

Strategies for Regional Development thru Citizen Participation

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I. Introduction

Drawing on the experiences of the past decades, an alternative paradigm of development especially in the developing countries has steadily emerged. That is, there has been a significant shift from mechanistic, top-down models primarily concerned with economic development towards more participatory approaches focusing on human development. There also has been a growing realization that economic growth can only enrich human development if effective policy choices are made at the national and local levels, leading to a reassessment of the meaning of governance in a society (Maddick, 1971; Krane, 1978; Apthorpe and Conyers, 1982; Rondinelli, 1983; Allen, 1987; Mawhood, 1987; Wils, 1988).

With this shifting emphasis in development strategies toward promoting more socially equitable economic growth and meeting the basic needs of the poorest groups in developing societies, wide-spread participation in decision-making is considered essential to the development process, and decentralization has been advocated as a way of eliciting that participation (Rondinelli, 1981).

During the 1990s, the meaning of governance has been expanded to focus on the capacities of the other sectors as well as the state. And greater emphasis was given on the democratic nature of governance: i. e., on the processes of participation and consensus-building and on the involvement of civil society. Also, the positive role of NGOs was recognized anew in the governing process.

What is new and different about the focus on democratic governance? Today, both academics and practitioners universally recognize the importance of good governance practices for alleviating poverty and injustice. Simultaneously, the world has increasingly turned towards the practice of decentralization to assure democratic governance for human development. "Good governance is perhaps the single most important factor in promoting development", once said Kofi Annan, then Secretary General of the United Nations.

Thus the challenge for all societies in the 21st century will be to create a system of governance that promotes, supports and sustains human development at the sub-national level. But the search for a clearly articulated concept of local governance has just begun. In this paper, a theoretical effort is first made to clarify the concept of governance and its relationships with decentralization. And then the practical cases utilizing the system of local governance particularly in the developing countries are examined. Finally some lessons from the case studies are drawn and recommendation for strategy building are made.

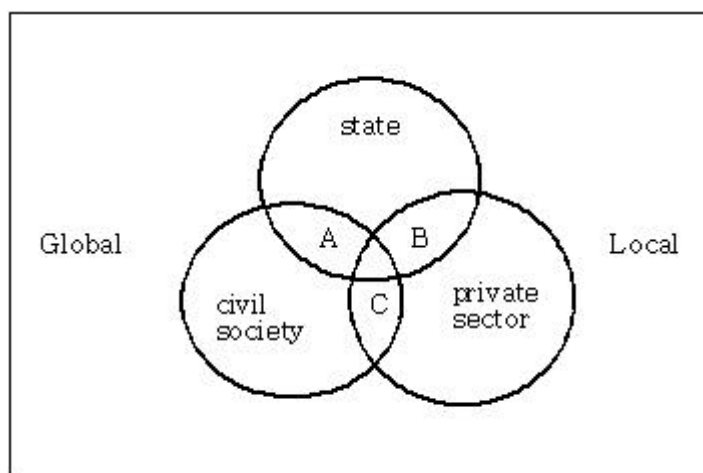
II. Development, Decentralization and Local Governance: Reconfiguring Theory

Traditionally, the meaning of government has been viewed in a sectoral context rather than a multi-sectoral context. However, a new governance concept promotes a holistic, multi-sectoral understanding, giving consideration to the needs and capabilities of all groups in a given society and moving beyond the government to consider the concerns and involvement of the other sectors. This holistic approach is made operational by taking a whole system perspective, including levels, spheres and sectors, and seeing the community level as the entry point. The holistic approach to governance can strengthen the interaction and cooperation of each of the sectors, which are encouraged through governance process to work together in solving development challenges(UNDP, 1996).

Governance is seen as a whole-system functioning that cannot be discharged effectively by government alone, but involves institutionalized mechanisms and processes for working in partnerships of public, private and civic sectors in conducting the business of government at all levels. Thus 'governance' can be defined as the exercise of economic, political and administrative authority to manage a country's affairs at all levels. It comprises the mechanisms, processes, relationships and institutions through which individuals and groups articulate their interests, exercise their legal rights, meet their obligations and mediate their differences(UNDP, 1997D).

The realm of governance is encompassed by three domains: state, private sector and civil society. Here, the state includes political and public sector institutions. The private sector covers private enterprises and the informal sector in the marketplace. Civil society comprises individuals and groups interacting socially, politically and economically. The three major domains of governance should be compatible and cooperative. All developing countries face the continuous tasks of redefining the roles of the state, private sector and civil society, and the relationships between them(UNDP, 1997D).

<Three domains of governance>



- The actors in each domain:
 - state: executive, legislature, judiciary, military etc.
 - civil society: non-governmental organizations(NGOs), community-based organizations(CBOs), professional associations, neighborhood associations, religious entities, womens' groups, etc.
 - private sector: small/medium/large enterprises, finance and credit institutions, etc.
- The actors at the interface:
 - Interface A: policy & advisory groups, universities, special agencies & commissions, etc.
 - Interface B: public enterprises, business-government deliberation councils, etc.
 - Interface C: employers' organizations, labour unions, informal & co-op sector, chamber of commerce, etc.
- The role of each domain:
 - state: maintaining law and order; building national identity and vision; providing public policy and programmes; generating revenue to finance public services and infrastructure; setting regulatory and incentive structures
 - civil society: mobilizing groups of citizens to participate in economic, social and political activities
 - private sector: producing goods and delivering services; creating jobs

Good governance system is participatory, transparent and accountable. It should be participatory, implying that all members of governance institutions must have a voice in influencing decision-making. The procedures and methods of decision-making should also be transparent so that effective participation can be possible. And those who are chosen to make decisions should be accountable to the public(UNDP, 1997D). Decentralizing local governance enables people to participate more directly in governance process and helps empower people previously excluded from decision-making. Closer contact between governmental officials and local communities and civil organizations also encourages the exchange of information that can be used to formulate development programmes that are tailored to local needs and priorities(UNDP, 1997E).

Local governance thus is referred to as a democratically organized system by which citizens collectively act on a local scale to enhance their welfare, meet common needs and further social justice. In the process of local governance, local government is only a part of governance mechanism to the extent that it is accountable to and draw its legitimacy from all citizens(Warren, Rosentraub and Weschler, 1992). The system of local governance constitutes a multi-sectoral polity in which the public, private and third sector combine together. Both private and third sector constitute a "free space" within which citizens can play an active role outside formal governmental institutions to meet their collective needs(Melucci, 1988: 259). This free space also means a vast "middle ground" of communal activity which provides opportunities for ordinary people to discover who they are and take democratic initiatives on their own terms(Evans and Boyte, 1986: 202).

The citizens and their relationships with local governance are also very important factors. Simply relabelling people as citizens is not an adequate way of defining their role in a local governing process. A distinction is necessary between the traditional definition of citizenship as passive legal status and its meaning in active operational terms(Warren, 1993: 17). A fully democratic polity is characterized by a civic environment in which all residents are

'operational' citizens: i. e., they, regardless of class, gender and ethnicity, have time, information and resources to participate in the formal decision-making of local government(Warren, Rosentraub and Weschler, 1992).

Local governance provides a direct mechanism for people to participate in governance. Its meaning needs to be understood to encompass both representational and technical aspects. The former refers to strengthening the participation and empowerment of all organizations, institutions and individuals of local government, civil society and private sector in the local governance process. The latter refers to strengthening the management of programmes and policies concerned with effective resource management, service delivery, program implementation and maintenance at the local level(UNDP, 1996).

The evaluation of local governance system in a given locality should be made by whether or not citizens, through democratic participation, can exercise significant control over the state of affairs in their community. The formal distribution of powers between locality and central government is merely one determinant of whether this criterion is met. A locality's governing capacity critically depends upon how well articulated its private, voluntary and civil sectors are and the degree to which they are free of external control. That is, regardless of a locality's legal authority, its governing ability is seriously constrained if local institutions related to such things as political parties, investment capital, non-profit and religious groups, the media and financial institutions are controlled by non-local forces.

Take the case of political parties that are highly centralized and controlled from the national level. Under this circumstance, regardless of what formal powers local government has, if the careers of local elected officials depend upon the national party of which they are members, their actions will be largely guided by policies that reflect the national party's interests rather than the community's. It can also be expected that industrial facilities in a community that are locally owned rather than controlled by a national or trans-national corporation will be less likely to be closed for tax benefits. Again, the local branches of national non-profit or religious organizations that have decentralized structures, in contrast to those that are highly centralized, will likely to make larger social investments in the community. Similar difference could be expected between locally and externally owned media, financial institutions, and retail outlets, etc.

All of this suggests that, in seeking to create or enhance local governance, more focus needs to be placed on better understanding the consequences of local or external control of entities in the private and volunteer sectors. Assuming there is a positive effect from local control, strategies for increasing it in all sectors should be recognized as necessary elements of the practical side of local governance.

III. Regional Development thru Citizen Participation: Cases in Practice

Recently, the Management Development and Governance Division of the United Nations Development Programme(UNDP) sponsored a series of case studies that examined the impact of participation on local governance and regional development in nine developing countries. The research was conducted by national research institutions in Brazil, Honduras, India, Jordan, Pakistan, Philippines, Poland, Uganda and South Africa. The conceptual framework for the research was developed in 1997 and its primary question was: "Under what conditions, with regard to what aspects and through which mechanisms does decentralization successfully contribute to key elements of good governance and the achievement of sustainable human development goal?"(Work, 2003).

The key questions of the comparative research involved in understanding each country were as follows:

- (1) The level of governance within the national framework for decentralization
- (2) The policy formulation, resource mobilization, service delivery, and managerial aspects of decentralization
- (3) The different types of mechanisms employed for decentralization:
e. g., participatory development management, institutional partnership arrangements, local community empowerment, etc.
- (4) The role of different levels - macro, meso and micro - in which decentralization operates
- (5) The role of different domains - public, private and civil society - in decentralization
- (6) The extent to which decentralization contributed to the human development goals

The following summarizes the individual country case studies. They explain the basic facts of the case and briefly documents in which ways and for what reasons each is considered a relative success.

1. Improved Health Services in Belo Horizonte, Brazil

The municipality of Belo Horizonte has successfully implemented a unified health system. It has been able to expand its basic network of health services and to undertake innovative localized outreach programs. These activities resulted in increased efficiency and broader access to health services, particularly for the poorest segment of the population. These achievements were attributed in part to the decentralization of decision-making and management of health service provision, including control of the budget, to the municipal government, and in part to the participation of the community through representation in the newly created Municipal Health Council. The exercise of oversight by the Council reduced the fraudulent transactions that have historically plagued health service provision in Brazil, assured more rational use of funds, improved access of the poor to services, and reduced

formerly chronic payment delays to private health service providers. Partnerships between different levels of government and between public, private, and civil society also have contributed to improved provision of unified health services in Belo Horizonte.

2. Improved Municipal Service Delivery in Sinuapa, Honduras

The municipality of Sinuapa has realized improvements in the provision of local services despite its limited level of economic development and serious budgetary constraints. Central to its success has been the establishment of an institutional mechanism that allowed for a dynamic interaction between neighbourhood associations and the municipal council. This interaction provided a mechanism for citizens to learn to express their demands and for government to learn how to respond to them at both local and higher levels. It also highlighted the role of the mayor as a consensus builder among key players within communities and as a mediator/negotiator with higher level authorities on which the local government depended for resources and technical support.

3. Successful Project Implementation in Gram Panchayat, India

A disadvantaged rural local government, Gram Panchayat, has been able to undertake new development activities successfully in recent years. It was reserved for a backward class and was headed by a female head. Collective efforts among local community members, voluntary development organizations, the female head, Panchayat members, and District officials have been instrumental in planning and implementing several successful projects, including a literacy program, school upgrading, building of low-cost latrines, and construction of a village drainage system. These activities, which have primarily benefited disadvantaged segments of the population, have been undertaken with critical support from an NGO and higher level governments.

4. Improved Education Services in Ma'n and Irbid, Jordan

The case involved successful service provision by deconcentrated units of the Ministry of Education in the Ma'n and Irbid in Jordan. Service delivery in Jordan was highly centralized, with only limited delegation of authority in decision-making on financial matters and policy making. In many cases, the role of deconcentrated units was limited to implementation of policies and projects determined by a central ministry. Education in Jordan, however, was much more decentralized than other services, and the research results indicated that residents of Ma'n and Irbid perceived education to be more effectively delivered than other services. The relative success of education was attributed to the delegation of authority and responsibilities by the Ministry of Education to the participation of communities and the involvement non-governmental organizations and the private sector.

5. Upgrading Squatter Settlements in Pakistan

A provincial government agency, Sindh Katchi Abadis Authority (SKAA),

initially performed poorly but has been successful in regularizing and improving squatter settlements. It streamlined its procedures for lease grants by opening lease camps in squatter settlements and by decentralizing its review and approval authority to the camps' team leaders. The reorganized agency also mobilized the involvement of the target communities, NGOs, and the private sector in all aspects of development work from needs identification and prioritization to implementation and monitoring. The reformed processes led to an expansion in the coverage of leases, a reduction in time for lease application and approval, substantial development cost savings, and significant improvement in service coverage. Over time, the SKAA has become a viable self-financing agency using its income from lease operations to finance overhead and upgrading settlements.

6. Improving Health Services in Three Cities in the Philippines

Three municipalities in Philippines - Irosin, Balilihan, and Surigao City - have been successful in providing an improved range of basic services to their communities by working with community organizations and NGOs. They started strategically with providing basic primary health care services and subsequently expanded the range of services provided to the communities. Both quality and quantity of services delivered increased substantially under these efforts. The strong role of NGOs and the active involvement and financial support of the local governments were said to account for the success of these programs.

7. Generating Local Economic Development in Three Polish Cities

Three Polish municipalities - Bilgoraj, Ilawa, and Tarnovo Podgorne - used their newly acquired authority to make strategic decisions in the creation of public infrastructure investments and the support of local businesses. While they were located in different regions with diverse historical backgrounds and development conditions, some common patterns cut across the three cases. In each case, success could be attributed to strong partnerships between public authorities and the local business community and to the mobilization of financial contributions from local communities. These achievements were reflected in improvements in housing supply, employment, and infrastructure provision that were above the national average. Bilgoraj, a relatively poor region, has experienced dramatic increases in the number of its private foreign and domestic enterprises. In Ilawa, sizeable investments have been made to improve pavements, sidewalks, and public spaces, as well as to establish an industrial zone. Tarnovo municipality has attracted more than \$300 million of foreign capital.

8. Improved Revenue Generation in Ivory Park, South Africa

A poor South African township, Ivory Park, was successful in convincing its residents to pay for municipal services. Most families in the township lived in informal settlements, and formal sector unemployment was very high, although there was extensive informal business activity. Given this economic context, a low rate in payment for municipal services among residents might

be expected. In fact, payment for municipal services increased rapidly after municipal elections, from 3.2 percent in June 1996 to 80 percent in August 1997. Such performance stands in stark contrast to the dismal payment rates in many other townships, where a boycott of service payments has prevailed for almost a decade. The high payment rate in Ivory Park could be attributed to the participation of various stake-holders in the determination of their service needs, which resulted in improved service delivery in the township. The participation of stake-holders was facilitated through their representation on local committees and through consultations during development plan formulation at the metropolitan council level.

9. Improved Market Services through Private Partnership in Jinja, Uganda

This case shows how the formation of a public-private partnership to oversee the Central Market in Jinja led to improved revenue collection, better market management, enhancements in the sanitary condition of the market, better market security, and substantial increases in the level of market user satisfaction. Improved performance could be attributed to private sector management of the market and greater participation of vendors in decision-making about market administration and management. Also important was the enhancement of accountability through a clear delineation of duties, obligations, and rights of the different stake-holders, supported by a system of checks and balances. A formal partnership between the local council, the vendors association, and the private management firm has been a key factor in the improved performance of the Jinja Market.

IV. Lessons and Policy Recommendations

Some of the lessons from these case studies could be summarized as follows (Work, 2003: 14- 30):

- Enhancing enabling environment for decentralization and local governance
- Developing innovative institutional structures to support decentralization
- Broadening community and neighborhood participation
- Creating formal multi- actor partnerships to support decentralization

1. Enabling environment for decentralization and local governance

An enabling environment at the national level can promote and sustain decentralized governance. Proper central government policies and institutional structures facilitate the effectiveness of decentralized governance in the delivery of services in favour of human development. The enabling environment is a key factor in the improved performance at the local level. In all of the cases, the improved performance occurred in at least partial response to efforts by some level of government to change the environment under which local governments worked. In some cases, changes to the enabling environment were pivotal, while in other cases they were just background activities that played no direct critical role.

2. Developing innovative institutional structures to support decentralization

Effective and well co-ordinated institutional structures contribute significantly to improved service delivery at the local level. Many of the cases involved the creation of new institutional mechanisms to support and/or implement their successful decentralization activities. In some cases, such as Brazil and South Africa, these mechanisms were essentially initiated at the national level. In other cases, such as Honduras and India, they emerged primarily from lower tiers. In some cases, the mechanisms were highly formal, in other cases, primarily consultative. In all cases, these mechanisms broadened the decision-making and/or managerial base, sometimes through community participation, at other times through even broader partnership coalitions.

3. Broadening community and neighborhood participation

Decentralized governance is strengthened and rendered more accountable when participation is encouraged, facilitated and institutionalized. Communities, neighborhoods and individuals can play a crucial role in ensuring that local government responds to their needs by participating in the planning, implementation and monitoring of activities and projects affecting their lives. All of the co-ordinating institutional mechanisms in the above cases tried to broaden stake-holder participation. In each case, there were specific attempts to involve local businesses, communities and neighbourhood groups in the process of local planning, decision-making and implementation. While in some cases the participation was informal and on an advisory basis only, in other cases, participation was more formal where community participation was consequential in terms of decision making.

4. Creating formal multi-actor partnerships to support decentralization

Forging mutually beneficial partnerships at the local level can strengthen decentralized governance and increase the potential resources available to local government. Many of the participatory reforms in the above cases have broadened the set of actors involved in service planning, financing, and delivery. In a few cases, various types of partnerships were seen as a key element of the good performance. When decentralization involves devolution of decision-making powers to various levels within the society with relatively autonomous decision-making bodies at sub-national levels, the issue of partnership among these various bodies in the governance of the whole system arises inevitably. Where this is the case, both horizontal and vertical partnership become issues at each level of governance and pose special challenges in development management.

The case studies and lessons recommends a couple of decentralization policies which could be taken by all societies.

First, there is a need for a clear and specific legal framework for decentralized governance that includes the constitutional devolution of powers to lower level units.

Second, a long-term developmental perspective on good local governance should be encouraged that allows adequate time frames for learning-by-doing rather than the imposition of central standards.

Third, the delegation of responsibilities for local services to lower level units must take the 'subsidiarity principle' into account and involve commensurate transfers of financial resources to ensure continued service delivery.

Fourth, policies are needed for local government and those participating in it to have a stronger basis to increase transparency and improve accountability.

Fifth, capacity building is needed for all stake-holders. This includes training for mayors and city councils, as well as community members, NGOs and the private sector in participation and partnership methods and skills.

Finally, decentralized governance should make explicit provisions for the institutionalization of participation to ensure regular and effective direct participation by the people in the local community.

Given the findings and lessons that participation does not happen automatically but needs to be activated and mobilized, a strategy is needed to overcome the obstacles to effective participation. And such a strategy should aim at building a culture of citizen organization and active participation through:

- More information on processes and rights
- An appropriate vision of and attitude towards the local community
- Values of shared responsibility for community development
- Taking responsibility for the decentralization process.
- Political parties taking more active interest in local politics and citizen participation.
- Placing an emphasis on the important role of NGOs in promoting citizen participation in the political and administrative management of local governments

V. Concluding Remarks

Based upon the past experiences of South Korea and lessons from the case studies of many developing countries, there are several challenges that could affect each country's ability to establish a sound system of local governance and cope with uncertainty in the coming age.

First, strong efforts need to be made to present the value of local governance to people in the national community who are reluctant to accept it. There is a natural tendency for the established central leadership not to lose their long-held power, but a shift from central domination to local governance is a necessity in the coming age throughout the world. At the same time, local governments themselves have to strive to be politically and financially independent from the central government.

Second, since both central and local governments together should provide public services on behalf of the general welfare of the people, a proper division of responsibilities between them must be made to achieve an integrated system of governance. The relationships between central and local governments also must be changed from the vertical relationship to a more

horizontal relationship, under which both governments can work in close cooperation for the welfare of the people.

Third, local communities themselves have to properly adapt themselves to the emerging system of local governance. Moving toward a system of local governance that can fully utilize the innovative and productive potentials of local communities will require both local governments and residents to change their attitudes from expecting more central support to relying more upon local self-help.

Finally, every countries need to adopt an international and comparativist framework in order to understand objectively the peculiar and often frightening problems that confront them. They need to focus their attention on the tasks and prospects of their own country in a comparative framework in order to comprehend the situation and to assess the viable options which are open to them.

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