

**DECENTRALIZATION AND SERVICE DELIVERY: A
FRAMEWORK***

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1. INTRODUCTION

Most governments have both centralized and decentralized levels of decision-making in which choices made at each level regarding the provision of public services are influenced by the demands for those services by persons living in such jurisdiction. This scenario is prevalent in federal and non-federal systems of government. However, it is not uncommon to ascribe fiscal federalism mostly to federal governments. Within this context, decentralization involves the existence of sub-national or lower levels of government. The fiscal relationships and/or arrangements between the centre and the lower levels of government is often called fiscal federalism.

Sub-national governments have been justified for two fundamental reasons. First, representative democracy seems to work best the closer the government is to its constituency. The presumption is that lower levels of government, for example, a local government, is better placed at perceiving the desires and demands of its constituents for public services than a distant centralized government. It is for this reason that most developing economies are stressing decentralization, a process of pushing responsibilities and resources to lower

levels of government. Second, subsets of people in the country have the right to demand different types and quantities of public goods and services. There seems to be clear benefits from allowing subsets of residents to demand different arrays of services.

It can be argued that decentralization may result in better service delivery. The decentralization of the provision of social services such as education, health, water and sanitation may improve service delivery.

At the macroeconomic level, decentralization seems to raise three questions: (i) whether decentralization has resulted in unsustainable fiscal deficits. These concerns contrast with earlier arguments for decentralization in the expectation that it would lead to smaller local governments, thus making fiscal management easier. (ii) Does decentralization make the provision of public services less equal, with wealthier districts buying more services in the decentralized regime? and (iii) the effects on the efficiency of service delivery supposedly the main economic benefits of decentralization.

Consequently, this paper examines decentralization and service delivery. It is anticipated that this framework paper will shed more light on the concept of decentralization, methodology for conducting research on the subject as well as its importance in improving service delivery. In addition, areas for future research will be identified.

The effects of decentralization anchor on the details of its design. Decentralization varies along several dimensions: (1) the specific functional responsibilities being developed to sub-national levels of government; (2) the recipient level of government, that is, local, municipal or provincial; (3) the amount and nature of changes in sub-national financing (tax assignment, conditions for intergovernmental transfers, borrowing rules); and (4) the changes in the mechanism for sub-national political accountability (election versus appointment of mayors, for example) (World Bank, 1998). In Sub-Saharan African countries, these various aspects of decentralization have occurred to different degrees and not simultaneously. Thus, it would be important to understand the effects of different decentralization designs.

2. CONCEPTUAL ISSUES

Decentralization connotes generally the transfer of political power from central governments to sub-national governments. In principle, decentralization is perceived as a means of improving the efficiency and responsiveness of the public sectors. By transferring decision making power to levels of government that are close to beneficiaries, decentralization can give citizens greater influence over the level and mix of government services they consume and greater ability to hold their officials accountable.

Decentralization can comprise three broad aspects. The first is **deconcentration**, a situation whereby central government undertakes some of its responsibilities through regional or local offices without transferring power or responsibilities to any other organization (Richard Scott-Herridge, 2002). The aim is to retain full control of service planning, expenditure and delivery whilst achieving greater efficiency and effectiveness; this is the weakest form of decentralization.

Another aspect is known as **delegation**, where responsibility for decision-making and service delivery is transferred by central governments to semi-autonomous organizations not wholly controlled by it, but remained directly answerable to it for functions delegated to them. These organizations may include local government and parastatals, the private sector and non-governmental organizations (NGOs). In fact, (Rondelli and Cheema, 1983) sees this kind of transfer as a fourth form of decentralization.

A third broad aspect involves **devolution**. This is when central government transfers authority to semi-autonomous local government bodies for decision-making, resourcing, administration and delivery. "They are not directly accountable to central government although they have to work within statutes and rules set by it. Although these can severely constrain the actions of local government, in principle it remains primarily politically responsible to its electorate "(Richard Scott-Herridge, 2002, p.6).

Other scholars perceive decentralization in a slightly different manner stressing more of the politics of its meaning. They view **federalism** as the strongest form of decentralization. Lower-levels of governments have substantial competencies and resources as well as some rights for self-organization more often guaranteed by the constitution. Thus, decentralization is a kind of vertical power sharing within a political system. This vertical aspect is, however, not the only possible form of power sharing. “The political process can be organized as a fusion of power in which one authority concentrates most of the decision-making. But it can also be organized as a fragmented power system in which many authorities have word to say (Linder, Wolf, 2002). A classical example is the constitutional separation of the executive, the judicial and the legislative powers. Another example includes the proportional system of election or minority statutes or group rights. These imply a horizontal dimension of power sharing since they can be realized on all levels of government whether national, regional or local.

It is apparent that politics is also a key to understanding decentralization which from the outset is a political phenomenon (Manor, 1997). Prud’homme (1995) characterizes decentralization as a political strategy by ruling elites to retain most of their power by relinquishing some of it.

The concept of decentralization can also be explained from traditional public economics and ‘new’ institutional economics. The literature on fiscal

decentralization – intergovernmental fiscal (revenue and expenditure matters) arrangements between levels of government derives from both public and institutional economics. Public economics assigns three roles to the public sector and assumes that policy makers do their best to fulfill them. These roles include: (i) macroeconomic stabilization (ii) income redistribution, and (iii) resource allocation, where markets fail to do so efficiently (Musgrave and Musgrave, 1984).

The fiscal federalism model places the functions of stabilization and redistribution on central governments while sub-national governments are assigned the role of resource allocation. Because tastes and preferences for public services vary among populations, fiscal federalism argues that if the benefits of particular services are largely confined to local jurisdictions, welfare gains can be achieved by permitting the level and mix of such services to vary accordingly. “If local consumers are confronted with the cost of alternative levels of service constituents will reveal their preferences, through voting for rival political candidates or moving to other jurisdictions.” Invariably, local politics can approximate the efficiencies of a market in the allocation of these local public services. This model derives to a large extent from studies in the United States.

Institutional economics provides another insight on decentralization. It attempts to explain public policy outcomes in terms of the motivation of politicians, bureaucrats and households acting in the rational pursuit of self-interest within the constraints imposed by societal rules or institutions. Two concepts from

institutional economics seem useful for analyzing decentralization. First, the concept of principal and agent. The principal agent concept or problem refers to the propensity of an agent, who is compensated to provide goods and services to the principal, to act contrary to a principal's interest. This happens because each party wishes to extract as much value as possible from the relationship in money or other terms. Asymmetric information, incomplete contracts and moral hazard provide the agent the opportunity to do so at the expense of the principal. Therefore, analyzing the principal-agent nexus is critical to understanding the dynamics of decentralization. Second is the concept of exit and voice; exit meaning the ability of customers to take their business elsewhere and voice implying the ability of customers to make their views known directly to providers. Hirschman (1970) considers exit to be the predominant factor in private market transactions while voice is dominant in the public sphere; there are examples of exit in the public sector also.

“Both exit and voice are relevant to decentralization. Decentralizing service responsibilities to local governments would in principle, result in greater variation in service performance among jurisdictions, increasing consumers' opportunity for exit. Decentralization could also improve voice, by lowering costs of influence and increasing probability of impact. The possibility of exit could also enhance voice, because politicians and service providers might listen better out of fear of losing voters, taxpayers, or clients” (Hirschman, 1970).

Decentralization should be linked to good governance which embodies the principles of transparency and accountability, respect for human rights and the rule of law. At the conceptual and practical level, for decentralization to be effective in service delivery, corruption must be at the level of zero tolerance. There is need for capacity at the lower level of government to ensure transparency and accountability. In addition, institutions that will monitor and evaluate performance should be established if decentralization is meant to improve accountability. It is also important that the citizens particularly the local populations are not only knowledgeable but are conscious of their constitutional rights.

The foregoing analysis suggests that the concept of decentralization is influenced by a mix economic, political and social factors. Thus in utilizing the concept of decentralization it would be useful to fully understand its dynamics.

There are perceived merits and demerits of decentralization. The advantages of decentralization include:

- Facilitating good governance by empowering the local population and allowing them to participate in matters affecting their lives. This allows for the local people to be a watchdog on the system and ensure that public officials deliver quality goods and services (World Bank, 2000/2001).

- Improving service delivery. It is argued that the lower levels of government can deliver services such as water, education, sanitation, health etc effectively. Also, at the lower levels of government, politicians and civil servants are more aware of the needs of their community that will be more responsive to providing such services. Preferences of local populations are better known at lower levels of government.
- The productive efficiency argument. This refers to the contention that local governments can produce the same goods and services at lower costs than Central governments. Because sub-national governments are closer to the population, cost of producing goods and services will be minimal. The usual 'middle-men syndrome' and bureaucracy involving contract procedures would be reduced.
- Improving the efficiency of central governments. Decentralization allows central governments to concentrate on national and international issues. The central government can concentrate on macroeconomic policies for the entire economy rather than be pre-occupied with delivering services to all the communities.
- Decentralization may make it less difficult for government to recover the costs of public services. That is, services would be more demand-responsive hence increasing the households' willingness to pay for services. In other words, households and their families are perceived to be more willing to pay for and maintain services that match their demand.

- For some public goods, fiscal equivalence (payers pay for the entire public good but get also all of its benefits) is better realized.
- Fostering competition may result in better public goods at lower prices. “Competition allows for a variety of bundles of local public goods to be produced and individuals can reveal their preferences for those goods by exercising some form of ‘exit’ option – at the extreme, moving to those jurisdictions that satisfy their tastes” (Azfar, O et al, 2005, p.19).
- Decentralized units may need less professionalization and can engage manpower from civil society thus administration costs will be lower and procedures simpler.

However, it should be stated that for decentralization to succeed certain ingredients are necessary:

- Full commitment from national and sub-national government in addition to adequate resources. The central government must be willing to give up control and recognize the importance of sub-national government in service delivery, among other matters.
- It requires an appropriate legislative framework which clearly defines responsibilities and powers of sub-national governments and as well as the expected relationship between central and lower levels of government.
- There is need for accountability and transparency. Decentralization must be accompanied by checks and balances so that there is no abuse of power. This is one way of fighting corruption and clientelism. Corruption implies a breakdown of cooperative behaviour in which few collude to the

detriment of all. Thus, devolving functions to smaller units that are closer to the population should in theory increase consensus and legitimacy concerning the choice of public services. This, in turn, can be expected to foster cooperation, vigilance, as well as acceptance of and adherence to rules of public sector integrity ('rule-obedience') (Azfar, O et al, 2005). This would be effective where the financing of the public services is decentralized through the assignment of tax instruments or the collection of user fees.

- Effective decentralization needs adequate financial and staff resources. Sub-national governments must have the legal authority to raise revenue to support its expenditure requirements. Thus, the fiscal relationship between the centre and lower-levels of government must be clearly worked out on the basis of equity, fairness and justice.
- It is useful that both the centre and lower levels of government engage in dialogue to reduce tension and areas of conflict; more importantly, dialogue is necessary in trying to resolve new challenges. Dialogue is crucial to ensure co-ordination and guarantee macroeconomic stability – a necessary condition for both the centre and sub-national governments; in the final analysis, there is one economy but different layers of government.
- Capacity must exist at the sub-national government level. Sub-national government must have sufficient professional and well-trained staff. Where shortages of qualified and experienced persons exist, the training and re-training should be put in place in order to develop professional and

technical expertise that will provide public services efficiently. Capacity connotes the ability, competency, efficiency of sub-national governments to plan, implement, manage and evaluate policies, strategies or programmes designed to impact on social conditions in the jurisdiction. This aspect is referred to as one of the performance factors and includes human capital, physical capital and incentive structures within government.

We have argued that decentralization is desirable but where the ingredients necessary for its proper implementation are lacking then decentralization and service delivery at lower levels of government remain problematic. These concepts and principles of decentralization have been attempted in several countries. The results have been mixed (World Bank, 2003).

According to a recent study (Ahmad et al, 2005), some common problems associated with decentralization's impact on service delivery include:

- Lack of capacity at sub-national levels of government in exercising responsibility for public services. In Uganda and Tanzania, the lower tiers of government lacked the ability to manage public finances and maintain proper accounting procedures. Consequently, lower levels of government received less money than before decentralization (Ahmad et al, 2005).
- Decentralization may result in misaligned responsibilities either due to incomplete process or for political reasons. For example, in Nigeria, under the Universal Basic Education (UBE) programme, the Federal

Government releases money to State Primary School Boards but cannot hire, fire, replace or evaluate teachers.

- Decentralization has led to corruption of the lower levels of government partly due to weak accountability and transparency issues.
- There are problems tangential to decentralization. For example, the “soft-judges constraint confronting sub-national governments may led to over borrowing”. The social impact of the Argentinian crises at the end of 2001 resulted in the deterioration of service quality: poverty rates jumped 40 percent, medical supplies were in short supply in almost all the public hospitals and there were many school closings during the year (World Bank, 2003).

3. DECENTRALIZATION AND ACCOUNTABILITY

It is argued that the delivery of services needs strong relationships of accountability between the actors in the service delivery schema. The delivery of public services involves at least two relationships of accountability. (i) Clients as citizens have to hold policy makers or politicians accountable for allocating resources towards these services and; (ii) policymakers in return need to hold the service providers accountable for delivering the service. (Ahmed et al, 2005) refer to this as the “long route of accountability” as apposed to the “shot route” which connotes the direct responsibility of providers of clients. If one or both of the links the long route of accountability has a breakdown that there will be weaknesses in service delivery outcomes.

For example if public spending on health and education mainly benefits the non-poor the implication is that poor citizens are unable to hold politicians accountable for resource allocation decision. Assuming that the poor citizens can hold the politicians accountable, the politician at the sub-national level may find it extremely difficult to hold the provider accountable. There must be a mechanism in which clients can monitor and discipline the providers (that is the short route accountability is working) for the frame work to function properly.

Because of the weaknesses of the long route of accountability, it is argued that decentralization can in fact strengthen accountability. Decentralizing responsibility for public services to lower tier of government implies that the politician who is responsible is now locally elected one making him now more accountable to the citizens. The people can now monitor him and hold him responsible for changes in the quality of service delivery. In other words, decentralization will strengthen the citizen – local politician relationship of accountability.

Another link is that between the central and local policy maker. In fact, a lot of the discourse on decentralization stresses this relationship, that is the rules and practices governing fiscal transfers, regulation and expenditures between central and local policymakers; changes in these rules and practices affect service delivery indirectly through its effect on accountability relationship between local policy makers and providers.

Ahmad et al (2005) examines how different types of accountability mechanisms between central and local government affect the incentives facing service providers and its impact on service delivery outcomes. The issues include fiscal, financing, regulatory and administrative dimensions and its effect on service delivery. The paper contends that sound design and implementation of these aspects of decentralization remain the starting point for improving local service delivery. While sound design is important, it should be noted that the implementation may illicit new challenges that may require revisiting the designing issue. In some countries in sub-saharan Africa, decentralization and service delivery have taken place by default. For example, in some local governments in Nigeria, officials are never responsive to its constituents but the attempt by the latter to ensure service delivery “forces” the elected officials to attempt in designing the administrative aspect of service delivery.

There is no question that within the accountability and decentralization context certain issues seem pertinent:

- The fiscal dimensions of decentralization. These include (i) the allocation of expenditure responsibilities by the different tiers of government; (ii) assignment of taxes by levels of government; (iii) the design of intergovernmental grant system; and (iv) the budgeting and monitoring of fiscal flows between different levels of government (Ahmad et al, 2005, p.6). These issues revolve around inter-governmental fiscal relations

between the levels of government. In some economies, the contending matter will be the revenue sharing formula particularly the weights assigned to both the vertical and horizontal formulae. How these issues are agreed upon will affect service delivery and who or which level of government is to be held accountable.

In a situation where the lucrative sources of revenue are collected by the centre, it becomes extremely difficult for lower levels of government to finance certain services. The ideal will be to determine the optimal assignment of expenditure and tax responsibilities but these depend on economics of scale, spillover benefits, tax efficiency and equity, among others. For example in Nigeria politics rather than viability determines decentralization. In other words, local governments are established to reduce tension and not to ensure efficient service delivery. It seems apparent, therefore, that the link between fiscal federalism, accountability and decentralization remain an empirical matter. Even under this scenario, case studies will illicit interesting and comparative results.

- Another matter concerns the access to capital markets by sub-national governments. For most developing countries particularly SSA recoveries, capital markets are not properly organized even were they exist. Though in recent times, sub-national governments are being encouraged to seek capital market financing, this process has created macroeconomic

problems for the under-economy. It is necessary to set in place appropriate regulatory mechanism to reduce the moral hazard problem of decentralized borrowing.

In Argentina, public banks provided loans to finance deficits of sub-national governments resulting in macroeconomic imbalances as well as affecting negatively the incentives for altering inefficient service delivery mechanisms (Ahmad, 1996). In Nigeria, the centre had to stop sub-national governments from borrowing externally in order to restore macroeconomic stability. In the same country, the attempt to enact a fiscal responsibility law is in the direction of curbing and/or regulating borrowing by states and local governments.

4. DECENTRALIZATION: SOME EXPERIENCES

Decentralization is currently practiced by several countries in SSA and other developing nations. We, thus, attempt to highlight some of the realities of implementing decentralization in order to improve service delivery in some countries. It is interesting to note that empirical evidence on the impact of decentralization is limited and also mixed. There has been little empirical research on SSA countries regarding the argument that decentralization promotes demand responsiveness of government services. Most of the available research concentrates on the effect of decentralization on expenditure allocation

or on the impact of public services provided and does not focus on whether resource allocation meets local demand.

Uganda is one country that decentralize in order to deliver better public services to the people. The Local Government Act 1997 places responsibility for delivery of most services with local government. The objective was to ensure that delivery of services was responsive to local needs and also that the available limited resources were utilized in the efficient and effective manner.

Some authors have argued that decentralization in Uganda generally resulted in improvements in service delivery (Kator, 1997). While others indicate otherwise. “One crucial issue of decentralization is that there have not yet been much real improvements of service delivery” (Saito, 2000). However, he attributes the problem a perception gap as service workers see some improvements while service users do not. Obwona et al (2000) concludes that “financial and institutional constraints have adversely affected the ability of the sub-national governments to adequately deliver services of sufficient quality”.

The results in implementing a programme of decentralization and its effects on service delivery have been mixed; achievements in improving services such as education, water supply and health have been due to central government direction rather than the initiative of local governments. This is attributed to tight control over funding. In fact, all the weaknesses and challenges discussed

above can be found in the Uganda experience (See Livingstone and Charlton, 2001; Takahebwa, 1998). An important problem in local government administration in Uganda is in recruiting, motivating and retaining staff, others include lack of resources resulting in programme failure and reduced independence and complexity in central-local relations.

There is also evidence that corruption has led to the poor performance of service delivery of the local government level in many developing economies. In a recent citizen survey covering six local government authorities in Tanzania, including 42 villages and wards, corruption was seen to be prevalent in all councils. On average, 60 percent of the respondents saw corruption as a serious problem (Fjeldstad et al, 2004).

There are cases in which the impact of decentralization on service delivery depends on the particular service. For example, the theoretical advantages of decentralizing education seem appealing but the experiences vary. In Brazil it has increased overall access but has done little to reverse persistent regional inequities in access to schooling, per capita expenditures, and quality. Chile's experience shows that decentralizing education does not by itself reverse inequalities between localities of varying incomes, and quality in poorer communities continues to be noticed. These results are supported by experiences in Zimbabwe and New Zealand. However part of the reason for the poor performance has been due to the design of the decentralized education

programme. For example, in some instances central governments have shifted responsibilities to local governments and communities without providing a targeted support to poorer areas.

It is apparent that decentralization of the education system demands harmonization of the function of the sub-sector for primary, secondary, tertiary and non-formal education and how far to devolve decision making in each of these sub-sectors. There are a number of ongoing experiments ranging from devolution of limited functions to intermediate governments, to community-based management and financing of schools. However, these issues are country specific.

(Reinikka and Svensson, 2002) study based on a survey data indicated that during the period 1991 – 1995, the primary schools in Uganda on average received only 13 percent of the grants from the central government. Most schools received nothing most of the school grant was captured by local officials and politicians, either for private gain or used for purpose other than education. The data also showed considerable variations in grants received across schools, suggesting that rather than being passive recipients of flows from the government, schools may use their bargaining power to receive greater shares of funding.

The analysis suggests that experiences do not only differ but that the quality of services cannot be generalized. In other words, the outcome for education may not be similar for health, water, sanitation and even infrastructure and that research may require that each service be examined on its own merit. Some evidence on the impact of decentralization in selected developing countries is also in (Mwangi, K, 2005).

5. SUGGESTIONS FOR RESEARCH

Despite the interest in decentralization and service delivery there exists a dearth of research in the subject. We suggest that studies could be embarked upon in the following areas:

- Analysis of the experiences of decentralization in selected SSA countries particularly its evolution and current status. This will include:
 - shifts in the type of political accountability. Research may focus on whether democracy is better suited for ensuring accountability; the extent to which transparency and accountability rules are observed can be an area for research that can influence policy.
 - Allocation of revenues and expenditures, for example intergovernmental fiscal relations. How are resources shared among the different levels of government? Is it based on some formula? What is the constitution in the country saying when it comes to sharing? What mechanisms are in place? What are the institutions?

- strengthening the technical capacity of local decision-making agencies. This would involve a baseline assessment of the capacity needs of SNGs. In the capacity gap affecting service delivery?

The above research efforts can be enriched through surveys and published secondary data.

- Macroeconomic effects: This will shed light on why macroeconomic problems might accompany decentralization. It will be useful to gather data on the fiscal performance of sub-national governments to ascertain how much of the national fiscal problems are emanating from the sub-national tiers of government. Are they through uncontrolled borrowing, accumulation of unfunded contingent liabilities, borrowing from state-owned banks, etc. The issue of inequality of resources among sub-national governments by comparing per-capita income, resources raised locally and intergovernmental transfer. Do transfer offset or widen disparities in tax bases of local governments? There is need to investigate the impact of decentralization on the growth and development of local governments. This would require information or data on fiscal efforts and fiscal capacities of SNGs; the available tax instruments, nature of bonds issued, own revenue efforts etc. In some developing countries data on socio-economic activities at the SNG level are hard to come by.
- Transfers from the centre to sub-national governments would be increase per capita income for lower income jurisdictions, therefore increasing

equity. This is to ascertain whether transfers have enhanced the well-being of those living at the sub-national government level and indirectly determine whether equity has been addressed. In addition, the result of the research should be able to determine whether transfers have imparted on growth and development in the area.

- Expenditure decentralization and the delivery of public services. The interest would include the impact of spending on the quality of service delivery of semi-public goods.
- Capture of local governments and service delivery. Are local governments providing service delivery? What are the constraints? To what extent is corruption a problem?
- The impact of decentralization of infrastructure in selected SSA countries. The outcome of transfers, internally collected revenues, bond financing etc on rural roads, rural electrification and human capital.
- Fiscal decentralization and social capital: Impact on service delivery. What is the link or relationship between community-based organizations and service delivery?
- Decentralization and governance. How has decentralization affected the quality of governance? The population at the lower level of government, do they feel that they are better represented because governance is devolved? What is the impact on the quality of service delivery?

- Decentralization, service delivery and corruption. Is corruption, rent-seeking by local officials affecting service delivery? Is there corruption at the local levels? How is it measured?
- Political institutions and service delivery. What are the institutions at the local level? Are they effective in terms of service delivery? Will fiscal autonomy impinge on the institutions?
- Design and implementation of decentralization as a process – costs of inappropriate sequencing and the expected outcomes. How can own revenue sources be designed and implemented to reduce dependence on statutory allocation?
- Nature of political institutions of the sub-national government level and its implications for service delivery.

There is no doubt these research areas will depend to a large extent on surveys tailored to meet the research interest. However, the existence of secondary data on socio-economic indicators such as regional population, regional GDP, number of schools (primary, secondary, tertiary), enrolment figures, drop-out rates, health institutions, number of medical personnel, types of medical personnel, kilometers of roads paved or tarred, availability of water, access to social services, number of industries, rate and level of unemployment, productive activities at the local level etc.

These suggested research issues present data and methodological challenges. It is not an easy task to obtain needed data at the sub-national levels of government. However, there have been some improvement in data collection

over the years and it varies across countries. In each case study, it will extremely be useful that available time series data be augmented with survey data, interviews with national and sub-national officials as well as service users and providers.

The nature of the data will help determine the precise formulation of the econometric analysis, for example. At the macro level, the main dependent variables would include the size of total government, total public sector deficit, use of monetary financing, etc (all are shares of GDP). The independent variables would include quantitative and qualitative variables relating to decentralization: political decentralization, sub-national spending, transfers to sub-national governments, sub-national taxes, sub-national borrowing, political and constitutional variables, corruption index etc. econometric analysis is even more challenging at the sub-national levels due to data problems.

However, the decision to decentralize is often taken on a nationwide basis, using a common framework but the outcomes often differ from one sub-national area to another. In some countries, it may be possible to obtain sub-national data adequate to carry out econometric analysis. Thus it is crucial that the data issue be properly examined before attempting any econometric work.

6. CONCLUSION

Decentralization has become in theory one way of ensuring good governance and effective service delivery in most developing countries in recent times. However, reality shows that for decentralization to succeed it needs the confidence and commitment of central governments through putting in place the right policy and appropriate institutional framework. In addition, the centre ought to provide and allow some degree of fiscal autonomy at the SNG level. Local officials must reciprocate by being committed, operate in a transparent manner and involve fully the local people if poverty is to be eradicated. In addition, officials at the local level ought to design and implement ways of enhancing own revenues.

There are several works on decentralization and service delivery and this paper cannot pretend to examine all; in fact, part of any future research should be to critically review existing works in order to identify existing gaps. Research can then be embarked upon to not only fill the gaps but to also identify new areas. Our analysis shows that experiences have been mixed partly due to the complex nature of governance and service delivery in SSA and other developing countries.

The increased attention in recent times to the delivery of public services suggests the need for more research at the sub-national government level particularly

country case studies. The results of these researches will provide the knowledge base to the policy-makers and others whose decisions will improve the welfare of particularly the poor. The areas of research that have been suggested are by no means exhaustive but only to serve as a guide.

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