Conditions that work: Reconnecting fiscal decentralization to responsiveness in Uganda and Thai Municipal Governments

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Globalization puts extra pressure on local governments to be more responsive and accountable. The belief from theory is that with high levels of fiscal autonomy, the elected public officials would be more responsive to allocate resources to the local priority areas determined by citizen interests and preferences. On the face of it, responsiveness reads like the normative outcome of fiscal autonomy in the developing and emerging economies. However, an empirical comparative analysis of responsiveness for Uganda and Thai municipal governments provides reasons for both optimism and pessimism. The findings challenge the traditional theory for responsiveness being an outcome of a coherent fiscal decentralization system that follows specific and predetermined rational logic of consequentiality. The paper concluded that responsiveness facilitated fiscal autonomy not the other way round in municipal governments. The paper therefore recommended country and circumstance specific conditions under which responsiveness would more likely happen in municipal settings. The perceived conditions for responsiveness to happen is included but not limited to spending according to the source; more involving system of selecting representatives to assemblies; renewed national government commitment to empower municipal institutions and the citizens; and more incorporation of civil society to play a more participative role in municipal governance.

Key words: Reframing, convergence, fiscal autonomy, responsiveness, municipalities.

INTRODUCTION

In response to the increasing public cynicism on democratic governance and citizen distrust for centralized government processes, developing countries witness a renewed zeal for fiscal decentralization reforms. By devolving spending and revenue-generating responsibilities to lower levels of government, the reforms intend to empower sub-national governments with the fiscal autonomy and discretion necessary to support their devolved mandates (Chete, 1998; World Bank, 2005; World Bank, 2014). The reforms are built on an idea generated from the 17th and 18th century Europe that fiscal decentralization has a capacity to place local...
governments in closer contacts with their constituents and thereby tying them up in social contracts (Ligthart and Oudheusdena, 2015; Smoke, 2015; Vigoda, 2000). Putting it more succinctly, Vigoda emphasized thus:

“governments are elected to serve the people and may not be re-elected if they fail to accomplish minimum requirements…. nothing should be more important… than to work faithfully and diligently for the sake of society and its members” (165-166).

By this theoretical strand, a local government’s responsiveness to her people would ideally depend on its fiscal autonomy and the capacity of the citizens to hold their local officials accountable for their decisions (Agraw and Ribot, 2000; Debrah, 2009; Pranab and Chowdhury, 2020). The rage for fiscal decentralization reforms in many developing countries has, therefore, not only been driven by hopes for more participatory and transparent governance, but also as evidence to support the overall responsiveness of local governments to the citizenry.

On the face of it, responsiveness reads the normative outcome of fiscal decentralization in the developing world. Such a view however, is an oversimplification of the outcome of fiscal decentralization in the developing world (Hart and Welham, 2016; Sanogo, 2019; Smoke, 2015). Indeed, experience and reality of responsiveness in Uganda and Thai municipal governments still presents reasons for both optimism and pessimisms. The fiscal decentralization policies of the two countries, as examples of democratizing regimes in developing countries, assume relationships where the voters have the ultimate capacity to hold their political representatives and governments to be responsive (The Constitution of Thai Kingdom, 1997; Republic of Uganda, 1995). The two countries endorsed democratic transitions with regard to universal adult suffrage and open competitive politics. However, none of the two countries demonstrates clear understanding of how responsiveness works and why it is important. Relatedly and most significantly, the two countries’ experiences present more questions than answers on the necessary conditions under which fiscal decentralization would resonate into responsiveness. Yet, the experience of decentralization reforms in many developing countries provides evidence to suggest that the reform has only succeeded in taking governments closer to citizens but not citizens into governments (Bratton, 2012; Shandana and Miguel, 2017). The incentives provided by the constitutional-policy frameworks of Uganda and Thailand for local governments to be responsive are subject to debate. Arguably, it is very unlikely that decentralization reforms that do not give attention to the prevailing structures, institutions, and practices that link citizens and their elected representatives can support responsiveness or any other benefits for democratic governance (Campos and Hellman, 2005; Lieberman et al., 2017). The available experience from the developing world illustrates vivid and empirical governance risks for responsiveness as a normative outcome of fiscal decentralization.

The paper was part of an empirical and comparative study whose overcharging research question was to analyze the conditions under which fiscal decentralization was viewed as most likely to promote responsiveness in Uganda and Thai local governments. This broad study question was addressed by three specific questions examining:

1) The status of fiscal autonomy within Entebbe and Khon Kaen Municipalities
2) The reality of responsiveness in Entebbe and Khon Kaen Municipalities
3) Conditions that is most likely to strengthen responsiveness in the two Municipalities.

The rest of the paper provides an integrated literature focusing on a conceptual and theoretical review, a framework for fiscal decentralization and autonomy in the two countries as well as the materials and methodology. The paper also presents and discusses findings on each of the study questions before providing a conclusion and the perceived conditions most likely to work for responsiveness within the fiscal decentralization set-up.

LITERATURE REVIEW

Conceptual review

The first impression about responsiveness as a practice is perhaps its first misconception as a concept. As would be expected when a subject attracts so much attention from a myriad of stakeholders and commentators, responsiveness is a concept that is often perceived by some scholars to be rather complex, deceptive, problematic and sometimes controversial. Indeed, other than meaning different things to different people, responsiveness harbors a realistic threat of driving public officials into decisions that satisfy the citizens even where doing so may contradict the collective public interests (Pranab and Chowdhury, 2020; Vigoda, 2000). Sometimes attempts to satisfy the public may degenerate into populist tendencies that focus on short term and popular decisions at the expense of hard choices that require long-term planning and solutions and are therefore unpopular to most citizens.

The above notwithstanding, responsiveness is the link for the public officials who provide public services and the citizens who consume those services. Friedman (2009) describes responsiveness by its evolution in the political philosophy and ethics providing that government exists because citizens want it to otherwise there would be no government without the governed’s consent. This describes an ethical requirement that responsive governments should ensure citizens access services that they want and to which they entitled, communications should be comprehensive to enable citizen participation,
and government responses to citizen needs should be prompt.

Whatever the unresolved conceptual ambiguities that characterize responsiveness as a concept, it can only meaningfully happen or at least appear to happen when the social services delivered by local governments adhere to two principles. The said service or response by any local government should not only suit the citizens' (users) interests and aspirations but also be delivered to them at a time when it still gives value to those its intended to benefit. In the same pursuit, democratic transitions in developing countries have resulted into increased focus on responsiveness as one of the forms of political accountability of states to citizens (Bahl, 2009; Brinkerhoff, 2001; Eckardt, 2008; Lieberman et al., 2017). The first description of accountability is that it is the obligation of power-holders to take responsibility for their actions. In this paper, accountability describes a relationship where an individual or institution mandated to perform defined public tasks or functions is subject for his/her actions, to a superior oversight, direction or interests of another person(s), for information or justification (CIPS, 2013). In the context of local governments, political accountability describes an arrangement in which citizens grant their government with power for an appropriate taxation, trust them to spend on the local priorities, and to enact supporting laws or bylaws and policies (UNDP, 2010). In return, citizens expect their local officials to justify the outcomes and where necessary take corrective measures.

Fiscal decentralization, on the other hand, describes the transfer of fiscal resources, revenue generating authority, and financial responsibility from national to the lower level units in the government system. It rearranges the roles and responsibilities among different levels of governments with the intent of transferring some financial responsibility from central to sub-national governments (Jean et al., 2010). Financial responsibility is a core component of decentralization because if sub-national authorities are to carry out decentralized functions effectively, they need both adequate level of revenues and fiscal autonomy to enable political values-improved governance in the sense of local responsiveness (Agyemang et al., 2018; Manor, 1997; World Bank, 2005). To this end, fiscal decentralization regulates local government actions in areas of expenditure assignment, revenue assignment, intergovernmental transfers, and sub-national borrowing. Whether the revenue is raised locally or, transferred from national government, sub-national authorities need to have a substantial level of autonomy and discretion to make expenditures decisions. The next part of the study attempts a theoretical underpinning of fiscal decentralization and responsiveness in governance.

**Theoretical review**

The wide political appeal and rapid policy adoption of fiscal decentralization in developing countries has attracted extensive attention from academics. The early writings on decentralization associated it to ideas like representation, civil society participation and democratization (Bird and Vaillancourt, 1998; Bahl, 2009; Smoke, 2000). The 21st century debate rotates around determining the appropriate size and defining the role of government in the political economy.

The focus for decentralization reforms from both theory and practice is thus, efficiency and governance considerations. Whereas the economists are mainly interested in efficiency gains derived from matching local revenues and expenditures, governance interest centers on what to do for overlapping taxes, the roles, responsiveness and accountability for service delivery (Musgrave 1959; Oates, 2008). Closely related to the economists, the neo liberals believe in an autonomous economic system and reduced state intervention in the economy in contrast with the governance theorists who are attracted to the social and political gains from certain governmental functions in economic matters.

Public choice theorists including Brennan and Buchanan (1980), Musgrave (1959), and Tiebout (1956) were interested in efficiency gains derived from the economic priorities of downsizing the welfare state, controlling public expenditures, balancing budgets and delegating responsibilities to lower levels units. In the local government context, public choice theories provide models of mobility, voting, lobbying and bureaucratic decision making. Hirschman’s (1970) ‘exit and voice’ and Tiebout’s ‘vote with their feet’, imply that a local government would have to be responsive with a better mix of taxes and services or else lose tax revenue when citizens moved to another local government with a better package. To that extent, the theories posit a competitive local economy, openness and a well-functioning civil society that supports responsiveness by conveying information on local needs and preferences to local officials.

Although the theory is useful in understanding the competitive instruments that drive local governments to look at citizens as delicate customers whom they are accustomed to satisfy, adoption of Tiebout’s model looks rather problematic and unrealistic to the citizenry. Moving a homestead from one jurisdiction to another in search of a better mix of taxes and services would be expensive, highly disruptive and self-defeating, to say the least. The subsequent models within the public choice theory rely on voting as a means for responsiveness (Bradhan and Mookherjee, 1998; Besley and Coate, 1991; Downs, 1957). The presumption of such models is that voters have the capacity to select only those political representatives who are in better positions to satisfy their collective interests.

According to this theoretical strand, the ballot box is the ultimate mechanism to enforce responsiveness within a local jurisdiction. In the context of local governments however, voting holds its own limits as a mechanism for
determining citizen preference. Indeed, voting today presents very limited restraints on poor decision-making and errand actions to political representatives in many developing countries. Accordingly, such models that focus on voting as a mechanism for responsiveness in local governments ignore the “rational ignorance” strand of both the voter and elected officials. It’s not in dispute that an average and isolated voter looks at a very insignificant probability of affecting electoral results.

Such a person will expend very little time if any, informing himself/herself about the choices of available candidates. The rational decision for each voter is generally to be ignorant of politics, and in reality, many citizens abstain from voting (Muzaffer, 2009). Moreover, many of those who vote are carried to the polls by social conditioning, personal connections with candidates, and ideology but less by passion, issues or relevant information for meaningful choices.

In search for a common ground, Oates (1972) advanced the Decentralization Theorem and the Fiscal Federalism Theory respectively. The Decentralization Theorem derives from traditional neoclassical economists like Tiebout (1956) and Musgrave (1959) who linked public choice to theories of fiscal federalism. The theory postulates that unlike local authorities, a central government is incapable of discriminating public services on a regional basis. The analysis is that because of the different tastes and incomes among citizens, fiscal decentralization presents a better opportunity for social welfare by providing a varied pattern of public goods tailored to local preferences, and makes movements of people across a spectrum of jurisdictions to suit their tastes and preferences. The two theories also do not only fall short in describing the conditions that would guarantee that local decisions reflect the local preferences but also do not consider how local service users can make decision makers responsive.

In summary, an expansive theory posits responsiveness as part of the gains accruing from fiscal autonomy of subnational governments. Such theories however, assume universal responsiveness by local governments for which there are still no vivid and convincing empirical evidence to support that postulation. Indeed, there is a tendency for literature to focus on the impact of decentralization or fiscal autonomy on resource allocation, or on the outcomes of local public services provided, but not whether and how fiscal autonomy matches responsiveness (Faguet, 2014; Hart and Welham, 2016; Sanogo, 2019). The theoretical review establishes evidences to the effect that decentralization theories are no longer adequate to explain new or emerging realities of responsiveness in governance.

Framework of fiscal decentralization and fiscal autonomy in Uganda and Thailand

The overcharging purpose of Uganda’s decentralization system is to empower citizens participate in governance process and thereby improving their livelihoods (Bitarabebo, 2008). The country’s local government system is formed by a five-tier pyramidal structure from local council 1-5 (Village, Parish, Sub-count/Town council/City division, County/Municipality, and District/City), as illustrated in Figure 1.

District Local council or city council depending on whether it’s rural or urban respectively is the highest political unit in a jurisdiction (Republic of Uganda, 1997). The Chief Administrative Officer or Town Clerk, appointed by central government, respectively, heads public services in the district/city council.

The country adopted a fiscal decentralization strategy to strengthen deepen the decentralization system. The fiscal system provides local governments with fiscal instruments including local revenue, an intergovernmental transfer system, and borrowing. Local revenue are the only sources where local governments have discretion to determine their revenue levels as well as dispose of revenues with the highest level of autonomy (Obwona et al., 2000). Such sources relate with local taxes and different kinds of user charges, and may include market dues, trade licenses and fees, rates, rents, property tax, royalties, stamp duties, and registration fees (Republic of Uganda, 1997). However, given that the country is still largely rural, the revenues generated are insufficient, rigid, unproductive in nature and therefore always a very small fraction of the expenditure requirements for local governments (Devas, 2005; Kakumba, 2010; Steiner, 2006). There is therefore, no evidence to suggest that local governments are granted any realistic fiscal discretion and that fiscal decentralization in general, has had a visible impact on local government responsiveness.

In the case of Thailand, the 1997 Constitution mandated the state to decentralize powers to local areas for the purpose of local administration and self-determination (Charoenmuang, 2006; Ichimura and Bahl, 2009; Mutebi, 2004).

Despite the legal frameworks, decentralization development remained slow and held hostage by the highly centralized administrative structure as illustrated in Figure 2.

Local governments are categorized into Provincial Administrative Organisations (PAOs): Municipalities which administer provincial urban communities; Tambon Administrative Organisations (TAs) which are sub-district local government entities responsible for communities in rural areas; the Bangkok Metropolitan Administration (BMA) which is a strong-executive form of sub-national government specific to Bangkok; and Pattaya City which is a city-manager form of sub-national government specific to Pattaya (Morell and Samudavanija, 1981; Mutebi, 2004). PAO is a form of local government at the provincial level which covers all rural areas in that province. The organization comprises of an elected provincial council that functions as a legislative branch. The chief executive of all the PAOs,
Figure 1. Uganda’s Local Government Administrative structures. Source: Adopted from ACFODE (2009).

Figure 2. Administrative structure of the Royal Thai Government. Source: Amornivivat, 2004: Fiscal decentralization, Thailand.
the mayors, the chief of the Tambon Administrative Organizations (TAOs) are directly elected by all the people and are under the indirect control of the provincial governor.

The provincial governors are appointed by the Interior Ministry to exercise supervisory functions over provincial officers of each department, and over local governments. Although the level of provincial governor’s control over provincial administration is still pervasive particularly in areas of budgeting and personnel management, they have powers and duties to supervise and control all local governments within their own provinces (Mutebi, 2004; Tatchalerm et al., 2009). For this purpose, the governors have powers and duties to advice, admonish, and inspect local government affairs, and to approve the disbursements of local governments, as well as dissolving local government councils. In the districts, the district chief who is under the provincial governor is also appointed by central government and does also have powers to control all TAOs within a particular district. Therefore, all local governments in the districts are by default subject to the consent of the provincial governors for their budget ordinances and disbursements. On the face of it, local governments are responsible for the fiscal decentralization, the reality is that central government, through the intergovernmental fiscal relations, and the governors can suffocate the fiscal autonomy of local governments (Amornivivat, 2004; Mutebi, 2004).

MATERIALS AND METHODS

This paper is part of a bigger comparative study of Entebbe and Khon Kaen Municipal authorities of Uganda and Thailand respectfully in 2015/16. However, in order to capture recent literature on emerging developments on fiscal decentralization and local responsiveness, a qualitative review of literature was conducted. The literature was searched on electronic databases using English Language words like decentralization, fiscal decentralization, responsiveness, and developing countries. The searched literature also applied in the discussion of findings that consisted of a critical evaluation and comparison with empirical findings so as to interpret and describe the significance of the findings in relation to what was already known.

Through an intensive and extensive analysis of specific study interest, the study compared two municipalities with varying levels of fiscal autonomy and administrative responsibilities within an environment of varying socio-cultural settings but with similar outcomes on political accountability. Although Entebbe and Khon Kaen were only cases from many local governments in each of the two countries, they mirrored the reality of local government operations in both countries. Moreover, municipalities in developing countries do not only hold very important responsibilities to the citizens, voters and tax payers, but also better illustrate contexts of citizens’ mobility and local electoral competitions (Masiya et al., 2021). Being a qualitative study and in line with saturation point, 53 responses were considered adequate. The informants drew from elected political officials, appointed public officials, and the informed stakeholders.

The informed stakeholders were the leaders of political parties, members of the media, CBOs, NGOs and other pressure groups operating within each of the municipalities.

Data were collected using focus group interviews (FGIs) that engaged 4-8 people in informal group discussions focused on predetermined topics or set of issues. As was expected, the FGIs provided insights into the different opinions and perceptions among selected respondents (Krueger et al., 2000; Krueger and Casey, 2000; Wilkinson, 2004).

The predetermined topics for discussion included: status of perceived fiscal autonomy and responsiveness in each municipality; Available incentives for responsiveness of local officials in each municipality; and the perceived conditions under which greater fiscal autonomy was more likely to promote and strengthen municipal responsiveness. Data analysis involved exploring the data by reading through all of it to obtain a general sense of the information. Through coding, responses were summarized into categories thereby reducing the number of different responses to make comparisons easier. Thematic analysis was conducted by identifying and summarizing themes through constantly comparing the data and reducing the codes. The data were analyzed via constant comparison analysis since there were multiple focus groups within the same study.

Data from the two municipalities was compared and contrasted through a continuous process to establish what similarities and differences emerged. Stakeholders’ perceptions for fiscal autonomy was compared and contrasted with perceptions of responsiveness between Uganda and Thai cases. Fiscal autonomy was observed by perceptions of revenue enhancement authority and discretion to finance the local public programs. Revenue enhancement authority related to evidence of municipal discretion to: find new sources of revenue and widen the tax base, facilitate municipal economic development activities that widen the tax sources, and enacting bylaws that enforce revenue mobilization in the two municipalities.

The study finally compared the two municipalities in their efforts towards being responsive observed by the respondents’ relative satisfaction with the services delivered to them. The next part of the paper reports and discusses the findings.

FINDINGS AND DISCUSSION

The research findings reported here are structured around three interconnected themes, which emerged from the focus groups relating to the interface of fiscal autonomy and municipal responsiveness to citizens. These thematic findings are presented and discussed in the sub-sections that follow.

Reality of fiscal autonomy in Uganda and Thai cases

The findings from the Ugandan municipality established that irrespective of the inherent limitations, Entebbe had relatively more freedom to identify and determine new sources of revenue than their Thai counterparts that revealed limited fiscal authority devolved. Whereas municipalities in Uganda could formulate byelaws to enhance mobilization and collection of any new revenue sources, the Thai municipal government was yet to come up with any such law although the act provides space for doing so. On the other hand, findings revealed that whereas municipal governments’ autonomy to mobilize and collect revenue even from nationally defined taxes in Uganda was vulnerable to national government influence, the Thai municipal governments had the freedom to
collect such revenue. Findings also established that although the policy in both cases provides for municipal governments to collect, retain and invest local revenue, the actual autonomy to decide the investment priorities was very limited. It was revealed that the fiscal relations in Uganda’s and the Thai local government system greatly erode the municipal autonomy to spend as they have to comply with directives and policy from the center. Indeed, the invisible hand of central government through the Minister of Interior and the provincial governors renders fiscal autonomy almost impossible in Thailand. In the final analysis: irrespective of the relatively more freedom for planning and budgeting in Uganda as compared with Thailand, both municipal governments generally possessed low levels of fiscal autonomy.

The finding above was in stark contrast to expectations from the Fiscal federalism theory. By postulating a balance and stability needed to overcome disruptions including uneven distribution of wealth and inadequate financial resources, the theory positioned fiscal decentralization to result into local autonomy in revenue management and discretion to determine investment priorities (Leonardo et al., 2020; Ligthart and Oudheusdena, 2015; Oates, 2008:72). Indeed, scholars like Agyemang et al. (2018) caution that citizens’ benefits from fiscal decentralization can only happen when it is characterized by greater financial autonomy of the local units’ in as far as budgetary allocation and prioritization is concerned.

In terms of revenue and expenditure decisions, both countries’ municipal authorities were found to depend on central government transfers to finance their budget gaps, a situation which subjugates the former to the latter. These findings were in line with Suwanmala (2010) who in reference to the Thai intergovernmental grants stated:

The Ministry of Interior allocated these grants in an ad hoc and highly politicized manner. The amount allocated varied greatly from year to year, and actual allocations may not be known until well after the fiscal year began. Hence the basic requirements of having a decentralized system having a transparent and stable intergovernmental transfers, was not well established (212).

Relatedly, Mushemeza (2019:32) summed up Uganda’s fate in respect to lack of autonomy on the same grants;

The Local Government Councils are responsible for all local government functions ...including: planning, financial accountability and the delivery of public goods and services. However, district political leadership holds no control or other appropriate authority to determine or direct how the funds allocated to the district are utilized...

The findings suggest that the intergovernmental fiscal transfers and vertical share of domestically collected revenue which is the most dominant challenge for fiscal autonomy in Uganda and Thailand. The bulk of literature reviewed in this study indicated that the fiscal share between the center and peripheral should match the expenditure assignments and some notion of minimum expenditure standards for fiscal decentralization to support responsiveness (Bahl, 2009; Pranab and Chowdhury, 2020; Sanogo, 2019). However findings from both cases indicated the reverse. The findings resonate with scholars like Bird (1999), Kinyata and Kaaya (2018), among others, to the extent that the correct revenue assignment principle for local taxes in developing countries is not only unclear but also always grossly controversial in practice. The implication was that local revenue sources were incommensurate with the functions of either level of governments, and therefore defeated the whole idea of empowering local governments with the required and postulated fiscal autonomy.

In summary, although the Ugandan case revealed a comparatively higher level of fiscal autonomy, both cases exhibited far lesser levels of fiscal decentralization compared to the bigger extent of citizens’ understanding and appreciation for the fiscal decentralization reform earlier presented in this chapter. The next sub-section compares and contrasts the relative extents of responsiveness in the Uganda and the Thai municipal governments.

Status of Municipal responsiveness

The most interesting finding for political accountability was the high levels of municipal responsiveness observed in both cases. Issues including security, health, education and local economic development were on top of those that normally attract prompt responses in both municipalities. This finding was interesting given the low levels of fiscal autonomy earlier reported in both cases. To this extent, the finding defied the fiscal decentralization theory that assumes responsiveness as a normative outcome of fiscal decentralization (Musgrave, 1959; 1961; Oates, 1972; 2008; Tiebout, 1956). The theory posits an arrangement in which citizens grant powers for an appropriate taxation to their governments, empower them to spend on the local priorities, and enact local laws to strengthen fiscal autonomy (UNDP, 2010). According to theory, citizens would in return expect their local officials to act more responsively towards them.

The findings from the two cases however, presented evidence to suggest that unlike elsewhere in rural sub-national governments, factors like responsiveness to citizens’ interests and social values were the ones that promote and strengthen fiscal decentralization in municipal governments. The implication from the finding was that citizens would be willing and attracted to meet their tax obligations by their perceived levels of satisfaction with the nature, quality and promptness of
public services extended to them. The implication was that as people start developing positive perceptions about the nature and quality of services delivered to them, they get attracted to the municipal governments. The finding is in line with Crook and Manor (2000:3) who stated:

*When democratic decentralization works well, people at lower level of government acquire a sense of ownership of development projects. Elected authorities are able to make decisions that address local needs long overlooked... As local residents come to identify with developmental projects, they tend to maintain, repair, and renew them more assiduously. Such enhanced maintenance makes development more sustainable.*

This finding suggesting the nature, quality and processes of making local decision to be more important than fiscal instruments was perhaps not very surprising for urban local governments. This was so, given the caliber and diversity of citizens who dwell in urban areas. Urban areas are characterized with conglomerations of different types of people with diverse interests, analytical capabilities and access to national and global information. Accordingly, the findings could also be a result of an influx of vibrant CSOs in municipalities that are vanguard in mobilizing the people to participate in governance, advocating for accountable governance and thereby watchdogs for more responsiveness municipal governments. The relatively strong CSOs in municipalities do not only make governance decisions public but also publicize governance misdeeds (Gronbjerg and Smith, 2021; Harris, 2017). As Blair (2000:29) put it:

*"The most important is to make political news public. Only when people know what is going on, good and bad, can they hold their governments accountable. Without vigorous media to spread it, political news remain the property of the inside a few."*

The findings affirmed the study prediction that more incorporation of civic organizations in municipal governance could provide citizens with meaningful voices to engage and directly influence governance decisions in their local governments. From this finding, the study can put it that political information could provide the necessary incentives for local officials to do well. On the other hand, the citizens can also use the said information to expose the political officials which would then tantamount to a political threat in the next elections. The next sub-section presents findings on perceived incentives for municipal responsiveness.

**Incentives for municipal responsiveness**

The findings revealed that threat of losing a political seat in a free and fair periodic local election was the most direct incentive for responsiveness of municipal governments for the Uganda and Thai cases. It was found to be by far the most vivid available instrument for enforcing citizens’ will in the municipalities of Uganda. This finding was probably so, given the cosmopolitan nature of municipalities and the high influx of CSOs. The CSOs in municipalities are regarded to be very vigilant in mobilizing and empowering citizens to demand for appropriate services irrespective of trivialities like political identities (Coetzee, 2017; Masiya et al., 2021; Sanogo, 2019). Indeed, municipalities unlike other levels of governments in both countries were characterized by high turnover of political leaders during electoral periods. Whereas the Ugandan case was more illustrous with majority of popularly elected municipality leaders belonging to opposition parties, the Thai case elected political officials would resign other than waiting for next turn of elections when their decisions backfire. However, the implied political responsibility was yet to happen in the country’s municipal governments. Nevertheless, the finding was in line with the Public Choice Theory propositions that rely on voting as an instrument of political accountability (Bradhan and Mookherjee, 1998; Besley and Coate, 1999; Downs, 1957). The theory postulates for capacities of voters to choose their local political representatives with regard to citizens’ preferences. The finding suited the idea that for responsiveness as a form of political accountability to happen, there should be mechanisms that allow for citizen-initiated legislation (petitions), referendums, or recalls of elected public officials (Devas, 2005). However, this requires an empowered citizenry with a critical mass to demand public hearings on policy decisions and action and where possible, appeal to Ombudsman offices in local governments (Masiya et al., 2021). Earlier, Agrawal and Ribot (1999) had seemed to summarize it more categorically:

*Accountability is also about the mechanisms through which counter powers are exercised by those subject to actors holding decentralized power. Accountability in this sense is not in a position of exteriority to power, but depends on the exercise of a counter power to balance arbitrary action (Agrawal and Ribot 1999:9).*

Other than the periodic local elections, citizens in their social groupings do also provide other incentives for municipal responsiveness. It’s not uncommon in Uganda for people especially traders, to withhold payment of their local taxes demanding that the municipality first addresses their issues. Peaceful demonstrations and civil disobediences are also common instruments to demand responsiveness from municipal governments. In the final analysis, although voting holds its own limits as a mechanism for determining citizen preference and political accountability in rural local governments, it is still the most direct and effective incentive for political accountability in the municipal governments. To supplement the electoral threat, the high levels of
awareness, relatively informed citizens and a comparatively vigilant civil society have a potential to compel municipal public officials to be more responsiveness to the citizens. In the next and last part of the study, the authors pursue and exploit complex solutions that are condition specific under which responsiveness is most likely to happen in municipal governments.

**CONCLUSION AND CONDITIONS THAT WORK**

The case analysis of Uganda and Thai municipal authorities provides some important insights on how selected stakeholders vary in their views and experiences towards fiscal autonomy and responsiveness in the two municipalities. The authors’ findings illustrate evidences to challenge the belief that responsiveness is a normative outcome of a functional fiscal decentralization system that follows specific predetermined rational logic of consequentiality. To that far, the findings mark a theoretical trek away from the normative responsiveness implied by the decentralization theory. They therefore conclude that without certain conditions in developing countries, fiscal decentralization reforms and efforts would remain symbols conveying political meanings that are ends unto themselves. They believe that the conditions suggested may be representative of a wider context in the developing world under controlled circumstances.

Nevertheless, understanding and working out the proposed five conditions should pay attention to the political-administrative structures, cultural dispensation and the institutional setup of countries similar to Uganda and Thailand. Firstly, national allocation criteria for financial resources should give more investment priority to areas that contribute more revenues or ‘spending according to source’. By spending according to the source, central government will not only be reciprocating democratic accountability to the citizens but would also serve as a demonstration to other areas that the taxes (local or national) practically address their local interests. The citizens will be satisfied with the performance of a fiscal system in terms of the social services that are given to them in return for their taxes. This is in respect with allocating more where you collect more so that citizens feel appreciated and recognized in the fiscal system.

Secondly, the convergence for fiscal autonomy and responsiveness will also depend on the commitment of central government to empower both the municipal governments, as institutions and the people. The study established that national governments have provided for citizen participation but with little impact on the empowerment of citizens as individuals or through representative democracy. Much as it is unlikely that a decision taken in absence of citizens reflects their opinions, interests or concerns, participation should be meaningful so that citizens can feel confident and know where and how to participate. In this direction, it is important that citizens are empowered to make meaningful participation. Citizen empowerment should involve giving them the means, skills, moral support and the platform to fully participate in their municipal decision-making processes.

Relatedly, empowerment of the various stakeholders is another condition for responsiveness to happen in municipal governments. If adequate and complete information on local budget and policy priorities is not available, for example, citizens will find it almost impossible to engage and have any meaningful influence on municipal decision making as well as holding local officials accountable. In empowering citizens, central government need to deliberately craft a more user-friendly system through which citizens will monitor public budgets and policies that affect them. Putting up structures for participation and channels for information is not enough: but commitment of governments at respective levels to empower all actors in governance.

Empowerment needs to be facilitated by a deliberate central government strategy of incorporating more civil society in all spheres of municipal governance. Since it has great potentials of empowering citizens, civil society should itself be empowered by central government to play a more participative role in municipal governance as never before. Since civil society comprises of people of diverse backgrounds, united by common public interests, they do not only buffer municipal officials against central government, but can address areas whereas the local officials may be timid. A dynamic civil society can mobilize the citizens towards a public cause, provide them with appropriate information to understand their local economies, help them understand their choices and means to put their will.

Finally but not the least, since local periodic election was still effective as a mechanism of enforcing the people’s will, national governments should support and strengthen it. Central government could strengthen elections by demonstrating genuine commitment and respect to the devolved political authorities. National governments should let the local governments determine their local policy and grant them enough space to formulate supporting local laws. This is in respect with enabling municipal governments manage their issues including planning and budgeting without undue influence or interference neither directly nor through her agents.

As stated at the outset, this study examined the association of fiscal decentralization and responsiveness. However, it is known that citizen participation, especially non-state actors, can be an intervening factor in that association. The observed municipal governments have attempted to provide opportunities for citizen participation in their local governance, but responsiveness is still a subject for debate. The authors therefore, leave it to future researchers to develop and conduct specific studies to evaluate and understand appropriate levels
and nature of participation that would empower the non-state stakeholders with the required capacity to effectively engage and influence municipal responsiveness in developing countries. They also suggest that future empirical campaigns should clearly define the necessary capacity for both municipal authorities as institutions and for citizens and align it with the respective levels of participation.

CONFLICT OF INTERESTS

The authors have not declared any conflicts of interests.

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