Good Governance, Aid Modalities and Poverty Reduction: Linkages to the Millennium Development Goals and Implications for Irish Aid

Research project (RP-05-GG) of the Advisory Board for Irish Aid

The Advisory Board for Irish Aid
An Bord Comhairleach do Chúnamh Éireann

Working Paper 2

Neopatrimonial Politics, Decentralisation and Local Government: Uganda and Malawi in 2006

Diana Cammack, Fred Golooba-Mutebi, Fidelis Kanyongolo and Tam O'Neil

December 2007

Disclaimer and acknowledgements

The views presented in this paper are those of the authors and do not necessarily reflect the views of the Advisory Board for Irish Aid or those of any of the organisations in the research consortium implementing the project.

The team would like to thank the Advisory Board for Irish Aid for helping us to provide useful information on the links between politics and poor development performance and for funding this research. In the field, a whole host of individuals and groups were helpful to us, ranging from journalists, politicians and officials to NGO staff, villagers and local campaigners for change. While some informants were keen to be cited, we decided to not use any names in order to protect those who wished to remain anonymous. To the many people who gave us their time, please accept our deep thanks for your patience and your insights into how Malawi and Uganda really work.

The authors also thank Bill Morton of the North-South Institute for comments on a previous draft, and Roo Griffiths for excellent editorial assistance. Responsibility for the content of published version remains with the authors.

Good Governance, Aid Modalities and Poverty Reduction Working Paper Series

Working Paper 1: *Democratisation's Third Wave and the Challenges of Democratic Deepening: Assessing International Democracy Assistance and Lessons Learned*
Lise Rakner, Alina Rocha Menocal and Verena Fritz (2007)

Working Paper 2: *Neopatrimonial Politics, Decentralisation and Local Government: Uganda and Malawi in 2006*.
Diana Cammack, Fred Golooba-Mutebi, Fidelis Kanyongolo and Tam O'Neil (2007)

Working Paper 3: *Corruption, Anti-corruption Efforts and Aid: Do Donors Have the Right Approach?*
Ivar Kolstad, Verena Fritz and Tam O'Neil (forthcoming 2008)

Working Paper 4: *Regional Organisations and Incentives to Improve Governance: The APRM Experience, with Particular Reference to Ghana*.
Sven Grimm with E. Gyimah-Boadi (forthcoming 2008)

Working Paper 5: *Measuring Governance: What Guidance for Aid Policy?*
Julius Court and Verena Fritz with E. Gyimah-Boadi (2007)

Working Paper 6: *Building Blocks or Stumbling Blocks? The Effectiveness of New Approaches to Aid Delivery at the Sector Level*
Tim Williamson and Zainab Kizilbash Agha with Liv Bjornstad, Gerald Twijukye, Yamungu Mahwago and George Kabelwa (forthcoming 2008)

Working Paper 7: *Donors and the Political Dimensions of Health Sector Reform: The Cases of Tanzania and Uganda*
Kent Buse David Booth with Grace Murindwa and Aziza Mwisongo (forthcoming 2008)

Working Paper 8: *What is New in the New Thinking about Conditionality: The Experience of General Budget Support in Ghana and Tanzania*
Zainab Kizilbash Agha and Andrew Lawson (forthcoming 2008)

www.odi.org.uk/PPPG/politics_and_governance/what_we_do/Politics_aid/Governance_Aid_Poverty.html

Overseas Development Institute
111 Westminster Bridge Road
London SE1 7JD, UK
Tel: +44 (0)20 7922 0300
Fax: +44 (0)20 7922 0399
www.odi.org.uk

Contents

List of acronyms ..... **iv**

Executive summary ..... **vi**

1. Introduction **1**
1.1 Research questions 1
1.2 Methodology 1
1.3 Structure of the paper 2

2. Background **3**
2.1 Neopatrimonialism in theory: defining characteristics and logic 3
2.2 Decentralisation in theory 4
2.3 The history of decentralisation in Malawi and Uganda 5
2.3.1 Malawi *5*
2.3.2 Uganda *8*

3. Neopatrimonial politics and decentralisation: Malawi in 2006 ..... **11**
3.1 The political landscape in Malawi 11
3.2 Malawi national politics 12
3.2.1 Neopatrimonial political imperatives and competition for state power *12*
3.2.2 Section 65 ..... *14*
3.2.3 Delay of local elections *16*
3.3 Malawi local politics, 2006 18
3.3.1 Decentralised institutions and the configuration of local power *18*
3.3.2 Relations between local political actors *20*
3.3.3 Organic local structures: the district consultative committees *23*
3.3.4 Constituency development fund *25*
3.4 Summary 27

4. Neopatrimonial politics and decentralisation: Uganda in 2006 ..... **30**
4.1 The political landscape in Uganda 30
4.2 Politics and decentralisation in 2006 32
4.2.1 Abolition of graduated tax *32*
4.2.2 Recentralisation: restructuring and the CDF *37*
4.2.3 Proliferation of districts *40*
4.3 Summary 46

5. Conclusion **49**
5.1 Institutional hybridity, neopatrimonial logic and policy reform 49
5.2 Country conditions individualise neopatrimonial logic and outcomes 51
5.3 Political economy analysis as an essential donor tool 51

6. Recommendations **53**

References **56**

Figure 1: Local power centres in Malawi 20
Figure 2: Local government and administrative units: layers, number and size 37

Box 1: Lilongwe City Council 24
Box 2: Delivery of health in the absence of formal DAs 25
Box 3: Impact of abolition of graduated tax on district finances 34
Box 4: Tororo district case study 43

List of acronyms

ADC	Area Development Committee (Malawi)
AFORD	Alliance for Democracy (Malawi)
CA	Constituent Assembly (Uganda)
CAO	Chief Administrative Officer (Uganda)
CDF	Constituency Development Fund
COMESA	Common Market for Eastern and Southern Africa
CSO	Civil Society Organisation
DA	District Assembly (Malawi)
DC	District Commissioner
DDC	District Development Committee (Malawi)
DDP	District Development Plan (Malawi)
DDPS	District Development Planning System (Malawi)
DEC	District Executive Committee (Malawi)
DFID	UK Department for International Development
DPP	Democratic People's Party (Malawi)
EP&D	Ministry of Economic Planning and Development (Malawi)
GT	Graduated Tax (Uganda)
HIV/AIDS	(Human) Acquired Immunodeficiency (Virus) Syndrome
IFI	International Financial Institution
IMF	International Monetary Fund
ISP	Infrastructure and Service Provision
LC	Local Council
LG	Local Government
LGDP	Local Government Development Programme (Uganda)
MASAF	Malawi Social Action Fund
MCP	Malawi Congress Party
MEC	Malawi Electoral Commission
MLGA	Malawi Local Government Association
MOLG	Ministry of Local Government and Rural Affairs (Malawi)
MP	Member of Parliament (or National Assembly)
NAADS	National Agricultural Advisory Services (Uganda)
NDP I & II	National Decentralisation Programme Phase 1 and 2 (Malawi)
NGO	Nongovernmental Organisation
NRC	National Resistance Council (Uganda)
NRM	National Resistance Movement (Uganda)
NRM-O	National Resistance Movement Organisation (Uganda)
ODI	Overseas Development Institute
PAC	Public Affairs Committee (Malawi)
PE	Political Economy
PEAP	Poverty Eradication Action Plan (Uganda)
PFM	Public Financial Management
PMA	Plan for the Modernisation of Agriculture (Uganda)
PPM	People's Progressive Movement (Malawi)
PPPG	Poverty and Public Policy Group (ODI)
PS	Permanent Secretary
PRS	Poverty Reduction Strategy
RC	Resistance Councils (Uganda)
SCAGA	Strategic Governance and Corruption Analysis (Netherlands Ministry of Foreign Affairs)
Sida	Swedish International Development Cooperation Agency
SMC	Senior Management Committee
SNG	Sub-National Government
SWAp	Sector-Wide Approach

TA	Traditional Authority
UDF	United Democratic Front (Malawi)
UGLA	Uganda Local Government Association
UN	United Nations
UNCDF	` UN Capital Development Fund
UNDP	UN Development Program
UPC	United People's Congress (Uganda)
USAID	US Agency for International Development
VAT	Value-Added Tax
VDC	Village Development Committee (Malawi)

Executive summary

This study is part of a larger, two-year programme of research on Governance, Aid Modalities and Poverty Reduction, which is expected to improve the design and implementation of Irish Aid's development and governance programmes in poorly performing hybrid states. The study examines the impact of domestic politics on public sector reform in African states that are classed as neopatrimonial or 'hybrid', exploring three propositions. First, elite behaviour is governed by a particular political logic in hybrid states, leading them to use both formal and informal institutions to gain and retain power in (what tends to be) winner-takes-all competition for control of the state. Secondly, national and local elites instrumentalise reform processes according to this political logic. Thirdly, this explains why formal structures function in unexpected ways and reforms have unexpected outcomes – often to the detriment of development objectives.

The research focuses on the process of decentralisation and local government reform. Other public sector reforms might have been selected, given the hypothesis that neopatrimonial political logic affects all such reform processes in similar, though particular, ways. Donors and local reformers have promoted decentralisation as a means to improve public service delivery and promote participatory democracy and decision-making. The results have generally been disappointing. Using field research in Malawi and Uganda in late 2006, this study examines whether this can be explained by the influence of national and local politics on the implementation of decentralised structures and processes.

Growing organically from events on the ground, interviews and data collection in Malawi concentrated on (i) why local council elections have been delayed since 2005 and (ii) what institutions are emerging in the absence of local assemblies and why. Local-level power systems are explained, as they affect the way in which district governments function without formally constituted assemblies. During the fieldwork, it was discovered that a new MP's constituency development fund had recently been introduced, and we sought (iii) to determine why it was brought in and the impact it was likely to have on local government and development.

In Uganda the study focused on (i) why graduated tax, collected by local authorities, was abolished in mid-2005 and the impact its abolition had had on local governance, and (ii) why there had been a proliferation of districts in recent years. As the interviews progressed, it was discovered that recentralisation of local government had recently taken place and so information was collected on (iii) the cause and consequences of this structural reform. A constituency development fund was also introduced recently in Uganda and therefore (iv) we sought to learn how it was being managed.

The two case studies contain new material about national and local politics in Malawi and Uganda in 2005–6. There will be much of interest here for country and regional specialists – as well as those wanting to better understand the functioning of a hybrid states and societies. The case study summaries and the study conclusion then use this material to reflect on the three hypotheses noted above. Sections 3.4 and 4.3 consider what this material suggests about neopatrimonial politics and their impact on decentralisation and reform in Uganda and Malawi. Section 5 compares these to extract general implications for policy and reform in hybrid states.

First, **Malawi and Uganda are institutional hybrids with similar attributes and political logic**. Formal (legal-rational) institutions and informal (patrimonial) practices and norms interact in constantly changing ways, creating multiple *de facto* rules and uncertainty for all. Their societies are pre- or quasi-capitalist and therefore relatively unproductive, so controlling and milking the state is the principal means of accumulating wealth. This, combined with a reliance on the distribution of patronage for legitimacy and support, creates ruthless, zero-sum politics. Power is centred on a charismatic leader, who heads a vertical network of loyalists. Because the 'big man' is relatively unfettered by modern accountability institutions, he is able to use all available political

tools to retain power and legitimacy – informality, personalism, particularism, patronage and exchange, elite bargains and shifting allegiances, as well as the opportunities that new formal institutions provide for gaining advantage over rivals. Competitors, who are also rooted in the socio-political context, adopt similar defensive and offensive strategies. Because the structural underpinnings of this neopatrimonial logic change only very slowly, it is difficult for them to act any differently than their predecessors if they come to power. Central politics are played out in the local arena, but local elites also vie for power and resources, giving local politics a life of their own.

Secondly, **this logic is greatly influencing policy-making and reform in both countries, and is having a significant impact on democratic decentralisation**. Rather than promoting the public interest, national and local leaders are manipulating formal institutions and reforms to gain access to power and resources and advantage over rivals. The precise dynamics – and their impact on decentralisation – are unique to each country, but both countries have witnessed a decline in democratic oversight and accountability and a partial reversal of the devolution of power and funds, because these go 'against the grain' of neopatrimonial politics and the interests of the 'big men'.

In **Malawi**, party politics are disabling Parliament and its committees, and have led Mutharika – fearful of the weakness of DPP grassroots support – to postpone local elections. In the absence of local councillors and legally mandated district assemblies, organic forms of hybrid governance structures are emerging at district level that differ according to the local political forces at work. Although the impact on services is unclear, there has been a *de facto* recentralisation and a decline in democratic oversight and accountability. The new constituency development fund has been welcomed by MPs, but also reinforces informal and personalised politics and threatens to distort local development planning processes.

In **Uganda**, the abolition of graduated tax and the proliferation of districts have been driven by Museveni's personal political agenda and his need to generate elite and popular support in the face of democratic challenges to his authority. Although popular, these changes are ill conceived, opportunistic and, in some instances, undertaken without due legal process. They are also destructive of decentralised processes. Local governments now do not have sufficient funds to fulfil their political functions and deliver goods and services – a situation compounded by the creation of new districts. These changes have been accompanied by local government reforms that recentralise decision-making and weaken democratic accountability.

Thirdly, **domestic ownership of current changes is striking**. Donors played a large role in driving political reform during the 1990s – and this was certainly resisted and manipulated by those domestic elites who benefited from the status quo. But the formal macro-institutional framework that these reforms put in place – including democratic and decentralised institutions – does appear to have been accepted by Malawians and Ugandans. Leaders do not overtly reject or work outside these – as the use of legally constituted methods to extend presidential term limits testifies. What is apparent, however, is that current reform trajectories are being instigated by domestic elites, often against the preferences of donors, in an attempt to mould the functioning of this macro-institutional context to their advantage. Restructuring and recentralisation, district creation, constitutional amendments and *de facto* informalisation are all examples of this.

Fourthly, **democratisation is accentuating neopatrimonial logic and its outcomes**. Democratisation has fundamentally changed the formal rules of the game. Insecure incumbents – who face the threat of being removed from office by popular choice – have had to turn more attention to maintaining their power rather than running the country. Political strategies that favour short-term political gain, populist policy, patronage and the recentralisation of power – over coherent policy-making and long-term development planning – are the result. New democratic institutions are not just creating uncertainty, however. They also present new opportunities for gaining advantage over opponents – and the elite in both countries appear to be gaining confidence in using parliamentary committees, constitutional amendments and the courts in this way. Nevertheless, zero-sum politics are reinforced when all presume that whoever controls the state will use its formal and informal power and resources to distort democratic competition.

Fifthly, **a generalised political logic has little predictive power divorced from country conditions**. Exactly how competition for power plays out – and how this influences reform processes and their outcomes – depends on the precise configuration of actors and interests and the structural and institutional features within which they operate. The culture of personalism, hierarchy and *de facto* executive power means that individual leaders are particularly important in neopatrimonial states. What they believe and how they think and act matter, as do their personal histories. A comparison of the strategies and policy record of Muluzi and Mutharika confirms this. However, these leaders do not have complete agency. Museveni's pre- and post-democratisation record bears witness to how institutional changes can influence behaviour and agendas. Patronage is now driving policy in Uganda, much as it did in Malawi under Muluzi. The specific country conditions therefore explain the variations in the paths of decentralisation both across and within these countries.

Sixthly, **ongoing political economy analysis is an indispensable tool for donors**. Donors will only be more effective at engaging with hybrid countries when they understand how political actors will respond to different types of reforms, and design their interventions accordingly. This requires up-to-date local knowledge about individual interests and networks and informal rules, as well as understanding of historical path dependency. This type of analysis becomes more important when programmatic modalities, such as general budget support, are used to deliver aid.

1. Introduction

1.1 Research questions

The purpose of this study is to examine the impact of domestic politics on public sector reform in African states classed as neopatrimonial or 'hybrid'. The research explores three hypotheses about neopatrimonial states suggested by the literature:[1]

1. Common characteristics of neopatrimonial states give rise to a particular political logic: political elites use both formal and informal institutions to gain and maintain power in (what tends to be) a winner-takes-all competition for control of the state.
2. Reform processes are instrumentalised according to this political logic by national and local elites.
3. This explains why reforms often have unexpected outcomes, in particular why formal structures and organisations do not function as expected and to the detriment of developmental objectives.

The research focuses on processes of decentralisation, although other public sector reforms – such as civil service restructuring or privatisation – may feature because neopatrimonial politics affects all such processes in similar, though particular, ways. Donors and local reformers have promoted decentralisation as a means to improve public service delivery and promote participatory democracy and decision-making, but the results have generally been disappointing (Crook and Manor, 1998). This research examines the extent to which this can be explained by the influence of national and local politics on the design and implementation of decentralised structures and processes.

The broader objective of this study – as part of a two-year research programme on 'Governance, Aid Modalities and Poverty Reduction' – is to improve the design and implementation of Irish Aid's development and governance programmes in poorly performing hybrid states. Specifically, Irish Aid is encouraged to use political economy analysis regularly, in order to understand a society's deep-rooted social structures and informal political systems, and their interaction with formal state structures and reform processes. This study is an example of this type of analysis. As a result, the content of the research and the questions it asks are of value (equal to that of the country-specific findings) to programme managers seeking to find a way to uncover the logic that is driving politics in any particular aid-recipient, neopatrimonial state.

1.2 Methodology

Field research on the interaction of decentralisation and neopatrimonialism was undertaken in Malawi and Uganda in November and December 2006. Some additional material covering subsequent events was added in mid-2007, although this was not comprehensive. The two countries were chosen as case studies because they are both categorised as neopatrimonial states while exhibiting different political trends, including quite different experiences with decentralisation. The case studies addressed one overarching question: what impact are neopatrimonial politics having on the process and structures of decentralisation? To explore this question, the research focused on key trends and events in local and national governance in 2006 in each of the countries.

Growing organically from events on the ground, interviews and data collection in Malawi concentrated on (i) why local council elections are being delayed and (ii) what institutions are

[1] Further discussion of the theoretical basis of these hypotheses can be found in the Concept Paper (Cammack et al., 2006).

emerging in the absence of local assemblies, and why. During the fieldwork, it was discovered that a new MP's constituency development fund (CDF) had recently been introduced. We sought to determine (iii) why it had been brought in and the impact it was likely to have on local government and development.

In Uganda, the focus was on: (i) why graduated tax (GT), collected by local authorities, was abolished in mid-2005 and the impact its abolition had had on local governance and (ii) why there had been a proliferation of districts in recent years. As the interviews progressed, it was discovered that recentralisation of local government had recently taken place and so information was collected on (iii) the cause and consequences of this structural reform. A CDF was also recently introduced in Uganda and therefore we sought to learn (iv) whom it benefited.

ODI researchers and national associates conducted key informant interviews and focus group discussions. Among those consulted were government officials at national and district levels, traditional authorities (chiefs) and popularly selected 'town chiefs', MPs and political party officials, Cabinet ministers, permanent secretaries, presidential advisors, leaders and activists in civil society monitoring local government and decentralisation, and NGO and donor officials. Time restrictions limited our research at the village level, although an effort was made to speak to ordinary people about these issues whenever possible.[2]

1.3 Structure of the paper

This paper is structured as follows:

Section 1 sets out the research questions and methodology. Section 2 contains background material for the study, providing:

- A working definition of neopatrimonialism, its main characteristics and logic;
- A definition of decentralisation and the theoretical rationale for donor support to it; and
- An overview of decentralisation in Malawi and Uganda since independence.

Sections 3 and 4 are case studies of neopatrimonial politics and decentralisation in Malawi and Uganda, respectively. For each country, these provide:

- An overview of their main political features;
- A detailed discussion of the key trends and issues relating to decentralisation in 2006 (within both national and local arenas);
- A summary exploring what the case study material suggests about the neopatrimonial logic apparent in domestic politics and how this is influencing local government and democratic decentralisation.

Section 5 compares the findings of the two case studies and draws some broader conclusions about neopatrimonial political logic and its impact on policy-making and reform. Section 6 suggests what this means for donors.

[2] The sensitive nature of this research means that sources of unpublished information will not be identified in the text. Informants included presidential aides and current/former Cabinet ministers, MPs, politicians in and out of office, journalists, district and sector officials, chiefs and headmen, political party officials and activists, donors and foreign technical advisors, NGO leaders and their staff at local and central levels, as well as villagers and urban residents.

2. Background[3]

2.1 Neopatrimonialism in theory: defining characteristics and logic

Both Malawi and Uganda have been described as neopatrimonial states. Bratton and van de Walle (1997: 62–3) describe these as being:

> Hybrid political systems in which the customs and patterns of neopatrimonialism co-exist with, and suffuse, rational legal institutions … patrimonial logic is internalised in the formal institutions of neopatrimonial regimes, it provides essential operating codes for politics.

This definition captures four essential elements of neopatrimonial states.

Institutional hybridity: Informal institutions are a feature of all human societies. Therefore, all states have both formal and informal institutions.[4] Building on Max Weber's typology of forms of authority, neopatrimonial states are distinguished by the existence of informal *patrimonial* norms and practices alongside formal *legal-rational* rules or institutions.

Existence of both patrimonial and legal-rational institutions: In purely patrimonial regimes, the question of the legitimacy of patrimonial practices does not arise because no distinction exists between the public and private spheres (Medard, 1982). In contrast, in neopatrimonial states, patrimonial practices utilise (and free ride on) legal-rational institutions. Neopatrimonial states are therefore distinguished by the existence of formal rational-legal institutions (however dysfunctional) and elite commitment (however rhetorical) to the separation of the public and private spheres, alongside informal patrimonial norms.

Relative importance of formal and informal institutions: All modern states exhibit practices that can be characterised as patrimonial. Neopatrimonial states are distinguished by the patrimonial logic being widespread and, often, dominant (Chabal and Daloz, 1999; Clapham, 1982).

Institutional incompatibility: In stable polities, complementary formal and informal institutions usually govern the political rules of the game. Neopatrimonial states not only lack a common set of predictable rules, but also formal and informal rules are often contradictory. This enables contestation about the legitimate rules of the game and produces uncertainty about which rules will be enforced (Leftwich, 2000; 2006). Rather than being defined by an absence of rules, therefore, neopatrimonial states are distinguished by the presence of multiple and contradictory rules or institutions.

The patrimonialism or informality of neopatrimonial states expresses itself through three basic characteristics. These are fundamental to understanding other behaviours and dynamics observed in neopatrimonial states:

Weak or no separation of the public and private spheres: This results in the private appropriation of the public sphere and the use of public resources for, *inter alia*, political legitimation. It is also intimately related to other relationships and practices, including clientelism, nepotism, horizontal exchange relationships and corruption.

---

[3] A more detailed discussion of the issues raised in this section is provided in the Concept Paper (Cammack et al., 2006).

[4] Formal institutions are explicit and concretised in written documents (e.g. constitutions, laws and regulations, commercial and civil service codes and procedures), physical structures (e.g. ministries, legislatures, courthouses) and public events (e.g. elections, council meetings). Informal institutions are implicit and based on unwritten understandings such as socio-cultural norms, routines and traditions (Brinkerhoff and Goldsmith, 2002). As with formal institutions, a necessary characteristic of informal institutions is the belief that the rules that they give rise to will be enforced (Helmke and Levitsky, 2006).

The primacy of vertical over horizontal ties: Sub-Saharan African (and other neopatrimonial) states continue to have predominantly agrarian or pre-capitalist economies. Weak class formation means that Africans tend not to identify their interests with, and organise along, horizontal lines. Instead, they maintain predominantly vertical relationships and/or those based on primordial or ascriptive ties (kinship, ethnicity, religion). Combined with weak separation of the public and private spheres, the primacy of vertical ties results in the systemic clientelism found within neopatrimonial states.[5] Clientelism is also reinforced by the zero-sum nature of neopatrimonial competition for state power. This makes it imperative for both patron and clients to maintain their relationships: for patrons, because of their need to maintain their position and support base; for clients, because of the absence of reliable and universal public services and safety nets (Le Vine, 1980; Kurer, 2007).[6]

Personalism: Personalism suffuses neopatrimonial states and expresses itself both in the form of leadership ('presidentialism') and in the nature of power and relations throughout society. As noted by Bratton and van de Walle (1997: 62), neopatrimonial states tend to be presidential. This refers not to the formal political system (although these, too, are usually presidential) but to the fact that power is concentrated in one individual 'who dominates the state apparatus and stands above its laws'. Others refer to this phenomenon as the 'big' or 'strong' man syndrome (Sandbrook, 1985; Medard, 1982). Leadership in Africa also tends to require elements of charisma, which is used to legitimise authority. However, the hierarchical nature of many African societies and the primacy of patron-client relations mean that personalism and 'big man, small-man' dyads tend to be replicated at (and link) all levels of society.

This system results in a political ***logic*** that is characterised by the use of both formal institutions (e.g. the state) and informal rules, norms and practices (e.g. personalism, clientelism, patronage, *de facto* centralised control of state resources, etc.) to gain legitimacy and advantages over rivals in a 'winner-takes-all' competition for control of the state. This leads politicians to form fluid political alliances based primarily on the quest for power rather than issues or principles. They seek above all to stay in power and have little interest in rotating parties, fair elections or a free media. Such regimes are characterised by a narrow vision, as politicians seek first to benefit their own ethnic group, regions and loyalists rather than the nation. They will buy support – handing out Cabinet posts, providing opportunities for rent and using government funds to campaign or increase personal wealth. The 'big man' will bypass democratic processes and institutions when making decisions and appointments, so these are done informally and not necessarily based on merit. He seems very sure of his own capacities and is not easily convinced to leave office. He is prepared to ignore the law and use the power of the state to protect his cronies and to eliminate his rivals. As a result, national economic development is not prioritised but is subordinated to the political imperative of retaining control of the state.

2.2 Decentralisation in theory

Decentralisation is defined as 'a process of devolving political, fiscal, and administrative powers to sub-national units of government' (Burki et al., 1999). The degree to which the central government devolves power and resources to the periphery determines the form of decentralisation. 'Devolution' is regarded as 'the most extreme form of decentralisation'; nowadays, however, it is the most common, and is the form being formally implemented in both Uganda and Malawi.

[5] It is important to note that primordial identities are also created and instrumentalised. Also, as argued by Anders (2005), there is a tendency in the neopatrimonial model to treat all social relationships as 'primordial'. In reality, Africans are involved in different types of clientelistic (and other) relationships with different implications for expectations and obligations, which are fluid and subject to negotiation as conditions change. This is particularly true of urban Africans who are involved in a number of voluntary associations that constitute horizontal networks and entail obligations of a different order than those based on kinship.

[6] Explaining why people stay committed to patrons in a similar system in Zambia, a senior official noted that 'people are all rational. They rationally assess the system' and even if it doesn't support them, they will stick with it. 'Rebelling against this system is not the answer.'

Democratic decentralisation 'implies the divestment of functions by the central government and the creation of new units of governance outside the control of central authority'. Local governments should therefore have autonomy and independence from central government and a clear boundary (legal and geographical) over which they have authority, along with the power to raise and allocate resources and interact with citizens and central government (Rondinelli, 1981). Decentralised systems designed with donors for post-transitional states are now part of the larger governance agenda. Yet, we know that, historically, forms of decentralised power have been used for non-democratic purposes – to mobilise villagers to fight, to generate enthusiasm for a particular leader, and for the central administration to maintain control of local affairs.

In Malawi and Uganda, as elsewhere, decentralised political systems are justified by highlighting their democratic benefits. In recent decades, decentralisation has been meant to promote governance and economic goals that donors and national governments are presumed to share. Specifically, it is not seen as an end in itself, but as a way to 'accelerate the pace of [economic] growth, integrate diverse regions in heterogeneous countries and use scarce resources more efficiently to promote development in poverty stricken or economically lagging areas' (ibid.)

As for its political rationale, decentralisation is meant to bring decision-making closer to the people, to increase their participation and voice, and to improve government's response to their needs. It is also meant to increase civil society's scrutiny of government, and thus to improve public services and political accountability. In theory, lower-level governments will tailor programmes to meet heterogeneous localised needs, reduce the time it takes to implement plans, respond to the requirements of isolated communities, improve local capacity, reduce the workload of central ministries, be more innovative and flexible, etc. The general aim, then, is to improve efficiency in the delivery of services and use of development resources to reduce poverty and to consolidate democracy and promote good governance (ibid.)[7] This is presumed to be the case whether the policy is promoted by central government, as in Uganda from the mid-1980s, or largely at the behest of donors, as is more the case in Malawi after the transition.

2.3 The history of decentralisation in Malawi and Uganda

2.3.1 Malawi

In Malawi, British colonial rule in the rural areas was based on traditional authorities or chiefs (TA) and district and provincial commissioners. A Native Authorities Ordinance was introduced in 1933. In 1953, the British government passed the Local Government (District Councils) Ordinance in Malawi, establishing formal statutory district councils consisting of appointed members, with district commissioners (DCs) as chairmen. Initially given limited authority to make bylaws and provide services, the councils were soon stripped of 'all rule-making powers' because of the fear that they would become power bases in the anti-colonial struggle. However, shortly before independence, as the Malawi Congress Party (MCP) formed a government, statutory district councils were reintroduced (the Local Government (District Councils) (Amendment) Ordinance of 1961). This established a decentralised system of governance comprising locally elected councils, selected through universal adult suffrage, with a chair elected by the council members. The DC no longer ran the council but rather advised it, whereas chiefs were *ex-officio* members. Field offices of central government ministries worked with the DC at district level too.

This trend of devolving authority and decision-making was reversed when Dr Banda recentralised power and Malawi became a one-party state in 1966. All government institutions were constitutionally subordinated to the party and Banda selected councillors from a list of nominees (who had to be MCP members). District development committees (DDCs), chaired by the DC and

[7] This argument has more recently been summarised by Saito (2001). For an analysis of the assumptions underlying this 'governance theory' and how they differ from old public administration and new public management assumptions, see Kjaer (2005b).

including chiefs, senior sector people and representatives of business and society, were formed from 1967, to provide decentralised planning of local development projects. Popular participation was theoretically possible through village and area development committees although, in practice, these served as mechanisms to disseminate Dr Banda's centrally designed development plans to villagers.

The pendulum swung again as the transition approached, when a new development structure was adopted (1993): the 'District Focus for Rural Development'. This sought to strengthen the DDCs (to become local-level planning agencies) and to provide them with funds so that they could be the motor for rural development activities and popular participation. This led to a number of changes to the DDCs, in their membership, funding and structure. Yet, participation remained weak, particularly during development planning; proposals were influenced by local politicians gaining credit for themselves and local people had no say over the allocation of funds. The DDC was still seen as a further 'mechanism of regulation' by central government, while the district councils 'declined', although continuing to exist on paper.

On coming to power in 1994, the United Democratic Front (UDF) abolished all local government councils. The transition was meant to promote democracy; decentralised systems were seen as one way of doing this and of fostering development. The 1995 Constitution provided for the establishment of local government authorities that would be 'responsible for the representation of the people … for their welfare, and … for the promotion of infrastructural and economic development … consolidation and promotion of local democratic institutions and democratic participation'. A commission proposed the integration of the district administration under a local authority in 1996 (van Donge, 2003). However, government repeatedly postponed local council elections, a delay that was assumed by commentators to be the result of the ruling party's fear that the MCP (still powerful in parts of the country) would win them, thus giving opposition politicians a base from which to campaign in the future. The DDCs – i.e., the developmental as opposed to the political leg of the dual decentralisation programme – continued to function.

In 1998, a review supported by donors proposed a new system, devolving rural and urban administration and political authority to the district level and integrating government agencies at the district and local level into one unit known as the 'assembly'. The Local Government Act of 1998 and the Malawi Decentralisation Policy, 2000 resulted in:

- The merging of old district councils and the district administration through decentralisation;
- The abolition of regional government offices;
- The abolition of the DC's office and its merging with the council, a process through which the DC became the chief executive of the district assembly;
- The renaming of the council to 'assembly', symbolising its new status and importance;[8]
- Assemblies being composed of elected members, TAs, MPs falling within the local government area and five other persons appointed by the elected members to cater for special interest groups within the district as determined by the assembly;
- The set-up of a district executive committee (DEC) comprised of all departmental heads;
- Decision-making bodies below the district level being based on the district focus approach of area and village development committees, although the new policy stipulated that the assemblies could create lower-level structures to facilitate participation as they saw fit;
- The central government being required to cede authority to district local governments in a number of fields, such as development planning, health and education, etc.; and
- The continuation of the district development planning system and fund.

[8] 'Local authorities are meant to have autonomy in financial and personnel matters. Besides their own sources of revenue, they are awarded a statutory right to 5 per cent of nationally collected revenue. An integrated district budget and a district development plan are meant to be the principal means of co-ordination, and councillors will have a say in personnel matters, especially in appointing the chief executive' (Donge, 2003).

As decentralisation theory stated, 'the legislation's architects argued that shifting authority to the district would promote democratisation and that district based autonomy would bring decision making to a level where communities were more inclined to participate and where they could hold politicians accountable for their actions' (Chiweza, 2004).

The first set of post-transitional local authority elections finally took place at the end of 2000, six years after Muluzi came to power. The ruling UDF won over 70% of the seats (612 of the 860 contested wards). However, the elections were marred by low voter turnout (only 14% of eligible voters) and opposition complaints of voter intimidation and lack of media access (US Government, 2000; People's Daily Online, 2006). The next local assembly elections were scheduled for 2005. After 2000, donors, particularly the UN Development Program (UNDP) and the UN Capital Development Fund (UNCDF), promoted the decentralisation process through pilot initiatives, capacity building and investment, in the expectation that it would increase accountability, transparency and sustainable development. The UN (through the Local Governance and Development Management Programme) provided broad capacity-building and capital-investment support to district-level institutions in the six pilot districts (from 1992), with the aim of helping government formulate and implement its decentralisation policy while integrating participatory planning and financing processes at local levels.[9] Based on successful pilots, the programme was expanded to all districts in 1997.

Soon, underlying tendencies towards the centralisation of power, as well as structural and capacity constraints, began to affect the implementation of the programme. For instance, owing to the inability of district governments to raise sufficient revenues, they remained dependent on financial support from central government, which did not transfer revenues as required by law. Thus 'the poor financial situation of District Assemblies undermine[d] their ability to make decisions and deliver services effectively and cause[d] them to lose credibility' (Esser, 2005). Further, while central government made efforts to decentralise functions and responsibilities to the district, observers felt that if the process was not carefully managed, 'centralisation' might occur at the district level, creating a local elite similar to that at the central level. There was, then, an identified need to push the decentralisation process beyond the district-level structure and reach out to the lower levels. Making it harder, though, was the passivity of the majority of rural Malawians, browbeaten by decades of autocratic rule; they were reluctant to take an active role in planning and implementation of activities or demanding services.

Other problems were identified by donors and local evaluators in 2004. They summarised the 'strategic challenge areas' of implementing the 2001–4 decentralisation programme:

- Power struggles between elected member of the assemblies, MPs and TAs;
- Resignation of citizens to poor public services, with important implications for the ability of decentralisation to empower citizens and increase local government accountability;
- Slow transfer of functions and resources from sectoral ministries to local assemblies owing to: (i) limited appreciation of the benefits of devolutionary decentralisation; (ii) absence of clear incentives; and (iii) unwillingness to lose control of resources;
- Poor operational linkages between decentralisation and major national policy frameworks, such as the Malawi Poverty Reduction Strategy, the Public Sector Reform Programme, sector wide approaches (SWAps) and sector investment plans;
- Inadequate coordination mechanisms and consequent fragmented implementation; and
- Poor monitoring and evaluation systems.

[9] Phase I of the programme had a budget of US$30.7 million. UNCDF contributed US$13.3 million, UNDP US$9.4 million and the Malawi government US$8 million in kind. In addition, communities themselves make valuable in-kind contributions, usually in the form of labour and materials for the economic and social infrastructure identified in their plans. Phase II expanded the programme to all districts of the country, financed by US$13.3 million from UNCDF and US$13.3 million from UNDP, with an US$8 million government contribution (Government of Malawi, 2004).

Analysts could be forgiven for thinking that the decentralisation process had made so little progress by 2004 because it was being driven not by local politicians but primarily by donors, technical advisors and a handful of Malawian bureaucrats, who believed it would promote democracy and improve service delivery. Lamented at the time of the assessment was the 'lack of political will' within the ruling party to push the process forward. But this was to be expected: the logic behind centralising fiscal and political power was strong, as was the fear of creating alternative seats of power for opposition politicians to exploit. The tentative nature of the assemblies in 2000–4 – little power, few funds and undereducated, ill-informed and often politically motivated councillors – did not generate a huge popular following either, although it must be said that the *idea* of having local councils did gain the support of those villagers eager to see democracy take root.

2.3.2 Uganda

Decentralised governance has a long history in Uganda, reaching back to the pre-colonial period in the Buganda Kingdom (Golola, 2003) and to the British imperial era, when an administrator, the district commissioner (DC, answering to the governor) and chiefs shared authority at the local level. Districts were created in the 1940s, and elections to district councils were introduced in the following decade. The 1962 Constitution required that nine-tenths of district council members be directly elected. These actors took responsibility for primary education, roads, land allocation, community development, law and order and local tax collection (US Department of the Army, nd).

The National Resistance Movement (NRM) fought its way to power in 1986 and, as in other revolutionary African states, retained control of liberated areas by creating resistance councils (RCs) that incorporated the masses, and by curtailing the independent power of chiefs. The RCs were relatively popular and participatory; filled a power vacuum in rural areas; generated stability, law and order; instigated social change by enabling government to penetrate isolated areas and by undermining the power of chiefs; and helped to legitimise the NRM government (Golola, 2003). After the war, RCs were introduced countrywide and made part of the formal local administration system. Every adult was a member of an RC (at village level, known as RC-I), which elected a 9-member resistance (executive) committee responsible for administering village affairs. There were four higher levels of RC, each with a 9-member executive committee, with their members selected by lower-level councillors. The terms of the resistance committees were two years. In other words, only the RC-I was popularly elected but decision-making was bottom-up in the sense that decisions made at village level could influence those made within the higher-level councils. The NRM also replaced DCs with district administrators – an 'explicitly political' position, as they were appointed by the President and were to oversee implementation of central government policy and provide political direction at the local level. A new bureaucratic post, the chief administrative officer (CAO), was appointed to supervise government departments at the district level. The post of village chief was abolished, with chiefs being retained only at the parish (RC-2) and sub-county (RC-3) levels as policy implementers working under the direct supervision of the CAOs. Below sub-county level, however, the position of chief was shorn of most if its powers. For the NRM and Museveni, then, the RC system combined a number of useful functions, including passing information and orders downwards, legitimising the government, and channelling support upwards from the people by promoting local participation.

With an input from donors who advocated democratic decentralisation as part of the larger poverty-alleviation programme articulated by the Poverty Eradication Action Plan (PEAP) in 1997, and of the long-term institutional restructuring and governance reform programme, the RC structure became central to the country's poverty reduction efforts. Resistance Councils were later renamed Local Councils (LCs)[10] and the system was legalised by the 1993 Resistance Council Statute, the 1995 Constitution and the Local Government Act of 1997. The Resistance Council Statute established the LC3 as the basic unit (administrative and political) of local government, to which technical and administrative personnel are posted. The LC5 is responsible for all funds from central

[10] LC1 (village), LC2 (parish), LC3 (sub-county), LC4 (county) and LC5 (district).

government and has been granted powers to raise taxes and legislate bylaws. A phased fiscal decentralisation process was implemented nationwide after 1993 with the help of donors, during which responsibilities and resources were divided between the central and local governments and transfers of funds and other resources from the centre were enabled.

In 2000, a World Bank team (Obwona et al., 2000) determined that:

> Within a very short time, Uganda has achieved one of the most decentralised and stable systems of SNG [sub-national government] in the entire Sub-Saharan Region. A strong political commitment towards decentralisation and the use of a consultative process among stakeholders (comprising politicians in central government and SNGs, government officials, private sector representatives, donors, non-governmental organisations and the civil society) in the design and implementation of the legal framework have facilitated these results. The decentralised system has functioned for a short time, and the improvement of ISP [infrastructure and service provision] is still modest. The macroeconomic stability and sustained economic growth have provided a good basis for further improvement. The overall conclusion from the research is that the coverage of ISP at the SNG level poses a considerable challenge, as the prevailing coverage is far behind the needs of the population.

Researchers concerned less with technical issues and more with politics noted that empowerment of villagers through decentralisation had not been particularly successful in these same years. Assessments of decentralisation, like other public sector reforms, reflect schizophrenia within the donor community specific to Uganda in the period when Museveni and the country were considered the 'darling of the United States and European donor nations' (Eichstaedt, 2006). National economic growth stayed above 6% per year and inflation remained stable. However, many donors – following the lead of the nominally apolitical international finance institutions (IFIs) – turned a blind eye to rights abuses, deepening corruption and clientelism, tribalism and the war in the north, and the nature of the regime – including the centralisation and personalisation of power. For instance, Francis and James (2003) found 'little evidence' of locally collected revenues being used for the public good, but thought instead that they were frequently misused. As for representation, at the lowest level (LC1), councillors were being 'drawn almost exclusively from households in the highest income tercile. Poorer individuals could not afford the "goodwill gestures", such as beer, soap, or salt, handed out as an inducement to potential voters in elections to all levels of local government'. While local councils demanded more decision-making power over centrally derived resources and while district-level actors control locally raised revenues – which 'are the main source of local autonomy and patronage' – these were powers acquired by the local elite, not ordinary villagers.

Also limiting real participation by communities were poor linkages between levels and a general lack of funds, even before the abolition of graduated tax (see Section 4.2.1). Community action plans were drawn up at LC1 level to be passed upwards, but articulation between the different levels was poor, and the priorities listed at LC1 and LC2 were rarely incorporated into higher (e.g. district) plans. Moreover, there was generally little money to implement them: their share of locally raised tax was small; LC1 and LC2 councillors were not fully aware of funds they could claim; and most funds at the LC3 and LC5 levels were consumed by salaries, emoluments and allowances of the council. Earmarked funds were for specific uses, whereas block (unconditional) grants were often 'consumed by administrative and operational costs'. Francis and James also pointed out that the way the bulk of funds were allocated through conditional grants '[did] not necessarily increase participation of local stakeholders in the decision-making process of [the] contents [of development programmes]'. As an example, the Ministry of Education establishes curricula and standards centrally and provides funds to ministry officials based at the local level to implement the policy. 'What is happening [in] Uganda is, therefore, simultaneous centralisation and decentralisation in different phases of [the] policy making and management cycle.' The maintenance of significant policy-making functions at the centre, with local officials being simply implementers, tended to weaken the LC system and citizen accountability in the long term and was also in danger of generating public frustration with, and threatening the 'polity' itself (Francis and James, 2003).

Service delivery improved in Uganda (education, health and water especially) because additional funding was channelled (through decentralised systems) to the sectors. But the management of staff in the various ministries situated at the different levels remained complex and not particularly efficient. Conflict between different levels was caused by competition for resources that were being stopped at higher levels, or by lower-level bodies not being included in decision-making processes higher up. (Higher levels justified this by citing a lack of capacity at lower levels to use funds well). Disputes between civil servants and the higher paid (but less qualified) local politicians were widespread. This was exacerbated by the fact that local politicians had the power to set up district service commissions, which appointed, disciplined and removed all district staff – a practice that has recently changed (see Section 4.2.2). Local politicians also appointed the district tender board, which was responsible for awarding contracts and tax collection rights and which gave politicians undue influence over the award of tenders, which were widely believed to go to friends, relatives and politicians' proxy companies (Francis and James, 2003).

Therefore, at local level, the decentralisation process helped create and strengthen an elite which, through official activities and awards, consumes much of the locally generated revenue as well as non-conditional grants from central government. Members of this elite maintain control of contracts and appointments to sub-bodies, which gives them further opportunities for patronage and rent-seeking. They are not accountable downwards to any great degree (as people have little knowledge or understanding of local resources or decisions) and central government institutions have 'little power to sanction inappropriate behaviour'. Meanwhile, central government was hardly accountable downwards (Francis and James, 2003).

To summarise, it has become clear in recent years that decentralisation is neither quick nor easy, and much effort and funding must be expended to make the system function for the benefit of the people. In Africa, decentralisation has been fraught with difficulties of a technical nature, such as capacity constraints, poor systems design and implementation, weak legal frameworks and regulatory environments, etc. But failures also result from a lack of political will to see the process through. In some cases, the process of empowering communities or devolving power to local officials runs counter to the centralising tendencies of neopatrimonial politics. Sometimes, decentralised structures are captured by local elites. These and other political trends are the focus of this paper, as they typify the types of problems that emerge when donors attempt to implement public sector reforms in a hybrid state. Of specific interest here is the tension generated by decentralisation that runs against the grain of local political interests, and the way that this tension is manifested locally in formal and informal institutions and political processes. All of this has implications for poverty reduction, democratic consolidation and the effective use of aid.

3. Neopatrimonial politics and decentralisation: Malawi in 2006

3.1 The political landscape in Malawi

This introductory section summarises some key features and themes of Malawian politics before looking more closely at recent political dynamics in Section 3.2.

Malawi has exhibited neopatrimonial characteristics consistently throughout its independence period. Formal state institutions are suffused with informal practices and norms, producing a multiplicity of rules that create uncertainty for all actors and undermine formal lines of decision-making and accountability. Political power and control of the state remain the predominant source of economic wealth and status. Power and legitimacy are built on personalism, centred on 'big men' and their networks rather than parties with clear ideologies and programmes. They are based on patronage, anchored in the appropriation and distribution of state resources, or rents acquired through access to the state, which pass towards particular constituencies rather than national development.

Malawi's economic and social structures have also changed little since independence. Its principally pre-capitalist agrarian economy has meant that there has been little class formation. Loyalties are instead based on family, ethnic and regional relations. Vertical relationships therefore dominate over horizontal associations. National identity is subordinated to these because of poor communications infrastructure, the immobility and illiteracy of the bulk of the population, and the efficacy of ethnicity and particularistic ties as a strategy to access resources in the face of state dysfunction. Organised civil society is also underdeveloped as a result of these social conditions and Malawi's history of state repression.

Despite these continuities, the particular personalities and leadership styles of Malawi's three post-independence presidents (H Kamuzu Banda, Bakili Muluzi and Bingu wa Mutharika) and the changing conditions in which they have governed have influenced the nation's institutions and development prospects. Dr Banda (President from 1964–94) presided over an authoritarian political system, which enabled him to use repression as well as charisma and traditional authority (rooted in Chewa culture) to maintain his position. He treated the treasury as his private purse but also had a clear development vision for Malawi which he sought to implement. He inherited and maintained a relatively honest and professional cadre of policy-makers and administrators and corruption was confined to his small personal circle (through fear and repression). However, the failure of his economic strategy, structural adjustment and a deepening fiscal crisis during the 1980s weakened his legitimacy and his ability to use patronage to maintain his base.

Bakili Muluzi came to power in the 1994 transitional election and governed in dramatically different institutional conditions than Banda. Publicly, Muluzi expressed commitment to liberal democratic institutions and norms. In practice, however, liberal institutions made the position of Malawi's elite less secure – new political rules and financial regulations, a more transparent political environment and the need to submit to open competition meant that Muluzi's attention was focused primarily on the struggle for control of the state and its resources. As a result, Muluzi was as, if not more, dependent than Banda on the distribution of patronage to build coalitions and maintain his position. Reflecting on the differences in the quality of the bureaucracy and the visions and skills of the two presidents, patronage could be said to follow development policy under Banda, but policy was largely determined by the opportunities it created to buy allies and mass support through patronage in the Muluzi period (1994–2004) (Booth et al., 2006). Lack of discipline at the top, combined with a more open political environment, saw the increasing democratisation of corruption and the informalisation of Malawi's public administration (Anders, 2005). Therefore, despite Muluzi's experience as a politician, the result was political and economic chaos and a failure to

move towards consolidation of democratic institutions, as evidenced by Muluzi's attempt to amend the Constitution so that he could stand for a third term.

Malawi's current President came to power in 2004 under difficult circumstances. Formal democratic institutions had been introduced, but were weakly institutionalised and suffused with informal norms and practices, creating uncertainty and ineffectiveness. Malawi was in poor economic health, and the policy-making and implementation capacity of its bureaucracy was at a low. Furthermore, the events leading to Dr Mutharika's nomination – a result of Muluzi's politicking – and his subsequent breakaway from the UDF to form his own party, the Democratic People's Party (DPP), meant that he lost support within the elite and connections to their networks (i.e. to UDF voters). Mutharika has utilised both formal and informal resources in an attempt to build personal and political support, including reaching out to civil society and the media, a zero-tolerance anti-corruption campaign and populist policies (e.g. fertiliser subsidies, road-building). He has also encouraged opposition politicians with political appointments and patronage to cross the floor and harassed media and opponents.

Mutharika's technocratic background[11] and economic programme has earned him the support of the donor community. He has also gained the support of those Malawians prioritising development over politics.[12] However, it has become apparent that there is continuity in leadership style between him and Malawi's previous 'big men'. Mutharika has attempted to tap into traditional legitimacy by appropriating traditional symbolism (dancing women, public songs of praise, etc.) In addition, it is reported that his private political style is close to that of Dr Banda. He is alleged to be arrogant, intolerant of discussion and prone to micro-management. He is said to lack personal loyalty, heightening the sense of insecurity of those around him. It has also become clear that Mutharika's political inexperience is a significant handicap (key informant interviews). Despite reports that he has attempted to use state resources and politically motivated appointments to attract allies, he has only slowly built a small intra-elite coalition.[13] Since 2004, he has managed to further alienate Parliament. He has surrounded himself with a weak Cabinet that will not challenge his decisions, creating a policy-making vacuum at the top, and given himself and Goodall Gondwe (Minister of Finance) the key portfolios. In sum, Mutharika appears to be a suspicious and isolated president, one preoccupied with maintaining his position while implementing challenging reforms, especially in the agricultural sector. These reforms, if they are successful, may well create 'winners'[14] and supporters in the 2009 elections (Lwanda, 2004; key informant interviews).

To understand how decentralisation has been implemented in Malawi, it is necessary to understand the current configuration of power and interests at both national and local level and the interactions between them. The next section will look first at central political drivers and dynamics and their impact on decentralisation, before turning to examine local actors and politics.

3.2 Malawi national politics

3.2.1 Neopatrimonial political imperatives and competition for state power

Ideally in a democratic country, politicians are comfortable (if not happy) with alternative groups, parties and leaders emerging and contesting elections. Party policies and programmes are turned

[11] Mutharika, an economist, has spent most of his career in ministries of finance and multilateral institutions, including the UN and COMESA. However, this has been interspersed with political interludes, including participation in the creation of the UDF and a failed presidential attempt in Malawi's 1999 elections.

[12] In 2007, Mutharika gained more support from the population in his battle against opposition politicians. His government's agricultural programme, supporting the subsidised distribution of inputs and which has given Malawi a maize surplus for a second year in a row, is especially popular.

[13] It is reported that even his relationship with Gondwe, who is credited with Malawi's relatively successful economic strategy, has been strained periodically (key informant interview).

[14] Without developmental 'winners', presidents are left with only informal tools to win support. See Rakner (2003) on President Chiluba of Zambia.

into manifestos and the population considers these, not just the politicians, when voting. Legitimacy and ballots are gained and retained by having sound national policies. In Malawi, this has rarely been the case. Instead, individual charismatic politicians arise with the support of their networks,[15] which are based on clientelist and patronage relations and sectarian (religious/regional/tribal) or family ties. If these are weak at the inception, the successful big man will instrumentalise them and clientelist affiliations to garner more support. While he may try to provide development, this is likely to fail for political and structural economic reasons and, rather than step down, he will turn to illegal and/or repressive tactics to retain power. This tendency is reinforced by the conflation of state and economic power and the absence of independent sources of wealth, with clear implications for the zero-sum nature of political competition and the perceived worth of being in opposition. Thus we have seen Banda and Muluzi use Young Pioneers, 'traditional' courts, unfair elections, politicisation of the judiciary, corruption, political bribes, constitutional changes, and so on, in order to stay in power. All of this is done to crush opponents, who rise and operate according to the very same logic.

Naturally enough, then, it makes little sense (viewed through this lens) for a president to allow an alternative power base to emerge outside his control. This is what has driven Banda's, Muluzi's and now Mutharika's desire either to control politicians and administrators at local level or to eliminate them. This is, of course, in contradiction to donors' and other democrats' promotion of devolution of power through decentralisation. However, it does explain why Muluzi and his government abolished Banda's local councils upon taking power in 1994, and delayed passing the Local Government Act until the end of 1998 and the holding of local elections till 2000 (a strategy currently being replicated by Mutharika, see Section 3.2.3). They wanted to make sure that the UDF gained a good foothold in the villages, and that the MCP was sufficiently weakened before holding local elections. Even then, little formal power was devolved to the local level.

Mutharika came to power on Muluzi's coattails in 2004, but soon separated himself from the ex-President and the UDF. Since 2005, he has had to build his own base. This has proven to be difficult for a number of reasons: he has spent a long time living outside Malawi and has relatively few domestic ties; he is not a natural glad-handing, backslapping, money-distributing politician; and his personality and management style make him difficult to work with. As such, he has found it hard to form coalitions or build political or administrative alliances. Further, he is on the defensive against vastly more experienced, unscrupulous and dangerous politicians who are motivated by a fear of Mutharika's power to throw them in jail for past misdeeds,[16] by their desire to regain power (partly in order to 'eat'), and by a personal animosity going back to transitional days but certainly exacerbated by events since 2004. Moreover, Mutharika is relatively isolated, considering he leads a party and government. By all accounts, his party has grown slowly at the grassroots level (key informant interviews). Nor has its leadership remained constant, as new and old politicians come and go as they fall out with the President. Neither Mutharika nor the DPP has a financial base – Banda built and the MCP used the Press companies for that purpose, whereas Muluzi was a businessman who expanded his empire while in office (real estate, commerce, etc) and personally funded the UDF. He also had outside funding, purportedly from the Middle East. Patronage politics mean that Mutharika, who is not a rich man, needs to find a way to support his party's growth.

These difficulties logically result in a number of things. First, Mutharika has tried to build alliances both at central and local levels. He periodically reaches out to NGOs and the media, sometimes to good effect. He has established DPP offices and officials in a number of rural towns, and handed out money to supporters. He has reached out to a number of experienced politicians, but has rarely

[15] See, for instance, Lwanda (2006).

[16] For example, Nation (26 February 2007) reports that at a DPP rally Mutharika said, '"I want to warn Dr Muluzi, he has been using all machinery like the failed impeachment motion and Section 65 to deal with me and he continues to use all sorts of trickery just to make me look a failure. I've been patient throughout but enough is enough. I am warning him I will soon act." Mutharika claimed problems with Muluzi started not because he (Mutharika) ditched the … UDF after attaining the presidency to form the DPP, but because of his (Mutharika's) policy against corruption and refusal to be used to steal from government coffers to finance the UDF. "Muluzi also wanted to influence my Cabinet. For example, he wanted me to appoint his son Atupele as Minister of Foreign Affairs", said Mutharika.'

been able to convince them to join his government or party. He has taken the offensive against his opponents – arresting some for corruption and threatening others,[17] starting his own newspaper and harassing editors and journalists of others, effectively dismissing his Vice President (a Muluzi loyalist), using the courts to fight his parliamentary battle for seats, etc. He encourages foreign ties through COMESA (the Common Market for Eastern and Southern Africa) and retains Robert Mugabe's support. He has also postponed local government elections since April 2005, partly because opposition politicians might win them. Doing so would provide them with a platform, funding and power, which would be used in the run-up to the 2009 national elections. Therefore, local government elections and the reestablishment of legally constituted district councils, discussed in more detail below, illustrate the larger issue under study here – how the logic of neopatrimonial politics runs counter to public sector reforms generally.

Before examining the politics surrounding the delayed elections, is necessary to explore Section 65 of the 1995 Constitution. Besides being central to the delay in local government elections and to the 2007 parliamentary stalemate,[18] the battle over Section 65 highlights the zero-sum nature of political competition. It also exemplifies the personalisation of party politics in Malawi, which means that party affiliation is seen primarily as a mechanism for accessing state power and resources, rather than advancing an ideological platform, which results in weak loyalties and shifting allegiances. Section 65 also reflects the use of both formal, as well as informal, mechanisms to undermine opposition.

3.2.2 Section 65

Section 65 of the 1995 Constitution states that if a member of parliament leaves the party on whose ticket he was elected and joins another party in the National Assembly, his/her seat will be declared vacant. Section 65 was not invoked between 1994 and 2001, except in an early cautionary case involving a UDF MP who crossed the floor to the join the MCP.[19] During this period, Muluzi bolstered parliamentary support for the UDF government by appointing AFORD (Alliance for Democracy) MPs to the Cabinet. However, they did not resign from their party to join the UDF and thus avoided their seats being declared vacant. The case caused a ruckus in Parliament, though, and focused attention on MPs crossing the floor and Section 65 from that time forwards.

Internal UDF politics brought Section 65 to the fore in 2001. As Muluzi approached the end of his constitutional term of office, the party split. On the one hand, Muluzi and some beneficiaries of his patronage in Cabinet and Parliament initiated a campaign to have Parliament amend the Constitution to enable him to stay in office beyond the maximum of two (consecutive) terms. On the other hand, some UDF politicians who had hoped to succeed Muluzi began to mobilise opposition to the third term bid. They formed 'pressure groups', such as the National Democratic Alliance and the Forum for the Defence of the Constitution. The UDF reacted by invoking Section 65, to have the seats of the renegade MPs declared vacant. This was successfully challenged in court, in part because the section only covered MPs who had defected from their parties to other parliamentary parties (not pressure groups).[20]

---

[17] For instance, he threatened Muluzi with opening an inquiry into the death (presumed murder) of Kalonga Stambuli, one of Muluzi's financial advisors, who latterly wrote about corruption within the Muluzi government (Nation, 24 November 2006).

[18] Opposition MPs have decided that it is necessary to remove DPP MPs deemed to have 'crossed the floor' (according to Section 65) before voting on the 2007–8 budget, thus threatening to derail public services and payments (Semu-Banda, 2007.)

[19] *Fred Nseula* v *The Attorney General and Malawi Congress Party* Civil Cause Number 63 of 1998 (High Court, Principal Registry (Unreported) and *The Attorney General* v *S.G. Masauli* MSCA Civil Appeal Number 28 of 1998 (Malawi Supreme Court of Appeal (Unreported). See also Ng'ong'ola (2002).

[20] See, for example, *B.J. Mpinganjira et al*. v *The Speaker of the National Assembly and the Attorney General* Civil Cause Number 3140 of 2001 (High Court, Principal Registry (Unreported)).

The UDF leadership reacted by initiating an amendment of Section 65 to extend it to require the Speaker to declare vacant the seats of MPs who had resigned from their parties or joined any association or party 'whose objectives or activities were political in nature'.[21] After significant political strife, during which time the UDF attempted to oust the pressure groups from Parliament, the amendment was subsequently declared to be invalid by the High Court, which held that it unduly restricted MPs' freedom of association.[22]

In its original form, Section 65 was meant to enforce accountability of MPs to their parties and constituents by barring them from crossing the floor without seeking a fresh electoral mandate. In practice, however, it has not prevented MPs from changing their party alliances. Nor has it made MPs accountable to their constituents, who are relatively ignored outside election times.[23]

When Mutharika resigned from the UDF to form the DPP, a number of MPs, who at the time of their election had also been members of the UDF, also quit the party and declared that they had joined the DPP. Such MPs were appointed to the Cabinet or promised preferential allocation of development resources by the President – a useful resource with which to build and support their own patronage networks. There was, then, a coincidence of the personal interests of the defecting MPs and the political interests of the DPP, and this allowed the latter to build up support in Parliament for Mutharika. Naturally, this was disadvantageous to the UDF and MCP, whose dominance in the Parliament effectively enabled them to control distribution of resources by the Executive. As has become typical in Malawi, this political contestation was 'judicialised' by referral to the court.

Although Mutharika has used offers of Cabinet positions and other incentives to encourage MPs from other parties to join the DPP,[24] Section 65 has remained a significant disincentive for those who fear their seats being declared vacant if they are found to have crossed the floor. One strategy adopted by Mutharika to remove this disincentive was to petition the High Court to have Section 65 declared unconstitutional, arguing that the constitutional right of MPs to freedom of association should include their freedom to switch party membership at will and without losing their seats as a consequence. The High Court rejected the argument and held that Section 65 was a valid limitation of the right to freedom of association.[25] Following the decision of the court, the UDF and the MCP indicated their intention to invoke Section 65 in order to have the seats of MPs who had defected to the DPP declared vacant. In early November 2006, the Constitutional Court ruled that the Speaker had powers to invoke the Section and declare vacant the seats of any MPs he deemed to have crossed the floor. This would reduce the DPP to five seats in Parliament instead of the 80 or so it claimed. Naturally, government asked the court to grant a stay order while it appealed the ruling. Meanwhile, the affected MPs reportedly decided that they would individually take their cases to court if they were forced out of Parliament, which would 'clog' the courts and delay by-elections (Nation, 17 January 2007). In 2007, opposition MPs decided they would not pass the 2007–8 budget until the offending MPs were removed, angering most of the populace and organised civil society (Semu-Banda, 2007). In the end, they passed the budget and Parliament was disbanded. This dispute over Section 65, which is now more than two years old, is directly related to the 2009

[21] Constitution (Amendment) (No.2) Act, 2001, Act Number 8 of 2001.

[22] *Registered Trustees of Public Affairs Committee v The Attorney General*.

[23] It should also be stressed that events connected to Section 65 exemplify the weakness of the formal accountability of elected officials to the electorate. While Section 65, which effectively seeks to enforce accountability of MPs to their political leaders, remains a valid part of the Constitution, Section 64, which seeks to enforce MPs' direct accountability to their constituents by empowering voters to recall their MPs, was repealed by Parliament in 1995 (Constitution (Amendment) Act (Act No. 6 of 1995). CSOs have called for the reinstatement of the recall provision in the Constitution (see, for example, Malawi Civil Society Network on Constitutional Review, nd; Malawi Law Commission, 2006: 9–10, 20–1). Predictably, MPs have not acted on the calls. Similarly, and in line with this logic, party leaders often impose parliamentary candidates on their constituents, and some of the parties have no real democratic process of electing their leaders. Political accountability in Malawi is nearly always upwards.

[24] 10 out of 22 ministers in the Cabinet appointed in July 2005 were MPs who had defected from the UDF to the DPP.

[25] In the Matter of a Presidential Reference of a Dispute of a Constitutional Nature under Section 89 (1) (h) of the Constitution and In the Matter of Section 65 of the Constitution (Constitutional Cause Number 15 of 2005).

national elections as well as the long-overdue local government elections, and is therefore likely to drag on for at least two more years.

The machinations around Section 65 exemplify the opportunistic character of neopatrimonial politics. When the UDF was in power in the early 1990s and therefore had access to resources with which it could entice MPs from other parties to increase its majority in the National Assembly, it did not consider Section 65 to be a bar to its appointing MPs from opposition parties to the Cabinet.[26] Yet, in 2006, having lost control of executive power to Mutharika, the UDF took a diametrically opposed view, that any opposition MP who was appointed to the Cabinet should lose his or her seat by virtue of Section 65.

Besides keeping the nation in turmoil and distracting politicians from the business of developing Malawi, there is other fallout. First, if Section 65 is invoked and 80 or so by-elections are held, it will put a strain on the national budget and undermine the fiscal management efforts of the government and its development partners (Daily Times, 22 December 2006). Secondly, by-elections would put tremendous pressure on the DPP to fast-track its efforts to build and consolidate support at the constituency level. (The DPP's efforts at building grassroots membership have had a relatively extended timeframe for implementation, since it would be aiming to secure the support of rural voters by 2009.) On the other hand, if dozens of seats are declared vacant, the by-elections will have to be held in 2007. Any truncation of the timeframe for building electoral support will force the DPP to become more proactive and aggressive; state resources could come under more threat of misuse as a result. In the best of circumstances, urgent attempts to win votes legitimately, through service provision or agricultural subsidies, for instance, might also result.

While Section 65 gives a president (if party leader) the ability to control his party's MPs, the court's ruling against Mutharika limits his capacity to draw in new MPs and the ability of politicians to benefit from his patronage. This is one example of the judiciary's limitation of the ability of the president to use his powers to advance his political interests.[27] In the last year or so, the constraining effect of the judiciary on the exercise of presidential power has been complemented by the increased assertiveness of Parliament's Public Appointments Committee (PAC) in vetoing presidential appointments of a number of key public officers, including ambassadors, the Director of Public Prosecutions, the Director of the Anti-Corruption Bureau and the Inspector General of Police.[28] In other words, the struggle between Mutharika and his opponents demonstrates the hybrid nature of contemporary Malawian politics, where formal institutions and informal politics mix.

3.2.3 Delay of local elections

Much has been made of the delay in holding local elections. Mutharika claimed in 2006 that elections could not be held because the government could not afford to finance them. Some donors expressed a willingness to fund them, but Mutharika reportedly told 'foreigners' to 'keep away from forcing Malawi to conduct the local government election' and to leave it to Malawians to decide whether the polls were important to the country or not (People's Daily Online, 2006). He also told donors late that year that he wanted them to provide funds to increase the wages of local government officials, reportedly in an effort to attract better trained people (key informant interview). They tabled his request.

---

[26] It even argued successfully in the High Court case of *Mponda Mkandawire v The Attorney General the High Court* that it could appoint to the Cabinet opposition party MPs without consulting the leaders of their parties.

[27] Other cases include the decision that Mutharika cannot deem Vice President Chilumpha to have 'constructively resigned' from office and the court's decision in support of Parliament's rejection of a presidential appointee to the office of the Inspector General of Police. See *The State and The Speaker of National Assembly ex-parte Mary Nangwale*, Miscellaneous Civil Cause No. 14 of 2005 (Lilongwe District Registry).

[28] One key informant noted that parliamentary committees had 'tremendous training' (and are well funded by donors) and are now doing their research and acting independently; the actions of PAC are not politically motivated. A sceptic would argue, though, that the real test of Parliament's and PAC's independence will come when the MPs have to deal with a president who uses discretionary power for political gain, and who leads their *own* party.

Naturally, any issue as central to the distribution of power as the delay in holding local elections will be subject to the logic of neopatrimonial politics. Local council elections were to be held in mid-2005, but these were postponed. There was a great deal of political posturing around the delay in elections, and in October 2006 Parliament requested that the Malawi Electoral Commission (MEC) set a date. Indeed, it would serve the political interests of the well established and strong parties to consolidate their control of district assemblies before the DPP gains strength at local level. But, by then, elections for local government had become tied up with the appointment of new electoral commissioners. This in turn was mixed up with the bigger quarrel between the DPP and the opposition parties, which was being played out in Parliament and the courts.

In Malawi's politically charged environment, appointments to the MEC have always been carefully made, because it has the power to swing elections or to ensure whether they are free and fair.[29] The Constitution (Section 75) establishes the MEC and its membership, while the Electoral Commission Act of 1998 – which places the president at the centre of the MEC appointment process, no doubt in conformity with then-President Muluzi's wishes – adds that the president appoints the chair and other commissioners 'in consultation with leaders of the political parties represented in Parliament'. The PAC determines terms and conditions and can recommend the removal of commissioners to the president on the grounds of incompetence or incapacity in the performance of their duties.[30]

The transitional 1994 election was relatively well run and fair, under the leadership of Justice Anastasia Msosa, with the help of the international community. In the 1990s, appointments to the MEC reflected the balance of parties in Parliament, with seemingly little regard for capacity or experience.[31] Thus, the 1999 and 2004 elections run by Muluzi-appointed commissioners were poorly managed, affecting the fairness of the results. As a result, Malawians called for reform of the appointment process, especially to reflect the commissioners' qualifications and experience rather than their political affiliation, as well as improvements in the MEC's procedures (Nation, 17 December 2005). Partly because the DPP has relatively few MPs (and thus would have a small proportion of the commissioners), this is the position taken by Mutharika's government as well.

Nearly a year later, in October 2006, the government notified Parliament that it would soon appoint commissioners, and that 'political parties represented in the National Assembly will be consulted' but that regarding 'the system of political parties appointing and nominating politicians to be members of the Commission, government does not believe that it brings independence, credibility and neutrality of the Commission'. Instead, it is better to 'have an Electoral Commission that is independent of any political party, that is neutral and credible'. Naturally, opposition parties protested, some saying the newly proposed method of choosing commissioners was unconstitutional. The UDF (through Muluzi's son, an MP) wanted to ensure that, whatever the selection method, the new MEC acts 'independently of the Executive' (Nation, 21 October 2006).

A month later, after the President wrote the parties in Parliament a letter informing them of his choices, he appointed six new commissioners[32] and civil servants began planning for local assembly elections in May 2007 (key informant interview). However, the opposition would not stand for the appointments, saying that Mutharika informing them by letter of the appointees' names was not the same as 'consultation'. When a second letter was written, leaders of the opposition denied receiving it and asserted that by 'not consulting political parties on the

[29] It manages constituency–boundary demarcations, voter registration, voters' roll, local and national elections, tallying the votes and processing complaints afterwards, and it has the power to control campaign and election reporting.

[30] For details see Rakner and Svansand (2005).

[31] For example, see ARTICLE 19 (2000).

[32] Former Blantyre Synod General-Secretary, Rev. Silas Ncozana, lawyer James Naphambo; Jane Nankwenya; Ahmed Kamoto; Dick Mzumara; and Oliver Mwenifumbo. Others already on the MEC were chairperson Justice Anastasia Msosa; Rev. Chinkwita Phiri; and Lilian Kapanda Phiri (Nation, 28 November 2006). The UDF stated that the majority were connected to the President by ethnicity, district or region of origin, political party and/or religious affiliation, an assertion that is hard to evaluate without deep analysis.

appointment of the commissioners, government has taken the first step in rigging the 2009 general elections' (Nation, 28 November 2006). Typically, the opposition took the case to court.

In February 2007, Mutharika announced he would appoint 10 new commissioners. Some saw this move as conciliatory, but the opposition did not let up. The MCP for instance, argued that it 'wants to be involved in the selection of the commissioners and not just endorsing them'. The UDF has also insisted that government follow its method of selecting commissioners – 'we gave parties a chance to nominate their favourite candidates so that at the end of it no one should complain of bias because they will have their own representative within the Commission to represent their interests' (Nation, 21 October 2006, 9 and 20 February 2007).

At mid-year 2007, the MEC still had only three commissioners and was unable to form a quorum. Politicians blamed one another, while the appointment case remained in court. By this time, the delay in selecting commissioners was thought to be impacting preparations for the national elections in mid-2009 (Nation, 26 May and 1 September 2007). Meanwhile, local government elections remained stalled, and opposition politicians began to question the wisdom of holding them before the 2009 national elections. Nor were politicians certain they should be held in 2009 either, arguing that holding three elections (for president, Parliament and local councillors) would confuse the electorate. Government continued to hold out the possibility that local elections would be held in late 2007 (requiring a constitutional amendment, which government was prepared to place before Parliament) under the auspices of a newly constituted MEC[33] (People's Daily Online, 28 August 2007), but by year end this had not happened. The events surrounding the MEC and Section 65 contributed to the enormous political tensions evident in 2005–7 between the various parties and their leaders, only some of which rose to the level of formal politics.[34]

The wrangling demonstrates succinctly how, in hybrid states, meritorious ways of establishing governmental institutions and the emergence of a rational, regulatory environment will be resisted if they do not serve political interests. Further, it shows how the process of making appointments is instrumentalised according to a logic (based on informality and personalism rather than a desire to improve systems) in the attempt to win political battles. Formal institutions – parliamentary committees, the courts and law, constitutional amendments, the media, etc. – are pressed into service of personalised goals, and their processes perverted to suit political aims.

While the power struggle is played out devolution suffers. The next phase of the decentralisation programme (NDP II) has been stalled. The new regulatory environment, holding DCs accountable for district funds (Public Finance Management Act) can only be partially operationalised without district councils. When funds are available and operations resume, plans include improving the quality and capacity of councillors, who have nominal oversight of spending; implementation of a new local development fund; and restructuring of departments at local level (key informant interview). This stalemate in local governance is symptomatic of the larger problem that Malawi faces, with national economic reforms undermined by party–political competition unleashed by the democratic transition, as politicians use the tools available to the elite in hybrid states.

3.3 Malawi local politics, 2006

3.3.1 Decentralised institutions and the configuration of local power

The introduction of district assemblies (DA), with the election of councillors in November 2000, has created an arena for competition over power and resources, both between local actors – district

[33] Nation (26 May 2007) noted that the Commonwealth was questioning the Malawi government as to why the elections were not being held, and that the government assured it they were planned for November 2007.

[34] Other evidence of this tension included the dismissal by Mutharika of the Vice President and his arrest for treason, attempts by Parliament to impeach the president, court litigation around Section 65, and Mutharika's decision to rule without Parliament, which did not sit between late-April 2006 and mid-February 2007.

councillors, MPs, chiefs and DCs – and between these and central actors (Cross and Kutengule, 2001). Political devolution introduces interests that are particular to a specific locality, although these local dynamics are also greatly affected by, and often reflect, those at the centre. Each local political actor has a different network of relations, although they may overlap, as well as forms of legitimacy and resource bases with which to gain and maintain the support of local residents. MPs are better placed to distribute resources locally (jobs, development projects, relief aid, etc.) if they belong to the ruling party and their leader is Malawi's president. Voters know this and cast their ballots accordingly. Nonetheless, even those belonging to opposition parties remain powerful actors locally, because of their ethnic and regional roots and their national connections.

Chiefs rely upon their traditional powers over land, local justice, relief and other common goods to retain authority. They 'interpret' government policies for the people. They have their own courts (*bwalo*) and are involved in most stages of development projects. They are also expected to mobilise people (GTZ Malawi, 2003). Unelected, their traditional legitimacy has been eroded in recent years with the promotion of democracy, the absorption of some of their duties by government officials and the perception that receiving wages from the state and becoming aligned with particular parties compromise their position and neutrality.

The office of the DC emerged out of a colonial post and was used by Banda to control the rural areas. DCs are still appointed by central government; they are the senior administrators in a district and manage (and are now accountable for) district finances;[35] they advise the local assembly and head up the district executive committee, comprised of sector (water, education, health, etc.) specialists. Little goes on in a district without their knowing. When operational, the DA is meant to monitor the DCs, although the normal differential in their qualifications and skills has made this difficult for councillors in practice.[36]

Joining these powerful actors in 2000 were councillors, the harbingers of participatory democracy. Running on party tickets and elected every five years, they make up the DA and its sector/functional committees and have legally stipulated powers not held by others, such as the authority to approve new local bylaws (key informant interview).[37] MPs and chiefs are non-voting members of the DA and NGO representatives are only observers. The DA is supported by civil servants with sector expertise (whose senior staff form the DEC) and a secretariat. Councillors are expected to promote and oversee local development initiatives, working hand-in-hand with local development committees, the DC and sector staff, NGOs, MPs and chiefs (Institute for Economic and Social Research and Afrobarometer, 2006).

Unfortunately, considering the role they are supposed to play, local assemblies and councillors were not particularly effectual when they sat between 2000 and 2005. This was because they were poorly supported, resourced and prepared. Thus, the DAs had unfilled positions, inadequately qualified and experienced staff, poorly tailored capacity-building plans and little monitoring of activities to improve institutional performance. Their continued disempowerment was seen to be a product of weak political will at the centre, little official support ('championship') and poor technical expertise, coordination, monitoring and evaluation (UNDP and UNCDF, 2004). In other words, UDF politicians put little effort into promoting the decentralisation process or helping the various institutions, including the DAs and councillors, perform well. This is hardly surprising, considering

[35] The DC's new role as controlling officer (previously a role undertaken by sector permanent secretaries) resulted from changes in the public finance management regulations. The intention was that local councillors would monitor the DCs in their role as controlling officer. This reform was reportedly opposed by opposition MPs who claim that, in the absence of local assemblies, it makes them more accountable to central government and is part of Mutharika's strategy to gain control of local areas and resources (key informant interviews).

[36] One informant said that, if you had councillors of the same calibre as PSs (who now monitor DCs), they would have performed an oversight function, but that this was being undermined by having local councillors who were vastly less qualified than the DCs they were meant to oversee. So they feel that they cannot question them (key informant interview).

[37] For instance, in Lilongwe, a bylaw is needed to punish people cultivating within 500 metres of rivers, but this cannot be enacted and is hindering operations.

the logic that governed the regime. It was recognised during Muluzi's second term that the decentralisation process would fail if these issues were not addressed and resources were not provided for institutional development and capacity building.

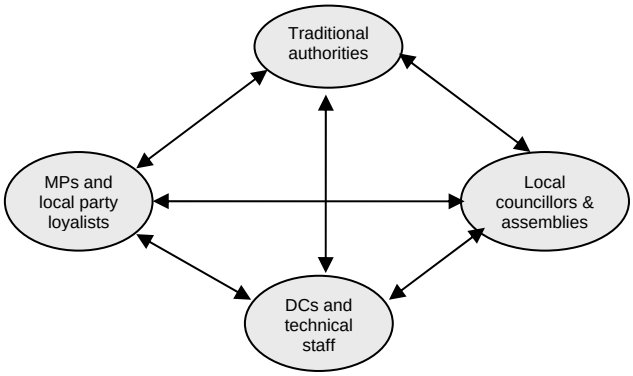
Supporters of decentralisation argue that the causes behind councillors' poor performance need to be addressed – in particular, their knowledge of their and others' roles; their skills, experience and qualifications; and their salary and allowances (key informant interviews). In fact, through the delayed NDP II, the Ministry of Local Government and Rural Affairs (MOLG) intends to tackle these issues by improving the quality of councillors and reassessing their roles in planning, finance and decision-making. This is reportedly part of the President's and Minister of Finance's agenda, which advocates 'better educated people' in the assemblies. A key constraint to increasing the education level required by local councillors is that MPs are only required to have a relatively low-level school certificate, and this latter qualification would have to be raised before raising that of councillors. Improving the sitting allowances for councillors is also difficult because these are paid from local revenue, which is minimal (key informant interview). The President has emphasised the need for local capacity to be improved to ensure that funds sent to local government will be used and accounted for properly. As money is not available nationally to make these improvements, he approached donors for assistance.[38]

Donors have consistently supported governance and development at local government level, as they generally believe decentralisation will benefit Malawians. Not only did they fund and provide technical assistance during programme development, but also they helped at the pilot stage and when rolling the programme out nationwide. They aided assembly staff with wages and capacity development, and with devolution of sector planning and funding. They contributed to the design of the NDP II programme and continue to support some operations (key informant interview).

3.3.2 Relations between local political actors

Before discussing the emergence of alternative local institutions that have grown up since 2005 in the absence of DAs, it is necessary to explain the interactions between four groups of local actors – the DC and his technical people, the MP and party people, local councillors and the DA, and traditional authorities (TA), comprised of chiefs and headmen. The absence of councillors and DAs, and the delay of local elections, appear to suit the interests of some people. This is despite the fact that some of these same people (national politicians especially) complained bitterly throughout most of 2005–7[39] that elections were not being held.

Figure 1: Local power centres in Malawi



[38] Assemblies have a mandate to tax locally but are not using it, partly because they haven't the capacity to collect funds. Mutharika wants councillors to be paid a minimum of K10,000 (key informant interviews).

[39] This was changing in 2007, as some parties were no longer formally pressing for local elections. The Nation (cited by People's Daily Online, 28 August 2007) reported that 'Political parties in Malawi have not shown interest to conduct local government elections … for fear of exposing weaknesses which could negatively affect their performance in the 2009 presidential and parliamentary elections.'

Although each district is different, informants tend to be in agreement about the interests of, and the relations between, these various groups.

TA and DCs: Chiefs and DCs have worked together for a long time and, generally, theirs is a pragmatic relationship. DCs will often consult, inform or work through chiefs when carrying out development activities, e.g. distributing malarial nets or fertiliser coupons. Chiefs may be called to advise DCs about situations within their knowledge or control and they are regularly invited to ceremonial functions at district headquarters. TAs receive wages from government and are provided with transport by the DC when necessary. In areas where 'elected chiefs'[40] have emerged, their status is not formalised and relations with the DC may vary. Where they are representative and respected (as in Zomba town), they have the ear of the DC and sectoral officials as well (key informant interview). The role of the TA is to 'translate' policy for villagers, and to make more accessible for them the programmes and practices of government: 'All in the village look to the chief to guide them' in this regard (key informant interview).

TAs and MPs: Both MPs and TAs want to win the hearts and minds of villagers and, while there need not be tension between them, there often is. Antagonism increases if TAs, who are often party political, and the local MP support different parties. This has happened where the DPP is moving into areas previously controlled by the UDF (and, earlier, when the UDF moved into MCP areas). MPs have also been known to be 'jealous of the relationship that a TA has with his people'. In other words, the influence a chief has in his village, which is often great, is largely outside the control of an MP. Finally, there is the question of status. 'The MP will have risen in status with his election and there is therefore the tendency to look down upon the chiefs as people with nothing' (key informant interview).

TAs and councillors: As one chief put it, councillors 'are our children from the villages'. In other words, there is relatively little tension as councillors emerge from the villages (through party primaries and local elections) and are well known to the chiefs. In some areas, chiefs are consulted on the appropriateness of a person becoming a councillor, although not everywhere. Where there is a good working relationship, councillors are able to 'take the pressure off of chiefs' because their development activities (part of a councillor's remit) allow the chiefs to go about their other duties ('settling cases', for instance). But chiefs do have a development role, for instance village development committees (VDC) may submit their local development plans to the chief, who has an input before taking them to the DA. In some places, too, councillors will report to the chief, explaining why they have voted in a particular way in the assembly. On the other hand, councillors are elected, which gives them a different form of legitimacy than chiefs; this may be 'a direct challenge to chiefs' in this democratic era (key informant interviews).

MPs and DCs: These two are more equal in terms of power, and their relationship can be tenser. This will in large part depend on the party affiliation of the MP and the (private) political views of the DC. If these are different, strain is likely to emerge, especially at election time, as DCs have a role in managing elections in their district. In previous years, politically contentious DCs have been moved or replaced by the regime at such times. However, owing to the current tension between Parliament and Mutharika, MPs and opposition politicians complain that DCs are representatives of the President at local level – 'the eye of central government'. In the same vein, the current lack of oversight by DAs of DCs has led MPs to oppose DCs taking on the role of district controlling officers as required by law.[41] Generally, MPs' formal influence on local affairs comes via their local party apparatuses, so it is important for them to establish a strong local party base and an energetic local party leadership, with broad networks in the district towns and villages. MPs can influence district and sector spending via DCs, targeting it to their own constituencies, for instance, especially where there are no obstacles (such as a regulatory regime or oversight institutions) (key

[40] This process is perhaps more accurately described as nomination, given that only a limited group are involved in the process and it is not subject to open and universal ballot (key informant interview).

[41] Parliament opposed DCs becoming controlling officers so the legal status of this role is in doubt. Nonetheless, they are performing this function (key informant interview).

informant interviews). More tension can be expected in this relationship as a result of the DC having oversight over the constituency development fund (CDF) and formal responsibility to ensure that it is spent within the guidelines.

MPs and councillors: The use of local development as a means to secure votes can result in tension between these two sets of people. Strain is more common if the councillor and MP are not in the same political party, which can lead to their not working together because each wants to claim credit for local development, even though there is no legal basis for MPs being involved in sub-national development (key informant interview). When in the same party relations may be smoother,[42] though the MP may feel threaten because councillors are often suspected of being MPs-in-waiting. In fact, becoming a councillor 'is a way for grassroots politicians to move up'. The more direct contact that councillors have with the people – which is easy because their wards are smaller than MPs' constituencies and their links with their communities are more immediate – the more heightened this perceived threat.[43] The ambiguity of this relationship is demonstrated by the fact that MPs insisted that they wanted a vote on local assemblies (and backed down only when it was shown that they have no formal mandate to act at that level). 'Six months later the assemblies were dissolved and no MP cried foul' (key informant interviews).

DCs and councillors: This is a relationship that can become contentious, especially when councillors are unaware of their responsibilities or take their oversight role (too) seriously. For instance, in one ward the councillor said 'he wanted to sit next to the DC so he could take all the calls, so the DC couldn't conduct private business'. In another ward, there were reports that the councillor 'was saying [to villagers] that he is now in charge of the district assembly and that the DC is now under me'. Clarification of the roles of DCs and councillors after 2000 apparently helped to alleviate these problems. However, tensions continued in another ward where, it was reported, the DC resisted the exercise of legitimate oversight by councillors and their requests for information on allocation and spending.

In summary, the relationships between local political actors, and the structures they operate through, suggest a number of themes. First, decentralised structures impose a new layer of administration and politics that creates uncertainty for government, which loses control over resources and decision-making, and for local actors, who must compete with new actors for power and resources. In practice, this has meant that local councillors have had few champions, because their role appropriates responsibilities previously exercised by local party leaders, MPs, chiefs and DCs. This has implications for the integrity of the DA structure, for the success of the decentralisation process generally, and for the artificiality of MPs' demands for local elections.

Secondly, hybridity is evident in local political structures as well as national ones. This is partly a result of formal structures retaining elements of traditional governance,[44] but hybridity also arises because of weak institutionalisation of formal rules and the tendency of local actors to operate

[42] In some cases, MPs and councillors do work well together. One MP said that in his area 'the councillor is the one at the local level that can identify problems, evaluate what is going on, who is consistently there. The councillor is secretary to the VDC and so he links up to central level … The MP is concerned with national development plans and the council with local ones. Councillors coordinate with MPs' (key informant interview). Clearly, when working well a party–political network of MPs and councillors could effectively move resources down to villagers and their support upwards to the MP and president.

[43] In Zomba, for instance, it is believed that there is 'hatred' between the MP and councillor (focus group). The view was also expressed that councillors had more interest in community issues, particularly outside elections when the 'MP looks to the government but the councillor brings development to the community'.

[44] As one informant argued, decentralisation began as a 'theoretical question' that largely ignored the 'historical package' but it was found that they 'couldn't get rid of the non-elected [traditional authorities]'. Even some politicians felt that they needed to 'ride on the chiefs' backs' to gain votes and maintained that TA should retain some power'. MOLG recommended to Cabinet to remove MPs and chiefs from DAs, but this was rejected. Thus the DA's membership is half elected and half unelected, although councillors have different powers. Two informants argued that the democratic and non-democratic elements of this system were irreconcilable but also that Malawi had not yet reached a stage where it was possible to completely remove the non-democratic elements.

outside these and to resort to informal practices (and to try to formalise these)[45] when it is in their interest to do so.

Thirdly, this hybridity presents opportunities for all actors, because they are able to instrumentalise both formal and informal rules in the competition for status, power and resources. This is apparent in the competition both between central and local actors (for instance, recentralisation through non-elected officials, in particular the DC and his staff, in the absence of local elections) and between local actors. This competition is often, but not always, a manifestation of party competition for control of the state.

Fourthly, weak oversight and accountability and poor cooperation among actors is both an outcome and driver of local hybridity and undermines local development. The power differentials between the DC, MP and councillors compromised the development and accountability function of the DA, even when it was sitting with elected councillors. In the absence of elected DAs, the accountability function falls to the DCs, but their ability to perform this role is potentially compromised by their relationship with central government, which pays their wages, and the possibility of political interference, as well as the absence of an effective local check on the DCs themselves.

When the DA sat in 2000–5, the accountability function of the councillors involved not only monitoring but also provision of information to local communities about government (national and local) decisions and actions and to the DA about community priorities. It appears that others are taking up these roles in the absence of DAs, but coverage is now patchy and open to manipulation. In fact, the current arrangement relies heavily on the integrity of those holding power but provides few institutional incentives for them to act professionally. The result is that, besides the periodic opportunities that citizens have to vote, the only effective accountability that exists flows upwards to the government and state rather than downwards to citizens, a situation that does not support democratic consolidation.

3.3.3 Organic local structures: the district consultative committees

Consideration of the structures emerging at local level, to some extent organically, to fill the gap left by the delay in electing new councillors reinforces the above themes. Soon after the old assemblies were dissolved, the MOLG was keen to fill the gap and recommended the creation of district consultative committees. It produced a set of administrative instructions, which was sent to districts, explaining who should sit on these committees and their possible roles. The guidelines recommended that the *ex-officio* members of the normal assembly – MPs, chiefs, DC, heads of departments and NGO representatives – continue to meet and make recommendations, although being of no legal weight (key informant interview). Criticisms of this interim measure focus on the fact that it is not rooted in law and does not have formal authority and is therefore operating without formal or institutionalised checks and balances. Nor does it reflect the expressed needs of the people (key informant interview). It might also be added that the continued existence of what are still widely called ‘district assemblies’ legitimises local government without democratic representation, and further roots non-participatory systems in the Malawian psyche.

Each district has taken these instructions and made them its own. How the structures function in each district, and in whose interest, depends on the balance of political forces locally, and so a detailed understanding would require extensive fieldwork. The few examples investigated indicate that local government systems generally continue to function as before, although oversight of funds and coordination may be weaker (depending on how strong it really was when councillors played that role). Moreover, it appears that DCs and technicians are gaining ground vis-à-vis chiefs and

[45] For instance, MPs having no development role at the local level is being modified for political reasons and formalised through the CDF.

MPs, and councillors are missed almost solely because of their legal capacities, for instance, to hold the administration in check or to pass laws.

In many districts, interim consultative committees,[46] consisting of a mixture of MPs, chiefs, sectoral technical advisers and NGO representatives (e.g. Kasungu, Ntcheu, Thyolo), are meeting in the place of DAs. In some districts (e.g. Thyolo), the service committees of the DA (e.g. finance, health, education) are no longer meeting and the DEC has taken on this role, sending recommendations to the interim committee for approval. These committees are unable to make legally binding decisions – in fact, any district development plans they produce are effectively outside the law – and have no formal oversight or accountability role. This means that the DC has effective decision-making power and control of allocation but no oversight, leading to alleged abuses in some districts.[47] It is also means that the DC can overrule decisions made by the committee because, without the councillors, it has no legal mandate.[48] As the Executive ultimately controls the DC, it is therefore felt (especially by opposition party members) that central government is effectively in charge of local government, that the DC is informing rather than consulting the local committee, and that monitoring is only undertaken by central auditors.[49] The power of the DC is more overt in other areas (e.g. Balaka), with the interim committee meeting infrequently and decisions instead being taken by the DEC. In these cases, formal oversight is provided by area development committees which in reality lack the capacity to do this (key informant interviews).

Box 1: Lilongwe City Council

In Lilongwe, city administrative operations have been little affected by the lack of councillors. The same local government structures are being used, although councillors are absent; leadership of local bodies has reverted to a TA or a person who is elected by the body. The lack of legal authority in the council to make bylaws is reportedly the only real impediment at district level. Otherwise, these structures continue 'to identify projects, analyse situations, identify what the problem is, how it should be addressed and write a proposal which is sent to the consultative committee for its assistance'. Alternatively, area development or sectoral committees identify problems, and pass them on to the district for action. The city's technicians decide what funding should be used for; they tell the '*ex-officios*' what 'requests there are, what funds are available, what the proposal is, and how problems should be addressed'. They ask for the approval of the committee, and it is generally granted, although sometimes with amendments. In other words, little has changed since the councillors have left. For example, their absence has not affected the development planning process, since all the district's structures are still operational. Purportedly, a monitoring role is played by these structures at all levels but, ultimately, central government has oversight of the DC. When there were councillors, they were not sufficiently strong or capable to perform real oversight anyway (key informant interview).

Chiefs continue to be active, often (re)appropriating functions previously performed by councillors. They provide the link between citizens, the village and area development committees, the DC and

[46] These committees are operating under a variety of names, including district consultative committee, interim assembly, interim district development committee, etc. It is unclear how aware local citizens are of the differences between the elected DA and the structures that are operating in its place. The Malawi Economic Justice Network in Ntcheu is holding public meetings and discussing local elections and the roles of local government, development committees, councillors and chiefs. It feels that these activities have increased public awareness of the need for councillors in that area, and of the different roles of chiefs and councillors. It is also trying to join the local consultative board as a non-voting NGO member (key informant interviews).

[47] One key informant used the analogy of a scarecrow to describe how, while largely ineffective, the presence of councillors had acted as deterrence against abuse of public funds, including unequal allocation e.g. to districts where powerful local actors are resident (key informant interview).

[48] For instance, in Zomba, key informants claimed that ministries/DECs were bypassing suggestions made by chiefs and MPs in their capacity as *ex-officio* members of the interim committee. They also alleged that the absence of councillors was leading to abuses by the DC and undermining coordination of local development.

[49] One DC claimed that, because there is no DA or finance committee to monitor his expenditures, he is calling in auditors on a bimonthly basis, to reduce the possibility of being 'tricked' by his 'junior' (sectoral and secretariat) staff.

the interim committees.[50] Where development issues used to be referred to councillors by chiefs, chiefs are now dealing directly with the DC and sector officials in some areas regarding project implementation (Zomba). In other places, chiefs are now leading area development committees (Kasungu). Some chiefs feel that they are better able to represent the interests of their people than councillors, who usually cover a larger area but may favour their 'home' ward. However, it is claimed that the absence of effective oversight is leading to abuse, e.g. in relation to the distribution of fertiliser coupons. From their perspective, chiefs also feel the dearth of accountability, with some claiming that, without the DA and councillors, they no longer know how funds are being spent and services distributed (Thyolo). They also recognise that they do not have the convening power that councillors had (key informant interviews).

MPs are not as present as other local actors, particularly in areas such as Thyolo, where most of the MPs are ministers (undoubtedly because this is Mutharika's 'home area') and therefore do not have time to attend district meetings. In some areas, parties are trying to maintain a local presence by establishing 'shadow councillors' – candidates for council in waiting – who continue to 'assist people and advise them as to how they can manoeuvre to get development'. However, their role is limited because local dynamics mean that many actors are not prepared to cooperate with them (key informant interviews).

Box 2: Delivery of health in the absence of formal DAs

Significant funds are being put into health at district level, in particular from the Norwegians, and the health SWAp (officially launched in mid-2005) is said now to be showing benefits. Major structural and programmatic changes are also underway. The health budget is 100% decentralised, with funds going directly to the DA rather than to the Ministry of Health, and spending is controlled by district health officers (civil servants). Planning has also been decentralised. The DA designs a plan that fits with the national strategy (i.e. it must contain some mandatory items) and this is debated at district level and submitted to HQ. The HQ cannot alter the plans but there may be budgetary negotiations necessitating the DA to make adjustments in light of financial limitations.

While an elected DA would appear central to this new structure, from the Ministry of Health's perspective the DA continues to be operational and to work closely with the DECs, even if not elected. It would seem that other technical staff also feel that the absence of a formal DA is not problematic. In Blantyre, the 'district assembly' meets when they want to discuss an issue, but only the chiefs and MPs attend. The health committee is no longer sitting and has been replaced by the DEC, which is attended by the district director of health and other sector officials and chaired by the DC. In place of councillors, MPs or chiefs now liaise between local communities and the DEC. For technical staff, therefore, the 'the difference [of not having councillors] is so small'. The ineffectiveness of previous councillors, who were said not to be knowledgeable and to have had little impact on 'crucial issues' in health, means that their presence is not missed in terms of clinical management. However, their absence does impact on local governance, in particular formal lines of accountability, which is missed by some but viewed as an opportunity by others, such as politicians, who convey villagers' requests for services directly to health ministry staff (key informant interviews).

3.3.4 Constituency development fund

Constituency development funds (CDFs) are sums of money given by government to MPs and are found in various underdeveloped countries, such as Kenya, the Solomon Islands, India and Papua New Guinea (Nakamura and Johnson, 2003). This method of distributing money via MPs to the local level has been defended as another way to promote decentralisation and local decision-making and to foster infrastructural and business development at the grassroots level (Chweya, nd; Geek, 2006). The facility also provides MPs with a method of promoting development activities in their constituencies directly which, as noted above, appeals to MPs who see this as a way of

[50] One close observer noted that chiefs, with the Minister of Local Government and Rural Affairs' approval, are chairing village and area development planning committees. This sends the wrong message, he felt, because it legitimises the absence of councillors (key informant interview).

winning votes. Undoubtedly, for all of these reasons, the CDF was popular among MPs when introduced in Malawi.

The introduction of the CDF was a compromise reached by government and Parliament in the context of discussions around the 2006–7 budget. Reportedly, a delegation of MPs went to Kenya and brought the idea back from there. Perhaps to gain political support, Gondwe reacted to their demands when he included the idea of the CDF in his budget speech in mid-2006 (The Weekly Chronicle, 19 June 2006; key informant interviews).[51] Two million kwacha (approximately US$14,000) is to be made available by the treasury to each MP annually.[52] Late in 2006, some MPs started to receive a portion of the money – about the same time the MOLG directive explaining how the money was to be spent was being circulated. A debate ensued: who regulated CDF spending? The answer was important, because it would determine whether the CDF was likely to become a development tool at constituency level for MPs, or an institutionalised fund with no oversight, used to buy political support.

One MP informant outlined a robust process, whereby the DA would open a CDF account and the MPs would pool their funds and collectively decide how to allocate them. A 'constituency cabinet' comprised of chiefs would identify projects, and their councils and a procurement committee, under the DA's control, would ensure that materials were bought and used properly. He conceded that, in the absence of councillors, 'it will be up to the integrity of the individual MPs' to use the funds properly but was sure that no money from the CDF was to be spent on overheads or allowances but would go instead to small projects, such as putting roofs on school buildings. Another MP said that his 'CDF committee would decide on projects'. 'Shadow councillors', selected by him and the party locally, would initiate projects that would in due course be approved by the DA (in its interim form). His intention to identify projects though a party-related process indicates how likely they are to be spent supporting loyalists (key informant interviews).

One MP expressed the view that there was a need to counter recentralisation of development and, therefore, was opposed to the MOLG setting guidelines on spending of the CDF. Another argued that the MPs could use the CDF to ensure uniform spending and address biased spending by DCs, whom they perceived as favouring DPP constituencies. The potential for the CDF to be used by MPs to build local support was sustained by the claim that local party officials in one district were informing people that the money would be used to build them a school and a clinic (key informant interviews).

In developing a set of guidelines to govern the use of the CDF (MOLGRD, 2006), the MOLG's aim was to ensure the money was used for poverty eradication in conformity with the national decentralisation process, and to guarantee transparency and accountability. According to the MOLG, the priorities of individual MPs and their communities are to govern spending; they are together to identify projects, and the fund is to be used to 'respond to immediate, short-term community development needs'. Communities, not individuals, are to benefit, and a 'menu' of projects was provided by the MOLG as a guide. This includes routine maintenance works and rehabilitation or new investment projects. The ministry listed more than two dozen suggested projects (in communal fisheries, police posts, health clinics, dam construction, etc.) Where possible, these projects are to conform to the assembly's development plan. Otherwise, it is up to the DC to collect information for a desk appraisal. Money is not to be spent for personal benefit, funerals, personal transport, disaster management or relief, for labour done by communities, for bursaries or competitions. Procedures for spending and accounting for this money (including auditing) are the same as for other funds received by the DA from central government. Soon after,

[51] A key informant suggested that the UDF proposed the fund and was supported by other parties, including the DPP, whose minister funded the proposal.

[52] In mid-2007, MPs demanded more: 'We appeal to government to increase CDF to K5 million per constituency because all the constituencies have benefited as there is no politics involved in it' (Nyasa Times, 29 August 2007). By then, the Catholic Commission for Justice and Peace had commissioned a study to see how CDF monies had been spent (Daily Times, 30 August 2007).

the ministry urged chiefs to work with MPs – to provide oversight – when spending the funds, to ensure the money benefited communities.[53]

It appears that this CDF is more rigidly controlled (at least in theory) than the CDF in Uganda (discussed below), although how it will work in practice is not yet known. Other discretionary funds have been handed out to MPs before – K50,000 was given by Muluzi to each MP in 1994 for instance – and these were not accounted for. The key will be, as one senior civil servant said, to ensure that institutions are put in place to govern their use (although history suggests that maintaining regulatory environments is not Malawi's strong suit) (key informant interview). Unless this happens, it is likely that the Malawi Local Government Association (MLGA) will be proven correct and the CDF will be 'squandered like in Kenya' and MPs will use the fund to 'undermine councillors' and to 'campaign for elections'. Even if functioning according to the guidelines, the CDF is problematic. First, as the MLGA pointed out, it undermines the principle of separation of powers, which does not give MP's power to implement development. Secondly, it undermines formal decentralised development planning, although the MOLG is trying to ensure its conformity through its guidelines. Finally, it formalises the politicisation of development funding by encouraging MPs to think of their own constituencies' development instead of national-level processes.[54]

For their part, DCs appear keen to ensure that the CDF is used properly. One said in November 2006 that he had already received K3.5m (K300,000 for each MP in the district) and was planning to treat it like any other funds for which he had to account. He envisioned that 'communities will come up with proposals and the technical people will appraise them and allocate the money. There will be no money going direct to the MPs.' Another said that he was being 'pressurised' by his MPs to allocate money for unauthorised items and was concerned, but he claimed that he would not accept anything outside the guidelines because, as controlling officer, it would be *him* that was held accountable not the MP (key informant interviews).

3.4 Summary

Institutional hybridity is a dominant feature of the Malawian political system. Informal (patrimonial) norms and practices exist alongside, and often subvert, weak formal (legal-rational) institutions. Politicians utilise both in their competition for state power and resources. Democratisation has significantly altered the formal rules of the game, including by opening up competition for control of the state. This creates uncertainty for political actors but also new opportunities for them to use both informal and formal institutions to gain and retain power. At the same time, winner-takes-all politics has been intensified by the reliance of political actors on patronage to build support and legitimacy (both popular and intra-elite) and the relative absence of other means of accumulating wealth outside the state.

This (neopatrimonial) political logic is apparent in the politicking around the appointment of the MEC and Section 65. First, these formal institutions are pivotal to gaining control of the state (through elections) and using its resources to build support (through patronage). This has led to their politicisation and use as instruments in intra- and inter-party competition. Secondly, one reason for the politicisation of Section 65 is that, since 1994, ruling parties have used patronage (e.g. Cabinet appointments and access to development resources) to entice politicians from other parties across the parliamentary floor. This practice has gained special significance since 2004 because of the minority status of the DPP. Crucially, it signals the weakness of Malawian political parties, which appear to be seen primarily as a vehicle for accessing resources rather than furthering ideological or programmatic objectives.

[53] See http://www.malawi.gov.mw/story.php?id=127.

[54] Since 1994, parliamentary and presidential candidates have handed out development and relief goods when campaigning and have explicitly told voters in their constituencies that they would not get development funding unless they voted for them.

Thirdly, the wrangling over Section 65 indicates the opportunistic nature of Malawian politics, with the UDF holding positions that vacillate depending on their interests at the time. Fourthly, it is clear that all parties are reluctant to contest elections in circumstances that are unfavourable to them *and* are prepared to use both informal and formal institutions to avert this. The weakness of the DPP's grassroots support has led Mutharika to delay local elections since 2005 – in contravention of the Constitution – and both the DPP and opposition parties have sought to ensure that the formal rules for the appointment of the MEC are interpreted in their favour in preparation for the 2009 elections. Finally, there appears to be a trend of political parties using formal state mechanisms to forward partisan interests. This distorts the purpose of formal institutions (for instance, Section 65 is meant to promote the accountability of MPs to their parties and constituents) and the reforms intended to strengthen them (for instance, those to improve the expertise of the MEC). The regular use of courts to settle political issues (the 'judicialisation' of politics) is a by-product of this trend.

National politics are having a significant impact on decentralised structures and processes in Malawi. The postponement of local elections in particular has serious implications for the functioning of local government. First, it has facilitated the increased informalisation of decentralised institutions and processes – a practice that is in effect being officially sanctioned. In lieu of the elected DAs, the MOLG issued guidance recommending the creation of district consultative committees, but these have no legal powers or formal checks and balances without elected officials (and are instead now composed of the DC and unelected *ex-officio* members). In addition, the guidance has been implemented and adapted according to district-specific conditions, leading to a variety of organically derived local governance structures that operate in various ways, with different members and under diverse names.

Secondly, the absence of elected local councillors and legally mandated DAs has effectively resulted in a recentralisation of political and administrative decision-making through the DCs (who are appointed by, and accountable to, the Executive) and their DECs. Thirdly, informalisation has resulted in an accountability vacuum. There can be no checks and balances at the local level in the absence of councillors; formal oversight only takes the form of financial auditors from the centre, who monitor the districts' use of central government funds generally. This influences immediate local monitoring and the flow of information between communities and the temporary district consultative committees. It effectively disempowers the local population, who no longer have any semblance of democratic oversight of local spending.

Fourthly, informalisation also has implications for the coordination of development planning and resource allocation. Without a functioning DA, there is no formal mechanism for aggregating village and area development plans and, presumably, for ensuring that use of the CDF is in line with the district development plans. Other actors have stepped into this accountability and coordination breach (for instance, TAs are playing a liaison role), but these remedies are *ad hoc* and open to manipulation, given the power differential between the DC and TAs and the lack of formal institutional constraints. This situation may not have undermined service delivery in the short term; in fact, the recentralisation of decision-making and resource allocation may improve effectiveness given the reported inability of previous councillors and assemblies to fulfil their functions. However, the absence of any effective oversight can only be detrimental to long-term development, particularly given the condition of national politics, because local institutions are vulnerable to political interference and structural conditions steer political actors to focus on short-term gains. Other examples of the impact of national politics on local governance include the CDF, the postponement of NDP II and the acrimonious relationship between the opposition-dominated Parliament and the Executive, which is inimical to a well functioning government (e.g. delay of the 2007–8 budget and Mutharika's decision to govern without Parliament for a period) and contaminates the relationships between local elites.

Given their grounding in structural conditions, it is not surprising that the institutional hybridity and neopatrimonial logic found within national politics is replicated at local level. Political and

administrative decentralisation put in place new governance structures that continue to exist alongside entrenched norms and ways of working. These new institutions are both a threat and an opportunity for Malawi's local elite. They are threat because new actors (e.g. local councillors, MPs) and rules (e.g. democratic representation and accountability) challenge the status and power of existing local elites (e.g. DCs, TAs). They are an opportunity because local elites can try to turn institutional hybridity to their advantage in their competition for status, power and resources.

Local politics provide an arena for national party politics, and national actors use local structures and hybridity in their competition for control of the state. All parties are keen to build a local presence – and minimise the reach of other parties – in the run-up to the 2009 parliamentary and presidential elections. Complaints by opposition parties about the recentralisation of power through the DCs and MOLG, 'shadow councillors' and the CDF are associated with party strategies to build local support. Local elite competition also has a life of its own, however. The local interests of MPs may not always be consistent with their party's national interests and, even when they are affiliated to the same party, local councillors (and councils) can threaten the local interests of MPs. This has meant that opposition MPs' demands in Parliament for local council elections are regarded by close observers as nothing other than 'posturing'. MPs also gain from the informalisation of local structures, even though this has bolstered the power of the DCs and TAs (who are paid by government). On balance, therefore, Malawi's local political elite appears to have gained from the delay in local elections and the informalisation of local governance, because DAs constrained their decision-making power (and, for the DCs, perhaps also their ability to fulfil their functions) and because, in the five years they served, some local councillors had begun to appropriate elements of their roles.[55] While there are similarities between districts, exactly how elite competition and neopatrimonial logic plays out depends on the particular locality and configuration of actors and interests (e.g. political affiliations and multiparty dynamics, personal relationships, histories and qualities, etc.)

[55] Not only is the role of the local councillors most similar to that traditionally performed by the TA (e.g. representing the local community and liaising between them and the state) but also they have a democratic legitimacy that TAs lack. It is therefore interesting that more tension between local councillors and TAs was not apparent.

4. Neopatrimonial politics and decentralisation: Uganda in 2006

4.1 The political landscape in Uganda

The ethnic and religious heterogeneity of Ugandan society and a strong tendency towards particularism have had significant political implications. First, poor communications infrastructure in the hinterland, predominantly agrarian economic relations, and continued use of local languages have kept alive tribal loyalties at the expense of a pan-ethnic Ugandan national identity. Secondly, while these affiliations are often genuine, elites have also been able to instrumentalise them, producing ethnic animosity and pressure for federalism.

Uganda's five traditional kingdoms (Buganda, Bunyoro, Tororo, Ankole and Busoga) provide a basis for federalist calls. These were abolished in 1966 but have since been reinstated, with the exception of the Ankole monarchy, whose restoration was strongly resisted by sections of the Ankole public (including President Museveni). This has led to the invention of (tribal) kingdoms and chiefdoms by ethnic groups that have not been monarchical in the past, and the crowning of new kings and chiefs with the blessing of the President. Historically, both the Ugandan government and other tribes and regions resisted Buganda's demands for federalism, fearing that it would regain the dominant position it enjoyed during colonialism. However, over time, these demands have been joined by those of other areas and regions (Acholi, Lango, Busoga, Bunyoro, and Tororo),[56] forcing the government to table a counter-proposal on the formation of regional governments, but with functions, responsibilities and powers falling short of a federal system.

When he came to power in 1986, Museveni was consumed by the desire to create a national identity and revitalise the Ugandan economy and state bureaucracy following the country's civil war. His programme of economic liberalisation, his willingness to incorporate opponents into his government and the relative absence of human rights abuses made Museveni popular with Western donors. This was in spite of his ruling through a carefully managed 'Movement' – effectively, a single-party regime – which for many years enjoyed widespread support but has become increasingly dependent on the military. In fact, despite these encouraging reforms, personalisation and concentration of power in one 'big man' has embodied Uganda's neopatrimonial character in recent times.

Uganda appeared to be making strides towards greater formalisation, reaching an apogee with the 1995 Constitution and relatively free and fair elections in 1996.[57] Uganda's 1995 constitution established a presidential system (two five-year terms). However, while the Constitution permitted political parties, these were not allowed to put up candidates for elections. The constitution also formalised the decentralised administrative system (local government levels 1-5) that emerged from the resistance councils that Museveni and the NRM used to consolidate rural support during and immediately after the war.

Since 1995 Uganda has been sliding back towards the informal end of the hybridity continuum. This has in part been facilitated by the war in the north.[58] However, as in Malawi, democratisation appears to have reinforced elements of neopatrimonial rule in Uganda – with political competition, in the absence of support based on developmental 'winners' (Rakner, 2003), resulting in the use by

[56] In Tororo, the Japadhola are demanding a separate district of their own within a unitary context rather than federalism.

[57] The following discussion relies on Barkan et al. (2005).

[58] The war is not discussed here, but note that observers close to government charge that the 'rebellion has become an excuse for ever-increasing military budget, major components of whose spending are classified. As a result, the army has been riddled with the worst forms of corruption…' The war against the Lords Resistance Army in the north has also has resulted in major inflows of aid, leading to claims that the 'rebellion does not threaten, but actually buttresses, regime survival and consolidation' (see Mwenda, nd).

politicians of clientelist politics and abuses of state resources to win votes. From the mid-1990s, Museveni began to 'look increasingly like … a neopatrimonial ruler … at the helm of a clientelist state' (Barkan et al., 2005). In other words, the increased political insecurity that resulted from the changed institutional conditions and the rise of serious opposition to the Museveni and the Movement meant that Museveni's desire to stay in power – and to use all (formal and informal) means at his disposal – took precedence over any reformist tendencies.

Museveni has increasingly interfered in the electoral process, including the misuse of state resources during elections and referenda (in 2000 and 2005) on multipartyism (Human Rights Watch, 1999; 2001; Golooba-Mutebi, 2007). He also began distancing himself from his earlier anti-corruption agenda, and the mid-1990s saw an increase in politically motivated corruption. In particular, supporters and relatives of the President were rewarded with soft and non-performing loans and corrupt business deals in return for special favours, and benefited from executive control of economic reform processes (e.g. privatisation) (Tangri and Mwenda, 2001; 2006). Corruption within the army also became more prevalent. Finally, those seeking to abolish the Movement system and establish a multiparty system were the targets of repression and abuse.

It is also reported that there has been a change in Museveni leadership style over this period. All who know him well concede that Museveni is a visionary, charismatic and effective politician and leader.[59] It is said that the 'old' Museveni was flexible, consultative and skilled at building consensus and that the Movement had internal democratic procedures and institutions that Museveni generally respected, including consultation regarding appointments, which endowed it with stability and legitimacy. However, those close to him also note that his tendency to command obedience and to follow his own path is historical, as are his arrogance and tribalist tendencies. It is these characteristics that commentators say have come increasingly to the fore since 1997.

Reports about Museveni's current management style suggest a leader who is politically insecure and isolated but whose actions actually deepen these problems. It is said that he has become more authoritarian in style as Uganda has become more institutionally democratic. Intolerant of challenge and criticism and reluctant to delegate, Museveni fears alternative centres of power. This has led him to micro-manage policy and surround himself with weak 'yes-men', both of which factors reinforce personalised power and decision-making and undermine effective policy-making. It has also led to claims that Museveni is manipulative and lacks loyalty because he has distanced himself from the strong characters that were close to him and that this has undermined the Movement's cohesion.[60]

The result of these transformations has been a decline in government probity and commitment to economic reform, an increase in poverty (from 35% to 38% in 2000–3), a decline in political and civil rights (as measured by Freedom House), changes to the composition of the Cabinet and close advisers and a more exclusivist form of patrimonialism.[61] Museveni's personal power was further consolidated between June 2005 (with the passage in Parliament of a constitutional amendment lifting the presidential two-term limit) and the February 2006 election. However, the amendment sparked controversy and divided the nation and the elite, resulting in Museveni's lowest majority yet (59% compared with 75% and 69% in 1996 and 2001, respectively) and widespread allegations

[59] For a series of interviews with old friends, warrior colleagues and senior officials in Museveni's government see The Weekly Observer (www.ugandaobserver.com/new/specials/). The following observations are drawn from this series of interviews unless otherwise noted.

[60] A former army commander argues that the Museveni has been unable to move the Movement from a personalised structure to an institutionalised one: 'We had hoped that the organisation (NRM) would become strong and build structures where all of us, as individuals would now become irrelevant, including him [Museveni] … Unfortunately, that never came to be. This is why we are facing the crisis we are in now. Museveni became stuck at some point' (ibid.)

[61] 'Uganda's type of patrimonialism has changed during the 1990s', as opponents are less likely to obtain offices in government than before and as 'recruitment is very often ethnically based favouring people from … Museveni's home area' (Kjaer, 2004).

of illegalities and unfair practices, including the arrest for treason and rape of Museveni's main opponent.[62] Furthermore, a referendum in July 2005 legalised full multiparty politics.

To understand how decentralisation is proceeding in Uganda, it is necessary to understand the current configuration of power and interests at both national and local level and the interaction between them. The next section will look at central political drivers and dynamics and their impact on decentralisation.

4.2 Politics and decentralisation in 2006

Three issues were investigated in some depth in Uganda in December 2006: (i) the abolition of the graduated tax; (ii) the recentralisation of power and resources; and (iii) the proliferation of districts. These issues were selected because they were identified by close observers as key to understanding how Uganda's widely touted decentralised system was being weakened by Museveni in his bid for a third term in office. But these events should also be seen within the context of Ugandan neopatrimonial politics generally, in particular clientelism and corruption, multipartyism and democratic electioneering, and political tribalism and popular demand for kingdoms and federation, which have been outlined above (also see Annex 1).

4.2.1 Abolition of graduated tax

Graduated tax and multiparty politics

Uganda's graduated tax has a long history. It grew out of the colonial hut tax and, after independence, was imposed by law on every male person of the apparent age of 18 and every mature female with an income. Its payment was widely accepted, and in some cases was honoured (and boasted about) because it conveyed adulthood. Historically, GT revenues went to central government but, with the introduction of decentralisation, it was decided that it would be collected by local government (LG), with a share going to administrative units.[63] Latterly, it provided some 60% to 70% of revenues collected locally (amounting to about 5% of total national tax revenue), much more than other locally collected taxes and fees (on businesses, property or markets). Economists indicate that in rural areas the poor paid approximately 3% of their income to GT, while the rich paid 1% (Economic Policy Research Centre, nd). Although GT made up only 10% of total government income, it was considered fundamental to LG functioning – 'the oil in the engine' (key informant interview). The remaining LG revenues came largely from central government in the form of conditional (targeted) grants and unconditional grants. From 1989, GT had 25 grades and rose from a USh3000 minimum. Before it was abolished, the highest level paid was closer to Ush100,000, or about US$55.[64]

GT was one of the early casualties of the re-emergence of opposition politics during the late 1990s. As has already been pointed out, until 1996 Uganda had not held presidential elections. During the campaigns for the presidential elections of that year, President Museveni found himself having to run against a candidate supported by an informal alliance of political parties that had by then stopped officially cooperating with the Movement. By 2001, when the second presidential elections under the 1995 Constitution were held, opposition to the Movement government and to Museveni himself had grown and crystallised. During the campaign, both the Movement and the opposition had to find policy platforms on which to stand. Among those chosen by the opposition candidate, Col. Pizza Besiege, was the abolition of GT. It attracted public attention and looked set to be a voter winner because of popular disaffection with the tax.

---

[62] See election-monitoring reports by the Foundation for Human Rights Initiative (http://www.fhri.or.ug/index.php?option=com_content&task=view&id=41&Itemid=2).

[63] LG3 level collected the GT tax and kept 65% of it, handing 35% over to the district and the rest to parishes (5%), villages (35%) and the county (5%).

[64] www.photius.com/countries/uganda/economy/uganda_economy_budgets.html.

Much of the feeling against GT ensued from the way in which local governments carried out enumeration and assessment, which was perceived as being inequitable and unfair, the manner in which collection was enforced, which was sometimes accompanied by harassment and brutality (key informant interview) and, in some cases, the perception that its proceeds were pocketed by corrupt officials and not used in the interest of taxpayers. Many argued the tax was uncollectible and should be abolished, although donors, who largely opposed its abolition, supported capacity-building projects to improve its methods of collection and accounting.[65]

The opposition's strategy, both in its popular appeal and boldness, caught both the Movement and President Museveni off guard. They responded not by promising to abolish the tax, but by telling people they would be assessed fairly by the tax authorities (Federation of Uganda Employees, nd) and by further reducing the lowest threshold, which favoured the poorest, to USh3000 (US$1.60).[66] This promise earned the support of local government officials who, alarmed at losing an important local source of revenue, had pronounced themselves against the opposition's policy of complete abolition. Museveni presented these developments as a prelude to abolition once alternative sources of revenue had been identified. In addition to lowering the minimum tax payable, Museveni decreed that people should not be 'disturbed' by tax collectors during the election campaign period.[67]

Thus, graduated tax was politicised and collection rendered more difficult. Further, some people claimed the President's comments meant they should no longer be taxed or that, in the event that they failed to pay, they should not be apprehended. In this they sometimes enjoyed the support of local politicians. As a result, collection rates dropped.[68]

Following President Museveni's victory in 2001, the opposition did not relent in its campaign to end GT, although government and the front bench rejected this until at least 2004.[69] Nor did the campaign's popular appeal diminish.[70] Yet, at this point, the transition to multipartyism and the third-term campaign were in full swing, so it is not surprising that Museveni acquiesced, reduced, then suspended tax collection, and finally promised to abolish the tax before the next election.[71]

In 2005, the tax was finally abolished without any viable, alternative revenue source being established. The reasons given ignored the views of technocrats, those in LG who promoted

---

[65] For instance, USAID's programme helped LGs 'to deliver improved services, with six of eight partner LGs among those collecting above 50% of local revenue targets'. It reported that 'the reasons for the low levels of revenue collection are both political and technical. There is a lot of 'political interference' by both local and national politicians. Most local governments do not keep proper records of taxpayers and tax collections. As a result, tax compliance in most districts has fallen below 50% of expected collections. Working in both Luwero and Nakasongola districts, USAID's Strengthening Decentralization in Uganda [programme] … activity provided technical assistance for both districts to organize their accounts and tax registers … As a result of these interventions, local revenue collections in the two districts of Nakasongola and Luwero increased dramatically, to 77% and 75% percent, respectively.' Meanwhile it supported local government accounts committee hearings in six districts that increased public awareness on issues of LG corruption and reinforced Parliament's role of oversight of public spending (USAID/Uganda, 2005; USAID, 2003). According to a key informant, GT collection increased in 2003-04 and reached its highest level in 2005.

[66] However, according to a key informant, the cost of collecting the tax was more than Ush3000/person.

[67] According to the Private Secretary Local Government, 'during the 2001 election campaigns, President Museveni directed that the graduated tax threshold be slashed from about Shs 10,000 to Shs 3000 for the lowest earners. The directive was implemented in 2002' (Daily Monitor, 5 February 2004).

[68] According to the outgoing IMF representative, 'graduated tax was weakened by competition in the last election. Ugandans used to take pride in paying graduated tax but many leaders have told them "do not pay", "do not collect", "do not harass"' (Daily Monitor, 12 February 2004).

[69] For instance, see Local Government Finance Commission (2001).

[70] Although, according to one LG specialist, 'surveys indicate that when citizens argue they want to get rid of the G-Tax, they are more referring to the collection methods applied and the apparent anti-poor bias and not the tax itself. The citizens think that when the G-Tax is abolished they will be treated with more respect from LG officials' (Kjaer, 2005a). Certainly, this is the view of technocrats. A key informant stated that GT had no 'intrinsic problem. It was its administration; that is what should have been fixed.'

[71] 'In May 2004, the incumbent President Yoweri Museveni proposed to suspend the tax for all peasants for ten years starting in FY 2005/06.' For a thorough discussion see Ssewakiryanga (2004).

reform of the tax system,[72] and donors. Justifications included its being inequitable and 'primitive' because of the way it was assessed, the harsh treatment surrounding its collection, and its retrogressive nature – that is, it 'punished' the poor because they had to pay a larger proportion of their total income in tax than the better off. However, all informants agree, except Museveni's staunchest backers, that abolition of GT was motivated by populist political reasons.

Impact of GT abolition

Although generally welcomed by the public, the abolition of graduated tax has impacted negatively on the running of local governments. Contrary to the conventional wisdom that the tax was not critical to the functioning of local governments and that little surplus was raised beyond the cost of collecting it, its abolition has virtually paralysed local governments, which depended on it for general administration.

From all parts of the country there are reports that, owing to lack of resources to pay councillors' sitting and transport allowances, local councils no longer hold meetings and are therefore unable to discharge their policy-making and oversight functions. In addition, districts are unable to service their debts, pay pensions and gratuity, hire new staff and, perhaps worst of all, pay the wages of locally recruited personnel. Service delivery has suffered, not only because technical personnel are restricted to their offices by lack of transport and are demoralised by wage-related problems, but also because local governments are unable to provide counterpart funding where donor-funded projects require them to do so, or even monitor and supervise the activities of lower-level staff and local project implementation (see Box 3).

Box 3: Impact of abolition of graduated tax on district finances

Tororo district

Tororo district gets USh90m in unconditional grants per annum but the wage bill for civil servants and local politicians amounts to USh115m. Compensation for GT is USh20m, leaving a gap of USh5m in the wage bill. This is covered by rent from council-owned properties. But the 65% of GT that used to be given to sub-counties in the district no longer exists and the money that Tororo receives in compensation is kept by the district chairman to cover salaries, which is considered the top priority. Nor can the district afford co-funded projects, such as the National Agricultural Advisory Services (NAADS), the Plan for the Modernisation of Agriculture (PMA) and Local Government Development Programme (LGDP). GT used to cover maintenance of roads and councillors' sitting allowances. There used to be six council sessions per year, with each councillor earning Ush300,000 (US$170) per sitting. Now they do not receive an allowance and, instead, only transport costs are refunded. Nor can the council buy a vehicle for the chairman, who uses his own car and often buys his own fuel. There is no money for emergency needs. Further, sub-counties cannot operate and some no longer hold meetings. However, they do receive conditional grants to cover activities under NAADS, PMA and LGDP (key informant interviews).

Rubongi sub-country council

Since GT was abolished, compensation has 'come down' to LG3 level only once (only USh1–2m), although it is supposed to be paid monthly. The sub-county council used to receive 65% of the USh15m it collected annually. The council still sits but councillors are no longer paid sitting allowances. Only the chairman and members of his executive committee receive salaries. The council also does not have the money to cover normal operating expenses (e.g. stationery, transport, maintenance of buildings, 'motivation' for the local defence unit, wages for locally employed staff, etc.) Supervision of NAADS, PMA and LGDP projects is now paid by the funders themselves, but there is no money for the monitoring of the projects' staff or activities. Fuel for agricultural extension workers' motorbikes is not available, thus grounding them. The forestry and agricultural divisions have been worst hit by layoffs as a result of inability to meet the wage bill. Meetings of councillors are ongoing because this is a new council and therefore 'commitment is still high'. However, all

[72] 'In well organised districts, where there were registries, where revenue collection was transparent, there had been some success in raising revenues and sensitising leaders and the public to GT's benefits. As a result there were fewer defaulted and no need for 'patrols' … [Government should have] 'tried to improve assessments and collections processes…. But central government was not very keen to listen to local government [about improvements] till it became a political issue' (key informant interview). Another informant also noted that, in Soroti district, the Dutch gave money to improve revenue collection, including sensitising people to the value of GT and revenues climbed over the years as a result.

the new councillors ran unopposed as none of the old representatives ran again – they had not received their allowances: 'They gave up on attending meetings [for nearly two years] and some [of their council] minutes were forged' (key informant interviews).

Nakaseke district
Financial constraints are being addressed through the reduction of staff numbers, which was felt not to be altogether bad because it encouraged those who remained to work harder. But it did mean all were suffering from 'work overload' and long hours. A smaller area is now being covered by regular field visits – to the disadvantage of the wider community – because 'traditional staff' (locally recruited officials) are less mobile. Funds are also not available to recruit local project staff, school facilitation grants have been abolished and the Council is only meeting for 'conflict resolution' (key informant interviews).

People in Kampala confirm that under-funding of LG institutions occurs nationwide. One informant said that the abolition of GT had caused 'mayhem' everywhere, but especially at LG3 level and in towns: GT compensation 'is getting stuck' at the district (LG5) level, meaning that LG3s are being 'starved and it's taking its toll'. As a result, conditional grants are being spent on meetings and frontline service-delivery is being affected. Another informant elaborated further: 'core funding' for projects in agriculture, HIV/AIDS and the like is now reduced because districts are 'tapping into conditional grants to pay their wage bills, pensions' and other necessary outgoings. One informant, who has monitored service delivery in two districts monthly since 2003 noted that, since the abolition of GT, service providers have stopped performing as well. With reference to two schools and health facilities in two different districts, he noted:

> Absenteeism was very stable from 2003 to May 2005 (last quarter before G-tax was suspended) at around 10% to 15% at facility level. From August 2005 onwards it has been close to 50%! [Two explanations are given for this:] (i) facility management committees scrapped whatever little money they had for topping up salaries (from user fees and education and G-tax) and (ii) pay reform … i.e. that teachers got a 50% pay increase, but at the same time, they all got it sent to their bank accounts (also generally believed to be a good thing from a PFM, PRS point of view). However, this meant that the head teacher/SMC would have no means of disciplining/extorting money from the non-performing teachers.

Both supporters and critics of the tax believe that its abolition has had a negative impact on people's willingness to work and to engage in productive activities. Similar to the colonial discourse around the hut tax, they note that the obligation to pay GT forced people to work in order to find the money for it. Critics also note that, while people are now showing increased signs of laziness, they have not given up their reliance on government: villagers feel they ought to get services without having to pay any tax for them. This failure to accept responsibility for their own development appears to be as frustrating to the modern civil servant and politician as the villagers' 'idleness' (key informant interview).

Meanwhile, some ordinary people, for whom the abolition of the tax seemed at first to be a good thing, are reportedly now regretting it. Their frustration is connected to recent rises in the prices of essential goods such as sugar, petroleum products and costs of transportation, which they (sometimes mistakenly) see as being linked to the abolition of graduated tax. In some areas, popular opinion has it that, after abolishing graduated tax, the government went ahead and began indirectly taxing people in ways that were more punitive than graduated tax. People report finding this 'daily' taxation 'painful' and would prefer GT to rising prices (key informant interview).

Replacement of GT
The impetus for abolition of GT was party politics and national elections, although these tapped into the tax's unpopularity. The question of what would replace GT was not widely discussed, although technicians were aware of the implications (UGLA, 2005), as GT earned local governments a respectable sum of about USh80bn (US$4.5m) per year. Officials at all levels rushed to find ways to replace this money. In due course, central government decided on a 'graduated tax compensation fund' and proposed taxing, *inter alia*, airtime for cell phones, cattle

and fuel. Local governments have turned to a variety of fees and less lucrative taxes in an attempt to raise revenues, including local market fees, slaughterhouse fees and rents on council-owned properties. Some advocate local property taxes (though Museveni's politicking has interfered with property taxes too).[73]

If all the new fees and taxes proposed were implemented they might begin to make up the difference (Dyrbak, 2006). As it is, compensation for GT is inadequate, with the amount of money given to districts, just over USh30bn a year, having been decided arbitrarily (key informant interview).[74] Nor has the compensation been disbursed evenly.[75] One way government had hoped to compensate local governments was by increasing the levels of national taxes such as VAT and the fuel surcharge. But revenues from these two sources have not been passed on to local governments. Instead, these funds have been channelled towards addressing the serious electricity crisis the country is facing.[76]

Between 2005 and 20007, discussions focused on finding ways of making people contribute to their own development, pitting members of the donor community, who consider it essential for people to 'make a contribution' – as a way of incentivising people to hold government to account – against the President, who is against 'taxing the poor' [77] (key informant interview). New ways of raising revenue were being considered at the end of 2006, such as a cattle tax, other 'taxes on production', or reintroducing GT under a different name, e.g. a 'development tax'. In mid-2007, a bill to introduce a new 'local services tax' was placed before Parliament, which was meant (along with a new 'hotel and lodgings tax') to at least partially replace the graduated tax. Problems with the local services tax's provisions and exemptions were glaring, and complicated the bill's passage. But the bill carried through the President's vision and proposes to relieve the poor of the income tax burden, which is seen by some district officials as undermining its revenue-earning potential (New Vision, 5 September 2007; Monitor, 30 August 2007).

Disempowerment of local government through abolition of GT

A major objective of decentralisation in Uganda and elsewhere has always been to empower local governments by granting them autonomy for decision-making. In Uganda, revenue from graduated tax, which local governments could spend as they saw fit, each according to its own unique circumstances, was an important element in ensuring this empowerment. The abolition of the tax and the consequent placement of local governments at the mercy of the central government, on whose largesse they now have to depend, has undermined this objective. Also, abolishing the tax has broken the link between ordinary people, their representatives and service provision. While in the past they have partly paid for services through graduated tax and could therefore be expected to ask questions of councillors where the quality of service delivery fell below their expectations, this is now no longer feasible because someone else pays for services.

---

[73] Museveni's insistence that only properties used purely for business or income generation should be taxed has rendered the levying of property taxes impossible in rural areas and small towns where, for example, people live in the same building they use for business. This view was expressed by most of the key informants.

[74] The informant also said that local government claimed it collected USh60bn per year and central government estimated half of that was spent collecting it, thus leaving a total of USh30bn for compensation of lost revenues.

[75] An informant claimed that the government had promised USh45–60bn compensation but only USh34bn were released last year. Another USh24bn was budgeted for in 2006; more (USh45bn) was promised but none had been released since June. 'Piggyback' revenues were also lost (education and development funds) and not replaced. See also Dyrbak (2006).

[76] In a key informant interview it was noted that VAT was raised from 17% to 18% and this was to go to local government. Fuel tax should generate USh96bn/year, but this needs to be diverted to deal with the electricity crisis. Meanwhile, government and donors are meeting to discuss the crisis in local government financing, although government at the end of 2006 was thought by several observers not to be dealing with the issue well and to 'have its head in the sand' about the consequences.

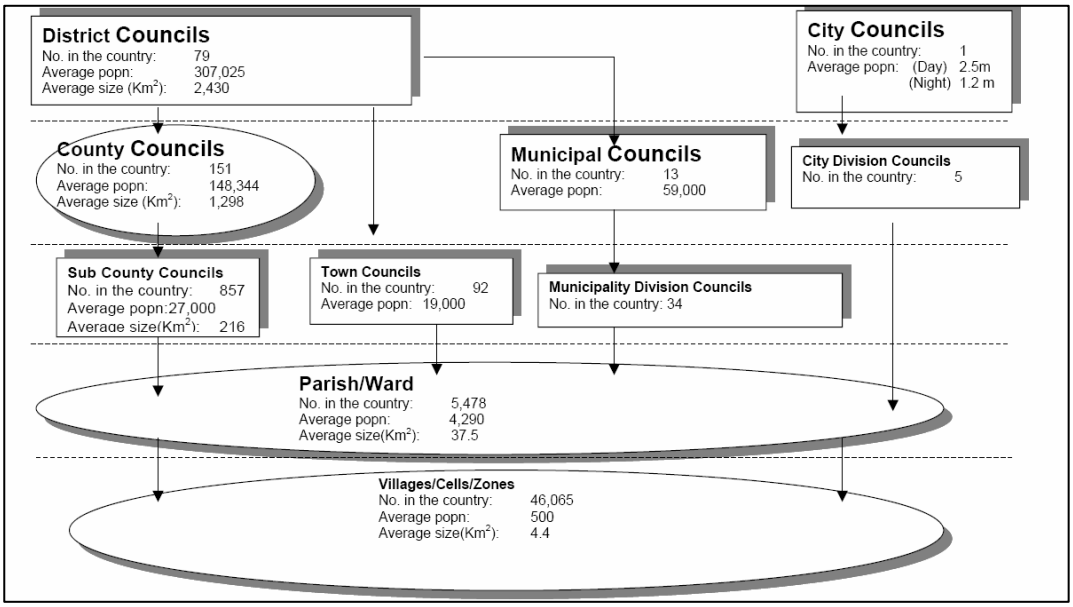
[77] Cynics remark, though, that if the reinstitution of GT became popular the President would reinstate it 'in line with his goal of maximisation of votes. It is beginning to look as if democracy is dangerous.' A donor official expressed this view but it was echoed by Ugandans, including people close to the President who are critical of his 'populism'.

Importantly, by depriving LG of administrative funds, the abolition of GT has weakened the capacity of local governments to formulate and implement policy. In addition to local councils not meeting regularly to play their decision-making role, local governments are now virtually unable to supervise and monitor the activities of their personnel, even where central government and development partners fund implementation. The abolition of graduated tax has meant that local governments are now dependent on the central government for up to 95% of their funding.[78] In addition to disempowering local governments, this dependency demoralises local government officials by rendering them unable to perform the functions for which they were elected and appointed. Following extensive field research on service delivery and decentralisation, analysts recently concluded that 'limited financing by the local governments due to dwindling LG … revenues…. has compromised the participation and autonomy of the LGs in local service delivery planning, local level implementation and inspection, and service operation and maintenance' (DEGE, NCG and Mentor, 2007).

4.2.2 Recentralisation: restructuring and the CDF

Recentralisation is considered valid when decentralisation is perceived to be undermining effectiveness and the re-concentration of powers will improve the functioning of administrative systems and structures (Gershberg, 1998). Events in the case of Uganda must therefore be analysed against a backdrop of widespread dysfunction and corruption at LG levels[79] which, among other problems, sparked demands for the reassertion of central supervision. But in a multiparty environment, the logical desire of a neopatrimonial regime to gain control over the resources and power of independent-minded local leaders and staff must also be considered.

Figure 2: Local government and administrative units: layers, number and size (August 2006)



Source: DEGE, NCG and Mentor (2007).

Three ways in which local government has recently changed pertain to the remuneration of elected leaders, recruitment of chief administrative officers, and tendering and procurement procedures at the district level.

[78] It appears that for some it is up to 99% (New Vision, 2006).

[79] For corruption at local levels see Zwart (2003). For a survey of local-level corruption in more than a dozen districts, see Monitor, 1–7 February 2004. Typical was swindling from development projects, theft by members of tender boards, abuse of procurement procedures, illegal bank accounts operated by CAOs and financial officers, mismanagement of funds and 'ghost' employees on payrolls, etc.

In the decentralised system, all elected local political leaders up to chairpersons of district councils were paid salaries by their respective local governments. This led to wide disparities in salary levels at the level of district council chairpersons. Resource-rich districts with the ability to collect relatively large amounts of revenue were able to pay fairly high salaries to their chairpersons, whereas those with fewer resources were not. In some instances, chairpersons earned only a small fraction of what their counterparts in well endowed districts received.

This was seen as unfair by the Uganda Local Authorities Association and, in the late 1990s, it proposed that local leaders occupying fulltime positions should be paid by the centre in order to equalise salaries. The proposal was accepted by the central government, which started implementing it in 2005. As part of the changes, the number of local government executive committee members was reduced from 10 to five. Consequently, chairpersons and members of their executive committees at sub-county and district level are now paid their salaries by the central government and are therefore no longer dependent on the ability of local governments to mobilise revenue.[80] As a result, they had little interest in maintaining or collecting GT, while the link between them and the centre was strengthened.

With regard to decentralised administration, until the Constitution was amended in late 2005, district politicians were responsible for appointing chief administrative officers (CAOs) and their deputies through the district service commissions. That was changed and responsibility for appointment of these officers was re-centralised and vested in the Public Service Commission. The changes, which mean effectively that the CAO accounts upward, were justified on the grounds that this would insulate these public servants from pressure exerted by local politicians, who previously made unwarranted and sometimes illegal demands on them. Moreover, they can now be transferred around the country, making them less rooted locally and therefore more 'objective'. In 2006, all serving officers were required to apply for their jobs alongside new applicants. A number did not pass the interviews and were subsequently relieved of their jobs. Others, such as the former CAO of Hoima district, were not only highly qualified but also passed the interviews, only to be relieved of duty in unclear circumstances. This has led some to believe that appointments depended on more than just merit.

Also changed during the restructuring process were rules governing tendering. District tender boards, staffed by political appointees and answerable to local politicians, were abolished and replaced with local contract committees made up exclusively of civil servants, who are answerable to CAOs. These changes were justified by the tendency in the past among members of district tender boards to be subject to influence-peddling and pressure by local politicians, some of whom would form instant companies and bid for contracts to provide services or supplies. These have been replaced by a 'depoliticised' contract committee made up of civil servants, trained in technical evaluation, nominated by CAOs and appointed by the Secretary to the Treasury. It is expected this will reduce corruption.[81]

Impact of restructuring

These changes have had a great impact on the functioning of local governments as well as individual's performance. While the payment of the salaries of elected local leaders by the central government has removed the wide disparities in their earnings, it is said to have removed the incentive they had for boosting local revenue collection. On a positive note, it has rendered leadership positions at local government level attractive to people with qualifications, skills and experience. This development should inject much-needed capacity at the level of district leadership and, in due course, improve the quality of governance and administration.

[80] It is also reported that some conflict has emerged between those in government who are paid by the centre and those still dependent on sparse local funding (DEGE, NCG and Mentor, 2007).

[81] *New Vision,* 9 November 2005. Local Government Act, Amendment 2 of 2005. Reportedly, some 60% of local government budgets were linked to the local tendering process (key informant interview).

Civil servants seem largely to welcome the recentralisation of appointments and new lines of accountability. However, the change may well result in increasing tension between them and politicians,[82] as it has freed them from local pressure and opened the way for them to apply themselves to their tasks more professionally. Their appointment by the centre has insulated them against arbitrary dismissal and victimisation, as was the case in the past, and has given them the ability to follow procedures and regulations and not bend to the will of local politicians (key informant interviews). On the other hand, appointment by the centre opens the way for civil servants to have to execute their functions according to directives from above, directives that may or may not be in line with democratic norms or legitimate local interests.[83] On a personal level, the separation of administrators from the local political elite may tempt officials to act recklessly or disrespectfully towards local politicians. As has been the case with centrally appointed resident district commissioners, this could lead to tensions and a breakdown in working relationships, thereby affecting service delivery and the quality of administration.

Concern has also been expressed about the political implications of restructuring. For instance, a recent review states that both the Constitutional Commission and the Uganda Local Government Association (UGLA) see this as a real threat (DEGE, NCG and Mentor, 2007). This argued that:

> Central government appointment of the CAO will cut the most crucial accountability link between the elected local councils and the LG staff; and such an approach to solving administrative problems in LGs (through centralisation) may result in a snowball effect, whereby local accountability mechanisms become totally undermined. Instead, emphasis would have been on further guidance, support and mentoring pertaining to the roles and functions of the various stakeholders.

Meanwhile, UGLA argued that this move amounts to a 'recall of the already transferred power possessed by LGs in handling this particular office. It will confuse reporting and accountability. It will lead to more Officers of LGs being recentralized … in the long run, the entire structure will collapse' (UGLA, 2005).

It is the overall thrust of these various reforms that generates unease, for in conjunction with the abolition of GT, they are undermining the devolution of power to people at the lowest levels as well as the accountability of local politicians and civil servants downwards to the public, which are key goals of democratisation and specifically the decentralisation programme as designed. Technicians who join with politicians in promoting such reforms should be aware of these tendencies. On the other hand, technical improvements (accounting for funds, more capable civil servants, more honest tendering etc.) are likely to be made by recentralising the CAOs and by paying better wages to local politicians (although not by the abolition of GT). Service delivery is being affected variously by each of these trends – although at this stage it seems to be harmed more by lack of GT than helped by human resource and structural improvements. In the long run, divorcing villagers from their local leaders and from responsibility for the own development is likely to have a deleterious impact on rural development and democracy.

Constituency development fund

In Uganda, the CDF was introduced in 2005 and USh10m (US$6000) was given to each MP to supplement development funding by central and local governments by making financial contributions towards development activities within their own constituencies. In years past, MPs complained about having to expend their personal financial resources for this purpose. The

[82] The CAO is also the accounting officer of the district as well as the head of the public service in the district and of the administration of the district council. S/he accounts upwards for all funds spent at district level. Nonetheless, the law says the CAO shall be responsible and subject to the general directions of the chairperson and the district council, Local Government Act, Cap 243 section 67(1).

[83] For instance, before these changes were effected, one area in which CAOs came under pressure from the centre was as election-returning officers. It has been reported that some were pressured to change election results in favour of specific candidates. To extricate themselves from this potentially difficult situation, some CAOs opted not to serve as returning officers for the national electoral commission. Today, CAOs in some districts have reasserted their refusal to be involved in elections (key informant interview).

President promised MPs he would give them discretionary funding, and the CDF emerged as part of the development budget for FY 2005/06.

Since giving them the funds, MPs reported (in late 2006) that there had been no systematic collection or dissemination of information about how they had been used. This is a result in part of there being no law governing the CDF, although there are guidelines that depend upon the Auditor General verifying parliamentary spending generally (Uganda Debt Network, 2006). While some MPs presented documentary evidence in 2005, some of it allegedly doubtful, to the Clerk to Parliament, others did not, apparently without any reprimand (key informant interview). It has been alleged that some MPs have injected their funds directly into their re-election campaigns, although when the government handed out the money it stipulated that it should not be spent on celebrations of any sort (including weddings, funerals and religious ceremonies) and that it was supposed to be spent instead on 'activities that directly increase household incomes, productivity, create employment and boost food security. It is also meant to stimulate sustainable growth and development and trigger rapid rural transformation' (Atoo, 2005). One MP reported that the funds had been channelled into microcredit for a wide assortment of groups in their own constituency, including groups of disabled people as well as of civil servants such as teachers. The MP claimed to be happy with the 'good multiplier effect' the funds had had. New Vision (29 August 2007) concluded after its own investigation of the use of the CDF that, while 'some MPs do not admit it, some of them have spent the funds on alcohol with their constituents. Weddings, burial arrangements for constituents also accounted for a big amount. But some MPs spent it well by revolving funds for their constituents.'

The introduction of the CDF during a period of electoral politicking and without strict parameters on the funds' use by MPs, the manner in which they have reportedly been utilised by some MPs with impunity, and the way they bypass formalised development mechanisms and priorities pose questions about their utility. Specifically, do they serve any useful purpose besides oiling political networks? Should MPs be direct dispensers of particularist development rather than promoting national development in Parliament? Should the state not be the main agent of development, through decentralised, people-centred, formalised state and civic institutions? Should funding not be directed toward well planned development priorities? And given generalised corruption and lack of accountability at both local and central levels, are these funds going to be treated differently than other discretionary funding? Indeed, is there a reason to suppose they were ever meant to be accounted for?

4.2.3 Proliferation of districts

Uganda's Constitution lays down the manner in which Parliament may create new districts.[84] At independence, there were 10 districts, four kingdoms (transformed into districts in 1967), and one 'special district', Karamoja. After 1967, there were 18 districts, and Idi Amin increased the number to 38, grouped into 10 provinces, in 1974. After he was overthrown, the number fell to 33, but increased to 34 by 1990. Four further districts were created in 1991, another one was created in 1994, and five more in 1997, raising the number to 44. In 2000, government hived off a further 11 districts from the old ones, and by 2004 there were 55 districts and one city.[85]

Linked to the issue of district creation is 'Federo', or the position held by many, especially in central Uganda and specifically the Buganda kingdom, that Uganda should become a federation of districts, with local officials accountable and responsible for many of the tasks now assumed by central government. One 'Federo' advocate put it like this:

[84] Art 179, Sec.(3): Parliament shall by law empower district councils to alter the boundaries of lower local government units and to create new local government units within their districts. Sec.(4): Any measure for the alteration of the boundaries of the creation of districts or administrative units shall be based on the necessity for effective administration and the need to bring services closer to the people and it may take into account the means of communication, geographical features, density of population, economic viability and the wishes of the people concerned.

[85] New Vision, 8 August 2005.

> The people wanted to take charge of their own affairs because they bitterly complained that 'concentration of powers in the hands of thieves in Kampala' had led to inexcusable failures of the government to pay salaries of their teachers and other civil servants who were working in the outlying districts. At the same time, the government failed to keep hospitals and dispensaries in rural areas well supplied with essential drugs. As a result, thousands of peasants have died from curable diseases. The ubiquitous demand implied that if the people of Uganda were to take charge of their own affairs, their teachers' salaries, ensure proper management of the government hospitals and other state functions, it would be imperative that they organise themselves into an elaborate system of administration for orderly management of their affairs, which would make their districts autonomous states. This would imply having a state in Acholi, another in Ankole, Bunyoro, Buganda, Busoga, Toro, Teso and indeed, in all areas occupied by major ethnic groups.[86]

In the highly politicised environment of Uganda, this demand for federation has become mixed up with the politics surrounding devolution and decentralisation, corruption and multipartyism, tribalism, regional tiers,[87] electioneering and district creation. Specifically, Buganda leads the effort to turn Uganda into a federation, while people grouped around other ethnic allegiances feel that the influence that Buganda has had consistently is because it is united and has a strong leader; they see that a federation based on tribal affinities might promote their own interests and power (vis-à-vis central government and other districts/groups) as well.

Waste and corruption at central and local levels provide ammunition for those calling for more autonomy. Related to these are complaints by groups about being marginalised – on account of their different tribal affiliations, languages or cultures – who demand access to power at the local level. Local and national politicians recognise this as an issue that they can use to win support votes. But how widespread 'tribalism' really is – i.e., how strongly or strictly people identify themselves by their historical or geographical differences, or by their languages or cultures – and how that influences their developmental and governance goals requires more field research. Nonetheless, brief visits to districts in December 2006 indicated that this is an issue that has resonance for some people and that it has been operationalised by politicians.

The proliferation of districts began again in earnest at the height of the period when Museveni and Movement politicians had to fight their first real democratic elections. In 2005–6, 13 new districts were created, raising the number to 69. Another 11 districts were cut out of existing ones the following year, so the total now reaches 80 (79 districts and one city).[88] It is likely to go even higher.

Respondents note that, before 2002 the process of district creation was largely governed by the requirements laid down in the Constitution: feasibility studies were done by the ministry to assess the 'viability' of proposed districts; district resolutions were passed, indicating local support and laying out reasons for their creation; and these were sent to the Minister and then to a special committee to assess sustainability and make recommendations to the Cabinet. While the ministry still emphasises the need for districts to be 'sustainable', it admits it is now unable to use this 'criteria so empirically' as before (key informant interviews). In fact, it was reported that only seven

[86] http://www.federo.com/pages/Personalities.htm, citing Onyango Odongo.

[87] 'The Constitution … Article 178 (6) now provides for the creation of regional governments that are also body corporate. The operation of the regional governments is detailed in the fifth schedule of the Constitution. Despite the potential virtues of this amendment including economies of scale during the delivery of services, it was made before most of the operational issues were sorted out and has encountered obvious acceptability challenges especially in Buganda region that preferred a federal status. The outstanding issues include: the relationships between the central government and regional tiers, between regional tiers and local governments; role distribution and mandates (including menu of investments); fiscal issues including local revenue sources and central government funding of the regional tiers (allocation formulas, per capita allocations etc.); administrative structures (human resources) and political structures (including election of the prime ministers and representation in the regional assembly); and planning, implementation, reporting and accountability mechanisms' (DEGE, NCG and Mentor, 2007).

[88] The number of town councils increased as well from 69 in 2004 to 92 in 2006 (DEGE, NCG and Mentor, 2007).

of the last 24 districts created were approved by the Cabinet, only seven were taken to Parliament by the Minister, and that Parliament created another 14 without due process (key informant interview). In other words, the reason now for creating new districts is largely political and so the ministry finds it is working outside the law and reacting to a range of interconnected initiatives emerging from above and below, only a few of which are 'technical' in nature.

Local demands for districts have spiralled out of control in recent years and now the process feeds off itself. Typically, as a correspondent told the press in late 2006, 'I wouldn't have supported creating many districts but since others like Mbarara are getting [sic], then we shouldn't miss out the opportunity of getting more from the central government like other areas' (Daily Monitor, 2006). Similarly a key informant in Tororo explained that the 'time had come for us to raise our voices for recognition just like people in other districts are doing' (key informant interview).[89]

What generates demand for new districts at local level? There are several arguments used. For instance, in Lira district, people told researchers that the creation of Amolatar district was 'technically justified as it was very expensive and cumbersome to administer that part of the district due to the long distances and poor roads … They further asserted that Amolatar district has a high population, viable revenue sources, and basic physical infrastructure in place' and would therefore meet the sustainability requirement, an assessment with which government officials agreed (DEGE, NCG and Mentor, 2007). This is similar to the argument given in the new district of Nakaseke, which used to be part of Luwero. 'It used to take a year to move throughout the whole district' because of its size, a senior official said. Now, access to the community is easier and administration is 'more flexible' as people find it easier to approach the district officials and council. Furthermore, development of infrastructure is more 'equitable' and easier to 'balance' across the district, for instance, road rehabilitation (key informant interview).

A central government official justified district proliferation similarly and gave Mpigi district as an example. It was 'so big', he said, and 'resource-rich' areas like Wakiso were getting a 'raw deal' as they were subsidising areas where there was poor revenue collection. After Mpigi was broken up, resources that were sent to poorer areas are now being used by Wakiso, with 'tremendous' effect in terms of infrastructure and service delivery. Smaller units, he argued, are better for service delivery because of the concentration of people and improved targeting (key informant interview).[90]

Certainly not all district creation has been driven by the need to cut districts down in size. Some are now so small – comprised of only a few counties – that they are not viable. A key informant cited three cases (Buliisa, Yumbe and Koboko) as having 'little chance of standing on their own'. Buliisa, for instance, is a one-county district, reportedly with only five councillors, all of whom sit on the council and its various subcommittees. This is neither politically viable, nor economically rational. Resources going to the original district will be shared on a pro-rata basis between the old and new districts. But newly appointed district officials and politicians will receive wages – which means new money is needed, although it is not readily available.

This brings us to one of the most common motives for creating new districts – jobs (key informant interviews).[91] Various individuals and groups focus on job creation, starting with local residents, who see their new district providing them with employment directly (as district office staff or field workers) or indirectly (local government purchasing office supplies and services from them, for instance). More important, because they have more influence, are local politicians. One informant explained that 'failed national politicians believe they could come back as chairmen of districts or resident district commissioners' if a new district is created in their home area. 'MPs envisioning

[89] A key informant in Nakaseke district also noted that the people there pushed for the creation of the new district because people elsewhere were being granted district status.

[90] Another informant noted that the argument about size and distance is 'nonsense' as the country is small and 'no place is very far from anywhere else'.

[91] New districts get a grant of about USh1.2bn to start operations, while approximately USh1.3bn is spent on salaries and other costs per district/year. It is hoped by many that unviable districts will come together and form a 'region', although adding another government tier is likely to be expensive and cumbersome (key informant interviews).

losing elections want new districts to be created so as to reduce the competition for their seats. This is [also] true of women MPs who want their rivals to go and contest for seats created by new districts.[92] Usually it is influential local politicians who are behind the agitation' for creating a new district (key informant interview).[93] Another local government official agreed that 'people who want privileged jobs' are motivating this (key informant interview).[94]

One experienced district official summarised the situation this way: 'if a mother wants something, she will ask her children to ask the father'. On other words, locals are being 'prompted' by politicians to push for districts, but 'their interests are not the same as the people's. So, if women in a district want to become a woman MP, they will push for a new district. More political jobs [not just for women] are being created at district level this way' (key informant interview).

Tribal (historical, cultural and language) differences are used to justify the creation of districts. Some start with what is well known – that many local officials and politicians are corrupt – but go on to argue that within their own district 'our own people' will be honest and 'keep our funds well' (key informant interview). Those advocating new districts often mention the (tribally or regionally based) marginalisation of groups. This can take the form of claims by ethnic groups of not having (enough) representatives in the local council or the national Parliament, not being hired directly or given employment indirectly by the district administration, and/or not receiving what they consider to be a fair share of the district's funds and resources.

Box 4: Tororo district case study

At the start of the current wave of decentralisation in 1993, Tororo district was one of the largest and included what are now Busia, Pallisa, Budaka and Butaleja districts. Pallisa was the first to break away in mid-decade, followed by Busia in 1997. The departure of Pallisa and Busia counties was justified on grounds of the long distance between them and the district headquarters in Tororo town. Because of the large size of the district, people in Pallisa and Busia had virtually no contact with district-level leaders. If they needed to go to the district headquarters for any reason, they had to travel over what were considered long distances. It was therefore felt that, in order to make services closer to where people lived, the two counties should become districts. In both instances, the separation was amicable.

The departure of Busia and Pallisa led to the exit of two main ethnic groups, Basamia in Busia and Bagwere in Pallisa, and of a section of a third one, the Iteso in Pallisa.[95] This left three main ethnic groups in the district: the Iteso of Tororo county, the Jopadhola of West Budama county and the Banyole of Bunyole county, which became Butaleja district. Of these, the Jopadhola constitute the majority and the largest political bloc, and therefore the group with the casting vote to determine which individual acceded to the highest local political office, that of chairman of the district council. The reduction in the number of ethnic groups in the district led to the surfacing and intensification of political and other rivalries that had hitherto simmered under the surface. Along with the surfacing of rivalries came shifting political alliances. At first, in 1998 the Jopadhola allied with the Banyole to ensure that the district chairmanship went to the latter and that other posts were shared among themselves to the disadvantage of the Iteso, who soon became disgruntled. Later, the two allies fell out, driving the Jopadhola into an alliance with the Iteso in 2001. This time, it was the turn of the Banyole to feel disadvantaged and disgruntled and they started demanding a district of their own in a process instigated by political elites and embraced by ordinary people.

Fearing that the departure of Bunyole County would leave them at the mercy of the Jopadhola majority, the Iteso also started demanding a district of their own and using claims of marginalisation (shown by evidence

[92] The fact that each new district automatically gets its own woman MP was remarked upon regularly, especially because women MPs are thought to be part of Museveni's support base (key informant interview).

[93] One informant noted that each district gets government-sponsored university places reserved for it, and this was a factor in cutting Nakaseke (which subsequently got 12 university places) out of Luwero district.

[94] The informant noted, for instance, that the motives for breaking Bushenyi into four districts are 'just selfish and frivolous'.

[95] Other Iteso remained behind in Tororo county.

to be questionable)[96] to buttress their demands. In 2003, the country was plunged into a dispute, in which President Museveni was an interested party, about whether or not to amend the Constitution to allow for limitless presidential terms as opposed to the two-term limit it imposed. Groups championing different causes, including agitating for districts, took advantage of the situation and conditioned their support, through local 'big men', including political entrepreneurs and middlemen pursuing private agendas and MPs seeking to boost their chances of re-election, on being granted their wishes. Consequently, the campaign for constitutional amendment and subsequently for Museveni's re-election became intimately linked to the campaign in some districts for the creation of new, mainly ethnic districts.

It is these factors that saw President Museveni plunge deep into the debate about the further division of Tororo district. The demands by Bunyole county were easy enough to deal with, not least because there was no contention about the territory the Banyole claimed as belonging to them and which, therefore, they wanted to sever from the 'mother district'. For the Iteso, however, the boundaries of Tororo county, and therefore the territory they sought to depart with, came in for strong opposition from the Jopadhola. At the centre of the controversy was, and still is, the status of Tororo municipality, Tororo district's main town and seat of the district headquarters. While the official boundary between West Budama (Jopadhola) and Tororo (Iteso) counties (dating from 1947 when it was drawn to resolve tensions between the two sides)[97] shows Tororo municipality belonging to the latter, the Jopadhola have argued, and so far successfully, that, as the original inhabitants of the area, Tororo municipality belongs to them as an ethnic group. For that reason, they are unwilling to cede it to the Iteso, who migrated into the area from the Teso region farther east during the late 19th century. They maintain that they support the Iteso's demands for a district of their own, but not if they plan to take Tororo municipality with them.

Unlike in Bunyole county and other areas across the country, where the creation of new districts on the basis of presidential decree rather than parliamentary sanction was fairly easy, the strength of arguments on both sides made it impossible to grant, in the same manner, the wishes of the Iteso of Tororo county. Attempts to bring in commissions of inquiry, of which there have been three, also failed to resolve the impasse. As of December 2006, both sides were still wedded to their points of view and refusing to budge, and tempers were running high. Some people on both sides have spoken of the possibility of inter-communal violence if the matter is not resolved soon or if it is resolved 'unjustly'.

To summarise, long-term problems with development and governance at the local level – such as corruption, paucity of resources, unequal distribution of services, and domination by cliques – must be seen as a backdrop to new district formation. Personal ambition by ex- and would-be politicians, combined with the locals' desire for employment and new opportunities, also plays a role. Arguments are often articulated in tribal or historical terms. So, while individual circumstances differ at the local level, a countrywide trend is discernable.

However, equally important as a motive for district proliferation is national politics. A politician close to the President put it this way: what is happening now is 'comical'. It is a move that is 'populist and political and designed to win votes … It is convenient to pretend it's a result of multipartyism' – Museveni has claimed he is bowing to democratic pressure from below[98] – but it is not. Creating new districts serves two national political purposes: the first is that it makes districts 'meaningless', which will 'water down' the demand for federation.[99] Secondly, it wins votes. Paraphrasing Museveni, the advisor said, 'if this is the way we can stay in power, then let's do it!' (key informant interview).

[96] For example, an interview with a knowledgeable independent observer shows that, with the exception of secondary schools of which there is a greater number in West Budama and most of which were built by missionaries, Tororo county is well endowed with educational and health facilities.

[97] Ethnic conflicts in this region and their destabilising effect on local administration go back a long way and, even during the colonial period, exercised the minds and sometimes the patience of policy-makers (see, for example, Burke, 1964).

[98] Museveni claims that the creation of new districts is the fruit of democracy: 'Although this takes lots of money, this is the democracy we fought for. People must ask for what they want and get it … That is how revolutionaries work. This government started like that' (*New Vision*, 19 February 2005).

[99] Another informant explained more fully: recentralisation of control of local officials and politicians is linked to splitting up of districts. Central government pays politicians from the consolidated fund, which prevents the rise of strong, capable political units that would serve as an alternative basis of power against the centre.

Many others commented on the connection between the referendum and multiparty elections on the one hand and the creation of new districts on the other. One key informant stated: 'I blame the government.' This tribal identification 'all started by ignoring merit, but [government] used which part of the country one comes from' to hire people. Then 'people being people, took this further', and now the decision to grant district status is being made for votes (key informant interview). This has played out differently in each new district. In Luwero, for instance, before the district council agreed to create Nakaseke district, Museveni came to the area and told the people, 'we people from the bush do our things in the bush. I am laying the district's foundation stone right here.' He subsequently won 80% of the local votes in the presidential election. A key informant took up the story: political pressure was important in creating the district. If it had been refused, Museveni might have lost. People were asking, 'if others are getting districts, why not us, where you fought [the war] and destroyed our things? They dug the skulls of dead relatives out of the ground [skulls of people killed during the war] and piled them up to make their point!' (key informant interview).

A ruling party politician added that the government is under pressure to 'gain [the] favour of the populace' and the NRM is 'wanting to gain' through this process. The party's manifesto is 'too ambitious' and cannot be implemented and therefore 'we just sing about it'. So, 'we have to appear to be doing something' and district creation is one thing that is relatively easy to do (key informant interview). Another informant agreed: 'the government wants 'to benefit electorally. If you run out of popular causes to champion, you champion any issue.'

He went on to explain the linkages between local and national politics. The original intention of decentralisation, on the face of it at least, was to empower the ordinary citizen. But too much decentralisation has led to things like tribalisation of appointments[100] and abuse of processes of empowerment. Local officials were empowered, not citizens. Too much authority at the local level bred insecurity among technical people, which in turn led to an abuse of resources. It was like building undemocratic institutions. Weaknesses at the local level had a multiplier effect, as those feeling injured started agitating for separation. As for those politicians at the centre, if you use local strongmen to secure support, you have to be prepared to grant their demands. Demands have multiplied and become fashionable. It is all populism – taxes have become less and less meaningful to the administration. In all of this you must discount the ordinary people; they are not there. There is the issue of jobs: it allows local leaders to find a way to earn some money. At the centre, this process is seen as a way to ease pressure from below (key informant interview).

One wonders, then, whether this is a process driven purposefully from the top. One informant argued that, indeed, Museveni is 'a master chess player' and 'steers' the processes so that his local notables eventually emerge to make demands, to which he responds. This creates a link that can be operationalised at election times.

Many see the proliferation of districts as damaging. First, as noted above, the national budget is already insufficient for local service delivery and administration, and the creation of new districts has only made matters worse. Now money is being spent – some say unwisely on building new headquarters rather than on more developmental projects – to set up new districts. Additional funds are needed annually to pay a larger number of district officials and politicians' salaries. The non-viability of many of the new districts – in terms of population size, natural resources and the inadequacy of revenues and skills for management – is already evident to many observers, but is likely to become more so. The solution for some observers is the formation of a 'regional tier' or regional governments, and reports suggest that some less viable districts are already thinking along these lines and considering joining up (key informant interview).

But this has its own challenges because, reportedly, Museveni is opposed to regionalisation. Also, to create regional governments would require a visionary leadership to reweave the districts into a

[100] One informant explained it thus: 'You form an executive [at district level] with some areas permanently not represented' and people in those areas feel marginalised. With the formation of a local organisation, resentment may be expressed and resistance can emerge.

'strong fabric'. But doing so would threaten the discretionary power of local leaders, who would likely oppose it (key informant interviews). Moreover, it is a solution that has not emerged through public negotiations and cooperation, and so its popularity is untested. Finally, it would add another layer of costly bureaucracy to the decentralised system (key informant interview).

Others are more concerned with the tribalism or other divisions that district creation has unleashed and accelerated. In Tororo, where tensions remain high, one informant expressed a fear that violence would erupt if the 'two sides are not separated'. This is not as farfetched as it sounds, for violence did erupt in Nakeseke over placement of the new district headquarters (New Vision, 1 July 2005). More generally, observers feel (as one informant put it) that the district-creating process 'totally destroys national unity and makes governance very difficult'. During the period when debate over the President's third term was at its most vocal, the press condemned the President for promising a district there 'if the local MP crosses [to the Movement, or] promising another if the residents get rid of their MP, who is a thorn in the side of the Movement government'. This method of rule, the New Vision opined, enshrines 'the increased ethnicisation and polarisation of communities, who have lived together for decades, aside from stirring up negative ethnic sentiments and political tension.' (9 March 2005). This process, a senior politician concluded, is going directly against the one proposed by the Museveni years ago: Uganda is a small country and it should be united with other countries to become stronger. Museveni's actions are making 'it difficult for people to believe that [he is] a great believer in the East African [Community] while [he is] at the same time creating small entities.' Another informant concurred, asking about Uganda 'in the 21st century: are we moving backward?'

Finally, there is the impact this is having on Ugandan politics. Specifically, districts have been created 'owing to the decay in the Movement' – i.e., rather than winning legitimacy and votes by solving the problems giving rise to complaints at local level – non-meritorious appointments, poverty, marginalisation, corruption, 'local despotism', etc. – the government has opted for a populist solution. Some locals recommend instead, a reversion to high 'standards' – democracy, participation and transparency (key informant interview). Furthermore, the creation of any more new districts should only be carried out according to the process laid down in the Constitution, where technical issues and formal regulations are given precedence over political considerations (key informant interview). Finally, one informant held out hope that 'logic might prevail in parliament' and that MPs, some of whom are disgruntled by the Executive usurping their role of creating districts, will take its powers back and stop Museveni from creating more districts.

4.3 Summary

Democratisation has placed Museveni under intense and increasing political pressure. The 1995 Constitution and 1997 Local Government Act significantly changed the formal rules of the game governing political competition and the exercise of state power in Uganda. As a consequence, first Museveni and, since 2006, the NRM have had to submit to regular electoral competition for control of the state on the basis of universal suffrage – and to do so in the context of increased scrutiny of the Executive.[101] National debates about the two-term limit and Museveni's dwindling majority with each presidential election indicate that his personal position is contested. In addition, the legitimacy of the 'no-party system' – and therefore the NRM – was also subject to growing internal NRM and national debate, culminating in the transition to multiparty competition in 2005.[102] The calls for federalism add a further layer to the challenges to the President's authority.

There is discernable neopatrimonial logic to the political strategy Museveni has employed in response to growing threats to his control. A tension exists between the preservation of his own

[101] The 2005 Constitution established formal separation of state power (judicial and parliamentary oversight) and new civil and political liberties (providing the basis for societal monitoring, e.g. media).

[102] This is perhaps the more significant development, including for Museveni, given that the NRM and Museveni's legitimacy has been intimately bound up with their role in ending civil war in (most of) Uganda.

power and the reform agenda and, as democratisation has progressed, Museveni has given increased precedence to the maintenance of his own position. First, Museveni has resorted to populist policy in order to win votes and fend off electoral challenges. The opportunism of these reforms is problematic; they have been poorly conceived and implemented and adopted primarily to win elite and/or popular support. Museveni caved in to pressure to abolish GT in the face of the opposition's agitation but failed to replace it with a viable means of generating local revenue. The proliferation of districts has dramatically increased since the onset of electoral competition and has frequently happened without due legal process or assessments of their viability. Political expedience led Museveni to support popular demands rather than tackling discontent caused by structural shortcomings.

Secondly, recent reforms in Uganda have clearly been instrumentalised to serve particularistic and personal agendas in ways that are detrimental to the public good. This logic can be detected by asking of a given policy: why has it been adopted, how is it implemented and who is it benefiting? The creation of districts and the abolition of GT have both been used by Museveni to win votes – both through their direct appeal to the electorate and as a bargaining chip in negotiations with local elites, including in relation to his third-term bid. Proliferation of districts has benefited Museveni by undermining the power of large districts and groups and countering the threat of federalism. Importantly, proliferation demonstrates the replication of neopatrimonial logic at local level and how local elites are also able to instrumentalise reform processes in their competition for state resources. While these reforms have served to secure access to state power and resources for political elites they have also served to undermine the political and administrative functioning of local government (see below).

Thirdly, Museveni has responded to the political threats posed by democratisation by increasing executive power, and his personal power within the Executive, in an attempt to prevent alternative centres of power from emerging. As the democratic challenges to Museveni have intensified, the Executive has marginalised other state bodies that are able to provide oversight, such as Parliament (Rakner, 2007). Reports also suggest that Museveni's changed leadership style has led to power becoming more personalised within the Executive (and the NRM). Museveni is now less consultative and inclusive and he is distancing himself from once trusted, but strong and competent, colleagues. District proliferation may seem contradictory given these centralising tendencies, but smaller and weaker bodies in outlying areas, better administrative control of these, and a more compliant local elite all serve the Executive's short-term interest. While in the long term the creation of districts may present new challenges to Museveni, this possibility appears to be outweighed by the immediate political purposes that it serves.

Finally, the utilisation of both formal and informal institutional resources is clearly apparent in Museveni's political strategy. Although there has been a gradual reversal of recent democratic gains in Uganda, it is interesting that Museveni has not responded to challenges to his power by unilaterally overturning or openly working outside formal democratic institutions (as demonstrated by the need to change constitutional rules in order to secure a third term). However, it is clear that Museveni relies heavily on informal practices and relationships to maintain his position – and that these contradict the spirit, and sometimes the letter of formal institutions, and undermine their ability to function as intended. The CDF provides an example of a formal policy that has been introduced through a mixture of formality and informality, during an intensely political period, which is likely to contribute to the informalisation of development planning processes and to reinforce particularistic, patronage-based relationships between communities and MPs.

These political dynamics at the centre of Ugandan politics are having a profound impact on decentralised governance structures. First, the abolition of GT and the proliferation of districts are threatening the financial viability of local government. The 'central compensation fund' established to replace local GT revenue is inadequate and being further reduced by leakage and redirection of funds at national and district level. This has serious implications for the ability of local governments to perform their core functions. Service delivery is being undermined because funds are not available for transport, counterpart funding for donor projects, or wages. The administrative, policy-

making and oversight capacity of local government is also being eroded in districts where councils are not able to hire new staff or where council meetings are not taking place. The creation of new districts is compounding these financial difficulties; some districts are too small to be financially viable and the mushrooming of districts increases the demands on national resources.

Secondly, the restructuring of local government administration and finances has effectively resulted in the recentralisation of decision-making power and the weakening of local oversight and accountability. In addition to the almost complete reliance of districts on central government for their funding, since 2005–6 central government has also accrued responsibility for the payment of local political leaders and the appointment of senior district officials. Local procurement processes have also been reformed and are now managed by civil servants (answerable to the CAO) rather than local politicians. The rationale for these reforms may be technically sound – seeking to improve the quality of the cadre of administrative and political officers and their management of district finances and processes – but the political effect is to reinforce upwards lines of accountability between local officials and central government at the expense of local accountability relationships between elected officials, civil servants and communities. This may limit the scope for political interference by local elites but opens the way for political manipulation by the centre through its influence on central administrative bodies such as the Public Service Commission (as demonstrated by claims that the reappointment of senior administrative officers was not solely merit based).

Thirdly, local government reform has therefore altered power relations – both within the local arena and between central and local government – with implications for the incentives that different actors face. Relocation of control over finances and appointments to the centre – essentially moving away from democratic participation – increases the incentives for local officials to stay in favour with the ruling party. This has potential implications for autonomous policy- and decision-making, particularly given the dominance of the NRM at the local level.[103] At the same time, strengthening the link between central and local interests undermines incentives for local officials to prioritise local community interests over party, central or self-interest. For instance, local politicians have less incentive to rectify the crisis in local government financing when their salaries are secured by central government. At the local level, there has been a distortion in the relationship between communities and their elected representatives on the one hand, and between politicians and administrators on the other. The abolition of GT has broken the link between payment of taxes and delivery of services, making it more likely that people will cast votes on the basis of identity or personal ties than on the performance of representatives. For their part, local political officials have less power to hold senior district administrators accountable for their behaviour since they have lost the capacity to hire and fire them.

It is the negative impact that these reforms are having on the ability of local government to function effectively, and therefore deliver on development and poverty reduction, that testifies most to the instrumentalisation of reform for personal interest by national and local elites in Uganda. Governments that are elected primarily on the basis of their performance – on their ability to deliver on their political programmes and to manage national and local affairs as opposed to trading on personalism, identity and patronage – do not have the luxury of repeatedly prioritising self-interest and short-term political gain over the public good. The increase in political tribalism that is accompanying the proliferation of districts gives evidence of change within the NRM and the arrival of a new class of elites that is prepared to instrumentalise ethnicity for political gain. These trends have implications for the Ugandan national project and stability.

[103] In 2006, 1171 district councillors out of 1541 and 52 local council chairpersons out of 89 were affiliated to the NRM (Rakner, 2007).

5. Conclusion

The summaries of the two case studies provide an overview of the neopatrimonial logic manifest in Ugandan and Malawian politics and the specific impact that this is having on the reform and functioning of local government in those two countries. This section will compare the findings of the two case studies and draws some broader conclusions about neopatrimonial political logic and its impact on policy and reform.

5.1 Institutional hybridity, neopatrimonial logic and policy reform

The institutional conditions in Uganda and Malawi are similar, and not unlike those found in many other sub-Saharan African states. Both countries are characterised by institutional hybridity in which patrimonial norms and practices (e.g. personalism, use of public resources for private means and clientelist relations) continue to exist alongside, and often subvert, formal legal-rational state institutions (both political and bureaucratic). The neopatrimonial logic that arises from this institutional hybridity has greatly influenced the course and outcome of decentralisation in both countries. In particular, local government structures, and the reform of these, have been used by both national and local political actors to gain advantage in their competition for access to state power and resources.

To a large degree, the political actors in neopatrimonial states are presented with a Catch-22 situation, which has severe implications for the institutionalisation of the formal rules of the game and for pro-poor development. Institutional hybridity reinforces winner-takes-all politics because: (i) political survival is premised on the ability to service particularistic patronage networks (rather than the promotion of the public good) and this requires access to state resources (because there are few opportunities to amass personal wealth without state power); and (ii) ruling parties are able to manipulate or subvert the formal rules of the game to prevent others from gaining control of the state. This situation reduces incentives for governments to strengthen and enforce formal institutions and increases their incentives to utilise whatever resources they have available (whether formal or informal) to forward particularistic and partisan interests. This tends to undermine the functioning of formal institutions and increases the importance of informal norms and practices, thereby further reinforcing institutional hybridity and zero-sum politics.

Democratisation appears to have reinforced this logic. By fundamentally changing the rules of the game governing competition for state power and resources, it has increased insecurity for incumbents. This has led Muluzi and Mutharika in Malawi and Museveni in Uganda to adopt similar defensive strategies. They have found it difficult to reconcile the preservation of their power with democratic decentralisation – and other policies that promote participatory democracy – and therefore have prioritised the former. Their political strategies for maintaining state power have been varied. They have centred, for instance, on manipulating formal institutions and harnessing informal institutions, including the manipulation of elections or referenda (e.g. through harassment, postponement, use of state resources to buy support or suppress opposition); using state bodies (e.g. committees) or constitutional rules (e.g. Section 65) to gain advantage in party competition; buying popular and elite support through populist policies, local government reform and patronage; passing constitutional amendments to retain power; recentralising power disbursed to local institutions and to alternative centres (Parliament, judiciary); and informalising state structures (e.g. local government, CDF).

This political strategy is having a detrimental impact on coherent (legal-rational) policy-making and long-term development planning in Uganda and Malawi. First, policy is being driven by the pressure to win elections. Ruling elites are using populist policy, intra-elite bargains and patronage to build support. Of course, all governments seek to adopt policies that are politically expedient but, in democratic states, formal accountability mechanisms and free and fair elections rein in excesses

and governments have to appeal to wider constituencies on the basis of performance to remain viable. While there are legitimate reasons for recent policy decisions (e.g. to improve effectiveness of state structures, reduce corruption and political interference, etc.), these policies are being used in ways that are undermining development objectives, as well as democratic consolidation. Policy decisions have been ill conceived and poorly implemented and, in some cases, are unconstitutional. They serve personal or partisan interests over those of the nation. Secondly, the personal qualities of the two leaders – Museveni's egotism and Mutharika's paucity of political skill – are making matters worse.

Thirdly, short-term political gain is being favoured over the implementation of a coherent long-term development programme. Democratic institutions mean that elites must seek legitimation more regularly and openly: they need to appeal directly to voters. However, structural conditions make it difficult for sitting governments to win votes by delivering on national development platforms (e.g. because of structural constraints to development, the need for quick wins, the danger that reforms will hurt powerful interests, etc.) They instead rely on patronage, elite alliances and populist policy, which are often inimical to the consistent policy direction needed for sound economic development.[104] Related to this, the need for quick wins may also work against decentralisation. As demonstrated by the five years when local councillors and DAs were active in Malawi, the learning curve relating to new institutions (both political and bureaucratic) is steep and messy. The effective recentralisation that has occurred in Malawi and Uganda may improve bureaucratic competence in the short term, although this is not assured given the condition of national politics in the countries and the absence of institutionalised oversight at local level. In addition, the impact of specific technical or administrative reforms and improvements must be assessed through examination of their relationship to the broader political context (e.g. simultaneous proliferation and recentralisation in Uganda).

While democratisation has increased insecurity for elites, it has also presented new opportunities for them to use formal political institutions for personal or partisan gain. Political elites in Malawi and Uganda appear to be gaining confidence in using new formal democratic institutions to gain advantage or marginalise opponents (e.g. constitutional amendments, judicialisation of politics/invoking constitutional provisions, parliamentary committees, etc.) This highlights the importance of formal institutions (as well as informal ones) in neopatrimonial states because not only are these states institutional hybrids but also, within this, informal institutions tend to utilise and free-ride on formal institutions. This characteristic is present in Malawi and Uganda where, although elites will work covertly outside of the formal rules when conditions allow, in public they profess commitment to formal institutions and need to justify actions that bypass the formal rules. This is typified by Museveni's (and Muluzi's) need to seek a constitutional amendment to stand for a third term.

A basic proposition of this research is that neopatrimonial logic dictates that donor-supported reforms which threaten the vested interests of powerful elites and/or undermine their ability to gain or maintain power will either not be implemented or will be manipulated in ways that undermine their benefits. Interestingly, the case studies suggest that this proposition needs to be qualified. They show that reform processes are instrumentalised to serve personal or partisan agendas, often in ways that are detrimental to economic development, democratic consolidation and the provision of public goods. However, domestic ownership of current reform trajectories is striking; recent reforms in Malawi and Uganda have been instigated by domestic elites and, in some cases, contradict donor preferences. This may be because, as discussed above, domestic political elites appear to have accepted that a fundamental retreat from (often externally driven) democratisation

[104] This strategy is probably short-sighted because the availability of state resources for patronage is clearly not unrelated to the economic health of the country. Economic contraction may push countries below a threshold of irretrievable decline because patronage politics become impossible to manage, leading to a race to plunder the state of remaining resources and/or conflict (Chabal, 2006). Aid may prevent this threshold from being reached by keeping the state furnished with resources for patronage. Other windfalls, such as those provided by natural resources, may do the same job but can also increase competition for the state and spiral into conflict when patronage resources and elite accommodation are not carefully managed by leaders.

and decentralisation would be impossible. Instead, they focus their attention on manipulating the macro-institutional context in light of particular country conditions (e.g. district proliferation or postponement of local elections).

5.2 Country conditions individualise neopatrimonial logic and outcomes

While the case studies suggest that institutional hybridity produces similar neopatrimonial logic in countries where it exists, they also demonstrate that this logic, and its impact on outcomes, is *different* everywhere because it is moulded by specific country conditions, including historical and structural features (e.g. ethnicity, religion, history of state formation); patterns of economic development, institutions (e.g. authoritarian vs. democratic); the configuration of political forces (e.g. relative power of different elite groups, dominant one-party state or dispersal of power); individual agents (e.g. presidents); and other contingent factors or events (e.g. Mutharika's split from the UDF, Museveni having won the war). Situating the case study material within the broader historical perspective of the two countries shows the importance of particular country conditions.

The concentration of power and the culture of personalism, hierarchy and clientelism mean that the personal qualities and style of leaders are particularly important in neopatrimonial states. A good example of how *individual 'big men' mediate between neopatrimonial logic and outcomes* is provided by a comparison of Muluzi and Mutharika.[105] These two Malawian presidents operated within a similar institutional context but their personal histories and styles have led to different policy outcomes. In particular, Mutharika does not have the established patronage networks or the political experience/skill that Muluzi used to build support. The impact that this difference has on policy is both positive (e.g. it is less driven by patronage and Mutharika must appeal more directly to the electorate) and negative (e.g. Mutharika is less able to build elite alliances and has had to resort to heavy-handed political manoeuvring).

While 'big men' are extremely important, the political tools they have available are determined by the country conditions in which they operate. *Structures, institutions and the configuration of political forces mediate between neopatrimonial logic and outcomes*. The limitations of agency and the importance of the institutional framework can be shown by comparing Museveni's leadership style in the pre- and post- democratisation periods.[106] As discussed above, Museveni's political strategy and, it is reported, his leadership style has been significantly changed by democratisation and the need to submit to open competition in regular elections, with significant implications for Uganda's reform path (which was hailed by donors during Museveni's first decade in power but is now widely believed to have gone off track). Another example is the relationship between variation in the configuration of political forces and distribution of power and different outcomes, for instance the delay of local elections in Malawi (where power is dispersed among parties and the ruling party is weak/lacks strong networks linking it to the grassroots) and the proliferation of districts in Uganda (a *de facto* one-party state in which the NRM is using district creation to bolster its support base).

5.3 Political economy analysis as an essential donor tool

The two case studies have shown that it is possible to make generic statements about how a neopatrimonial political logic is likely to affect policy-making and reform processes in countries characterised by institutional hybridity. In particular, it is clear that political actors will tend to prioritise competition for state power and its resources over the public good. A powerful conclusion of this observation is that political elites in neopatrimonial states will seek to harness formal institutions and the reform of these, as well as informal norms and practices. To gain advantage in

[105] This is not extended to Dr Banda because he ruled under radically different (authoritarianism) institutional conditions.

[106] A similar point can be made by comparing Banda with Muluzi and Mutharika but, as noted, the personal qualities and history of the three presidents are different and therefore Uganda provides a better example of the impact of changing institutional conditions.

this competition, they will not support reform processes that undermine their ability to gain or maintain control of the state and they will instigate reforms that create room for manoeuvre within the macro-institutional context to improve their ability to do so. This logic explains why neopatrimonial states tend to be non-developmental and anti-democratic (Cammack, 2007).

At the same time, the case studies have demonstrated that this generalised neopatrimonial logic has little predictive power when divorced from particular country conditions. Exactly how competition for state power plays out – and how this influences reform processes and their outcomes – depends on a host of country specific factors that determine the precise configuration of power between actors and groups and the institutional and structural context in which they operate.[107] The second conclusion to be drawn from the finding that the outcomes of political processes dominated by a neopatrimonial logic is mediated by country conditions – including in relation to reform processes – is that ongoing political economy analysis is an indispensable tool for donors. Donors can only increase their effectiveness in engaging with developing countries when they understand how political actors will respond to and instrumentalise different types of reforms and design their interventions on the basis of this knowledge.

[107] Whether neopatrimonial logic is always non-developmental is the subject of a five-year DFID-funded research programme 'Africa, Power and Politics' (2007–12) being carried out by a consortium led by PPPG/ODI.

6. Recommendations

What does this study mean for donor policies and approaches? The most obvious lesson is that new institutions, including democratic ones, cannot be simply or quickly introduced. Existing institutions are deeply entrenched and benefit particular groups in society. Indeed, it seems that informal practices, such as clientelism, are reinforced when the state fails to deliver rights, goods or services. People, even the poorest, remain committed to particularistic access to resources through patronage networks: when they cannot rely on predictable behaviour from the state, patrons who periodically deliver appear to be the only available strategy to obtain goods and services. Secondly, it may well be that hybrid state politics are directly linked to stages of economic development so that, without modern class formations (that cut across and break down vertical, primordial networks and create an interest-based political logic), little change is possible. The vicious circle is obvious, though: without some political reform it is difficult to establish an environment conducive to economic growth and, so, the creation of classes.

In this context, incremental change is the best that can be hoped for, particularly in the absence of deep social upheavals that can bring about rapid institutional change, such as that which can occur when entrenched social norms and powerful interests are overturned following war or revolution. Long-term aims include getting institutional changes rooted and operational, so that the discretionary powers of big men and their manipulation of state agencies and abuse of state resources are reduced, and so counterbalancing societal interests (such as a business or professional class) emerge, which have an interest in promoting predictable state behaviour based on transparent, formal rules. However, this study strongly suggests that it is unrealistic to expect elites to support and implement reforms that they believe will undermine their ability to maintain power. In these circumstances, reforms will be manipulated in ways that alter their planned operation and outcomes. Analysing the historical and (economic and social) structural features of a country and the informal norms and practices that influence the behaviour of different actors is therefore vital to understanding the likely trajectory of different reforms and their possible outcomes. Donors should try to identify reforms that can forward the interests of both political elites and poor people. However, this may mean supporting changes that appear ‘second best’ or indirect and therefore not immediately pro-poor. For instance, this may include promoting the development of horizontal groups that can provide the basis for collective action around organised interests (Unsworth, 2007; Robinson, 2007; Goetz, 2004).

This does not mean that donors should not engage in more direct measures, such as support to civil society and watchdog groups, which play an important role in curtailing the abuses of the elite in all societies. However, it does suggest that these groups will emerge only gradually. Therefore, it is necessary to be realistic about what they can achieve in the short term. Further, its necessary to take into account the fact that these groups operate within the same social and economic structures as political elites and therefore are governed (to varying degrees) by the same informal and formal rules. So, again, slow and steady support to CSOs that promote reform (not just to those NGOs that deliver services and goods) is advised. In particularly, independent media and governance/human rights groups deserve aid. Other actors who tend to limit the autocratic tendencies of big men, such as parliaments and their committees, the judiciary and horizontal state watchdogs should be helped for the same reason.

Donors also need to distinguish between immediate and longer-term objectives, as these may not always be compatible and the actions necessary to achieve them may be different. Institutional change will be uneven and new institutions are unlikely to function as expected or to achieve development objectives in the short term. This research has suggested, for instance, that decentralisation can undermine development planning, the allocation of resources and service delivery, either because of its distortion by local interests or because of lack of capacity (e.g. poor performance of local councillors in Malawi, theft by tender board members in Uganda). In these circumstances, recentralisation may be a more effective way of achieving development results and

alleviating poverty. However, if longer-term institutional development is the objective, the view could be taken that new institutions should be supported even if they are ineffective in the short term, because they may gradually embed new practices, beliefs and accountabilities that will have development dividends in the long term. Local councillors and DAs were not effective, but it is possible that citizens would gradually have felt that they had a right to elect someone to represent their interests in local decision-making forums and councillors may have gradually gained ground in terms of legitimacy vis-à-vis traditional authorities. Similarly, the use of parliamentary committees by opposition parties in Malawi may be motivated by partisan interests (rather than the public good) but the increased use of formal channels can only be a positive development. Again, however, there is a need for realism. While it is hoped that increased institutionalisation of such practices make reversion to old ways of operating difficult, these developments are fragile and vulnerable to movement towards the informal end of the hybridity continuum.

This study suggests that further research is needed in two particular areas: first, to determine just what role informal institutions might play in restricting the discretionary powers of regimes. It is claimed that African societies were more democratic historically (though gender biased) – i.e., traditional forms of accountability ensured that leaders responded to the needs of their people. These have broken down and modern forms of accountability have not replaced them. Whether remnants of old systems are extant, whether they are viable and have the capacity to develop into modern accountability mechanisms is unclear. And while developing these may not result in western-style democratic institutions, they may serve the same purpose of promoting popular voice, government accountability and the political will and capacity to promote pro-poor economic growth. Secondly, there is a need for greater understanding of the nature of informal networks that connect political elites to villages and the intermediaries these operate through: how do these function in practice, what purposes do they serve, how centralised are these networks, what benefit do different actors derive and how do loyalties change? This research would also promote a better understanding of whether informal practices continue to have legitimacy and, if so, why.

And then, a comment about aid delivery. First, it is thought to be best to coordinate aid delivery with other donors, although problems can result.[108] Secondly, nowadays general budget support is thought to reduce transaction costs associated with other methods of delivering aid, and to improve public financial management. Yet, evaluations point out that budget support does not operate as designed in neopatrimonial states where the political logic is non-developmental (IDD, 2006). In fact 'it can increase the potential for corruption in those countries where a government's commitment to development and its accountability to citizens are weak or declining' (Fritz and Rocha Menocal, 2006). That said, no programme is immune from the pressure of politics. For instance, NGOs are known to have been pressured by Museveni during the last campaign to support his candidature financially (key informant interview). Thus, the tendency of abusive governments to misuse untied state funding is no different than their abuse of non-state, project resources. (The difference is the size of the aid package, and how much influence donors have over how aid is used once it is delivered.) Best in deeply neopatrimonial societies is to provide aid in ways that its use and effectiveness are continually assessed.

Finally, donors have begun to use political economy analysis to better understand and respond to the underlying structures and incentives of the country in which they work.[109] This research highlights the need for ongoing political economy analysis to be carried out by programme staff working with *local* researchers if donors are to increase their effectiveness in delivering aid in states such as Uganda and Malawi. Such research should, *inter alia*, keep track of patronage networks and evaluate their changing priorities, membership and logic. This analysis should inform the design of sector- or national-level interventions, as well as the choice (and mix) of aid

[108] Donors may find they are tied by harmonisation to other donors who do not share the same priorities or methods (e.g. aiding civil society to promote democratic change), which can influence programming and spending.

[109] Donors have created a variety of tools for this purpose, ranging from DFID's Drivers of Change, to Sida's Power Analysis, the World Bank's Stakeholder Assessment Framework, and the Netherlands' SCAGA framework.

modalities.[110] It should directly inform 'the shape of the aid agreements that donors sign with recipient countries, spelling out the boundaries of "acceptable behaviour" that both [donor and recipients] undertake to respect' (de Renzio, 2006), while also recognising the political realities in which both donors and recipient governments are operating.

[110] Budget support should remain the preferred modality, but only in those cases where its long-term viability cannot be put into question. Sector support, possibly linked to specific service delivery targets, should be the next option. Aid fungibility would still be an issue, that is, earmarked support may free up resources that the government can spend as it wishes, but it would be harder to question the legitimacy of the aid being given. Project support should only be considered in specific cases, where state fragility or political concerns prevent the use of other modalities, or for specific support to capacity development efforts. A complete bypass of government systems should be actively avoided, unless there is a serious breakdown of trust (de Renzio, 2006).

References

Anders, G. (2005) 'Civil Servants in Malawi: Cultural Dualism, Moonlighting and Corruption in the Shadow of Good Governance', PhD Thesis, University of Rotterdam.

ARTICLE 19 (2000) 'At the Crossroads: Freedom of Expression in Malawi, 1999', March.

Atoo, C.P. (2005) 'Parliament – Executive Relations, November 2005', the Legal and Institutional Context of the 2006 Elections in Uganda Monthly Update, Makere University and CMI, Kampala (available at http://www.cmi.no/pdf/?file=/uganda/doc/parliament-November-05.pdf).

Barkan, J., Simba Kayunga, J.D., Ng'ethe, S. and Titsworth, N. (2005) 'The Political Economy of Uganda: The Art of Managing a Donor-Financed Neo-Patrimonial State', World Bank commissioned report, Kampala.

Booth, D., Cammack, D., Harrigan, J., Mataure, M. and Ngwira, N. (2006) *Drivers of Change and Development in Malawi*, Working Paper No. 261. London: ODI.

Bratton, M. and van de Walle, N. (1997) *Democratic Experiments in Africa: Regime Transitions in Comparative Perspective*, Cambridge: Cambridge University Press.

Brinkerhoff, D.W. and Goldsmith, A.A. (2002) 'Clientelism, Patrimonialism and Democratic Governance: An Overview and Framework for Assessment and Programming', Paper prepared for USAID by Abt Associates Inc.

Burke, F.G. (1964) *Local Government and Politics in Uganda*, Syracuse, NY: Syracuse University Press.

Burki, S.J., Perry, G. and Dillinger, W. (1999) *Beyond the Centre: Decentralizing the State*, Washington, DC: World Bank.

Cammack, D. (2007) 'The Logic of African Neopatrimonialism: What Role for Donors?', *Development Policy Review* 25 (5).

Cammack, D., Fritz, V. and O'Neil, T. (2006) 'Decentralisation and Neopatrimonialism in Malawi and Uganda: Concept Note and Proposal for Field Research', Paper for Irish Aid by ODI.

Chabal, P. (2006) 'States and Societies: Why is State Formation so Difficult?', Presentation for ODI Seminar Series '(Re)building Developmental States: From Theory to Practice', London, 1 March (www.odi.org.uk/events).

Chabal, P. and J.-P. Daloz (1999) *Africa Works: Disorder as Political Instrument*, Oxford: James Currey.

Chiweza, Asiyati Lorraine (2004) 'Participation: Reality or Rhetoric in Rural Communities of Malawi' (available at http://scholar.google.com/scholar?hl=en&lr=&q=cache: 4OPKc3DvJhAJ: tanzanet.org/int/journal/tznetjournal_12_2004_partic_reality_rural_comm.pdf+local+government+councils+banda+malawi+1994).

Chweya, L. (nd) 'Constituency Development Funds: A Critique', *The African Executive* (available at (http://www.africanexecutive.com/modules/magazine/ articles.php?article=720).

Clapham, C. (1982) 'Clientelism and the State', in Clapham, C. (ed.) *Private Patronage and Public Power: Political Clientelism in the Modern State*, London: Frances Printer.

Crook, R. and Manor, J. (1998) *Democracy and Decentralisation in South Asia and West Africa*, Cambridge: Cambridge University Press.

Cross and Kutengule (2001) *Decentralisation and Rural Livelihoods in Malawi*. LADDER Working Paper No. 4. Norwich: University of East Anglia.

Daily Monitor, various dates.

Daily Times, various dates.

DEGE, NCG and Mentor (2007) 'Local Level Service Delivery, Decentralisation and Governance: A Comparative Study Of Uganda, Kenya And Tanzania Education, Health And Agriculture Sectors, Uganda Case Report', JICA, February.

de Renzio, P. (2006) 'The Primacy of Domestic Politics and the Dilemmas of Aid: What Can Donors do in Ethiopia and Uganda?', *ODI Opinion* 65, February.

Dyrbak, J.-P.K. (2006) 'Sustainable Financing of Local Government in Uganda', PowerPoint presentation, Kampala, 5 December.

Economic Policy Research Centre (nd) 'Rural Taxation in Uganda, Graduated Tax Debate' (available at www.eprc.or.ug/pdf_files/Policy%20Briefs/ruraltax1.pdf).

Eichstaedt, P. (2006), 'A Donor–Nation Darling, Uganda is Backsliding'. *San Francisco Chronicle*, 5 February.
Esser, K. et al. (2005) *Opportunities for Norwegian Support to Agricultural Development in Malawi.* Noragric Report No. 27. Norwegian University of Life Sciences, June.
Federation of Uganda Employees (nd) 'Position Paper on Problems Encountered by Employers in the Management of Graduated Tax under the Local Governments Act' (available at http://www.employers.co.ug/docs/GRADUATED%20TAX% 20POSITION%20PAPER.pdf).
Francis, Paul and James, Robert (2003) 'Balancing Rural Poverty Reduction and Citizen Participation: The Contradictions of Uganda's Decentralisation Program,' *World Development* 31 (2).
Fritz, V. and Rocha Menocal, A. (2006) *(Re)building Developmental States: From Theory to Practice*, Working Paper No. 274, London: ODI.
Geek, J. (2006) 'The God Sent CDF in Kenya', *Associated Content,* 6 December (available at http://www.associatedcontent.com).
Gershberg, A.I. (1998) 'Decentralisation, Recentralisation and Performance Accountability', *Development Policy Review* 16(4).
Goetz, A.M. (2004) 'Managing Successful Governance Reforms: Lessons of Design and Implementation: Conceptual Framework', Draft, IDS, Brighton.
Golola, M.L (2003) 'Decentralisation, Local Bureaucracies and Service Delivery in Uganda', in Kayizzi-Mugerwa S. (ed.) *Reforming Africa's Institutions*, New York: United Nations University.
Golooba-Mutebi, F. (2007) 'Uganda in 2005: Political, Economic and Social Trends', in H. Charlton and C. Medard (eds) *L'Afrique Orientale: Annuaire 2005*. Paris: L'Harmattan.
Government of Malawi (2004) *Report on the Review of the National Decentralisation Programme of Malawi 2001–2004*, Lilongwe: Government of Malawi.
GTZ Malawi (2003) 'Decentralisation Newsletter', 1 January.
Helmke, G. and Levitsky, S. (2006) *Informal Institutions and Democracy: Lessons from Latin America*, Baltimore, MD: Johns Hopkins Press.
Human Rights Watch (1999) *Hostile to Democracy: The Movement System and Political Repression in Uganda*, New York: Human Rights Watch.
Human Rights Watch (2001) *Uganda: Not a Level Playing Field: Government Violations in the Lead-Up to the Election*, New York: Human Rights Watch.
IDD and Associates (2006) 'Evaluation of General Budget Support: Synthesis Report', May.
Institute for Economic and Social Research and Afrobarometer (2006) *Responsiveness and Accountability in Malawi*, Afrobarometer Briefing Paper No. 31 (available at http://www.afrobarometer.org/papers/AfrobriefNo31.pdf).
Kjaer, A.M. (2001) 'The Politics of Civil Service Reform: A Comparative Analysis of Uganda and Tanzania in the 1990s', PhD Thesis, Aarhus University, June.
Kjaer, A.M. (2004) 'Neo-patrimonialism, Aid and Elite Strategies: How Do They Affect State Capacity? Evidence from Seven African Countries', Paper for the American Political Science Association.
Kjaer, A.M. (2005a) Presentation given at the Local Government Denmark/GEPPA Seminar Series on Fiscal Decentralisation 2005/2006, 18 August (available at http://www.danidanetworks.um.dk).
Kjaer, A.M. (2005b) 'Central Government Intervention as Obstacle to Local Participatory Governance: The Case of Uganda', Paper prepared for ILO conference, Geneva, 9–10 December.
Kurer, O. (2007) 'Why do Papua New Guinean Voters Opt for Clientelism? Democracy and Governance in a Fragile State', *Pacific Economic Bulletin* 22(1).
Leftwich, A. (2000) *States of Development: On the Primacy of Politics in Development*, Cambridge: Polity.
Leftwich, A. (2006) 'Drivers of Change: Refining the Analytical Framework. Part 1: Conceptual and Theoretical Issues', Report for DFID by University of York.
Le Vine, V.T. (1980) 'African Patrimonial Regimes in Comparative Perspective', *The Journal of Modern African Studies* 18(4): 657–73.
Local Government Finance Commission (2001) 'A Case for Continued Collection of Graduated Tax (available at www.lgfc.go.ug/docs/ Justification%20for%20the%20Collection%20of%20 Graduated%20tax.pdf).

Lwanda, J. (2004) 'Mutharika, Mbuya and Mpando: When the Elephants Fight', *Malawi Update* 54, September.
Lwanda, J. (2006) 'Kwacha: The Violence of Money in Malawi's Politics, 1954–2004', *Journal of Southern African Studies* 32(3), September.
Malawi Civil Society Network on Constitutional Review (nd) 'Advocacy Campaign for Increased Citizen Participation in the Constitutional Review Process' (available at www.chrr.org.mw/malawi_constitutional_review.php).
Malawi Law Commission (2006) 'Summary of the Proceedings of the First National Conference on the Review of the Constitution' (available at www.lawcom.mw/docs/summproc.pdf).
Medard, J.-F. (1982) 'The Underdeveloped State in Tropical Africa: Political Clientelism or Neo-Patrimonialism', in Clapham, C. (ed.) *Private Patronage and Public Power: Political Clientelism in the Modern State*, London: Frances Printer.
MOLGRD (2006) 'Guidelines for the Constituency Development Fund', Ministry of Local Government and Rural Development, September.
Mwenda, A.M. (nd) 'Playing Mouse to the IMF and World Bank Cat: How Donors Finance Armed Conflict, Promote Corruption, Stifle Democracy and Sustain State Patronage: A Case Study of Uganda, 1978–2003', unpublished.
Nakamura, R. and Johnson, J. (2003) 'Rising Legislative Assertiveness in Uganda and Kenya, 1996 to 2002', Paper delivered at the 19th International Political Science Association World Congress in Durban, South Africa, 29 June.
Nation, various dates.
New Vision, various dates.
Ng'ong'ola, C. (2002) 'Judicial Mediation in Electoral Politics in Malawi', in Englund, F. (ed.) *A Democracy of Chameleons: Politics and Culture in Malawi*, Blantyre: Christian Literature Association in Malawi.
Nyasa Times, various dates.
Obwona, M., Steffensen, J., Trollegaad, S., Mwanga, Y., Luwangwa, F., Twodo, B., Ojoo, A. and Seguya, F. (2000) 'Fiscal Decentralisation and Sub-National Government Finance in Relation to Infrastructure and Service Provision In Uganda', Report to World Bank and Danida (available at http://www1.worldbank.org/wbiep/decentralization/africa/Uganda%20Report.pdf).
Odoki, B.J. (2005) *The Search for a National Consensus: The Making of the 1995 Uganda Constitution*, Kampala: Fountain Publishers.
People's Daily Online, various dates.
Rakner, L. (2003) *Political and Economic Liberalisation in Zambia, 1991–2001*, Nordic Africa Institute.
Rakner, L. (2007) 'Uganda: Power and Change Analysis', Report for the Royal Netherlands Embassy in Kampala and Ministry of Foreign of Affairs for Strategic Governance and Corruption Assessment by CMI.
Rakner, L. and Svansand, L. (2005) *Maybe Free But Not Fair: Electoral Administration in Malawi, 1994-2004*, Bergen: CMI.
Robinson, M. (2006) *The Political Economy of Governance Reforms in Uganda*, Discussion Paper No. 386, Brighton: IDS.
Robinson, M. (2007) 'Restructuring the State: The Politics of Governance Reform and State Capacity', Paper for PSA Development Politics Group 2nd Annual Conference, University of Birmingham, 26 January.
Rondinelli, D.A. (1981) 'Government Decentralisation in Comparative Perspective: Theory and Practice in Developing Countries', *International Review of Administrative Science* XLVII(2): 133–45.
Sandbrook, R. (1985) *The Politics of Africa's Economic Stagnation*, Cambridge: CUP.
Semu-Banda, P. (2007) 'Malawi: Budget Held Hostage to Squabbling Parliamentarians', Inter-Press Service, 30 August.
Ssewakiryanga, R. (2004) 'Revenue Realities: Citizen Engagement and Local Government Fiscal Processes in Uganda', Paper prepared for Conference at Porto Alegre, 6–9 December (available at www.ids.ac.uk/logolink/resources/ReciteConfpapers.htm).
Saito, Fumihiko (2001) 'Decentralisation Theories Revisited: Lessons from Uganda,' *Ryukoku RISS Bulletin*, March.

Tangri, R. and Mwenda, A. M. (2001) 'Corruption and Cronyism in Uganda's Privatization in the 1990s', *African Affairs* 100.
Tangri, R and Mwenda, A.M. (2006) 'Politics, Donors and the Ineffectiveness of Anti-corruption Institutions in Uganda', *Journal of Modern African Studies* 44(1).
Uganda Debt Network (2006) 'Policy Review Newsletter', September (available at http://www.udn.or.ug/pub/UDN_PRN_Sept_06.pdf).
UGLA (2005) 'Implications of Graduated Tax Suspension on Local Government Service Delivery 2005/2006', August.
UNDP and UNCDF (2004) 'Malawi Decentralised Governance Programme, Mid-term Review, Nov-December 2004', August.
Unsworth, S. (2007) 'Can Political Science Speak to Policymakers?' Paper for PSA Development Politics Group 2nd Annual Conference, University of Birmingham, 26 January.
USAID (2003) 'Decentralization Capacity Building Improves Local Government Tax Collection' (available at http://africastories.usaid.gov).
USAID/Uganda (2005) 'Annual Report FY 2005' (available at http://pdf.usaid.gov/pdf_ docs/PDACD883.pdf).
US Department of the Army (nd) 'Uganda Country Study' (available at http://country studies.us/uganda/58.htm).
US Government (2000) 'Country Reports on Human Rights Practices: Malawi' (available at http://www.state.gov/g/drl/rls/hrrpt/2000/af/851.htm).
van Donge, J. (2003) *Nurtured from Above and Growing from the Roots: Social Funds and Decentralisation in Zambia and Malawi*, The Hague: The Institute of Social Studies (available at http://www.devstud.org.uk/publications/papers/conf03/ dsaconf03vandonge.pdf).
Zwart, S. (2003) 'Uganda: The Fight Against Corruption: A Case Study on the Prevalence of Corruption in Uganda, Specifically in Local Government, Education, Justice, Law & Order, and Procurement', December (available at http://www.u4.no/document/showdoc.cfm?id=94).