**Chapter 1**

**Situating Contested Notions of Decentralized Planning in the Global South**

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**Introduction**

One of the most pervasive trends of the current global era in developing nations, is the

devolution of governmental responsibilities from strong central governments to localities, a

process generally referred to as decentralization. In the past two decades, decentralization

has been actively promoted by powerful international organizations such as the World

Bank, the United Nations and many bi-lateral development agencies. At global gatherings

such as the 1992 United Nations' Conference on Environment and Development in Rio de

Janeiro and the 1996 United Nations' Urban Summit in Istanbul, international

organizations identified local authorities (distinguished from central government agencies)

as the lead agents for achieving sustainable development. Given the financial clout of the

international agencies advancing this position, many national governments followed suit.

Within the past decade, no fewer than 65 of the 75 developing nations with populations of

over 5 million have had active decentralization policies or initiatives (Dillinger 1994).

Despite the global dimensions of the decentralization movement, little is understood about the rather dramatic transformation of the responsibilities of local planning and governance structures, or about the consequences of these transformations for other actors in planning. Decentralization policies in much of the global south, for example, have transformed the responsibility for providing basic services to local governments. Yet often the transfer has occurred in the absence of demonstrated leadership capacity to meet service needs and also without the transfer of necessary decision-making power and financial resources. To handle their newly assumed responsibilities, some local governments have even had to divest themselves of the very powers conferred by decentralization. To achieve entrepreneurial governance for fulfilling their expanded yet under-funded mandate, they have turned to the private sector as well as to civil society organizations, and have adopted market principles. This shift has grave, but little understood implications for local planners and urban managers, who have to redefine their roles and relationships vis-à-vis local governments, the private sector and non-state actors.

Practitioners as well as scholars often assume that several positive outcomes follow from decentralization. For example, decentralization is often associated with democratic reform and the strengthening of civil society (Diamond 1999; Manor 1999; Wunsch 1998). In terms of democratic reform, decentralization advocates assume that bringing the state closer to people allows more public participation in decision-making and ensures transparency and accountability (Diamond 1999). Advocates believe that curtailing centralized state power and national policies through the devolution of power yields a more

responsive and inclusive governance (Bennett 1998; Blair 2000; Fiszbein and Lowden 1999). Other supporters promote decentralization in the belief that it increases the efficiency with which public goods and services are delivered (Bateley 1996; Burki *et al.* 1999; Savas 2000). One aspect of the efficiency argument contends that decentralized planning and service delivery can more accurately identify and satisfy local needs and expectations, especially those of marginalized populations (Burki *et al.* 1999; Rondinelli *et al*. 1983; The World Bank 2001). Another point put forward is that the private sector will deliver resources more effectively because a willingness to pay for services is brought into being by organizing them locally rather than having them provided by a distant regional or central government (Ostrom *et al.* 1961; Roth 1987).

Critics of decentralization, and especially of policies promoted in developing countries by large, global development institutions, draw upon a historicized understanding of the process. Critics emphasize the importance of the history of colonial domination and the role played by external institutions in developing societies. In the global south, colonialism worked against a tradition of local responsibility; over a long history it buttressed despotism to accommodate colonial rule. Decentralization critics underscore the dangers of an a-historical understanding of decentralization, as when technocrats ignore the role of the global political-economic relations of dominance and how they shape the structure of governance in developing countries (Mamdani 1996). From this critique, what appears a straight forward process of devolving power may in actuality multiply the sins of the centralized state, creating a decentralized despotism (Agrawal and Ribot 1999). George

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and Sabelli (1994), for example, interpret the decentralization arguments based on prospects for "good governance" in developing countries as camouflage for a continuation of the colonial past. They see the celebration of decentralization for making government more accountable and transparent as yet another marketing strategy of international development agencies, such as the World Bank—a rubric under which to sell more debt and hence dependence. They argue that decentralized and participatory governance can actually work to sustain the status quo, by repackaging it in a new form aligned with the rhetoric of participation (Cooke and Kothari 2001).

To begin our exploration into the complex and often contradictory expectations and interpretations of decentralized planning, the chapter first sketches the genealogy of a global trend in decentralization policies and how such policies articulate with a widespread move from centralized to decentralized planning in the global south. Next, the chapter identifies and discusses significant sources of confusion and misinterpretation of decentralization that underlie the false expectations of it. Pointing out the contradictory potentials of decentralized planning, the introduction urges examination of those causal factors, conditions and contexts that can enable decentralization to produce more democratic, inclusive and equitable planning outcomes. The chapter concludes with a summary of the organization of the book and the contributions of each chapter.

**The Genealogy of Decentralized Planning**

The call for governmental decentralization goes back to the 1970s crisis of legitimacy for central government, with its lack of transparency and its exclusive decision-making processes (De Angelis 2005; Santos 2004). Movements including disenfranchised youth, ethnic minorities, women and the poor who all questioned the legitimacy of a state that monopolized the decision-making power over all local affairs. These movements sought greater inclusiveness in the state and demanded the participation of non-state actors in decision-making some even calling for "governance without government" (Rosenau and Czempiel 1992). In the 1980s, a political opposition called for devolution of the state's decision-making power to lower levels of government, and for the state's permeability to disadvantaged groups. The objective was to achieve a more inclusive and transparent state and consequently processes of democratization.

Concurrently, proponents of post-cold-war economic liberalization pointed to the inefficiencies of government bureaucracies in the developing world as the root problem of state legitimacy. Economic neoliberals advocated decentralization to remedy the wastefulness of the state bureaucracy by opening the state and the government to presumably more efficient non-state actors (e.g., an increased use of the private sector in subcontracting, outsourcing, and in public-private partnerships). The intent was also to transfer management of local services from state responsibility to a business model in which individual residents would have to pay more of the real cost of basic services and as a result state responsibility for providing basic service costs would shrink.

In the 1990s, this logic of state decentralization by which restructuring of the state would facilitate neoliberal economic policies, overshadowed the earlier core logic of decentralization that sought political devolution and democratization (De Angelis 2005; Santos 2004). Thus the popularization of neoliberal economic policies as the way to "good governance" and their mainstreaming by international organizations is accomplished largely by subordinating decentralization's earlier political agenda. Decentralized planning, too, has gone through that transformation. Whereas the 1970s' and 1980s' call for decentralized planning had a political logic of democratic, inclusive and redistributive planning as articulated by equity planning and radical planning practice, the more recent rationale for decentralized planning has been an economic logic of efficiency, cost recovery and entrepreneurship.

Traditionally the planning profession was equated with state planning in concert with problem-solving by technical experts. Since the 1960s, under substantial pressure from its critics both within and outside the profession, planning has broadened beyond a state-centered, elite-driven professional practice to acknowledge the important role of non-state actors (e.g., Castells 1983; Davidoff 1965; Douglass and Friedmann 1998; Escobar 1992; Fainstein 1992; Forester 1989; Friedmann 1987, 1989; Holston 1989; Krumholz 1982; Piven 1975; Sandercock 1998; Scott 1998).  By the late 1980s, the problems with and limitations of centralized planning had been well documented (e.g., Hall 1980; Holston 1989; Peattie 1987). Centralized planning was criticized not only for its political elitism, but also for its limited administrative effectiveness and efficiency. An assertion now

common in planning is "urban infrastructure is definitionally harder to plan and control

from the center" (Kingsley 1996: 1). These political and administrative rationales

promoted a move away from top-down planning to diverse forms of decentralized

planning. Decentralized planning broadens the planner's role to encompass being not only

technical expert, but facilitator as well as social activist, so as to ensure the articulation and

incorporation of local as well as professional knowledge in the planning process.

Although participatory planning and local community-based planning gained increased

recognition and epistemological legitimacy in the 1980s, it was not until the next decade

that decentralized planning was mainstreamed by government agencies and global

development organizations. Global institutions and key global submits such as the UN's

1992 Conference on Environment and Development in Rio de Janeiro and the 1996 Urban

Summit in Istanbul, pushed a leading role for local authorities in development planning

(Local Agenda 21) to the head of national agendas in the global south. The 1990s shift

from centralized to decentralized planning was popularized and mainstreamed to an

unprecedented extent. Development constituents had been demanding more public

participation, a greater role for civil society, and more power in general over the planning

process and its outcomes through the strategies of collaborative and community-based

planning.[1] For example, during the 1990s the fastest growing strategy for development

assistance by the World Bank, which is the major engine for development planning in the

global south, has been "community-driven development"—that is, projects that claim to

increase community power over development (Dongier *et al*. 2002; Mansuri and Rao

2004).

The concurrence of the trends sketched above: in decentralization, economic liberalization, and participatory planning and civil society participation should not be attributed to coincidence. Decentralization policies and the shift in planning articulate with the global trend of neoliberal state restructuring. It is unproductive, however, to embrace the position that decentralization is nothing more than a neoliberal strategy for advancing the project of capital accumulation by defusing authoritarian rule. On the other hand, it is overly simplistic to assume that decentralization will promote meaningful participation by communities and civil society organizations and therefore a more transparent and accountable local government. Hutchcroft (2001: 33) critiques a common oversimplification in much of the work from this perspective: "If the goal is to build analysis rather than propagate faith, it is essential to move beyond the association of authoritarianism with centralization and democracy with decentralization." From that perspective we contend that it is essential to examine both empirically and critically the complex processes of decentralization and its potential for achieving democratic, inclusive and equitable planning.

This volume aims to take a first step in that examination. The research included here examines the articulation of decentralization policies and planning in diverse socio-political and institutional contexts. Some key questions are: whether and under what conditions can decentralization lead, and has it led to a more democratic participatory and

inclusive planning process? And if decentralization can have such disparate outcomes as the opening up of progressive spaces for political action and also facilitating market domination or capture by local elites, how should planners intervene to ensure that decentralized planning does promote more democratic, inclusive and equitable outcomes? Given the widespread implementation of decentralization policies, it is urgent to carefully pursue these questions. We hope that the case studies in this volume will contribute to a more empirically grounded understanding of decentralized planning and leave it less vulnerable to misinterpretation.

**Conceptualization, Contradictions and Contested Spaces for Public Action**

Conflation of the terms used for the complex set of phenomena comprising decentralization is a significant source of confusion. Decentralization is commonly used as a general term that can refer to any of several distinct processes, which can occur in isolation, but which usually occur (to some degree) simultaneously— and which have distinct outcomes. For example, subtle yet important differences distinguish two forms of decentralization: administrative decentralization and political decentralization (Hutchcroft 2001).

Administrative decentralization concerns the "hierarchy and functional distribution of powers and functions between central and non-central governmental units" (Cohen and Peterson 1999: 23). It can entail either deconcentration, which moves the central

government offices and administrative units to more localized government bodies (e.g. regional, provincial and/or municipal bodies) (Cohen and Peterson 1996);[2] or devolution, which is a more extensive transfer of authority and responsibility to local government bodies. Deconcentration can actually further centralize state power when, for example, it simply moves the guns of the capital city to the village (Slater 1989: 514); but it is hoped that devolution can result in more democratic decision-making if it is supported by transparent and accountable political structure and by adequate financial resources. To voice that hope is not to imply a guaranteed democratic outcome for devolution of state decision-making power to local governments. Evidence from the global south, including some research in this volume, reveals how perverse outcomes of devolution can occur where democratic political institutions are weak and lack transparency and accountability. In such contexts, it is possible for decentralization to result in decentralized authoritarianism or elite control (see Beard *et al*. in this volume). Decentralization can also simply facilitate privatization by which the local state sheds unfunded mandates and responsibilities (see, for example, chapters by Miraftab, Bond and Libertun de Duren in this volume).

Political decentralization attempts to build a democratic culture within a given polity—it is the transfer of political power to local government bodies and civil society organizations, and the inclusion of popular participation in governance and planning.[3] With respect to the interacting realms of administration and politics it is often, though tenuously assumed that changes in administrative structure will promote democratic reform. Some have pointed

out, however, the danger in assuming that local democracy can be achieved while ignoring the national or macro-political structures (Mohan and Stokke 2000; Purcell 2006). Furthermore, the evidence from the global south, where decentralization policies have been aggressively promoted, challenges the assumed relationship between decentralization and democratization (see Crook and Manor 1998). A number of chapters in this volume examine that relationship. Silver and Sofhani, Chapter 10, explores the relationship between political decentralization and democratization in Indonesia. That case exemplifies the rise of civil society and grassroots movements in the wake of decentralization in the global south. In Chapter 13, Shatkin explores these phenomena from a different perspective. Using a case study of Naga City in the Philippines, he analyzes the opportunities and limitations faced by progressive municipal leaders in post-authoritarian political contexts.

Other authors have emphasized the potential decentralization offers for community-based social transformation. In this volume, for example, Ben Kohl and Farthing's study of decentralized planning points out precisely this dynamic in the Bolivian context. Bolivian decentralization began as part of a hegemonic project, but in the long term it was appropriated by grassroots activism; disenchanted communities long ignored by Bolivia's formal political structures used the decentralization channels for their own ends. Similarly, as documented by Misra and Kudva in this volume, the legal and administrative disjuncture in the decentralization mandates of the Indian government opened an opportunity for disadvantaged women to participate in Panjayats as a first step to move

beyond gender-based exclusion.

Globally, decentralization policies have had mixed results for poor women. It is well documented that economic liberalization and privatization, by moving the burden of capital accumulation onto communities, families and the realm of social reproduction, shifts the responsibility for securing livelihoods to households and women in particular (Aslanbeigui and Summerfield 2001; Bakker 2003; Beneria and Feldman 1992; Miraftab 2006b, 2001; Samson forthcoming). This shift, while it has increased the burden of poor women has simultaneously increased their role as protagonists of community-based groups and neighborhood development (Beard and Cartmill 2007). The point to be noted here is that neoliberalism creates new opportunities for local participation in decision-making. The mechanism may be motivated largely by interest in reducing the state's responsibilities. Nevertheless, local people use these political shifts to carve out innovative spaces of participation beyond those officially designated with the aim of stabilizing the conditions of capital accumulation. Citizens marginalized by the material forces of capitalism move their collective action beyond the limited coping strategy accommodated by local governments and community-based planning (Beard 2002; Beard 2003). Using a combination of "invented" and "invited" spaces of participation (Miraftab 2006a), they transform their role to something more significant than simply providing cheap labor to predetermined projects that pretend to be participatory.

The potential of the current global decentralization era for inclusive or democratic planning

is embedded in these contradictory processes. State decentralization may selectively

decentralize and centralize various aspects of decision-making at global and local levels. It

may also promote simultaneous processes of inclusion and exclusion through structures of

participation and privatization (Miraftab 2005). Critical analysis of the outcomes that

decentralization policies are producing on the ground is urgently needed, because such

policies have the potential to create and reinforce both democratic and undemocratic

practices. Thus the implications that decentralization in the global south has for citizenship

and planning should not be taken as given. Decentralization comprises a set of contingent

processes that vary across time and space and according to the social and historical

specificities of the regions where they occur. The result is the emergence of highly

contested spaces for public action.


Drawing upon original scholarship, this volume uses case studies to grapple with the nexus

between decentralization and planning. It examines in detail the experiences of

decentralizing states in the global south and the implications for planning. The

contributions brought together in this volume constitute an effort to understand not only

how the two concurrent trends mesh, but also how such experiences vary across regional

socio-political formations. It is our hope that the volume will open a dialogue among the

divergent interpretations of the limitations as well as the potential of decentralized

planning.

**Organization of the Book**

The book is organized around three inter-related themes. The first section highlights the contentious notion of decentralization and how in different political, administrative and fiscal contexts the process can lead to different outcomes. The second section considers the challenges of fiscal and administrative decentralization, two pillars of state decentralization. The third and last section of the book highlights the role of local non-state actors, particularly citizens, community-based organization and NGOs. This chapter concludes with a brief overview of the three sections of the book, followed by a summary of contributions from the chapters.

*Section One*

As discussed earlier, the notion of decentralization and the achievements of decentralized planning are highly contentious. Examining the decentralization experiences in South Africa, Argentina and Bolivia, contributors to this section highlight the complexities and contradictory outcomes of decentralization policies and processes. The case studies in section one explore the range of social, political, and economic conditions that can undermine the potential of decentralized planning for furthering social and spatial justice (as in the South Africa and Argentina cases) and for empowerment of historically marginalized populations (as in the Bolivia case). Many scholars, including Bond, Libertun De Duren and Miraftab in this section, have shown how financially and politically constrained local governments, rather than promote social and spatial inclusion, actually facilitate greater inequality and privatization. Kohl and Farthing in their examination of the Bolivian experience, on the other hand, show how vibrant social movements can take

advantage of the spaces for public action created by decentralization, to achieve positive

social change. These authors underscore the tensions and dynamic power struggles

generated by decentralization. As a contested space for public action, decentralized

planning can constrain citizens' demands to local concerns instead of allowing a focus on

the impacts of larger structural, national and global policies; or, instead, in some cases, it

can be used by disadvantaged groups to assert their interests.


In the opening chapter Miraftab focuses on how the post-apartheid processes of

decentralization built the rationale for the rise of entrepreneurial planning in Cape Town,

South Africa. This chapter brings to light the paradox of decentralization: for

decentralization to achieve inclusive development, strong regional and central governments

are needed to support the capacity of local authorities and to intervene when local planning

decisions permit uneven development across and within local government districts. Such

interpretation is particularly important given how market participation in urban

management and service provisioning is now promoted; that trend involves the risk that the

private sector will cherry pick the services to provide, and that cities will compete against

each other. In Cape Town's City Improvement Districts (CIDs), a decentralized

municipality lacking the financial and administrative muscle to fund its responsibilities,

through innovative entrepreneurial strategies enters imbalanced partnerships with a

stronger and better organized private sector. In such contexts, decentralized local states

undermine their integrationist agenda in order to attract more investment. As demonstrated

in the CIDs case, the entrepreneurial strategy succeeds in achieving local development for

an exclusive locality (downtown Cape Town), but it furthers social and spatial inequalities in the city at large. The chapter, however, like others in this section, stresses that the partnership is a dynamic terrain of power struggle and contestation whose outcomes are not predetermined.

In Chapter three, Patrick Bond further examines South Africa's decentralization as illuminated by the relationship between state restructuring, water privatization and its commercially based pricing system. Bond highlights the capital's drive to commodify public goods and identifies the underlying pressures that moved the post-apartheid state to outsourcing and privatizing basic services including water. Bond argues that formal establishment of 'water as an economic good' rather than a public good has been key to multilateral programs and to the multinational, corporate expansion of service provision and pricing. "In the course of outsourcing to private (or even NGO) suppliers," he argues "the benefits of water as a public good . . . are generally lost. The lack of 'effective demand' by poor consumers," among other reasons, has produced a situation in which "the premier costumers are served and the masses are left behind" (Page #?). Bond also highlights the countervailing pressures that have emerged both implicitly in the form of poverty, and more explicitly from trade unions, community and consumer groups, environmentalists and other citizens' movements. The study of South African water provision during the first decade of post-apartheid democracy is illuminating, not only of the way that decentralization of financing limited access by the poor, but of the revealing ways by which, in this case, resistance shifted state policy to a 'free basic water' tariff in

2001 — although that left consumers still disempowered because it retained the crucial micro-neoliberal pricing.

Chapter 4 by Nora Libertun De Duren discusses the experience of decentralized planning in Buenos Aires, Argentina. This chapter focuses on the growth of gated communities in the poorest municipalities of Buenos Aires. It reveals how local governments in charge of infrastructure development, but lacking adequate resources, felt they had to use their control over land use and development permits to accommodate developers' interest. These municipal governments lured developers and allowed gated communities because the developers offered to fund needed infrastructure. The 1990s witnessed a phenomenal growth rate of requests (95 percent by 1999) for rezoning and land use changes to foster the development of gated communities in the poorest municipalities of Buenos Aires. In 1997, for example, 70 percent of the city's gated communities were located in three of the poorest municipalities. Libertun De Duren's study links this phenomenon with the main administrative reforms in Buenos Aires provincial law. She demonstrates that decentralized planning does not necessarily imply a more inclusive local development, and that decentralized municipal governments may foster higher levels of social inequality within their own boundaries.

Chapter 5 by Ben Kohl and Linda Farthing demonstrates an outcome of decentralization that stands in stark contrast to the other case studies in this section. Their Bolivian case study demonstrates that from a long-term perspective, the decentralization legislation

opened the formal political space to grassroots activism and indigenous communities. The authors are cautious not to strike a celebratory note when pointing out that Bolivian decentralization—the 1994 Law of Popular Participation (LLP) and the Law of Administrative Decentralization, which were part of an ongoing neoliberal restructuring—have had "the unintended result of opening new political spaces to contest neoliberalism" (Page #?). In Bolivia the decentralization strategy created a large number of new rural municipalities that required thousands of municipal council representatives from indigenous and poor rural populations. The new councilors, having gradually learned the skills for using western-style governing channels, then "fundamentally altered the discourse on the rights of citizens in areas long abandoned by the state" (Page #?). Viewing Bolivia's decentralization over the last decade, the authors argue that the legislation intended to extend the reach of the state instead extended the spaces of public action so that marginalized, disadvantaged populations' contestation in municipal formal politics became possible. Despite the intended objectives, decentralized planning and administrative decentralization together with a law of public participation "changed the rules of the game and policy. . . . [It] served as a catalyst to mobilize a marginalized population to adopt a new repertoire of political actions . . . creating new expectations of the state" (Page #?). To explain this positive outcome, Kohl and Farthing note the existence of a strong social movement whose leadership was capable of recognizing and exploiting the political opportunities created by national elites and international financial institutions.

*Section Two*

Chapters in the second section examine the basis of the decentralization movement: a changing economic development paradigm and fiscal decentralization. In developing countries, replacing centralized economic planning with fiscal decentralization has been an important component of broader administrative and political change. Seeking to make expenditure more efficient, international donor agencies pressed to have authority for planning and implementing local services shifted from central government agencies to local governments. Such fiscal restructuring was strengthened by related changes in the governance structure that gave local governments the means to plan and deliver services. G. Shabir Cheema and Dennis A. Rondinelli co-authored one of the pioneering studies of the fiscal in the early 1980s, *Decentralization and Development: Policy Implementation in Developing Countries* (1983). This volume assessed the dynamics of decentralization versus centralization that was sweeping through the developing nations. One of the boldest experiments in fiscal and administrative decentralization was adopted by Indonesia in 1999 several decades after the international donor community's advocacy of the basic model of decentralization (Silver, Azis and Schroeder 2001; Silver 2003). But the push came from within, first to implement the model starting in 2001, and then to sustain the bold experiment during the trying political and economic times in subsequent years. The stimulus was the regional financial crisis that began in 1997 (the so-called Asian Crisis) and the resulting demise of the discredited centralized system of governance under Suharto's New Order regime. Although much has been written on Indonesia's era of democratic decentralization, contributions to this volume offer fresh perspectives on the

community outcomes of those reforms (see also USAID 2006).

Paul Smoke examines the decentralization through fiscal and administrative reforms that have occurred in Kenya and Uganda since the early 1990s, under pressure from the global donor community. These two African nations were emerging from the initial post-colonial experience of strong centralized regimes that marginalized local governments. Smoke argues that decentralization initiatives enjoyed widespread political support as part of a broad democratization, but also attempted to introduce more discipline to governmental management. His assessment finds that, fiscal and administrative decentralization proceeded at different rates in the two countries, and with varying degrees of success. In Kenya, local governments had to compete with deconcentrated central government offices that had more financing to conduct similar functions, and they received only a limited direct funding from central government to support their expanded local responsibilities. In Uganda, the central government's financial transfers were more generous, accounting for nearly 80 percent of local government revenues in localities outside the capital city. The transfers, however, came with strings attached that limited how local planners could allocate the funds. In both Kenya and Uganda, the decentralization initiatives lacked meaningful citizen participation. Thus Smoke concludes that despite an obvious commitment to expanded decentralization since the 1990s, "Kenya and Uganda still suffer from significant weaknesses in their subnational planning systems."

In the case of Vietnam, fiscal and administrative decentralizations became possible in the

wake of the government's decision in 1986 to reduce state management of the economy to allow for limited privatization. As James Spencer's study of the Can Tho City water delivery system shows, decentralization was carried out within the context of a socialist state and produced an unique brand of local community engagement in infrastructure management. The Can Tho water provision study also demonstrates that privatization comes in many forms; in this case local individuals worked directly with the water authority and there was no corporate takeover of local functions. Spencer suggests that having community entrepreneurs manage the water distribution and fee collections for the water company offers a transitional model between the highly centralized state mechanism so prominent in Viet Nam (as well as in other non-socialist developing nations) and the entirely locally controlled systems seen in more advanced decentralization. The unique role of local citizen managers as stakeholders in the Can Tho water delivery system underscores the importance of the participatory component that was lacking in Kenya and Uganda.

The Chilean case of decentralized planning and increased local governance examines how the participatory component played out differently in two otherwise comparable locales. As Anny Rivera-Ottenberger notes in her contribution, "Decentralization and Local Democracy in Chile: Two Active Communities and Two Models of Local Governnance," the local leadership style is a crucial component of decentralization. Chile's tradition of strong local governance was enhanced nationwide in the 1990s by the restoration of popular elections for local authorities. This central-government-sponsored, "low-intensity

democracy," as she phrases it, gave marginalized groups throughout Chile more voice in local policies. Yet as the varying experiences of two local communities, El Bosque and Penalolen, indicate, the peculiarities of local political cultures shaped how their voices would be heard. In El Bosque, the mayor's strong support for empowering key community groups demonstrated that managerial success through decentralization need not impede implementation of progressive social policy. In Penalolen, in contrast, citizen organizations had no such "team" relationship with the local managers as existed in El Bosque, but rather depended as clients on local government support.  As a result, some of their key needs were ignored. Although El Bosque is not without some lingering problems about empowerment, Rivera-Ottenberger concludes that, largely through a responsive local administrator "the participatory model of El Bosque captures the need for a place where rights are not only principles, but tangible distribution of benefits; a place to recover a sense of continuity, of community and of worth." (Page #?)

*Section Three*

The third section of the book examines the importance of civil society organizations, community-based organizations and residents, in achieving the goals of decentralization. As stated earlier, two anticipated outcomes of decentralization are (1) the efficient delivery of public goods and services and (2) the empowerment of poor and marginalized segments of society. That non-state actors can help achieve these goals rests on a series of assumptions often made by planning and development practitioners. First, it is believed that involving non-state actors, including private sector and non-profit organizations, is more cost-effective because centralized state bureaucracies are corrupt as well as

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inefficient. Second, decentralization is thought to be a superior vehicle for incorporating the needs of, and targeting resources to disadvantaged groups (i.e. women, the poor, squatters) because of its close geographic proximity and understanding of the local context. Third, the process of decentralization is expected to politically empower the poor and other marginalized segments of society, and in turn this empowerment is expected to safeguard decentralization from elite capture. Each of the chapters in this section critically examines one or more of these assumptions across a diverse set of geographic and sociopolitical contexts. In each chapter, decentralization partially achieves its objectives. However, the chapters illustrate how the complex dynamics of decentralization unfold on the ground, underscoring the oversimplifications of these assumptions and ultimately the contested relationship between state and non-state actors.

Beard *et al*. in Chapter 9 examines decentralization and the role of non-state actors through the lens of the World Bank's largest community driven development project in Indonesia, the Urban Poverty Program (UPP). The chapter tests two assumptions underlying both decentralization and community-driven development. The first is that when governance and planning are decentralized and community actors are given more control, project resources are more likely to be targeted to appropriate beneficiaries. The second assumption is that decentralization and community-driven development empowers local, non-state actors because it gives them more voice and power over planning and development outcomes. The chapter begins with background information on decentralization, community-driven development and elite capture in the context of

Indonesia's dramatic political transformation. Next it reviews the evolution of UPP. Then it analyzes individual characteristics that predict membership in microcredit groups as well as on community boards. Microcredit group membership comprises project beneficiaries, whereas community board members are the project leaders. Surprisingly, the analyses find that even though social and economic elites play a strong role in UPP project planning and implementation, project resources continued to be delivered to the poor. The findings point to a pattern of *elite control*, but not the corruption and misuse of power and resources usually associated with elite capture.

In Chapter 10, Silver and Sofhani examine a new paradigm in Indonesian local planning that emerged in the wake of decentralization and democratic reform. They do so by analyzing the case of a university-community partnership, the Jatinangor Project, in Indonesia. The objectives of the project were to establish a participatory forum of stakeholders to develop a planning agenda. The project engaged the local community, universities, government, the local legislative assemblies and non-governmental institutions down to the smallest spatial scale. The project built local capacity for community research, advocacy planning, new institutions and project monitoring. What was unique about the Jatinangor Project was that it went beyond simply achieving citizen participation in predetermined projects; through an intense, deliberative planning process, it strengthened the community's ability to place pressure on the local government. The chapter demonstrates how in the context of a national political reform movement and decentralization legislation, progressive local actors were able to use new democratic

ideals and expectations to transform local planning. As external support for the project now ends, a major question is whether the project will be able to maintain its open and inclusive planning process and avoid capture by local elites.

Misra and Kudva, in chapter 11, examine the relationship between gender equity and decentralization through the lens of a constitutional amendment (1992-1993) that reinstated Panchayati Raj (PR) in India. The amendment established gender quotas in the three tiers of local government. The authors critically examine how this decade-old experiment shapes our understanding of decentralized governance and the role of women. Their analysis combines work done by other scholars as well as observations in six states gathered over the past decade. The authors analyze women's involvement of three areas: presence, action and decision-making. Previous studies illustrate how caste norms, patriarchal practices, low educational attainment and the lack of political experience create obstacles to meaningful participation, but this study identifies a series of 'gaps and disjunctures in the quota experiment that could impede change'. Identifying the differences in institutional arrangements across states, the authors recognize that greater decentralization may reinforce local practices that foster gender inequality. Considering such variations within states and even districts, they urge increased attention to the formal rules, regulations and procedures, mediated by a deeper understanding of place or local *Panchayats* context. In conclusion, the authors cautiously support the use of legal and institutional reforms to mandate the participation of women in planning and governance.

In chapter 12 Daniere and Takahashi examine the possible linkages among decentralization, social capital and environmental planning and governance in Thailand. The authors use Evans' (1996) concepts of 'complementarity' and 'embeddedness' to explore those linkages. According to Daniere and Takahashi, both relationships may positively affect decentralization: complementarity helps to clarify the responsibilities of local governments and communities, and embeddedness helps to generate state and society networks. Their analysis is based on a series of surveys conducted in low-income communities in the Bangkok Metropolitan Area between 1995 and 2000, a period when citizen participation increased markedly. The authors tell a complex story, as their respondents reveal seemingly contradictory degrees of satisfaction as well as distrust of both NGOs and the state. The authors conclude that, given the large number of residents who are unsure of whether they can trust government and NGO officials, there is "a significant window of opportunity to create and enhance embeddedness."

Shatkin, in Chaper 13, addresses head-on one of the most fundamental problems of decentralization: the opportunities it creates for powerful political elites to pursue their own interest at the expense of the civil society organizations that represent community interests. He examines the problem in a case study of Naga City in the Philippines, where a mayor who gained office as a result of his membership in an elite family then shifted his power base by connecting directly with low-income communities. The case study documents the opportunities for progressive political leaders in post-authoritarian settings, a situation still rare in Asia as compared to Latin America during the 1980s and 1990s. The

case is of particular interest because the mayor was able to avoid the trap of patronage politics. Shatkin identifies two explanatory factors: first, the emergence of a competent, creative and reform-minded political leader who is committed to a redistributive and participatory agenda; and second, the existence of civil society organizations that have strong community support and are willing to push the municipal government. The chapter concludes that while decentralization does not guarantee empowerment of and redistribution to poor and marginalized groups, decentralization makes city politics increasingly important for pursuing those two goals.

The scope and variety of the decentralization policies that have changed planning, governance and management in the global South over the last two decades substantiates the need for critical, empirically-based analysis of these policies and their outcomes. The cases presented here point to the roles played by local political culture, state and society relations, and the form and operation of certain standard features of decentralization schemes. Other key factors include the strength of social movements, the presence of local institutions that empower citizens to engage in planning and decision-making, and the role of the central state. The value of the cases offered in this volume is not only the range of examples of decentralization with varying degrees of success, but also the significant questions raised about the process itself—questions likely to prompt further research and analysis, certainly warranted by such a globally significant phenomenon.

**Endnotes**

1. This is not however to suggest a neat dichotomization between top-down and bottom-up planning. Indeed, a considerable body of recent research has indicated the importance of (1) effective central government and (2) a "state-society synergy" in order to achieve effective decentralization (Douglass *et al*. 2002; Evans 1996; Fox and Aranda 1996; Putnam 1993; Tendler 1997).

2. Although not discussed here, financial decentralization is encompassed in administrative decentralization.

3. Political decentralization is also sometimes referred to as devolution or democratic decentralization, thus resulting in confusion between administrative and political decentralization (Hutchcroft 2001; Manor 1999).

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