2. Local governments and service delivery

Poverty takes many forms, and demands a corresponding breadth of responses. Making services accessible to the poor is integral to the effort to achieve the MDGs. Basic government services allow people to be productive members of society; therefore, the provision of fundamentals like agricultural support and irrigation, roads, health, and primary education are essential for accelerating attainment of the MDGs. For citizens that face adversity, the provision of social protection is particularly important. Government services in the fields of economic development and culture, for instance, are also deemed to be ‘public goods’ that bring benefits to individuals and communities.

Substantial improvements in the provision of public services are key to achieving most of the MDGs. For example, most child deaths in developing countries could be prevented through the implementation of effective and low-cost public health interventions, such as the provision of free vaccinations. As such, attaining the MDGs will require financial resources, although the solution is not just about allocating more money. Effective delivery is situation-specific and requires tailored delivery arrangements that fuse the efforts of state and non-state actors. Each of these actors also needs to better assess their challenges and determine suitable and sustainable service delivery responses. Additionally, effective delivery requires good governance and performance management, so that funds are directed quickly to the most urgent needs, and incentives enable service providers to make good use of available resources.

What are the main actors involved in public service delivery?

The national government is not the sole actor in public service delivery. The private sector, communities and civil society should all play important roles in shaping demand, developing state policies, and delivering services. The relationship amongst these actors shifts as the state consolidates or weakens, democracy finds roots, and citizens become more assertive.

In recent decades, national governments have increasingly shared the responsibility for service provision with the local governments, in a variety of intergovernmental public arrangements that aim to increase the accountability and responsiveness of service delivery. In a developing country context, governments have experimented with different forms of decentralization to bring service delivery closer to the people. They have been assisted by a variety of development partners, including the main multilateral and bilateral agencies. Some decentralization reforms include approaches that increase the supply and quality of local government services, while others stimulate the demand for—and community oversight of—local government services. Several of these reforms are proving promising.
How can local governments contribute to effective public service delivery?

Around the world, developing and developed countries alike have observed that decentralized service delivery can result in quicker gains than with centralized systems. It is important to note that the national governments have several options in this regard. In many countries, central government ministries responsible for service delivery have created field offices and delegated more decisions and resources to their local staff—a process referred to as deconcentration. In principle, a well-deconcentrated government system is able to increase the total amount of resources available for pro-poor public services and can allocate these resources across the national stage in accordance with where local needs are greatest. Yet while deconcentrated units are potentially able to adopt more efficient management practices and link more closely with local stakeholders, they are unable to achieve the same degree of responsiveness and downward accountability that is possible in a public sector where public services are delivered by elected local governments.

The strongest form of decentralization is achieved by employing devolution, in which elected local governments are empowered, either by the acknowledgement of general competences in certain policy areas, or by the transfer of specific service delivery functions. The global trend has been toward the development of elected forms of local government that have, in addition to their vertical accountability, a strong public service delivery role and direct accountability to its citizens. Where devolution is the chosen mode, central authorities typically retain some involvement over the functions assigned to the local level (for instance, by setting national service delivery standards, supervising and providing support), but still grant the local governments the main responsibility of providing the public service.

The weight of public service responsibilities and the degree of autonomy acquired by local government varies greatly from country to country. There is widespread acknowledgment that local governments are well-situated, but need to be more empowered to make a contribution to the achievement of the MDGs. Local governments that are large, urban, well-established and have a productive economic base are in the forefront of this effort. Conversely, new, small and poorly supported local governments struggle to take on meaningful service functions.

Why haven’t local governments realized their potential to enhance public service delivery?

In some cases, national governments find it difficult to develop and implement a coherent approach to decentralizing the delivery of public services. The ministry championing local government reform may be able to guide decentralization initiatives though legislative hurdles, but it is not unusual for sectoral ministries to resist or reject the reforms. The result is conflicting legislation and inconsistent implementation across sectors. The lag
in the implementation of sound sectoral decentralization reforms often contributes to service outcomes that are far from what is expected.

Even when the national level government is consistent and supportive, the introduction of a sound local governance system meets with other daunting challenges. Elected officials or the executive officers of local governments may lack experience, or they may be tied to certain groups and interests, and therefore fail to act in the public interest. The advantage of proximity to the people may be neutralized by the absence of mechanisms for involving citizens, communities and community-based organizations.

Typically, local governments also struggle to have their challenges placed on the national agenda. In many countries, meager resources are provided to the local governments, and there are wide variations of resources and capacities among the local communities. These elements present considerable obstacles to the effective analysis of common challenges, and make it difficult to mount effective communication and advocacy initiatives for the national policy and programming changes that could serve to strengthen local governments in their service provision roles.

Decentralization has not proven to be an easy route to the improvement of public services. This is a consequence of the partial steps taken, but also speaks of the complex factors that influence the quality and reach of services. Despite this reality, some notable successes indicate that progress can be made, particularly when the supply and demand sides are addressed simultaneously. Nationally-driven schemes have included performance-based granting to local governments, which have spurred improvements in governance processes (particularly in public financial management) with an expectation of more effective service delivery. Another more direct, but more centralized, way of ensuring service improvement at the local level is based on reimbursing verified “results” (so, for instance, a local government would be reimbursed for the cost of developing a clean water system seen as effective).

Locally driven efforts have included the re-engineering of business processes for services, particularly those relating to business or construction permits, which sometimes radically reduces the waiting periods for documentation. Some local governments have invited civil society organizations to the service delivery policy-making discussion table, and in cases have established genuine co-management arrangements. Local governments have supported, or accepted, other initiatives that ensure greater local accountability. Tools such as Participatory Budgeting and Expenditure Tracking (PBET), Public Expenditure Tracking Surveys (PETS), and Citizen Report Cards (CRC) have increased citizen scrutiny of local operations. Local governments have worked with citizens to prepare charters that specify the service expectations of users and of the community in general. These documents are social contracts that enable local officials to publicly commit to locally agreed-upon standards, the provision of information, grievance redress, performance indicators, courtesy and value for money.
How can the potential of local government in enhancing service delivery be unlocked?

When properly positioned, local governments are often more successful in gaining the people’s trust than national governments. The legitimacy that comes from operating in a more visible, accessible and accountable way is an important form of social capital. It is crucial then that local governments share their successes widely, to inspire other local governments—and national policy makers—that are as yet unsure of where the local level fits in the range of service improvement options available.

As circumstances and challenges evolve, local governments need to be empowered in ways that enable them to adapt and continue to innovate, even as they remain responsive to the public in the range and quality of services, and in the way citizens are engaged in service-related decisions. There is evidence that national frameworks are important in fostering dynamism at the local level; national involvement, if poorly handled, can also stifle local potential. Donors and supporters must keep in mind that capacity for decentralized service delivery needs to be directed at both national and local levels.

Increasingly, local governments need to be given mandates that recognize their diversity and maximize the possibilities of self-government. Carefully combining local responsibilities and obligations with local discretion (for instance, through gradually more permissive legislative frameworks) will allow local officials to be flexible and responsive. When local governments are given the freedom to increase local taxes (at least, at the margin), this not only allows them to fund local services, but it also promotes the empowerment of people over the public sector, since it enhances citizen scrutiny over (local) public spending. Matching local service delivery competencies with adequate funding, through a combination of intergovernmental fiscal transfers and local taxing powers, will ensure that public service provision is adequately funded while it adheres to budget constraints and shows fiscal discipline.

Discussion Questions:

Some questions that need to be addressed in order to further strengthen the role played by local governments in public service delivery and accelerating the progress toward the MDGs include:

1. To what degree are local government seen as key players in pursuing the MDGs?
2. What successful pro-poor service delivery innovations have been led by local governments? Or are local governments largely the implementers of centrally and donor-led pro-poor service delivery?
3. Is the choice of decentralizing services to local governments attractive to national actors in view of other options under the broad rubric of decentralization, such as deconcentration, special operating agencies, working through community organizations, or contracting with the private sector? Under what conditions does the track
record and prospects of local governments warrant a greater emphasis on greater
devolution of responsibilities to local governments?

4. Do local governments need to be more self-governing to address service issues
   with greater creativity and appropriateness, and how should this greater sense of
local autonomy be created, in terms of their structure, functions, finances, and
administration?

5. It is best to view LG as focused on efficient provider of local services or to recognize
   its democratic character – with implications for how service delivery is undertaken
   (e.g. with a redistributive aim, or using procurement power to achieve social ends)
   and the scope of LG action (beyond services)?

6. What accountability mechanisms, particularly toward citizens, would be needed in
   allowing LG more room to define the scope of its service provision and how it engag-
es with third parties in service delivery?