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**APRIL
2024**

Decentralization and Its Effects on Urban Governance in Africa

Lena GUTHEIL



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ISBN: 979-10-373-0854-2

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Cover: Traffic Circle, Lusaka © Gareth Zebron/Shutterstock

How to quote this publication:

Lena Gutheil, “Decentralization and Its Effects on Urban Governance in Africa”,
Ifri Studies, Ifri, April 2024.

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Executive summary

African cities are growing rapidly. Soon, the majority of the African population will live in cities and not in rural areas. Municipal actors do not always have the capacities, the decision-making power and/or resources to provide adequate infrastructure and services for the growing populations. Here, decentralization policies are of crucial importance for urban governance, as they determine the institutional environment in which said governance takes place. Decentralization aims at shifting competencies and resources from the central government to territorially defined subnational levels of government, including cities and municipalities. This process is inherently political and contested as different actors negotiate their access to power and resources. Based on a literature review, the paper analyses the entanglement between decentralization and urban governance, looking specifically at the political implications of how decentralization plays out at the municipal level.

The first part of this study takes stock of the current state of fiscal, administrative and political decentralization for cities and subnational governments in Africa and gives some context information concerning the origins of decentralization and its differing trajectories. Despite major advances in political decentralization, fiscal decentralization lags behind. The political motives for pursuing decentralization reforms often lead to incomplete decentralization and have a profound effect on power-sharing arrangements.

The second part analyzes the effects decentralization policies have on urban governance. Decentralization profoundly alters power dynamics at the local level, which has an influence on party politics, leaders' capacity to provide infrastructure and services and the accountability relationship between citizens and the state. Looking at these three interrelated dimensions and how they are shaped by different city contexts reveals the inherently political character of urban governance.

Overall, this paper finds that cities are affected differently by decentralization policies than rural areas. Cities' economic and political salience, the presence of a multitude of actors with decision-making powers as well as the strong voices of opposition parties and civil society make decentralization especially prone to politicization. At the same time, these factors also contribute to cities' strong position in shaping these policies and the politics of decentralization beyond the confines of the municipal level.

Résumé

Les villes africaines se développent rapidement. Bientôt, la majorité de la population africaine vivra dans les villes plutôt que dans les zones rurales. Les acteurs municipaux n'ont pas toujours les capacités, le pouvoir de décision et/ou les ressources nécessaires pour fournir des infrastructures et des services adéquats à des populations croissantes. Dans ce contexte, les politiques de décentralisation sont d'une importance cruciale pour la gouvernance urbaine, car elles déterminent l'environnement institutionnel dans lequel cette gouvernance s'exerce. La décentralisation vise à transférer des compétences et des ressources du gouvernement central vers des niveaux de gouvernement infranationaux définis territorialement, y compris les villes et les municipalités. Ce processus est intrinsèquement politique et contesté, car les différents acteurs négocient leur accès au pouvoir et aux ressources. Cette étude analyse l'enchevêtrement entre la décentralisation et la gouvernance urbaine en se penchant spécifiquement sur les implications politiques de la décentralisation au niveau municipal.

La première partie de l'étude fait le point sur l'état de la décentralisation fiscale, administrative et politique pour les villes et les gouvernements subnationaux en Afrique, et donne quelques informations contextuelles sur les origines de la décentralisation et ses différentes trajectoires. Malgré des avancées majeures en matière de décentralisation politique, la décentralisation fiscale est à la traîne. Les motivations politiques de la poursuite des réformes de décentralisation conduisent souvent à une décentralisation incomplète et ont un effet profond sur le partage du pouvoir.

La deuxième partie analyse les effets des politiques de décentralisation sur la gouvernance urbaine. La décentralisation modifie profondément la dynamique du pouvoir au niveau local, ce qui a une influence sur la politique des partis, la capacité des dirigeants à fournir des infrastructures et des services et la relation de responsabilité entre les citoyens et l'État. L'examen de ces trois dimensions interdépendantes et de la manière dont elles sont façonnées par les différents contextes urbains révèle le caractère intrinsèquement politique de la gouvernance urbaine.

Dans l'ensemble, l'étude montre que les villes sont affectées par les politiques de décentralisation différemment des zones rurales. L'importance économique et politique des villes, la présence d'une multitude d'acteurs dotés de pouvoirs de décision ainsi que les voix fortes des partis d'opposition et de la société civile rendent la décentralisation particulièrement sujette à la politisation. En même temps, ces facteurs contribuent également à la position forte des villes dans l'élaboration de ces politiques et de la politique de décentralisation au-delà des limites du niveau municipal.

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Introduction

The importance of African cities as economic, political and social actors is increasing. While Africa used to be perceived as a predominantly rural continent, it is estimated that by 2050, the urban population of the continent will increase by around 900 million people, nearly tripling.¹ The world's ten fastest-growing cities are all in Africa, and soon, more than half of all Africans will live in cities.² Major growth is expected in Sub-Saharan Africa: While North Africa is already predominantly urban, the share of the urban population in Sub-Saharan Africa as of 2021 is 42%.³ The fast growth of cities is often taking place in an unplanned manner, and cities struggle to provide adequate infrastructure and services to their inhabitants. While city residents are, on average, wealthier than rural Africans, the majority of urban dwellers live under precarious conditions in so-called informal settlements.⁴ The ability of cities to deal with these challenges chiefly rests on the performance of urban governance.

Urban governance refers to the structures and processes by which informal and formal actors arrive at and implement decisions on how to plan, finance and administer cities.⁵ Urban governance involves multiple actors and multiple scales. Apart from municipal actors, other actors such as non-governmental organizations, traditional leaders, the private sector, international donors and the national or subnational governments are involved in governing cities in dialogue with the citizens.^{6,7} Decentralization reforms are part and parcel of the political process of (re)defining and negotiating the structures referred to as urban governance. In general terms, decentralization aims at shifting competencies and resources from the central government to territorially-defined subnational levels of government, including cities and municipalities. Decentralization policies define how actors at different governance levels (national, regional, local) collaborate and provide rules and regulations organizing administrative, political and fiscal relations between these levels. Hence, decentralization policies are of

1. "Africa's Urbanisation Dynamics 2022: The Power of Africa's Cities", OECD, UNECA & AfDB, 2022, available at: <https://doi.org>.

2. "The World's Cities in 2018. Data Booklet", UN, 2018, available at: www.un.org.

3. "Sub-Saharan Africa: Urbanization from 2011 to 2021", Statista, 2023, available at: www.statista.com.

4. "Africa's Urbanisation Dynamics 2022: The Power of Africa's Cities", op. cit.

5. This definition builds on the main characteristics of UN-Habitat's definition. However, the author does not share the normative components of the definition that presuppose that urban governance is or should be conducive to fostering accountability, transparency and the rule of law. See <https://unhabitat.org>.

6. S. Schlimmer, "Governing Cities in Africa: A Panorama of Challenges and Perspectives", *Études de l'Ifri*, Ifri, February 2022, p. 15.

7. The terms local and subnational are used in this paper in line with the OECD. While subnational refers to all government levels below the central level, the local level excludes federal states, see "Regions and Cities at a Glance", Paris: OECD, 2018, p. 163, available at: <https://doi.org/10.1787>.

crucial importance for urban governance, as they determine the institutional environment in which urban governance takes place. Decentralization policy does not only define the competencies of municipal actors but also their level of discretion in different domains. However, decentralization is not a stable and linear process but rather an ongoing and contested process in which municipal actors play important roles in negotiating their access to power and resources.⁸ The competition characterizing processes of governing and setting up structures for governing cities implies that these processes are inherently political.

Therefore, the entanglement between decentralization and urban governance often materializes in political conflicts over resources, for instance, when central governments withhold transfers to subnational governments run by the opposition to decrease their service delivery performance.⁹ The decision to decentralize is taken by politicians who are directly affected by it and usually seek political advantages from it.¹⁰ As Danielle Resnick aptly put it: “A president and a mayor may both express a rhetorical commitment to improving service delivery. However, each actor will favor a decentralization structure that provides maximum autonomy but only accords clear accountability when service delivery goes well. When it proceeds poorly, both actors will prefer more muddled lines of accountability that allow them to shift the blame and avoid punishment by citizens at subsequent elections.”¹¹ Thus, episodes of de- and recentralization have important impacts on service delivery and accountability relationships between citizens and the state. Despite available literature on either decentralization or local/urban governance, the obvious entanglement between the two has only been scantily studied, and the political implications of decentralization reforms have often been overlooked.¹² This paper aims to contribute to closing this gap by examining the current state of fiscal, administrative and political decentralization for cities and subnational governments in Africa and analyzing its implications for urban governance.

Despite major advancements in political decentralization, major problems remain in the field of fiscal decentralization, as well as with cities’ administrative capacities. Since 2012, the international organization United Cities and Local Governments (UCLG), in collaboration with the global partnership Cities Alliance, has published a rating of the institutional

8. For a political reading of urban governance see also: S. Bekker and L. Fourchard, *Governing Cities in Africa: Politics and Policies*, Cape Town: HSRC Press, 2013.

9. Ibid.

10. J. P. Faguet and S. Pal, *Decentralised Governance: Crafting Effective Democracies around the World*, London: LSE Press, 2023.

11. D. Resnick, “Strategies of Subversion in Vertically-divided Contexts: Decentralisation and Urban Service Delivery in Senegal”, *Development Policy Review*, Vol. 32, No. 1, 2014, pp. 61-80.

12. With notable exceptions, see, for instance: S. Bekker and L. Fourchard, *Governing Cities in Africa*, op. cit.; D. Resnick, “The Politics of Urban Governance in Sub-Saharan Africa”, *Regional & Federal Studies*, Vol. 31, No. 1, 2021, pp. 139-161; S. Warren and E. Pieterse, “Decentralisation and Institutional Reconfiguration in Urban Africa”, *Africa’s Urban Revolution*, Vol. 5, 2014, pp. 148-166.

conditions created by African countries to enable the actions of their respective local and subnational governments in order to play a more effective role in managing urbanization and implementing the Sustainable Development Goals (SDGs). The rating does not only include the *de jure* existence of policies and provisions but also rates their *de facto* implementation. The latest assessment¹³ rates only four countries' environments as most favorable to enable local government action: South Africa, Uganda, Morocco and Tanzania. Eight countries scored as rather favorable, whereas 41 of the 53 countries received a rating of their institutional environments as generally unfavorable or rather unfavorable to subnational government action. This means that two-thirds of all African countries need to initiate major reforms of the institutional environment for cities and subnational governments, even though 42 out of the 53 rated countries have improved their rating since the last reporting period. The assessment corroborates other research findings, stating that decentralization reforms are often incompletely implemented, as central governments like to retain their power.¹⁴ If decentralization is only pursued in one dimension (administrative, fiscal or political), this often results in misaligned responsibilities, policy incoherence, and institutional fragmentation.¹⁵

Many of the problems concerning decentralization policies concern rural and urban areas alike: policy incoherence (if legal texts allocate functions to several levels of government), elite capture and reluctance to share power and resources, as well as interagency coordination problems. However, the paper argues that cities are affected differently by decentralization policies than rural areas, primarily due to their economic and political salience, the presence of a multitude of actors with decision-making powers as well as the strong voices of opposition parties and civil society. These factors combined make decentralization in the city context extremely politicized and turn cities into crucial players in negotiating the politics of decentralization. By reviewing the literature on decentralization in Africa and different city case studies, the paper identifies three major areas in which decentralization affects urban governance: party politics, the accountability relationships between citizens and the state, and service delivery and infrastructure provision. Due to a dearth of empirical data and comparative studies, the findings presented here should be considered exploratory in nature. Further research should examine the identified

13. "Assessing the Institutional Environment of Cities and Subnational Governments in Africa", Rabat and Brussels: UCLG Africa and Cities Alliance, 2021.

14. D. Olowu, "Decentralization and Urban Governance in West Africa", in D. Eyoh and R. Stren (eds.), *Decentralization and the Politics of Urban Development in West Africa*, Washington DC: Woodrow Wilson International Center for Scholars, 2007; J. Boex, A. A. Malik, D. Brookins and B. Edwards, "Dynamic Cities? The Role of Urban Local Governments in Improving Urban Service Delivery Performance in Africa and Asia", Urban Institute, July 2016.

15. K. Eaton and L. Schroeder, "Measuring Decentralization", in K. Eaton, E. Connerley and P. Smoke (eds.), *Making Decentralization Work: Democracy, Development, and Security*, Boulder, CO: Lynne Rienner Publishers, 2010, pp. 167-190.

relationships in more detail and should particularly analyze in more depth how the various effects play out in different city contexts.

The paper consists of two parts. The first part provides an overview of the current state of decentralization reforms in Africa and gives some context information concerning the origins of decentralization and its differing trajectories. The second part focuses on cities only and zooms in on the entanglement between decentralization and urban governance. The paper looks at the specific impacts of decentralization policies in three interrelated areas: party politics, the accountability relations between citizens and the state, and service delivery and infrastructure provision.

Defining decentralization

In accordance with article 1 of the African Union's 2014 African "Charter on the Values and Principles of Decentralization, Local Governance and Local Development," the paper uses the following definition of decentralization: "the transfer of power, responsibilities, capacities and resources from national to all subnational levels of government."

Decentralization reforms in Africa

Decentralization trajectories and outcomes at the municipal level

The political success and popular support for decentralization in the most recent wave of decentralization reforms starting in the late 1980s can be explained by both endogenous and exogenous factors.¹⁶ The concurrent wave of democratization and, particularly, the rise of civil society has majorly contributed to pushing for decentralization.¹⁷ Population growth in urban centers and the resulting decline in urban service delivery led to the creation of urban associations, stepping in where the state could not provide services.¹⁸ With progressing urbanization, central governments were also unable to provide infrastructure, making the political case for more decentralized governance.¹⁹ Hence, urbanization has been an important contributing factor to implementing decentralization reforms. Apart from service delivery shortages, regimes have also pursued decentralization for various other political reasons.

Political decentralization was, in some cases, put forward to allow political competition at the local level while retaining the central government's power, like in Ethiopia or Uganda.²⁰ This was achieved by allowing for institutional gaps that ensured the *de facto* power remained with the central government or by allowing for opposition enclaves. In other cases, local elections were used to build a supporter base for the dominant party at the local level.²¹ These motives stand in sharp contrast to the aims that donors tried to pursue by investing massively in decentralization reforms. The International Monetary Fund and the World Bank's Structural adjustment programs emphasized deconcentration and privatization,

16. The first wave started around independence in the late 1940s through the early 1960s, the second wave started in the late 1970s and lasted until the beginning of the 1980s and was a reaction to strong centralized governance. See D. Olowu, "Decentralization and Urban Development in West Africa: An Introduction", op. cit.

17. R. Stren and D. Eyoh, "Decentralization and Urban Development in West Africa: An Introduction", in D. Eyoh and R. Stren (eds.), *Decentralization and the Politics of Urban Development in West Africa*, op. cit., p. 7.

18. A. Tostensen, I. Tvedten and M. Vaa (eds.), *Associational Life in African Cities: Popular Responses to the Urban Crisis*, Uppsala: Nordiska Afrikainstitutet, 2001, p. 22.

19. D. Olowu, "Decentralization and Urban Governance in West Africa", op. cit., p. 27.

20. L. Aalen and R. Muriaas, *Manipulating Political Decentralisation: Africa's Inclusive Autocrats*, London: Routledge, 2017.

21. D. Resnick, "The Politics of Urban Governance in Sub-Saharan Africa", op. cit., pp. 139-161.

building on the assumption that strong states were a hindrance to economic growth. After the end of the Cold War, donors shifted more towards political decentralization, promoting good governance and democratization as ends in themselves. It was assumed that decentralized governance would contribute to more efficient and equitable public goods provision as well as more accountable and participatory governance, leading to overall poverty reduction.²² Until today, donors and international actors such as UCLG or UN-Habitat have been important stakeholders advocating for reforms in decentralization. For instance, UN-Habitat supports countries in developing national urban policies, and UCLG holds national, regional, continental and global dialogues advocating for decentralization reforms. Large donor programs such as the World Bank's Kenya Urban Support Program can have a profound influence on the political dynamics shaping the implementation of decentralization policies.

Democratic, administrative and fiscal decentralization

The academic literature generally distinguishes different decentralization domains. Democratic decentralization (devolution) refers to the transfer of power to democratically elected subnational government entities, while administrative decentralization (deconcentration) means the delegation of functions to locally situated state agencies. Fiscal decentralization refers to the transfer of power to subnational governments to administer their own budgets.²³

Decentralization trajectories differ from country to country, and they were pursued at different moments in time and for different objectives. While the former British colonies often implemented more comprehensive decentralization reforms, shifting power and resources to the subnational level, francophone countries opted for deconcentration (sometimes in combination with political decentralization) and did not necessarily refer fiscal powers to the subnational level. The French *tutelle* (supervision) regime grants administrative powers to subordinate agencies, which are accountable to their *tutelle* authorities and not the citizens.²⁴ In the British tradition, decentralization was also linked to privatization, delegating state responsibilities to private companies and non-governmental organizations. In line with the trend of “New Public Management”, subnational

22. P. Smoke, “Decentralisation in Africa: Goals, Dimensions, Myths and Challenges”, *Public Administration and Development: The International Journal of Management Research and Practice*, Vol. 23, No. 1, 2003, pp. 7-16; G. Crawford and C. Hartmann, *Decentralisation in Africa: A Pathway Out of Poverty and Conflict?*, Amsterdam: Amsterdam University Press, 2008; J. Erk, “Iron Houses in the Tropical Heat: Decentralization Reforms in Africa and their Consequences” in J. Erk, *Decentralization, Democracy, and Development in Africa, Regional & Federal Studies*, Vol. 25, No. 5, 2015, pp. 409-420, available at: doi:10.1080/13597566.2015.1114921.

23. J. Manor, *The Political Economy of Democratic Decentralization*, Washington DC: World Bank, 1999.

24. L. Diep, D. Archer and C. Gueye, “Decentralisation in West Africa: The Implications for Urban Climate Change Governance”, International Institute for Environment and Development, 2016.

governments were not only supposed to contract services out but also generally operate according to private sector principles.²⁵

Some countries, such as Cameroon or Egypt, created several layers of decentralized units (typically regions, districts, and municipalities), while others, such as Uganda or Ghana, only created one level.²⁶ In federal systems, regional or local governments are directly elected by the populace, and their establishment is protected by the Constitution. In addition, the subordinate unit (state or province) is represented in the federal parliament through a second house of the chamber. Ethiopia, Nigeria, Somalia, and Comoros are federal states as per their constitutions. The constitutions of South Africa, Kenya and the Democratic Republic of Congo are, per definition, federal states, even though they do not make use of the word “federal”.²⁷ Overall, there are 10 states in Africa that have created three levels of subnational units, 15 that have created two and another 15 that work with municipalities only.²⁸ Scholars have argued that decentralizing to the municipal or district level is politically less risky for central governments, as regions or federal states could potentially organize opposition more effectively. By allowing decentralization at the municipal or district level, demands for greater subnational autonomy can be met without risking a unified opposition.²⁹ Others frame it more positively, arguing that in countries in which ethnic groups are concentrated in one region, decentralization to the level below can prevent ethnic divisions and secessionist movements. In such a case, no level of government would be associated with a particular ethnic group. The various local governments would rather be assessed in terms of their service delivery performance and less on identity politics.³⁰ In Uganda, the Museveni government (since 1986) opted for local decentralization instead of meeting calls of the population for more regional autonomy. The large number of local districts (the number increased from 33 in 1986 to 127 in 2018) is detrimental to service delivery quality and weighs on the public purse. Subdividing units proved to be an effective strategy in fragmenting the opposition. Thus, Museveni has managed to maintain control in more than half of the districts since the devolution, as the opposition focuses on the shortcomings of the local governments instead of problems at the national level.³¹

25. H. Ouedraogo, “Decentralisation and Local Governance: Experiences from Francophone West Africa”, *Public Administration and Development*, No. 23, 2003, pp. 97-103.

26. L. Diep, D. Archer and C. Gueye, “Decentralisation in West Africa: The Implications for Urban Climate Change Governance”, op. cit.

27. J. de Visser and T. Chigwata, “Fact Sheets on Decentralisation in Africa”, *Commonwealth Journal of Local Governance*, No. 26, 2022, pp. 180-186, available at: <https://doi.org/10.5130>.

28. World Observatory on Subnational Government Finance and Investment (SNG-WOFI), OECD/UCLG, 2022, available at: <https://stats.oecd.org>.

29. J. Ricart-Huguet and E. Sellars, “The Politics of Decentralization Level: Local and Regional Devolution as Substitutes”, *World Politics*, 2021; J. Tyler Dickovick, *Decentralization and Recentralization in the Developing World: Comparative Studies from Africa and Latin America*, University Park: Pennsylvania State University Press, 2011.

30. J. P. Faguet and S. Pal, *Decentralised Governance*, op. cit.

31. J. Ricart-Huguet and E. Sellars, “The Politics of Decentralization Level”, op. cit.

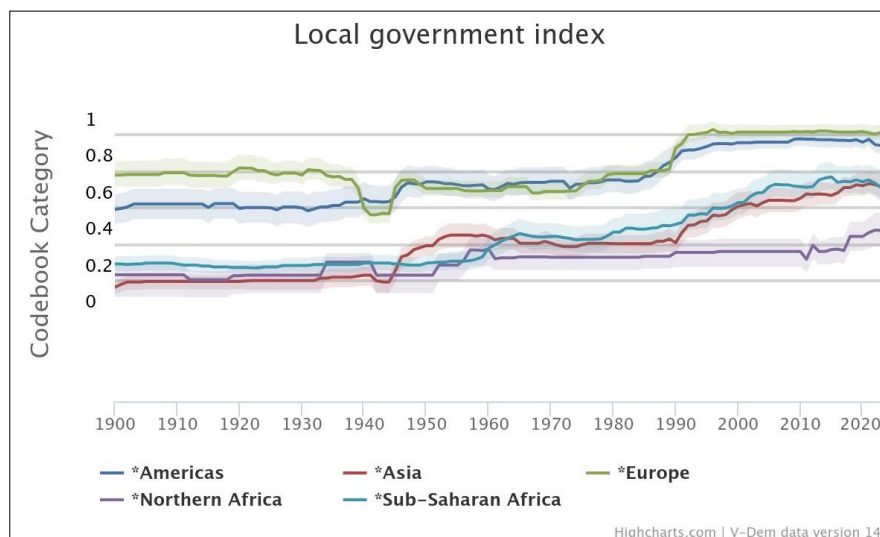
The current state of fiscal and political decentralization

The most recent wave of decentralization reforms in Africa that started in the late 1980s has significantly expanded political power at the subnational level. To date, subnational governance bodies exist in all African countries, and 81% of African countries have established legal frameworks defining the responsibilities and powers of subnational authorities in accordance with their constitution, even though relevant statutory laws and regulations might still be missing.³² The Varieties of Democracy (V-Dem) local government index (figure 1) shows that local government powers have significantly expanded in the last 40 years, even though progress has been more pronounced in Sub-Saharan Africa as opposed to Northern Africa, which brings up the rear. This means that local government bodies exist in virtually all African countries. However, not all of them are elected and able to act without central government interference.³³ To date, the formal state of political decentralization in Sub-Saharan Africa is comparable to that in Asia.

Figure 1: Varieties of Democracy (V-Dem) local government index

Source: Varieties of Democracy (V-Dem).³⁴

Clarification: The lowest score would be reserved for a country that has



no elected local governments. A medium score would be accorded to a country that has elected local governments but where those governments are subordinate to unelected officials at the local level, perhaps appointed by a

32. "Assessing the Institutional Environment of Cities and Subnational Governments in Africa", op. cit.; W. O. Oyugi, "Decentralisation for Good Governance and Development", *Regional Development Dialogue*, Vol. 21, No. 1, 2000.

33. "Assessing the Institutional Environment of Cities and Subnational Governments in Africa", op. cit.

34. M. Coppedge, J. Gerring, C. H. Knutsen *et al.*, "V-Dem Dataset v14" Varieties of Democracy (V-Dem) Project, 2024.

higher-level body. A high score would be accorded to a country in which local governments are elected and able to operate without restrictions from unelected actors at the local level with the exception of judicial bodies. Naturally, local governments remain subordinate to the regional and national governments.

The institutional setup of the local government entities and their relations with other entities varies dramatically across countries.³⁵ The majority of those countries that have just created one level of subnational units (municipality or district) are small in terms of population size. Countries like the Seychelles, Botswana, Gambia and Sierra Leone all have less than 15 million inhabitants (exceptions are Tanzania, Malawi, Zambia and Uganda). Elections are usually held at the municipal or district level, whereas some countries divide districts into rural and urban districts. Uganda relies on further differentiation, dividing local councils into five sub-types. Despite these common characteristics, the actual configuration of councils and their relations to other entities varies. While Benin's councils are elected according to party lists, Malawi's councils consist of a mixture of elected, appointed and ex-officio members such as traditional authorities. In many countries, elected local councils need to coordinate with or are supervised by deconcentrated state agencies. For instance, in Zambia and Burundi, local authorities are supervised by provincial ministers/governors who are appointed by the president.

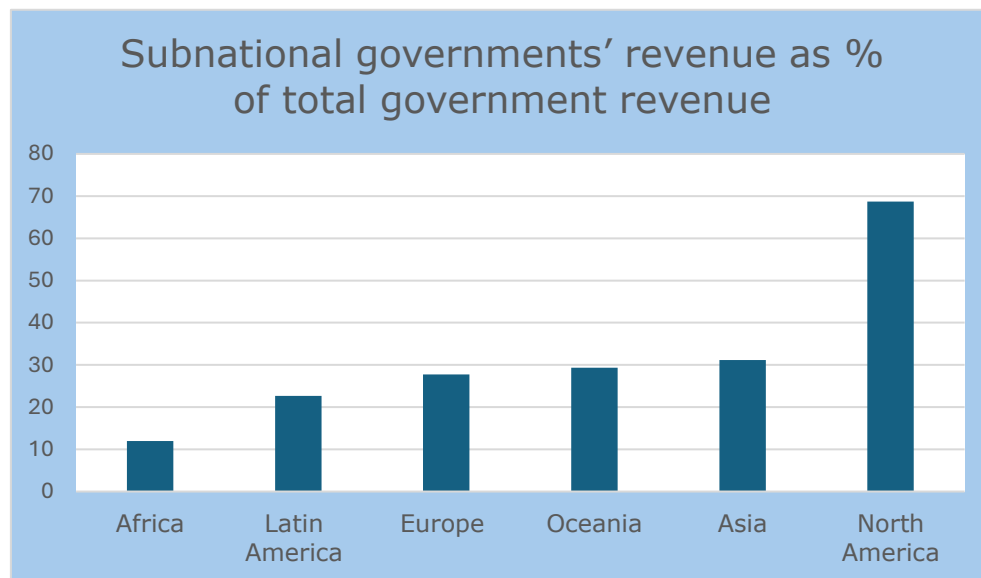
In countries that rely on two subnational units, municipal councils are subordinate to the regional or provincial government. The same dynamics concerning the collaboration of appointed and elected officials applies to the regional level. For instance, in Namibia, regional councils are elected while regional governors are appointed. Countries that rely on three subnational units often divide their regions into further subunits, for instance, districts (Liberia) or departments (Chad). Some of those countries have instituted cities as intermediate levels. For instance, in Cameroon, two or more municipalities form a so-called urban community. In Djibouti and Togo, the capital cities each form the intermediate subnational unit, as they enjoy a distinct legal status. To add further complexity, in some countries, urban agglomerations are governed through metropolitan governance. Due to fast urban growth, this trend is likely to expand. Metropolitan areas comprise different municipalities, mostly a major city and its suburbs. Collaboration between the different municipalities is particularly challenging, given that metropolitan governance bodies often have less competencies and discretion than their constituting municipalities.

While political decentralization has significantly expanded, fiscal decentralization lags behind. Fiscal decentralization implies the transfer of

35. Information on countries' decentralization structures in this and the next paragraph is sourced from country profiles published by the OECD/UCLG, World Observatory on Subnational Government Finance and Investment (SNG-WOFI).

power to subnational governments to administer their own budgets. Even if countries have transferred fiscal powers to the subnational level, this does not always entail the competency to determine and/or raise fees, taxes and levies. Despite the fact that subnational governments in Africa are considered to have the highest spending needs globally, their fiscal capacity is the lowest.³⁶ Subnational government revenues are only 12% of general government revenue (world average: 25%), and expenditures make up 9% of overall government expenditure (world average: 21%).³⁷

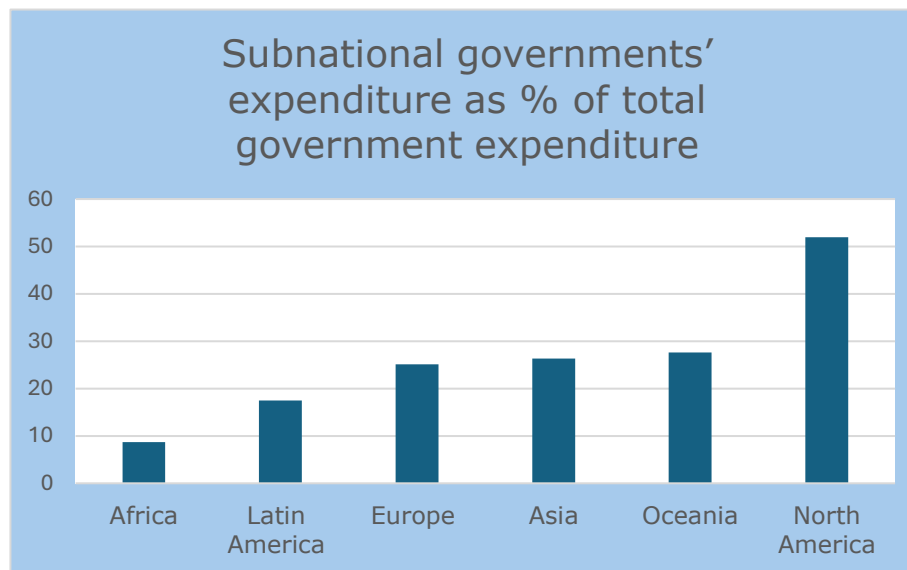
Figure 2: Subnational governments' revenue



Source: *World Observatory on Subnational Government Finance and Investment (SNG-WOFI)*, OECD/UCLG, 2022.

36. "Africa's Urbanisation Dynamics 2022: The Power of Africa's Cities", op. cit.

37. World Observatory on Subnational Government Finance and Investment (SNG-WOFI), op. cit.

Figure 3: Subnational governments' expenditure

Source: *World Observatory on Subnational Government Finance and Investment (SNG-WOFI)*, *op. cit.*

It should be noted that figures are only available for the entirety of subnational governments and not separately for cities and municipalities. In addition, subnational fiscal data is only available for a limited number of countries and the data quality is generally considered low. The OECD/United Cities and Local Governments (UCLG) World Observatory on Subnational Government Finance and Investment (SNG-WOFI) currently provides data on 34 African countries. Therefore, the numbers presented here need to be interpreted with caution.

What the available data indicates is that the low revenue level also contributes to low public investments, but this is not the only explanatory factor. If the analysis is broken down into country groups based on the same income level, African subnational governments' local investments are considerably lower than those of other countries in the same income category. Subnational governments in African low-income countries only invest half as much as other countries in the same income category.³⁸ The low degree of fiscal decentralization can be explained by the limited competencies granted to subnational governments, as well as unpredictable government transfers and low capacity to generate own-source revenues.

Transfers are the most important source of revenue for subnational governments globally. They can be tax-based or based on a redistribution of foreign aid grants, credit from public or private institutions, as well as any other licenses, fees and fines.³⁹ While in high-income countries, transfers

38. "Africa's Urbanisation Dynamics 2022: The Power of Africa's Cities", *op. cit.*

39. *Ibid.*

were found to discourage local governments from raising own-source revenues, studies from Tanzania and Benin show that transfers can enhance service delivery quality and subnational governments' tax collection capacity.⁴⁰ A major issue regarding transfers is a lack of transparency concerning the amounts, irregularity and unpredictability. In 41% of African countries, transfers are not completed or are transferred erratically and irregularly, whereas only 8% benefit from clear and predictable transfers that they can use without any restrictions. For the remaining 51%, transfers are predictable, however, utilization is determined at the national level (conditional grants).⁴¹ In case there is no clear legal framework ruling transfers, they might be more easily withheld for political reasons, for instance, in case the subnational government of concern is ruled by the opposition.⁴²

Apart from transfers, cities' revenues are mainly based on taxes and fees. They can not only contribute to improved accountability but also incentivize economic development, as local economic growth will increase local tax revenues.⁴³ However, 39% of subnational governments in Africa do not have the power to collect own-source revenues nor to determine tax base, rates and fees. As shown in Figure 4, fiscal autonomy for subnational governments is very limited. Accordingly, subnational tax revenue is 2% of overall national government tax revenue, which is very low (world average: 14%).⁴⁴ Subnational governments might also have little incentive to raise their own-source revenues if these revenues flow back to the national treasury to a large extent, as is the case in many francophone countries.⁴⁵

40. Ibid.

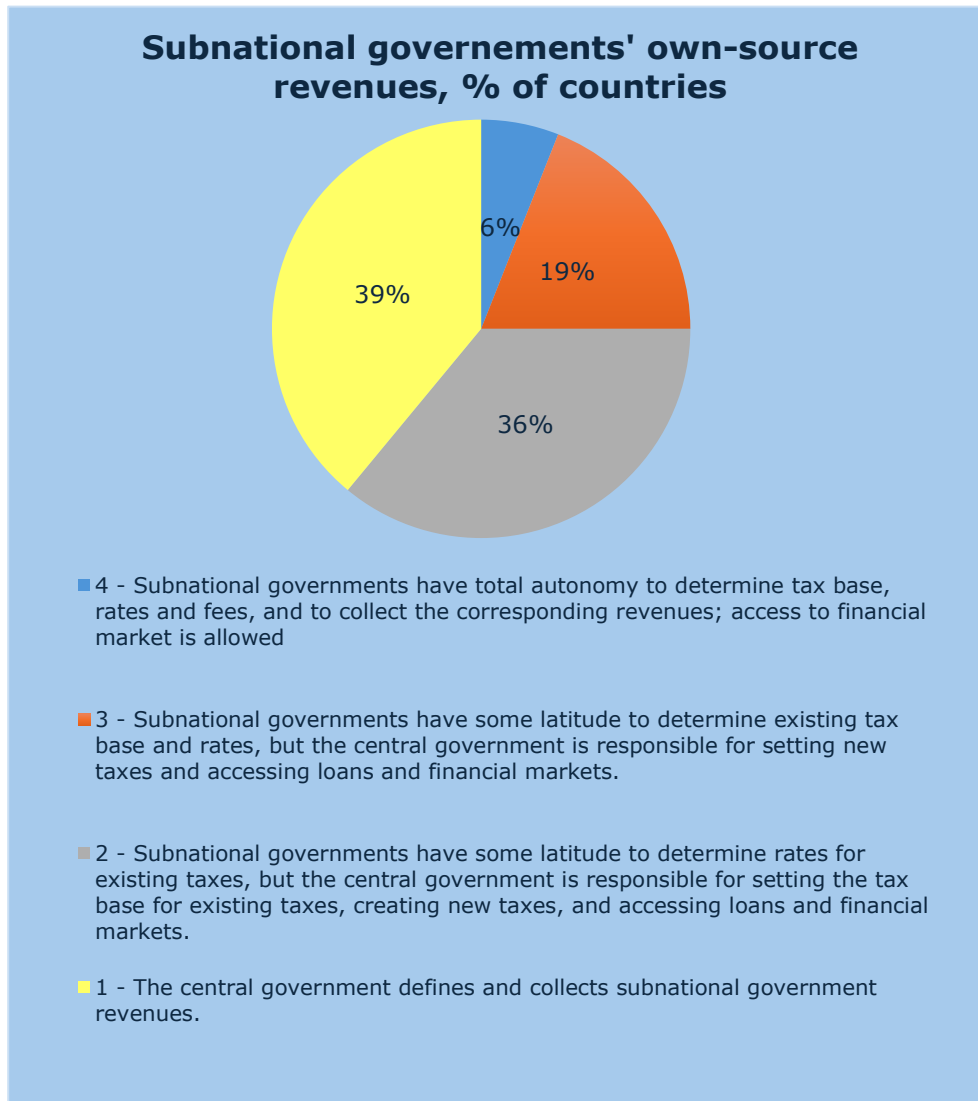
41. "Assessing the Institutional Environment of Cities and Subnational Governments in Africa", op. cit.

42. D. Resnick, "The Politics of Urban Governance in Sub-Saharan Africa", op. cit., p. 149.

43. "Africa's Urbanisation Dynamics 2022: The Power of Africa's Cities", op. cit.

44. World Observatory on Subnational Government Finance and Investment (SNG-WOFI), op. cit.

45. "Africa's Urbanisation Dynamics 2022: The Power of Africa's Cities", op. cit.

Figure 4: Subnational governments' own-source revenues

Source: "Assessing the Institutional Environment of Cities and Subnational Governments in Africa", UCLG Africa and Cities Alliance, 2021.

The lack of (predictable) revenues at the municipal level, paired with a generally unfavorable institutional environment for subnational government action, recalls that there is a dire need for reform – especially given the expected urban population growth. The second part of the paper will analyze how decentralization affects urban governance in different city contexts and will assess the implications that decentralization dynamics have in different domains.

Decentralization and its effects on urban governance

Implications for different city contexts

Research on Asia has shown that decentralization was more successful in countries with higher levels of urbanization, as urban areas have better economic and administrative capacities to perform devolved functions.⁴⁶ The same can be expected for Africa: urban areas perform on average better economically and dispose of more skilled human resources.⁴⁷ This is corroborated by research from Ghana that assessed local governance outcomes. The study found that large urban centers and cities in the vicinity of urban centers performed best.⁴⁸ However, it is important to note that while cities are, on average, economically better off than rural areas, not all cities are equally powerful economically and politically-wise. The institutional set-up of decentralized actors, processes and the economic, social and political conditions in the respective locality matter. The same decentralization policy can have very different effects on cities and municipalities within the same country.⁴⁹

Primary cities (political and/or economic capitals) often have particular economic and political salience, as reflected by the fact that they enjoy a special governance status in many countries and are often subject to central control or recentralization attempts. For instance, Nigeria's capital, Abuja, is considered a city-state and is governed by an appointed city manager who is equivalent to a state governor while also being part of the federal cabinet.⁵⁰ Similar to the appointed Kampala Capital City Authority, Abuja, as a city-state, is effectively under the control of the central government.⁵¹ In Kenya, two cities have the status of city-counties: Nairobi and Mombasa. They have their own county assemblies and governors. In the case of Nairobi, certain functions were temporarily handed over to a centrally-owned agency called Nairobi Metropolitan Service in 2020. This was due to the deteriorating service delivery quality in the city under Governor Sonko, who, apart from his poor performance, was a non-Kikuyu and did not deliver on the expectations of the primarily Kikuyu business community in the city. This

46. R. Stren and D. Eyoh, "Decentralization and Urban Development in West Africa: An Introduction" *op. cit.*, p. 16.

47. "Africa's Urbanisation Dynamics 2022: The Power of Africa's Cities", *op. cit.*

48. D. Chachu, M. Danquah and R. M. Gisselquist, "Subnational Governance in Ghana: A Comparative Assessment of Data and Performance" in J. Faguet and S. Pal (eds.), *Decentralised Governance*, *op. cit.*

49. J. P. Faguet and S. Pal, *Decentralised Governance*, *op. cit.*

50. D. Resnick, "The Politics of Urban Governance in Sub-Saharan Africa", *op. cit.*, pp. 139-161.

51. *Ibid.*

episode of recentralization was challenged by civil society and became a subject of electoral campaigning in the 2022 gubernatorial elections. The newly elected governor reversed the decision, and all functions were transferred back to the Nairobi City County.⁵² Therefore, due to their symbolic, economic and political importance, primary cities could potentially be more affected by recentralization attempts and central government control. At the same time, they might also be the ones challenging these dynamics more vocally, as civil society and opposition parties are particularly active in these localities.

With continued urban sprawl, demand for creating metropolitan areas as part of decentralization reforms also rises. Governance in designated metropolitan areas needs to address service delivery at scale, adding even more complexity as different municipalities need to coordinate. In both the case of Ghana and Uganda, unclear competencies and a lack of adequate policy frameworks hamper effective cooperation in declared metropolitan areas.⁵³ In South Africa, metropolitan municipalities have existed since 2001 as part of a system of city categories defining cities as metropolitan, local or district municipalities. The Municipal Demarcation Board is in charge of city classifications, which is known to be a highly political and contested process.⁵⁴ In 2011, the Municipal Demarcation Board proposed a large number of municipal boundary changes. One of the contested proposals brought forward by the African National Congress (ANC)-led Gauteng Provincial Government suggested dissolving Sedibeng District Municipality by – amongst other measures – creating a new metropolitan municipality. The residents of the municipality of Midvaal took to the streets to protest the decision, as Midvaal was the only opposition-led municipality in Gauteng and would have been outnumbered by ANC voters in the new metropolitan municipality. The Democratic Alliance even took the Municipal Demarcation Board to the North Gauteng High Court in 2014, accusing it of gerrymandering.⁵⁵ While reforms are often justified on technical grounds, in reality, they have serious political implications, creating winners and losers. A recent study dealing with the reclassification process of the South African city of Mangaung into a metropolitan municipality shows how metropolitan mergers have different implications for the merged municipalities. Some of the municipalities faced revenue losses due to the merger, as total revenues were redistributed over a larger area. Others struggled with the fact that service delivery moved farther away and political representation for small towns was reduced. Overall, the political incentives in terms of increased political autonomy and economic gains driving Mangaung's leadership to opt

52. S. Ouma, "Ascendant Recentralisation: The Politics of Urban Governance and Institutional Configurations in Nairobi", *Journal of Eastern African Studies*, 2023, pp. 1-21.

53. D. Resnick, "The Politics of Urban Governance in Sub-Saharan Africa", op. cit.

54. N. Subramanyam and L. Marais, "Making Mangaung Metro: The Politics of Metropolitan Reform in a South African Secondary City", *Urban Studies*, Vol. 59, No. 14, 2021, pp. 2893-2911.

55. T. Mkhize, "Rescaling Municipal Governance in Gauteng: Competing Rationalities in Sedibeng's Proposed Re-demarcation and Metropolitanisation", Paper presented at the Urban Forum, 2021.

for metropolitanization have not yet paid off for the citizens who expected improved infrastructure and services.⁵⁶

Research from Congo also points to the importance of customary leaders and claims of autochthony in these political processes.⁵⁷ Congo's decentralization process foresees that a number of villages will be turned into larger "*communes rurales*", which is the first step to acquiring city status. The city's status comes with a new municipal administration, public services, and tax revenues. However, it also implies that land management, taxation and legislation are taken out of the customary realm. In addition, the new system is based on elections that could undermine the influence of customary leaders who represent ethnic groups that are increasingly becoming minorities due to the influx of newcomers in these growing settings. In the village of Rubaya, customary leaders successfully protested at different political levels against the implementation of the "*commune rurale*". In another village, customary leaders found a way to circumvent official rules and continued to distribute land according to customary law in the new "*commune rurale*". The politicization of the process of acquiring this new status is most visible in the case of the village of Minembwe: even though the village did not meet any of the official criteria to become a "*commune rurale*", it was still put on the list due to the influence of the Minister of Decentralization who had ties to Minembwe. After the inauguration of the mayor, protests against the "*commune rurale*" turned into clashes and the implementation of the *commune* was canceled. These cases do not only show the mobilizing potential of local actors but also reflect how bargains over the political status of the villages transcended the local level as actors leveraged networks at the provincial and national levels.

The economic power of cities varies as well and thereby shapes their relationship with the central government. For instance, the 47 Kenyan counties have quite diverging capabilities and resources to raise own-source revenues: While the ten best-performing counties raised a combined 73% of the total own-source revenue between 2013 and 2018, the ten worst-performing counties raised only 3%. The best-performing counties are city-counties like Nairobi and Mombasa, which are generally highly urbanized and/or have diversified economic activities. Among the counties that manage to collect more than 40% of their estimated own-source revenue potential are only those that raise revenues from game parks.⁵⁸ In South Africa, the four biggest metropolitan cities had a share of 63% of the operating revenues of all metropolitan and secondary municipalities combined in 2022. In fact, only the city of Johannesburg had higher operating revenues than all 19 secondary cities together. While the operating revenues of South Africa's

56. N. Subramanyam and L. Marais, "Making Mangaung Metro: The Politics of Metropolitan Reform in a South African Secondary City", op. cit.

57. K. Büscher, S. Perazzone, J. Cuvelier *et al.*, "Contested 'Communes Rurales': Decentralisation and the (Violent) Struggle for Public Authority in the Democratic Republic of Congo", *Global Policy*, 2024.

58. J. Bigambo and K. Keya, "Devolution at 10 in Kenya", Konrad Adenauer Stiftung, 2022, p. 32 and ff.

secondary cities are all in a similar range between €47,000 (JB Marks) and €190,000 (Emfuleni), revenues vary thus most dramatically between secondary and metropolitan cities.⁵⁹

Own-source revenues are an important bargaining chip for municipalities. Cities that collect more own-source revenues can become less dependent on intergovernmental transfers and might be able to strengthen the fiscal contract with the citizens. For instance, the city of Lagos managed to link service delivery more explicitly with taxation, which resulted in better tax compliance.⁶⁰ At the same time, public expenditure is seen in many contexts as a result of patronage relations rather than tax income, undermining the legitimacy of taxation.⁶¹ If decentralization frameworks do not allow cities to keep a major part of their tax income, it might discourage leaders from augmenting own-source revenues as raising taxes and fees is unpopular. Even though cities create most of the taxable wealth, they do not necessarily benefit from the tax income they generate.

Another dimension that is less often discussed is the presence of elite networks in cities. While the presence of economic elites in cities can contribute to emphasizing demands for specific infrastructure and services, their linkages to political elites can also undermine effective taxation. When economic elites do not depend on government services because their neighborhoods are already better serviced and/or they rely on the private sector for service provision, they will neither be willing to pay taxes nor support taxation reforms. Research on property tax reform in the four largest city councils in Sierra Leone revealed that property tax collection could be improved when elite resistance was confronted. If political leaders and economic elites have shared interests based on the strong involvement of elites in financing elections and enhancing economic opportunities, property tax enforcement is generally weak. In cases in which political leaders were more independent from economic elites and ethnic diversity amongst property owners was higher (and thus elite cohesion lower), reforms were more successful. Additionally, the municipal councils led by the opposition fared better in raising taxes as they feared the loss of central government transfers.⁶² The following section will look in more detail at the role party politics plays in the municipal arena.

59. National Treasury of the Republic of South Africa, Media Statement, available at: www.gov.za.

60. T. Goodfellow and O. Owen, "Thick Claims and Thin Rights: Taxation and the Construction of Analogue Property Rights in Lagos", *Economy and Society*, Vol. 49, No. 3, 2020, pp. 406-432.

61. R. C. Crook, "Democratic Decentralisation, Clientelism and Local Taxation in Ghana" in S. Khan Mohmand and M. Loureiro (eds.), "Interrogating Decentralisation in Africa", *IDS Bulletin*, Vol. 48, No. 2, 2017.

62. S. S. Jibao and W. Prichard, "The Political Economy of Property Tax in Africa: Explaining Reform Outcomes in Sierra Leone", *African Affairs*, Vol. 114, No. 456, 2015, pp. 404-431.

Effects on party competition

Political decentralization results in new arenas for party competition. Due to the strong role of opposition parties in cities, municipal elections tend to be more competitive than national elections in Africa.⁶³

When an opposition party governs a city, service delivery can be especially politicized and result in central government interference. This happened in Dakar and was exacerbated by the ambiguity over responsibilities created by the twofold structure of deconcentrated and decentralized actors. When Dakar was ruled by the opposition, the central level subverted the municipal authorities' competencies in several sectors to shift accountability. While prior to the election of the opposition, flooding was handled as a natural disaster and taken care of by the central government. Afterward, it was emphasized that the local government oversaw cleaning the streets, for which no budget existed. Similarly, the funds the city of Dakar receives for solid waste management were shifted to a state agency, which resulted in a temporary freeze of salaries of trash collectors and an accumulation of trash in the city. The latter was used to discredit that municipality and justify that competencies for solid waste management should be assumed by the central government. In another instance, the prefect of Dakar (representing the central government at the municipal level) refused to process land transactions that the municipal council had approved to resettle street hawkers. Thus, the twofold structure comprising of devolved and deconcentrated actors reinforces the politicization of service delivery, as deconcentrated units can stall the initiatives of decentralized units. The case of Dakar shows that this is especially pertinent in contexts of vertically divided authority, i.e., when a city is ruled by the opposition.⁶⁴

Kampala is another case in point. After the introduction of multi-partyism in Uganda in 2005, Museveni came under pressure to win urban voters. As Kampala was associated with opposition parties, it fell prey to recentralization.⁶⁵ In 2010, the Kampala Capital City Act abolished the elected Kampala City Council and replaced it with an appointed authority under a newly founded Ministry directly under the president's control. To show quick successes, the president backed the new administration, and the first executive director of Kampala, Jennifer Musisi, was able to conduct a number of highly successful revenue collection reforms. By creating a revenue directorate as a separate entity from the city's treasury, digitizing the tax registry system and reducing corruption, Musisi managed to increase Kampala's own-source revenues by more than 100% between 2011 and

63. D. Resnick, "The Politics of Urban Governance in Sub-Saharan Africa", op. cit.

64. D. Resnick, "Strategies of Subversion in Vertically-divided Contexts, op. cit., pp. 61-80.

65. A. Haas, "Decentralisation, Revenue and the Capital City: The Case of Kampala, Uganda", *Commonwealth Journal of Local Governance*, No. 27, 2022, pp. 158-169.

2015.⁶⁶ Despite improved service delivery quality, the National Resistance Movement regime lost all parliamentary seats in Kampala in the 2015 elections, which also led to the resignation of the executive director. Citizens bemoaned the lack of accountability of the new city authority and were unsatisfied with the outcomes of the reforms that disproportionately benefited middle- and upper-class citizens.

Research on other world regions is inconclusive regarding whether partisan councils perform better or worse in the delivery of services.⁶⁷ In Africa, some countries, such as Ghana and Rwanda, ban partisan competition at the local level. Although in Ghana, district assembly elections are formally non-partisan, the elections are generally perceived as politicized.⁶⁸ The research found that if there is a partisan divide between MPs and the Metropolitan, Municipal and District Chief Executive, it can impede collaboration at the local level. While MPs are only ex-officio members of Metropolitan, Municipal and District Assemblies, evidence indicates that they are, in fact, actively involved as they want to be reelected. The fact that the district chief executive often has ambitions to run as MP further reinforces competition between the district chief executive and the acting MP. These dynamics are highly influenced by partisanship.⁶⁹ Further research from Ghana suggests that there is less political corruption in districts that are aligned with the central government. This is due to the career ambitions of local politicians who need to please national party leaders and protect the party's reputation.⁷⁰ The example of the recentralization of Dakar and Kampala corroborates that partisan dynamics are of particular importance in settings in which (major) cities are ruled by the opposition. With cities' increasing importance, the mayor's office receives more political visibility. Therefore, mayoral candidates can be important competitors in the run for office at the national level, and subnational party performance can influence national election outcomes.

66. M. Kopanyi, "Local Revenue Reform of Kampala Capital City Authority", International Growth Centre, London, 2015.

67. C. Copus, M. Wingfield, K. Steyvers and H. Reynaert, "A Place to Party? Parties and Nonpartisanship in Local Government" in P. John, K. Mossberger and S. Clarke (eds.), *The Oxford Handbook of Urban Politics*, Oxford: Oxford University Press, 2012.

68. M. J. Williams, "The Political Economy of Unfinished Development Projects: Corruption, Clientelism, or Collective Choice?" *American Political Science Review*, Vol. 111, No. 4, 2017, pp. 705-723, available at: <https://doi.org/10.1017>.

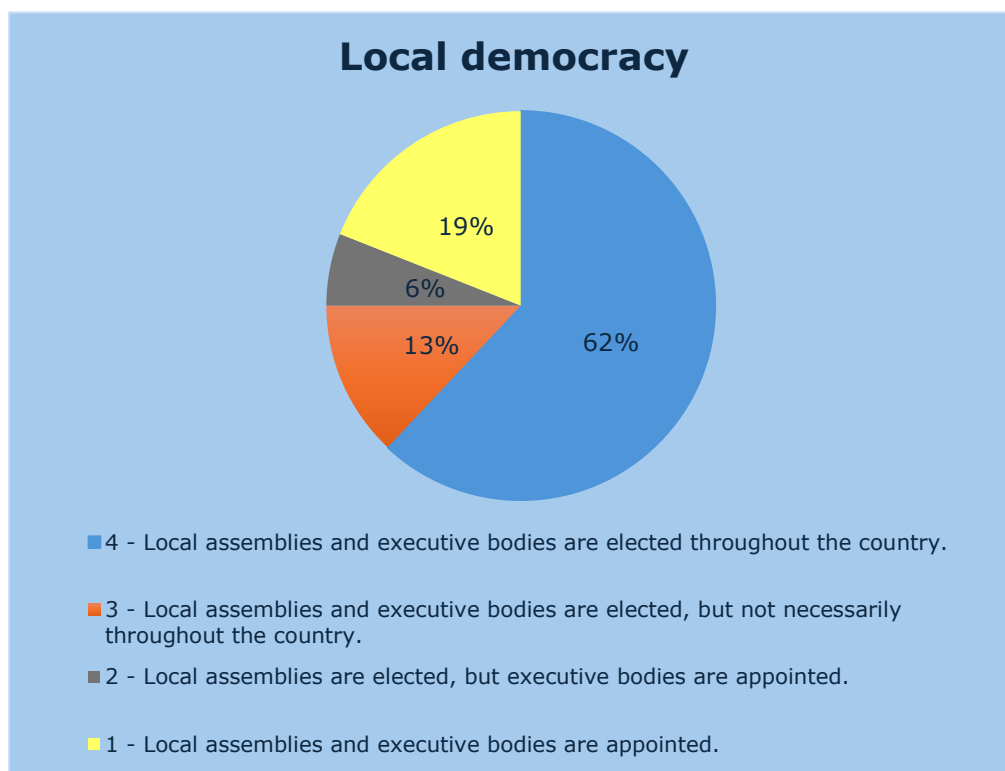
69. E. Ampratwum, A. Mohammed and F. Oduro, "Decentralisation and Teacher Accountability: How the Political Settlement Shapes Governance in the Education Sector at Sub-national Levels in Ghana", *ESID Working Paper*, No. 102, 2018.

70. A. Stoecker, "Partisan Alignment and Political Corruption: Evidence from a New Democracy", *World Development*, Vol. 152, 2022, available at: <https://doi.org>.

Effects on the accountability relationships between urbanites and decision-makers

The majority of African countries (62%) elect local assemblies and executive bodies, whereas 19% rely on a system in which elections and appointments co-exist. The remaining fifth does not allow for elections and appoints local assemblies and executive bodies.

Figure 5: Local democracy



Source: "Assessing the Institutional Environment of Cities and Subnational Governments in Africa", *op. cit.*

Hence, ten countries in Africa rely fully on deconcentration and do not allow for local elections.

Faguet argues that a comparison of countries that have devolved power with others that only have delegated functions is faulty. In order to make claims about how decentralization works, one first needs to differentiate between these different types of decentralization.⁷¹ The positive effects associated with decentralization in terms of improved answerability of local decision-makers are often based on the assumption that officials need to be elected and not appointed. However, in many African countries, this

71. J. P. Faguet and S. Pal, *Decentralised Governance*, *op. cit.*

differentiation is difficult to maintain, as countries rely on both devolved and delegated powers, as shown by the example of the city of Dakar in the preceding section. Nigeria is an interesting case in this regard, as the constitution allows local councils to be both elected or appointed. Appointments by state governments are possible if elections are not considered feasible. In 2017, roughly two-thirds of all councils were appointed. Reasons include a lack of funds as well the prospect of electoral violence if elections are carried out. This means that the decision is up to the state governor, who can make use of that constitutional provision if it is not predictable that the governor's party will win the council. Interestingly enough, research that compared citizens' perceptions of an appointed versus an elected local council in two cities found that the appointed local council fared better according to citizens. This is because citizens did not expect any results from the appointed council and were thus grateful for any unexpected contribution. The elected councils are in a dual role where they have to please the electorate but also the party's "godfathers". Ojbede *et al.* concluded that "local elections in a context of party control, godfather-ism, and a lack of financial resources and autonomy sets elected local councils up for failure and disaffection from their constituents."⁷² While this single case study cannot be generalized, it shows that elections alone are not sufficient to guarantee legitimacy.

If local officials lack legitimacy in the eyes of citizens, they cannot establish accountability relationships with the electorate. In a survey undertaken in Ghana, respondents clearly indicated that they would turn either to chiefs or parliamentarians instead of district assemblymen in case they needed assistance.⁷³ This was the case for urban and rural respondents alike. In Kenya, however, research has shown that Kenyan devolution was successful in creating accountability relationships between the citizens and local politicians: governors and the members of county assembly are perceived by Kenyans as much more important than MPs. Kenyan governors dispose of important budgets and are an important source of patronage networks.⁷⁴ In contrast, Ghanaian Metropolitan, Municipal and District Assemblies (MMDA) have less autonomy. Their development plans are subject to central government approval, which marginalizes the role of local decision-makers and could be one reason for their contested legitimacy. Another potential explanation could be that 30% of the MMDA

72. A. Ojbede, I. E. Onyishi and F. A. Aremu, "Is Election a Disadvantage? Nigerian Local Councils and Security Provision", in S. K. Mohmand and M. Loureiro (eds.), *Interrogating Decentralisation in Africa*, IDS Bulletin, Vol. 48, No. 2, March 2017, p. 48.

73. K. S. Fridy and W. M. Myers, "Challenges to Decentralisation in Ghana: Where Do Citizens Seek Assistance?", *Commonwealth & Comparative Politics*, Vol. 57, No. 1, 2019, pp. 71-92.

74. N. Cheeseman, K. Kanyinga, G. Lynch, M. Ruteere and J. Willis, "Kenya's 2017 Elections: Winner-takes-All Politics as Usual?", *Journal of Eastern African Studies*, Vol. 13, No. 2, 2019, p. 224.

representatives, as well as chief executives who are heading the assemblies, are appointed by the president and not elected.⁷⁵

In Kenya, the picture becomes more complex if we consider the situation of urban/municipal boards. While the members of the county assembly in Kenya enjoy good standing (and technically, the counties are still governing urban areas), this is not the case for urban or municipal boards. These boards are appointed by the county executive and by law in a principal-agent relationship with their county governments.⁷⁶ At the same time, they are supposed to be accountable to the citizens. As of now, urban boards enjoy little legitimacy and visibility as they have only received a few functions and equally low budgets. While counties have established themselves as important political players since Kenya introduced its new constitution in 2010, most counties did not create urban boards before 2018. At the city level, this leads to competition over functions and situations in which the member of the county assembly (and sometimes even the MP) competes with the newly created urban board to receive credit for infrastructure investments.⁷⁷ The competition between these different stakeholders creates governance and accountability challenges.

Danielle Resnick's research on mayoral elections in Africa also compares elected versus appointed officeholders. She shows that elected mayors have more autonomy from their parties and visibility among constituents than appointed ones. In particular, the option to run as independent candidates provided mayors with the freedom to distinguish themselves on personality rather than on a party basis. This proves to be particularly salient in larger cities, in which mayoral posts come with a lot of visibility. In Zambia, this dynamic led to elites pushing for a reversal of the reform to let mayors be elected. Currently, there are only a handful of African countries in which mayors are elected and not appointed.⁷⁸ In case the mayoral election depends on the party list and thus on the party that receives the majority of votes, mayors can act less independently from party lines.

Effects on infrastructure provision and service delivery

Decentralization affects city officials' capacity to provide infrastructure and services in multiple ways. In cases in which actors lack accountability, as depicted in the preceding paragraph, service delivery and infrastructure provision can be less targeted and efficient. Also, the example of the city of

75. I. Fuseini, "Decentralisation, Entrepreneurialism and Democratization Processes in Urban Governance in Tamale, Ghana", *Area Development and Policy*, Vol. 6, No. 2, 2021, pp. 223-242.

76. Art. 11(b), Urban Areas and Cities Act, 2011, Laws of Kenya.

77. L. Gutheil, "Can Public Participation Deepen Democracy? Insights from Nakuru City in Kenya", *Megatrends Afrika Policy Brief*, No. 18, 2023.

78. D. Resnick, "Mayoral Elections and Partisan Dynamics in Africa's Local Governments", *Democratization*, Vol. 30, No. 7, 2023, pp. 1195-1214, available at: <https://doi.org/10.1080>.

Dakar revealed how service delivery and infrastructure provision can become politicized if central actors wish to regain power over certain functions. Intergovernmental financial transfers are highly politicized, and if they are irregular and unpredictable, they have a major impact on cities' capacity to provide infrastructure and services.

Apart from fiscal capacities and accountability challenges, another important obstacle to infrastructure provision and service delivery is a lack of coordination and ambiguity about roles. In Kenya, the national government continues to perform devolved functions in urban areas despite its mandate to provide only policy direction and coordination for urban development. For instance, the State Department of Housing and Urban Development is involved in urban planning, housing and the provision of infrastructure and services, even though these functions are constitutionally guaranteed to be devolved to the counties. Roads fall under a shared mandate: The Kenya Urban Roads Authority is a state agency responsible for roads classified as national urban roads, while counties are responsible for all other roads. When the county wants to build in areas that do not have an access road, this can delay construction if there is no budget for the Kenya Urban Roads Authority to build the access road.⁷⁹ In addition, the urban water sector suffers from a lack of coordination between county-owned water service providers and nationally-owned waterworks development agencies. According to the Water Act 2016, nationally-owned agencies should continue to play a key role in urban water infrastructure provision despite the constitutional responsibilities of counties to manage urban water supply. This leads to a duplication of functions and a situation in which both agencies do not coordinate their activities. As nationally owned agencies access financing from the national government and donors, they remain the key players in urban water management.⁸⁰

While the first part of the paper highlighted the political motives for pursuing decentralization reforms and the related implications for power sharing, the second part focused on the effects these policies have on urban governance. Decentralization profoundly alters power dynamics at the local level, which influences party politics, leaders' capacity to provide infrastructure and services and the accountability relationship between citizens and the state. Looking at these three interrelated dimensions underlines the inherently political character of urban governance.

79. Author's research.

80. A. Muwonge, T. S. Williamson, C. Owuor and M. Kinuthia, "Making Devolution Work for Service Delivery in Kenya", *World Bank Publications*, 2022, p. 44-46.

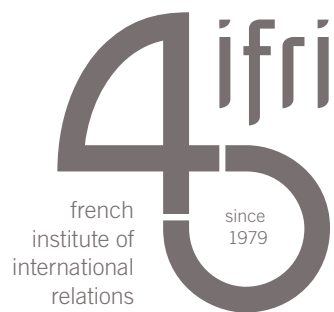
Conclusion

Decentralization policies, as well as episodes of de- and recentralization, are closely entangled with urban governance. The paper laid out how decentralization has effects on party politics, accountability relationships between citizens and decision-makers as well as on service delivery and infrastructure provision. Many of the problems concerning decentralization policies concern rural and urban areas alike: a lack of policy coherence, elite capture, a lack of legitimacy of new structures and reluctance to share power and resources, as well as interagency coordination problems. However, cities also have certain characteristics that alter or exacerbate some of these dynamics. For instance, the political importance of primary cities, as well as the strong presence of opposition parties in cities, make service delivery especially politicized. In addition, the multitude of actors at the municipal level often adds an extra layer of complexity when it comes to the coordination of functions. Overall, cities' comparatively advanced economic performance and their well-educated workforce offer the potential for gaining more (fiscal) autonomy and challenging central government politics. However, as city contexts vary dramatically, the same decentralization policy can have very different effects in different localities in the same country. The political trajectory of decentralization reforms depends not only on the economic and political power of cities but also on the legitimacy, relationships and networks that various local players, such as party officials, traditional authorities and elites, can leverage. How the technical set-up of decentralization interacts with the context is thus mediated by politics. Hence, the paper shows that cities are not only affected differently by decentralization policies compared to rural areas but that they are also important actors in shaping these policies. Civil society is especially vocal in urban areas, and the presence of economic elites gives cities leverage against central government policies. Political decentralization offers avenues for local politicians and especially mayors to influence national and regional (party) politics, and with the growing importance of cities this trend is likely to become stronger.

At the same time, the paper shows that decentralization does not necessarily lead to more autonomy for local actors nor to improved service delivery and infrastructure provision. There is a lack of empirical data about whether, generally speaking, central or subnational governments deliver better services for citizens. In fact, appointed leaders who are backed by the national government can act at times more effectively than elected leaders. Local elections are based on the assumption that leaders will act more in line with citizen priorities if they are held accountable by the citizenry. However,

if subnational governments are not capacitated to act according to their mandates, trust in local democracy can be weakened. In addition, citizens must be willing and capable of holding the government to account. When municipal actors have political power in certain sectors but do not receive sufficient resources, political decentralization remains toothless. Political competition, patronage politics, and a lack of capacity undermine power sharing and the sharing of resources. The exact design of decentralized governance also needs to be taken into account. The Kenyan case shows that decentralization can be successful at the county level without working well at the municipal level.

With cities' growing importance on the African continent, more comparative research needs to systematically examine these specific effects of decentralization policies on urban governance to generate sound recommendations. Further research should also systematically investigate the differences between primary and secondary cities regarding decentralization dynamics.



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