflect the actual and intendants needs of the people at the ground. Therefore, the local government efficiency and for effective municipal service delivery to be achieved, it propels that decentralisation should take the centre stage wherein decision-making powers, authority, responsibilities and resources from the centre are cascaded to intermediate and local units of administration (Ghuman and Singh, 2013).

This paper appraises the micro-level development thinking (participatory- approach) which emphasizes the need to integrate community participation in local government affairs. But however, argues that as long as people are still far from local government in terms of decision-making powers, then municipal service delivery will continue to be unresolved in almost all municipalities (Dikotla, Mahlatji and Makgahlela, 2014). Nevertheless, the *Municipal Systems Act, section 25(1)* enacts the adoption of integrated development planning as a coherent strategy for municipalities to be developmental in nature with the purpose of overcoming centralised top-down or technocratic planning approach (RSA, 2000). The adoption of the latter is found intensively to operationalize the goals of decentralisation and further culminated at the hands of the people to dictate and determine what constitutes their own form of development.

Conceptualizing decentralization

The concept decentralisation is not static, it has continued to gain momentum and change exclusively along with its context in both developed and developing countries. Conyers (2007) asserts that the history of decentralisation it has been affected by a number of changes in the form of government which has taken place over decades. Notably, the significant changes in the conceptualisation of decentralisation took place in the final quarter of 20th century in an evolving context and debates about governance (Cheema and Rondinelli, 2007). Ayee (2008) simplistically considers

decentralisation to be contrary to centralisation which involves more of delegation of power and authority from central government to the peripheral agent. Similarly, Vein Smith (1985) conceives of decentralisation as reversing the concentration of administration at a single centre and conferring power to local government. Wakwete (2007) also defines decentralisation as a form of governance that transfers authority and responsibility from central to intermediate and local government. However, in this paper decentralisation is viewed from administrative perspectives as it refers to the transfer of decision-making powers, planning responsibilities, roles and management from central government to subordinates units or local level of government. The latter is rooted and evident in a definition advanced by the World Bank which views decentralisation as the transfer of authority and responsibilities of governance and public service from higher levels of government to lower level (World Bank, 2008).

Decentralised planning: a quest for effective service delivery

Worth noting is the fact that the needs and demands of the people at the ground or communities are not firm given their turbulent environment. Their needs are continuously changing and no public institutions and nor municipalities can meet all the fundamental needs and demands in the absence of decentralized planning at the local level (Makgoba and Ababio, 2015). Efficacy of service delivery in most of the instances is attributed to the involvement of people at the ground level in a wide range of administrative policy making (decision makings), including the determination of the levels of service and setting budget priorities (Freysen, 1998). The decentralisation in the local government planning is widely believed to have closer ties to the people. It is also assumed to ease local communication and privileged knowledge of local context to improve the efficiency of public services (Mhina, 2015). Consequently, decentralisation strategically position local government in a better spot to enable identification of priorities and also the quantity of services that suits local demands (Nordholt, 2004). Theoretically the goal of decentralisation is clearly in most cases indicated in *Oates decentralisation theorem* (Oates, 2006). The theorem contends that it will always be more efficient for a local government to provide goods or services within its own sphere of jurisdiction than for a central government to provide goods or services across several local authorities (Oates, 2006). The decentralisation theorem establishes a platform for articulating why local government deemed it imperative and necessary to decentralise their governance structures and the provision of public services. This is because the *"One size fits all"* approach fails to meet the intendants needs and demands of communities; therefore it is within this backdrop that every locality will want the variety of goods or services.

Decentralisation and poverty reduction: in the South African context

Poverty reduction in this paper will be used as an indicative measurement for effectiveness and efficiency of decentralisation in enhancing municipal service delivery. Apart, from the delivering of municipal services, decentralised planning on

the other side ought to contribute to the local socio-economic development (Mhina, 2015). Decentralisation can impact on poverty by means of making of making heard the voices of the poor by improving poor people's access to municipal service provision (Jutting, 2005). The decentralisation of power facilitates the creation and the realisation of democracy by encouraging poor people to genuinely participate in decision-making of the development planning processes in their areas of jurisdiction. Given the proximity of the previously marginalised group in terms of access to variety of municipal services, subsequently, the decentralised local government planning brings closer the people to be able to make a determination of what constitutes their development practices. Crook (2003) demonstrated that decentralisation advocates argue that decentralised governments are proven to be responsive in meeting the needs of the people at the ground as opposed to central government. The latter is because decentralisation ties closer the governed and further culminates the government to be knowledgeable about the priority needs of the people (Crook, 2003).

Decentralised planning in South African system of governance deemed necessary and highly imperative to encourage local participation, service delivery and poverty alleviation initiatives at the grass root level pertaining to the socio-economic transformation of the most disadvantaged and marginalised groups in the society (Makgoba and Ababio, 2015). It is again worth noting and a matter of fact that the country's decentralised development planning and implementation is indebted in policy prescripts for poverty alleviation and further rooted in the context of developmental local government. Developmental local government by its definition refers to the local government committed with a developmental mandate to work with citizens and groups in the community to find sustainable ways of meeting their social, economic, and material needs and improve the quality of their lives (RSA, 1998). Therefore, the aforementioned explanation points out the significant role of local government in identifying and addressing the needs and priorities of communities through decentralised planning approach.

A vast amount of policy makers and planners in different countries particularly in South Africa continue to underline the decentralisation of power and resources as a tool for addressing rural poverty largely in countries where majority of people lives in impoverished rural areas (Jutting, 2005). Some scholars argue that the decentralisation of power had limited impacts to poverty reduction. For example, the study was conducted in South Africa by Ghuman, and Singh (2013) revealed that the processes of decentralisation has been adopted theoretically whilst its applicability at the local level remains a major challenge and questionable. Ayee (2008) conducted a study in Ghana and demonstrated that the process of decentralisation of power and resources to local authorities is not entirely a good strategy to reduce poverty and the processes has had limited impacts on poverty alleviation. The study further eluded that the causes of the failure of the latter is attributed to poor design of the processes reflected in the form of political, administrative and fiscal constraints.

Dimensions of decentralisation

Given the complexity of the concept decentralisation, the literature on the other

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side embraces the elusiveness of the ideas and meanings of decentralisation. The meaning of decentralisation differs depending on the type of disciplines and the type of organisations. Moreover, its application also varies according to contextual realities (Makgoba and Ababio, 2015). The decentralised approach is more related to the question of why, how and to whom to cascade the power in order to enhance the benefits of this approach in governance and development. Therefore, emphasis on this paper will be given to political, administrative and fiscal decentralisation. First, the main objective of political decentralization is to improve relationship between local government and the community at large. This relationship is reflected in terms of distribution of power. Hence, political decentralization also called democratic decentralization or devolution entails the transfer of powers and authorities from central government to elected local representatives (Ayee, 2008), who are given autonomy to determine all their local process of development. The key characteristics of political decentralization include some of the issues such as (Cheema and Rondinelli, 2007; Ribot, 2002): implementing legal reforms to devolve power; increasing local government ability to act; increasing local government's accountability, transparency, and responsiveness; enhancing the role of civil society; and active participation of community in development. Therefore, political or democratic decentralization is more related to promoting people-centered development approach, which aims to achieve people's quality of life through focusing on important values such as empowerment, capacity building, participation and sustainability.

Administrative decentralization is therefore, more concerned with improving functionality in terms of administrative capacity and capability. To put it differently, capacity building (human, financial, and institutional capacity) is the main priority of administrative decentralization. Administrative decentralization mainly refers to transfer of policy making, planning and management responsibilities from central to local levels, it can be in the form of de-concentration and delegation (Rondinelli, 1986). According to Rondinelli, (1986), the types of administrative decentralization can be classified as de-concentration and delegation. De-concentration refers to transfer of administrative authority and responsibility to lower levels within the same organization; while, delegation involves handing over managerial responsibility for specifically defined functions to organizations that are not directly controlled by national government such as public corporations and regional development agents.

Fiscal decentralisation refers to the process, by which the central government or its agent in a system transfers influence over budgets and financial decisions to local government. It involves the assignment of financial resources, and control of own sources of revenue, to local government together with properly defined expenditure authority (Smoke, 2001, Ayee, 2008). Fiscal authority may be assigned to a de-concentrated bureaucracy that is solely accountable to central government or to democratic bodies and, particularly, devolved local councils (Jutting, 2005). Fiscal assignments in the form of intergovernmental transfers can play a vital role in bridging fiscal gaps, correcting interregional resource disparities, and, when linked to participatory mechanisms, it can enhance popular participation and give voice to people at grassroots levels (Manor, 1999; Smoke, 2001).

The normative goals of decentralisation: with specific reference to service efficiency, equity and good governnance efficiency

The decentralisation of government administration to local governments, which are believed to have closer ties to the people, easier access to local information and privileged knowledge of the local context, is said to improve allocative efficiency. This is said to be so because it is believed that local governments are in a better position to identify the right mix and quantity of services to suit local demands (Oates, 2006). In theory, the efficiency goal is most clearly set out in the *Oates decentralisation theorem* (Oates, 2006). The theory contends that it will always be more efficient for a local government to provide goods or services within its own sphere of jurisdiction than for a central government to provide such goods or services across several local authorities (Oates, 2006). Theories of public administration and management also stress the importance of decentralisation in terms of 'technical efficiency' in delivering services to the public arising from increased accountability and responsiveness (Oates, 2006). In this understanding, decentralisation leads to improved decision-making which, in turn, increases efficiency and effectiveness in planning, coordination, innovation and policy implementation.

Equity

Although decentralisation has been championed by academics and practitioners as a strategy for achieving improved efficiency, responsiveness to local needs, and accountability, very few scholars have claimed that it is likely to lead to improved equity in the delivery of public services (Bossert et al., 2003). Conversely, many scholars have argued that centralized systems are more effective in redistributing resources in favour of poorer areas and poor people. It has also been argued that local governments may not have the incentive to pursue redistribution in their jurisdictions unless compelled to do so by the central government through the imposition of inclusive local political processes or centrally determined targeted interventions and conditional transfers (Smoke, 2001). Linked to this is the argument that the redistribution of resources from wealthier to poorer areas should be the responsibility of central governments since local governments are constrained by their internal resources (Smoke, 2003). A further concern in the literature is that local governments are frequently prone to elite capture and that, in such situations, local control and local financing of service delivery will disadvantage poor communities if targeted interventions are not specifically designed by the central government to address the needs of poor people (Bossert et al., 2003; World Bank, 2004).

Good governance

From a governance perspective decentralization is seen as a means to empower citizens by giving them voice, resources and a measure of self-government. Since local governments are said to be closer to the people, it is argued that decentralisation improves governance by increasing the level of interaction between citizens and

the local state and by enhancing their capacity to meaningfully influence decision making on issues relating to the delivery of public services (Treisman, 2007). It has also been claimed that African states seeking to address institutional incapacity, weak accountability, poor service delivery and the alienation of their citizenry would benefit from the introduction of effective participatory systems (Dia, 1996; Olowu, 2001). In theory the governance goal of decentralization is derived from both the ideals of liberal democracy and participatory democracy. Liberal democratic political theory, stemming from the work of John Stuart Mill and others4 envisages the returns both central and local government could derive from devolution and popular participation in formal political structures at the grassroots level (Mhina, 2015). The theory puts forward political stability, political participation, accountability and responsiveness as the political benefits that can be attained from decentralization.

Arguments for and against decentralization in South African local government context

The experience of decentralization in poor countries of the third world has divided academics, development practitioners, policy analysts, governments and the international community into two broad blocs: the proponents of decentralization as the means to advance governance and development and its sceptics (Conyers, 2007). The arguments of the proponents of decentralization include the fact that it brings public services closer to the people and, hence, that it provides opportunities for active participation in decision-making and local policy processes; it leads to improved accountability resulting from popular participation and closer scrutiny of local government activity and spending; speedier services delivery due to the elimination of extended bureaucratic procedures; greater responsiveness of services to the needs of different communities; the deepening of democracy; and the enhancement of good governance through the efficient assignment of functions and responsibilities between the different levels of government (Oates, 2008). Those in favor of decentralization place emphasize on the efficiency outcomes which they believe are more likely to be achieved through a bottom-up approach than through centralized or top-down systems.
In their arguments against decentralization, the sceptics put forward concerns about the extent to which it increases disparities and inequality among localities; jeopardizes stability and deflates national identity by encouraging regional identities; gives rise to the capture and manipulation of local structures and autonomy by rent seeking local elites at the expense of general populace; increases corruption and erodes accountability at the local level; and undermines efficiency and effectiveness due to local level resource constraints experienced in most poor countries (Saito, 2008). The problem of elite capture and domination by traditional authority structures, in particular, is seen to be a recurring problem and is cited as one of the reasons why the poor often prefer to deal with central government officials rather than with their local government counterparts (Cheema, and Rondinelli, 2007). Other arguments against decentralization stress the lack of capacity at the local level, and the fact that most local governments lack technical and managerial skills and their staff is generally of

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a low calibre (Ayee, 2008.). Decentralization is also believed to increase fiduciary risk in countries with weak financial control. Of particular concern is the fact that it can aggravate corruption at the local level due to the close proximity of local officials and politicians to clients and contractors and the opportunities which this can create for improper conduct (Ghuman and Singh, 2013).

Conclusion

Decentralization as an approach to improve the efficacy of service delivery in South Africa has been practiced since the new era of democratic dispensation. Decentralization as an approach emerged to transform the socio-economic situations of the people at the grass root level. This is because of the unprecedented and long-standing patterns of service delivery backlogs municipalities were experiencing. Therefore, it is clear that the latter signals a shift from the local government planning and transformation to more of cascading the autonomy to the lower echelons of governance wherein the decision-making powers and responsibilities are the hands of the people. People at the grass root level are in a position to decide what constitute their own way to development for improved service delivery. Therefore, it is also necessary to further conduct studies on the extent to which people at ground level are given the autonomy to influence and lead their own development efforts in planning and implementation of development processes for improved service delivery.

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