

Decentralization and Social Service Delivery in Uganda: Acritical Analysis of the literature review

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Abstract: *Decentralization differs from nation to nation and from region to region; the reason for this concentration is that the majority of social services provided by the government, such as those related to health, education, water, and sanitation, are routinely failing. Investigating decentralization and service delivery in the Kamuli district was the goal of this study. Top political figures, council members, HR managers, and support workers were surveyed to gather the data. The collected data were examined using the Statistical Package for Social Sciences (SPSS), and the results were then evaluated in light of the study's four primary goals. The study's key conclusions were that social welfare laws and regulations needed to be reviewed and that the government needed to make a political commitment to providing social protection to all vulnerable groups. There was no conclusive proof of past research that were comparable to this one in the literature review. According to the study's findings, the demand for social welfare services is primarily determined by factors such population growth and the rate of urbanization. Local government authorities must take this reality into account, particularly during long-term planning. The study recommends that the ministry focus on social welfare employees, as well as carrying out ongoing reviews and trainings, deliberate steps should be taken to communicate and distribute important policy materials. The government should ensure that schemes of service are frequently reviewed in order to prevent employees from remaining in a single job grade for an extended period of time. Further study on decentralization and social service delivery in Uganda is needed to aid in addressing social issues.*

Keywords: Decentralization, Delivery of social services and public organizations

Introduction

The literature was reviewed within theoretical and conceptual frameworks and presented in accordance with the study objectives to provide academic foundation, empirical support, and to make this work thorough.

Decentralization and Community Empowerment

Recently, decentralization has drawn more attention on a global scale. There are three components to decentralization, which entails transferring authority from the national government to local governments. Decentralization in the areas of finances, administration, and politics. While the political dimension looks at the politically appointed executives to head local governments, the administrative part looks at the organizational structure of local governments. The financial and expenditure agreements between the local governments and the central government are the main focus of the fiscal dimension.

In terms of the extent and scope of the transfer of power and responsibility to the local level, the 1992 decentralization reform in Uganda stands out among developing nations. It has received accolades for being "one of the most comprehensive local government reform projects in the developing world" and "one of the most dramatic devolution initiatives of any

country at this time" (Francis and James, 2003: 325). (Mitchinson, 2003: 241). The National Resistance Movement (NRM) government, under by President Yoweri Kaguta Museveni, has been steadfastly devoted to decentralization since it came to power in 1986. It has supported such an ambitious and

Here, I just evaluate decentralization on a qualitative level rather than attempting to quantify its effects.

I use data from a variety of sources, including unstructured expert interviews conducted during two field research periods in Uganda between May and July 2004 and May and June 2005, a visit to one sample district (Tororo), a review of the literature and a number of primary sources, as well as an analysis of data from the National Service Delivery Survey (NSDS), to compare the decentralization reform as it was intended and as it is currently implemented and functioning.

Political, Administrative, and Fiscal Elements of Decentralization

Through a presidential policy declaration, the current decentralization reform was formally introduced in October 1992 (Villadsen and Lubanga (1996), Nsibambi (1998), Obwona et al. (2000), Saito (2003), and Steffensen et al (2004). The Local Government (Resistance Councils) Statute of 1993 was the first to codify it, and the Constitution of 1995

and the Local Governments Act of 1997 followed. In rural areas, the village (LC1), parish (LC2), sub-county (LC3), county (LC4), and district (LC5) make up the local government system. In urban areas, the village (LC1), ward or parish (LC2), municipal division, town, or city division (LC3), municipality (LC4), and city (LC5) make up the local government system (1995 Constitution) The highest levels of local government are the district and the city (KCCA statute).

. Administrative units are the rest of the entities. The primary distinction between higher and lesser local governments and administrative entities is that only the first are corporate bodies with fixed succession, a common seal, and the ability to bring or defend legal actions in their corporate names. Despite their differences in size, political and administrative systems are nonetheless the foundation of both local governments and administrative entities.

The council is the political body at all local levels, and its members are chosen through open elections. Council members either speak for particular electoral districts or interest groups., namely women, youth, and disabled persons (Tripp (2000) and Goetz (2002)). In past elections, voter turnout appears to have been relatively high: Steffensen et al. (2004) report that turnout was 47 percent in local elections in 2001, and Azfar et al. (2001) state that 80 percent of the households interviewed by them voted in local elections. The administrative organs of both higher and lower local governments comprise of administrative officers and technical planning committees who are respectively in charge of accounting and coordination as well as monitoring of the implementation of sectoral plans. For bottom-up participatory planning and budgeting to be possible, the district technical planning committees are responsible for gathering and integrating plans from lower local governments. The administrative system is substantially more extensive here than it is in smaller local governments because the district (and city) is the highest level of local government. The directorates for finance and planning, education and sports, health services, management support services, production, works and technical services, and community-based services are typical examples of the several directorates that districts have for various sectors. Besides, there is a district service commission responsible for the hiring and firing of local civil servants and a district tender board in charge of local tenders. Except for some technical staff, administrative units do not have well-established administrative structures.

The Local Governments Act is quite thorough and exact in identifying which levels of government are in charge of particular functions and services with regard to the delegation of duties to various local levels. According to the subsidiarity principle, it is determined that local governments and administrative units are in charge of the tasks and services that the aforementioned higher levels are less qualified and appropriate to carry out. Therefore, all tasks and services that are not delegated to the center are generally handled by local governments and administrative divisions. In very broad terms, national public goods like defense, security, foreign

relations, and the development of national standards for sectoral policy-making fall under the purview of the central government, while local governments are in charge of delivering local public goods and services and managing facilities. For instance, district councils are in control of all water services and all health services, with the exception of tertiary education services; urban councils are in charge of street lighting, ambulance services, and fire brigade services; and lower local governments councils are in charge of the provision of nursery and primary education, the provision of agricultural ancillary field services, and the control of soil erosion.

Local governments are allowed to levy, charge, and collect local taxes and fees as well as a number of intergovernmental grants in order to enable them to carry out their duties (Obwona et al., 2000) District and urban local governments are permitted to levy property tax, a number of non-tax kinds of revenue (market dues, trading licenses, parking fees, school contributions, etc.), and progressive personal tax up until the fiscal year 2005/06 The legislation states that local taxes and fees are collected locally and distributed solely among the various levels of local government and administrative organizations. Local governments, however, receive intergovernmental transfers from the central government in the forms of unconditional, conditional, and equalization because these revenues are incredibly low. The vast majority of local revenue comes from these transfers (nearly 90 percent in recent years). Transfers have grown significantly over time in absolute terms, conditional grants more so than unconditional and equalization grants. Approximately four out of every five grants are conditional, compared to just one out of every five that are unconditional. Equalization grants never attained absolute significance.

Linking decentralization and improved service delivery: theoretical and practical arguments

According to Musgrave, 1959, local decision-makers have better access to information about local conditions than central authorities do.

According to Oates (1972), the variability of taste and spillovers from the common good led to the development of an economic argument. Oates utilized models to illustrate how local governments might modify their outcomes to suit local preferences. The central authority, on the other hand, produces a uniform level of products for all localities. Furthermore, because they are more in touch with the community, subnational governments can adjust their budgets to suit local tastes, which better reflects the choices of their constituents.

The efficiency improvements that can be obtained by decentralization may be offset by other efficiency gains originating from central arrangements, such as economies of scale and the ability to recruit superior employees, according to a number of reasons (De Mello, 2004). Despite the fact that this is a strong argument, other academics have suggested that the benefits of central provision may also be overstated

(Oates, 1972; Prudhomme, 1995; Sarmistha & Jaideep, 2010). The potential for allocative and efficiency benefits has significant ramifications for enhancing the provision of public services.

Another strategy to increase the effectiveness of service delivery is accountability (Prudhomme, 1995; Treisman, 2002). The central government departments do not encourage service recipients to think of themselves as clients (Rondinelli, 1981). Dellinger later supported the idea and cautioned that the system, which concentrates a sizable portion of the central government's discretionary spending through its ministries, would struggle to meet the requirements of its national constituency. This was in 1994. Therefore, decentralization opens up more avenues of communication with the national government.

The sections that follow will explain how decentralization's multiple aspects—fiscal, administrative, and political—shape service delivery at the subnational level.

According to McLure in 2002, adequate financial resources and control over expenditure obligations are necessary for any effective municipal service supply. McLure adds that there are two different forms of fiscal resources. Subnational governments may be held to a higher standard of responsibility thanks to both external and internal sources (locally generated funds). Additionally, the subnational government should be given sufficient latitude in making decisions regarding how to use those funds to carry out the public service obligations placed on it (R. M. Bird, 1986; Sacchi & Salotti, 2014a).

Different levels of discretion are set by central governments in relation to the usage of financial resources. They are designed to guarantee a specified level of spending on particular products and services offered by regional budgets. They are influenced by a number of variables, including institutional limitations, national ambitions, political concerns, and the ability of the local government to manage resources. From a fiscal perspective, the central government can typically limit spending allocations by placing restrictions on shared revenues and transfers to local governments (such as earmarked transfers or conditional transfers), by enforcing sub-national borrowing.

Local governments often cannot hire or fire employees under this sort of administrative decentralization, determine salaries, or alter the organization of the existing network of service facilities (i.e. number, size, and type of facilities). Simply put, day-to-day operations are managed by local branches and representatives in charge of services on behalf of the central ministry and under its supervision.

Delegation implies giving service providers at the subnational level control over execution. The central government transfers authority for implementation and administration to local governments through delegation, especially for service facilities that are not entirely under the control of central ministries but are ultimately answerable to them (Rondinelli, 1981). Delegation plans employ both devolution and deconcentration.

Devolution gives sub-national bodies complete control over administrative decision-making. It gives them the authority to make legal decisions and the capacity to produce and manage resources, including the recruiting, firing, career management, and compensation of sub-national public sector employees. Additionally, it often gives local governments the power to reassign resources (including personnel) among service facilities under their control in order to adapt to local conditions (World Bank, 2004b). Political decentralization refers to the transfer of power from the state to the people through representatives they elect. Citizens now have a voice in political decision-making thanks to political decentralization. Unlike decisions made at the national level, those made locally reflect the diversity of interests in society. As a result, it is anticipated that service delivery plans will take into account the wide range of societal interests.

Increasing accountability through political decentralization is crucial for better service delivery (World Bank, 2004b). The idea is that if residents have the authority to choose their CEOs and officials, they will be able to re-elect or remove them based on their policy choices and the provision of services that have an impact on the citizens.

Challenges faced by local governments in service delivery

(a) Resistance at the Centre

As mentioned above, the NRM government has been strongly committed to decentralization due to its aspiration towards a grass-roots based and participatory form of democracy. In this regard, Uganda is different from many other countries where decentralization was motivated by a fiscal crisis of the central government or by external conditionality. However, it should be kept in mind that local councils were originally established for political reasons and not with the aim of improving service delivery or reducing poverty. These objectives entered the picture only later and since they involve the transfer of considerable responsibilities and power from the centre to the local level, they do provide ground for resistance to decentralization. Resistance is mainly to be found within the administrative structures of line ministries, as these are supposed to give up part of their discretion to the benefit of local governments. Whereas this type of resistance is natural and generally to be expected in the course of decentralization reforms, it need not represent a major obstacle if there was a spearheading institution pushing the reform through and relating it to other policies and reform programmes. The lack of such an institution appears to be one of the most According to one of the current decentralization consultants, there are significant limitations in Uganda (Steffensen et al. 2004). When they state that "it is unclear who is now responsible for advocating the process," Land and Hauck (2003: 15) follow in his footsteps. The Decentralization Secretariat was created as an advocacy organization during the early stages of the decentralization reform. In order to aid the implementation of decentralization, this secretariat was established under the

direction of the Ministry of Local Government (MoLG) in 1992, and it was given a wide range of tasks (Villadsen, 1996). In the early years of the reform, it supplied "very competent critical technical counsel," but was closed in July 2004 because capacity had supposedly been built in.

(b) Financial Shortages

Currently, intergovernmental grants account for around 30% of the overall budget distributed to local governments, while local governments account for about 27% of all public spending. In regional and even interregional comparisons, these fractions are relatively large, but it is important to consider them in the context of expenditure allocations. Due to the decentralization of the majority of service delivery tasks, there are significant financial demands at the local level. But in the early stages of the process, fiscal decentralization was conducted without a systematic costing of decentralized services, and delegating additional tasks was done without proper compensation of these expenses (LGFC, 2000). Although transfers have gradually increased, the expenses of local services have not been properly taken into account, and local governments have consistently voiced concerns about their inadequate financial situation. The Local Government Finance Commission (LGFC) conducted a study to determine the validity of this complaint and discovered that local governments had an annual recurrent expenditure need of Ush 228 billion (roughly US\$ 150 million, or € 167 million) in 2000/01 that was greater than the conditional grants they received, with the majority of it going toward general administration, health, and agriculture (LGFC, 2000). Although it was recommended that two thirds of this sum might be paid for by grants that were both unconditional and equalization-related, as well as a significant rise in locally collected revenue, a third of it was still unpaid. The central government was informed of the study's findings and the recurrent transfers have since increased. But a recent report reveals that funds are still not commensurate with service delivery requirements, which is reflected by the long list of unfunded priorities in local governments and funding gaps in sector strategic investment plans (MoLG, 2004). The primary issue with municipal finance is the extremely poor, roughly one-third to one-half below potential, collection of local taxes and fees (LGFC, 2000). Numerous factors contribute to this, including the politicization of local taxes, widespread population resistance to paying taxes as a result of arbitrary, regressive, and occasionally coercive collection practices, taxpayer ignorance of the relationship between taxes and services, collusion between tax collectors and taxpayers, and a lack of administrative capacity at the local level (Livingstone and Charlton, 1998; LGFC, 2000; MFPED, 2000; Ellis and Bahiigwa, 2003; Francis and James, 2003; Bahiigwa et al., 2004; Kasimbazi, 2004). I believe that the high level of intergovernmental transfers represents an additional disincentive for collection of own local revenue, as also pointed out by Republic of Uganda (2002) and Land and Hauck (2003).

(c) Lack of Education, Experience, and Information

In addition to the shortage of financial resources, local governments also struggle with a shortage of educated and experienced manpower. Both politicians and civil servants are often inadequately trained, which is not surprising given the relatively low level of education in Uganda. With regard to the administrative and service provision structures, there is a general lack of civil servants, such as accountants, planners, engineers, teachers, and health workers, and remote areas face particular difficulties to recruit and maintain educated personnel (Price Waterhouse Coopers 2003). Subsequently, delays and inconsistencies in the planning and budgeting as well as poor service delivery are prevalent in many local governments. Staffing structures and levels are partly inadequate, as they were not co-aligned with the devolution of functions and responsibilities similar to the case of revenue assignments. A restructuring of local governments is thus under way (MoPS, 2003). A further constraint is the fact that some local governments appoint staff on the basis of ethnicity or residence rather than merit, which also has adverse effects on the quality of administration and service provision. With regard to political structures, a problem consists in the partly low educational level of councilors who often turn out to have completed less school years than civil servants. This is not particularly surprising since councilors are elected and not recruited based on their educational qualifications. However, it provides scope for differences and conflict between the administrative and political wings of local governments, in particular as civil servants receive lower wages and allowances (Foster and Mijumbi, 2002; Francis and James, 2003).

(d) Corruption, Patronage, and Clientelism

The fact that the principles of decentralization are not yet fully comprehended bears the risk "for the process of decentralization to degenerate into a scramble for local influence and local power" (MoLG, 2004: 4). Francis and James (2003: 336) note that under the conditions on the ground "those with vested interests are capable of turning the institutions and opportunities created through decentralization to their own advantage." Essentially, this implies that there is wide scope for corruption, patronage, clientelism, and elite capture. But caution must prevail here. Knowledge about the incidence of these practices is restricted by their sensitive nature, and general conclusions should not be drawn from single cases. It is sometimes believed that decentralization has led to a mere dispersion of corruption, "redefining the character of corrupt relationships from those controlled by the centre to those controlled by district-level officials" (Watt et al., 1999: 48). However, contentions that corruption is higher at the local level may be influenced by perception distortions since local corruption may simply be more visible (Martinez-Vazquez et al., 2004). Even though it is hard, if not impossible, to tell whether there is more or less corruption today, decentralization is likely to have increased the number of people with access to public resources. But it is equally likely to have decreased the amounts used for private gain.

The Second National Integrity Survey, which Deininger and Mpuga (2005) analyzed, and the NSDS offer some insights into the situation of (perceived) corruption at the local level notwithstanding the difficulty in finding quantitative data on the incidence of corruption. In order to assess the prevalence of corruption in various government institutions and provide the empirical support for policies and programs aimed at enhancing accountability and enhancing the delivery of public services, the Second National Integrity Survey was carried out in 2002 among representatives of the private and public sectors. The data illustrate that the incidence of perceived corruption varies widely between the considered institutions, ranging from extremely low levels in the Central Bank (3%) and Ministry of Foreign Affairs (4%) to medium levels in local councils (between 21% and 32%) and to very high levels in District Tender Boards (58%) and the traffic police (70%). Despite the obvious weaknesses of corruption perception indicators, this finding reveals that households are exposed to corruption both at the national and local level. How extensive this corruption really is remaining an open issue. There are different reasons for politicians and civil servants to engage in corrupt practices. Low wage levels and arrears in payment provide strong incentives.

A former official of the Decentralization Secretariat noted that when the decentralization reform was adopted many local people regarded the new structures as a way to benefit from public resources and simply imitated the corruption they had previously observed at the central level. Weak auditing and reporting capacity as well as a lack of reliable accountability mechanisms prepare the ground, as it remains difficult to monitor the use of funds.

An interviewed local government advisor noted, however, that in some cases corruption is unjustifiably suspected due to lacking order or loss of documents. This again confirms that one must be careful when making statements about the incidence of corruption.

A representative of the Inspectorate General of Government pointed to an additional cause for officials' engagement in corruption. He said that since transfers from the centre to the local level are often made with delay, resources are spent in a hurry because accountability requirements necessitate prompt reporting, and hence money is partly used for other than the intended ends.³⁰ And lastly, lack of information among citizens keeps them from demanding accountability from local officials.

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