

Decentralisation or Devolution

An analysis of local government effectiveness

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ABSTRACT

Decentralisation as an analytical concept in local government seems much overused. Yet, the definitional debate tends to defy consensus in academia. The obverse is true. Devolution, a closely-related concept, seems hardly referred to in local government discourse. Yet, it is a definite analytical concept, with specific reference to local government in federal states. This article attempts to enter the devolution terrain and proposes that local government functioning in South Africa is more one of devolution than outright decentralisation. The article contributes to the wealth of knowledge in Public Administration and Management in that the pre-eminence of the two concepts are pitted against each other in an assessment of effectiveness. This allows practitioners to gauge the strengths and limitations of systems and work towards improvement. The settings are twofold: an evaluation of local government decentralisation in Ghana; and an evaluation of local government devolution in South Africa. The methodology is largely a literature review, though scant use of observation is unavoidable. The end results of the diagnosis appear similar in the two settings. Decentralisation tends to rob the citizenry of outright power of policy-making and implementation, thereby creating a democratic deficit; while devolution and its power of autonomy are prone to a potential lack of capacity and much abuse of scarce resources.

INTRODUCTION

The concept decentralisation encompasses different forms and its implementation has been infused with various definitions by both practitioners and scholars. Viewed as a



fundamentally political process, the measure of autonomy which underlies decentralisation is intended to provide legitimacy of local political institutions with local communities and enhance responsiveness to local needs. Theoretically, decentralisation should thereby improve effectiveness in the provision of local public services.

Total and absolute autonomy for local government simply cannot exist in unitary or in federal systems. Advocates refer to the advantages of the concepts in both democratic and developmental terms. They argue that decentralisation brings government closer to the people, making local government more responsive to local needs. The majority of citizens, including the poor are thus allowed meaningful participation at the local level (sphere). The theory on the process of shifting competencies and resources from the central state level has failed to provide a comprehensive typology that encompasses political, administrative and constitutionally defined sub-national levels of government. It does not provide ordered forms of decentralised participation in local public affairs.

In the past five decades local government's recognition in most constitutions has taken varying forms including decentralisation and devolution. The significance of decentralisation and devolution for improving local government effectiveness is analysed by comparing devolved local government in South Africa, and decentralised local government in Ghana. In both countries, the turning over of expanded service provision functions to local government through constitutional and legislative recognition is part of ongoing democratisation initiatives and management reforms which began in the early 1990s. This article provides a comparative analysis of devolved local government as a politically relevant type of decentralisation. It highlights the fact that decentralisation and devolution can produce different political outcomes. Decentralised local government tends to deny the citizenry the outright power of policy-making and implementation and thus creates a *democratic deficit*; while devolution and its power of autonomy is prone to potential lack of capacity and much abuse of scarce resources.

CONCEPTUAL FRAMEWORK OF LOCAL GOVERNMENT

The form of any particular state and the organisational structure decided upon may vary, but three levels (or spheres) of government are common among state systems, namely central/national; state/provincial/regional; and local (Steytler 2005:1). Although local government predates modern states as the oldest form of government, in current democracies, the concept denotes political institutions created by constitutions or specific legislation to deliver a range of services to a relatively small geographically delineated area (Shah 2006:1). The inherent limitation notwithstanding, a measure of autonomy is necessary for local government to provide services consistent with voters' preferences. This is because the *government at grassroots* is expected to understand the needs, desires and demands of the communities they serve. This trend is driven not only by democracy but also by economic imperatives, that is, the quest for local facilitation of the efficient provision of infrastructure and services demanded by the citizenry. The principle of local democracy requires that local decisions should be made by elected local representatives who are closest to the electorate. Decentralisation and devolution are therefore intended to bring governmental processes close to citizens, promote political participation and deliver efficient provision of services

to meet the citizens' expectations (Wunch & Olowu 1990:50). Local government is thus expected to play an increasing role in the contemporary state. The changing status of local government, along with its expected role place new demands on the theory and analysis of decentralisation and devolution.

Total and absolute autonomy for local government cannot exist in a state, whether in a unitary or federal system. Decentralisation and devolution, with degrees of constitutional recognition, are then seen as providing some guarantee for the effective performance of functions. These may take any of the following forms:

- being separate constitutionally from central government and being responsible for a significant range of services;
- having control over a separate budget and accounts, with powers of taxation to produce a greater part of revenue and other resources;
- being an elected council with powers to perform governing functions such as the ability to take decisions on the provision of services, public expenditure and the acquisition of resources, including the appointment and promotion of personnel; and
- being subject only to limited interference by central and provincial orders of government, based on determined intergovernmental processes (Mawhood 1993:9–10).

These typologies separate local government functioning in Ghana and in South Africa and are examined below in the contexts of decentralisation and devolution.

OVERVIEW OF LOCAL GOVERNMENT IN GHANA AND SOUTH AFRICA

The concept *local government* originates from the ancient Greek and Roman *under the trees meeting* democracies. This was based on the premise that in pursuit of political representation and administrative reality, local areas require local decision-making in matters that affect inhabitants. Thus, the genesis of local government alludes to a vision of what Kuye and Ajam (2012:51) emphasise as “democratic nation building and social policy”. Local government did not feature widely in constitutions until about the last five decades and encompass varying degrees of constitutional recognition. The expanded recognition of local government in Ghana and South Africa is comparatively recent. In both countries, the turning over of extended service provision functions to local government, together with constitutional recognition and decentralisation, are part of on-going democratisation initiatives and management reforms which began in the early 1990s. The objectives include an effort to increase the capability of communities and individuals to take advantage of the opportunities created. The question remains whether decentralisation or devolution will indeed enhance the performance of the expanded role and functions of local government in the two countries. This also harks back to the conceptualisation of local government and the theory of decentralisation and devolution in modern constitutions.

The trend in both developed and developing countries is the increase in the role of local authorities in the provision of services in the form of downloading more and more functions to local government. This is the process labelled as *decentralisation* which has been implemented in varying degrees in both Ghana and South Africa since the 1990s. Dubois



and Fattore (2009:10) and also Manor (1995:81–82) classify the concept decentralisation into political, administrative, fiscal and market decentralisation. The degree to which local government authority is guaranteed minimum interference; clear mandates; the ability to acquire financial and human capital including the transfer of resources and empowerment to operate efficiently; as well as political space to carry out their functions; may be used as a basis for comparative study (Manor 1999:6). A conceptualisation of decentralisation and devolution with regard to constitutional entrenchment is illustrated by comparing local government in South Africa and local government in Ghana.

CONCEPT DECENTRALISATION

Decentralisation is advanced on the grounds that a local government understands the concerns of local residents; and that a strong local government enhances efficiency, responsiveness, accountability, manageability and autonomy (Shah 2006:3–6). Concepts such as deconcentration, delegation and devolution are used in Public Administration literature as forms of decentralisation. Both deconcentration and delegation are sometimes used to describe the transfer of administrative authority and decision-making from central governmental and its institutions to district or local offices. The debate on decentralisation and devolution, however, revolves around the challenges associated with establishing effective local level institutional and politico-administrative arrangements for the provision of services to meet the needs and expectations of citizens. Transferring functions and powers to local government is a fundamental feature of both decentralisation and devolution.

The concepts decentralisation and devolution tend to defy standard definitions. The difficulty has been summed up by Antwi-Boasiako (2010:168) who wrote that “... the concept decentralisation and its interpretations have become battlegrounds for a variety of disciplines and theories”. The legendary architect of decentralisation in Ghana, Kwamena Ahwoi (in Sharma 2010:240) does little to sort out the confusion over definitions by blurring the distinction between the two. Ahwoi expresses the view that decentralisation and devolution are closely aligned when authority and responsibility for resources are ceded to local governments. Litvack (2010:240) sees decentralisation as a complex, multi-faceted concept, and defines it as the transfer of authority and responsibility for public functions from the central government to subordinate or quasi-independent government organisations and/or the private sector. The authority and responsibility package, in this case, are classified as political, administrative, fiscal and market decentralisation. Vyas-Doorgapersad (2012:130) puts it succinctly: “Decentralisation brings decision-making back to the sub-national and local spheres”. Antwi-Boasiako concurs, maintaining that decentralisation is a process whereby central government transfers political, fiscal, and administrative powers to lower levels in an administrative and territorial hierarchy. Translating these definitions, Smith (in Hattingh 1988:28–29) identifies a number of contexts within which the concept decentralisation can be applied, providing an indication of its diverse meanings:

- when a central authority establishes subordinate authorities and assigns functions to them, this is referred to by some as a decentralisation of functions;
- decentralisation may also denote the assignment of powers to specific subordinate government bodies by the central authority; and

- the concept can also be seen as the allocation of discretionary powers to specific political office-bearers by the legislative authority (a process which is closer to one of delegation).

From the deductions above decentralisation may be defined as a hierarchical legislative arrangement of a central authority that specifies functions to lower echelon institutions, with a proviso to recall if necessary. Such a definition is symptomatic of unitary systems in particular where local government is an adjunct of central government and is typically subordinate to the central authority.

CONCEPT DEVOLUTION

Devolution is a politically-relevant concept for comparing forms of *decentralising* for local government effectiveness. Unlike decentralisation, as an analytical concept devolution is seldom used as framework by academics and practitioners. The reason for this is straightforward. Devolution is always crafted in largely federal states which, like the USA or Canada, have in-built constitutional mechanisms by which central government is virtually barred from creating tensions for each tier. An almost absolute degree of autonomy prevails in devolutionalised local government systems. A feature of devolution is that national constitutions, rather than central government legislation, establish the framework and institutions for local government, especially their relations downward to their constituencies and upward to the higher levels of government. In the main this tends to emphasise the legal environment for local government; as well as the political environment. Such restructuring includes electoral arrangements and processes for decision making and accountability; as well as procedures for financial management, including revenues, fiscal transfers from the state and budget and expenditure procedures. A classic example is the relatively complex *Constitution of the Republic of South Africa, 1996* that exhibits some characteristics of a federal state.

Local government and for that matter municipalities in South Africa, are a creation of the Constitution, 1996. In terms of Section 151 of the Constitution of South Africa, 1996 (hereafter referred to as the 1996 Constitution):

- the local sphere of government consists of municipalities, which must be established for the whole of the territory of the Republic;
- the executive and *legislative* authority of a municipality is vested in its municipal council;
- a *municipality* has the right to govern, on its own initiative, the local government of its community, subject to national and provincial legislation, as provided for in the Constitution; and
- The national or a provincial government may not compromise or impede a municipality's ability or right to exercise its powers or perform its functions.

It is the italicised, emphasised aspect of the above properties of local government that distinguish decentralisation from devolution. Decentralised states, like Ghana, have less autonomy compared to municipal councils in South Africa which enjoy flexibility in legislation and governance in their specific region. Decentralised localities do not have the



same degree of flexibility. At this stage of semantic exploration the viewpoint that comes closest to an explanation of devolution is one offered by Antwi-Boasiako (2010:169) thus:

Political decentralisation, which is manifested in the degree and types of political autonomy and accountability ... is a situation where local people in the districts and regions elect their own legislative and executive personnel so that those units will be able to hire, pay and dismiss administrative personnel without reference to central authority...

Devolution signifies a virtually autonomous region with *councils that have express powers to govern unimpeded, subject to constitutional schedules*. The crucial difference in the two systems is the frequency of central government interference. Although in a decentralised relationship the powers and functions transferred by the central government may at any time be withdrawn by the transferring institution, the same cannot be said of devolutionary status where institutions are created in terms of constitutions and accorded a far greater degree of entrenched autonomy. The deductions coincide with those of Raga, Taylor and Jumba (2012:119) who cite the United Nations Development Programme that:

Devolution refers to the full transfer of responsibility, decision-making and resource and revenue generation to a lower level public authority that is autonomous and fully independent of the devolving authority.

The specific features of local government systems in Ghana and South Africa that characterise decentralised and devolutionalised municipalities will be discussed in the next section.

RELEVANT LEGAL FRAMEWORK

Local government functioning in Ghana is based on absolute decentralisation. Chapter 20 of the 1992 Constitution of the Republic of Ghana is straightforward in intent bearing the title: Decentralisation and Local Government. The cardinal features of decentralisation in Ghana are outlined as follows:

- the functions, powers, responsibilities and resources are transferred from the central government to local government units in a coordinated manner;
- the capacity of local government authorities is to plan, initiate, coordinate, manage and execute policies in respect of all matters affecting the people within their areas;
- each local government unit is provided with a sound financial base with adequate and reliable sources of revenue; and
- accountability is promoted through formal control measures and by public participation.

As can be discerned from the constitutional features outlined above, decentralisation has the potential to lead to negative characteristics such as paternalism, mentorship, sponsorship, handouts, and a top-down relationship that permeates virtually all aspects of local government functioning. This differs markedly from the autonomy enjoyed by local municipalities in South Africa.

As pointed out by Ayee (2008), since Ghana's independence successive governments have preoccupied themselves with decentralisation because they regarded it as a necessary condition not only for the socio-economic development of the country, but also as a way of achieving their political objectives such as the recentralisation of authority.

The legislative basis for the current local government system in South Africa can be traced back to the *Local Government Transition Act*, 1993 and the relevant provisions of the Interim Constitution of 1993, which saw the establishment of embryonic institutions for metropolitan, urban and rural local government. Subsequently the 1996 Constitution buttressed the maximum devolution envisaged for local government by entrenching municipalities as constituent parts of the local sphere of government. These components have to function in constitutional co-operative government as *distinctly independent* although interrelated with the other spheres. An outline of Section 151(1) was discussed above. It implies that not only has the status and role of local government in South Africa changed with constitutional recognition, there also appears to be a re-conceptualisation as *developmental local government*. That is, to a local government committed to working with citizens and other role players. The aim is to eventually improve the quality of life of the community and to find sustainable ways of meeting their social, economic and material needs. (*White Paper on Local Government*, 1998: 17; Koma 2012:109).

Other legislative instruments that give effect to the structure and functioning of municipalities in South Africa include the *Local Government: Municipal Structures Act*, 1998 that classified municipalities into categories; the *Local Government: Municipal Systems Act* of 2000 that regulates the functioning of municipalities; and the *Local Government: Municipal Finance Management Act* of 2003 that deals with financial aspects of municipalities. The effective functioning of local self-government is influenced by its institutional arrangements and these are often important indicators of the role that local government plays in the governance of the state. The stark operational differences in local government effectiveness between decentralisation in Ghana and devolution in South Africa will now be examined.

LOCAL GOVERNMENT INSTITUTIONAL ARRANGEMENTS

An important factor in the success of devolution or decentralisation relates to the constitutional arrangement and institutions established for municipalities as constituent parts of local government. Local government in South Africa has not always had a self-government ethos. The 1996 Constitution uplifted local government and its political institutions to a sphere in its own right, with devolved constitutional authority. This gave municipalities a new status and role in the overall functioning of government with a guarantee of continuous transfer of resources (Constitution, 1996; Shah, 2005:xxvii). The question that should be addressed is the extent to which the constitutional recognition of local government improves municipal performance and how this is to be managed.

The institutions of the devolved local government in South Africa mainly seek to undo the hitherto racially-based structures and create municipalities in their place to redistribute and provide services equitably. According to Steytler (2005:187) the arrangements and categorisation of municipalities for South Africa as part of local government reforms have been driven by two concerns. It is argued that the first was the re-organisation of local



authorities into democratic institutions. The second was the establishment of viable local self-government that could facilitate equitable re-distribution of resources and deliver services effectively. It would seem that a new conceptualisation of devolved local government is emerging in South Africa.

CLASSIFICATION OF MUNICIPALITIES IN SOUTH AFRICA

In the Constitution, 1996 municipalities, as constituent parts of the local sphere of government in South Africa, are categorised as follows:

Categories of Municipalities in South Africa

Table 1 Categories of Municipalities in South Africa

Category	Description
Category A	A municipality that has exclusive municipal executive and legislative authority in its area
Category B	A municipality that shares municipal executive and legislative authority in its area with a category C municipality within whose area it falls
Category C	A municipality that has municipal executive and legislative authority in an area that includes more than one municipality

Source: *Municipal Structures Act*, Chapter 1.

Constitutional categories of municipalities in South Africa capture the rural urban divide and the multi-layered systems which seem to be present in most democracies. The transformation of nearly 1 000 race-based and 843 somewhat unviable non-racial local authorities to the current arrangement of 278 municipalities followed a three-phased process. The Category A Metropolitan Municipality system was premised on the creation of an institutional framework to promote strategic planning in a co-ordinated fashion for physical and infrastructural development and for the metropolis as a whole (*Municipal Structures Act*, 1998). The re-organisation aimed to achieve a dual objective: The larger district municipal jurisdiction was structured to achieve economies of scale for management efficiency, whilst representational responsive democratic institutions of local municipalities underlined the smaller units (Jacob 2004). It is to be expected that there will be differences across countries as regards the functional responsibilities assigned by legislation to local governments. The nature and scope of responsibility assigned to local governments often depend on their scale and institutional capacity; and whether these are devolved or decentralised units of local government.

A two-tier system of local government has been established for non-metropolitan areas of South Africa. These are: Category C district municipalities; and Category B local municipalities, as classified in the 1996 Constitution. Local government in South Africa no longer comprises “corporate bodies with defined powers and functions” (Craythorne 1997:10–13). A feature of the local sphere within the constitutional spheres of government, this is accompanied by electoral and political authority in a district.

The focal points for local government decentralisation in Ghana are the District Assemblies (DAs). These have the status of being the highest political authority in the district with limited legislative and executive powers. These are either Metropolitan (with a population of over 250 000); municipal (over 95 000) or district (a population of over 75 000). Ten regional co-ordinating councils exercise oversight functions of the District Assemblies for the ten regional units in Ghana. The Ministry of Local Government and Rural Development promotes the establishment of “a vibrant and well resourced decentralised system of local government for the people of Ghana to ensure good governance and balanced rural development” (Goel 2010:2). Providing the intellectual and skills development for local government officials is the Institute of Local Government Studies, a well structured and efficiently-managed tertiary institution that trains officials to a post-graduate Masters degree.

District assemblies are primarily responsible for the implementation of development policies and programmes co-ordinated by a National Development Planning Commission. In many instances, however, such powers and functions are shared with central government ministries and agencies. Crawford (2003:17) laments the reality that essentially the DAs appear to be executing central government policy as a lower level of political authority, though without significant decision-making or discretionary powers. Further, it is evident that the autonomy of local government in Ghana, unlike that in South Africa, is compromised, indicating that central government control is real. Crawford (2003:18) stresses that central government’s influence is maintained through a number of processes: presidential appointments; non-partisan elections; and administrative and fiscal control. Consequently, the system of decentralisation has been criticised as “smacking of lopsidedness that connotes a replica of the central government regime at the local level in what could be described as locally-designed, elitist power usurpation...” (Azongo 2009:2). Assibey-Mensah (2000:15) adds that the form of decentralisation practised in Ghana is in actual fact one of deconcentration, that is, a power-sharing strategy of a network of central power and sub-state institutions comprising the elites of those constituencies.

Elected representatives

There appears to be some similarity with regard to the election of local government representatives in both Ghana and in South Africa. In terms of Sections 15/16 of the *Local Government: Municipal Electoral Act 27 of 2000*, representation in South African municipalities is by virtue of elected ward councillors, but also for proportional representation. Thus, the number of seats won by a party or group of councillors becomes proportionate to the number of votes received (Felsenthal 2010:15). A council therefore consists of 50% ward elected councillors and 50% proportionally elected councillors.

A peculiar feature of local government elections in Ghana is that they are non-partisan. Of DA members, 70 percent are elected not on the ticket of political parties, but as independent candidates.

It is argued by proponents of the system that a non-partisan election “prevents development from being hijacked by political parties and deters central government from punishing opposition districts” (USAID 2003:8). Perhaps even less democratic is the provision that 30 percent of DA members are appointed by the President. The



main argument in favour of one-third appointees, in the view of Crawford (2003:19) is “a meritocratic one”, that is, it is necessary to ensure the inclusion of members with the requisite skill and expertise such as key professionals; also the inclusion of women and traditional leaders. However, such argument represents a means by which the central government could easily manipulate policy-making at grassroots level and thereby give real meaning to decentralisation as a concept. According to Crawford (2003:20) a more plausible argument for appointed membership is the directive (made in 1998) that at least 30 percent of appointed members should be women. Yet, on average, women represent less than 15 percent of electoral candidates and are discouraged from running for office by monetary requirements (Goel 2010:4).

Chief executive officer/mayor

A strategic feature of local government decentralisation in Ghana is the position and functioning of the district chief executive (DCE) for each district. The equivalent in South Africa is the executive mayor. In terms of Section 243 of the 1992 Constitution of Ghana, the DCE is appointed by the President of Ghana with prior approval of not less than a two-thirds majority of the DA. Perhaps the worst example of central government interference in this decentralised system is the President’s appointment of a candidate as DCE even if he/she fails to win a seat in the DA in the parliamentary election. Such appointments are rejected by the electorate as undermining democracy (Antwi-Boasiako 2010:25).

This approach is a departure from the devolved system in place in South Africa where, in terms of Section 55 of the *Municipal Structures Act*, 1998, the executive mayor is elected and appointed by the relevant council. However, the South African approach is not altogether sacrosanct either. There are misgivings amongst some party activists in the African National Congress, for example, that appointments of executive mayors are indiscreetly decided from Luthuli House (the headquarters of the party). This scenario, one could argue, has less validation than the case in Ghana which is after all provided for in terms of the 1992 Constitution. Crawford (2003:10) sums up the Ghanaian system thus:

Overall, the lack of a fully elected DA, inclusive of an elected DCE, entails a significant deficit in the system of democratic representation and in the accountability of local representatives to the electorate. In short, the democratic principle of popular control is severely compromised. Further, the allegiance and accountability of appointed members is unlikely to be downward to the electorate, but upward to those in central government to whom they owe their position.

Conversely, devolution of powers in South Africa requires that an executive mayor (where this type of municipality is in operation) be elected by the relevant municipal council, in terms of Section 55 of the *Municipal Structures Act*, 117 of 1998. Functions and powers of an executive mayor are stipulated in Section 56 of the Act. The result of this is that the executive mayor in South Africa is a technocrat. He or she is responsible for functions from identifying the needs of the community; prioritising these needs; setting targets through a service delivery and budget implementation plan; and rendering reports to the municipal

council. The effectiveness of the South African arrangement is the degree of accountability which opposition parties have; they hold the mayor to account at grassroots level. This is in marked contrast to the DCE in Ghana who is responsible to Accra.

Comparatively, the contrasting positions of the chief executive officer/mayor in the two systems are also linked to their respective public service systems. Ghana utilises a unified public service compared to what is theoretically referred to as a *fragmented* system in South Africa. With regard to Ghana, the central government departments maintain a close administrative and financial view on local government activities. Any recruitment into the service of the DAs has to be done either through the national civil service or sanctioned by the relevant central government head office (Nkrumah 2000:60). Such controls, although prudent in some respects, tend to stifle local initiative, and leave local authorities in Ghana requiring central government to undertake major development projects. They are also indicative of how DAs are subject to central control rather than popular control (Crawford 2003:22).

Conversely, municipalities in South Africa enjoy autonomy in human resource recruitment, utilisation and dismissals. Section 67 of the *Municipal Structures Act, 1998* mandates a municipality to develop appropriate systems to ensure fair, efficient, effective and transparent personnel administration in:

- the recruitment, selection and appointment of persons as staff members;
- service conditions of staff;
- the supervision and management of staff;
- the monitoring, measuring and evaluating of staff performance;
- the promotion and demotion of staff;
- the transfer of staff;
- grievance and disciplinary procedures;
- the investigation of allegations of misconduct and complaints against staff; and
- the dismissal and retrenchment of staff.

The South African version of human resource management stands out supreme in the way municipalities function. Discretionary powers notwithstanding, the devolved system has a tendency towards being weak in competence. Reports by the Auditor-General expose the unacceptable extent to which ethics on municipal finances have been set aside. Among others:

- R3,5bn worth of tenders could not be audited because the required documentation was missing;
- 46 percent of the country's municipalities have awarded tenders to employees, councillors and other state officials;
- 86 percent of municipalities incurred unauthorised, irregular, fruitless and wasteful expenditure;
- A number of municipalities have employed Chief Financial Officers (CFOs) who only have matriculation certificates (Auditor-General 2013:4).

It is therefore clear that devolution in human resource management of municipalities can be easily abused if mechanisms are not available to balance the appointment of competent personnel and their performance. Khalo (2008:221) maintains that the integration of



government services, systems and personnel would assist in addressing service delivery challenges in South Africa.

Fiscal independence

Nkrumah (2000:63) asserts that a particularly significant means of restricting local government autonomy is through central government control of the purse strings. A number of municipalities in South Africa were established as bodies corporate and thus, historically, the bulk of revenue was derived from property taxes and surcharges on the provision of services such as water, electricity, refuse removal and other user charges. In terms of the 1996 Constitution, rates on property are a constitutionally guaranteed source of revenue for municipalities.

The ability to generate revenue from its own sources determines the extent of autonomy for constitutionally devolved local government. Municipalities in South Africa are expected to generate a greater percentage of their revenue. However, reliable and relatively better generating sources such as income tax are controlled by national government. This, though, has the potential for worsening inequalities among municipalities. In theory, predictability of fiscal transfers and fiscal independence of municipalities are necessary for financial accountability.

The financial provision for local government in Ghana is contained in Sections 245 and 252 of the 1992 Constitution. Virtually identical to the equitable share of revenue in South Africa, Ghana's 1992 Constitution creates a District Assemblies' Common Fund which comprises not less than 5 percent (it currently stands at 7 percent) of the total revenue of Ghana. Further, the DAs are empowered to generate revenues locally. These are in the form of rates, property taxes, licenses, trading and miscellaneous sources. Central government assumes full responsibility for salaries and other remuneration to staff who serve on the DAs. The Ghanaian local government employee is therefore a servant of the central government, a practice which is alien to the South African system. The statutory stipulations in Ghana for both the annual *Division of Revenue Act* (which governs the distribution of nationally raised revenue to the spheres of government) and the constitutionally mandated District Assemblies' Common Fund, envisage a degree of fiscal independence for local government. These provisions serve as a basis for a rational and predictable source of revenue and therefore enhances the accountability of local government to its citizens.

As is pointed out by Goel (2010:5) there are significant weaknesses in the financial decentralisation process in Ghana. Notably, there is a lack of policy on fiscal decentralisation to guide local government officials. Consequently, existing legislation and administrative procedures on local government finance have led to the centralisation of the management of public finances. Crawford (in Goel 2010:6) adds that despite the extensive responsibilities decentralised to district authorities, their financial position is weak. Municipalities have little fiscal independence, remaining overwhelmingly dependent on central government. Gyimah-Boadi (2009) sums it up when he maintains that although local governments are given autonomy over finance, control from the central government takes away that power from the local people. The districts do not have the capacity to manage their own finances, and even the District Assembly Common Fund is controlled by central government. An illustration of the comparison is provided below.

Table 2 Comparing decentralised and devolved municipal systems

Matrix	Decentralised Ghana	Devolved South Africa
Creation of municipalities	Central government legislature	Constitution
Appointment of political head of municipality	President appoints district chief executive	Municipal council elects executive mayor/ mayor
Election of councillors	Apolitical – only independent candidates	Political – through the party system
Public service	Unified	Fragmented
Municipal financing	Central government controlled	Fiscal autonomy

PUBLIC PARTICIPATION

Participation in local government refers to a process to engage citizens and communities in local government which is a necessary mechanism for responsiveness and accountability. Decentralisation and devolution are premised on the principle that public sector functions should be undertaken at the lowest level possible. Devolution and decentralisation mean that local government is given a measure of authority to focus on improving governance and the responsiveness, accountability, and sustainability of sub-national political units. In addition to laws, policies, as well as informal institutions, opportunities for participation in local government include formal structures such as community based organisations and ward committees (*Municipal Structures Act, 1998*).

In the devolutionary policy of South Africa, ward committees are deemed as partners in participatory democracy in the mobilisation of the community in public decision-making and implementation. Ward committees form bridges by facilitating communication between the ward councillors and the citizens they represent. Without ward committees as partners, the system of democratic government and developmental local government cannot be said to be rooted among the people (Ababio 2007:614). Further, Phago (2008:241) considers *izimbizo* (assembly meetings of a headman) and of traditional leaders as critical aspects of public participation.

Organised public participation in local government, like the ward committee system in South Africa, is a recent innovation. Institutions such as the Ratepayers' Association of South Africa are currently being put to the test in an effort to enhance public participation.

The genesis of public participation in Ghana's political scene was the introduction of People's Defence Committees (PDCs) established by the Jerry Rawlings regime of the Provisional National Defence Council (PNDC) a military regime that ousted the democratically-elected civilian government of President Hilla Limann in 1981. As argued by Assibey-Mensah (2000:10) the PDC concept was set up to ensure local participation in the decision-making process. It is clear that the PDC concept created grassroots interest in local administration because district elections during the PNDC regime recorded the highest ever level of participation.



The principles of participation and accountability in local government are also emphasised in Article 240e of the 1992 Constitution of Ghana, which states that to ensure the accountability of local government authorities, people in particular local government areas shall, as far as is practicable, be afforded the opportunity to participate effectively in their governance. Yet, as pointed out by Owusu-Ansah (1989:215) whether civilian or military, the executive has always appointed favourites as political leaders for the regions and districts with little input from the local electorates. Indeed, Ghana has not developed legislation on public participation that is comparable to the ward committee system in South Africa. At best, rural projects are only supported voluntarily by town committees who rally young men to assist them, or by youth wings of political parties.

CONCLUSION

The term local government is generally used to refer to sub-national governing units in a state. These units may, to a varying extent, be granted some measure of political, financial and administrative authority to perform defined functions. Decentralisation and devolution of authority to local government institutions may take a constitutional or legislative approach to establishing political structures and systems. These local government units may structure upward intergovernmental relations with higher orders of government and downward relations with the communities they serve. Arguments for decentralisation to local government include the assertion that it brings government closer to the citizens – especially the poor – to enable minorities to participate in local political processes. The implementation of both decentralised and devolved local government institutions create multi-faceted political arrangements whose complexities are likely to produce variable outcomes.

Analytically, devolution as used to describe the current South African constitutional arrangement is a politically relevant concept for comparing forms of local government autonomy to improve effectiveness. Decentralisation as implemented in Ghana is shown to vary somewhat from devolution in South Africa. Comparing these forms provide an analytical basis for understanding the processes and their implementation; it also serves to explore the strengths and weaknesses associated with both. Decentralisation displays weaknesses in the political decision making aspect of local democratic self-determination; whilst devolution with its politico-administrative autonomy appeal has not translated into an effective and efficient instrument for local development.

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