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Improving the quality of Uganda's decentralization: The unfinished business

Michael Kiwanuka^{1*}, Gerald Karyeija², Rose Namara³, Stella Kyohairwe⁴, Michael Galukande Kiganda⁵ and Fred Alinda⁶

¹Department of Political and Administrative Sciences, Uganda Management Institute, Uganda.

²School of management Sciences, Uganda Management Institute, Uganda.

³Institute Research and Innovation Center, Uganda Management Institute, Uganda.

⁴Department of Political and Science, Uganda Management Institute, Uganda.

⁵Department of Public Policy and Governance Studies, Uganda Management Institute, Uganda.

⁶Research and Innovation Center, Uganda Management Institute, Uganda.

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This paper focuses on stakeholders' participation, capacity of players, and fiscal decentralization in Uganda. The authors explore and describe the extent to which the three could be transposed to improve the quality of decentralization in a number of local governments in Uganda. Notable findings revealed high levels and opportunities for participation of stakeholders in local governance, participation still restricted in content and meaningfulness, and a minimal impact on the quality of decentralization. The findings in the authors' opinion suggest that in Uganda's local government system, decentralization is an unfinished business. Therefore, the authors recommend that central government should provide citizens with the required skill, knowledge and information to understand their local governance and then be able to whip their will. The authors also propose that Central and Local governments should revisit their mandates and revenue sharing to address the vertical fiscal imbalance therein. There is need to operationalize LED in local governments into a corroborative arrangement including NGOs, private sector and government. This will reduce decentralization from being a cost to public administration.

Key words: Improving, quality, decentralization, Uganda, unfinished business.

INTRODUCTION

Governments around the planet Earth continue to reform, deepen and strengthen their governance systems. Particularly, the discussion in developing countries is shifting from *'whether to'* decentralize to *'how to'* improve the quality of decentralization. The renewed zeal for decentralization reforms stems from the thinking that at

the local level, it would be salutary that at grassroots levels, citizens are more involved in decisions on development planning, resource use, and service delivery (Mwesigwa, 2021; Shandana and Miguel, 2017).

Experiences from decentralized states, however, raise more doubts than evidences of the impact of

*Corresponding author. E-mail: kiwanuka48@gmail.com.

decentralization in developing countries (World Bank, 2014; Smoke, 2015). In the context of Uganda, a myriad of achievements can be attributed to decentralization but the governance reform still falls short on stakeholders' empowerment. As a matter of fact, decentralization in Uganda has had less impact on the distribution of benefits (Kinyata and Kaaya, 2018; Kiwanuka, 2013; Steiner, 2006). Despite the early successes registered, there is evidence of significant pockets of *unfinished business* in terms of quality, in Uganda's decentralization.

Uganda's decentralization provides for citizens' participation yet there is evidence that citizens do not only lack the skills to exploit the available participation opportunities, but many of them cannot even comprehend their local economies which they are expected to influence (Kakumba, 2010; Mwesigwa, 2021). Although there is a fair level of success on citizens' participation, effective participation in many instances is limited to electing political leaders after which, local issues are left for the elected leaders to manage. Many citizens in Uganda lack the skills to exploit the available participation opportunities to influence their local governance agendas and cannot comprehend their local economies (Kinyata and Kaaya, 2018; Mushemereza, 2019). Indeed, there is no empirical evidence that any special group such as women or youth have had a significant effect on local public affairs in governments in Uganda. Moreover, the actual participation is far less in terms of quality and quantity than it appears on paper. Meaningful participation in terms of intensity, consistency and meaningfulness is even more minimal (Mwesigwa, 2013). The purpose of this paper is to identify, analyze and address the gaps by illuminating the unfinished business. The paper analyzes commitment to citizen participation; capacity of players; and a supportive fiscal system as the most urgent concerns for improving the quality of decentralization in Uganda. The rest of the paper structure includes a literature review, description and justification of the methods used in the study. The paper then presents and discusses findings before drawing conclusions and recommendations for improving the quality of Uganda's decentralization system.

REVIEW OF CONCEPTUAL AND RELATED LITERATURE

In this part of the study, the authors conceptualize quality decentralization and then provide a related review of citizen participation, capacity of agents and fiscal decentralization in Uganda's local government system.

Quality of decentralization

Despite its wide academic and practical appeal in the last

three decades, decentralization is a complex concept and practice that has no common definition. It is a concept whose definitions have differed according to evolution, form and typology. This paper adopted a definition by Mawhood (1993) to look at decentralization as any act in which the central government formally cedes some political, administrative and fiscal powers to actors and institutions at lower levels in a defined and legally binding territorial hierarchy. Two overcharging issues emerge from the above definition. The first is that in a decentralized system, there must be lower levels of units, and the presumption is that lower level units like a local government, should be empowered to perceive and workout the desires and demands of her constituents. The second issue is that decentralization is a system that enables the various sub-sets of people in a country to demand and enjoy different quantities and types of public services. Accordingly, quality of decentralization is concerned with the impartiality of local government institutions in the exercise and implementation of local policies and programs. In this paper, quality of decentralization embraces a clearly delineated system of citizen participation, a regulatory apparatus curbing corruption in the management of local resources, a system exhibiting trust and cooperation within social and political institutions (European Quality of Government Index {QoI}, 2017). Quality of decentralization was also understood to develop and nurture an empowerment local citizenry within a local government jurisdiction. In this study, quality of decentralization was observed by: citizen participation, capacity of stakeholders, and fiscal decentralization system.

Participation and quality of decentralization

Simply put, citizen participation relates with citizen involvement in government decision making and service delivery. However, such a description uses participation and involvements interchangeably as if the two are the same. In other attempts, citizen participation has been described as a government mechanism to better understand citizens' needs as well as for the citizens to monitor governmental operations (Holum, 2022; Kyohairwe and Kiwanuka, 2014). This notion of participation may take various forms including public hearings, citizen focus groups, citizen surveys, and social media. The definition above is in line with many scholars who describe participation as arrangements in which citizens as individuals or groups exercise influence and control over the decisions made that affect them (Carvalho et al., 2019; Forrest et al., 2021; Maryunani, 2019). To that extent, citizen participation in local governance is both a political right of citizens as well a basis for ensuring and promoting the exercise of other rights of citizens (Binh and Nguyen, 2019; Nguyen and Nguye, 2021). The definition above implies

participation to be the direct and indirect intervention of citizens with determined social interests in public activities. Direct participation, on one hand, happens when citizens in their individual capacities or in form of groups (CBOs, NGOs) influence political decisions affecting them. On the other hand, indirect participation is when citizens are involved in decision making through their elected representatives.

Some of the ways through which stakeholders participate in their local governance in Uganda, include 'vote' and 'voice' mechanisms. Whereas the vote mechanism is when people participate in the election process, the voice mechanism in this case describes engagements with the local government that moves beyond consultation to more direct forms of influence over for example, spending and policy decisions. In Ugandan context, voting through universal adult suffrage is the most direct tool of political decentralization. Other than elections, citizen participation in local governance has been manifested through their voices in surveys, direct community involvement, radio talk shows, community monitoring of government activities, participatory planning and budgeting and community based organizations. Effective empowerment requires that participation must be effective to the extent that it enforces political responsiveness, facilitates organizational performance, and enhances accountability (Holum, 2022; Mwesigwa, 2021; Musenze and Thomas, 2020). Citizen participation in this case, can be understood as a tool for their empowerment.

Capacity of agents and quality of decentralization

The capacity of actors is very critical for decentralized local governance to achieve its goals. There is no doubt that building local economies' capacity to create wealth and well-being for local residents requires functional capacity from both private and public actors (Namara et al., 2015). Quite often, local governments are viewed more as part of the national government, yet in many ways, they are also a complete level of government. This therefore calls into question the capacity of the local governments in terms of whose capacity, what capacity and why the capacity. According to Brinkerhoff (2007) and Kauzya (2003), capacity deals with aptitudes, resources, relationships, and facilitating conditions necessary to act effectively to achieve some intended purpose. The United Nations Development Programme (UNDP) proposed one of the most commonly used definitions of capacity to be the ability of people, institutions, and societies to perform functions, solve problems, and set and achieve objectives (USAID, 2014). According to Organisation for Economic Co-operation and Development (OECD, 2006), capacity ranges from individuals, organizations, and institutions (enabling environment). The capacity of organizations like local

governments relates to their ability to get things done, to address challenges, follow through on commitments and ultimately to achieve valued outcomes for citizens. The implication of capacity of players or lack of it in public organizations like local governments was perhaps put more vividly by Murray, '*without the capacity to make good decisions and to implement them well, ineffective government is the best expectation one might have; the worst expectation is a failed state*' (Murray, 2007:1). The statement implies that institutions, like local authorities, need to deliberately develop and acquire different sets of competencies if they are to make and implement good decisions. These capacities are inter related and inter dependent.

In order to have capacity built, it ought to look at: Resources (who has what); Skills and knowledge (who knows what); Organization (who can manage what); Politics and power (who can get what); and Incentives (who wants to do what), in line with the thoughts of Africa Development Bank (ADB, 2006). Kauzya (2007) observes that when it comes to local governance there are many stakeholders and players that include the public sector, the private sector, the civil society, donors, development partners, local community, national, regional and international levels. It is not common, therefore, to consider capacity building without mapping out the actors' capacity vis-a-vis their roles since one's capacity is strengthened to play his/her role effectively. Relatedly, Morgan (2006) provides five capabilities including capability to self-organize and act; capability to generate development results; capability to establish supportive relationships; capability to adapt and self-renew; and capability to achieve coherence.

Although the literature reviewed was limited on the actual capacity of the actors at the local level, it does illustrate various capacity gaps relating to the capabilities. Much efforts have been made to develop the capacity of local government actors, and there have been limited systematic studies, if any, to examine the extent to which these capacities have been transformed into influence.

Fiscal decentralization system and quality of government

As it is the case in most parts of sub-Saharan Africa, Uganda's decentralization scheme sought to transfer political, administrative, financial and planning authority from the central government to local government councils. This was anchored in a mainstream narrative that popular citizen participation in local governance processes was the tool to understand measure and realize accountability and responsiveness (Forrest et al., 2021; Holum, 2022; Kauzya, 2007).

The country's decentralization framework hinges on citizens' participation, responsiveness, the capacity of stakeholders to work out their mandates, and fiscal

decentralization.

Fiscal decentralization involves decentralization of a tax instrument in which local governments have the powers to raise taxes, and decentralization of expenditure where local governments bear the responsibility for spending (Francesco, 2009; Hart and Welham, 2016). Fiscal decentralization generally intends to empower local governments with the necessary capacity and autonomy that would enable them to be both more responsive and efficient in local public service delivery (IMF, 2015; World Bank, 2014). Ideally, fiscal decentralization is a re-arrangement of the roles and responsibilities among different levels of governments with the intent of transferring some financial responsibility from central to sub-national governments (Steven et al., 2010). Since financial responsibility is a prerequisite for quality in decentralization, sub-national governments must have adequate and appropriate level of revenues to enable them to effectively carry out decentralized functions (World Bank, 2005). To this end, therefore, whether revenue is raised locally or transferred from the central government, fiscal systems should provide local governments with substantial autonomy and discretion to make revenue and expenditures decisions.

In Uganda's context with about 80% of functions and responsibilities assigned to local governments, the country's fiscal system would ideally require corresponding adequate and appropriate fiscal instruments to enable local governments work out their mandates (Kinyata and Kaaya, 2018; Steiner, 2006). The country requires a fiscal system that provides the sub-national governments with the adequate and appropriate financial resources to meet the expectations of their communities and effectively respond to any emerging local challenges. Admittedly, a weak fiscal capacity is perhaps the biggest threat to quality in decentralization in Uganda today. The instruments for Uganda's fiscal system include local revenue, central government transfers, private moneys and borrowing (Smoke, 2001; Obwona et al., 2000). However, local revenue is the one where local governments can determine the revenue levels as well as disposal of the revenues with the highest level of autonomy. Local revenue sources often comprise local taxes and different kinds of user charges. Such sources include market dues, trade licenses and fees, rates, rents, property tax, royalties, stamp duties, and registration fees (Uganda, 1997). Local governments may also collect some national taxes under certain agreements and arrangements within which local governments may retain certain portions of the revenue collected.

Local revenue sources are however generally primitive, unreliable and expensive to administer and collect (Kakumba, 2010; Smoke, 2001; Obwona et al., 2000). Local governments are forbidden from collecting most of the lucrative and tangible taxes. The sudden abolition of graduated tax by central government was perhaps the

worst blow to local governments' revenue capacity in the country. Graduated tax was the most important local tax in nominal terms, and an innovative direct taxation in predominantly rural settings (Steiner, 2006). Accordingly, even the autonomy of local governments to determine the sources and rate of some local taxes is limited because everything is subject to approval by central government. To supplement local revenue sources, central government also provides financial transfers to subnational governments. The intergovernmental fiscal transfers are provided in the form of unconditional grants, conditional grants, and equalization grants. Whereas the unconditional grants finance the decentralized functions specified in the Act, the conditional grants fund national priority programme areas (Uganda, 1997). Equalization grants are only accessible to local governments lagging behind national average standards of service delivery within a given sector (RU, 2002). By implication, therefore, equalization grants are only granted to those local governments facing excessive expenditure pressures with comparatively limited revenue sources, and huge expenditure backlogs.

Local governments in the country also have the advantage to tap private capital through both public private partnerships and borrowing. Like the case with the said grants, the national government's approach with respect to private loans and borrowing by local governments is determined by the financial position of the local government (Bahl, 2009; Steiner, 2006). Central government regulates and approves the credit limits and determines the credit worthiness of a recipient sub-national government. In any case, the amount borrowed cannot exceed 25% of the locally generated revenue unless with express authority of central government. Whereas it is only the Minister of local governments who grant the consent for any borrowing, the provisions for the said approval are not very clear to local governments.

Consequently, local governments in the country depend on central government transfers for the biggest proportion of their development budget. Therefore, the fiscal decentralization framework has greatly eroded the quality of government at subnational levels. Local governments operate like field units that implement central government projects and programmes without any realistic autonomy. The country lacks an effective local fiscal system that would allow a 'vertical fiscal balance'. Although quality of government and by extension quality of service delivery can happen through decentralization, decentralization, in itself, can hardly lead to quality of government. Fiscal decentralization is perhaps the biggest unfinished business for Uganda's decentralization reform (Bahil, 2009; Mushemereza, 2019; Obwona et al., 2000). The country has witnessed less decentralization of revenues than of expenditure. Whereas the responsibilities of local governments in the country have been growing, the share of funds available to undertake such responsibilities has continuously gone down over

the years.

METHODS

The overarching research question was to explore the unfinished business in Uganda's local governments. Specifically, the research assessed how citizen participation, capacity of local government actors and fiscal decentralization system should be redirected towards improving the quality of decentralization in Uganda. The study was an exploratory case design that enabled the researchers explore and describes interrelated issues of quality of decentralized governance. This design enabled researchers get an understanding of the issues surrounding participation, revenue generation management and the capacity of agents to implement the decentralized functions of government. The study was conducted in eight local governments purposively selected from Town Councils (TC), Sub-counties (S/Cs) and District Local Governments (DLGs) across the country. The rest of the methods used in the study are presented in Table 1.

The observed Local Governments were purposively selected using a criterion of relative performance (better and poor performance), geographical representation and population distribution. The Local Government Assessment Reports compiled by Ministry of Local Government (1994) and respondents' perceptions on the performance of their local governments informed the relative importance of local governments. The Data were analyzed using content and narrative analysis.

RESULTS AND DISCUSSION

Citizens' participation and the quality of decentralization in Uganda

The study revealed high levels of participation by local political leaders, technical officials and members of civil society organizations in generally all local governments observed. On the other hand, however, results below indicated variations in the involvement, levels and type of participation depending on the category of players. The political leaders reportedly participate in all local affairs especially in planning, budgeting and determining the council direction at different levels. Their participation was found to be through community mobilization, informing the citizens to support and comply with local policies formulated by themselves as representatives of the people, and through political processes of decision-making and policy formulation. Political leaders were also reported to participate in the monitoring and implementation of local and national policies. Indeed, in various ways and platforms, the local political leaders were reported to have contributed ideas, through political deliberations, for improving the quality of decentralization in their localities. Generally, in all local governments observed, political leaders lamented that unlike their technical counterparts, political participation was limited to developing plans and budgets with limited involvement, if any, in allocating resources and determining equity in the allocations. As one local councilor III observed; *"We have no involvement at all in implementation of*

government programs even where we have expertise or see thing running out of hand. We are reminded to keep hands off and only eyes on". Although the councilor seemed to lament the limitations imposed by policy on the involvement of political leaders in the actual implementation of policies, plans and decisions devolved by them, they participate in developing policies and in monitoring their implementation.

On the other hand, although technical officials reportedly participate in all the political processes and activities raised by the political leaders, their participation was found passive and limited to answering questions or giving guidance on request from political leaders. Generally, though, all responding technical officials submitted that they participate in implementing all programmes, plans and policies formulated by local councils. The participation among others, involve resource mobilization and allocations, accountability and the entire delivery of services to the citizens.

Similarly, the study findings indicate that CSOs participate at various levels in many issues where local governments have responsibilities. The chairperson of the NGO Forum in Kayunga District put it more clearly, *Under the NGO forum in Kayunga District, NGOs place Community Based Monitors (CBMs) in all villages of the sub-counties to mobilize citizens to participate in all activities in their localities. Such activities include civic and governance. CBMs are given information from both the local and central governments to share with citizens before participating in any activities. CSOs also participate in sensitizing communities on the benefits of meeting their local revenue obligations. One dominant such ideas raised by NGO forum in Busana sub-county for example, was for parents of UPE pupils to contribute 10 kg of either maize or beans to schools on a monthly basis as contribution for pupils' lunch.*

This submission was corroborated by the commercial officer-Kayunga District to be possible given that maize and beans are the dominant crops produced in the sub-county; yet there is limited market for it. According to him, such a proposal would not only be considered by Busana sub-county council but by the entire district. Findings reported however, that CSOs participation was many times limited by both the technical and political officials. This is either denying them access to some vital information for interpreting and translation into user friendly formats that citizens can comprehend and utilize; or denying CSOs space for engaging other players in the sub-county governance processes.

Findings from all the three categories of stakeholders reported above correspond with the position of the Ministry of Local Government (MoLG). The findings on participation from the MoLG were based on both comparative and historical perspectives. Whereas the comparative perspective analyzes opportunities for participation between Uganda and other developing countries, the historical perspective recognises and prides

Table 1. Summary of methodology.

Local Government	Population Category	Sampling technique	Response	Data collection method
Budaka TC (Budaka DLG)	Technical Staff, Political officials, Representative of CSOs, and Members of the Private sector	Purposive and convenience	8	Interview
Ngora DLG	Technical Staff, Political officials, representative of CSOs, and members of the private sector	Purposive and convenience	13	Interview
Iganga Municipal council (Iganga DLG)	Technical Staff, Political officials, representative of CSOs, and members of the private sector	Purposive and convenience	13	Interview
Shema DLG	Technical Staff, Political officials, representative of CSOs, and members of the private sector	Purposive and convenience	11	Interview
Ishaka Municipality (Bushenyi DLG)	Technical Staff, Political officials, representative of CSOs, and members of the private sector	Purposive and convenience	10	Interview
Buikwe DLG	Technical Staff, Political officials, representative of CSOs, and members of the private sector	Purposive and convenience	15	Interview(7) FGD (8)
Lugazi Municipality (Buikwe DLG)	Technical Staff, Political officials, representative of CSOs, and members of the private sector	Purposive and convenience	10	Interview
Busana S/C (Kayunga DLG)	Technical Staff, Political officials, representative of CSOs, and members of the private sector	Purposive convenience	11	Interview
MoLG	Senior Management Team Total respondents	convenience	10 121	FGD

in the positive trend in the evolution of good governance in Uganda’s local governance. A member of the senior management team with MoLG who seemed to summarise the general feeling of all members of the FGD, passionately submitted, *Looking at the historical perspective of decentralisation, devolution and voice in government operations does not just happen everywhere. Participation has provided voice to people with disability (PWD), Northern Uganda inclusion issues, and other vulnerable groups including the women, youths and the elderly.*

The submission above was on the scope of participation in terms of opportunities for different social groups in local governments but less in terms of scale and content of participation. What comes out of the findings on participation from all the parties in the study is that there was a fair level of participation in all local governments studied. However, this participation was reportedly more in sequences, constituencies, and opportunities than in content, breadth, depth or reach of a subject. The intention of stakeholders’ participation in Uganda’s decentralization was to

put stakeholders in positions where they would meaningfully influence decisions and policies that affect them. The participation in the local governments observed was yet to have a visible and reinforcing influence on the policies and decisions formulated and implemented for them. Indeed, participation in form of direct voices was reportedly impeded by social dynamics of exclusion and inclusion at respective community levels. In what was deemed participation, some players were more inhibited in the deliberative meetings to the extent that they would not seek

for clarifications and end up leaving more confused and frustrated, and others would be pressured into acquiescence. Our findings resonate with the literature on the widespread dissatisfaction with the whole essence of citizens' participation, particularly the poor, and their lack of 'voice' in service delivery (Goetz and Gaventa, 2001; Mwesigwa, 2021; Narayan, 2002).

The findings were also in line with Golooba (1999)'s lamentations over the traditional structures of authority in Uganda – manipulated from the top with powerful individuals imposing decisions on others. This, by implications, inhibits free exchange of ideas and sometimes makes certain people unwilling to demand accountability from those in authority.

According to Porter and Onyach-Olaa (2001), local history, politics, tradition and capacity of stakeholders (skills, knowledge and attitude) are all factors that affect the ways in which local governments interact with CSOs, informal leaders, contractors and others. Relatedly, DENIVA (2006) observed that participation of CSOs was also yet to strengthen CSO's action over local government action and programmes. To this extent, therefore, providing opportunities for various constituencies to participate and establishing numerous initiatives that attempt to engage citizens was not enough to support the quality of decentralization. However such and more initiatives and opportunities could be useful when carefully facilitated with the required skills, knowledge and attitudes to enforce their will.

The capacity of agents and quality of decentralization in Uganda

To determine the capacity of agents (politicians, CSOs, NGOs, private sector, Opinion leaders) to perform decentralized roles, the study sought to identify the critical issues that constrain the capacity of agents to perform their roles towards improved quality in decentralized governance. This involves examining the roles of the actors, their capacities to govern and manage decentralization processes, ethos and expected outcomes.

The authors' findings revealed that generally, the players are aware of their roles but lack the motivation and capacity to execute them. The capacity analysis for the different players is mapped out in Table 2.

Findings in the table reveals capacity gaps mainly being competence, financial and motivation related. Findings revealed capacity gaps among the political leaders whose positions require no academic requirements. The population category was found to have limited technical comprehension of policies, procedures and implications of government operations. These were reported to explain the populist tendencies, slowing decision making and sometimes-misinforming citizens. A member of the technical officials put it succinctly,

“because of their academic inferiority complex, political leaders are so erratic and unreliable players that they are quick to distance themselves from the social cost that comes with implementing a new policy formulated by themselves” The respondent's concern was that given the lack of standard qualifications for the political office in local governments, there were limited incentives for the political officials to observe commonly acceptable standards of behaviors deserving in such offices.

As far as facilities are concerned, the sampled local governments reported some strides in the construction of local facilities. They either had sufficient office space constructed recently; roads in local communities were in fairly sound conditions; while others had reasonable healthcare infrastructure and schools. Whereas the technical officials were found to generally possess the technical capacity to perform their roles, they were established to be wanting on the right attitudes and required skills for harmonious work with citizens, political leaders and CSOs. By their own admission, technical officials found themselves on different divides with their political counter-parts who are mostly conceptually unsound and analytically slow. The same was found to be true for the interface between technical officials and citizens who are always suspicious of each other. The study established that many technical officials still lack the skills to interact with citizens, attract them towards picking interest to utilize government services and interest to contributing towards provision of such services. Similarly, the attitudes of technical officials towards effective mobilization and utilization of resources was found wanting. A member of the CSOs submitted, *“The parish chiefs who collect local revenue have no training in financial mobilization nor skills for doing so. These are basically trained as community mobilisers but they find themselves mobilizing local revenue”* The statement illustrates that some of the people managing revenue mobilization and collection in local governments have no technical competence, skills and attitudes to manage this critical function.

Lastly but similarly, CSOs were also found to have capacity gaps in as far as flexibility and the right attitudes to accept and appreciate local government positions that may not be in their interests are concerned. Relatedly, the study revealed that NGOs in particular, do not have adequate capacity to synchronize issues before taking critical decisions thus sometimes making their decision-making erratic. Nevertheless, findings also established that CSOs compared to technical officials lacked adequate technical and professional capacity to effectively engage in local governance. Unlike the NGOs some of whose members were found to access capacity building interventions using their networks, political leaders and technical officials reportedly had limited access to any capacity building interventions. The capacity-building grant was found to be at district level and therefore usually out of reach for sub-county officials.

Table 2. Capacity strength and gaps of the actors.

Category of stakeholder	Capacity strength	Capacity gaps
Politicians	<ul style="list-style-type: none"> - Adequately access info -over radio - Awareness of roles - Clarity of mandate - Clarity of rules and procedures for participation 	<ul style="list-style-type: none"> - Limited technical expertise - Limited resources for more frequent monitoring - Limited access to capacity building interventions
Civil society	<ul style="list-style-type: none"> - Awareness of roles - Clarity of mandate - Clarity of engagement framework 	<ul style="list-style-type: none"> - Few NGOs - Limited funding to scale up operations - Limited expertise to write funding proposals - Still few, and operate at a small scale.
Private sector	<ul style="list-style-type: none"> - Awareness of roles - Clarity of mandate - Clarity of rules and procedures for participation 	<ul style="list-style-type: none"> - Unfavorable business - Environment-poor roads, - Inflation and low demand - Negative attitude towards tax payment - Corruption - High interest rates
Technocrats	<ul style="list-style-type: none"> - Have technical expertise - Awareness of roles - Clarity of mandate - Supportive operational procedural guidelines - Many platforms for sharing experiences e.g. review meetings, technical team meetings 	<ul style="list-style-type: none"> - Low motivation - Limited staff numbers especially in health - Insufficient budget for operations, management and financing facilities - Limited access to facilities like computers and internet - Interference by self-interest politicians - Poor infrastructure and facilities in schools and hospitals
Citizens	<ul style="list-style-type: none"> - High motivation to monitor service delivery 	<ul style="list-style-type: none"> - Limited platform for and less frequent engagement - Limited resources to monitor services - Limited information about government projects - limited capacity to participate in decentralized service delivery - Apathy especially in voting. Respondents said that citizens had abandoned their civic duties and look at government to do for them everything, even what they could personally do for themselves.

Relatedly, the capacity-building efforts were also found limited particularly with regard to players' access to capacity building opportunities. The

capacity building grant that remained key in Local governments benefited few individuals specifically technocrats and politicians at district levels. The

fund was building technical competence through exposure visits, skills enhancement and retreats for reflective learning. To a large extent, this had

not matched the interest of beneficiaries who continue to perceive such opportunities as avenues for earning allowances, and touristic adventure for leisure. To affirm this, many stakeholders observed that it was rare to find an impact of such capacity building opportunities. Above all, the grant was insufficient to all stakeholders across the board. Besides the grant, training was also being provided to technical staff through scholarships from Embassies and Central Government ministries particularly from the Ministry of Local Government. While the civil society remains a potential player to cover the stopgap in capacity building, in the study it was revealed to be constrained by limited funding too.

To a large extent, the findings on the capacity of stakeholders were in line with the responses from MoLG informants. Although local governments observed limited access to capacity building facilitation, according to the findings from MoLG, subnational governments at all level are provided with capacity building facilities both in kind and in cash. On top of the mandatory induction training given to all new local councils by the MoLG, the ministry from time to time reportedly provides bridge gap capacity building to local governments depending on need.

Fiscal decentralization and quality of decentralization in Uganda

From the findings, the extent to which fiscal decentralization affects the quality of decentralization is reflected in different points of views and mechanisms. There was a consensus among all the population categories on causes of inefficiencies in local revenue and its effects on the quality of decentralization. These included but not limited to capacity and labor constraints, poor attitudes by revenue collectors and payers, policy restraints, low economic activities in local governments, and political interference. The most urgent task was how to overcome such constraints in order to re-align fiscal decentralization towards facilitating and promoting the quality of decentralization in the country. The study findings indicated varying and intermittent levels of interference by central government and local political officials in the local revenue mobilization. Relatedly, all respondents detested this political interference in local governments. Whereas the technical officials and SCOs blame both central government and their political counterparts for the interference, the political leaders submitted that central government interferes politically in the local revenue management. The political interference on the side of central government retards formulation and implementation of revenue enhancement byelaws by local governments. Interference by local governments happens where some councilors try to incite people against their tax obligations. This was reported to be mostly populist political tendencies and sometimes ignorance of the centrality of revenue enhancement in the performance of local governments. The position of the

MoLG on political interference was that, although there are isolated cases of interference in revenue enhancements in local governments, the bigger challenge was lack of the right attitude, skills, and technical competences to circumvent such interferences. A member of senior management in the MoLG emotionally put it thus,

...although local governments have so far not succeeded in convincing central government about the positive outcome of some taxes like boda-boda tax, they have themselves not been so innovative in repackaging and justifying such taxes. Boda-boda tax, for example, can be justified as parking fees.

This statement illustrates the limited innovative skills required of local governments to formulate byelaws that can circumvent certain inevitable circumstantial barriers imposed on them politically and administratively.

The study further established that revenue enhancement was in part affected by some structural issues in local governments. The study established, for example, that district and sub-county governments, unlike their urban counterparts, had no enforcement officers to support revenue mobilization. An administrative official from Busana sub county said, *“Tax collection and payment are always unpopular, problematic and risky the world over. People will use whatever means including violence where possible to avoid paying their due taxes. You need some form of enforcement”*.

Although the MoLG had a similar view of tax payment and collection always being a detested area, it argued that local governments at either level should focus more on realistic revenue enhancement planning than enforcement. According to the MoLG, local governments still have some other potential sources of revenue that they have not yet included in their financial planning frameworks. Relatedly, it was also established that local revenue mobilization was hampered by low levels of investment, trade and commerce in the local governments. Most of the local governments are still rural with limited concentration of economic activities that will support both the revenue source and the taxable incomes of the citizens. An officer from the Finance Department for one of the Municipal Councils in the study put it this way: *Since we became a Municipal Council, our revenue collection status has changed. Before we were only Lugazi central business district which has a large factory and many other economic activities. But since becoming a Municipal Council where by two rural sub counties – Najemba and Kawolo were added; we only acquired territory and costs but very limited revenue because of the limited economic activities in those new areas.* That commentary was in respect to the low concentration of business in rural parts of urban authorities that makes them fiscal liabilities in the delivery of services in urban authorities.

The findings on local revenue performance support

Devas (2005) to the effect that since local revenue is always limited to only a few visible but unpopular taxes that are difficult and expensive to collect, they heavily depend on transfers from the centre. Accordingly, Kakumba (2010) likely submitted that since agriculture is the biggest employer in local governments, a conspiracy of poor farming, transport and markets techniques have maintained a subsistence mode of production thereby negatively affecting Local Economic Development (LED) in the localities. As long as food production, for example, is only for home consumption with very little, if any, for the market, agriculture has no positive externalities for LED in local governments. The resultant weak financial position of local governments affects the capacities of local governments to integrate citizens into local economic projects.

Conclusions

The local government system in Uganda was anchored on an expansive theory of good governance and the attendant narrative of empowerment and creating opportunities for participatory decision-making at all levels that reciprocate into quality of decentralization. Indeed, the study established multiple opportunities for participation of special and vulnerable groups, including the poor, gender and minority interests in some political, administrative and fiscal decisions. However, the study concludes that the inherent weakness in the nature of citizen participation, capacity of agents and fiscal decentralization set-up is the most urgent unfinished business to improve the quality in decentralization in Uganda. Our research results show that in order to improve the quality decentralization, a holistic approach is needed, as well as efforts from both the government(s) and citizens to address the three constraints.

RECOMMENDATIONS

Following from the conclusion above, the paper recommends the following:

Improving citizens' participation in Uganda's decentralization

There should be a well thought out mechanism to improve citizens' participation in Uganda's local governments. The national government should take the lead of coming up with a deliberate strategy for more incorporation of citizens in all spheres of local governance. This should be a point at which citizens understand their local economies and are empowered with the means to whip their will. Citizens should be empowered to know where and how to participate. Central governments should from time to time provide

citizens with the required skills, knowledge and attitudes to enforce their will. In empowering citizens, central government needs to deliberately construct a more user-friendly system through which citizens will conveniently input, influence, monitor public budgets and policies that affect them.

Improving on the capacity of agents in Uganda's decentralization

The capacity of agents in Uganda's decentralization should be improved. Local governments should prioritize capacity building for political and administrative officials in planning and budgeting. Other than the induction and other capacity building support from central government, local governments should take training as a routine depending on their need. In particular, the central government should strengthen and regularize capacity building given to local governments particularly in byelaw enactment, local economic development, and meaningful deliberative skills. Lastly but not the least, the fiscal decentralization system should be revisited from both the local and central government levels. Local governments in Uganda should popularize and incentivize taxation of the citizens. Let the citizens, as individuals or business people, be made to appreciate that the revenue is used to facilitate their economic activities and provide services in their own localities. Accordingly, sensitize local leaders and involve them in deliberate revenue sensitization campaigns. This will happen when politicians appreciate the relevancy of local revenue in facilitating their promises to their constituents. Relatedly, local revenue sensitization should take a tripartite approach by political leaders, technical officials and CSOs at the respective levels. Local governments should secure commitment of technical officials, political leaders, members of CSOs, and representatives of the private sector to form joint revenue teams at their respective levels. A free flow of information and appreciation of roles of each player in local governance could serve as the lubricant for the above collaborative framework.

Fiscal decentralization and quality of decentralization in Uganda

There is need to operationalize LED in local governments into a corroborative arrangement including NGOs, private sector and government. This will reduce decentralization from being a cost to public administration. Relatedly, central government should also provide framework and guidelines for local governments to operationalize taxing of commercial farmers within local governments. Lastly but importantly, the Central and Local governments should revisit their mandates and revenue sharing so as to address the vertical fiscal imbalance between them.

The context of this study was Uganda, which in itself

reflects the specificity and characteristics of local governments in Uganda as a developing country. To that extent, therefore, the study findings may suffer limited geographical and controlled application to local government contexts outside Uganda. The authors want to argue, however, that the challenges related to quality of decentralization or local governments, by extension, are similar for many other developing countries in Africa, including those of the East.

CONFLICT OF INTERESTS

The authors have not declared any conflict of interests.

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