LOCAL POLITICS AND GOVERNANCE

PANORAMA
INSIGHTS INTO ASIAN
AND EUROPEAN AFFAIRS

Local Politics and Governance

Konrad
Adenauer
Stiftung

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Preface

Politics starts at the local level. *Politics*, the term itself, refers to a local unit: the Greek *polis*, which means *city*. However, the polis was not just an urban centre, but also the archetype of the state and incidentally the place of origin of democracy. Even if today's modern cities, particularly the "megapolis", such as the immense metropolis of Asia, superficially have little in common with the ancient Greek polis, there are still certain functions that have not fundamentally changed since antiquity.

Cities and municipalities are of particular relevance for the lives of their citizens as well as for states and their political systems. They provide a space for living, water and energy; support employment prospects by settling companies; and offer social services and facilities for healthcare as well as education and cultural centres. Therefore, cities and municipalities have a significant influence on the socio-economic development of a country. This is generally acknowledged. However, how cities and municipalities fulfil their tasks differ widely. This does not only concern the technical part of the planning process, the improvement of the infrastructure and the provision of services. In particular, concerning the political role of cities and municipalities, there are substantial differences between individual countries and between countries in Asia and Europe.

In the European tradition, local politics has a central function in the sustenance of a vibrant democracy. Generally, cities and municipalities possess a high degree of independence and freedom of planning in the fulfilling of their tasks. With this comes financial sovereignty, the right to decide to a great extent autonomously what will be done with available financial resources.

In addition, it is of utmost significance that local politics creates an environment with great opportunities for direct democracy and political participation, which is unseen in any other representative form of government. Local politics is not only measured in regard to the quality of the services provided, but also on the extent of opportunities for participation it provides for its citizens in order for them to take part in the decision-making processes that directly impact them. A variety of actors, such as associations, clubs, citizens groups, the local media, and, last but not least, the political parties, or the voter groups, influence local decisions and ensure that the decisions are as close to the problem and citizens as possible. The responsibility of the elected municipality officials is immense, bearing the given context in mind. That is why local politics is regarded as the "school of democracy".

Likewise, in Asia, local politics has central significance for the lives of the citizens in cities and municipalities as well as for states as a whole. However, the regulations and structures for the stimulation and realization of public participation are designed very differently on this continent. Some countries promote public participation very actively with a wide range of measures in order to encourage and support citizens to take part in local citizen initiatives. In contrast, other countries limit and restrict the avenues

for public participation. Yet other countries do not have any representative institutions, like local parliaments or elected mayors or counsellors, at all.

However, Asia and Europe share the same problems when it comes to local politics. They are facing difficult challenges that result partly out of demographic developments and partly out of intensified international competition for investments and jobs. Because local politics is of central importance for the quality of life of the people, we dedicate the current issue of our journal to this topic.

Dr. Wilhelm Hofmeister
Regional Director

GENERAL

The Role of Local Governance in Asia:
A Regional Perspective

Edmund S. Tayao

Decentralization is a comprehensive framework of governance. More often, it is seen as a one-dimensional concept. The most common assumption is that decentralization is a strategy for democracy and therefore democratization, i.e., giving way to self-determination to local communities in multiethnic countries, and/or allowing more participation at the grassroots. At times it is seen as an administrative strategy; the growing complexity of governance today has led central governments to rethink its dominance and share responsibility, and therefore authority, with local governments. There are also those that see it as an economic tool, that because local authorities and/or local governments are given more power, it is expected that they can then better provide the necessities of countryside development.

Decentralization is actually all of the above. It has become a fundamental means available to governments all over the world for responding to various challenges of today's globalized world. Because it's all of the above it has become a popular reform initiative in many developing countries, especially in Asia. Depending on the orientation of the one (person or organization) responsible for the initiative however, it becomes a one-dimensional concept. For donor organizations for example, decentralization is always seen as fundamental to democracy, but the approach and the initiatives are often too general to make significant impact. International funded projects always look at "key words" like participation, accountability and transparency, that if seen in the concept note would seem enough to merit support. This is good except that if not integrated with the specifics of the country and society, it becomes worthless. Decentralization is best seen as a framework and could be successful only if its application is made consistent with the specific conditions and character of the country's politics, economy and society.

It is fundamental to note that the devil is in the details. There can be no one-size-fits-all model of decentralization. In fact, with the complex problems countries all over the world face today, a degree of centralization should be maintained, even pursued. While giving leeway to local authorities is fundamental for local economic

development, governance institutions should be made in such a way that policies and programs at the national and local level complement and not conflict. Most researches suggest that for decentralization to work, there must first be centralization. Hutchcroft argues convincingly that "a strong foundation of prior centralization" is a necessary basis for successful political decentralization (Blunt and Turner in Cheema and Rondinelli, eds. 2007: 120). Essentially, this applies to weak states, states that have yet to develop strong state institutions that will run regardless of particular interests in society. Decentralization if done appropriately to a particular country is good because it would be consistent with the nature and character of pluralistic, even multiethnic society. It is a system designed to be inclusive and at the same time supposed to enable the periphery to contribute significantly to successful administration. As we review the case of five countries in Southeast Asia, particularly Cambodia, Indonesia, the Philippines, Thailand and Vietnam, it will reveal that the common impetus for decentralization in Asia are inclusiveness and participation. Whether these objectives are intended to achieve democracy, however, is another question. While decentralization in these countries afforded some degree of democratic space, the ultimate objective and net result are not necessarily democracy in the full sense. Whatever the reason for decentralization it could only be specific for each country; it may be intended for democracy, i.e., more political freedoms and civil liberties, but it could also be, intended or not, to entrench the ruling elite.

Asia Today

As has been argued in the foregoing, decentralization is often considered as a fundamental ingredient to democracy. After decolonization in the 50s and 60s, and subsequently the Cold War reaching its height in the 70s, Asian countries had been subject to the many twists and turns of international politics. The third wave of democratization reached the region in 1986 with the world-renowned bloodless People Power revolution in the Philippines. Vietnam, while still largely a communist country, in the same year started various economic and political reforms, but the ultimate objective is to integrate itself to the worldwide economy. Cambodia, Thailand and Indonesia followed after a decade with their own version of democratization but with the same vigour of introducing governance reforms aimed primarily at achieving economic development. At this time most of the countries in Asia, especially those we have looked into in this short study, have achieved medium human development. This means that with the exception of Japan and South Korea, most are still developing countries, including China (see table 1).

Table 1: Human Development Index 2011 Rankings

Country	Rank	Classification
Cambodia	139	Medium
China	101	High Medium
India	134	Medium
Indonesia	124	Medium
Japan	12	Very High
Korea, Rep.	15	Very High
Philippines	112	Medium
Thailand	103	High Medium
Vietnam	128	Medium

The question now is how economic development is felt in each country. Despite the unprecedented growth in China and India for example, two Asian countries considered as economic powerhouses, how much of this development is felt in the countryside? If we factor in poverty for example, Cambodia is the most underdeveloped out of the 5 countries we are looking at in this study (see Figure 1). What is interesting to note however is: Cambodia is comparable to India in this regard. Poverty and underdevelopment remains considerable in the countryside, the exact contradiction compared to the business centers of Mumbai and Bangalore. Size is definitely a problem, but this is precisely why governance is crucial and the way basic services are provided, a key driver of growth and sustainability, is the primordial consideration why administration should be continuously evaluated and needed reforms are periodically introduced.

Figure 1: Comparative Human Development and Poverty
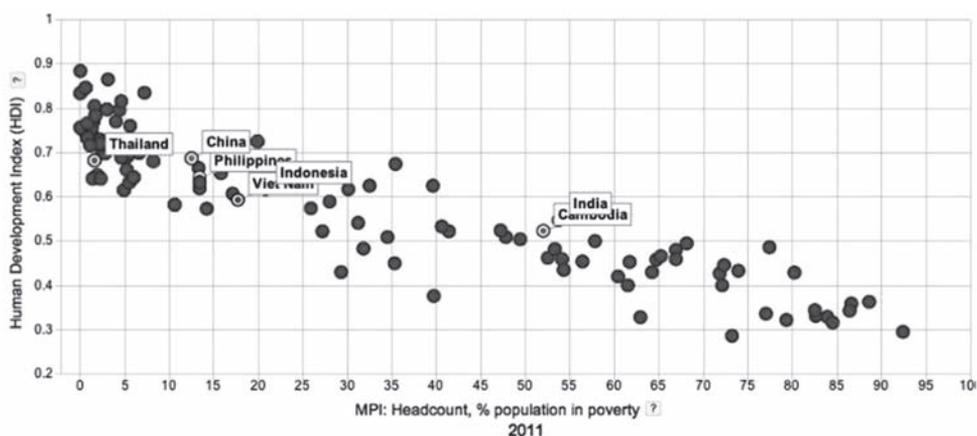
Source: Human Development Report 2011, United Nations Development Programme

Southeast Asia is a miniature picture of development and underdevelopment in the world. Out of the 10 member countries, Singapore is years ahead of the rest with

Malaysia a close second. Brunei on the other hand remains a vibrant economy because of its oil industry. Laos and Myanmar are the two of the region's latecomers. We review the remaining five, Cambodia, Indonesia, the Philippines, Thailand and Vietnam, because these are the countries in the region that have managed to sustain economic growth coupled with continuing initiatives to improve on governance mechanisms. Much remains to be done, especially in achieving a functioning democracy. Having noted the start of democratization in the 80s and 90s, now is the best time to take a look at what has been achieved so far.

Since 2000, Cambodia, Indonesia, the Philippines, Thailand and Vietnam have been growing annually by 6 percent (see table 2). Considering the worldwide economic crisis that we have been in since the first half of the last decade, culminating in the mortgage crisis in 2008, managing at least 5% annual GDP growth is considerable. Thailand is the single exception because of its economy's close link and dependence on US and European trade, not to mention the political upheavals it faced in 2006. It is worth noting that this GDP growth is matched by the annual net income growth suggesting the government's capacity to make the most out of economic development. The question however is if this growth can be credited to decentralization. Further studies are needed, as recent researches did not find any direct link between decentralization and economic growth (Cheema and Rondinelli, eds., 2007: 8). While the story of decentralization has always been aimed at democracy, economic development should also be its fundamental objective. Democratization took place in these countries in response to the need for more participation and ultimately to achieve transparency and accountability. All these are possible only if a majority in society will have the capacity to participate, which can only be afforded by economic development.

Table 2

	Comparative Average Annual GDP Growth		Comparative Adjusted Net National Income Annual % Growth	
	2000-2004	2005-2010	2000-2004	2005-2010
Cambodia	8.47	7.83	8.40	8.83
Indonesia	4.57	5.71	3.00	5.33
Philippines	4.52	4.93	4.00	4.67
Thailand	5.14	3.78	4.60	3.67
Vietnam	7.18	7.26	5.40	8.50

Source: World Bank

In the first place, there is not much choice for countries today but to embrace democracy. The global economy requires a system that responds accordingly to fast-paced developments. This is clearly an advantage to those that already have a functioning state and governance system. Weak states, those that are just starting to build institutions after the colonial and world war period that held back growth and development, have to build institutions and at the same time compete in the global economy. An authoritarian

government might work for a while but apart from the danger of unsustainability and inflexibility, integration to the world economy will always be a difficulty. This is not easy, which thus explains the considerable presence of development agencies and institutions in most of these countries. As we do a survey, this is the common thread that binds Asian countries. Each has to grow out of years of strife and conflict.

Decentralization As Key Strategy

Especially in the countries that we cover in this study, most Asian countries have for years been beset by internal political conflicts, dalliances with authoritarianism or military rule and even communism. The 60s and 70s was a particularly tumultuous period as the region was divided between allies of western capitalist democracy and of the eastern socialist or communist regimes. Cambodia and Vietnam were both attracted to some form of communism while the Philippines and Indonesia were ruled by authoritarian leaders and popularized the concept "guided democracy." At the end of this paper, a matrix is provided as an annex, summarizing relevant decentralization initiatives in each of the five countries as discussed in the following.

While Cambodia was not divided into north and south, the country had to face the struggle between the US-backed Lon Nol regime and Chinese-supported Khmer Rouge in the 70s. May 1993 was a turning point as the country conducted what many consider the freest elections since 1972. A new constitution was adopted in September with a King who reigns but does not rule. The shaky political setup gave way in 1997 with the Cambodian People's Party led by Hun Sen taking control of the government through a coup. Two major laws were enacted in 2001, introducing decentralization and significantly altering the political structure. While this should be seen as a step towards democratization, the firm control of Hun Sen is still the rule. The process continued in 2004 amidst slow economic growth and political upheavals. Elites continue to fight one another, unions and their leaders are harassed and the courts hardly function (Freedom House 2004). All these had the king, despite his advance age then, working hard to ensure his dynasty's survival.

2009 may be seen as the culmination of decentralization of Cambodia with the passing of the Organic Law on Decentralization and Democratic Development. Councils at the provincial and district levels are now indirectly elected and oversee specific functions and resources given to all sub-national levels, including the communes. On the other hand decentralization remains incomplete as communes/sangkat councils do not collect enough revenue and the newly established district councils have yet to be determined (Gold II 2010).

Vietnam is similar to Cambodia, not only because of its communist past and was occupied by France, but also because decentralization was a gradual process (White and Smoke in World Bank 2005). The principal objective of decentralization in Vietnam is to empower local governments and work for development in the area. The decentralized

structure provides flexibility for the provincial and municipal governments that in the process have made them able to attract foreign investments. This is consistent with the objectives of the Eighth Plenum of the Central Committee or the 7th Congress in redefining central-local government authority relations; this has been known as the Public Administration Reform Program or PAR.

To a certain extent, we can argue that decentralization is inherent to the Vietnamese system as it is enshrined in the country's socialist philosophy. The country's history has reinforced the significance of the work at the grassroots especially with the need to ensure responsiveness on the part of the government. The advantage is in the local fiscal capacity. Local budgets increased from about 26 to more than 45 percent of total public expenditure from 1992 to 2008. This is testimony to the significance of sub-national revenue, which has been increasing, from about 35 to 44 percent of total public revenue in 2008 to 2010 (Gold II 2010). Still, the challenge remains with the central-local relations. Vietnam remains a unitary state, and thus still has to revisit the options afforded to local governments. Especially considering the changing character of governance today, with the many challenges every country face, remaining substantially a unitary state will undermine the government's capacity to respond.

Indonesia and the Philippines both share a history of authoritarianism. The Dutch occupied the former while Spain, Japan and the US colonized the latter. The growing political uncertainties in 1957 brought Sukarno to power but were unable to stabilize the country's politics leading to Suharto's rise to power in 1968. Suharto's success is due to the reported threat of communism, the same justification for Marcos' declaration of Martial Law in the Philippines in 1972. Initially, both authoritarian governments showed leadership abilities that led their country to economic development. All these however would prove unsustainable as both leaders succumbed to abuse of power and unprecedented abuse of government resources for personal gains. The subsequent political reforms and revolutions resulted in decentralization "leaps" after the sudden collapse of authoritarian regimes compared to the gradual approach of Vietnam and Cambodia (White and Smoke in World Bank 2005).

Democratization in Indonesia is seen in the history of *reformasi* that began in May 1998 and culminated in the holding of general elections in 1999. Despite allegations of fraud committed by the party of Suharto led by B.J. Habibie, the elections were generally considered free and fair. The constitution that was drawn as a result of the struggle for independence in 1945 remains. As the process of democratic consolidation continued, there were various initiatives to review this constitution. The result was the amendment by the People's Consultative Assembly (*Majelis Permusyawaratan Rakyat* or MPR), the country's legislature, of the constitution in August 2000. This amendment was considered as a step towards building a strong foundation for the country's democracy as it guaranteed regional autonomy. The ambiguity in the roles played by different levels of sub-national government led to the enactment of Law 32 in 2004 strengthening the role of provincial governments.

Many see decentralization as most advanced in the Philippines in the region, as this framework is established in various laws. The 1987 constitutions explicitly provide a decentralized political structure dedicating an entire article for the powers of local governments. In 1991, after years of policy exchanges between different agencies and political leaders, the Local Government Code was promulgated and devolved agriculture, health, environment and social services.

Local governments enjoy considerable financial autonomy. The law gives various revenue powers to them and at the same time enjoys a share of national taxes. On the other hand, the national government have not substantially prepared nor provided enough for the transition, with the result that performances vary from one local government to another. Instead of moving to improve local governance laws and programs, the new administration in place after the 2010 elections seem to instead favour a return to centralization with programs that effectively renationalize devolved services like social welfare.

Decentralization in Thailand, similar to Cambodia, Indonesia and the Philippines, is a significant part of the democratization process. The return of party politics in 1992 resulting from what many consider as the "Bloody May" incident have resulted in the enactment of laws that provided the election of local officials and the creation of autonomous local authorities. Of course the process, especially the initiative to elect local officials, has not been without significant opposition, but the prevailing democratization sentiment was stronger.

Decentralization was institutionalized with the enactment of the 1997 Constitution. Under the constitution, decentralization is established as a "national basic policy." In 1999 the decentralization process act was enacted, and, in a way, primarily to ensure the autonomy of local authorities from the central government, the Local Public Personnel Administration Act was also promulgated.

Figure 2: Subsidies and Other Transfers in % of Expense (2000-2010)
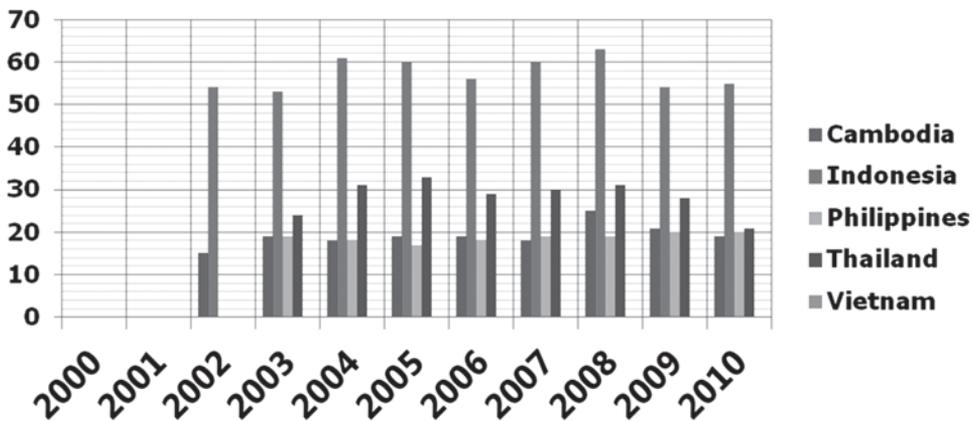
Source: World Development Indicators, World Bank

Clearly, whatever the specific purposes of various administrations or regimes in these countries, decentralization is seen as a key strategy. A review of sub-national subsidies and transfers from 2000 to 2010 reveals a considerable share of overall government expense goes to the local level (see Figure 2). Indonesia tops all the countries in this review with an average of 55% of the overall government expense. Thailand is the most erratic in terms of fiscal transfers, with 2005 reaching as much as 33% and sharply down at 21% in 2010. This is shared by Cambodia in 2008 with a spike at 25% and returning to the general average of 19% in 2010. The Philippines is the most constant, averaging 19 percent all throughout. Vietnam unfortunately did not have available figures at the time of this writing.

A More Objective and Comprehensive Look Needed

Be that as it may, it is fundamental to note that there are pitfalls to decentralization that those pursuing it in the name of democracy especially must be extra careful about, particularly in the design and strategy of implementation. Democracy must be pursued but only with specific important considerations of improving governance and achieving economic development. The nature of society must be considered as instead of enhancing democracy, decentralization may even hinder its development. This is true for "prismatic societies" or those that are characterized by a social pyramid (Riggs and Werlin as quoted in Tayao 2008: 96). Diamond (ibid.: 95-96) suggests that decentralization could result to the following instead of achieving good governance if not properly handled:

1. It may entrench or create authoritarian enclaves—this is true for countries with feudal-like socio-political structures. Local governments are seen as their turf and jurisdictions are determined according to the political loyalties in the local community. A good example is Indonesia where because of decentralization and democratization, old franchise actors re-emerged (Rock 2008). The same is true in the Philippines where the return of democracy in 1987 is now seen as a "restoration" (of old elites) instead of a revolution (Coronel 1991);

2. Permit intolerance of certain minorities—a persistent problem for multiethnic societies, more often in the case of weak states. Political divisions must be carefully determined taking note of minorities and preventing the dominance of one over the other/s. The result of intolerance leads to the contradiction of inclusiveness that purportedly is a key objective of decentralization;

3. Exacerbate geographical inequalities—this is expected only if the mechanism for fiscal transfers does not take into consideration the different economic levels of development and capacities in each region. Fiscal transfers more than enabling sub-national governments must also equalize and therefore must

have a system of assisting those that need more in order to thrive and develop. Technical assistance from the central government should also be available anytime, as local officials may not have the necessary tools to raise expected revenues;

4. Foster redundancy and inefficiency—or devolution done without the central government actually willing to transfer authority and function. Conflict normally arises as to which level of government, even which agency, is responsible for what. Instead of using needed resources to achieve development objectives therefore, the result is often a waste of needed resources; and,

5. Stimulate ethnic and nationality consciousness—ultimately the result of no. 2. The autonomy that is afforded by decentralization may give a sense of independence, i.e., ownership or identity to the land or political subdivision. In fact, even absent a distinct ethnic group, a perverted sense of autonomy, the belief of separation from central authority and neighbouring sub-national or local government units, promotes a wrong sense of identity and parochialism.

Essentially there are three distinct challenges that Asian decentralization face which plays out differently in each country setting. Intergovernmental relations, i.e., how different levels of government work and coordinate with each other with distinct but complementary functions seem to be the foremost puzzle. The second is a fiscal mechanism that not only shares and transfer resources from the national level but also responds to the changing conditions and needs at the local level. In fact, ideally, the central government should be able to use this mechanism to prod sub-national and local governments to perform. Lastly, and this is the direct impact to democracy, is the accountability and management capacity of local officials. Oftentimes, this is also due to the existing socio-economic setting, but decentralization could exacerbate it (White and Smoke 2005).

In the end, there must be a comprehensive study of decentralization in the region, assessing its impact to the country's democracy and even its development. The study or studies should consider each and/or comprehensively all of the following:

1. A comprehensive reading of state-society relations. How much of public institutions actually work independently of private interests? What were the initiatives undertaken to establish strong public institutions? What are the factors that contribute or stop the furtherance of state capture or the inability of the state institutions to work free from private interests?

2. An inventory of laws that have been subsequently passed to support decentralization from its inception and establishment. It should include an assessment of difficulties that accompanied the advocacy of new legislation and further

reforms. Were there monitoring and evaluation mechanisms that were put in place? Were these mechanisms made to work? What were the results?

3. The role of donor organizations and donor-assisted projects should be appraised. How much of these initiatives were undertaken simply as an advocacy of democratization, the larger picture of decentralization? The concrete efforts of donor organizations to understand the prevailing circumstance even before the inception of a project should be determined. Efforts to at the very least communicate with other donor organizations in the area should also be considered. These are all necessary to evaluate the impact of the programs to the country's development as these initiatives are intended to.

4. Central-local, or in the case of federated states, central-state-local relations are fundamental indicators of the state of decentralization and even democracy in a country. Decentralization will work only when the center and the periphery work as complementing and not competing agents. Of course, this is possible only if the center has adequately prepared and capacitated the local government prior to and continually upon decentralization. This is possible only if the transition from centralized to decentralized system is fully supported by central officials and bureaucrats. Especially in a strongly centralized system, the center often looks at the local with contempt. Only when the local agencies work and deliver can the center see it as a worthy partner in governance. So this is the irony, the local must deliver, but it could do so only with the substantial support of the center. The mindset of central officials and bureaucrats on the local government's capability and of decentralization as a whole would then be good indicators of central-periphery collaboration if not cooperation.

5. The number of sub-national and local governments should be carefully studied. How much of these local governments were created from local political loyalties? In essence therefore, the reasons for creating new political divisions should be examined carefully. The impact of creating new and smaller political entities especially to economic viability, e.g., in terms of local tax base and sustainability of local public expenditure, should be key considerations and indicators of the nature of democracy in the country and therefore the key reason for the success and/or failure of decentralization.

6. Finally, there must be a time-series study of fiscal decentralization, i.e., on expenditures and revenues at the central and local level. This study should be able to determine the services that are covered by the local and/or sub-national governments. So far, even data is not readily available despite the various indicators that international organizations, e.g., the World Bank, ADB and UN, manage to prepare.

Making sense of the services that local and sub-national governments spend for is crucial in understanding the state of fiscal decentralization in a country. More often, much is expected from the local and sub-national governments, assuming that because of fiscal transfers they have much to spend. This fiscal capacity varies between different countries and even if we assume that there is enough revenue that is given to local and sub-national governments, the question of planning and budgeting capacity, and the whole policy capability of the local government, will have to be considered.

In conclusion, the project of democracy and decentralization is still largely a work in progress and will require more meaningful assistance from international organizations. Decentralization reform is an evolving process, one that is not linear and has been subject to moves toward recentralization (Martinez-Vasquez 2011). What is achieved so far is the key understanding that decentralization is fundamental. Despite the difficulties and even failures in some sectors if not areas, it remains a key mechanism valued by different Asian countries. Considering especially the complex challenges of the world today, from poverty to energy and climate change, the central government will definitely not be able to deliver on its own and with essential government work centralized. Not only is this ineffective as it is inflexible but ultimately even dangerous. Decentralization must therefore proceed, but will have to address existing difficulties and evolve according to each country's conditions and needs.

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Annex: SEA 5-Country Decentralization Matrix

CAMBODIA

Legal Basis:

In 2001, two major laws covered political decentralization reform. The first was the Law on the Election of Commune Councils and the second was the Law on the Administration and Management of Communes/Sangkats.

Internal Structure*:

Political / Administrative Decentralization

Sub-national Levels of Government:

Provinces, Municipalities, Districts, Khan/Communes, Sangkat

Leadership Mechanism:

Local chief executives elected through plurality system

Fiscal Mechanism

Share from national government

Ongoing Initiatives:

The World Bank through the government's Rural Investment and Local Governance Project (RILGP) is supporting decentralization efforts in Cambodia.[1]

The Government of Cambodia has updated its Rectangular Strategy noted in the National Strategic Development, update 2009 to 2013 that has four key angles of strategy. One angle gives special attention to decentralization and deconcentration (D&D) reform that aims to strengthen and expand local democracy and promote local development.[2]

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[1] Official Website of the World Bank (http://web.worldbank.org/WBSITE/EXTERNAL/COUNTRIES/ EASTASIAPACIFICEXT/CAMBODIAEXTN/0,,contentMDK:22883882~menuPK:293877~pagePK:141137~pi PK:141127~theSitePK:293856,00.html)

[2] Sinthay, Neb. 2011. "The implementation of decentralization and deconcentration in Cambodia: A Critical Assessment of the process, legal and functional disparities/gaps and public participation", Retrieved October 19, 2012 from http://www.drfcambodia.net/forum/topics/the-implementation-of

* Refers to the type of decentralization: a. Political Decentralization aims to give citizens or their elected local executives more power in public decision-making & independent from the national government; b. Administrative decentralization seeks to transfer responsibility for the planning, financing and management of public functions from the central government and its agencies to field units or local units of government agencies and c. Fiscal decentralization provides the local government the authority to make decisions on tax or expenditure issues (Treisman 2007).

INDONESIA	
Legal Basis: 2004 revised Autonomy Laws	
Internal Structure: Administrative Decentralization **Sub-national Levels of Government:** Provinces, Municipalities, Cities	**Leadership Mechanism:** Local chief executives elected through plurality system **Fiscal Mechanism** Share from national government, and also Locally collected taxes but controlled by the national government
Ongoing Initiatives: World Bank assistance to Indonesia called Local Government and Decentralization Project aims to improve the accountability and reporting of the central government's Specific Purpose Grants (DAK) for infrastructure sub-sector within pilot local governments.[3]	
PHILIPPINES	
Legal Basis: 1987 Constitution and 1991 Local Government Code	
Internal Structure: Political, Administrative, and Fiscal Decentralization **Sub-national Levels of Government:** Provinces, Municipalities, Component Cities, Highly Urbanized (Independent) Cities, Barangay (Village)	**Leadership Mechanism:** Local chief executives elected through popular plurality system **Fiscal Mechanism** Internal revenue allotment, Locally generated income
Ongoing Initiatives: Since the country now has a framework on decentralization, the full realization of the concept is done through strengthening local capacities and improving the way local governments deliver devolved functions such as provision of basic services. The country has local government units. Ongoing decentralization efforts are mostly centered on improving the capacities of the local authorities in providing basic services, clustering, and coordination.	

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[3] Official Website of the World Bank (http://www.worldbank.org/projects/P111577/local-government-decentralization-project?lang=en)

THAILAND	
Legal Basis:	
1997 Thai Constitution, The Decentralization and Procedure Act of 1999, The Local Authority Personnel Act of 1999	
Internal Structure:	**Leadership Mechanism:**
Political and Administrative Decentralization	Local chief executives elected through popular plurality system
Sub-national Levels of Government:	**Fiscal Mechanism**
Provinces, Districts, Sub-districts	Share from national government, Locally collected taxes but regulated by the national government.
Ongoing Initiatives:	
The country has local authorities. Ongoing decentralization efforts are mostly centered on improving the capacities of the local authorities in providing basic services.	

VIETNAM	
Legal Basis:	
1992 Constitution of Vietnam	
Internal Structure:	**Leadership Mechanism:**
Political, Administrative, and Fiscal Decentralization	People's Councils at all levels are elected through universal and equal suffrage and direct and secret ballot
Sub-national Levels of Government:	**Fiscal Mechanism**
Region, Provinces, Districts, Communes	National tax share, Locally collected taxes
Ongoing Initiatives:	
Decentralization in Vietnam is still characterized by vertically organized hierarchies. However, Vietnam is still motivated to practice deconcentration in terms of planning and implementation functions from the center to the provinces. There have been plans to shift further to the district and commune levels despite roles and responsibilities not being deconcentrated. The reason for this is the lack of skills at the lower levels.[4]	

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[4]   United Nations Population Fund Official Website (http://web.unfpa.org/monitoring/pdf/n-issue30.pdf)

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The Restructuring of Local Politics and Political Parties in East Asia: From Establishments of Money-Politics to the Emergence of Active Civic Engagement

Yung-mau Chao

1. The System of Local Self-Government in Japan, Korea, and Taiwan

In Japan, a "patron-client" relationship between central and local government under a unitary system of government has existed. In other words, there is a vertical relationship of ruler and ruled between central and local government. In particular, with Japan aiming for a rapid revival in a short period of time after the Second World War, the country adopted a system where the Liberal Democrat Party (LDP) became the dominant party and leadership was carried out by a unitary central government. Under this system, Japan carried out the reconstruction of basic infrastructure destroyed during the War. Although at the time, the system of unitary government in Japan was seen as more efficient and more able to deliver desired outcomes, it also meant that local governments and civil society became overly reliant on the central government (Lin, 2012: 94).

The new Japanese constitution included Chapter 8 on "Local Self-Government" (Article 92-95), and provided clear legal protection for local self-government on the basis of the "principle of local autonomy." Aside from stipulating that the heads of local government and local assembly members are elected by direct popular vote, self-government executive powers (managing their property, affairs and administration) and the autonomous legislative powers are also protected. On this basis, the status of Local Public Entities (LPEs; referring to local governments), including prefectures (the first-order self-governing jurisdictions) and cities, towns, and villages (the second-order self-governing jurisdictions) is established (as shown in figure 1); with LPEs not simply subordinate agents of the central government (Chen, 2011: 54).

Figure 1: Current Types of Local Self-Government in Japan
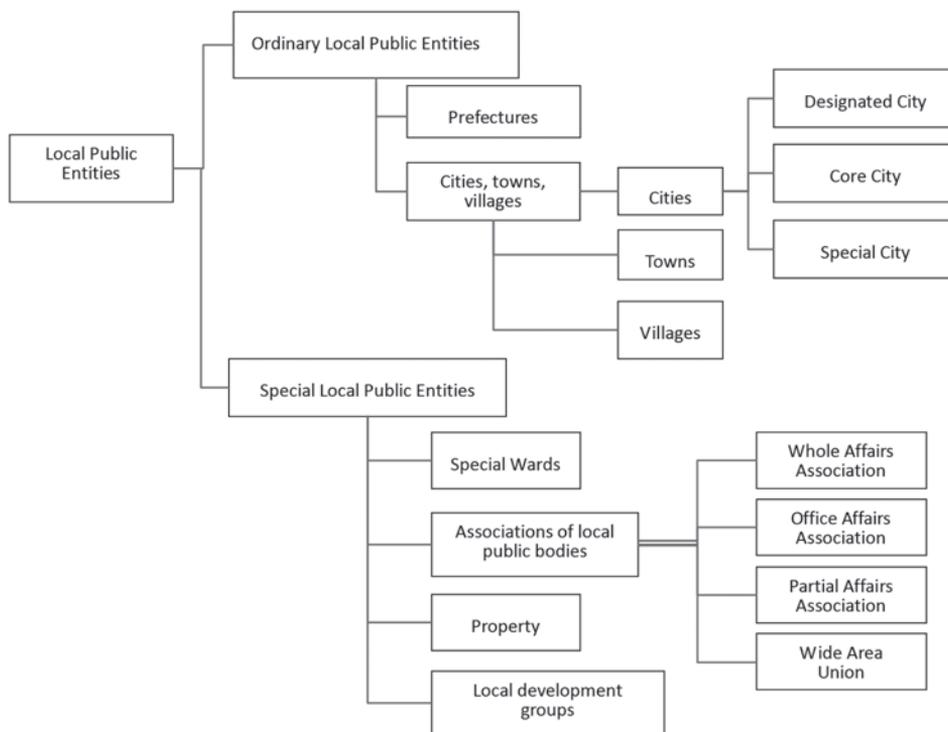
During the early stages of its rule on Taiwan, the Kuomintang (KMT) was devoted to transforming Taiwan into a bastion for the recovery of the mainland and a blueprint for the reconstruction of China. Therefore, all its policies and organizations were basically missionary. In light of its past failure to draw public support on the mainland and its status as a minority ruling party on Taiwan, to strengthen its position, the KMT imposed complete control over central power, allowed greater political participation on the provincial level, and exerted a complete loosening of restrictions on political participation below the county level via a local self-government system. On the one hand, she took measures to supervise and monitor local government bodies; on the other, she resorted to different methods, such as a nomination system, an assistance election system, and the like, to seek coalitions with local factions and people of power in local politics (Chao, 1992: 45).

Since the retrocession in 1945, which ended the 50-year Japanese occupation of Taiwan, the province gradually adjusted its local administrative districts and organizations. In 1950, 16 counties and 5 county-cities were created. Below the county-city level were districts; and 6 town-cities, 234 townships, and 78 towns were also recognized. Below town-cities, towns, and townships were *ts'un* (villages) and *li* (small villages).

The organization of local government, as shown in figure 2, is a three-tiered system. The design of governmental power is based on the principle of the separation of two powers (administrative and legislative) and uses a strong mayoral system. The local council holds legislative power, while the provincial governor, county magistrates, and mayors of towns and townships hold administrative power. Both sides are elected by popular vote, to counterbalance and check each other. Provincial governors, county magistrates, and mayors of towns and townships may use their veto power to overrule the councils, but they have to obtain prior approval from the provincial government. Additionally, the relationship between the council and administrative institutions is similar to the operation of a cabinet system. In other words, although the administrative heads of local government have considerable power over the councils, they are under the supervision of council members and have to report to them and respond to their inquiries (Chao & Kau, 1993: 288-289). In brief, Taiwan's local government is a combination of a strong mayor-council system and a cabinet system.

Figure 2: Structure of Local Government in Taiwan
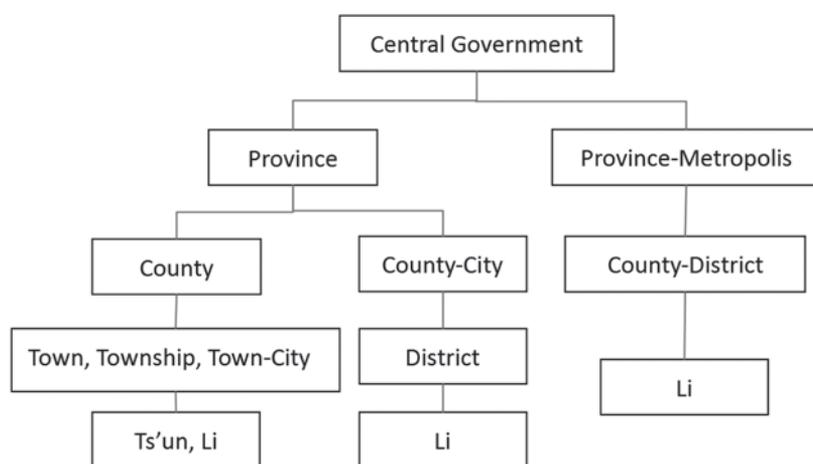
Source: Chao & Kau, 1993: 288.

Korea has maintained rapid economic growth with a centralized government system. The Korean government has been highly interventionist and even *dirigiste* in almost every field of economic policy: export promotion, import regulation, credit control, technology transfer and so on. Many empirical studies have cited these governmental policies as a major factor in the economic success of Korea. Korea seems to have benefited from the highly centralized government system during the whole period of development era. Cotton makes the point that the 1980s witnessed the development of a strong and relatively independent state in Korea. The "visible hand" has been a decisive factor of the remarkable success in an era which elsewhere saw the disastrous failure of government intervention (Lee, 1996: 60).

The present organizational arrangement of local government in Korea can be described as a two-tier structure. The large tier consists of one special city (Seoul), five metropolitan cities and nine provinces. Whereas Seoul is under the control of the Prime Minister, the five metropolitan cities are answerable to the Ministry of Home Affairs (MHA). Figure 3 illustrates the present local government structure in Korea (Lee, 1996: 67).

This central power is checked and balanced by the National Association of Local Authorities (NALA). NALA is a nationwide association of local governments, created in 1991 and voluntarily organized by the leaders of local councils. Basically the formation of the association cannot be forced, although the Local Government Act stipulates that "local governments can constitute an association with a purpose of dealing with their common affairs". NALA does not have legal power to carry out its policies under its own name, but its members make the regulations which are necessary for local governments to co-operate in their policies. The members of the association, therefore, have an obligation to report to the association. This helps to maintain the unity of the association (Lee, 1996: 67).

Figure 3: Local Government System in Korea
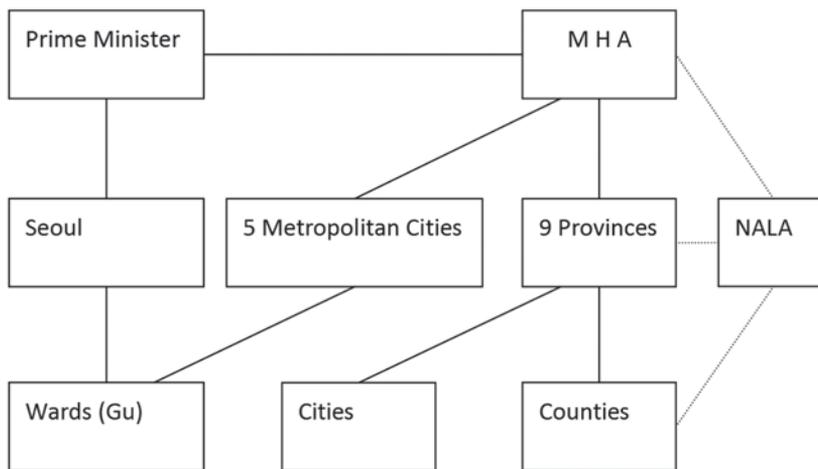
Source: Lee, 1996: 68

2. The System of Government and Business Representation in Japan, Korea, and Taiwan

In Japan throughout the bulk of the post-war period, however, the combination of clientelism and government financial centralization made it difficult for opposition parties to succeed in local elections, except in regions that did not rely financially on the central government. As a result, the opposition developed weak foundations and had few

politicians who could credibly run for national office in areas that depended on the central government for funding. In turn, weak local foundations and the lack of a candidate pool harmed the opposition's capacity to win national office, especially in candidate-centered district races. The weakness of opposition party Diet candidates is evident in the single member districts (SMDs) of the post-1993 House of Representatives (HR) electoral system, but the opposition had been weak at the local level throughout the post-war period. Given that the Single Non-Transferable Vote with Multimember District System (SNTV/MMD system) utilized in the HR through 1993 was even more candidate-centered than the post-1993 SMDs, local weakness and a lack of experienced (quality) candidates for national office was no doubt even more of a problem for the opposition in the years prior to electoral reform (Scheiner, 2006: 212).

The LDP's relationship with rural businesses, such as construction companies, part-time farmers who were also employed by construction companies, and specific financially dependent prefectures and localities fit the definition more cleanly. The LDP central government's subsidization of such groups is well known. Moreover, the benefits the government provided regularly appeared to be tied to the extent that such groups/regions provided the LDP with monetary contributions, mobilized political support, or simply voted for the LDP, and the ruling party often threatened to withdraw funding from areas that did not support it (Scheiner, 2006: 213).

The centralized factional politics of LDP was built on the system of triangular relations between politicians, the civil service, and financial interests (namely the LDP, government officials, and the financial sector). The alliance between the LDP, government officials, and the financial sector occurred during Japan's period of rapid economic development. Through policy formulation that consolidated the power base and distributed benefits to supporters during the period of LDP dominance, the vertical and horizontal alliances between factions were crucial to maintaining political stability and unavoidable over the long term. Typically, studies on Japan have regarded factional politics as a distinctive feature of the operation of the Japanese political system. However, these studies have tended to emphasize the history and evolution of factions, while mostly neglecting the political and economic networks on which factional politics is based. Japan's factional politics is centered on "golden parachuting" of former civil servants into the legislature, lineage politics, and the emergence of local notable families, producing a dense network of political relations. At the same time, donations by local organizations, professional organizations, and financial groups provide economic support to factional politics. Unless these political and economic factors are rooted out, any fundamental change in Japan's factional politics is inconceivable (Tsai, 2002: 61).

Local politics reflected significant changes in the period from 1970 to 1990 in Taiwan. The KMT has been compelled to make concessions to the opposition and adjustments within the party system. First, the KMT opened up registration of candidates for office in the late 1970s, permitting party members not nominated by the party

center yet possessing strong support to threaten the opposition powers able to register for elections. In this way, more of the pluralistic elites are absorbed in countering opposition forces. In July 1989, the KMT implemented a primary election system, which has brought it closer to being a democratic party like the Democratic Progressive party (DPP). Taiwan's local politics has now entered a period of transition (Chao & Kau, 1993: 292).

Taiwan's experience with local self-government and urbanization has led to a serious stratification of wealth and unbalanced development between urban and rural areas. In rural areas, local self-government has been dominated by local factions and "black gold" alliances between politicians and business interests over a long period, leading to distorted democratic development. The major future challenge for reshaping local governance is breaking the political monopoly on democratic elections and representation as well as the domination of the political and business nexus, "black gold," and local factions on politics in both urban and rural areas. The aim is to deliver a new form of social representation, transforming the old system of representation of politics-business structure, local factions, and powerful families, into a system of governance that links the politics-business structure with enterprises and civil society in a new type of relationship (Chao, 2011: 8-12).

Local government is being highly politicized under the new local system in Korea. What is denoted by the term politicization here is three-fold: more involvement of local politicians who are elected by people in the local policy process, increasing competition between political parties involved in local affairs and polarization between policy actors. Decisions on local affairs are becoming more and more open to the public and elected members. This means that local policy making is increasingly susceptible to the influence of bodies other than professional officials, such as local groups, constituencies and councillors. On the other hand, local affairs attract increasing concern from major political parties. The major political parties contest local elections on party lines and local government is colored to a greater extent by party-directed patronage. One of the consequences resulting from the above changes is polarization of local government (Lee, 1996: 68).

Local elections seem to serve as an "admission value" for the local elite. Considerable interest has been shown by the local elites who basically wish to participate in the management of public affairs. In particular, those who were willing to enter national politics but did not have sufficient resources became the candidates to be elected as local councillors. Most of the elected members are the leaders and managers in the local occupational system. According to the Ministry of Government Administration, to which all the high-ranking public office-holders should report their property and income, the members of large-tier local councils are richer than those of the National Assembly. This indicates that local councillors are mostly from an upper class background and that the local councils are composed largely of local business

interests. It is often lamented that the interests of *Botong Saram* are under-represented in the composition of local councils (Lee, 1996: 69).

Local political elites are likely to favor status quo-oriented vested interests. This implies that the local political arena needs to be opened further to include previously alienated social forces with progressive ideas and wills. Most importantly, the general citizens who hold ultimate power in the local democratic process should stay awake and alert so that they make local political elites put public interests above private interests, respond sensitively to local concerns, and take responsibility for their deeds (Park, 2005: 105).

3. Reflections on the System of Government and Business Representation in Japan, Korea, and Taiwan

Stone (1993) suggests that cities are governed by "urban regimes," observing how business-led urban regimes bring in civil society, creating an urban governance network and delivering urban improvement. Business organizations are an important force in urban development. The involvement of business promotes economic and industrial prosperity, enriching city tax revenues and welfare provision, while also increasing the willingness of the government to open up more space for development and provide basic infrastructure to attract new infrastructure. When carrying out urban development projects, governments rely on the injection of large-scale resources and investment capital from the business sector. As a result, business organizations play an influential role in urban development, requiring local governments to develop strong partnership relations with businesses to secure the necessary support and assistance.

However, there also need to be checks on the operation of local self-government and city politics, ensuring that the mechanisms for urban growth win the support of citizens and civic groups. A system of city politics with these checks should not allow corporate interests to become out of line with the sustainable development of civil society. The path of local and regional governance should be to relax the control of local business and political elites, promoting cooperation at the level of urban residents. Urban political systems need to take seriously the responsibility to ensure citizen participation and urban creativity.

However, in metropolitan regions which retain both urban and rural characteristics, it is necessary to drive the development of rural agricultural areas within the metropolitan boundaries and neighboring counties, creating different levels of regional and local governance organization, bringing together government, business and civil society, and addressing the dominance of political and business elites, "black gold," and local factions, increasing regional competitiveness and delivering sustainable regional development. As new metropolitan governments cannot use the existing structures of differentiated rule, social domination, or cultural discrimination for metropolitan regional governance, they should adopt a comprehensive view of sustainable regional

development and diversified creativity and competitiveness to establish a harmonious and diversified development strategy for both urban and rural areas. From the perspective of dense and crowded urban areas, over-development is a serious threat to the growth of urban life. Therefore, establishing a harmonious partnership between urban and rural areas, new metropolitan governments should plan large areas of ecologically protected green space as well as historical and cultural space across the city to act as a buffer zone for development. This protected space acts as an urban living space, providing recreational facilities to promote health, the green lungs of the city, and a historical space, ensuring that in the process of rapid expansion and expansion, growth is regulated and does not destroy the existing organic functioning of the city.

When building a new form of government and metropolitan society centered on urban and rural governance, it is possible to study some mechanisms applied in countries such as the United Kingdom, United States, Germany, and Canada. Internally and externally, metropolitan governments could establish collaborative governance bodies across local government boundaries, quasi-autonomous non-governmental organizations (quangos), non-departmental public bodies (NDPB), different types of external service agent, independent agency commissions, and community citizen council in response to the existing political-business, "black gold," and factional negotiation and decision-making structure, opening a new era in city government and civic governance (Chao, 2003: 53-70).

Japan has already set out in the direction of future reform, including the creation of *dōshūsei*, or system of superprefectural blocs with greater powers, reform of the state into a "system of regional autonomy," implementation of resident self-government, including "narrow administration" and "urban decentralization," integratation of "local government administration" and everyday living, strengthening of self-government legislative powers and delivery of local assembly reform, and the creation of "local self-government protection assemblies" with the right to participate in national politics.

Taiwan should develop a multi-centered urban governance structure, allowing the development of mutually independent relationships between core urban areas and peripheral rural areas. In addition, Taiwan should strengthen the legitimacy of each level of urban governance, including urban districts, neighborhoods and villages, new high-rise communities at different levels of development, traditional Aboriginal villages, and agricultural and fishing settlements .At the same time, metropolitan areas should emphasize citizens' right to a voice and political participation, and respect the idea of diverse urban development, creating appropriate institutional channels to give citizens a feeling of political efficacy and thereby increasing willingness to participate in public affairs and creating a sense of urban identity and belonging.

Local autonomy in South Korea, restored after 30 years of central rule, contributes significantly to strengthening the nascent democracy. It heralded an era of expanding grass-roots politics. In retrospect, Korea's local autonomy system, revived through

political struggles and hard negotiations, can be compared to a ship that commenced sailing without long-term thoughts, clear goals, or detailed maps to follow. From now on, topography must be well understood, the direction of progress must be better guided, and the goals must be set clearly to avoid making mistakes. Examining the performances of the past decade has much merit for setting a new direction in the development of local democracy (Ahn, 2005: 60-61).

During the past decade Korean politics has achieved remarkable democratic change, including the restoration of local autonomy and periodic local elections. Regular local elections have expanded the opportunities for the residents to participate in politics with a direct bearing on their daily lives. Local elections also serve as a crucial channel for recruiting local political elites and shaping local leadership. Elections are gaining importance as a mechanism for building democracy at the sub-national level (Park, 2005: 103).

Residents' participation is a decisive element of democracy. Of course, democracy may seem to hamper development because it requires time and much deliberation. It is undeniable, however, that we cannot claim success for the local government system until we are able to obtain the wisdom for self-governance of ordinary citizens. In this sense, the local government system of Korea may be said to have just begun to mature (Song, 2005: 236).

In East Asian countries such as Taiwan, Korea or even Japan, there is still a wide gap between democratic theories and practical operation in the process of democratization. Nevertheless, the "mature democracy" of the West was also formed through a long period of improvement and modification. Democracy grows; it is not made overnight. Democratization requires continuous promotion, reform, and cultivation. Though the institution of Taiwan's local government has already taken rough shape, the legalization of local government and its relationship with central government, as well as the harmonization, balancing, and mobilization of local governments in adapting to change, still require further effort. In anticipation of a local pluralistic democratic society and party politics, a changing political culture, the remoulding of local political elites and popular politics, notions of law and appropriate electoral participation are necessary for an integration of political and economic and social development (Chao & Kau, 1993: 305).

4. The Integration of Civil Society under Post-Representative Politics in East Asia

Bringing together the above discussion, the political reform of urban governance can be viewed from four directions of future governance. First, the transformation from political representation to community representation. The current era of local assembly representation is evolving into the era of post-representative politics defined by civil society participation and social representation. In other words, there is a transition from a passive form of politics-business representation to an active model of civic society

governance. Second is a re-evaluation of a system of governance centered on the "government official," correcting the excessive orientation towards and over-reliance on the rational bureaucracy at the metropolitan center, and shifting respect and attention to the grassroots, democracy, case-by-case differences, and the local knowledge and resources of peripheral areas, empowering civil society with diverse governance capabilities and status.

With demands for a new governance approach, local government must carefully design institutions to ensure citizen participation. Therefore, local governments must combine policy planning and design with mass appeals and governing capabilities, linking representatives from social experts and stakeholders. Under this vision of governance, citizens are a part of the government, forming partnership relations in a policymaking and enforcement network. With the arrival of the age of governance, the government should encourage greater citizen involvement in government. With citizen involvement in government, the traditional representative role or local administrative leaders and councillors is challenged and subject to policy pressure. Democratic politics is evolving from representative democracy to participatory democracy. Political leaders (including representative leaders) are now compelled to work with business elites, a range of social experts, and representatives of policy stakeholders, forming a deliberative associationism.

As described above, traditional democratic representative systems in East Asia, including Japan, Korea, and Taiwan, have faced monopoly dominance by the political-business nexus, a lack of intergrated political and administrative resources, and a lack of linkages and cooperation between the central and local governments. In addition, there has been a lack of investment of civil society resources and mobilization of private sector resources. In other words, representative democracy lacks space for participation by civil society representatives and discussion of public policy, oversight of representatives, the political-business nexus, and the bureaucracy, and delivery of public service. In fact, civil society professional elites and business elites have access to large amounts of private capital, organizational capabilities, technical capacities, social trust, expertise, and human resources to invest in public policy consultation, and provision of public services. Financial donations and joint ventures can form a part of public policy formulation, delivery of public services through contracting out, or participation in public service. In this way, a new public service network linking with existing representative and bureaucratic systems can be formed, addressing their existing inadequacies and forming a new system of public governance.

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The Role of Local Governance in Europe

Colin Copus

Introduction

Local government is not a monolithic, regularly structured and coherent entity across Europe. Rather, the different historical, political, cultural, social and governmental systems and traditions that exist across Europe, have shaped the role, powers, functions and constitutional status of local government. While European local government faces a similar set of contemporary problems, its ability and resources to address those problems differs across the continent. Moreover, the stark differences that exist in European local government systems and the array of powers that councils hold, presents each nation of Europe with a separate set of institutional arrangements for addressing policy, political, economic and social issues. Thus, the 'role of local government' is distinct to its national setting, while at the same time sharing characteristics across Europe.

The paper will explore two themes: first, the overall role of local government, within a European context, and second, the key challenges that those systems across Europe are currently facing. The first section of the paper provides a brief overview of the different categorisations of local government that have been developed as a way of setting the context for the rest of the paper. The second section sets out the key issues being faced by local government in Europe. The paper will conclude by drawing out the general lessons for local government.

Understanding European Local Government

In understanding European government we require models that enable us to conceptualise the similarities and distinctions between the systems across the continent. To asses the role of local government in any national setting and to understand its relationship to the centre, Page and Goldsmith (1987: 3) focus on: the *functions* local government undertakes, the avenues and abilities it has to *access* central government, and the *discretion* that rests with local government to make policy. The *functions* local government undertake can vary widely in how they are delivered and by whom and in its ability to shape the services provided. Again, systems vary widely in the nature of *access* that local government has to the centre. In France, Italy, and Spain for example,

local politicians are able to use a number of informal but direct routes into central government and national politicians that do not exist for councillors in England. *Discretion* may be related to the legal framework within which local government operates; the freedom it has to decide what services to provide and how and the ability to interpret and act upon central government advice (Page and Goldsmith: 4-8).

Goldsmith and Page (2011) re-visited these aspects over twenty years later and while recognising that they had be criticised by John (2001), Le Gale (2002) and Vetter (2007), they reasonably argue (2011: 260) that these factors aid not only our understanding of the role of local government, but also assist in exploring the changes that it has undergone since their original work and how it is able to address contemporary policy problems.

Page and Goldsmith (1987) introduced a geographical aspect to their framework, with Northern European local government being based on large units, by comparison with its Southern counterpart, and having a larger number of functions and responsibilities for major public services. Access to the centre was through formal mechanisms and formal negotiating processes. Southern European local government, however, was smaller, and had fewer functions and responsibilities, but had powerful, informal links to the centre when it came to matters of local concern. Politically, it was stronger than North European local government.

There have been many attempts to categorise European local government employing a geographically based approach to understand the distinctions and similarities between constitutional systems and the functions allocated to local government (see, Page and Goldsmith, 1987, Hesse and Sharpe, 1991, John, 2001). We can usefully employ for the purposes of this paper a typology which Back *et al.* (2006: 26) summarised as follows:

- The Franco (or Southern) group where local government covers territorially defined areas with a clear expectation that it will represent community interest to higher levels of government (France, Italy, Belgium [pre the development of a semi-federal system], Spain, Portugal and Greece);

- The Anglo group where local government is weak politically and legally in regard to the centre but is important for the delivery of major public services (Australia, Canada, England, New Zealand and the US);

- The North and Middle European group local government has a key role to play in delivering public services but is also constitutionally strong particularly in relation to the other two groups (Scandinavia, Germany and the Netherlands).

In addition to these groups which cover the older, established democracies of Western Europe are the newly established and establishing systems of Eastern Europe that have, or still are, making the transition from Communist dictatorship to democracy.

The role of European local government falls into two broad functional formulations. In the first the main role of local government is the provision of public services vital to nations where the state has taken the major responsibility for social welfare, social cohesion and the development of national infrastructural integrity. Here local government is the provider of a range of public services which it organises, administers and delivers to local communities. Or, while it has responsibility to see that services are delivered it undertakes that responsibility through a range of different modes which may involve a mixed economy of providers: arms-length agencies, private sector, voluntary and charity groups, or other commissioned deliverers.

Local government across Europe will always have some form of service responsibility. Indeed, in England, local government is synonymous with the provision of public services; it is the key vehicle through which much of the modern public sector operates and by which the provision of services is largely maintained. A casual glance at the development of English local government indicates that, at key points, it was seen first and foremost by central government as a mechanism for public provision. It is typical of the Anglo grouping of nations when it comes to local government.

In addition to service provision, local government has a politically representative and governing role and the powers that councils have in this regard again vary across Europe. Local government provides an additional layer of democracy, political representation and engagement to national politics and it allows for the diversity of political views and opinions expressed by communities to find outlet in an authoritative and elected body.

The constitutional status of local government plays a significant role in the way it can cope with contemporary issues and in the freedom it has from central control. Thus, when exploring the role of local government in Europe, the nature of the political system within which it is located must also be explored. Federal systems, with written constitutions can, and many do (Copus, 2010) provide constitutional protection to local government from the centre and devolve responsibility for dealing with local government to the states. But, in those systems the continued existence of local government and the political powers it has, is not a gift of the centre, but is maintained through a written constitution. In England it is the British central government that decides the shape, size, responsibilities, powers and functions of councils and the number of elected members a council will have. It is central government which can, and does, abolish individual councils or entire layers of local government. In England, local government lacks even the most basic constitutional guarantee of continued existence.

A written constitution may codify the relationship between the centre and local government, but it does not automatically mean that the localities are strong and protected from central interferences. The constitution of the Netherlands, for example, allows for the abolition of municipalities.

What we see from this brief overview of European local government is that while systems can be categorised and similarities and distinctions drawn about relative powers, roles and functions, local government remains an integral part of European government. It is integrated into a democratic system in which it plays its part in the identification of policy problems and in the development and implementation of solutions. It is to the contemporary issues that local government across Europe is facing that we now turn.

European Local Government: Contemporary Challenges

Currently, local government across Europe is subject to a number of continuing trends and pressures demanding a policy response: economic downturn, urbanisation, globalisation, Europeanisation, the growing demands made upon local government, the increasing participatory pressure within a local representative system, and, concerns about political accountability, democratic governance, citizen engagement and the role and quality of local democracy (Berg and Rao, 2005; Denters and Rose, 2005). We can distil these factors into four key challenges which local government across Europe face: the extended period of austerity and financial constraint; growing and more assertive demands for citizen engagement and participation; new approaches towards local political leadership; and the relationship that councils have with central government.

Times of Austerity

The global economic downturn has effected local government in Europe to varying degrees. Across the continent, councils will be considering reductions in expenditure, new ways of generating additional income (to replace reductions in government financial support or loss of tax revenues), new models and approaches towards delivering services, such as joint working with other councils (although in Franco systems this has long been the case as councils have less of a service role than Anglo systems), shared senior staff, commissioning services through and with other organisations and relationships with the private sector, voluntary sector and charity bodies. Councils in some European countries are also developing trading organisations in conjunction with other councils and public sector bodies as a way of generating income and maintaining the provision of public services.

The response from local government, across Europe, to austerity and constraint, has displayed some common patterns, driven by the constant desire to ensure that services provided by, or through, local government continue to be provided. Those local government systems, in which councils have strong political links to the centre, will use their political influence to defend the resource available to their localities. Those systems where local government is politically less powerful but has vast public service responsibilities, are focusing on the dual pressures of rising demand for services as the economic downturn affects individuals and communities, but decreasing resources

to meet those demands. The nature of the system within which local government in Europe is located, simply provides it with varying sets of tools to address austerity and restraint.

Citizen Participation

Local government has long been faced with increasing demands for citizen participation in policy development and decision-making. Councils are no longer faced with passive citizens, prepared to accept the decisions from the town or city hall as unchallenge-able. Rather, councils now operate in a framework of active and assertive citizenship where communities are willing and able to transmit their views and opinions through a range of mechanisms. That involvement however, is episodic rather than ongoing – for the ordinary citizen unconcerned or uninvolved in local politics, it is particular local issues that stimulate interest and engagement. After an issue has been dealt with, the citizen will disengage and that episodic involvement is a key feature of western liberal democracies.

Councils are faced with two sorts of pressures emanating from communities: those from citizens involved in the local arms of national pressure groups, focussed on a range of policy issues and that use their national networks to pressure councils to adopt certain policies of a national movement. Environmental or animal welfare groups are examples of this localised national pressure that councils may experience and to which they must respond. Indeed, it is possible that many councils will have elected members who support – or are even members of – such national pressure groups. The second source of citizen pressure and participation comes from citizens responding to some council decision or another or to some very specific local issues. These citizens are not linked to a national group, rather, they form small local bodies designed to campaign and pressurise the council to adopt specific decisions or to change existing decisions.

In response to these participatory pressures councils have adopted two approaches. First they construct regular consultative mechanisms designed to involve citizens generally in council policy and decision-making. Councils are employing a range of ways in which they can detect the views of citizens to a range of policy or local issues. Citizen's juries, focus groups, citizen's panels, deliberative opinion polls, community forums, neighbourhood committees and market-testing style questionnaires are a few of the tools that councils have available to them. Yet, these mechanisms are safe; they are designed, controlled and operationalised by councils and although they may allow tensions to emerge between councils and communities they also allow for those tensions to be managed.

A range of citizen-controlled and initiated activities also exist that are designed to pressurise councils to take particular decisions. Citizens have mechanism which they can structure, develop and implement themselves, such as forming campaign groups, petitioning, leafleting or letter-writing campaigns, organising and attending public

meetings, using the local press and media for publicity and pressure and approaching councillors or council officers to impress on them the aims of any local campaign.

Group formation to pursue a specific objective which aims to change a council decision is the most common pattern of citizen engagement. The activities that campaign groups undertake are now falling into two types: open-air campaigning, which involves the range of actives described above; and, e-campaigning. The latter will see campaign groups use a range of social-media to apply pressure or publish a particular case. Twitter and facebook, for example, now form a core weapon in the local campaigners' arsenal and are employed to reach a wide group of supporters and to publish and organise on-line political activity. Indeed, there are websites dedicated to 'watching' a particular council's every move and to publishing what local councils are doing.

Citizen participation, places a tension on the traditional workings of local representative democracy. Councillors can no longer claim that by virtue of their elected office they alone are able to make all local decisions, unchallenged. There has been a rising tide of assertiveness, across European communities, that means local citizens are willing and able to protest, challenge and influence their councils and moreover, that when they do, they expect a positive response from the institution of representative democracy that is the council.

Local Political Leadership

A key feature of European local government has been the concern shown by higher levels of government about the quality and effectiveness of local political leadership. The concern has been exemplified in discussions about which model of local leadership best fits contemporary European local government. There are clear trends identifiable across Europe that have shaped debates about local political leadership: the development of new and complex governing networks; a new set of political values held by local political leaders; the emergence of models of stronger executive local leadership across Europe; and, the copying of other forms of leadership from other governmental settings (Borraz and John, 2004). To this contextual mix can be added the issue we explored above: a continued period of European austerity and restraint.

Local political leadership will, of course, develop and be shaped by those historical, cultural, political, economic, social and structural reasons that are specific to each European nation, in much the same way as the overall system of local government. But, it is clear that despite national specificities, common patterns of problem identification and solution development have emerged. As Europe has been subject to the forces of globalisation, a counter-balancing pressure of the Europeanisation of local government has seen the cross-fertilisation of debate and systemic development. That debate and the changes that have resulted from it to the way in which local political leadership is structured, have seen three different policy responses to the same problem: how can local political leadership be best structured and organised to meet the contemporary demands it faces.

The first response to the question – what to do about local apolitical leadership – has been largely to allow existing structures and powers to face the test of changing circumstances. In local systems such as France, where local mayors are powerful as they are able to use their access to higher levels of government to link their councils to the centre for influence and returns to their localities, the office of political leader has not seen the extent of change in countries where lack of power have resulted in structural changes.

The second response has been to shift from collective patterns of political leadership to individualised systems such as directly elected mayors. Some countries have adopted the elected mayor model wholesale with major re-organisations – such as Italy and Greece. Others, such as England (and to a similar extent Germany), have taken a more tentative approach and allowed citizens or councils to adopt the mayoral model if they so wish. Whatever the route to an elected mayor, the result is the same. A direct line of accountability is created between the voters / citizens and the local political leader through the mechanism of the public vote; all citizens can take part in selecting who will be the local political leader, rather than councillors alone making that decision. The shift to an individualised system of local leadership is based on notions of visibility, accountability, speedier decision-making and a greater connection between the political leader and local citizens. If all citizens are able to take part in electing the local political leader then the person elected will have a higher profile than a leader chosen by councillors and thus citizens will know where 'the buck stops'.

Critics of elected mayors complain that such a system places too much power in the hands of one elected person. Consensual, collective systems of leadership – or a strong link between the council and the local leader – avoid the problem of the focus of power resting in one place. Thus, countries such as Belgium and the Netherlands and most local government in England, have some form of system where power is shared between an executive style leadership and the rest of the council. The key feature of such sharing is how the local leader is appointed – in collective models appointment process rests with the council (in the Netherlands the appointment is technically by the Monarch, but acting on the nomination of the council concerned).

In European local government systems we see that the policy choice, driven by the current economic demands of the time and the desires for central government to structure a relationship with local government, is either for direct citizen election of the local leader (mayor), or for that choice to be confined to the council.

Central Local Relationships

Across Europe there are different patterns of relationships between local government and the centre as we have seen in the first section. Local government is either constitutionally protected, to one degree or another; or it lacks any constitutional protection and the centre is able to manipulate the localities for its own policy purposes. Whatever the constitutional arrangements, however, central or in the case of some European

countries, the regional level, will wish to influence not only what local government does, but how it does it. So, the constitutional context within which local government is located does not mean complete protection of the localities from the centre. Only that the centre must devise different strategies to ensure the localities move broadly in the direction it wishes them to move.

In some settings, central direction of local government is a relatively simple process. The centre issues instructions, changes legislation, places greater demands on local government, alters its responsibilities, functions and powers and its financial resources and competencies, and it does so by a legislative process which is no different to any other.

In other settings, however, a more sophisticated approach from central government is required. Where local government has constitutional protection, higher levels of government wishing to make changes to some aspect of local government must negotiate, compromise, or offer some form of inducements. Taking the size of local government as an example, we see where central government is convinced of the merits of larger local councils and believe that they would be more efficient and effective than smaller units, but lacking the ability to restructure councils, a different tactic emerges. In such cases some European central governments, such as Denmark, offered financial inducements to councils to voluntarily amalgamate and form larger units, thus rewarding them for following central desires.

That larger local government is more efficient and effective than smaller local government has not been consistently proven through research but this idea is acted upon often as an article of faith by central government. Central government is driven not by questions of efficiency and effectiveness alone, but also by ease of communication and negotiation. Large numbers of small councils covering small, clearly identifiable communities, mean complex negotiations and a myriad of competing demands to be understood and acted upon by the centre. A small number of larger councils make that negotiation process so much easier.

Conclusions

While displaying common patterns and trends in responding to common problems, we must realise that local government across Europe is not a monolithic, coherent and cohesive feature of European governance. It is multifaceted and shaped by varying political, cultural, historical, geographical and traditional patterns and interactions sitting within a national rather than a solely European context.

We have seen that Franco (or Southern), Anglo and North and Middle European groups of local government display different features, responsibilities and functions. Moreover, we have seen that by highlighting the varying *functions*, *access* to central government, and the *discretion* that rests with local government we can start to understand how, within each constitutional and national setting, local government contributes

to the wider government of a nation. Local government, in whatever setting, has a dual role to play. It will be the provider, or at least responsible for, the provision of a range of public services, from welfare, to infrastructure and on to regulatory powers. It also has a politically representative role and is accorded a governing capacity – to varying degrees – with which it is able to shape – again to varying degrees – the responses it takes to a range of local policy problems.

It is tempting to speak about the Europeanisation of local government and indeed, there are common patterns of development and, of course, a range of common problems – some of which, like austerity, are indeed global as well as European. But, it would be a mistake to speak of 'European local government' simply because such similarities exist. If we are to fully appreciate local government for what it is – 'local' and 'government' – we must recognise that despite similarities of context, councils are located within their communities and each council, while experiencing similar issues has a distinct and unique personnel – councillors and officers – with which to address those issues and unique citizens and communities with whom they must interact.

We can indeed detect patterns within and across local government – European-wide and globally – and these enable us to understand and conceptualise systems and approaches toward local government. We should stop such valuable work of categorisation. Rather, that in doing so we must remember that first and foremost local government is about its communities, its locality and how to govern locally. If we forget that, we assist in the process of centralisation and forming larger and larger local government, while at the same time denuding local government of powers and responsibilities. If we do that we end up with a system that is neither local nor government. The unfortunate trend in Europe appears to be heading in that direction.

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COUNTRY
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Local Politics and Political Parties in Indonesia

Nankyung Choi

Introduction

Political parties are critical to democratic political representation. As such, political parties and party systems must be at the centre of any assessment of democracy or democratic progress. The degree, character and effects of party development and party system institutionalization are especially important for the evaluation of democratic development. For these reasons, Indonesia's political parties have received sustained attention. Scholars have been particularly interested in gauging the effects of party development on democratic consolidation or erosion. Indonesia is widely regarded as a democratic success story. Yet empirical evidence suggests that political parties in Indonesia have contributed to the consolidation of undemocratic practices. Indonesia's political parties are regarded as one of the country's most corrupt institutions. And in the last decade, popular engagement with political parties has been greatly tempered. Indonesia's political parties' contribution to enhanced democratic representation is thus profoundly uncertain.

In this essay, I examine Indonesia's political parties' roles in local politics. For at the local level, the gap between parties' idealized and real functions is most striking. After a decade of sweeping decentralization, it is impossible to understand contemporary Indonesia's politics without any attention to local politics. Direct local elections, which began being held in 2005, have further changed the position and roles of political parties in local political processes and outcomes. The essay is organized as follows. The gap between theories and reality of political parties in democratic processes will be briefly discussed. Next, the impact of direct local elections on local party politics in Indonesia will be analysed. Finally, I weigh the implications of political parties' present status for local governance and political culture.

Overall, I argue that Indonesia's political parties' contributions to democratic governance have weakened, while entrenched bureaucrats and businesspeople have gained relative power. Such a conclusion may be surprising to those familiar with Indonesia's national party politics. In fact, compared to their counterparts in Thailand and the Philippines, Indonesia's political parties seem well institutionalized with a higher degree of value infusion and a lower level of volatility. However, there are signs

of regression, including a gradual but consistent decline of public confidence in parties and party politicians. Analysis of local politics is more useful, as it sheds light on why and how it happens. My analysis will show why and how Indonesian parties' over-reliance on populist appeals of national party leaders, oligarchic management, and lacklustre efforts to recruit and train local cadres have weakened their contributions to democratic governance. It will demonstrate that Indonesia's major parties have failed to fulfil their core function of representing their constituents' interests and have forestalled democratization.

Political Parties: The Paradox of Oligarchy

Democracy is a Janus-faced political system. In theory, it is based on public participation but, in practice, it limits public participation. So are political parties. They mobilize their constituents, while a handful of party leaders actually control party organizations. In post-Soeharto Indonesia where politics and governance have been decentralized, this oligarchic tendency of major parties has posed a big challenge to their engagement in the process of political change. In what follows, I briefly discuss theories and practical outcomes of party development in post-authoritarian contexts and then examine the paradoxical reality of party development in post-Soeharto Indonesia. It should not be surprising that Indonesia's political parties quickly joined the club sharing "the standard lament" about political parties and party politicians in general (Carothers 2006, 4). However, the patterns of party development, which have resulted in oligarchic parties with highly centralizing pretension but deeply weakened linkages with constituents, point out that Indonesia's status as the third largest democracy means much less than it sounds.

Political parties have taken credit for their roles in democratizing formerly authoritarian polities, particularly as "mediators" in both installing and consolidating democracy (Huntington 1968; Dahl 1971; Sartori 1976; Mainwaring, O'Donnell, and Valenzuela 1992; Linz 1994; Randall & Svasand 2001; Diamond and Gunther 2001; Carothers 2006). They stand between the state and civil society, play a crucial role in elections, and influence the agenda-setting by organizing, articulating, and aggregating societal demands and interests. They also function as a training ground for political elites who aim to assume governing roles.

Post-Soeharto Indonesia's political parties deserve some credit for their roles in the country's democratic success. After taking part in three general elections (in 1999, 2004 and 2009), they are generally viewed to have institutionalized a "stable but dynamic" multi-party system with very small chances for new or splinter parties to get through the parliamentary threshold (Mietzner 2009, 17; see also Ufen 2006; Tan 2007; Tomsa 2008; 2010). From a comparative perspective, post-Soeharto Indonesia's parties have shown better performance than their counterparts in other older Southeast Asian democracies, like Thailand and the Philippines (Hicken 2011). However, the

revitalization of multi-party politics turned out to be insufficient in creating and strengthening linkages of responsiveness and accountability between party politicians and their constituents.

One fundamental problem seems to lie in individual parties' weak institutionalization or under-institutionalization. Most major parties share indicators of weak institutionalization, such as "weak organizational infrastructures, oligarchic decision-making processes, corruption and ideological vagueness" (Tomsa 2010, 99).[1] Ariel Heryanto (2010) and some others have raised concerns about the dominance of New-Order elites and the political culture inherited from the former authoritarian regime. Most Indonesian parties' weak organizational infrastructure means that patronage networks and factionalism, rather than party constitutions or regulations, rein in individuals' expectations and actions. As a result, informal and even undemocratic practices, untameable money politics in particular, have become a persistent and even defining mechanism in the operation of most political parties (see also Choi 2009).

In addition, the "electoralist" tendency of most Indonesia's parties, which means local party chapters often hibernating between elections, has weakened their linkages in society (Tomsa 2010, 92). Even during election campaigns, instead of strengthening their links with voters by representing their interests and aspirations, Indonesia's major parties tend to mobilize their constituencies around personalistic leadership of charismatic leaders—such as Megawati Soekarnoputri for the Indonesian Democratic Party of Struggle (*Partai Demokrat Indonesia– Perjuangan*: PDI-P) and Susilo Bambang Yudhoyono for the Democratic Party (*Partai Demokrat*: PD).[2] The adoption of direct presidential election in 2004, which was extended to elections of local government heads in 2005, has further increased the importance of personalistic politics in Indonesia's major parties. Indonesia's parties now have weaker party machines while suffering from the consequences of highly commercialized electoral politics, in which electoral results are often influenced by professional consultancies and the mass media even before polling occurs (see, for example, Qodari 2009).

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[1] Two exceptional parties are Golkar and the Prosperous Justice Party (*Partai Keadilan Sejahtera*: PKS). According to Dirk Tomsa's in-depth observation, unlike other major parties, Golkar depends more on its local apparatus, which has affected how the party manages internal affairs at the national level and eventually brought about chairman Akbar Tandjung's fall in 2004 (Tomsa 2006). PKS is also exceptional in the sense that it is relatively well institutionalized with organizational and programmatic discipline, efficient mechanisms for internal affairs, and coherent ideology.

[2] Andreas Ufen (2006) speculated that the rise of presidential parties, growing intra-party authoritarianism, the prevalence of "money politics", the lack of meaningful political platforms, weak loyalties towards parties, cartels with shifting coalitions and the upsurge of new local elites all could indicate the "Phlippinisation" of Indonesia's political parties.

While personal loyalty has replaced party loyalty, the connection between parties and voters also has faded considerably.[3] Instead voters' strong attachment to national party leaders appears to be "a principal reason for voting for political party or for president" (Liddle and Mujani 2007, 839 & 850-851; Tomsa 2010). The triumph of personalistic politics at the national level has in turn failed to discourage local party politicians and representatives in local assemblies from engaging in corrupt political practices. Although an oligarchic tendency has been observed from various large social organizations, Indonesian parties' oligarchic patterns have compounded the negative party development along with the absence of accountability mechanisms and consultation processes between the party elite and the grassroots.

As a result, Indonesia's political parties have become "less and less relevant to Indonesian voters" (Hamid 2012). Surveys show that, despite strong support for democracy, support for political parties among Indonesians has steadily and consistently declined over the course of ten years. In a 2004 survey, for example, over half of the respondents (58%) reported they felt close to a particular political party but the figure declined to only less than a quarter (23%) in 2009 (Hicken 2011, 161). Many Indonesians share profound dissatisfaction with the performance of political parties, specifically their representatives in the legislature and party politicians are often depicted as corrupt, self-absorbed and ineffective.[4] This irrelevance of parties in Indonesians' voting behaviour has further accelerated since local government heads began being selected through popular vote in 2005. The following section examines the impact of direct local executive elections on party developments at the local as well as national level.

Political Parties in Direct Local Elections

There is no better site than local power struggles to investigate the paradoxical development of Indonesia's political parties. It is indeed direct elections of local government heads that have weakened the position and influence of Indonesia's major parties in local political processes. This is an ironic twist given that political parties still keep their tight grip over national political process and that direct local executive elections were adopted as a way of enhancing the quality of democracy at local levels. Below I explain the background of electoral change and the impact of direct local elections on Indonesia's party development at both the national and local levels.

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[3] With the 1999 general election results, scholars tried to compare patterns of party support of the post-Soeharto period to the *aliran*-based support of the 1950s (see, for example, King 2003).

[4] In its corruption barometer report for 2004, for instance, Transparency International Indonesia ranked the House of Representatives and political parties first in the corruption index (categorized as "very corrupt"), followed by the customs and excise office, the judiciary, the police and the tax office (Ufen 2006, 22). By 2006, 265 corruption cases involving local assemblies with almost 1,000 suspects were handled by prosecutorial offices across Indonesia, while 46 corruption cases implicated 61 provincial governors and district heads (van Klinken 2009).

From the beginning, Indonesian party leaders did not favour the idea of adopting popular votes for elections of local government heads, which had been vigorously advocated by international organizations such as the World Bank and the UNDP. However, after several years of maintaining an indirect electoral system that was tarnished by rampant money politics and repeatedly failed to enhance transparency of decision-making and accountability to the public, there was mounting pressure for an electoral change. In addition, the laws on political parties and elections had to be revised in line with the constitutional amendments that were made during the period of 1999-2002 and require executive heads of all levels of governance, from president to governors to mayors and regents, to be elected through popular votes. Party leaders managed to keep their monopolistic right to nominate candidates for those elections.[5]

Holding direct elections of local government heads turned out to be more disastrous than anticipated. Despite the widely held assumption that direct local elections would enhance the quality of local democracy, political parties basically failed to embed themselves in local political processes. This paralysis of parties in local electoral politics is paradoxical and even surprising given that parties still practically dominate the selection of candidates in these elections. Two developments can be attributed to this fairly significant reversal of fortune: parties as gatekeepers rather than as players and the rise of entrenched local elites in local politics and governance. Below I briefly describe each development in turn before I discuss about the growing significance of personalistic politics as a result of the two developments.

First, parties have behaved as "brokers" rather than "players" in direct local elections, which has in turn led to even bigger scales of money politics and heightened intra-party tension. As political observer Irman Lanti commented, Indonesia's political parties have become "political entrepreneurs offering their services to those who sought nomination" (originally quoted in *Kompas*, 7 July 2005: cited in Crouch 2009, 114). In most cases, central boards of parties recruit candidates in exchange for financial contributions. The Constitutional Court's 2007 decision, which allows independent candidates to run for local elections, seems to have brought about little change to this trend. Most political parties nominate powerful and well-connected local elites instead of recruiting and supporting qualified and popular cadres. Because of most parties' centralizing pretension, national party leaders and chairmen of provincial boards, rather than local cadres, usually decide and receive money from potential candidates.[6]

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[5] For detailed discussions about the process of electoral change for local government heads and the electoral system of direct local executive elections, see Choi 2011, Chapter 1 in particular.

[6] Again, PKS seems exceptional in this regard with its unique system of nominating candidates. So-called networking teams consisting of leaders at different levels of the party leadership usually select candidates together, reducing hierarchy and enhancing coordination between different levels of party leadership (Interview with H. Aris Hardi Halim, PKS representative and also deputy chairman of the Batam municipal assembly [for the 2004-2009 term], on December 6, 2005 in Batam.)

As a result, the tensions between national party leaderships and local cadres have been exacerbated in most major parties. Deprived of autonomy to make their own decisions and, perhaps more importantly, access to money, local cadres stayed away from the process of direct local elections.

Second, while political parties play gatekeepers, affluent political hopefuls have dominated the electoral competition for local power and governance. As Marcus Mietzner (2007) observes, local elites stepped up while political parties stepped down in direct local elections. Despite their privilege as the only institution eligible to nominate candidates, Indonesia's political parties failed to make their presence felt in direct local elections while selected local elites have benefited. Local power struggles centre on entrenched and influential elites and their networks, not between parties or party machines. Typically, well-connected bureaucrats and well-resourced business people without any strong party links pay the parties for the tickets and ran their own "success teams" for campaigning. As a result, local elections have become much more expensive business. Besides making financial contributions to the parties that nominate them, candidates have to hire pollsters and consultants, which have become the norm in most localities, while funding their own campaigns. Those familiar with these elections estimate that at least Rp 1 billion (US$100,000) would be needed for candidates of district heads (mayors or regents) and around Rp 6 billion (US$600,000) for gubernatorial positions (Crouch 2009, 112 & 114).

Although the ultimate outcome of the weakening of political parties in local political processes and the dominance of entrenched local elites in local power struggles needs to be seen, the growing appeal of personalistic politics in the local political scene is noticeable. As the public trust in parties plunges, Indonesia's local people seem to vote for the candidates with high popularity, not because of the parties that nominate them. Powerful and resourceful local elites have dominated local power struggles, in which, rather than promising their commitments to certain programs or policies, they mobilize their personal networks and money in seeking and maintaining power and office. Even in general elections, which are held simultaneously at both the national and local levels, candidates do not get much help from their parties and manage so called "do-it-yourself campaign" (Bayuni 2009). In particular, the new majority system introduced in 2008, which allows individual candidates to be elected according to the votes they earn regardless of their places on the party list, forced candidates to rely on populist campaigning tactics, such as promises to extend road or build mosques or provide free education and health services, which often resulted in significant debts to many. Personalistic politics based on money and connections play a dominant role in Indonesia's local power struggle, as they may do in most actually existing democracies. Although personalistic politics have dominated Indonesia's politics for centuries, it is still notable that revitalized multi-party politics combined with political decentralization have changed so little in terms of the mode of politics. While local elites have

gained greater political, economic and social power, they appear to have few incentives to act for the public good.

Indonesian people welcomed the adoption of direct elections of local government heads because it basically meant breaking the local assembly's stranglehold on local politics and governance. After all, the local people, not dozens of assembly members, do indeed have the final say over who will be their governors, mayors or regents. However, political parties' monopoly over the nomination of candidates in direct local elections rather helped affluent and well-connected local elites dominate the electoral field. Dominant parties act as gatekeepers, and entrenched local elites who pay those gatekeepers contest elections. Under such conditions, direct local elections seem to have benefited only selected elites. Though slowly, direct local elections have also provided competing local interest with opportunities to contest with each other over the decentralized political institutions and governance, attracting a growing number of new power-seekers. Local businesspeople, bureaucrats and religious or other kinds of societal leaders have begun taking part in local power struggles. These new political hopefuls' profiles, including their ethnic and religious backgrounds, life stories, personalities, styles and networks seem to have made the country's local political dynamics more complicated and less predictable.

Conclusion: Political Parties and Representation

Indonesia's multi-party politics make up an essential part of the country's democratic political system. It may be still premature to assess the practical impact of direct local elections on Indonesia's party development and democratic development more broadly. On a positive note, direct local elections have increased the degree of transparency in local politics and led to vigorous competition among candidates for the popular vote (Crouch 2009, 117). And it appears that open political competitions have permitted the emergence of new types of local leaders, although their behaviour may have not been too different from their old counterparts. Indonesia's direct local elections undoubtedly represent an important turning point in the country's politics and governance. Yet those elections have generally failed to deliver positive outcomes from the point of view of the country's democratic development: local power competitions are dominated by well-connected and resourceful elites; and, money politics rules the game.

Perhaps these outcomes are not too surprising to observers from other advanced or developing democracies. One of the toughest challenges facing late-democratizing polities is the need of "establishing governments that are not merely elected by the people but actually serve the people" (Carothers 2006, 12). Post-Soeharto Indonesia's parties have not been helpful in this regard. The shortsightedness of most major parties during the first round of direct local elections in 2005 seems to have only worsened by 2010. Benefiting from this miscalculation of party leaders, well-resourced and well-

connected local elites have assumed governorship, mayorship and regentship across the regions by exercising personalistic politics and adopting populist tactics.

More recently, political parties and party politicians have tried to reassert their control over local political processes and outcomes by using the criticisms made by some political observers and scholars that the indirect system is too costly; major party leaders have tried to push for the reversal of previous electoral reforms. In 2009, for example, major parties rallied around the idea of abolishing direct elections for provincial governors and instead allowing provincial assemblies to elect governors. But moving back to the indirect electoral system does not appear to be a right answer to the high cost of democracy. A fundamental problem seems to lie in the fact that there is no effective popular control over the political system.

Indonesian parties' weakness in local politics may continue in the foreseeable future given that the current system gives local power-holders and power seekers no reason to develop close relationships with parties (see also Buehler and Tan 2007, 65-6). Resentment towards parties and party politicians may be growing, while it is very unlikely to see the establishment of new local political parties except in the province of Aceh where ethnic separatists were granted the right to form their own political party to contest local elections in return for giving up their armed struggle for independence. What if even populist leaders fail to satisfy local electorates? Money will be the rule of the game, while a series of populist programs will be promised and broken along the electoral cycle. Whether major parties can reassert themselves in local politics will depend on the interest and ability of individual parties to clean up their behaviour and be more accountable to their rank-and-file members and the local electorate more broadly.

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Local Democratisation, Governance, and Village Elections in China

Baogang He

In the wake of the 1989 Tiananmen event, China has both tightened its authoritarian rule and introduced a wide variety of local mini-democratization practices including village elections, township elections, intra-party democracy, participatory and deliberative forums, and participatory budgeting. While these do not jeopardize the CCP's monopoly on political decision making, they illustrate the major trends and characteristics of Chinese local democratization and highlight the Chinese hybrid model of democratization. This short article focuses on village elections and their relationship to rural governance.

The meaning of local democratization in the Chinese context has had a particular trajectory, and it is important to understand Chinese democratic progress in Chinese terms, rather than just in terms of multi-party competition through periodic elections. Chinese local democratization has been led by reformers to improve governance practices that allow for greater public participation while maintaining one-party dictatorship. Chinese local democratization exhibits elements of Confucian influence in the emphasis on the concept of *minben*, or people-centred governance.[1] In this way the push for democracy in places like Hangzhou, for example, has been facilitated by efforts to improve the people's welfare. The government calls it "improving the people's livelihood through democracy". As will be discussed, Chinese local democratization possesses several identifiable characteristics and has developed along several distinctive pathways.

Village Elections

A quiet process of democratization started in rural China when village elections were introduced in 1987 through the promulgation of the Provisional Organic Law of Village Committees. In the wake of the collapse of the People's Commune System, rural China

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[1] Baogang He, "Four Models of the Relationship between Confucianism and Democracy", *Journal of Chinese Philosophy*, Vol. 37, No. 1, pp. 18-33, 2010.

encountered challenging issues regarding local stability and order. In order to fill the organizational vacuum and re-establish local order, villagers in Guangxi created autonomous village organizations and introduced village elections in 1979.[2]

Village elections were controlled and manipulated by local officials at the beginning. For example, in Zhejiang, party secretaries appointed candidates in village elections. Such a practice was justified by one official in the Ministry of Civil Affairs in 1994 as normal since party leaders decide candidates in all elections in China.[3]

The appointment of candidates by party secretaries, however, faced resistance from villagers who did not vote for the officially nominated candidates. Sometimes, the official candidates lost elections, and sometimes, the elections failed to produce any village leader, thus leading to a vacuum in village governance. Through various forms of protest, villagers have resisted official manipulation and have demanded fair and free elections. They have resisted election procedures they consider unfair, irregular or corrupt by refusing to pay tax. Township leaders had to make a compromise in letting villagers nominate candidates. Such resistance has forced the state to adopt and promote open and transparent procedures such as *haixuan*, naming from the floor or direct nomination for candidates.

In the process of resisting manipulated elections, villagers invented and practiced *haixuan*, which originated in Lishu county, Jilin province.[4] In one village, 571 out of 693 eligible voters took part in *haixuan*.[5] *Haixuan* was quickly adopted in the Xiangtan and Suining Counties of Hunan Province as well as five counties and two districts in Gansu Province. *Haixuan* was ultimately endorsed in the 1998 Organic Law.

Haixuan has dramatically increased the competitiveness of the village elections in many localities. Between April and July 1999, 786 villages in the Yuyao municipality held elections under the "Organic Law of Village Committees." The ratio of candidates to positions was 48:1, which was unprecedented in the history of village elections (Dept. of Organization of Yuyao Committee of CCP 1999).[6] In Laofangqiao, a township selected by the Yuyao municipality for test elections, the villagers nominated 959 candidates for the 57 open seats. The candidate-seat ratio was 17:1, promising intense competition.

Competition was also intensified as elections shifted from "one-candidate" elections, which dominated in 1994, to "multiple-candidates" elections, which dominated

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[2] Baogang He, *Rural Democracy in China*, NY: Palgrave/Macmillan, 2007.

[3] The author's interview on October 29, 1994 in Beijing.

[4] Jing Yuejing, "Haixuan shi zenyang cansheng de" ("The Origin of Haixuan"), *Kaifang shida (the Era of Opening up),* no. 3, 1999.

[5] S. Chan, 'Research Notes on Villagers' Committee Election: Chinese-Style Democracy', *Journal of Contemporary China*, vol. 7, no. 19, 1998.

[6] Dept. of Organization of Yuyao Committee of CCP, "Yuyaoshi nongcun jichen zuzhi qingkuang zongji", ("*Summary* on the Conditions of Grass-root Units in Rural Yuyao"), June 1999.

in 1998–1999. Take the Tongxiang municipality of Zhejiang as an example. In late 1992, what was then Tongxiang county held its second round of village elections. Of its 306 villages, 244 (86.9%) took the non-competitive approach: the same number of candidates for the same number of positions. Only 40 villages (13.1%) held semi-competitive elections. By 1998, however, as Zhang Biao has found in his case study of the elections in the 10 administrative villages of Taoyuan township in July of that year, competitive elections were common. Quite a large number of villagers nominated themselves as candidates for village committee positions. As the township government made no effort to limit the number of candidates, elections became very competitive.[7]

The idea of village democracy included an assembly in which all adult villagers would participate and make major decisions over village affairs. It was, however, difficult for this to be realized in practice due to many constraints. The first reason has to do with the size of the village, which generally is between 1000 and 3000 individuals. Some villages can have as many as 8000 to 10000 people. The second reason has to do with location. In some mountainous parts, a village committee may cover several natural villages, scattered over a large area. The third reason is due to the fact that with the production mode of household responsibility, with no commonly set work schedule, it is difficult to find a time that suits everybody. Finally, in some villages the majority of the labor force may have left to work in cities and/or do business in other areas.

Consequently, villages have instituted village representative assemblies (VRAs), which involve representatives who are either elected by villagers or households or selected by village party secretaries or village committees. By 1997, 50% of the villages in China had instituted VRAs. The rate was even higher in the provinces of Liaoning, Jilin, Fujian, Shangdong, Hubei and Sichuan.[8]

The timing and the number of the meetings varies in different areas. In Beiwang village, "the VRA is particularly active, meeting on the third day of every month".[9] Diyiqiao village holds at least two meetings each year in July and November respectively. Xiacun village also had two meetings, but the time was March and September. Laiwang village has four meetings each year, presided over by the village committee. These figures are consistent with Oi and Rozelle's 1995's survey finding that the average number of meetings of VRAs is 2.76 meetings a year.[10] According to a survey by

[7] Zhang Biao, *Guanyu taoyuan cunminweiyuanhui xuanju de diaocha baogao (Report on Village Elections in Taoyuan)*, Summer Investigation Report, Department of Political Science of Zhejiang University, 1998.

8 X. Tang and Na Jun, "Zhongguo Nongcun zhengzhi minzhu fazhan de qianjing ji kunlan: zhidu jiaodu de fengxi" ("Prospects and Difficulties in the Development of Chinese Rural Democracy: an Institutional Point of View"), *Zhengzhixue yanjiu (Research in Political Science)*, no. 1, 1999.

[9] S. V. Lawrence, "Democracy, Chinese Style", *the Australian Journal of Chinese Affairs*, no. 32, pp. 61-68, 1994.

[10] J. Oi and S. Rozelle (2000), "Elections and Power: The Locus of Decision-Making in Chinese Villages", *The China Quarterly*, no.162, 2000, pp. 513-39.

Yang Min, 57.8 per cent of respondents in 1990 and 73.3 per cent in 1996 confirmed that they participated in VRAs only 1-2 times a year. 32.7 per cent and 20.7 per cent participated several times a year.[11]

The VRA served as the body that decided the final candidate for village elections, with the author's survey demonstrating that 40.5 per cent of the final candidates for village elections were decided through VRAs in 1998 in Zhejiang.[12] In recent years, village leaders, recognizing the importance of the VRAs, are more frequently using these meetings in their decision-making process. One such example is Shuangqiao village in Chengjiao township of Wenzhou. Believing it would pay off in the long run, the village leaders bought a 4-storey office building from a business company for 8 million RMB. However, since the deal was made without any consultation in advance with the village representative meeting, some villagers grew angry and suspicious. They challenged village leaders and demanded a say in the decision-making process, and they went to the leadership above to voice their anger and suspicion, which did not die down until half a year later. Drawing from its experience of this incident, the village committee began to pay more attention to the views of the representative meeting. Consequently, in the latter half of the year 2000 alone, there were as many as ten meetings held.

Village Elections and the Party-dominated Governance Structure

Has the voter-elected village committee become the center of village power and challenged the party-dominated governance structure? My field trips reveal that in no way is the number one person in the village the directly elected village head. The findings of my survey of village heads are striking (see Table 1).

Table 1: Post-election relationship between village head and party secretary

Answer	No. of respondents	Percentage (%)
As elected village head, you have more power than the party secretary.	17	15.3
As the party is the core of the leadership, the secretary has more power than you do.	62	55.9
The secretary is more powerful than you are, because s/he holds economic power.	17	15.3
No response	15	13.5
Total	111	100

[11] M. Yang, "Participatory Consciousness and Behavior of Chinese Peasants", *Studies of Sociology*, no.2, 2000, pp. 67-75.

[12] He, *Rural Democracy*, p. 94.

From the survey we can see that only 15 per cent of the village heads think they have more power than the party secretary does, because they are elected by the villagers and thus have legitimacy. The survey of township leaders yields similar findings (see Table 2).

Table 2. Do party secretaries feel challenged by the fact that village heads are elected by voters?

Answer by township officials	No. of respondents	Percentage (%)
Yes	43	37.4
No	71	61.7
No response	1	0.9
Total	115	100.0

It should be noted that almost 62 per cent of township leaders do not think that the election of village head constitutes a challenge to the party secretary, let alone a change in the power structure. The party secretary remains at the center of village affairs.

Why has the party maintained its dominance? The most important cause is of course the legally defined leading role of the party organization. The role of the party branch is clearly defined by law. The "Organic Law of Village Committees", passed in November 1998 by the National People's Congress, states in Article 3 that "[t]he party branches in the rural area work and perform the leading role according to the Constitution of the Chinese Communist Party. They support and ensure villagers' self-governance and direct exercise of democratic rights."[13]

The second cause has to do with the fact that the party secretary controls all the economic resources of the village. Wuyun township requires that the directorship of the village economic association should normally go to the party secretary. According to the party chief of this township, the idea is to strengthen party leadership in economic affairs, and to ensure that the party is in the leading position to control social and economic development programs. For this reason, the village head can hold the post of vice president or head of the financial supervision group.[14] What happens in Wuyun is typical of the situation in Zhejiang province.

Third, in their efforts to maintain party dominance, village party secretaries have resisted the potentially power-shifting force of democratic elections through a number of measures. Party secretaries are invariably also heads of local working groups for village elections, as is clearly stipulated by the provincial electorate law of Zhejiang province. Party secretaries can turn such posts to their advantage and significantly influence the outcome of elections.

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[13]   However, in the interviews, one village party secretary complained that village laws define the powers of the village committee or assembly in clear and concrete ways, whereas the power of the party is defined as "the core leadership" which is an "empty" word and lacks specificity.

[14]   Author interview with Xu Xiaolin, party secretary of Wuyun township committee, 4 November 1998.

The idea that the village committee will replace the party branch at the core of the village power structure distorts and oversimplifies reality. Nevertheless, there are variations in the extent to which the party dictates proceedings, and these variations should be taken seriously. Below, I will examine how elections contribute to the emergence of various patterns of village power structure and rural governance (of course other factors such as kinship, the village economy and human contingency all contribute to the complex and varied structures of village governance). I identify at least five model village power structures produced by village elections.

In the first model, party secretaries dominate the village power structure, that is, there are strong party secretaries but weak village chiefs. In response to the democratic challenge, the essential question is how the party redefines its role and organizational design. It should be noted that some party organizations have adopted elections to gain legitimacy.

The second model is merged, that is, some members of the party branch are members of the village committee, the village head is a deputy or at least a member of the party branch, and many village committee members are party members. Hence one can see the same group of people in both institutions. In Linan county, all the village heads were party branch leaders in 1994.[15] In Weihai city, Shandong Province, 71.8 per cent of elected village chiefs out of 2,679 villages were also party secretaries in 1998.[16] In Lishui region party branch leaders were encouraged to take posts on village committees, and secretaries of villages with a population of 500 or less could also take the post of village head in 1995. In one township in Fushan, 53 out of 106 elected village chiefs were party secretaries in 2000.[17] It should be noted that the merged model is a deliberate attempt to strengthen the party branch and to overcome the problems arising from potential conflict between the party secretary and the village chief. In this model, the party secretary assumes the duties of both party secretary and village chief. This model can therefore be seen as a different version of the party domination model. This merged model lacks checks against corruption and the abuse of power.

On the third model the elected village committee and village assembly dominate. This only takes place in a limited number of cases. This model results from elections that empower the elected village committee. On a research trip in 2001, I observed how village meetings or assemblies are gradually replacing party branch meetings as the final decision-making institution through which the most important matters concerning the welfare of all villagers are decided. Villagers can now use the village assembly to check the power of the party branch, and the village committee to influence decision

[15] Yu Jinsheng, "Zhejiangsheng Linanxian cunweihui 'yifajianzhi, yizhizhicun,minzhuguanli' xiazhuang de diaocha" ("Investigation in Linan County, Zhejiang, on the Governance and Democratic Management of Village Committee") (a report of the department of civil affairs in Linan, May 1994).

[16] *Minzheng Luntan* (*China Civil Affairs*) (5, 1999), p. 42.

[17] The official document of Fushan distributed on 3 April 2000.

making in the village, and, more importantly, to dismiss corrupt village heads by applying codes and procedures for dismissal. Village elections, the village assembly system and the dismissal procedures have changed the power game at the village level, making it more rational, more balanced and more responsive to the needs of villagers.

More significantly, some village leaders no longer debate who (village head or party secretary) is the most powerful person in the village. This is an indicator of the decline of the unquestioned authority of the party secretary. Furthermore, in Wenzhou, some elected village heads have tried to control certain village economic enterprises, and they do have power to control village finances. In Lishui, some elected village heads fought to control village "stamps", the symbol of village power, by appealing to village laws.[18] In particular, *Township and Village Forum*, the official journal of the Ministry of Civic Affairs, has supported the right of elected village heads to command a village "stamp".

The fourth model entails power sharing. To some extent the elected village committee, led by the village head, plays the role of a check on the power of the village party branch. As a result, party secretaries now consult more with the village committee. In Zhongxing village of Wuyun township, Jinyun county, for example, all major village affairs are decided at a joint meeting of the party branch and the village committee. It is impossible to make any major decision without an agreement, which has been jointly reached by both village institutions.[19]

The fifth model identifies a rift between the village committee and the party organization, which causes serious problems in rural governance. Village elections create or widen this conflict. The contest for power comes from two sources. According to the principle of party organization (the core of leadership), the party secretary should be the number one in the village. However, according to the spirit of democratic governance, the village head, rather than the party secretary, should be in that top position. An elected village leader can claim to have more authority than a party secretary does, because he is elected. This is electoral logic. Consequently, the elected village head constitutes a challenge to the power of the secretary, and rivalry and power struggle have followed.[20]

The source of this conflict is quite obvious and to be expected. Some secretaries think that as the party branch is defined as being at the core of village governance, they should be "the speaker at all meetings, the manager of all affairs and the maker

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[18]   The author found this on his research trip in May 2001. Also see a report on the village stamp issue in *Democracy and Laws*, 4 (2000).

[19]   Author interview with some cadres and peasants from the village in November 1998.

[20]   Li Lianjiang and Xiong Jingming, "Cong zhengfu zhudao de cunmin zizhi maixiang minzhu xuanju" ("From Government-guided Village Autonomy to Democratic Elections"), Hong Kong: *Ershiyi shiji* (*21st Century*) (50, 1998), p. 154.

of all decisions".[21] Village heads, however, think that as the village committee is a self-governing body, there should be no interference, either from above or from the village party branch. My survey shows that 15 per cent of village heads think they should have higher authority than the party secretary, because they are elected by the villagers.

As the village committee and the party branch are different organizations with different sources of legitimacy and power, they tend to come into conflict over the handling of village affairs. In the Yuecheng district of Shaoxing municipality, 15 per cent of party secretaries are not on good terms with their village heads, and, as a result of the tension between these two leaders, the village committees there are simply unable to play a full governance role. In Shaoyou village in the Paitou township, village cadres are in two distinct factions, headed respectively by the village head and the party secretary. Decision making is impossible whenever there is disagreement between the village head and the party secretary. The result is that problems remain unsolved and things left undone.[22] Similar cases are found in other provinces.

From Electoral Democracy to Deliberative Democracy: How to Improve Rural Governance

Village elections pose new challenge for rural local governance. Elected village leaders and/or village representatives' meetings sometimes make a majoritarian decision in disfavour of women. Take an example of the rights of married-out women. Most villages do not allocate collective rights and benefits to married-out women. The local government requires that married-out women are entitled to certain rights and benefits; villages, however, invoke their autonomy and hold votes to deny the allocation of rights. This author looked at the original records and found that nearly all villages had used democratic processes to reject the allocation of rights to married-out women in Dayawai district, Huizhou city, Guangdong province in 2010. For example, on 6 December 2007, a village of 79 members voted to reject the proposal 64 against to 11 in favour, with 2 abstentions. The decision was recorded: "the village decides not to distribute to married-out women (passed)".

Village elections have also weakened the administrative power of local governments, and created an institutional constraint on township leaders, who cannot dismiss village chiefs at their will. In particular, the ability of the local government to control village cadres has weakened as they are unable to recall the cadres to force them to comply. Returning to the case of the married-out women, in November and December 2007, the Dayawai Stability Maintenance Centre twice held grassroots village meetings

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[21] Dept. of Civil Affairs of Tiantai County, "Jiaqiang dong dui cunweihui de lingdao, gaibian luohou mianmao" ("Make improvements through the Strengthening of Party Leadership over Village Committee") (May 1994).

[22] Bian Wei (enrolled in 1997, School of Political Science, Zhejiang Univ.), "Guanyu cunminweiyunhui xunju de diaocha baogao" ("A Report on the Village Elections"), 1998 summer study report.

to address the issue concerning the right of married-out women, but the mediation was ineffective. When the local government officials telephoned to organize a meeting of the small group the village cadres simply did not answer the phone or claimed to be busy in 2008. Village cadres also rejected holding a conference to deal with married-out women. Villagers also did not attend such conferences either.

Given that electoral village democracy cannot deal with the issue concerning the rights of married-out women, some local governments start to explore deliberative democracy as an alternative to solve or reduce social conflicts.[23] It is not difficult to see that the crux of the problem lies in the fact that the majority of villagers do not agree with "married-out women" benefiting from the collective wealth of the village. No matter what steps are taken, if the rights and benefits of married-out women are to be realised then they must pass through discussion in the village representative meeting. Therefore, conducting public deliberations between villagers and married-out women should be the main focus.

One village in Huizhou held the deliberative heart-to-heart talk, allowing both sides of villagers and married-out women an open channel for discussion. From the 230 total residents, those over the age of 18 (143 people) participated in a one-day event on 6 May 2010. Using the method of small and large group discussions, we divided the participants into 10 groups. Small group discussions first allowed everyone to express their opinion then discussion took place in the large group.

The result of this deliberative forum was striking. On a scale of 0 to 10, with 0 meaning "not important at all" and 10 meaning "extremely important", the participants filled out forms before and after deliberation on proposals for solving the problem of married-out women petitioning. After a day of discussions, the villagers' thinking clearly changed (see Table 3).

Table 3: Level of importance of various proposals for solving the problem of "married-out women" petitioning

Proposal	Pre-deliberation Average	Post-deliberation Average
One-off payment	5.06	5.08
Equal distribution***	0.66	3.95
Proportional distribution	1.49	2.73
Share-based system**	0.69	2.39

Note: The author's survey's result. There was a clear difference to the averages before and after deliberation:** represents less than 0.05; *** represents less than 0.00.

From the above we can see that villagers' acknowledgement of equal distribution greatly increased from 0.66 to 3.95, but the average remained below the mid-point of 5. The one-off payment proposal received definite support, both before and after deliberation, with an average of above 5. Village X eventually chose a plan of a one-off provision of

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[23] This author was invited by the local government to organize this deliberative forum in 2010. I went there four times during 2009 and 2010.

a one hundred square metre house (worth approximately 500,000 Yuan). This clearly reflects public opinion in the path to a solution to the problem. 80% of original residents agreed and signed their name to the proposal. 16 of the 23 married-out women agreed, four pursued the matter through the courts, and three refused to sign as they continued to demand equal distributive rights.

The result shows that through the deliberative forum, the villagers' views underwent a change, their acknowledgement of equal distribution increased, and this is the key to solving the problem. In December 2007, the majority of villagers in their representative meeting completely opposed married-out women having any distributive rights, but now the majority accepts a proposal of a one-off payment. Deliberative discussions have helped villagers to understand equality, rights and obligations. Village deliberative democracy has contributed to reducing or resolving the petitioning problem, and has contributed to building a system of deliberative governance. This is a new direction which Chinese rural democracy ought to take.

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Decentralisation and Local Governance in India

George Mathew

Self-governing village communities characterised by agrarian economies had existed in India from the earliest times. Not only are they mentioned in the Rig Veda, which dates from approximately 1200 B.C., there is also definite evidence available of the existence of village *sabhas* (councils or assemblies) until about 600 B.C.. These village bodies were the lines of contact with higher authorities on matters affecting the villages.

In the course of time, these village bodies took the form of *panchayats* (an assembly of five persons) which looked after the affairs of the village. They had both police and judicial powers. Custom and religion elevated them to a sacred position of authority. These village bodies, both in north and south India, had been the pivot of administration, the centre of social life, and, above all, a focus of social solidarity.[1]

Sir Charles Metcalfe, the provisional governor general of India (1835-36), had called the Indian village communities "the little republics." Given the caste-ridden feudal structure of the village society, they were not ideal institutions working with the participation of all the people.

British Colonial Period

In 1687 a municipal corporation was set up in Madras, on the British model of a town council, empowered to levy taxes, comprising nominated members. In 1870 the viceroy, Lord Mayo, passed a resolution for decentralisation of power to bring about administrative efficiency in meeting the demands of the people and collecting taxes to add to the finances of the imperial government. It was followed by the government resolution of 18 May 1882 during the viceroyalty of Lord Ripon, providing for local boards consisting of a large majority of elected non-official members and presided over by a non-official chairperson. The Ripon resolution is considered to be the Magna Carta of local democracy in India. Although the progress of local self-government on the lines of the Ripon resolution was tardy, the term "self-government" gained currency. Mention may be made of the recommendations of the Royal Commission on Decentralisation (1907), the Montagu-Chelmsford Reforms (1919), the Government of India Act (1935) marking important stages in the evolution of panchayats in the country.

During the freedom movement, village panchayats were central to its ideological framework. Mahatma Gandhi had defined his vision of village panchayats as a complete republic based on perfect democracy and individual freedom. In 1946 he wrote "Independence must begin at the bottom. Thus, every village will be a Republic or Panchayat having full powers. It follows, therefore, that every village has to be self-sustained and capable of managing its affairs even to the extent of defending itself against the whole world".[2]

Constitutional Debate

Despite the nationalist movement's commitment to panchayats and Gandhi's unequivocal propagation of the ideal, the first draft of India's constitution did not include a provision for panchayats. It was included only in the Directive Principles of State Policy (Article 40), which is not mandatory.[3]

Whatever happened during the making of the Constitution of India, the followers of Gandhi considered panchayats both a means and also an end. They sincerely believed in their immense potential for democratic decentralisation and for devolving power to the people. In the early fifties, it was realized that without taking cognisance of Gandhi's idea of "village republics", development and good governance will remain a pipedream.

In the state of Rajasthan, Prime Minister Jawaharlal Nehru inaugurated independent India's first panchayati raj on 2 October 1959, following the recommendations of a study team appointed by the government of India.[4] Nehru hailed the system as "the most revolutionary and historical step in the context of new India."[5] By 1959, all the states had passed panchayat acts and panchayats reached all parts of the country.

Nevertheless, the panchayati raj system had been moving downhill since mid-1960s because of the domination of the economically and socially privileged classes and of not holding elections at regular intervals. If regular elections were held, the political education of communities oppressed for ages would have changed permutations and combinations, accelerating the decline of traditional rivalries and giving way to issue-oriented groupings.

Asoka Mehta Committee

In 1977, the Government of India appointed a committee under the chairmanship of Asoka Mehta to enquire into the working of the panchayati raj institutions, and to suggest measures to strengthen them so as to enable a decentralised system of planning and development to be effective. The committee's report (1978) is a seminal document which seeks to make panchayats an organic, integral part of our democratic process.[6] The panchayati raj institutions which came into being after the Asoka Mehta com-

mittee's recommendations are considered as the second generation panchayats in independent India.

The second generation of panchayati raj institutions started in West Bengal in 1978 followed by Karnataka and Andhra Pradesh. Later Jammu and Kashmir took steps to strengthen decentralization and local governance. These states adapted the recommendations of the Asoka Mehta Committee to suit their conditions and learnt from each other's experience in bringing forth new legislations or amendments to the prevailing state acts.

The most important thrust of the second phase was that the panchayats emerged from a development organisation at the local level into a political institution. The emphasis shifted from the bureaucracy to the political process. This was a welcome trend. The attempt had been to make panchayats into genuine political institutions. Thus they were a microcosm of the state itself with all its ramifications.

Need for Constitutional Support

It is well established that constitutional support and legislative measures are necessary for bringing about social change. In India, since there was no constitutional support for self-government below the state level, no state government took the process seriously. Therefore, the frequently asked question was: "Why is it that we cannot have a constitutional amendment which will make it obligatory for local elections to be held on time?"[7] Even those states which had gone ahead, as far as they could, in the devolution of powers to the panchayats, had felt that concentration of power at the Union level was working as a serious impediment. In 1985, Abdul Nazir Sab, the minister for panchayati raj and rural development in Karnataka, stated that "without a constitutional amendment guaranteeing the [panchayats] our efforts may not be as fruitful as we desire".[8]

Since the second generation panchayats gave more powers to the local bodies and as their orientation was more political than developmental, they evoked widespread enthusiasm both in their implementation as well as their working. The functioning of the panchayats in the state of West Bengal was considered a success story.

The Constitution Amendment

It was against this backdrop that on 15 May 1989, the Constitution (64th Amendment) Bill was introduced in Parliament by Prime Minister Rajiv Gandhi. Although the 1989 bill in itself was a welcome step, there was serious opposition to it on two basic grounds and due to its political overtones. These were: (a) the bill overlooked the states and was seen as an instrument of the Centre to deal directly with the panchayati raj institutions; and, (b) that it was imposing a uniform pattern throughout the country instead of permitting individual states to legislate the details, keeping in mind the local circumstances. There was an outcry against this bill not only from the political parties but also

from the intellectuals and concerned citizens. Although the bill was passed in the lower house of the Parliament (Lok Sabha), on October 15, 1989, it was defeated in the upper house (Rajya Sabha)[9].

In the following years the issue of decentralization and local government came to the centre stage of political and academic discourse. Political parties through their statements and manifestos supported constitutional amendment for strengthening panchayats and a pro-panchayati raj climate was created in the country. Thus in September 1991, the Congress government under Prime Minister Narasimha Rao introduced two bills, one for rural local governance and the other for municipalities. The parliament passed the bills on 23 December 1992. They came into force as the Constitution (Seventy-third Amendment) Act 1992 on 24 April 1993, and Constitution (Seventy-fourth Amendment) Act 1992 on 1 June 1993. These amendments to the Constitution brought about a fundamental change not only in the realm of local self-government but also in India's federal character, heralding a new chapter in the process of decentralisation. The 73rd and 74th Amendments provided a broad framework to states within which the Panchayati Raj (PR) and Municipalities became the institutions of self government.

Today India has 537 District panchayats, 6094 Intermediate panchayats and 232,913 Village panchayats with 2,828,779 elected representatives. At the village panchayat level, each elected representative's constituency consists of about 350 people, making India the largest and most intensely democratic country in the world.

The *Gram Sabha*, comprising the assembly of all people living in a village, has been especially enshrined therein, so as to enable the people to manage their affairs as a collective. Thus, the Act has opened avenues for facilitating social mobilisation process at the grassroots level. The Gram Sabha, which can function as the institution of participative democracy, ensures direct democracy.

That the Constitution envisages a crucial role for panchayats in development is evident from the fact that the 11th schedule provides an illustrative list of functions that may be assigned to the panchayats. This list contains 29 items covering economic sector, social sector and infrastructure. Responsibilities for undertaking activities in each of these sectors are to be assigned to the panchayats.

In the economic sector, there are subjects like agriculture, land reform, land improvement, soil conservation, minor irrigation, animal husbandry, fishery, social forestry, fuel and fodder, markets and fairs, small scale and cottage industry. Thus almost all the components of rural economy may be brought under the purview of panchayat-level development planning. Besides for alleviating poverty, panchayats may be entrusted with the implementation of various anti-poverty programmes like employment generation, construction of houses for the poor or mid-day meal for school children.

In the social sector, panchayats are assigned an important role in providing elementary education, skill formation, preventive and curative health care, water and sanitation, development of women and SC/ST people, social security, public distribution system, disaster management and relief.

Economic and social development needs improvement of physical infrastructure. Here, also, the 11th schedule gives the panchayats responsibilities in respect of roads, bridges, waterways etc. and rural electrification including development of non-conventional energy sources.

The two Amendments have given the local self-government institutions the responsibility of preparation of plans and implementation of schemes for economic development and social justice. The constitution of District Planning Committee (DPC) has brought the decentralized planning to the forefront. The DPC is a monitoring and facilitating body, consolidating the plans prepared by the Panchayats and Municipalities in the district and preparing a draft development plan for the district as a whole. It brings all the developmental agencies operating in the district on a single platform in order to provide an opportunity to listen to each other and identify the development potential of the district and devise suitable strategies.

With the constitutional provisions, India entered into multi-level planning in which each level is entitled to exercise autonomy within a common framework that evolves through constant bottom-up and top-down interactions and flow of information among different levels. This was critical for development planning in a country with more than six hundred thousand villages and over five thousand towns and cities. In short, the new pachayati raj had set in motion a silent social revolution.

Today, elections to the local self-government institutions every five years have become a norm although in the initial years, states, irrespective of the party in power, had defied the constitutional provision. As the civil society organizations took the initiative to fight the anti-constitutional approach of the states by filing public interest litigations (PILs), the judiciary at different levels effectively intervened.

Constitutional bodies like the State Election Commission (SEC), State Finance Commission (SFC) etc., in all states are now firmly in place. The SECs have taken up the panchayat elections seriously, giving a lot of credibility to the grassroots level democratic process.

There has been a steady progress as far as the inclusion of excluded sections of our population in the decision making process from village to the district level is concerned. Women have received the maximum mileage. Today 1.2 million women are elected to the local governments every five years and more than three times that number are contesting elections. This is not a mean achievement in a hierarchical and male dominated society. The common refrain that it is the men folk in the families who control the women elected members may be partly true but studies show that the situation is rapidly changing. One-third of all the panchayats and municipalities at various

levels have women presidents. As years go by, the number of women being elected from general constituencies is also increasing. Although the national reservation for women is 33 per cent of the total seats, 10 states today have provided for 50 per cent reservations. The low caste (formerly untouchable) and Tribes are equally securing their due share in the local governments.

As local self-government bodies have come into existence throughout the country, their functioning has come under scrutiny. A congenial climate for taking governance to the doorsteps of the people is slowly being created. A major achievement of this process is that patronage and clientelism are slowly shifting from traditional castes and families to political parties and ideologies.[10]

There are numerous elaborate mechanisms at Central and State levels to ensure accountability and efficient utilisation of public funds. There are time tested institutional mechanisms for audit. Vigilance committees sponsored by the government and supported by civil society organisations are similarly active today. The concept of "social audit" has emerged from these innovative steps.

Many states, taking advantage of the prevailing situation, have gone for innovative and creative experiments in local governance, planning and rural development. The people's participation in local planning in Kerala is an illustrative case in point.

The experiences of the last 20 years show that whenever reliance has been placed on panchayats and adequate resources and other kinds of support have been given to them, they have produced results. It would be appropriate to cite the cases of Kerala and West Bengal to bring home the point.

CASE OF KERALA AND WEST BENGAL

The two states—Kerala and West Bengal—have shown how panchayats can play a crucial role in rural development.[11]

In 1996, the Government of Kerala took a "big bang" approach for decentralization by devolving as much as 35-40 per cent of plan funds to the local bodies in untied form and by institutionalizing the local level planning. For this purpose all the rural and urban local bodies along with the DPCs were activated. A detailed methodology of participatory local level planning was developed and the local councils were given autonomy in taking decisions on local development projects, within the framework of broad guidelines developed by the State Planning Board. In evaluating the experience of this bold experiment, an observer noted that in respect of making provisions for "shelter, drinking water, sanitation facilities and connectivity, the local governments …performed *beyond expectations*. In other sectors, particularly in agriculture, animal husbandry, health and education, there have been good models, which can be … replicated".

West Bengal introduced the panchayat system and empowered them in the late 1970s, long before the enactment of the Constitution amendment bill.[12] In the 1980s

and 90s, the state experienced a "green revolution" particularly in the production of food grains and dramatic reduction of rural poverty. Many authors are of the view that the panchayats played a crucial role in making these outcomes possible. Panchayats contributed to the growth process of the rural economy (which also reduced poverty) directly by improving the rural infrastructure and providing various services. Panchayats played an important role in improving connectivity, developing social forestry, improving small irrigation systems, and providing water supply and sanitation facilities. They were also involved in providing non-land inputs to farmers, such as seeds and fertilisers and in facilitating farmers' access to credit. After the advent of the panchayats, horizontal coordination at the field level of different development departments improved. Panchayats also played a very important role in implementing the state's land reform programme, which facilitated the growth process and helped reduce poverty. Last but not least, it is because of the panchayats that there has been negligible targeting failure in the execution of various poverty alleviation programmes. Taken together all these contributed to the reduction of rural poverty.

Centrally Sponsored Schemes and Local Governments

The Union government has introduced the Mahatma Gandhi National Rural Employment Guarantee Scheme (MNREGS) for reducing rural poverty and to improve rural infrastructure. It guarantees employment for at least 100 days in a year to all who need jobs. The landless agricultural labourers are being given job cards that entitle them to get job or financial compensation if a job cannot be given. The three-tier panchayat system has been put in charge of executing this huge programme.

Another flagship programme of the Government of India relates to health. Known as National Rural Health Mission (NRHM), this programme aims at ensuring health for all with particular emphasis on women and children by making an "architectural correction of the health system". A major strategy of this "architectural correction" is decentralization of health management at the local level. For this the Mission has given several important roles to the panchayats, particularly gram panchayats. This includes preparation of village health plans, management of sub centres, and integration of health care services with drinking water supply, sanitation, improvement of personal hygiene and environmental cleanliness and nutrition. Without the involvement of panchayats, it would have been impossible to implement these and other centrally sponsored[13] poverty alleviation schemes in the economic and social sector.

The advocates of decentralization are against these Centrally Sponsored Schemes being controlled by their respective departments and not by the local governments. According to the second Administrative Reforms Commission, the Centrally-sponsored schemes have to shed their separate vertical identity and be part of the overall development plan of the panchayati raj system.[14]

Developments since 2000

The new panchayats, which had began their journey in 1993, entered the new millennium with great hopes. The letter written by Prime Minister A. B. Vajpayee to Chief Minister of Andhra Pradesh Chandrababu Naidu on 27 April 2001, which categorically stated that in the Constitution panchayats have been visualized as the third tier of governance in the federal polity and deplored "the tendency of many state governments to create parallel structures, which marginalize panchayti raj institutions", gave a much-needed fillip to the confidence of all concerned.[15]

Since 2001, three reports have been tabled which deal with panchayats and its critical place in governance and federal polity in the country. These three reports were: (i) the Task Force constituted during the conference of state ministers of panchayati raj held in New Delhi on 11 July 2001 (report submitted on 31 August 2001), (ii) National Commission to review the working of the Constitution (31 March 2002), and (iii) the Second Administrative Reform Commission (October 2007). The three reports had one concern in common: the panchayats are not functioning according to the constitutional provisions; the Union government and state governments are responsible for it.

For instance, the report of the National Commission to Review the Working of the Constitution had observed: "… the change brought about by the [73rd] Amendment has not been radical, nor its implications are found to be far-reaching. For, Panchyats have, till now, failed to emerge as governments at the third stratum, up to the expected level…. It is not without some justification that the Panchayats that came in the wake of the post-73rd Constitution amendment have been described as democratic institutions without power—a decorative box, as it were, that contains nothing inside".[16] Therefore, the Commission recommended several amendments to Part IX of the Constitution, which included giving an overseeing function to the Central Election Commission over the State Election Commission, restructuring the Eleventh and Twelfth Schedules in the Constitution of India in a manner that creates a separate fiscal domain for panchayats and municipalities; conferring on the panchayats full power of administrative and functional control over staff transferred to them and the power to recruit staff required for service in their jurisdiction.

It also recommended the constitution of a State Panchayat Council under the chairmanship of the Chief Minister and Comptroller and Auditor-General of India to conduct audits or lay down accounting standards for panchayats.

In the same vein, the Second Administrative Reforms Commission had recommended that States should ensure that village panchayats are of an appropriate size to make them viable units of local self-government, and that the state Governments should not have the power to suspend or rescind any resolution passed by the panchayati raj institutions or take action against the elected representatives or to supersede/dissolve the panchayats. The powers to investigate and recommend action should lie with the local Ombudsman. The flow of funds for all public development schemes in rural areas

should be exclusively routed through panchayats. Local Area Development Authorities and other organizations having similar functions should be wound up and their functions and assets transferred to the appropriate level of the panchayat. The Members of Parliament Local Area Development (MPLAD) and Members of Legislative Assembly Local Area Development (MLALAD) funds should be abolished[17].

But, there has been almost no action taken either by the state governments or the Union government to implement these recommendations or to bring them to the centre-stage for discussion and debate. On the other hand, the Members of Parliament Local Area Development Scheme (MPLADS) fund has been increased from Rs. two crore to Rs. five crore per year (following in their footsteps all states have also raised the local area development fund for their MLAs) while panchayats are facing a resource crunch all over the country.

In 2004, when the United Progressive Alliance (UPA) government came to power, for the first time, a separate Ministry of Panchayati Raj (MOPR) was created. There was a very positive response to this move, but there was also a view that it should have been the Ministry of Local Government that coordinates and facilitates core ministries that are closely associated with local development to ensure better planning and monitoring of local development programmes and also their efficient implementation.[18] Evidently, only a full-fledged ministry of panchayats and municipalities—Ministry of Local Government—with the appropriate mandate, could implement the provisions in Part IX and IXA of the constitution. However, no action was taken by the coalition government in this regard.

During the five-year period (2004-2009) the Ministry of Panchayati Raj nevertheless made an impact on seventy per cent of the population of this country. The push it gave for a national debate on various issues affecting the lives of ordinary people, and the ideas and programmes it generated at the state level and below to make panchayats the "institutions of self-government" created a lot of hope in the mind of the common man.

From July to December 2004, MOPR organized seven Round Tables of state ministers in-charge of panchayati raj on major themes in different parts of the country. The Union Minister of Panchayati Raj signed memoranda with 22 state chief ministers on how to strengthen the panchayats by implementing the provisions of the 73rd constitution amendment through the State Acts.

Three initiatives launched during this period need mention here. The first was Backward Regions Grant Fund Programme (BRGF) for 250 districts in 27 states. It was started in 2007 in 232 district panchayats and the municipalities. The grant is "untied"; and nearly 11 per cent of the total allocation is for capacity building.

Second was activity mapping. In the first Round Table held in Kolkata, it was resolved that "[o]n the basis of the identification of activities related to devolved functions, and through the application of the principle of subsidiarity, States UTs may review/

undertake time bound activity mapping…".[19] It was clear that hardly any substantial devolution of functions, functionaries and funds to panchayats had taken place in most of the states (except Kerala) making the activity mapping exercise irrelevant or out of context.

Third was the introduction of Panchayat Empowerment and Accountability Incentive Scheme (PEAIS). Its aim was to motivate states to empower the panchayats and to ensure that panchayats have accountability systems to bring about transparency and efficiency. A devolution index has been computed since then using funds, functions and functionaries and their sub-components as parameters of measurement. Since 1989 the devolution index had also a fourth dimension, viz., framework—establishing the state election commission holding regular panchayat elections, state finance commission at regular intervals and setting up of district planning committee. The PAES rewards incremental devolution in addition to cumulative devolution. From 2011-12, panchayat performance is being assessed and rewarded.

Since 2000, three Union Finance Commissions (UFCs) submitted their reports—Eleventh (2000-2005), Twelfth (2005-2010), and Thirteenth (2010-15). The reports of these UFCs gave special emphasis to local government finance.[20]

The Thirteenth Finance Commission (2010-2015) noted that all local bodies across the states indicated their inability to meet the basic needs of their constituents. Therefore the Commission recommended that local bodies be transferred a percentage of the divisible pool of taxes after converting this share to grant-in-aid under Article 275. This grant has two components: (i) a general basic grant and total special area grant of 1.5% of the previous years' divisible pool, and (ii) performance grant based on variables that are important for promoting decentralization[21].

The Judiciary in India has been extremely positive about the importance of the 73rd and 74th Constitution Amendments. The judgement taken by a five-judge constitution bench headed by Chief Justice Y. K. Sabharwal had directed that panchayat and municipal elections must be held within the stipulated time-frame. "The Election Commission shall try to complete the election before the expiration of the duration of five years' period as stipulated in Clause (5)"[22].

The local government system in this country, which was inaugurated with great enthusiasm, is facing enormous problems and challenges. The intensity of the negative forces varies from State to State because local government is a state subject. Many state governments are riding roughshod over the local government institutions; the latter are either not adequately empowered or are starved of funds as well as human resources. Hence their roles in development are uneven across the states.

At a deeper level, the negative forces are feudalism and patriarchy. So long as these remain the organizing principles of rural society, little good can be expected from self-governing panchayats. For they will only give more power to those who are already powerful in social and economic terms. Control over the instrumentalities

of self-government will further strengthen their hands. "Out" groups of one kind or another, especially the poor and women, may well come to feel the weight of oppression more than before. For them, decentralized governance could turn out to be a curse rather than a blessing.

A section of bureaucracy is not cooperating with the democratically elected local governments to enable them to emerge as institutions of self-government. India's administrative culture is to retain the powers of the line departments and not to give power to the people. What an elected panchayat member in Andhra Pradesh said in 1995 tells it all: "the officials worked against giving power to the non-officials and especially the people's representatives from the villages. In this, they were hand in glove with state level politicians"[23]. They create parallel bodies which have devastating impact on democratically elected local bodies and sabotage the new generation of local governments.

In a socially stratified society like India, the landlords and members of the upper caste control everything even today, except in a couple of states where land reforms have been implemented. In a typical village panchayat of about 8,000 population, 70 per cent of the people have no land, and the 30 per cent control everything from *gram sabha* (village assembly) meetings to the panchayats and influence assembly and parliament elections including development schemes implementation. The officials happily work with the leaders of the 30 per cent village landowners. In such a village about 15-20 per cent of people are the *Dalits/*Scheduled Castes (former untouchables) and they don't own land. In such situations, elected panchayats function as proxy. It is the landlords who get elected as president. If Dalits, courageous women, and people with idealism question their actions or if and when they get elected and they try to bring about changes through the panchayats, they are at the receiving end of the ire of the landlords or upper castes.

Conclusion

The decentralization and local governance in India has taken strides since India got independence. But it still has miles to go. The Union and State governments as well as the civil society have to play an important role. How important decentralized local government is for India, is evident from the following statement of 30 eminent academics:

> It is a matter of deep concern that even after 16 years since enactment of Constitution 73rd and 74th amendments, the progress towards implementing them is very slow and uneven among the States. … … it is clear that the political intent and consensus that lead to the major step of the amendments giving constitutional status and rights to local self government, has been dismally lacking in implementation at the union and state levels. The Union Government has given the impression that the substance and phase of implementation of the Constitutional provision are to be

determined by consideration of political equations and sensitivities… … … Continued failure to empower local governments will have serious consequences of not only flouting the Constitution but breading popular resentment.[24]

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Endnotes

1   For a detailed study of the ancient panchayat system in India see George Mathew "Panchayati Raj In India - An Overview" in George Mathew (ed.) *Status of Panchayayati Raj in the Sates and Union Territories of India 2000,* Institute of Social Scienes and Concept Publishing Company, New Delhi, pp. 3-22.

2   M. K. Gandhi. 1947. *India of My Dreams*. Ahmedabad: Navajivan Trust, p. 99.

3   Article 40 of the Constitution states: "The state should take steps to organize village panchayats and endow them with such power and authority as may be necessary to enable them to function as units of self government."

4   The team for the Study of Community Projects and National Extension Services headed by Balwantrai G.Mehta was constituted by the committee on plan projects in 1957. Its recommendation for democratic decentralization through statutory representative bodies accelerated the pace for democratic decentralization and panchayat institutions. Ref. Government of India, *Report of the team for the study of Community Projects and National Extension Service*, National Development Council, New Delhi, 1957.

5   *The Hindustan Times*, New Delhi, 3 October 1959.

6   Asoka Mehta Committee. 1978. Report of the Committee on Panchayati Raj Institutions, Government of India, Ministry of Agriculture and Irrigation, Department of Rural Development, New Delhi.

7   Malcolm Adiseshiah, an eminent scholar and academic, commenting on the State of Tamil Nadu not holding panchayat elections for 15 years (announcing elections 20 times and postponing them as many times), raised this pertinent question. He stated, "We should earnestly work for a constitutional amendment to put the panchayati raj elections on the same footing as the Lok Sabha and state Assembly elections." See George Mathew, (ed.) 1986. *Panchayati Raj in Karnataka Today: Its National Dimensions*, Institute of Social Sciences and Concept Publishing Company, New Delhi. p. 50.

8   Ibid., p. 50.

9   *Panchayati Raj in India, 2000,* Rajiv Gandhi Foundation, New Delhi, p. 7.

10   "India: Decentralisation and Local Governance – How Clientelism and Accountability Work" in Axel Hadenius (ed.), *Decentralisation and Democratic Governance: Experiences from India, Bolivia and South Africa*, Expert Group on Development Issues (EGDI), Stockholm, 2003, pp. 13-61.

11   Thomas Isaac and Richard W. Franke. 2000. *Local Democracy and Development: People's Campaign for Decentralised Planning in Kerala*. New Delhi: Left Word Books; Budhadeb Ghosh and Girish Kumar (2003). *State Politics and Panchayats*, Manohar Publishing Company and CSH, New Delhi.

12   Oommen M.A and Buddhdeb Ghosh. (2005). *Decentralisation and Poverty Reduction: A case study of West Bengal and Kerala* Report of a study sponsored by UNDP Institute of Social Sciences, New Delhi.

13   Some other important centrally-sponsored poverty alleviation schemes in the economic and social sector are: *Sampoorna Gramin Rojgar Yojona* (SGRY) and *Swarna Jayanti Gram Swarojgar Yojona* (SJSY) for Generation of wage employment/self employment; *Sarva Sksha Abhiyan* (SSA) and Mid-day Meal Programme for children's education; *Indira Awas Yojona* (IAY) for housing for the poor; *Swajaldhara* and Total Sanitation Campaign (TSC) for Water and Sanitation; Integrated Child Development Scheme (ICDS).

14   Second Administrative Reforms Commission, *Local Governance: An Inspiring Journey into the future*, Government of India, New Dehi, October 2007 (Sixth Report).

15   *Panchati Raj Update* New Delhi Vol. VIII, No.6 (9), June 2001. p. 3.

16   "A Consultation paper on Review of the Working of the Constitutional Provisions for Decentralization (Panchayata)", National Commission to Review the Working of the Constitution, New Delhi, 2001, pp. 1, 3.

17   Second Administrative Reforms Commission, *op. cit.*

18   "Ministry of Local Government: Need of the Hour", *Employment News*, Vol. XXIX, No. 20, 14-20; New Delhi, August 2004, pp. 1, 6.

19   Government of India. *A compendium of resolutions of the Seven Round Tables of Ministers in-charge of Panchayati Raj*, Ministry of Panchayati Raj, New Delhi, July-August 2004.

20   Oommen, MA., *The 13th Finance Commission and the Third Tier*, Economic and Political Weekly, November 27, 2010, VOL. XLV. NO. 48. pp 92-98.

21   *Thirteenth Finance Commission and Local Government: Report of a National Seminar,* 2010, Institute of Social Sciences, New Delhi.

22   Supreme Court Judgement dated 19.10.2006 in the Case No. Appeal (Civil) 5756 of 2005, Kishan Singh Tomar Vs. the Municipal Corporation of the City of Ahmedabad and Ors., New Delhi.

23   "A Tale of Two Panchayats" (in two parts), *The Hindu*, Madras, July 6 and 7, 1995.

24   *Compilation of Important Correspondence and Minutes of Major Meetings (April 08 – March 2010)*, Ministry of Panchayati Raj, Government of India, New Delhi, 2010, p. 28.

Changing Local Government and Local Politics in Japan

Toshiyuki Kanai

Introduction

In this paper, the trends of local government system reform in Japan and the transfigurations of Japanese local politics in recent years are outlined. In order to understand the change in recent time, an understanding of post-war Japanese local government and politics is also required. Therefore, this paper takes the following composition.

Section 1 explains the local government system of Japan in the second half of the 20th century. The system was constructed in the 1950s after the post-war reform. The system was maintained till around 1990. In Section 2, I will show that the local politics of Japan had been clientelistic under the LDP predominance in the 1960s-70s and finally became cooperative style in the 1980s.

Section 3 explains the transfiguration of local politics in recent years. Along with the continuation of cooperative local politics, new civic activities and reform chief executives have also appeared. It has also been concluded that the emerging two-party system in national politics has led local politics to become controlled by a chief executive. Section 4 describes the progress of the local government system reform from the second half of the 1990s onwards.

1. The Local Government System in Japan after World War II

(1) 47 prefectures / 3000 municipalities and dual representative system

The local government of Japan in the second half of the 20th century consisted of a two-level system of 47 prefectures and about 3000 municipalities. Municipalities are the nearest and closest to residents. Prefectures are larger than municipalities (Isozaki, Kanai & Ito 2011).

A council and a mayor of a municipality are both directly elected separately by municipal residents. A council and a governor of a prefecture are also directly elected separately by prefectural residents. The mayor or governor is the executive agency and

is called the chief executive. The council defines an ordinance and decides a budget. It is similar to the presidential system or strong-mayor system of the US. Residents have two representative channels, through one chief executive and one council in each local government. Therefore, in Japan, it is called a "dual representative system" (Omori 1986).

(2) Reform under US occupation

The Japanese local government system has been influenced by the political system of the US (Muramatsu 1980). After World War II, Japan was occupied by the Allies (mainly the US). They advanced the democratization of politics, economy, and society, aimed at the radical reform of the Japanese system. The new Constitution was enacted in 1947. Decentralization reform was a part of political democratization. Institutionalization of the local self-government was specified in the Constitution. The Local Government Act was enacted simultaneously with it. The Constitution and the Local Government Act declared that a chief executive was to be directly elected by local residents.

(3) "Centralized", "fused" and "de-concentrated" regime

However, it did not become a decentralized system completely like the US's (Akagi 1978). In post-war Japan, huge amount of administrative services for economic reconstruction were needed. However, the national government did not have the ability to execute this by itself. Therefore, the local government was needed as a means for policy execution, and the national government controlled the local government. Postwar Japan had a "centralized" regime.

The policy roles of a three-level government are related closely. For this reason, it is called a "fused" regime (Amakawa 1986). The local governmental functions and expenditure were large. Policy implementation was de-concentrated at the local level. For this reason, Japan had a "de-concentrated" regime. We can summarize that postwar Japan was a "centralized", "fused" and "de-concentrated" regime (Kanai 2007).

(4) Agent function system

In order to make a local government execute the national policy effectively, the national government needed to control local governments like subordinate agencies. A means for this was the agent function system (Akagi 1978).

The agent function system is the administrative-legal technique where a chief executive is thought of as an agent of the national government. In principle, a mayor or a governor is an executive officer of an autonomous local government. Since he or she is directly elected by local residents, he or she has to be accountable to the local people. If residents' preference differed from the line of policy of the national government temporarily, the governor or mayor could not execute the national policy. Then, the national government would be troubled. Therefore, the agent function system was

institutionalized. A mayor or a governor had to receive the supervision of the national government as a subordinate organization. If the national policy and local public opinion were incompatible, he or she would obey the former.

(5) The municipal merger of the 1950s and the regional system proposal

Since policy execution near residents is desirable, "the principle of municipality priority" has been adopted in Japan. It is a Japanese version of "the principle of subsidiarity" which is an international canon. However, in order to implement national or local policy, municipal administrative capability is required. Municipalities that are too small do not have enough administrative ability. Then, the municipal merger was advanced in the 1950s. The municipalities which had numbered around 10000, were amalgamated into about 3000 (Isozaki, Kanai & Ito 2011).

In addition, there was an agenda to unify 47 prefectures into about eight to ten regions, called the "regional system proposal" (Amakawa 1986). However, since abolishing all prefectures in Japan was a premise of the proposal, a regional system has not been realized. The prefectures strongly resisted it. All prefectures without amalgamation had the administrative capability for policy execution. Therefore, prefectures were able to implement policies in the post-war regime.

(6) Fiscal transfer

Under the agent function system, the national government was able to order a local government to execute national policies. However, financial resources were indispensable for policy execution. Because of implementation dependence, the national government has to give local governments financial resources (Muramatsu 1988). The national government transfers sums of money to the local governments.

There are two kinds of fiscal transfers (Iaozaki, Kanai & Ito 2011). The first is the specific grant. It can be used only for the specific policy purpose of the national government. However, just having the specific grant would not be feasible. Because it is usually a percentage subsidy, such as 50% or 80% etc., the local government itself has to find the remaining 50% or 20% etc. (called the "matching burden" in Japan). However, it is also difficult for a local government to find a "matching burden" from local tax bases in cases where the local economy is weak.

In that case, the general purpose grant is needed (Kanai 1999). This is the second type of fiscal transfer. The weaker the fiscal power of a local government, the more it receives a general purpose grant. Of course, financial resources which can be used for a local government's own policy is restricted. This is because the main purpose of fiscal transfer is improvement of the local financial conditions for the execution of national policies (Kitami 2010).

2. Local Politics in the Second Half of the 20th Century

(1) Influence of national one party dominant system on local politics (the 1950s)

From 1946 till 1955, the party system of post-war Japan was an unstable multi-party system. As the whole, center-right parties shared about 2/3 seats in the national Diet, but they were not united. The left-wing parties never integrated after obtaining 1/3 seats.

Eventually, the lefts unified as the Japan Socialist Party in 1955, and the center-rights also united as the Liberal Democratic Party (LDP). Since the LDP had about two-thirds and the Socialist Party about one-third of Diet seats, it was named the "one-and-half party system." The LDP was predominant overwhelmingly, and its governmental power was stable over a long period until 1993. For this reason, it was called a "one party dominant system" (Sato & Matsuzaki 1985).

It also affected local politics. Aiming for victory in elections, the LDP instituted the field organization and mobilized the local politicians (Muramatsu 2010). The election of the chief executive is a "winner-takes-all" system in which residents choose one person. Since the party base ratio is 2:1, center-right candidates won based on the "cube law", that is 8:1.

(2) Developmental politics and clientelism (the 1960s-70s)

Development was the national goal (Yamazaki 2006). But, the goals of the multi-level governments were not always compatible. The national government might focus the development policy on special areas with high development possibility. Actual economic development was performed mainly in the about-600km metropolitan corridor of the Pacific coast from Tokyo to Osaka/Kobe through Nagoya.

However, people all over the country desired development (Sato 1965). Therefore, local governments all over the islands also sought development. They invested in industrial infrastructures, such as roads, railroads, ports, and industrial water supply systems, to attract industrial plants. People, interest groups and councillors who asked for development approached the chief executives who held local administrative power. As many chief executives were center-right politicians, the local center-right network became strong.

The chief executives asked for support from the central government for development. They supported the LDP in national elections. Then the LDP, as the national governing party, supported them. In this way, the patron-client relationship, with the LDP as the patron and the chief executives as clients, materialized (Kobayashi 2000).

Since their parties differed, the leftist chief executive was not able to enter into the relation. The administrative power of a center-right chief executive was further used for the reinforcement of center-right hegemony in both national and local levels. In this

way, in the all-prefectures council elections, the LDP obtained a huge majority (Calder 1988).

Moreover, in mayoral and municipal council elections, the LDP label was lost. Because almost all candidates were center-right or friends of the LDP, there was no meaning to a party name. In this way, at the municipal level, except the metropolitan government, most politicians were "independent." However, this does guarantee partisan neutrality. The usual "independent" had a center-right ideological stance.

The desire to develop the local governments also affected the inter-governmental system. The local government sought national policies for local development. Sometimes they asked for development purpose grants, and sometimes they called for large-scale national projects. They asked for strengthening of the national policy. Local governments execute the national policy as agents. The local governments chose "central direct contact" as their intention. This was a paradox that local governments reproduced a centralization regime by themselves (Akagi 1978).

(3) The innovative self-government (second half of the 1960s-70s)

The rapid economic growth of the 1960s realized development, but it was uneven development. Therefore, the periphery areas were still underdeveloped. The residents and local governments of the rural areas asked for development continuously. Center-right dominant local politics continued. However, a demand for a new policy and politics against development also appeared in the urban areas where development had been accomplished. In response, the "innovative self-government" appeared (Nishio 1978).

Leftist politicians promoted the innovative policy, such as for environment and welfare. They won a remarkable number of chief executive officer elections in many cities. However, just party supports by the Socialist Party and the Communist Party were insufficient. Thus the election was fought by the labels "innovative", "independent", and "citizen's party." Therefore, the word "independent" was also common here. But this "independent" meant progressive or left-wing.

The innovator could not utilize the clientilistic inter-governmental relations with the LDP administration. Instead, he or she asked for decentralization and autonomy. The innovative self-government decided and implemented its policy.

It needed not ask for the support of the national government. The urban local government had sufficient economic strength and financial power. It was another paradox of Japanese inter-governmental relations. The success of the national development policy promoted the social-democratic innovative self-government. The local government changed policy direction. And the national government also came to copy the environment and welfare policy in the 1970s (Ito 2002).

The innovative self-government was not able to strengthen its power by "central direct contact". Thus it advanced "resident direct contact". Resident power was utilized for protests against the national government. The political legitimacy which supported autonomous innovative policy was strengthened with citizens' participation and public

involvement. Practically, it was helpful for all local government and politicians to encourage citizens' participation. "Resident direct contact" came to be gradually accepted by the center-right local government too.

(4) Cooperative "non/all-partisan" local politics and "regional equalization state" (the 1980s)

Desire for development of the periphery area was not satisfied. Gradually, rural local governments changed their policy direction, from local development itself to employment of people. Public works became a tool for job creation in rural areas, not for economic development. The LDP administration created a Japanese-style welfare state. This was the "regional equalization state", in which equality between areas was aimed at (Kanai 2006).

The national government redistributed money to the periphery area by public works (Kitamura 2009). Short-term job creation was realized in rural areas. Clientelism was utilized and a centralized regime was also maintained (Mitsumoto 2007). The growth of the economy was expected only in metropolitan areas. Partisan difference in local politics became more ambiguous. The right-wing also asked for welfare through full local employment like the left-wing. The innovator supported by center-left influence decreased sharply. Local politics became cooperative "non/all-partisan" style in general. All parties or factions except the Communist Party cooperated as "all governing parties". The chief executive was "non-partisan" or "independent" (Sato 1997).

3. Change of the Local Politics after the 1990s

(1) The collapse of the bubble economy and inertia of cooperative local politics (first half of the 1990s)

The Japanese economy reached its heyday around 1990. The economic boom caused roaring assets inflation without economic fundamentals. Therefore, it was called a "bubble economy". However, a bubble bursts someday. The Japanese bubble burst in 1992 and Japanese economic depression actually continued for over 20 years after that.

The bursting of the bubble economy destroyed the financial sustainability of the regional equalization state. However, the national government failed to change the policies. Rather, the Keynesian spending policy was strengthened. The policy was executed through the local government under cooperative "non/all-partisan" local politics. Keynesian spending policy did not lead to the recovery of the Japanese economy. As a result, huge amount of public debts were incurred by both the national and local government in the 1990s.

(2) Jet of civic activities (the 1990s)

It thus became impossible to produce the pie which should have been distributed to the rural areas. Therefore, efforts were made to control the spending policy. However, the

local governing coalition could not stop the politics of distribution. Then, there was the inertia of cooperative local politics. Criticism against the political inertia of the governing coalition was expressed by civic activities (Isozaki, Kanai & Ito 2011).

The first civic activity was the citizens' ombudsman action. Although it named itself "ombudsman", it is not a public officer like in Sweden, but a pure civic activity. It uses an information disclosure system in local government (freedom of information ordinance). It clarifies the effectiveness and legality for the spending of a local government. If there are illegal expenditures, the citizens' suit, which is the Japanese version of the taxpayer suit, is utilized.

The second is the referendum movement. The governing coalition sometimes determined and executed policies against local public opinion. Residents who ask for a referendum tried to prevent the policy implementation. However, the institutionalized referendum system does not exist in Japan. Therefore, the referendum movement took place to request the creation of a referendum ordinance by local government first. When the motto of referendum movement, "let us decide", took effect, it had influence on the election of the chief executive and council. Sometimes, an ousted chief executive and councillors made a referendum ordinance. Although the referendum is advisory in the legal system, it is de facto compulsory in local politics.

The third is the expansion of NPO or volunteer activity. Citizens aim to provide a public service by their own activities. They could not avail themselves of public services because local financial resources become scarce. In particular, the Kobe earthquake in 1995 showed the limits of the power of public administration. People thought that NPO had to be empowered, and the NPO Act was made in 1998.

Moreover, the opening up of the policymaking process inside the closed governing coalition was called for by such civic activities. The phenomenon is called "the new public sphere." It criticizes the closed policymaking process by the exclusive network of local politicians, government officials and interest groups. The publicans assert that many civic sector organizations should take part in the policymaking, implementation and evaluation process.

(3) Reformer chief executive (second half of the 1990s-2000s)

The "reformer chief executive" has the same background as those mentioned in Jet of civic activities (above). The cooperative local politics formed a collusive network where almost all factions and organizations united. However, when there was no more pie which could be distributed in the 1990s, public dissatisfaction of the governing coalition grew. Thus, some reformer chief executive won the election by popular support, without help from factions and interest groups. The public choose a reformer as a means for destroying the governing coalition (Soga & Machidori 2007).

The reformer chief executive was neo-liberal, with the position that fiscal restriction was important. The reformer takes the cutback initiative at the local level, in advance of the national government. The innovator in the 1970s differed from the

reformer. He or she had been the social-democratic who thought welfare as important. However, he or she disliked a development policy and preferred an environment policy. The reformer is the same. In addition, the innovator hated a centralized regime; the reformer, too. The reformer contributed to decentralization reform.

(4) National two-party system and chief executive lead local party

The LDP built the network with many interest groups and it became the catch-all party in the 1980s. The Socialist Party and the Communist Party became weak. The one-party hegemony by the LDP matured. When the economic pie was expanding, it was good. However having many interest groups as a support base would cause immobilism if the economy declined. In this way, in the 1990s, the LDP was troubled by its political comprehensiveness (Saito 2010).

From such a situation, the political reform movement of building a strong political power free from vested interests started in the 1990s. It wanted to have a British-style Westminster Cabinet Government system (Iio 2007). It thought that the British cabinet had strong leadership free from interests groups and the opposition, because the governing party won the national election with a manifesto, with the people directly selecting one of the two major parties. Therefore, the single-member electorate system was introduced in 1994, in order to make a two-party system.

Governing power relatively free from pressure groups was realized by the Koizumi administration (2001-2006) (Kamikawa 2010). Simultaneously, opposition parties were integrated into the Democratic Party (DP) and the two-party system was formed. In 2009, the DP won the national election and the governing party changed. It seemed that the political reform movement was successful. However, the subsequent DP administration got into trouble because of its poor political skills.

The movement toward two-partization also brought its influence to local politics. We might think that chef executive advocates under LDP or DP would have appeared. The DP as the opposition party would try to win the local election and to build a base at the local level. However, such a phenomenon did not appear.

In order to obtain support from the national government, it was politically dangerous for a chief executive to have a DP label. If any party could get the governing power at the national level, a local government would have to maintain its contact. The chief executive would hedge against any risks. He or she was therefore an ambiguous partisan.

Instead, local party movements emerged. The local parties were led by the "independent" chief executives. They organized their power bases. Because they are "independent", they can contact national parties freely. The "Tax-Reduction Japan" of Kawamura, Mayor Nagoya and "Japan Restoration Party" of Hashimoto, Mayor Osaka are typical. These are the new phenomena in which local politicians take initiatives at national politics.

4. A Search for a Local Government System in the 21st Century

(1) The first decentralization reform (1995-2000)

The Diet made a decision for decentralization promotion in 1993 (Nishio 1999). Decentralization was called for at a time when economic trends were shifting, in order to improve the effectiveness of the distribution of the pie. If the local government near residents decided the policy, it could meet the people's demands. The more the pie decreased in the future, the more the distribution should be effective and efficient.

An independent committee, which consists of experts, called the Committee for the Promotion of Decentralization was established in 1995. The Committee conducted a surveillance study energetically and negotiated with the relevant ministries. It recommended the abolition of the agent function. The agent function system disappeared in accordance with the Committee's recommendation in 2000.

Even without the agent function system, the national government can still force a local government into policy execution if the law is enacted. The "fused" and "deconcentrated" regime has not changed. However, the discretion of a local government in policy execution has been expanded.

(2) The Koizumi administration's "structural reform" (2001-2006)

At the national level, the LDP's Koizumi administration of strong neo-liberal tendency kept the governing power. The LDP's Obuchi administration and Mori administration of the end of the 1990s had maintained a regional equalization state. Therefore, distribution to periphery areas was continued, racking up huge national government debts. Although Koizumi was an LDP leader, he changed policy direction. The Koizumi administration advocated reduction of governmental expenditures and economic growth by neo-liberal "structural reform." Although economic recovery was not realized and only inequality was expanded, the Koizumi administration received strong popular support (Uchiyama 2007). The "structural reform" influenced the reform of the local government system.

The first is the municipal merger (Kanai 2007). The municipal merger in the 1950s was for reforming the municipal organizational ability, which can implement the national policy. However, the one in the 2000s was a means of reducing the organization of municipalities. In this way, municipalities, which had numbered about 3000, were unified to about 1700.

The second is the "Reform of the Triangle Package" regarding local government finance (Nishio 2007). It was an initiative which reformed local taxes, special grants and general grant as a package deal. Some national taxes were transferred to local governments. Fiscal transfers were reduced. The reform was very decentralist in quality. However, quantitatively, the reduction of fiscal transfer was large and the transfer of taxation resources was small. Therefore, the local governments fell into financial

austerity as a result of the reform. It was a very centralistic reform. It fitted Koizumi administration's neo-liberal project.

In short, the structural reform reduced the local government's finance. The local government had "discretion" to reduce expenditures in order to balance the budget. Therefore, decentralization was justified as neo-liberalist. If central control to the local service level remained strong, the local government could not cut back the expenditures and would go bankrupt. This decentralization discourse was summarized as "the 21st century local government vision" in the last stage of the Koizumi administration.

(3) Diffused reform directions (2007-now)

After the neo-liberal Koizumi administration ended, the criticism of inequality blew off. However, the short-lived Abe, Fukuda and Aso administrations under the LDP were powerless. The change of governing power to the DP in 2009 did not change the situation. Therefore, the reform directions of the local government system were diffused. Therefore the issue was only debated with two sides seeking different directions.

The first direction is reconstruction of the regional equalization state. Many local governments supported it. It recognised that the recovery of social policy was indispensable for Japan in the 21st century, with low birthrates, an aging society and a decrease in population. Then, the social policy had to be implemented through local governments.

Decentralization is needed in order to improve the effective execution of social policy. For the execution of social policy, the national government was responsible for providing the local government with finance. With financial aspects becoming centralized, the Kan and Noda DP administrations opted for an increase in VAT based on this direction. It is the "Package Reform of Tax and Social Security" in 2012. However, since growth of the economy cannot be expected, the possibility of an increase of revenue is not large. The tax increase has a risk of further stagnation of the economy.

The second directional discourse is the decentralization reform for growth. Each local government has freedom of economic policy and the freedom to make more effective and efficient policies than before. And if it does not expect financial support from the national government, it will not be able to activate the economy of its area in order to secure a financial reform. According to the second discourse, the Japanese economy as the whole will recover, because each local government has entered into an economic competition between areas. However, local governments' business-friendly policies would only bring about "competition to the bottom" and there is also a risk of a zero-sum economic policy without the growth of the national economy as the whole.

Anyway, the figure of the local government system in the 21st century is not clear. Furthermore, the call for re-centralization is appearing, after the East Japan Great Earthquake and Fukushima Nuclear Power Plant Accident in 2011. Because national and local party politics are confusing, the politician cannot decide the reform direction (Kanai 2008).

Conclusion

In this paper, an overview of the local government system and the local politics of Japan in recent years has been presented. The feature of local politics of Japan is that competition by national parties has not functioned. The overwhelming predominance of center-right influence made party labels meaningless. Also the two-party system in recent years has had similar effects. Because of this, a local party led by a chief executive does not have clear colours.

The position of chief executive becomes a very big political resource, reflecting the strong-mayor system of the local government (Sunahara 2011). The local politics of Japan has been consistent from the second half of the 20th century. The chief executive has always been a local power center. And this character will not change in the years ahead. The background is locked by the post-war Constitution. Whether chief executives ask for decentralization or recentralization will decide Japanese local politics and the local government system in the future.

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Democratic Governance and Local Politics in Cambodia

Sreang Chheat

Introduction

Cambodia restored its democracy in the 1990s with strong assistance from the international community. Two decades of internal fighting and political upheaval after the 1953 independence ended when the infamous Khmer Rouge regime was ousted by Vietnamese forces in 1979. It was only then that the country began its reconstruction of the infrastructure and economy, from ground zero, along the Vietnamese command economy model. The collectivization and solidarity farming economy adopted by the People's Republic of Kampuchea (1979-1989) was not put to an end until the economic reform in the early 1990s began in favour of free market economy. The presence of the United Nations Transitional Authority in Cambodia (UNTAC) in 1991 led to the first Parliamentary election in 1993.

The election results were only to be contested by two political rivals who had to make a political compromise in order to form the government. The royalist FUNCIPEC[1] which emerged as the victor in the election could not form the government as the Cambodian's People Party (CPP), which had controlled the country since the demise of the Khmer Rouge regime, did not cede power and vied for power sharing. Power sharing was brokered resulting in appointing two Prime Ministers to govern the government and co-ministers in several important sectors such as the defense and interior. No honeymoon period could have ever been imagined for the two rivals in the coalition and the tension reached its climax in 1997 when armed clashes broke out in Phnom Penh with CPP emerging as the victor and forcing the leader of the royalist coalition into exile. CPP has been in power ever since through its success in mobilizing massive political supports in the country by using its vast network, wealth amassed through its control of state and natural resources, and state apparatus and violence if necessary.

With stability in the late 1990s and through to the course of 2000s, the country's economy has expanded beyond a subsistence economy and enjoyed the highest growth among the least developed countries. Growth averaged 9 percent between 2000 and 2007 before it contracted by 2 percent in 2009 when the global financial crisis hit.[2]

Poverty has decreased from approximately 47 percent in 1993 to 29 percent in 2011.[3] However, growth has not been equitably distributed as poverty is concentrated in rural areas where three-quarters of the population are still subsistence farmers in an under-developed rural economy. Rural farmers remain very dependent on politicized rural development programmes, which are often channelled through the ruling party networks in exchange for political support.[4]

DEMOCRATIC GOVERNANCE

Caroline Hughes saw three incomplete strands of transition in the 1990s that Cambodia had embarked on: from command economy to free market, from war to peace, from authoritarian rule to democracy. From the political economy perspective, the dearth of material resources that rural Cambodian people faces is a barrier to their empowerment, participation and voice in decision making of policies that affect their life. The resource made available by the international community did not reach those areas while the state and ruling party continued to strengthen its capacity and consolidate power through retaining legitimacy via patron-client exploitative networks and leaving not much room for the poor to refuse to join.[5]

On the democratization front, other than procedural principles of democracy such as regularly held elections, governance is another abstract value of democratization the government is pursuing. During the last decade, governance has been one of the main reform priorities for the Royal Government of Cambodia (RGC) in order to promote growth and plural democracy in the country. The National Strategic Development Plan (NSDP) 2006-2010 and the update 2009-2013, and the Rectangular Strategy, the two policy documents guiding the economic development of the country during the 3rd mandate government underline the government's focus on good governance as the core of sectoral development and sustainable growth for Cambodia.[6] Civil services reform and public management reforms are also high on the agenda.

As part of the public administration reform, the Decentralization and Deconcentration (D&D) reform programme is an ambitious programme aimed to promote local democracy, economic growth and poverty reduction. A legal framework to delegate power and functions to the local government was designed and adopted by the administration and management of the commune/Sangkat[7] in 2001. The intention of the law is to establish the lowest tier of the government, the commune/Sangkat, whose council is to be democratically elected by the local people. By decentralization, the government aims to delegate functions, power and financial resource to the local authority, who is semi-autonomous of the upper and national administrations. By law, the commune/Sangkat councillors are supposed to perform various functions ranging from civil registration, violence resolution, development planning and implementation, and take charge of the natural resource management and livelihood issues. As the

commune/Sangkat is not authorized to collect tax and non-tax revenue, it is dependent solely on the transfer from the national budget to function.

Post-independence Cambodia has had a rather weak culture of checks and balances. It has a strong executive. The Legislature is hugely under the whim of the ruling party, in particular, the CPP. Moreover the under-funded judiciary is hampered by the lack of human resource and it is subject to political influence and corruption. For example, the Extraordinary Chambers in the Court of Cambodia (ECCC), a hybrid court partly staffed with international judges and supported by the United Nations, established with the aim to bring former Khmer Rouge leaders to justice for the crime they committed in late 1970s, is plagued with corruption and interference from the executive.[8]

Corruption is systematic in the country. The long-awaited anti-corruption law was adopted in 2010 resulting in the establishment of a new anti-corruption institution. However, its independence remains contentious as the leader of the anti-corruption institution was a close ally of the ruling party. While the institution is praised for bringing several high-ranking court and military officials to court for corruption charge, sceptics remain critical of its discriminatory handling of corruption cases, particularly the embezzlement case committed by the Ministry of Social Affairs in 2011 involving roughly 5 million dollars and its instrumental role in silencing opponents of the ruling party's policy.[9] Strong neo-patrimonial practices within the society and political realm have rendered democratic concepts such as governance and accountability difficult to achieve.

Non-governmental organizations, better known as NGOs, play an important role in the development and enhancement of governance. Lack of social capital to strengthen civil society and with enormous support from the international community in post-war Cambodia, NGOs' role is highly relevant. Since 1979, the number of NGOs has expanded very drastically and the latest statistics in 2006 shows that its total number rose to more than one thousand including both local and international organizations. A small share of this, 8 percent of them, are working in the field of democracy and human rights. This group of NGOs is seen as the one performing their work in a very confrontational or challenging environment as the government sees them mainly working against their policy and likens them to the opposition party. An NGO's role varies and so does its success. The NGOs have been successful in raising awareness and building knowledge within the public and target groups as they are active in promoting democratic principles and governance issues that are of currency for policy and political debates such as corruption and human rights.[10]

Most NGOs lack grassroots link and social embeddedness. It is dubbed as 'civil movement without citizens.' This characteristic has made it difficult for them to directly influence policy while in the meantime for the government to disengage them wherever possible from the policy debate platform. The World Bank's recent report in 2010 said that "this disconnect from the masses and inability to demonstrate popular support

undermines NGOs' credibility and influence and has caused government officials to question their legitimacy and representativity." It is very much Phnom Penh-based.[11]

Moreover, the government-NGO relation remains weak. United Nations in Cambodia describes the relation between NGOs and the government, in its own words, that "at the national level, while modest attempts are being made to include civil society organizations (CSOs) in policy-making the culture of participation is still weak and there are few institutionalized mechanisms for the participation of civil society in decision-making."[12] The relation can also be seen through the lens of recent confrontation and debates on the government's attempt to get the law on NGOs and associations passed even though it was rolled back only after the government was under mounting pressures from local and international players in Cambodia's development.

Local Politics

The last decade has seen a sea change in institutional building and politics in local Cambodia. After success in strengthening local participation and sub-national coordination in the local development project to support the Cambodia Rehabilitation and Reintegration Programme (CARERE) in 1996, a decentralized emergency programme, in the Western part of the country, the participatory approach provided an encouraging promise for local development and democracy in the country. Drawing on this experience, decentralization was designed with the aims to enhance local development, democracy and livelihood and reduce poverty. Like other countries experiencing political transition around the world, the decision to embark on reform is never an easy one. International pressure has met with the positive calculation of the ruling party, paving the way for the reform to take place.

With theoretical underpinnings of enhancing trust in the government[13], improving services to the people and promoting local participation in decision on development that affect them, strengthening plural democracy in the country, decentralization is seen as a policy option for ruling political elites. And it has become a silent revolution in the 21st century world. Defined as the transfer of powers and resources from higher to lower levels in a political system, decentralization can take three forms: deconcentration; delegation; and devolution or democratic decentralization.[14] Moreover, it has three dimensions: fiscal, administrative and political. For the administrative autonomy, it is assessed based on the extent to which autonomy is transferred to the non-central authorities along a continuum. Deconcentration reflects the hierarchy where administrative autonomy is facilitated by the local and sub-national government on behalf of the central authority; delegation is determined by its stronger autonomy within the decision making on policy and resource; and devolution is seen as the most decentralized or pure decentralization where local authority is fully autonomous from the central and usually strongly characterized by the full presentation of local interests through popularly elected council.[15]

In the meantime, it is also recognized that design is critical to the success of the reform. Regional disparity would result in inequitable allocation of resource to the regions that most need them. On the fiscal side, care is to be taken in order to get the design right from the start. It is believed that fiscal decentralization may backfire through weakening the role of the central government in redistributing the revenue in order to uplift the poor regions versus the better regions and people as regional or decentralized government would find that the stabilizing role as not economically viable for themselves.[16] Concern of the downsides of decentralization does not stop it from being implemented across the globe.

In Cambodia, it was not until 2002 that the first popularly elected commune/Sangkat councillors took office. The reform aims to promote local democracy, and enhance economic development and local livelihood. The last ten years have seen lots of changes in local politics. The reform was executed as there were enough support from the international community and political inspiration in Cambodia, especially the ruling party who viewed it as a tool toward consolidating political support in rural Cambodia.[17] The subsequent elections were organized in a timely manner in 2007 and 2012.

Election of the commune council brings about different political perspectives into the local decision making arena. The number of communes/Sangkats increased from 1623 in 2002 to 1633 in 2012. Each commune has a number of councillors, between five and eleven based on the size of the population. They are assisted by a clerk who is appointed by the Ministry of Interior and village chiefs whom they appoint. The village chiefs can appoint one member and one assistant. Election of the local councillors with the proportional system using the party list remains a concern as to its role in strengthening the representation of the local interests. The local councillors who lose their party membership would be automatically terminated from the council.

The law assigns the mandate of the commune/Sangkat councillors as representatives of the people and accountable to the people. The roles of the commune/Sangkat as stipulated in article 43 of the law, include security and social order, people wellbeing, social and economic development, protecting natural resource and environment, facilitating people's ideas and opinion in order to research mutual understanding and responding to people needs. In order to contribute to local development, commune/Sangkat makes decision through *deika*, the legislative power bestowed upon them. They rarely utilize this power. The councillors are obliged to develop a commune/Sangkat development plan and annual investment with mandatory participation of the people in their jurisdiction. Article 74 of the law envisions that revenues of the commune/Sangkat can come from tax and non-tax revenue and service fees. Article 75 provides that they are entitled to transfer from the national government.

Moreover, the 2005 strategic framework for decentralization and deconcentration provides a bold roadmap for the subsequent institutional development to deepen the

reform. Sub-national administrations are to have their own councils who are elected by the commune/Sangkat councillors and mandated to have legislative and executive power. Also, functions are to be clarified and transferred and would be followed by financial resource and adequate power to execute it. Furthermore, in order to strengthen the horizontal coordination, a concept of "unified administration" is to be incorporated into the new institutional strengthening at the sub-national level.

As set out in the strategic framework in 2005, the Organic Law[18] on the administration and management of the provincial, capital, municipal, district and khan was adopted in 2008. The law is to provide that the sub-national administrations are to have their own councillors to provide legislative and executive authority to decide on development in their jurisdiction and have their board of governors to execute their decision and are therefore accountable to them. The main objective is to formulate a new accountability mechanism into the conduct of local administrations and better coordination among line departments to effectively provide services to the people under the concept of "unified administration." As a result of the Organic Law, the councils at the sub-national level was established and elected by the commune/Sangkat councillors for the first time in May 2009.

Furthermore, In August 2010, the 2009-2019 National Programme on Sub-national democratic Development (NP-SNDD) was approved; this 10 year programme is divided into three different phases: the first 3-year phase, called first implementation plan or IP3 (2011-2013) covers policy development and programme coordination; institutional and human capacity building for the sub-national administration (SNA); management of SNA human resources; SNA resource; and SNA planning and investment programming systems; and improving capacity of association councils: the national league of Commune/Sangkat Councils.

Table 1: Percentage of commune/Sangkat election results by political party, 2002, 2007, and 2012

% of votes	2002(1)	2007(2)	2012(3)
CPP	61.2	60.8	61.8
FUNCINPEC	21.9	5.4	3.8
SRP[19]	16.7	25.2	20.8
NRP	-	8.1	2.9
HRP	-	-	9.9

(1) Leonardo G. Romeo and Luc Spycherelle (2003) Decentralization Reforms and Commune-Level Services Delivery in Cambodia, ADB and UNCDF

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It should be noted that local councillors are determinant of the political landscape at the national level as they are the electorate in indirect elections of the senate members and councillors at the sub-national level. Such an indirect system is strongly criticized for its lack of real intention to give power to the people and meaningful competition among

political parties and the proportional party list system guarantees that votes would automatically go along the party line.[20]

Low awareness among citizens of their rights to demand services and accountability from the government and public service providers and importance of information has been perpetuated. With low education and lack of a culture of approaching the state to demand services and hold the government accountable in the context of a strong patronage system, participation in local decision making is low.[21] This lack of demand for accountability is perpetuated by the political elites as they see that governance can work only with their patronage. While the government has been implementing the World Bank-supported "demands for good governance" programme, the word "demand" is not translated in the Khmer title of the programme.[22] Moreover, given the non-existence of a legal framework to encourage mandatory release of information to the citizens, local decision remains under the patronage and sole authority of the state.

In the context of the D&D reform, decision making at the local level is participatory and thus to bring about a high level of responsiveness to the local needs and demands. It is argued that in the face of cultural deference to politics and the wide gap between the state and citizens, local leadership plays a critical role in the liaison between the two. People such as the elderly, religious leaders, economically well-offs, and educated people are seen as influential in local decision making.[23]

Accountability, participation and representation have progressed to a certain extent since the organization of the local council in 2002. The commune councillors are aware that they are accountable to the people and that the people can effectively vote them off the council. Local citizens are also conscious of the fact that they can oust the councillors should they be seen as not performing their jobs in their interest. However, the fact that the Commune/Sangkat Fund (CSF), the mandatory budget transfer from the central government, is meagre and thus poses a constraint to the commune's response to local people's needs, funding from outside, especially the political party, raises concern about the commune's accountability. They are elected along the party list and understandably there would have been a balance between downward and upward accountability.

Also, participation in local planning and decision making has been strengthened by the reform. The people are encouraged to take part in the monthly commune council meeting, observe any special meeting, and voice their concerns during the annual development planning. Their participation is however constrained by the lack of a culture to speak out and the urgency to feed themselves and their family. The culture of hierarchy and long war that the people came through has perpetuated the culture of respecting authority and clear division of labour between the people and the state where the former are to respect the decisions and policy of the latter.

Furthermore, representation has been opened up even though constraints remain large. Since 2002, every council is made up of at least two political parties and thus there is a political need to speak up for the interest of their constituents. However, the

fact that the majority rules and that there is a culture of personalization of power pose limits to the participation by different political parties in decision making.[24] Also, there are no representatives for the village as village chief are appointed.[25]

A recent study by the World Bank on decision making at the local level has found that a mix of local actors have played a key role in local development.[26] Decision at the commune is influenced by various factors. The communes have discretion on the commune/Sangkat funds and mainly up to 90 percent was allocated for road construction. This is both due to the preference of the citizens and councillors as political figures to contribute to visible, long-lasting achievements and not upsetting the political patron at the top. Also, this has been strategically to complement the development partners' focus of their resource on social development works such as education, health and water, etc. It is also argued that procedural participation does happen, sometimes, with a high rate of women participation; however, real decision making is made under a "closed and invited" environment where local elderly and influential figures wield their power and hold the councillors accountable.

It is also noted that a sense of downward accountability does exist among the local councillors; however, it remains a challenge for them in the face of limited functions and resource delegated to them and the nature of conflicts where parties are local citizens and members of their political patrons at the top. They are thus usually caught in the "cross-fire." Composition of the council does affect the accountability practice at the commune level. It is observed that multi-party councils would force the ruling party to watch their actions and be more accountable while the mono-party communes would be less likely to be concerned about being held accountable from the opponent party members.

Lack of representatives for villages located in the commune seems to be much tolerated by the citizens. Citizens tend to have a high level of tolerance towards the communes' limited fund and thus their constraint to deliver development projects to all the villages at the same time. They would agree to let other villages have development projects first. Even though the study contends that Cambodian people do not really have a culture to speak out and protest the wrong-doing of the government represented by the local council, they do punish those who break promises or facilitates the disappearance of their contribution to local development projects. An encouraging example is that people did dare to oust village chief who made their contribution vanish from the position.

The commune/Sangkat clerk is also an important actor in local decision making. Accountability between the councillor and clerks who are appointed by the Ministry of Interior is an interesting issue to look at. The study finds out that the wealth and education of the council and clerk is determinant of the latter's sense of accountability towards the former. If the former is wealthier and educated, the latter tends to hold their accountability tight.[27]

On the budget, the commune/Sangkat budget remains so minimal that they are still dependent on funding from NGOs and political parties. In 2003, the commune/Sangkat fund (CSF) was determined at 2 percent of the national current revenue; in 2004, it was 2.5 percent; in 2008, 2.7 percent; in 2009, 2.75 percent and in 2010, 2.8 percent. In 2003, the CSF equalled 43.8 thousand million riels (approximately 0.24 percent of the GDP) and roughly 89.6 thousand million riels in 2007 (approx. 0.26 percent of the GDP). Due to budget constraint, on average one of the 3 priority projects emerged from the annual planning can be covered by the budget.[28]

As poor coordination among line ministries who can provide local development funds and project has continued and the commune/Sangkat faces budget constraints, political parties, especially the ruling party, have maintained its upper hand in funding local developments. Local authority finds the party as a source of funding to respond to more demands from their constituents while the political party sees it as opportunity to maintain political support through this dependency. David and Pak found that the funds channelled through political parties to local development projects has been more than triple the transfer the local authority receives from the national government.[29]

Moreover, weak public financial management remains a challenge to local development. Weak financial management to be addressed in the broad public management reform has resulted in an adoption of a parallel financial system in order to channel the development fund supported by development partners and thus created a fragmented financial management and therefore development planning itself. Harmonization of the budget and financial system would have improved the planning and maximized the effects of development funding. However, poor coordination among development partners and reluctance and/or lack of trust in the government fiduciary system have perpetuated the employment of different channels of funding and financial management and ended up maintaining the status quo of the state's weak financial management.[30]

At the district/municipal/khan level, the development budget is still in the making after the councils were first elected in the indirect election in 2009. Therefore, their limited role in local development, perpetuated almost throughout its long history, will not be overturned until the funding is transferred and clear functions are defined. They have been agents of the provincial/capital administration and it is too early to assess their importance in local governance and development.

The accountability mechanism is still unclear both in the legal framework[31] and in practice. The issue of who is accountable to whom between the commune and the district has been raised since the draft organic law was debated and no satisfactory answer has been provided even after the law was passed. Reform at the district and provincial level aims to bring about a unified administration where their respective councils serve as a regulatory branch to make regulatory decision and hold the executive branch, the board of governors who are appointed by the central government, accountable for their implementation of the decision. Also, the specialized departments who have been

fragmentedly providing services to the locals are to be put under and held accountable by the board of governors. Such a unified administration is aimed at bringing about a clear accountability line and to implement a comprehensive development agenda/plan with a unified budget for the respective administration.

Almost two years after the elections of the sub-national councils to the office, a survey shows that the accountability line is not clear for both the commune councillors and district and provincial councillors and governors. Of the 954 sample of councillors and governors of the district, 43 percent of the commune councillors and 62 percent of the district councillors and governors see the Ministry of Interior or central government as "their boss" even though in the meantime both see the people as the one they are accountable to. However, the district does not view the commune as the entity they are accountable to while the commune sees themselves as the one the district is account-able to. 63 percent and 80 percent of the commune councillors and district councillors and governors respectively do not agree with the statement that "commune is subordi-nate to the district." Also, accountability between the council and board of governors at the district and provincial level is to be clarified and worked out in order to achieve good local governance.[32]

On the gender role in local politics, it is recognized that women's participation re-mains low though improving and is challenged by local traditions and conservatism. While there has been a gradual improvement in the representation of women in the commune/Sangkat council, from 9.41 percent in 2002, to 15.12 percent in 2007 and 18 percent in 2012, a substantial change of attitude toward gender role in politics remains at large. Women's traditional role in the family and private sphere remains strongly held among the society and those who dare to break this would be very likely punished. Some women councillors face divorce in order to pursue their political careers[33] and their role in the council is often limited to affairs related to social and women and chil-dren issues rather than security and politics or serving their male peers in the council. While a quota system is to continue the improvement of women representation,[34] the role of political parties and state is seen as critical to the real improvement and attitudi-nal changes toward gender role in politics.[35]

Table 2: Percentage of Women Elected as Commune/Sangkat Councillors, 2002, 2007, and 2012

2002	2007	2012
9.41	15.12	18.00

Source: National Election Committee, 2012

Moreover, the commune's role in service delivery has been constrained by its legal mandate, limited capacity, and lack of own source revenue. Since the election in 2002, their role has been limited to legalization and civil registration such as birth certificate, marriage and death certificate and legalization works. Moreover, they also serve as agents of the central government such as collecting socio-economic data, taking part in social services such as health, education, and agriculture mainly performed by the line

ministries and civil society organizations (NGOs). But the fees to be charged for their role as public agents have not yet been institutionalized and implemented.

Despite this, other mechanisms are put in place at the district/city level to improve services. The One Window Service Office (OWSO) was first piloted in two urban districts in 2005 before it was expanded to another 17 districts in 2011 and will be expanded in 2013 to the 9 Khans in the capital Phnom Penh. The services range from legalization of documents and school certificates to licenses for small businesses and enterprises in a timely, transparent and corruption-free manner. With the aim to improve public service and enhance their accountability, an ombudsman at this sub-national level is to be piloted along the OWSO. However, low awareness among citizens and lack of a proper mechanism for complaint handling and low trust in this newly established institution are seen as contributing to low participation by service users. Three years after the introduction of the ombudsman in Battambang and Siem Reap cities exactly two cases of complaints against the irregularities and conduct of the service providers in the OWSO have surfaced.[36]

Conclusion and Prospects

This article is rightly to be concluded with a passage from Kheang Un's article "Cambodia: Moving away from Democracy", which states that "the Cambodia's endogenous democracy has a weak foundation as society rather sees livelihood and economic benefit as priority for them and the ruling party in response employs a strong strategy, and even violence, to claim legitimacy from their constituents."[37] Moreover, a better understanding of the working of neo-patrimonial politics would shed light on policy options to enhance governance in the country. Equally important, better coordination among national actors including the sectoral ministries and development partners and addressing vested interest in the reform is critical to its success.

At the local level, while decentralization brings about a voice to the people to choose their local councillors to represent them, low awareness of their democratic rights and freedom and the limited capacity of the local administration to respond lead to decreasing and meaningless participation and growing despair in local councillors. Moreover, clear functions are to be defined and adequate resource need to follow if the reform is to be deemed a success. Such functions are to be complementary rather than overlapping between commune/Sangkat and district/city/khan administration and relationship between the two should be clearly determined in order to bring about meaningful participatory decision making and good governance at the local level.

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Cooperation of Local Governments in Germany with Regard to Economic Development, Social Services and Infrastructure Provision

Daniel Zwicker-Schwarm

INTRODUCTION

Within Germany's federal system local government plays an important role in the provision of infrastructures and services for citizens and businesses. In this context inter-municipal cooperation is already widely practised in various forms. Present challenges for local governments such as demographic change, economic and technological change, the crisis of local public finance and new expectations regarding public service provision will increase the necessity for inter-municipal cooperation. This is illustrated in the fields of economic development, social services and infrastructure provision.[1]

THE IMPORTANT ROLE OF LOCAL GOVERNMENT IN GERMANY

Local government in Germany has a two-tier structure which is made up of municipalities (*Gemeinden*) and counties (*Kreise*).[2] There are about 12,000 municipalities and about 300 counties in Germany (Statistisches Bundesamt 2011: 40). In West Germany large-scale territorial reforms were implemented between the mid-1960s and early 1970s to improve the administrative efficiency and planning capacity of local government. This reduced the number of municipalities by two thirds and that of counties by half (Wollmann 2000: 921). After German reunification the number of municipalities and counties in East Germany was also drastically reduced.

The German local government system has been classified as politically and functionally one of the strongest in Europe (Wollmann 2004: 651). Wollmann describes two important features of local government. First, the "general competence" of

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[1] The article focuses on "single-purpose" cooperation of municipalities. For a discussion of multi-purpose (or territorial) cooperation see Heinz (1997).

[2] Larger cities (usually larger than 100,000 inhabitants) are "single tier" county boroughs (*kreisfreie Städte*).

municipalities and counties which is laid down in Article 28 of the German constitution (*Grundgesetz*). It empowers local government to deal with all matters of relevance for the local community in their own responsibility (within the frame of law). The second feature is the "dual function" of local governments combining in themselves self-government and "delegated" tasks by the federal state.

Municipal Tasks

Local governments provide a broad range of administrative functions and responsibilities with different degrees of freedom. Within so called self-government tasks (*Selbstverwaltungsaufgaben*) state control is restricted to legal supervision. These self-government tasks can either be mandatory tasks that have to be performed (*Pflichtaufgaben*) (e.g., social services like kindergarten, social assistance, administration of schools, waste and waste water removal, urban land use planning) or voluntary tasks (*freiwillige Aufgaben*) like museums, theatres, public libraries or economic development promotion. In addition to that, local governments carry out delegated tasks (*Auftragsangelegenheiten*), i.e., federal or state government functions, like registration or police law where state control also extends to legal and material aspects (*Fachaufsicht*) (Bogumil 2005: 515 ff.).

Determining the need for inter-municipal cooperation, it is important to note that regularly counties take over those tasks that have a more regional character (*Aufgaben der überörtlichen Gemeinschaft*). This is true for pure administrative tasks like social welfare, the registration of cars or nature protection but also for the provision of services of general interest in education, culture, health, waste disposal or regional development: Counties finance vocational schools, adult education centres, hospitals etc. As size but also economic and demographic profiles of counties differ widely there is no fixed set of service levels or uniformity in the provision of public goods (Von der Heide 1998: 127). In other words: Services that are provided by cities or in inter-municipal cooperation in one county might be organized on the county level somewhere else in Germany.

INTER-MUNICIPAL COOPERATION IN GERMANY

Fields of Inter-Municipal Cooperation

Inter-municipal cooperation has a long tradition in Germany and can be traced back as far as the medieval Hanseatic League of cities. Industrialization and the rapid growth of cities in the late 19th century increased the need for coordination in settlement and infrastructure development. First cooperative structures were established in Berlin (*Zweckverband Berlin*, 1911) and the Ruhr area (*Siedlungsverband Ruhrkohlenbezirk*, 1920) (FES 2008: 17).

Nowadays inter-municipal cooperation is widely practised between German municipalities. A survey of 350 municipalities with more than 10,000 inhabitants gives an

impression of the various fields (DStGB 2004: 10 ff.). The five most common areas of inter-municipal cooperation are (in order of importance):

- Marketing of Region and Promotion of Tourism (48% of answering municipalities)
- Water, Waste Water Treatment (47%)
- Information Technology (36%)
- Economic Development Promotion and Employment (26%)
- Spatial Planning and Development (20%)

All in all these 30 areas of inter-municipal cooperation were identified in this study.

Organization of Inter-Municipal Cooperation

Municipalities are free to choose the organizational form of their cooperation. This is part of their right for self-government established in the German constitution (*Grundgesetz*) (DStGB 2004: 4). There are different formats to organize inter-municipal cooperation. From a legal perspective they can be distinguished into cooperations under public law and cooperations under private law. Public law is required if the field of cooperation addresses mandatory (e.g., land-use planning) or delegated tasks (e.g., police law). Empirical findings show that for specific municipal tasks different legal forms typically dominate (see table 1).

Another important differentiation is the scope of cooperation: most common are single-function or single purpose cooperative approaches that concentrate on one issue (e.g., waste disposal). Multi-purpose, territorial cooperations that have competencies in multiple issues (e.g., land-use planning and infrastructure provision) are relatively rare. Prominent examples are Hannover or Stuttgart region (Heinz 2007: 91).

Table 1: Forms of single purpose cooperative approaches

Form of inter-municipal cooperation	Frequency[3]	Main features	Typical fields of activity
Public law			
Municipal working communities (*Kommunale Arbeitsgemeinschaft*)	21.2%	No own legal entity; Coordination of municipal activities	e.g., culture, public procurement, libraries
Public agreement (*öffentlich-rechtliche Vereinbarung/ Zweckvereinbarung*)	27.7%	Delegation of (mandatory/ delegated) task to another municipality	e.g., co-use of public utilities by neighbouring municipality
Special purpose association (*Zweckverband*)	21.7 %	As public body own legal entity (*Körperschaft des öffentlichen Rechts*); fulfilment of tasks that are beyond capacities of single municipality	e.g., water/waste water management, waste disposal, schools

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[3] Survey comprising 350 municipalities cit. in DStGB (2004).

Form of inter-municipal cooperation	Frequency[3]	Main features	Typical fields of activity
Private law			
Limited liability company (*Gesellschaft mit beschränkter Haftung, GmbH*)	10.4%	Own legal entity	e.g., economic development, tourism, municipal sanitation
Private agreements (*privatrechtlicher Vertrag*)	7.8%	Delegation of task to another municipality (e.g. auxiliary functions, voluntary tasks)	Facility management, human resources, museums

Source: Own compilation based on DStGB (2004)

In some areas inter-municipal cooperation is extended to allow the integration of other stakeholders. Typical examples are regional marketing and tourism development that often encompasses chambers of industry or tourism associations. In these cases civil law associations (*eingetragener Verein, e.V.*) – that are widespread in civic life – are a common form to cooperate.

DRIVING FACTORS FOR INTER-MUNICIPAL COOPERATION

There are multiple reasons for local governments to work together. The main argument for inter-municipal cooperation, both in theory and in the view of local actors themselves, is the increase of efficiency and quality in the deliverance of public services (see Heinz 2007: 98, DStGB 2004: 2). Various "driving factors" can be identified that increase the need for municipalities to cooperate –financial stress at the local level, the need for sustainable development and the effects of profound demographic changes. At the same time information and communication technologies (ICT) open up new opportunities for collaboration at the local level.

Local Public Finance

Many German cities are in financial crisis: their revenues (taxes, state contributions, fees etc.) do not outweigh their expenditures. Mandatory obligations, e.g., welfare costs defined by federal law, are increasing – especially in cities and regions with economic problems (Anton & Diemert 2011: 6 ff.). At the same time an investment backlog is building up, estimated at about 75 billion EUR. Investment needs for the period until 2020 were estimated at EUR 704 billion in 2006 (at 2000 prices). The biggest category is replacement requirements at 59 percent. Expansion requirements take a 31 percent share, and backlog needs 10 percent of investment. The greatest need for investment is in road building (Euro 162 billion), schools (Euro 73 billion) and local sewage systems (Euro 58 billion) (Reidenbach et al. 2008: 32 ff.). In the light of the difficult financial situation and facing these investment needs, joining forces is one strategy to ensure the provision of local public infrastructure and services.

In many city regions high "centrality costs" (technical, social and cultural infrastructure) and selective migration of urban residents have aggravated the financial

divide between relatively poor core-cities and its environments – contributing to the need of regional collaboration (Heinz 2007: 98).

Sustainable Development

Following the Rio Declaration on Environment and Development (1992) and the Aalborg Charter on Sustainable Cities & Towns (1994) more than 2,500 German cities have engaged in processes to formulate their Local Agendas 21. There are numerous examples of inter-municipal cooperation for sustainable development – at a regional level as well as in thematic networks of towns and cities at national or European scale (like "Energy Cities") (RNE 2011: 57 ff.). From the broad spectrum of issues that contribute to sustainable development, land use is an important but difficult field of inter-municipal cooperation. With regard to a continuing high rate of land use for new settlements and transportation infrastructure and the massive ecological, social, and economic consequences, the German government has formulated the objective to reduce land use for housing and transport from 100 to 30 hectares a day until 2020 in its National Sustainability Strategy (*Nationale Nachhaltigkeitsstrategie*). Besides established regional bodies for land-use planning, new forms of cooperation are practiced, e.g., for the joint development of industrial sites (see below).

Demographic Change

Germany is experiencing profound demographic changes that will continue in the future – its population will be "less, older and more heterogeneous". The present effects of demographic change differ considerably between and within German regions. Especially in East Germany the population has already declined drastically due to declining birth rates and massive outmigration (BBSR 2012: 37). Some cities have lost one third of their population and more since 1990 with dramatic consequences for adaptation regarding housing, technical and social infrastructures etc. In economically prosperous regions like Munich or Hamburg, the population will still continue to grow due to national and international immigration – increasing the need to coordinate sustainable growth with adequate forms of inter-municipal cooperation (Heinz 2007: 98). Germany's population is expected to shrink from about 82 million to 65 to 70 million in the next 50 years due to a larger birth deficit. At the same time the number of elderly people will grow: in 2060, 14 percent will be over 80 years old compared to 5 percent in 2008. Drastically changing ratios of old and young people calls for an adaptation of social infrastructure – a consolidation of kindergarten and schools and an expansion of nursing homes or assisted living. Finally an expected migration balance of 100,000 to 200,000 people will contribute to a more diverse society and the need to develop policies and services to ensure integration and inclusion of immigrants at the local level (Statistisches Bundesamt 2009).

New Public Management and Electronic Government

On the local level a renewed interest in the efficiency and effectiveness of public administration can be observed since the early 1990s. With the so-called "New Steering Model" (*Neues Steuerungsmodell*) a reform agenda based on ideas of New Public Management was formulated (KGSt 1993): Local administration should act demand- and customer-oriented with the help of management tools derived from business administration (e.g., controlling, benchmarking). This wave of administrative reforms created a higher attention to the provision of services and increased expectations regarding municipal service levels.[4] An inter-municipal answer in this context is shared service centres that perform standardized administrative functions to lever cost advantages and better service quality (FES 2008: 47).

Parallel to administrative reform efforts information and communication technologies were increasingly used to improve administration and service provision. Electronic government also meant massive investments in hard and software as well as IT-services – again an area where many municipalities have engaged in inter-municipal cooperation to realize economies of scale and better access to qualified personnel (FES 2008: 32). ICT has also enabled the establishment of shared service centres.

ECONOMIC DEVELOPMENT

Economic Development Promotion as Municipal Task

Although there is no legal obligation most German municipalities are active in the promotion of their local economic development. With their activities to support local businesses, to attract new businesses and to foster start-up companies they seek to increase local employment, to improve the economic structure and, finally, to increase public revenues, e.g., local business tax (Dallmann and Richter 2012: 34). The most important activities of local economic promotion are the provision of industrial sites, location marketing, cluster development and retail or business district development (Hollbach-Grömig and Floeting 2008: 7).

As the promotion of economic development is a voluntary task there are no binding obligations regarding its organization, resources or activities. Larger cities either have an own department for economic promotion in its city administration or they set up an own corporation (e.g., limited liability company). Both organizational solutions have advantages: departments can serve as "one stop agency" that coordinate all relevant affairs of local businesses within municipal administration (e.g., building permits). (Formally) private corporations for economic promotion can integrate chambers of

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4   One example being *Bürgerämter* that were introduced widely in Germany's towns and cities – one-stop shops for all citizen related interactions usually with extended opening hours.

commerce, public banks and other important stakeholders within their organizational structure and can act on a par with local businesses (Grabow & Henckel 1998: 621).

Joint Organizations for Economic Development

Despite the fact that economic development promotion is an area where the practice of inter-municipal competition was widely criticized in the past there has been a remarkable process of regionalization in economic development since the 1990s. The rationale for this was often a better regional competitiveness to face globalization and increasing interregional competition.[5] This is true for metropolitan regions (e.g., Frankfurt, Stuttgart, Hannover) where new institutions for economic development were founded in the course of metropolitan institution building with strong advocacy of economic actors, e.g., FrankfurtRheinMain GmbH, hannoverimpuls GmbH or Wirtschaftsförderung Region Stuttgart GmbH.[6] But also in more rural parts regional institutions were set up – with new impulses from European and national regional policy that addressed endogenous development and a regional partnership approach.

These new institutions do not replace municipal activities – they focus on those areas where cooperation is reasonable to leverage economies of scale or to develop specific expertise. On the scale of city regions, international location marketing, investor support, the coordination of site development and the management of technological clusters are important fields of action. In rural areas the support of small and medium companies (e.g., technology transfer) and tourism (e.g., destination marketing) play an important role.

Location Marketing and Cluster Management

Location marketing is an area in which municipalities can profit from regional cooperation. Businesses and tourists look for business opportunities and destinations at a regional scale. At the same time marketing activities are expensive, e.g., participation in international real estate trade fairs like MIPIM in Cannes or EXPO REAL in Munich. Joining forces in location branding and marketing activities ensure economies of scale and can contribute to a higher national and international visibility.

Inspired by the work of Michael Porter and success stories like Silicon Valley, cluster promotion and development has become an attractive strategy for local eco-

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[5] In 1995, the federal government and the state governments started activities to support the development of metropolitan regions in Germany. This resulted in the definition of eleven European metropolitan regions (*Europäische Metropolregionen*) that are seen as "motors of economic, social and cultural development of international relevance and accessibility" (BMVBS 2006: 14).

[6] For the city-regions of Stuttgart (Verband Region Stuttgart 1994) and Hannover (Region Hannover) (2000) new institutions for territorial cooperation were founded.

nomic promotion during the last ten years.[7] Clusters – geographic concentration of interconnected businesses, suppliers, and associated institutions (e.g., universities, chambers of commerce) in particular branches or technology fields – are considered to increase the competitiveness of companies, nationally and globally. Cluster promotion in Germany is often carried out on a regional scale to achieve a critical mass – this is true for metropolitan areas as well as for rural regions. In some cases new organisations were set up to organise cluster management at a regional level.[8] European, federal and state-wide innovation policies have contributed to inter-municipal cooperation in this field. Typical elements of such cluster activities in which municipalities and regions participate include (Floeting & Zwicker-Schwarm 2008: 22):

- Initiating, supporting and moderating networking activities that bring together businesses, universities, chambers of commerce;

- Development of cluster strategies or concepts in cooperation with relevant actors from business and research;

- Initiation of adequate organizational capacities (key accounts or specific organisations);

- Investing in relevant infrastructures like technology transfer institutions or business incubators;

- Supporting pilot projects for the application of new technologies;

- Contributing to cross-sectoral tasks of cluster management like business financing, advisory services for start-ups, and qualification together with public banks or chambers of commerce.

Inter-Municipal Industrial Areas

The provision of industrial sites is a central task of local economic promotion. German municipalities have far-reaching competencies in land-use planning – they have a high degree of freedom in planning and developing land for commercial and industrial use. In contrast to expectations of local politics the overwhelming part of investments in new factory buildings or office blocks is local or regional – international "greenfield investments" are very rare (Grabow 1995: 165). Company growth or reorganizations due to new concepts of production and logistics create demand for new industrial land within a regional scope that allows keeping a qualified or specialized work force. At the same time the need for sustainable land use and the difficult financial situation reduce options to develop new industrial sites (Zwicker-Schwarm et al. 2010: 6).

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[7] A survey carried out by Difu identified cluster strategies in 63% of German cities (Hollbach-Grömig & Floeting 2008: 9).

[8] For an overview see Kiese & Schätzl (2008).

Since the 1970s there have been successful attempts to cooperate in the development of industrial areas. The basic idea of such inter-municipal industrial areas is that two or more local governments develop an industrial area and share related investments (e.g., planning and infrastructure costs) and revenues (e.g., the business tax paid by companies in these areas). There are more than 250 inter-municipal industrial areas in Germany today – mostly organized as special purpose associations (*Zweckverband*) (Wuschansky & König 2005: 7). The early cases usually involved two municipalities that wanted to develop an attractive plot of land in a cross-border situation. Another typical constellation was the cooperation of one municipality without adequate sites but financial and/or administrative resources (e.g., core city) with a neighbouring municipality with an attractive site but limited resources. More "advanced" models are regional constellations in which a group of municipalities concentrate their development efforts in one or more ideal locations (Krieger 1994). About 60 percent of inter-municipal industrial sites involve two municipalities, 20 percent involve three and the last 20 percent more than three municipalities (Wuschansky & König 2005: 7).

Inter-municipal cooperation has more advantages than just sharing risks and benefits involved with land development. It enables synergies by bringing together complementary resources of neighbouring communities (land, financial and administrative resources). It allows developing those sites which are optimal in terms of location factors, investment needs or from the point of minimizing ecological costs involved. An interesting further development of bilateral or multilateral cooperation are regional pools for commercial land. Here the idea is that all municipalities within one region develop and market their entire stock of industrial land. Thus they further reduce inter-municipal competition resulting in an overproduction of industrial land and reduce the danger of a "race to the bottom" regarding land prices. To date such regional land pools are still in an experimentation phase in Germany (Ruther-Mehlis et al. 2011: 419).

SOCIAL SERVICES AND INFRASTRUCTURE

Social Services and Infrastructure at Municipal Level

Local government is responsible for a broad array of social services and infrastructures. Generally speaking the two-tier structure of local government reduces the need for inter-municipal cooperation in some fields as counties can provide those services which are beyond the scope of an individual municipality. Examples are education (e.g., schools for vocational training), health (e.g., hospitals) or culture (e.g., museums). Specific for the provision of social goods in Germany, e.g., childcare or services for youths and elderly at the local level, is the role of non-statutory welfare agencies (*Wohlfahrtsverbände*) and other non-profit service providers. This usually leads to a mix of municipal services and infrastructures and those provided by the non-profit "third sector" or even profit-oriented businesses. Processes to strengthen inter-municipal

cooperation in the field of social services and infrastructure therefore have to integrate a broad array of stakeholders.

Demographic Change and Equal Living Conditions

Especially in rural areas local government faces a dilemma situation: the reduction of population due to low birth rates and outmigration leads to problems with reaching the critical demand for social infrastructures like childcare facilities, schools, hospitals or cultural and leisure facilities. On the other hand a general clause within the German constitution postulates ensuring equal living conditions (*gleichwertige Lebensverhältnisse*): the government must guarantee certain standards regarding the accessibility of social infrastructures at adequate costs (BBSR 2011: 31). In those areas which are in the public domain inter-municipal cooperation can be an important strategy to ensure service provision and the further existence of social infrastructure.[9]

In this context the Federal Ministry of Urban Affairs (BMVBS) propagates within a funding programme the development of "Master Plans for services of general interest" (*Masterplan Daseinsvorsorge*): a process initiated by counties or regions in order to systematically deal with the effects of the demographic development regarding the different public infrastructures of general interest, develop adaptive strategies and to secure their political and administrative implementation (BMVBS 2011: 9 ff.).

Two Examples: Local Schools and Voluntary Fire Brigades

While state governments (*Länder*) are responsible for school curriculam and the employment of teachers, municipalities provide necessary infrastructure like school buildings, after-school care and school transport. Schools are not only a place for education but a centre of local community and a precondition for family attractiveness and demographic stability (Berlin Institut 2012: 31). Besides structural changes (year-overlapping classes in primary schools or more comprehensive secondary schools) inter-municipal cooperation can help to stabilize existing schools. One example is association of schools (*Schulverbände*) that share joint administration and allow an equal use of present facilities (BMVBS 2011: 42 ff.).

In Germany fire fighting outside large cities is organized at the local level in voluntary fire brigades. The necessary technical investment is financed by municipalities. Demographic change and the spatial separation of workplace and home create increasing problems to ensure adequate capacities in case of emergencies. Fusion of fire brigades often isn't an option due to issues of safety but also because of their importance for community activities. There are various examples of inter-municipal cooperation to coordinate the purchase and maintenance of equipment and to build

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9 In privatized and deregulated areas like postal services or telecommunication or in market-driven areas like retail sector, reorganization has often led to lower service levels in rural or peripheral areas (BBSR 2011: 31).

up specific, complementary competencies (e.g., diving squad, hazardous goods) (FES 2008: 30; BMVBS 2011: 56).

CONCLUSIONS AND OUTLOOK

For many local governments in Germany inter-municipal cooperation is one strategy to meet the challenges of demographic change, sustainable development and budgetary restraints. Cooperation allows the realisation of economies of scale and advantages of specialization. In the field of economic promotion joint organizations, marketing activities, cluster management and site development can contribute to achieving a critical mass for (inter-)national visibility or can reduce detrimental inter-municipal competition ("race to the bottom"). With regard to social services, regional collaboration increases the opportunities to keep service levels and maintain infrastructures close to citizens.

Despite the multiple benefits of inter-municipal cooperation it is important to stress the various obstacles that are well analysed in research and practical accounts: "parochialism" of local actors, the need to build up trust, and the absence of leadership. It is therefore important to develop adequate strategies to successfully initiate and implement inter-municipal cooperation (e.g., Hollbach-Grömig et al. 2005). It is also true that the implication of inter-municipal cooperation on local democracy and identity must be kept in mind. Delegating municipal tasks to new organizations might weaken democratic control, especially if decision making is transferred to organizations according to private law or organizations involving private partners (e.g., Heinz 2007: 111).

Inter-municipal cooperation cannot be enforced – this is especially true for those areas where municipalities are free to act. But German experiences show that it can be supported: Association of local communities, research institutions and foundations have published various "good practices" (examples, manuals, checklists) (e.g., DStGB 2004, FES 2008, Hollbach-Grömig 2005). Federal and state governments have initiated competitions to spur inter-municipal cooperation in various areas of regional development (Benz 2004: 4).

Facing the various challenges described, Germany's towns and cities will need to follow the path of inter-municipal cooperation as one important instrument to secure the future provision of infrastructures and services for citizens and businesses.

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Solving Municipal Paradoxes: Challenges for Swedish Local Democracy

David Karlsson and Stig Montin

The Public Administration of Scandinavia—especially in Sweden and Denmark—stands out in two major ways: The size of the public sector in relation to the private sector is the largest among all developed, democratic nations in the world, and the public sector is also the most decentralized. For many decades, the Swedish welfare state has been formed around the principle of local self-governance. The general goals and regulations of the welfare state are decided in the national parliament but the service production is almost entirely found on the local and regional tiers of government. Primary and secondary education, adult education, healthcare, care of children, the elderly and the handicapped, social services, culture and leisure, public housing, public transport, water and sanitation, city planning, environmental and health protection, fire brigades, business development etc. are all responsibilities of Swedish municipalities and regions. A third of a Swede's salary is paid as local and regional income tax. About a quarter of the Swedish workforce is employed by municipal or regional authorities. Swedish citizens can hardly leave their home without encountering different aspects of municipal activities. Local and regional politics determine the conditions for social life from the cradle to the grave (Sellers & Lidstrom, 2007; Wollmann, 2008; Karlsson & Johansson, 2008; Loughlin, Hendriks, & Lidström, 2010; Tsuchida 2011).

In many ways, the history of Swedish local government is a success story, where local citizens have contributed to the creation of the most ambitious welfare state in the Western World by engaging in local democratic processes. Admirers of the Swedish model keep coming from all continents to study Swedish local governance, and Swedish municipalities are doing their best to build partnerships and bring administrative aid and education to municipalities in developing countries.

However, the more recent history of the Swedish model is a tale of stagnation and change. In the 1980s, the expansion of the Swedish welfare state ended and in the 1990s the economic crisis forced both national and local governments to reduce welfare services and public jobs in order to cut public spending. And even though the service levels have been restored in many areas during the 2000s, the public trust in the welfare

system is no longer as steadfast as it once was (Edlund, 2006; Larsson, Letell, & Thörn, 2012; Wollmann, 2008).

The changes have also been accompanied by new political ideals. The social democratic hegemony was broken in the late 80s when liberal ideas of privatization, outsourcing and New Public Management were introduced in municipal politics (Montin, 2000). In 1995, Sweden entered the European Union, and even though the EU is not primarily concerned with how the member states organize their social welfare, the long term tendency seems to be one of "Europeanization" of Swedish welfare policies (Gould, 1999; Montin, 2011). Tax rates, social security and service levels are slowly converging towards a European normality.

In these changing times, Swedish municipalities are far away from their expanding heydays in the 60s, 70s and 80s. Instead, Swedish municipalities and regions are struggling to ride out economic downturns and retaining public trust. Furthermore, the Swedish municipalities and regions are facing a number of intricate challenges which all threatens to undermine the legitimacy of the whole political system. Our view is that several of these challenges have their roots in the construction of the Local Government system itself. A number of paradoxical goal conflicts have been built into the foundations of the Swedish decentralized welfare state.

One such paradox is the social democratic ideal of egalitarianism which contrasts with the ideal of strong local autonomy. Strong local self-governance will always lead to service variation rather than national equality. To honour both the value of national equality and of local autonomy is an almost impossible challenge for political leaders.

A second paradox concerns the political institutions and the practices of democracy. Historically, Swedish local democracy was consensus oriented and the law prescribes assembly government and collective political leadership in all political institutions. But over time, Swedish local democracy has become party politicised and today an unofficial quasi-parliamentary system is practised in Swedish municipalities and regions. The contradiction between formal and informal ideals of democracy strains Swedish local democracy.

A third paradox is the fact that even though the extensive Swedish welfare model is built on socialistic ideals of public control over service production, Sweden has also been a pioneer when it comes to marketization of public services. For political leaders in municipalities and regions, it is increasingly challenging to implement redistributive policies and produce social justice with the help of public authorities that more and more resemble private firms. Are the local population citizens or customers?

The aim of this article is to present and analyse these three paradoxical challenges for Swedish local democracy, and point towards possible scenarios of the future.

Self-government and national equality

Local government is the "government of difference" (Page, 1982). The purpose of local autonomy is to let the local citizens decide the political priorities and make sure that their public service production is adapted to local needs. In a political system founded on the principle of strong local self-governance, tax rates as well as service production will vary between autonomous units. However, the Swedish welfare model is also heavily based on social democratic values of social equality and redistributive justice. In relation to the welfare state, people have the expectation of being treated uniformly as equals and not be discriminated against on arbitrary grounds. Citizens often feel that the egalitarian aspect of the system is compromised when the quantity and quality of public services varies depending on where you live. The support of local government is generally high, but when service equality is threatened, the legitimacy of the system is compromised (Stjernquist & Magnusson, 1988).

The national government tries to handle these contradictory expectations on the welfare state mainly with the help of two strategies: 1) to ensure that all local and regional authorities have equal economic opportunities to carry out their responsibilities, and 2) to ensure by regulations and supervision that the service provided by local and regional authorities live up to acceptable service levels.

Economic equality is reached by an extensive tax redistribution system—"the Robin Hood-tax" (Berggren & Hermansson, 2008). Richer municipalities and regions contribute to the system while poor municipalities receive substantial subsidies. In the end, the tax revenues per capita of each municipality—deprived and privileged alike—are about the same. This system is necessary to enable poor, scarcely populated municipalities to carry out their duties, but the system is also heavily criticized, especially by wealthy municipalities in metropolitan areas who feel that their hard-earned revenues are harvested (Karlsson, 1997; "Politicians demand changes to 'Robin Hood' tax", 2012). A consequence of the system is that a municipality is not economically rewarded for lowering unemployment or strengthening local growth, which means a lack of incentives for solving a bad economic situation. On the other hand, one can assume that the gratitude of thankful citizens is incentive enough for most politicians to achieve economic growth.

An on-going demographic transformation is fuelling these tensions. For a century, urbanisation has slowly depopulated large regions of Sweden. During the 19th and early 20th centuries, the northern parts of the country were receiving considerable immigration of labourers, aiming for the expanding mining, water-power and forest industries. Today the number of jobs in the North is steadily decreasing and the educated youth move to the more urban South (Lundmark, 2006). The aging population in the scarcely populated areas will soon be needing elder- and health care. How the northern municipalities will solve the problem with increasing demand for services and decreasing supply of service personnel on the local labour markets is yet to be seen.

The national government's ambition to steer local and regional authorities through regulation and supervision is a delicate balance act. A review of historical policy documents reveals that the Swedish government used to be very much aware of the implications of decentralising responsibilities to the self-governing level (Bengtsson & Karlsson, 2012). To decentralize a public service is to put it in the hands of local politicians, and national goals and regulations must leave room for local political discretion. However, over time the decentralisation of responsibilities has taken place without much thought on the importance of local democracy. In reality, the municipal and regional authorities are the only viable public organizations capable of producing welfare services, and the national government keep decentralizing on routine without much consideration for whether the regulations accompanying the reforms recognize the role of local politics. In some areas the municipal authorities are so heavily regulated that they almost resemble local offices of national agencies.

Even though Swedish local politicians have larger budgets and responsibilities than most of their European colleagues, they are at the same time deeply concerned about the involvement of national authorities in local business. Adding to this discontent is the fact that the national level is notoriously uninterested in ensuring that new decentralization reforms are fully financed (Zapata & Malmer, 2010).

What then is keeping these contradictory forces from breaking up the system? One answer lies within the Swedish party and election system. It is largely the same parties that are represented in the national parliament as in the councils on local and regional level, and since the cohesion is relatively strong in most parties, the national and local interests are balanced by the political elites on different tiers of government (Bäck, 2005b). Adding to this, the common Election Day ensures that the electoral trends nationally normally translates into similar trends in regions and municipalities. A separation of elections would probably result in protest-voting against the national government (Oscarsson, 2001), securing opposition victories in local and regional councils and increasing the tensions between local and national levels.

Formal and informal democratic practices

The party and election system is thus one of the factors holding the Swedish multi-level government together, but it also contains institutional paradoxes. When Swedish local democracy is described in contrast with national democracy, values such as participation, pragmatism and consensus are often mentioned. Representative democracy, principled debates and party strife is described as traits of the national level (Karlsson, 2003; Sanne, 2001). The Swedish Act of Local Government regulates the political institutions on the local and regional levels, and the main principles of the law are assembly government and collective leadership. The executive power of municipalities and regions are invested in committees with members from all parties represented in the council.

However, during recent decades the local political culture has changed. Three coinciding trends have transformed local politics: political elitization and professionalization, party-politicisation, and adaptation to parliamentary logics.

A traditional characteristic of Swedish local democracy has been the high number of elected and indirectly elected political representatives. The opportunities for a politically interested Swede to get a political position in local government have been very good, thanks to the large number of executive committees in each municipality. Over time, the numbers of committees as well as the number of members in the council have decreased significantly. Each year the total number is reported as lower than the year before (Karlsson, Rommel, & Svensson, 2009). The remaining representatives are becoming more professionalized and less like political laymen (Montin, 2005). Behind this trend are, on the one hand, new management philosophies which promote slimmer government and less sectorial thinking and, on the other hand, rising difficulties in recruiting willing and qualified representatives—especially in smaller municipalities. With fewer local politicians, the relative influence of local top leaders has increased during recent years. The chair of the executive board has no formal powers but over time, according to informal practices, the chair has more or less become the equivalent of a mayor in other European countries, with at least as much influence as that of a traditional European mayor (Bäck, 2005a; Karlsson, 2006).

During the same time, party politics and political conflicts have risen continuously in Swedish local government (Bäck, 2000; Henry Bäck, 2003; Gilljam, Karlsson, & Sundell, 2010). The major explanatory factor is the municipalities' growing importance as producer of public services in a time when public management models have been heavily politicised (i.e., the degree of privatization/socialisation etc.). This trend has developed along with the establishment of a quasi-parliamentary system (Bäck, 2006). Even though assembly government is still the formal frame for political institutions, each municipality and region is in reality ruled by a majority party or coalition (Bäck, 2003). Like in other parliamentary systems, different parliamentary situations creates variations in levels of conflict and influence patterns (Gilljam & Karlsson, 2012), and the parliamentary positions of councillors affect their political attitudes (Gilljam, Persson, & Karlsson, 2012; Karlsson, 2010).

To summarize, Swedish local government is on the formal surface a collectively governed assembly government political system with strong participatory values, while the informal reality is a heavily party-politicised parliamentary democracy with a dominant mayor-like leader (e.g., Karlsson, 2012).

This huge distance between formal and informal institutions creates challenges for the political system in several ways. One aspect is the unconstitutionality—if a major rift should occur between the actual and the formal rules, there are no legal protections for the commonly accepted political practices. Another aspect is the pedagogical challenge of explaining the system for the citizens. Most Swedes have very limited

knowledge of the informal arrangements or the composition of the actual ruling coalitions of their municipalities. This is of course a considerable obstacle for their ability to hold the local leaders accountable on Election Day. And the system might be just as puzzling for some national decision makers. An indication of this is the recurring proposals of various participatory reforms in order to solve perceived democratic deficits on the local level, when the actual heart of local politics is party-based electoral democracy (Montin 2007). In fact, local political leaders in Sweden are the most supportive of party-based electoral democracy—and the most critical of participatory democracy—in Europe (Karlsson, 2006).

A recent national inter-parliamentarian commission (SOU 2012:30) has suggested a voluntary experiment where municipalities could apply for an exception from the Act of Local Government and introduce a parliamentary system with only majority representatives in the Executive Board. Our prediction is that the national government will turn down this proposal, or—if such an experimental law is eventually passed—that few municipalities would apply for an exception. The main reason for this is the fear that opposition representatives would be severely disadvantaged if they were to be excluded from executive boards and committees. And, as each of the established parties are well represented among both ruling majorities and oppositions around the country, most feel that they would lose more influence than they gain from such a reform. The question now is how much longer the system will hold together with growing splits between formal regulations and informal practices.

Privatisation and changing roles of citizens

In the decentralised welfare system of Sweden local political responsibility and accountability and a coherent organisation of public services have been of great importance. The purpose of the welfare state was formed around the values of democratic socialism, such as social justice and redistributive politics. Citizen influence on policy-making should accordingly be carried out through democratic processes and contacts with elected politicians. The third paradox put forward in this article concerns the fact that while the political responsibility still formally remains, the service organisation is becoming more and more fragmented, and citizens tend to be regarded as costumers rather than members of a local community. Sweden has been a pioneer in the effort to adapt management ideals from the private sector into the public service production, and values such as consumer choice and competitiveness between service producers are promoted.

The dominant view among those who reformed the Local Government Act in the late 1980s was that provision of public service should be municipal. They stated that "public tasks should to the greatest extent be managed within public juridical and democratic forms", which refers to "committee management" (*nämndförvaltning*) because this is the most "natural" (SOU 1990:24, p. 86, own translation). Hence, at the time it

was considered as evident that municipal services and care should be provided within a self-contained municipal organisation. Until the 1990s, the social services were almost completely provided in-house in what was part and parcel of the local welfare state. Schools (primary and secondary) were also almost exclusively municipal managed.

An ideological change begun in the Social Democratic Party (SAP) from the late 1980s, which became expressed as "increased freedom of choice", "increased competition" within welfare production and "alternative modes of productions". This paved the way for coming changes in the 1990s. After the election of 1991 the new right-wing majority in the Riksdag declared a "system change", but the fundamental welfare system (general welfare) did not become an object for substantial change at the time. The right-wing government did, however, stress the importance of change within the public sector, such as more customer choice, internal competition and alternative social service producers. Later on, during the first decade of the new century, it has become more relevant to speak of system change. As shown below, an increasing privatisation has taken place within social services and education (for an overview see Hartman, red, 2011).

The share of children in so-called independent pre-schools (public financed and regulated private school) increased close to 20 per cent between 1990 and 2010. Correspondingly, the share of pupils in independent primary schools changed from one per cent in 1992 (when the independent school legislation was put in force) to eleven per cent in 2010, and from two to above 20 per cent in independent secondary schools (*gymnasium*). The expansion of independent schools was prominent from the year 2000. Private independent schools are mainly run by for-profit companies. Within the field of social care of children and youth, and municipal care of drug addicts there has also been an increase in the number of private providers, but this increase developed during the 1990s. Measured in terms of share of employed, about 45 per cent work in private (mainly for-profit) care providers within these two areas.The county councils (*landstingen*) are responsible for health care and hospital care and they have since 2001 increasingly purchased services from private companies. In Swedish crowns the purchase more than doubled between 2001 and 2009 (from 7.7 billion to 18 billion),. Excluding the county council of Stockholm, which is the main purchaser of health care and hospital care, the national increase was six per cent and represents about ten per cent of the total net expenditure of all health care and hospital care in Sweden. The fastest expanding sector is primary care, especially since 2010 when a system of free choice of primary care providers was introduced as obligatory for all county councils.

Privatisation within care for elder and disabled people has been continuously expanding since the 1990s. In 2010 private companies provided 19 per cent of all care contributions of home services and in homes designed for the elderly (special housing accommodations) measured in working hours. The private providers consist mainly of rather large for-profit companies, and there are tendencies of an oligopolisation. Elder

care market is dominated by four companies (Attendo Care, Carema Care, Aleris and United Care), of which Attendo and Carema are the largest ones. Hence, privatization of elder care in Sweden represent a shift in policy from non-profit municipal organisations to for-profit (Stolt, Blomqvist & Winblad, 2011). In this context it should be mentioned that when "freedom of choice" was nationally launched by the right-wing government as an important reform for increasing quality in health care for old people, it was assumed that there would be a large number of non-profit organisations providing elder care. However, according to the procurement act the price of the services is the most important criteria and smaller companies and non-profit organisations could not compete with the big ones. The tendencies towards a situation where only a few companies dominate the market became one of the motives behind introducing a new but voluntary legislation in 2009 (*Lagen om valfrihet*), which is supposed to encourage municipalities to find smaller and not for-profit providers. In those municipalities who have introduced freedom of choice within elder care in accordance to the new legislation, "home service costumers" (old and disabled persons) can choose a provider from a list of approved public and private providers.

In sum, the local government democratic system is based on the ideas of representative political steering and control of public services, political equality and social justice. However, while these ideas are still regarded as fundamental the actual development has moved towards a situation where the linkage between politicians on the one hand and public services and citizens on the other hand has weakened. The local welfare service system has developed from coherence to fragmentation. Local citizens have become accustomed to the benefits of consumer choice but there is also strong criticism in the political debate targeting the perceived faults and irresponsible behaviour of for-profit private entrepreneurs. The image of Swedish local government as both a poster child of the Social Democratic welfare state and a frontrunner of liberal deregulation and New Public Management, creates a complicated self-identity for many municipalities.

Future Scenarios—solving the paradoxes

Our argument throughout this article has been that some of the largest challenges for municipalities and local democracy in Sweden are goal conflicts built into the local government system. In this concluding section our intention is to discuss possible future scenarios on how these challenging paradoxes could be solved.

In general, paradoxical conflicts could be resolved in either of three ways, of which the first is system collapse. A system built on contradictions and goal conflicts carries within itself the seed of its own destruction. When achieving one important value obstructs the achieving of another, the failures of the system could compromise its legitimacy and right to exist. However, in many ways the local governments of Sweden is a system too important to fail. A collapse of the system would not just endanger the

values discussed in this article but the service production of the welfare state itself. The Swedish people would simply not allow such a breakdown.

A second and more likely scenario is therefore that the goal conflicts are solved by the triumph of one political value over the other. For example, reforms where local responsibilities are nationalised may accomplish more national equality (at the cost of self-governance), reforms which institutionalise binding local referenda may undermine the party-based representative democracy, and further de-regulation and marketization reforms may undermine remaining socialistic ambitions within the system. All of these examples are quite realistic and would only be a slight extrapolation of on-going developments.

However, even if such scenarios could eliminate contradictions in the local government system and ensure the service production of the welfare state, important values would be lost. In the light of these gloomy predictions, we have to ask ourselves whether there in fact is a third way to solve the paradoxes, strategies that would allow Swedish local governments to eat and keep their cakes. And yes, we do indeed believe there are scenarios wherein the balance act of honouring conflicting values could be continued for yet some time.

Regarding the conflict between national equality and local autonomy the most urgent task is to secure the ability to produce high quality social services in the whole country. An amalgamation reform on the regional level, as well as among smaller municipalities in the North and Central Sweden may be a solution here. Foreign labour immigration targeting Northern Sweden may also be a lifesaving injection to the municipalities and regions in the area.

The democratic dilemma might be eased by a constitutional reform eliminating the gaps between the formal regulations and the informal practices. Adjustments that would codify the existing practices would make the political system more transparent for citizens and facilitate their opportunity to hold local leaders accountable. Reforms identifying new institutional solutions enabling dialogue between citizens and politicians are possible on the condition that such reforms reinforce rather than destabilize the institutions of representative democracy.

Finally, we believe that reforms limiting and regulating the growing private sector of service production entrepreneurs would prevent the excesses of vulture capitalism without eliminating the positive effects of producer competition and consumer choice which Swedes have learned to appreciate. In fact, the introduction of such regulations is presently one of the most debated issues in Swedish politics, and political actors both to the left and to the right are seeking innovative solutions. Sweden has traditionally only limited experience of private, non-profit service production—but the outcome of the on-going debate may very well be the initiation of legislation supporting establishment of such organizations.

The third way-strategies suggested here are all ideas present in the Swedish political debate, and the scenarios are not implausible. But whether Swedish local government will apply them and succeed in keeping up its many balance acts remains to be seen.

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Understanding the Challenges of Local Governance in Afghanistan

Katja Mielke

Almost eleven years into the state- and institution-building efforts of the international community in Afghanistan, the country's political situation looks as bleak as ever throughout the last decade. Having carried out research in Northeast Afghanistan between 2006 and 2009, I am not able to visit the districts around Kunduz anymore due to insecurity and the mutual distrust which has evolved among residents of local communities. My long-term colleagues and friends from the area are pondering on the consequences of their engagement with foreigners and international organizations and seriously consider applying for Special Immigrant Visas (SIV) for Afghans who worked for/on behalf of the U.S. Government because they fear for their lives—their own and their families'. What has gone wrong—specifically at the local level?

This essay explores the role of local governance and politics in Afghanistan against the background of both the contemporary situation, with the international intervention spearheading recent state-building and development activities, and path dependencies elucidating the long-term legacies of violent conflict. As will be shown, the challenges are manifold. Stability in Afghanistan after the 2014 withdrawal of international troops and presidential as well as parliamentary elections ahead in 2014/15 will largely depend on the legitimacy that local government and power institutions will enjoy. At the current stage the situation in the northeast stands exemplary for the rest of the country, where in some places the weak to non-existent grip of the state and growing insecurity have been palpable much earlier (in the southern and southeastern provinces) and where in other places the situation is still slightly better (Bamiyan, Herat).

The current situation and its underpinnings

Looking back at the last roughly 10 years, the international intervention has proven to be ignorant towards local structures throughout much of its engagement. While it was fighting the insurgency at *local* battlefields, of course, the state-building paradigm was envisaged to be implemented through top-down development and institution-building policies with an exaggerated emphasis on the central government and Kabul. Much less

attention was given to the provinces, and even fewer to the subtleties of local politics in the districts and beyond, that is among and of local communities.

Admittedly, the point of departure for Afghanistan's reconstruction at the end of 2001 was no easy one. The country's infrastructure—roads, factories, housing—had been partially destroyed and overall heavily damaged. Approximately two million Afghans had lost their lives and several million had sought refuge in one of the camps either beyond the Pakistan or Iranian borders in the respective neighbouring country. More than 10 million mines and blockbusters lay scattered throughout the country, including the productive agricultural areas which only form a minimal share of the country's territory anyway. The government had largely been eroded by late 2001 and replaced with local strongmen and so-called warlords. The latter maintained a large following of armed loyalists and sometimes professional militias. Social welfare and basic infrastructure was haphazardly provided by a few non-governmental organizations (NGOs). The war economy which had unfolded in the 1990s' civil war was relying on looting, roadside duties, poppy-growing, smuggling and rent-seeking of aid from international governments and NGOs. Furthermore, the 1990s had witnessed an unprecedented ethnicization, regionalization and the general fragmentation of Afghan society along local networks of family, clan, and/or warring factions. Economically, the resource base of the country is in no way sufficient to provide food security or employment for the entire population. With the economic infrastructure in shambles, mines polluting the countryside, and professional capacities largely distorted after 23 years of war, Afghanistan was facing a lack of productive resources when peace seemed to kick in by 2002. Since World War II the country has been counted as one of the poorest globally; its current position in the Human Development Index is rank 172 out of 184 countries reviewed. Literacy rates were, and still are, at rock-bottom.

The military intervention that took off in late 2001 paved the way for large-scale reconstruction which—although with some delay—adopted and followed the paradigm of state-building. The latter was carved out even before 2001 for countries on their path from war-to-peace transitions and as *topos* for the recovery of failed states engineered with outside assistance (e.g., Rwanda, Somalia, Sri Lanka, Yugoslavia). The state-building paradigm as such became closely linked with the idea of good governance. While good governance was initially used as a term to subsume the criteria for establishing conditionalities for aid provision in so-called developing countries, it turned from being a means to being the envisioned end of efforts in the context of post-conflict countries and state-building. As one of the many unprioritized objectives of the international intervention in Afghanistan it started to gain prominence rather late (Schetter/Mielke 2008). The ousting of "Taliban and al-Qaeda elements" from Afghanistan had been the prior aim of the military intervention. Ensuing state-building efforts were meant to deliver some basic administrative competencies and the establishment of a functioning government bureaucracy to administer the country, including capacity enhancing

measures for the human resources sector. The political dimension was combined with socio-economic programs aimed at jump-starting the economy, achieving food security, creating employment, and establishing education and health facilities.

Two points are remarkable here: First, in Afghanistan, state-building has been driven by the international intervention and its donors; and it consequently achieved more external than internal legitimacy. It is recognized politically and de jure by other states, yet the extent of legitimacy it enjoys among its populace is debatable. Related to this point is the observation that all the above mentioned efforts resembled state-building as a bundle of top-down processes aiming at the establishment of political control over a territory and its people and attempting to create a monopoly of violence, without necessarily inquiring into local people's needs and preferences regarding sequencing and priorities. Against the backdrop of the externally driven agenda, Afghan ownership—proclaimed in policy documents and statements of international organizations, military and politicians and suggested by bottom-up participatory development and institution-building projects—remained elusive.

Second, the assumption of total breakdown was extended to the social fabric of Afghan society as well. Based on this estimate and the dominant aid paradigm at the turn of the century, the rationale of community-driven reconstruction (Cliffe et al. 2003) came to be applied which can be summarized to include the rebuilding of social capital and/through community empowerment. However, research showed that common assumptions about the loss of social capital, cracked up social fabric and un-functional communal institutions for collective resource provision, likewise the existence of a vacuum and void of local governance structures, constituted a grave misconception (Mielke 2012). In hindsight, it was exactly the specific characteristics of local community governance in Afghanistan which were more assumed than actually known in order to be taken into account in the first years of the intervention. The basic assumption was the existence of "bad local governance" structures, which had to be rendered un-functional and overhauled completely.

At the same time, reconstruction started in every dimension and sector simultaneously. This did not only effect coordination among different donors, the government of Afghanistan and implementing organizations. It also proved difficult, because the capacities of government position holders, the population and disseminators were being targeted concurrently—against the overall background of lacking infrastructure. Instable security arrangements forebode a(n over-)hasty implementation of programs and projects to demonstrate the peace dividend and win hearts and minds of the population. Moreover, the initial international donor conferences in Tokyo (January 2002), Berlin (March 2004), and London (March 2006) had raised high expectations among the Afghans regarding development, welfare benefits and peace. From mid-2006 these dwindled, making room for disappointment; and hopes have not recovered since. The official announcements shifted from emphasizing democracy and support for civil

society in the beginning towards undertones speaking more of security, stability and the technical aspects of state-building.

To this date, achievements amount to two rounds of elections that have been held, though under increasing difficulties and contestations, reasons being among others the distorted electoral system and, in 2009, massive fraud by Karzai himself, sanctioned with impunity by the United Nations and the international stakeholder community. Economic successes are reported by the World Bank (2012), which recorded overall positive growth rates, however depending largely on volatility of the agricultural sector. In addition, the sustainability of economic growth must be put under scrutiny if we consider that the overall budget is heavily dependent on foreign funding. 85% of development spending is externally financed; revenue collection is under-performing and said to stagnate at around 12% of the GDP. Data about poverty is too unreliable to be cited here. In fact, data collection and representativeness of figures in a country that has never accomplished a population census, the population of which evinces extraordinary dynamics and fluctuation given the location and relocation of families and individuals to and from neighbouring countries, and which merely conducted two rounds of a National Risk and Vulnerability Assessment is highly problematic. To complete the brief overview, with regard to security and the withdrawal of international combat forces until the end of 2014, the first achievements have been the handover of four provinces and two cities to Afghan responsibilities under the control of national security units by mid-2012.

Local Governance is more than local government

In light of what has been said so far, one can easily detect a disconnect between official indicators of governance and local realities. What is being reported and communicated through policy documents and statements is deceiving in a way that it reflects externally applied criteria for functionality more than internal ones and, thus, mirrors the top-down approach taken to development (and achieving good governance). Success and functionality are suggested by presenting disbursement statistics, for example the recent progress report of the third stage of Afghanistan's National Solidarity Program (World Bank 2012a). Implementing organizations' disbursement needs more often than not overrule impact assessments and neglect dialectic implementation procedures which would take local priorities and needs seriously. Many aid agencies and international donors have put the establishment of monitoring and evaluation mechanisms to second rank. Only recently have they come under pressure to improve their evaluation capacities. With regard to local Afghan implementation capacities it is then again telling, that less than 50% of the development budget was actually used due to limited absorptive capacities, again partially connected to the lack of qualified human and organizational capital.

Now, linking the previous with the idea of governance, it is rather obvious that local governance is something else other than national level governance on the one hand, and local government on the other hand. Subsequently I argue that formal government structures and their functioning account for only a small part of local governance processes. This might seem obvious, but is worth stressing since the distinction between local governance and local government is commonly blurred and, thus, has generated some confusion. "Local governance" has derived a dazzling term that is widely being used by social scientists and policy makers alike, but without a clear differentiation from the concept of government. It has almost become an empty signifier, because in its popular usage, contents of the term are very heterogeneous; in most cases local governance is viewed in narrow terms as connected with a state's penetration of the sub-national levels of *government* (often in the context of fiscal and administrative "decentralization"). In the context of Afghanistan, where I showed that the capacities and manifestations of the state and a functioning government are highly debatable, local politics and governance rest on a bundle of actors and processes which generate specific dynamics at the local level. Subsequently, there is a need to consider local interests, preferences, cultural scripts, broader socio-geographical context which underlies individuals' preference formation, political bargaining processes and conflict mediation for an understanding of local governance dynamics. Local government offices, representatives and institutions form only one dimensions of local governance. Local politics is driven by the politicization of access to all kind of resources and their contestation among different interest groups. These resources include livelihood resources necessary for subsistence income generation or local agricultural production. If talking about local governance—the distribution and access of resources at local level and connected decision-making and implementation processes—the local socio-economic and environmental context has to be taken into account.

It might be worth reminding the reader that Afghanistan's economy is largely agricultural-based. In fact, Afghanistan is a rural society, where livelihood-making often take the form of subsistence cropping or subsistence livestock rearing without monetary income earned locally other than from labouring jobs. Families cope with risks and income uncertainty through diversification of livelihood sources, for example, one brother might be working as a labour migrant in Iran while a second one is working as a labourer in the nearby town, a third is involved in agriculture of the family's own plot or as sharecropper, a fourth has possibly managed to set up a shop from the earnings of the remittances the first brother has been sending home for a while; and a fifth is enrolled in a local police recruiting and training centre in order to get a government job etc.

Against this backdrop, local governance in Afghanistan's countryside is closely linked to the access of environmental resources like land, irrigation water and also wood which together provide the basis for subsistence of a large part of the rural

population at their places of residence. Given the partly temporary, partly constantly increasing scarcity of these resources, access is becoming politicized. In addition to these material assets, government positions, the access to justice, security and aid are spheres where local governance and politics empirically manifest beyond Kabul.

Actors and practices determining local governance

If for the moment we stay at the local level and take a look at governance processes from below, various stakeholders appear to be of significance; among them, first and foremost three types: local commanders, community elders, and government representatives at different administrative levels. These positions and titles are not mutually exclusive; there are multiple cases where former and still active local commanders occupy government positions or represent local communities as elders. In northeast Afghanistan, for example, most of the locally influential position holders in selected districts of Takhar Province have some link to the former network of the military hierarchy of Ahmad Shah Masoud, the leader of the Northern Alliance and the supervisory council of the North (*Shura-ye Nazar*), the quasi-government administration of Jamiat'e Islami in the 1990s. They derive authority from belonging to the clout of Masoud loyalists. At village level this plays out in them having the best pastures, determining the rotation schedule for pasture migration and wood cutting, for example. At administrative levels local chiefs of police and related offices are staffed by and with their relatives. Of course, overall local patterns of power and influence are much more complex. In Taloqan itself, the provincial center of Takhar, Uzbeks, who are largely affiliated with Abdul Rashid Dostum's Junbesh movement, dominate.

However, the reason why I point out the Ahmad Shah Masoud-link with local commanders is that they feature close relations with the second rank of former Masoud-comrades, i.e. the Panjshiri faction, the main figures of which (first rank) include Younus Qanuni, (interim-Minister of the Interior, special adviser on security, Minister of Education, ex-Speaker of lower house of Parliament, current deputy of *Wolesi Jirga*), Abdullah Abdullah (former Minister of Foreign Affairs), and Muhammad Fahim (former Defence Minister and Vice-President). Their resistance against Taliban forces throughout the second half of the 1990s and the subsequent ousting of the Taliban as well as the seizure of Kabul with the help of the international coalition forces in late 2001 have enabled them to occupy and claim the "moral" right of victors to central government posts in the interim and follow-up national administrations. Several second-rank followers hailing from local districts of Takhar have been made deputies, heads of government commissions and the like. An analysis of local power structures in selected districts of Takhar reveals unequaled links between former local (*mahalli*)

commanders and district chiefs of police with Kabul, i.e. with position holders in the three post-2001 central government administrations.

In contrast, a look at Kunduz province, where the power structures during the civil war have been much more fragmented, shows that links of local figures to the central government are much more selective. For example, former commanders from Chardara, who had allied themselves with Taliban and *Hizb-e Islami* forces against Northern Alliance factions from late 1997, had no direct link to government position holders from their constituency, but were able to wield influence on the provincial government and through extra-governmental representatives (former *Loya Jirga* deputies) in Kabul. Similarly, other populations of politically rather marginalized districts largely lacked access and subsequent benefits. In local accounts the perceived deprivation of access to government offices and development deficits was often reflected in the saying "We do not have any good elders".

Although the notion and institution of elders has some tradition in Afghan society, the recent war and related power reshuffles left its imprint on elders as well. If they had not become jihadi commanders fighting in the resistance against Soviet and Afghan army forces during the 1980s, their role had largely seized during this time. Many traditional elders who had been educated scholars, intellectuals and deputies representing their constituency in Kabul, were murdered during the initial purges of the *Khalq*-regime in 1978/79. Today, the category of traditional elders has been complemented with a novel type of elder. While the former had to be modestly rich in order to rely on their own assets to host guests, afford travel to attend local and distant assemblies and meetings, possess rhetoric capabilities and links to government officials, and a serving attitude towards their constituency; the novel (and generally younger) elders are legitimated to varying extent by material wealth, possibly the capacity to employ force (existence of active armed loyalists) and experience outside of their own community, i.e. the possession of broader knowledge and a good ability to judge. Both categories are not mutually exclusive; however, I have often met a father belonging to the first category and his son to the second. The father was a jihadi commander, the son a Taliban-ally or local Northern Alliance-commander. Interviews revealed that the sons or novel elders show a more remarked inclination towards grabbing and serving their own clientele disproportionately. On the contrary, respondents had ascribed high moral authority toward traditional elders of the past. Less, but still higher (moral) legitimacy was assigned to currently active elders of the "traditional" type. The significance of elders even today derives from the fact that Afghanistan's population is largely mediated by middlemen, despite all attempts of comprehensive development programs to overhaul so-called "traditional" local governance structures. Elders have their validity as mediators between local communities and outsiders as well as in their role as conflict arbiters at community scale or they may even be appointed by third communities and to settle inter-community differences. For elders' involvement in conflict arbitration, local

government policy even contradicts the official rhetoric because district government departments usually refer any conflict case they are approached with first, back to the local communities' elders and request them to find a solution which all conflicting parties will accept. The underlying motivation for government departments to do so is the realization that elders are better aware of the local context and that their own capacities in terms of staff and administrative burdens are limited. Despite the higher degree of authority that some elders enjoy, local justice is not a matter of being guilty or innocent and being charged accordingly, but more often than not a matter of money. Venality is widespread.

Not only is justice for sale, but also offices and government positions at all administrative levels. Provincial governors are appointed by the President, lower-level administrative offices are staffed through orders of the Ministry of Interior, even a local agricultural extension officer in the district department is appointed by the central government in Kabul. The prices office bearers invested in order to acquire the more prestigious positions have to be "earned" thereafter entailing what Afghans term "administrative corruption" (*fasad-e edari*). Among ordinary Afghans it is largely common sense that government representatives are not working for them but instead plunder the population and mainly fill their own pockets. Paradoxically, though, in conflict cases, communities often compromise on the bitter pill of high administrative extra-charges because the administrative legitimacy they see embodied in the existence of the polity (by default) is sometimes the last resort and an assumed argument in their favour for asserting their right. Against this backdrop, "having somebody in Kabul" or in some government post is an asset for any community. Thus, it is not surprising, that a few communities even save funds in order to be able to "buy" a government position and by this ensure better access to government resources of all kinds.

Elected local representatives to Provincial Councils and Parliament (*Wolesi Jirga*) as well as members of the Upper House (*Meshrano Jirga*) often apply double standards towards people within their electoral constituency. Favouritism and redistribution of assets is directed mainly to their immediate clientele, including family members. Communities and individuals without personalized access to their deputies hardly have a chance to benefit from their intermediate position.

Several major conclusions follow from these insights into local governance "from below": First, Afghan politics rests on patron-client relations and personalized network structures. Redistribution of resources at national level (to the provinces and districts) and at local level follows logics of personalized access. Position holders see the government as a resource, the degree to which the government can collect revenues, enforce control and ensure security likewise depends on personal relationships between position holders and formal constituency. As a result, a further alienation of federal government institutions from local politics can be observed. Organizations replace government agencies' services, and power is rather manifest in INGO-staff given the

financial and material resources they dispose of than formally in government representatives. Subsequently, the central government is today apparently much weaker in the local arenas than it had been before the outbreak of violent conflict.

Second, political parties and ideology, even religious ideology, are of no specific relevance for local governance processes. Of the more than 100 existing parties many have not undergone a transition from violent ethnicity-based factions to political parties. Moreover, the voting systems favours independent candidates and elections are largely held on non-party-basis. The Taliban insurgency in different parts of the country is not growing due to religious legitimacy or ideological support from the population. The only ideology that partially finds its adherers among the local population is the resistance against the so-perceived occupation of Afghanistan by foreign forces. The presence of foreign troops is being repeatedly used by all kinds of religious outfits and anti-government forces to mobilize the population against a so-proclaimed subordination of Afghan territory and interests by the US and its allies; thereby these outfits justify their actions, grip and presence.

Third, local representatives, whether elders, commanders, or local government staff, act as development brokers between communities on the one hand and aid agencies or the federal government on the other hand. Afghanistan's National Solidarity Program for rural development, which was supposed to reach into every locality throughout the country, included besides the block-grant infrastructure-component also a local governance component. The latter was aimed at the establishment of democratically elected Community Development Councils as new decision-making bodies which were supposed to replace customary structures of local-level governance (*shura/jirga*) as well as "existing structures of politics, power and dependency" (Boesen 2004) both of which were assessed as embodying "bad governance". The success of the program and the streamlining of local councils as the lowest administrative tier of governance showed at best mixed results. Security limitation and restricted organizational capacities are the reasons why the program has not been implemented fully to date. Moreover, the decision of the government to refrain from district level elections has undermined the set-up of new accountability structures. The mediation of local communities' interests by elders and local NGO-staff is largely responsible for a further perpetuation of social inequalities and for the fact, that many aid intervention measures do not actually reach the neediest social groups but get diffused incidentally in the process of project implementation.

Some food for thought for a new quality of engagement with Afghanistan

Unlike in other countries, local governance in Afghanistan is tightly interwoven with the international intervention and a growing insurgency of anti-government forces. To a limited extent the latter has formed as a response to the former, because ordinary

Afghans' perception is that they have not benefited enough from aid and reconstruction efforts. The misconceived denial of local institutions in the state-building process and artificial efforts to establish new ones from scratch has proven counterproductive. As a consequence perceived needs for correction brought about policies like the active armament of local defense groups (*lashkars, arbakee*), the mandate and role of which is highly problematic. They are not legitimized locally, follow their own self-interest, are a nuisance for locals and form the nucleus of armed factions likely to rule all out after 2014.

What Afghanistan needs is a new quality of engagement with local realities and sub-national governance forces. Existing structures should be acknowledged by the government and international actors; they need to be respected, dealt with and engaged, in order to decrease the identified disconnect and gap in legitimacy. Advocacy, trust-building and community development are a slow process, but having missed out on a decade does not mean that it is too late to finally start re-engaging. More emphasis on human capacity-building and training, legal and development literacy, the qualification of ambitious goal achievement targets in development projects' log-frames, and a general attitude of listening to locals, not only their elder, commander or government officials can serve as starting points. These thoughts might sound banal and naïve almost, yet only the accomplishment of truly engaging will offer inroads back into a society that has once again slipped out of grasp beyond Kabul.

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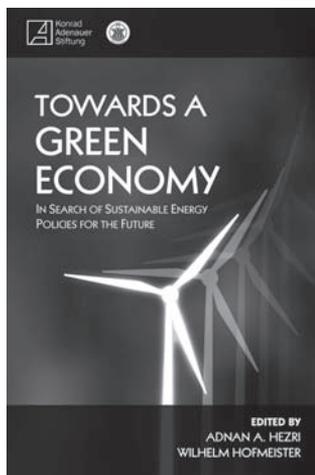
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