DECENTRALIZATION: POVERTY REDUCTION, EMPOWERMENT AND PARTICIPATION
(Unedited Version)

United Nations
Decentralization: Poverty Reduction
Empowerment and Participation
(Unedited Version)
Notes

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Mission Statement

The Department of Economic and Social Affairs of the United Nations Secretariat is a vital interface between global policies in the economic, social and environmental spheres and national action. The Department works in three main interlinked areas: (i) it compiles, generates and analyses a wide range of economic, social and environmental data and information on which Member States of the United Nations draw to review common problems and to take stock of policy options; (ii) it facilitates the negotiations of Member States in many intergovernmental bodies on joint courses of action to address ongoing or emerging global challenges; and (iii) it advises interested Governments on the ways and means of translating policy frameworks developed in United Nations conferences and summits into programmes at the country level and, through technical assistance, helps build national capacities.
FOREWORD

Millennium Development Goals (MDGs) in general and pro-poor policies in particular, are directly correlated to the structure of governance and its interaction with civil society. Increased resource mobilization by centralized authorities alone cannot lead to the attainment of the MDGs. There is also a continuing call from the various stakeholders in the MDG implementation process for a greater role at the sub-national level and for a need to further engage local governments and local communities.

Governance, in the broader sense of how power is exercised and decisions are made, plays a key role in distributional equity and sustainability of benefits. Central government priorities in planning and implementing developmental activities is often motivated by a variety of factors including regional, political & ethnic concerns; the immediate needs of local communities are either not assessed or left on the wayside. Given that the political survival of a local government is dependant upon the evaluation of its performance by the communities under its jurisdiction, it has a greater incentive to address the developmental challenges faced by these communities than would a distant, omnipotent centralized authority. Decentralization has the precise effect of empowering local governments to move beyond the burgeoning bureaucratic barriers faced by the central government to respond to local developmental needs in an equitable, transparent and efficient manner.

Developmental needs can vary not only among nations, but also among each municipality and region of a particular nation. Logic and experience has shown that empowering local governments to engage in a constructive dialogue with civil society is often the most cost-effective and insightful medium for gauging the developmental needs of particular communities. Consequently, in addition to clearly defining the role of local governments, they must be equipped with the requisite authority, tools and resources necessary to move beyond the initial planning stage to actually implementing, monitoring and evaluating the developmental process.

There exists a general consensus that the elusive search for appropriate developmental policies failed to reap desired results over the past decades as a consequence of underestimating the value of governance and institutions. Appropriate economic policies cannot be conceived independently of their institutional and political context; these in turn have a direct correlation to the role of civil society, community empowerment, good governance and the rule of law.

It is within this context that the Division for Public Administration and Development Management (DPADM) and the United National Centre for Regional Development (UNCRD) organized a workshop on the experiences of countries with regards to decentralization. Monitoring concepts and methodologies were evaluated, particularly with regards to their impact upon the MDGs such as the halving of poverty by the year 2015. Participants were drawn from the government, academia and civil society to attain a broad cross-section of thematic papers and case studies that shed light
upon the experiences of individual nations in their struggle to decentralize with a pro-
poor focus.

The workshop led to the dissemination of new methodologies and approaches on the impact of decentralization and decentralized processes on poverty alleviation. The interaction between civil society representatives and the government, as well as practitioners and analysts, led to the creation of innovative networks encapsulated in a progressive plan of action. The plan called upon the international community in general and the UN in particular, to provide advisory services and Technical Cooperation (TC) pertaining to pro-poor policies, through community engagement as well as other decentralized forms of participation and inclusion. Documented evidence presented by delegates from the Philippines, Nepal, Indonesia, India and Fiji additionally identified conflict resolution and civil society participation as national priorities.

The publication titled “Decentralization: Poverty Reduction, Empowerment and Participation” is the outcome of this workshop. It aims primarily at the dissemination of approaches to decentralization, emphasizing on poverty alleviation at the institutional, regional & national level. It seeks to strengthen approaches, policies, and tools that lead to improved governance and support democratic processes. It explores the development of innovative tools and methods for monitoring and evaluating decentralization and other sub-national interventions, from the perspective of the MDGs, pro-poor growth and poverty reduction. The result has been to make monitoring, evaluation and other indicators (available and proposed) cognizant of approaches to engaged governance, human security and sustainable development. Finally, the publication develops and disseminates an action plan to be used by developing nations, institutions and practitioners that either receive or provide technical cooperation and advisory services.

The first part of the publication provides an overview of decentralization and its impact upon the MDGs. Part two looks at how food security can be enhanced and environmental sustainability can be promoted through civil society engagement in local governance. Part three focuses on challenges to strengthening local governance in conflict ridden zones, where they serve as a vital mechanism for the promotion of human security. The final part of the publication highlights responses to challenges faced in empowering communities as effective tools for disaster management. As a result of this publication, the findings and proceedings of the workshop will move beyond the intellectual domain of the workshops practitioners, observers and participants. The dissemination of its content online as well as through the traditional print medium will serve as a resource for local governments and civil society institutions worldwide that genuinely seek to alleviate poverty and enhance human security through decentralization and civil society engagement.

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PREFACE

The publication on Decentralization - Poverty Reduction, Empowerment & Participation, is the product of a working partnership between the Division for Public Administration and Development Management (DPADM) of UN-DESA and the United Nations Centre for Regional Development (UNCRD). The workshop which forms the basis for the publication, was held in Brisbane, Australia from August 14-17, 2005 and was structured within the broader framework of the International Conference on Engaging Communities, organized by the United Nations and the Government of Queensland. This activity is in line with UN-DESA’s overall mandate to provide a vital interface between global policies in the socio-economic-environmental sphere and national action.

The workshop incorporated approximately fifty participants and observers drawn from the wider conference on Engaging Communities. The participants - comprising of practitioners and analysts, represented all sectors of the government and civil society and were intimately familiar with the theme of the workshop. Questionnaires circulated upon the conclusion of the workshop yielded constructive and highly informative responses pertaining to its theme, approach and content. The findings of the workshop - in conjunction with commissioned papers presented by experts from Cambodia, Fiji, India, Indonesia, Nepal and the Philippines, form the principal basis for this publication.

The workshop and this publication are part of the work program of DPADM headed by Mr. Guido Bertucci who has provided the necessary guidance and support to these initiatives. Both of these activities were assigned to the Socio-Economic Governance and Management Branch of DPADM. Mr. M. Adil Khan, Chief of Branch, assisted by Mr. Olympios Katsiaouni (Interregional Advisor, DPADM) & Ms. Mani Devyani (Coordinator, Human Security Program, UNCRD) provided the conceptual framework and expertise in formulating the agenda and theme of the workshop, identifying the experts and conceiving the resultant publication. Mr Kazunobu Ongogawa, Director of UNCRD, played a pivotal role in the organization of the workshop in collaboration with DPADM. Ms. Rosanne Clarke and the Nagoya based UNCRD staff attended to the financial, administrative & logistical details. Mr. Jacinto De Vera (Head of PACU), assisted by Ms. Christine Ong & Mr. Numayr Chowdhury, drafted, edited and finalized the publication.
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PART ONE
Decentralization: Poverty Reduction, Empowerment and Participation

Olympios Katsiaouni

1. Context

The current year is an important one for the international community and the Millennium Development Goals, MDGs. The UN Secretary-General’s commissioned report on the performance of MDGs was out at the beginning of 2005. As expected the evidence to-date, which includes the Secretary General’s annual reports on MDGs, on performance was uneven with serious slippage by sub-Saharan Africa, and a good overall performance in Asia, primarily thanks to China and India. In particular, there are at present twice as many poor people in Africa, over 300 million, as twenty years ago, and the proportion of the poor, at about 45 percent of the total population, has not declined. More tellingly, at the two dollar poverty level, the proportion of Africans that are poor are approximately 75 percent, and with a depth of poverty that is increasing. This has happened in the 1990s, a decade that was not thought to be particularly bad for growth and economic expansion. A mixed performance and an uncertain outlook are likely to provide considerable ground for discussion for the September, 2005, United Nations meeting to review the MDGs.

On the resource mobilization front, again the evidence is mixed. That is, there has been a more concerted effort to mobilize resources since the Monterrey Consensus, 2002, with selected countries, primarily in the European Union, reaffirming their commitment to increase aid to about 0.7 percent of their Gross National Product, but this will not be sufficient for MDG requirements. Only five countries to-date, namely Denmark, Luxembourg, Netherlands, Norway and Sweden, have met or surpassed the 0.7 percent ODA share in their Gross National Products. The six additional countries that are committed to do so by 2015 are: Belgium, Finland, France, Spain, Ireland and the United Kingdom. In bold figures, Official Development Assistance, ODA, is about US $68 billion annually, up from about US $52 billion a few years back, but proportionately

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1 The usual disclaimer applies. That is, the views expressed in this paper are those of the author and do not necessarily represent those of the United Nations or its Member States.
2 Investing in Development: A Practical Plan to Achieve the Millennium Development Goals, UN Millennium Project, January 2005, the on line material can be found under www.unmillenniumproject.org.
3 See, for example, the Report by the UN Secretary-General on Implementation of the United Nations Millennium Declaration, A/59/282, 2004. The online official documents of the United Nations may be found under http://documentsun.org.
4 On this, see How have the world’s poorest fared since the 1980s?, Shaohua Chen and Martin Ravallion, World Bank Policy Research Paper, June 2004 – on line http://econ.worldbank.org. It is Chen and Ravallion that have argued that with a US $1 the depth of poverty in Africa is 20% (poverty gap index) as compared to 6% for the developing world as a whole, and further that the mean income of the poor in Africa has been falling. Again egalitarian policies to reduce inequalities are clearly important - otherwise progressively higher growth rates have to be conjured to eliminate poverty in sub-Saharan Africa.
stagnant at about 0.25 percent of GNP of developed countries\(^5\). In comparison, the MDG requirements is for an additional minimum of US $ 50 billion yearly, on the assumption of appropriate policies being in place at the national level. And this is where the catch is. For however desirable an increase of resource mobilization is, for MDG purposes, finance alone will not do the trick. This was made clear in the declaration accompanying Finance for Development, otherwise known as the Monterrey Accord, 2002, and reiterated regularly in the various documents that deal with MDG progress. One reason for this is that governance, in the broader sense of how power is exercised and decisions made, plays a key role on the distributional equity and sustainability of benefits. The presupposition is that additional resources when available will be directed to the needy or to those that will make the difference in the MDG’s country ranking and listing. However, there is no warranty that this will be so. Indeed, evidence, albeit in part anecdotal, on inequalities is that these are on the rise, particularly in parts of sub-Saharan Africa, which may negate the positive effects of rising ODA or resource mobilization\(^6\).

It is broadly agreed, that underestimating the value of governance and institutions were a reason why the search for the right policies for development in the previous decades was misplaced. Right economic policies cannot be conceived independently of their institutional and political context, and these in turn will deal with such issues of empowering communities, the role of civil society, good governance and the rule of law. Hence, and as noted, the special session of the UN General Assembly on MDGs, to be convened in September, 2005, will have plenty to discuss on both the progress achieved, and on the means, financial and otherwise, that need to be put in place if the MDGs are to be restored to target for large parts of the globe.

This is the background within which this parallel workshop on Decentralization: Poverty Reduction, Empowerment and Participation is being organized, in the context of the International Conference on Engaging Communities, Brisbane, August 2005\(^7\).

2. Focus of the Workshop

It may be worthwhile to summarize the focus of the parallel workshop, on Decentralization: Poverty Reduction, Empowerment and Participation, within the framework of the conference on Engaging Communities. The overall scope of the workshop is to deal with decentralization, including country experiences and monitoring

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\(^5\) For 2004 the current estimates indicate an ODA over US $ 75 billion. Again at US $ 75 billion of ODA the estimate falls short of MDG requirements. The estimates regarding MDG funding requirements vary depending on progress to-date and what remains to be achieved. For every year that there is a shortfall, the warranted requirements, in terms of economic growth rates, finance mobilization and poverty reduction, alter the take up the slippage from previous years. The UN Millennium Project, at [www.millenniumproject.org](http://www.millenniumproject.org), carries out periodic reviews and assessments of these requirements.


\(^7\) There are two relevant online sites dealing with the International Conference on Engaging Communities, Brisbane, Australia, 2005 – [www.engagingcommunities2005.org](http://www.engagingcommunities2005.org), and [www.unpan.org](http://www.unpan.org).
concepts, as it affects the Millennium Development Goals, MDGs, and in particular Goal One – that is the halving of poverty by the year 2015. In doing this, we shall bring to bear the work and experience of UN-DESA and UNCRD, further buttressed by evidence, and empirical findings, from the country papers. In particular, the objectives of the workshop include:

- First, to share experiences, both empirically and in terms of approach, at the institutional, regional and country levels on decentralized means for pro-poor policies. Further, to strengthen these approaches, policies, and tools, that support decentralization as a means to improved governance, and democratic processes, in the fight to reduce poverty;
- Second, to discuss and where possible assist the development of new methodologies and tools for monitoring and evaluating decentralization, and other sub-national level interventions, from the point of view of the MDGs, pro-poor growth and poverty reduction. Hence, the family of approaches that increasingly have come to be known as, engaged governance, human security and sustainable livelihoods, will be examined. The monitoring, evaluation and other indicators available and proposed will be cognizant of these approaches; and
- Third, the workshop aims to develop an action plan, and to edit the proceedings for a wider dissemination for use by developing countries, institutions and practitioners that are either recipients of, or provide technical cooperation and advisory services.

3. Decentralization and Poverty Reduction: Some Vital Concerns

The coupling of decentralization with poverty reduction is a relatively new preoccupation. Traditionally, decentralization was thought in relation to politics, to political sciences, and to the sphere of power play between centre and the periphery, whereas poverty reduction was relegated to economic growth and distribution. This arbitrary division is increasingly thought untenable for good governance is seen as of crucial importance to poverty reduction, and the prerequisites of good governance contain elements of decentralization. The latter deepens the democratic process by engaging communities over decisions that shape their future, and by empowering them in the allocation of resources while holding accountable those that execute decisions on their behalf. However, the question is still pertinent whether the form of decentralization advocated and practiced leads to poverty reduction or whether this is a pure, but untested, presumption. Evidence on the effects of decentralization on community welfare, and specifically on poverty reduction, is not conclusive. Where decentralization is said to be accompanied by participation, empowerment, transparency and accountability, its impact its likely to be positive for it reduces cost of service provision and transaction costs.

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However, in other cases decentralization may not be a real transfer of power but rather an opportunity for politicians and power groups to capture power, and in extracting rent, at the sub-national level\textsuperscript{10}. Hence, the first concern is what precisely we mean by decentralization and what are the attributes that characterizes this.

The second concern that arises is precisely on the nature of the requirements, or prerequisites, for effective decentralization. Again this is a relatively new field though prerequisites for democracy and for good governance have been on the agenda since the foundation of the state or the development of a consciousness of a “demos” –that is the public. Presently, prerequisites for good governance include social and economic rights, free and contestable elections, the rule of law, independence of the judiciary and the media, a list that is enriched and extended with the passage of time and the sense that societies should primarily seek out and support the weak and the vulnerable as the better off and the strong can look after themselves\textsuperscript{11}. However, the prerequisites for effective decentralization are still emerging and are not altogether clear in their focus. For many analysts effective decentralization invariably means that there is devolution of power and that participation, empowerment and accountability of communities is a measure on how successful the process has been. But should this be the sum totality of the expectations? Can we really have effective decentralization if the macroeconomic framework is inimical to economic growth and prosperity, that it is not pro-poor, if investment in health, water, sanitation and education, which are of vital importance to communities, is inadequate, and if there is no policy space for communities to operate? Participation and empowerment will sound hollow if illiteracy rates are high, with an added bias against women, if the macro stance implies usurious rates of interest that the poor cannot access, and if communities and civil society organizations cannot provide alternatives in the absence of markets.

The third concern is about the instruments in support of decentralization that deal with poverty reduction. One can distinguish those instruments that are endogenous to decentralization and those that are exogenous. Within the endogenous instruments efficiency considerations loom large, including service to citizen, citizen satisfaction, and economies in the provision of services\textsuperscript{12}. The exogenous instruments to decentralization in support of poverty reduction may even be more influential for efficiency considerations alone, and the well targeting of beneficiaries, may go some way but do not in themselves empower the poor. In this regard, micro-finance, pro-poor budgets and other initiatives that have a pro-poor bias are complementary instruments in support of decentralized processes. In this sense, decentralization is looked upon not only on its own merits but how far it helps or hinders other initiatives at the sub-national level that have a pro-poor or pro-community bias. If, for example, decentralization creates, or allows, sufficient policy space for communities to engage in activities that better their

\textsuperscript{10}For a sober assessment of the progress of Decentralization in sub-Saharan Africa see “Decentralization an Poverty Reduction in Africa: The Politics of Local-Central Relations”, undated, by Richard C. Crook, Institute of Development Studies, Sussex University, UK.

\textsuperscript{11} For a comprehensive treatment of good governance that embodies both social and economic rights, in addition to the more traditional ones, see the Millennium Declaration, 2000.

\textsuperscript{12} This is essentially the thrust of the work carried out by the World Bank, including Dethier, 2004, op.cit.
environment and living standards then this in itself has an indirect impact on poverty reduction. In this manner, decentralization is not view solely from the prism of how power is shared between the centre and periphery but also whether it allows, or encourages, the periphery to create its own developmental initiatives and civil society pride.

The fourth concern, is about the monitoring and evaluation, M&E, of decentralization and its impact on poverty. The question of what we should be monitoring and evaluating is not totally pedantic. Can we for example separate the political from the economic aspects and impact of decentralization? Further, and where economics is involved a too narrow net of monitoring and evaluation would deal primarily with efficiency considerations. That is cost effectiveness of service, elimination of redundant posts, economies due to reduction of transaction costs, better purchasing plans by knowing the local market, and closing loopholes that may lead to malfeasance and corruption. Costs savings and measures of satisfaction are not very difficult to monitor for they usually have a before and after situation, or reference system, and through time either by surveys or other means a consistent picture may emerge regarding citizen satisfaction or cost estimates and curves in the provision of services. But this leaves us far from being able to monitor and evaluate the impact of decentralization on poverty reduction, unless we begin to see decentralization not only through its immediate consequences of service provision and cost reduction but also in the opportunities that it may create for complementary initiatives by civil society and its organizations. It is here, that is how to develop M&E tools that capture the full effect, both direct and indirect, of decentralization and its contribution that goes beyond its immediate and legislative mandate that the main concern lies.\(^\text{13}\)

4. Decentralization, Partnerships and MDGs: UN-DESA and DPADM

The UN Department for Economic and Social Affairs, UN-DESA, and in particular the Division for Public Administration and Development Management, DPADM, has been active at the level of the intergovernmental processes, including the UN Committee of Experts on Public Administration, CEPA, and the International Governance Forum dealing with specific concerns of good governance, e.g. decentralization and poverty reduction.\(^\text{14}\) At the regional and country levels, again DPADM, has been providing


\(^{14}\) While official publications of the UN are online under [http://documentsun.org](http://documentsun.org), many other publications related to the work of UN-DESA, and to the Division for Public Administration and Development Management, and its partners, can be found under [www.unpan.org](http://www.unpan.org). There are several recent reports on behalf of the Committee of Experts on Public Administration, CEPA, that are relevant to the theme of the workshop, including, The role of public administration in the implementation of the United Nations Millennium Declaration, A/58/152, 2003, Developing institutions of governance and public administration
support in organizing workshops and other events that deal with specific aspects of sub-national development, including sharing experiences across regions, and providing technical cooperation to developing countries and countries in economic transition. Though it is presumptuous to think that justice can be made to all this body of work in a single paper, the aim is to present in a selective manner, progress, lessons learned as well as challenges and constraints met by UN-DESA and its national and international partners.

Overall, UN-DESA is a vital interface between global policies in the economic, social and environmental spheres and national action. In the main, the Department works in three interlinked areas: (i) It compiles, generates and analyses a wide range of economic, social and environmental data and information on which Member States of the United Nations draw to review common problems and to take stock of policy options; (ii) It facilitates the negotiations of Member States in many intergovernmental bodies on joint courses of action to address ongoing or emerging global challenges; and (iii) It advises interested Governments on the ways and means of translating policy frameworks developed in the United Nations conferences and summits into programmes at the country level, and through technical assistance, helps build national capacities.

With reference to the MDGs, the UN Department of Economic and Social Affairs (UNDESA) has several roles including the following:

- It is a member of the UN Development Group, UN DG, which has guiding and supervising functions for the MDGs;
- It has been the organizer and follow up entity for major international conferences, including Financing for Development, Monterrey 2002, and World Summit on Sustainable Development, Johannesburg 2002, which reaffirmed, mobilized resources or extended the MDGs in major directions;
- It provides the organization and analysis for the statistical monitoring of the MDGs as well as for the UN Secretary General’s Report on Public Administration and MDGs;
- Through its intergovernmental processes it is either the secretariat, as in the case of Sustainable Development and Social Commission, or it provides major inputs in the organization and follow up to the resolutions and decisions obtained. Many of these decisions and guidelines obtained have a direct bearing on particular goals of the Millennium Declaration;
- At the regional and sub-regional levels it organizes, inter alia, workshops, symposiums and other training activities that aim at particular facets of the MDGs including the institutional requirements, other capacity deficits, and the mobilization of partners; and
- Through its technical cooperation and advisory services it provides assistance to over 120 developing countries, and to countries in economic transition, which either directly or otherwise impact on MDGs. In particular, it advises in Africa, E/C.16/2004/6, 2004, and Strengthening public administration for the Millennium Development Goals: a partnership-building approach, E/C.16/2004/5, 2004.
governments on ways and means for translating policy frameworks developed in the UN conferences and summits into programmes at the country level and through technical assistance helps build national capacities.

Within UNDESA, the Division for Public Administration and Development Management, DPADM, is responsible for the intergovernmental processes that relate to governance, in the wider definition of the term that encompasses e-government and socioeconomic issues, public administration and for technical cooperation in support of individual countries, both developing and in economic transition, and to regions. The Division does its work in three main ways. First, in support of requesting countries, second, together with or through its partnering centers, such as the UNCRD and UN TC, and third directly as part of its intergovernmental processes or e-TC. DPADM is the organizer and secretariat for the Committee of Experts on Public Administration, CEPA, whose deliberations and outputs increasingly deal with aspects of governance as these relate to the MDGs. Several of the UN publications that have emanated through the work of CEPA/ECOSOC have as their fulcrum of interest different aspects of governance, including decentralization and engaged governance and to the MDGs. DPADM is also the chief partner and organizer of the annual Governance Forum, now in its sixth year, that brings together world leaders, analysts and practitioners to present results and discuss current and emerging concerns of governance. The Division has a very active website that deals with e-TC in public administration and other related issues, including major events and their outputs. Through its Technical Cooperation and advisory activities it supports a number of diverse initiatives which are either the result of developing countries seeking assistance or group of countries, or institutions, organizing a regionally based effort. Hence, capacity development in the form of projects, or more tailored-made training activities at the regional level have been organized by DPADM or its partner institutions, including UNCRD and UNTC, in all regions of the globe where issues of governance, civil society’s role, and MDGs feature strongly in the development agenda of the host country or region. Having provided this outline on DESA, and in particular DPADM’s role and activities, the next section deals with selected contributions in greater detail.

5. Recent Contributions by DPADM/UN-DESA

a. Decentralization and Poverty Reduction: Africa and Asia Experience

UN-DESA in partnership with the Ministry of Economics and Finance of Senegal, organized, July 2003, an international workshop whose twin objectives were:

- To inform selected African countries of developments and experience on the subject of poverty alleviation and decentralization in Asia; and
- To enable participants from selected African countries to share their own experience and progress regarding poverty and decentralized or local governance, and contrast this to the Asian models.

15 All the publications and major activities of the Division for Public Administration and Development Management of UN-DESA can be found electronically on www.unpan.org.
In all, ten West African countries were invited with a fair distribution of participants among government, civil society organization and international partners\textsuperscript{16}. During the two day workshop the keynote papers included:

- Human security and decentralized planning- the experience of Asia
- The role of civil society in decentralized planning for poverty reduction in Africa
- Community driven development and decentralization, and
- Country Experiences on decentralization and poverty reduction.

At the plenary and group sessions a good number of findings and recommendations were canvassed. It was argued that the historical background to decentralization and of the country (including the colonial experience and development of the country since independence) critically affected the form and depth of decentralization. For example, West African countries with a French colonial tradition, and the Prefecture system, had a more centralist government, than where the British colonial administration ruled with districts and municipal councils. However, irrespective of historical background fiscal decentralization was much less developed than administrative or political\textsuperscript{17}. There were three concerns that were expressed recurrently by the participants to the workshop. First, that civil society’s participation, and empowerment, in decentralized processes were inadequate and by and large poor. Second, that there were significant capacity deficits both in the institutional structures and professional personnel chosen to man decentralized processes. Professional personnel were not keen to serve outside the major urban centers, especially in sub-Saharan Africa, and the institutional structures set up, including development councils and area planning authorities, were devoid of power or resources to carry out their avowed tasks. Third, there was the ever present risk that power-groups and politicians from the centre, including the ruling elites, would capture, or infiltrate, local politics and elections to the detriment of the latter. In those countries in West Africa that had serious social unrest, and military involvement, all the three problems, identified above, were accentuated.

A number of promising pointers, or windows of opportunity, were also identified by the participants:

- New concepts and forms of decentralized governance that gave a clearer clarity to the role of civil society and ways for participation and engagement. Among these was the concept of engaged governance, with practical examples from Asia, as a way of building social capital and for the coordination of civil society organizations within a region;
- The global empowerment of civil society organizations, again as demonstrated from the Asian experience, that are able to better respond to national concerns and conditions;

\textsuperscript{16} The ten countries invited were: Benin, Burkina Faso, The Gambia, Ghana, Guinea, Mauritania, Senegal, Sierra Leone, Liberia and Nigeria. The last two countries were not able to attend but Nigeria submitted relevant documentation.

\textsuperscript{17} See Annex for a simple conceptual approach on how to relate the forms of decentralization to the political, fiscal and administrative requirements for the purpose of Monitoring and Evaluation.
• Within West Africa, the increasing pressure by the international partners and local communities that major development initiatives, such as the Poverty Reduction Strategies, must incorporate close partnerships with civil society; and
• The process of democratization that is affecting sub-Saharan Africa which makes it difficult for the traditional elites, or the military, to be totally impervious to the concerns and the representation of the community, and particularly of the rural poor.

Considerable discussion focused on the concepts of participatory, or partnership, approaches to governance, including engaged governance. It was argued that engaged governance is in part an institutional arrangement that links people more directly to the policy-making processes of the State. In this, government decisions affecting the lives of communities and civil society are in turn informed, shared or enriched by the affected communities and civil society groups. With this in mind, engaged governance is part of good governance as it contributes to inclusiveness, empowerment, accountability and transparency. In part, it is also a way of building civil society capacities by making use of social capital, while augmenting the analytical and negotiating skills of communities and their representative institutions in dealing with developmental concerns. Hence, though engaged governance was a developing concept, practiced in a fragmented way, it was an important concept and one with considerable operational implications.

The inter-regional workshop in Senegal left its positive mark because of the possibilities and new approaches, including that of engaged governance that it brought to the attention of participants in West Africa. The weakness of civil society organizations in sub-Saharan Africa, and especially in West Africa, was a recurring theme. This is rather different from the experience in Asia where civil associations have a regional reach, and new forms of empowerment are being tested. Even within sub-Saharan Africa a few countries, notably Ethiopia, Ghana, South Africa, and Uganda, are ahead in canvassing the cause of decentralization, especially in its administrative and political forms, to complement the tasks and remit of central authorities. In these few countries fiscal decentralization is making tentative progress through such means as peoples’ budget, South Africa, regional empowerment Ethiopia, and regional revenue appropriations as in Ghana. In the vast majority of African cases, and despite the growth of democratic processes, however, decentralization and empowerment of civil society has still a long way to go. Both the Poverty Reduction Strategy Papers, and the MDGs, in their own and complementary ways, are encouraging the involvement and participation of civil society and their representative institutions, NGOs and CBOs. This engagement is constrained due to capacity deficits in the representative institutions, especially in rural areas, and because the process of engagement is limited. In this, building social capital and the capacities of civil society institutions for monitoring and sustained follow up of development policies needs nurturing.

b. Decentralization and Local Government: Africa and Asia Cooperation

This was an international workshop organized jointly by UNCRD/UNDESA with UNDP, JICA, and the Government of Kenya, in Nairobi, August, 2003, with participants drawn
mainly, from East and Southern African countries, and from Asia. The emphasis of the workshop was on capacity development in local governance, which was based largely on a Needs Assessment Mission Reports of the participating countries and on a project document prepared by the UNCRD, Nairobi Office. These were supplemented by short submissions by different agency representatives and country participants. There were several points of convergence between the Africa and Asian experience:

- Democratic transition, and reaction against centralism were strong motive forces that pressured for decentralized governance. However, it was a rare instance where decentralization took the form of a fully fledged devolution of power, and not its weaker aspects such as deconcentration or delegation of authority;

- In most countries, centralism and a strong state were post-independence tools for nation-building and part of a development strategy. The pro-market reforms that accompanied the change in development strategies during the previous two decades, that is 1980s and 1990s, also weakened the claim of the state as a major autonomous agent of development and the rationale for retaining strong central controls;

- Both in Asia and Africa, local authorities remained heavily dependent on central government, especially for fiscal matters (recurrent and capital expenditures). Without a strong local base for raising resources, authorities at the sub-national level will find it difficult to exercise developmental functions in line with their political remit and development plans;

- Accountability, transparency and all the other attributes of good government improve with a decentralized process that encourages civil society and local participation. This need not lead to an immediate reduction in poverty, but provides the preconditions for poverty reduction strategies which have a greater likelihood of being egalitarian and effective.

However, as with the Senegal, July 2003, seminar the differences between the Asian and sub-Saharan experience were equally stark:

- Asia made the transition in finding an appropriate and developmental role for the State, while Africa was still searching for one. The structural and liberal market reforms of the previous two decades left the power of the State in Africa smaller, and enervated, without a commensurate expansion in the private sector to fill the gap and assume the engine for growth and prosperity;

- Civil society and government partnerships, or private-public sector cooperation, were stronger in the countries of Asia than in Africa. This, in part, can be traced to the experience with structural economic reforms of the 1980s, when the withdrawal of the State from many community-based activities encouraged NGOs, and their international partners, to come and fill glaring gaps in education, health and community services;

- The positive performance of Asia in combating poverty, and being on target with many of the Millennium Development Goals, empowered communities and enabled their representative civil organizations to demand an even greater role in decision making affecting the lives of their constituents. This provides a virtuous

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18 The sub-Saharan participating countries were; Ethiopia, Ghana, Kenya, Namibia, Tanzania and Uganda; and from Asia; Bangladesh, China, Malaysia, Singapore an Thailand.
circle, where improved governance supports more enlightened and egalitarian policies towards MDGs, and improved economic performance releases resources for civil society organizations and makes demands for participation and empowerment more sophisticated and less opportunistic; and

- In comparison, the serious slippage of the key MDGs in sub-Saharan Africa does not help the long term cause of local government and civil society, and poor oremasculated decentralization is not the best underpinning for MDGs and PRSPs. Patronage, and weak states are more likely to be found in sub-Saharan Africa which enable elites to control sub-national political processes and local politics.

In all, during the Senegal, 2003, and Nairobi, 2003, workshops the participants expressed the need to push beyond the apparent constraints affecting good governance, and to search for new coalitions, partnerships and means of cooperation, between governments and governed, and a way of monitoring or providing indicators for the depth of the process.

The last example, from the work of DESA, deals with a workshop on Engaged Governance, organized by UN-DESA and the Government of Sri Lanka in December, 2003. A main contribution of this event is that it sought to share examples of emerging ways of engaged governance from communities, civil society, and the State, and for new means of making government more responsive and accountable, while providing a methodological outline of the process.

c. Interregional Workshop on Engaged Governance

This workshop was initiated by UN-DESA, with the support of the Sri Lanka Government, December, 2003, primarily to extend the dialogue and action on new government arrangements and processes that are participatory and which are regarded as vital for achieving the Millennium Development Goals, MDGs. The participants, mainly from the Asia and Pacific Region, were practitioners and analysts, who presented conceptual papers and case studies on new forms for participation and empowerment that depended crucially on a closer and more direct interaction between civil society, its organizations, and the public sector. One of the objectives of the workshop was to advance the discussions and consultations on the concept of engaged governance and its application to public policy in developing countries. Hence, there is an upfront, and outright, acknowledgement that the concept of engaged governance is relatively new and evolving. As the participants to the workshop noted, the approach has as a core organizing principle citizens rights, the strengthening of democratic institutions, and that it commits Government to a values-driven strategy. Three levels, the normative, regulative and regenerative, were identified as needing to be addressed:

- At the normative level – which deals with values and ethical practices of governance principles, elements include; A shared political vision including

19 Information and the main papers for The Interregional Workshop on Engaged Governance can be found on www.unpan.org, and the proceedings of the paper were compiled in a report by Dr. Diane M Guthrie. The participating countries included Australia, Bangladesh, Cambodia, India, Japan, Myanmar, Thailand and the Philippines.
political rights; a shared understanding between Government and people on important attributes and principles that will guide decision making and trade-offs; and a supportive policy framework that establishes the nature of desirable government-civil society engagement;

- At the **regulative** level – which refers to systems for organization, implementation and resource allocation around development, the elements are; Roles and responsibilities for government and non-governmental sectors; Mechanisms, processes and practices that enable government and civil society engagement with clear roles and responsibilities; and Resource allocation for effective government-civil society engagement.

- At the **regenerative** level – which refers to the shaping of attitudes, perceptions and behaviour for building a culture of engagement, elements comprise; Knowledge and skills building of government and civil society entities to be able to take up engagement opportunities during the policy cycle; Positive engagement experiences, which enhance trust, respect and mutual collaboration between government and civil society; and Confidence in government.

Two observations are worth making from the discussion associated with engaged governance:

First, the participants to the Sri Lanka workshop did not want to place either the approach or principles of engaged governance in a conceptual straight jacket by proposing an outright definition. Engaged governance as a process links social capital with the development management of a country. This form of management goes beyond the realm of public administration, and formal institutions, and deals with civil society organizations and attempts to mainstream community inputs into policy formulation. Hence, it is in consonance with the ideas of sustainable human development and social capital, while focusing on the policy formulation and implementation aspects and how engaged governance may elevate the role of civil society in the process. Though multidisciplinary in approach, in that it draws from economics, sociology, political principles and public administration, it is not in itself a strict set of principles, or adheres to one school of thought. Engaged governance is rather a way of approaching development challenges in the exercising of power, the allocation of resources, and the sharing of benefits within the rubric of participation and empowerment of civil society as a core element of good government.

Second, there is a no one-to-one relationship between decentralization and engaged governance. Decentralization may be present where good governance may not, but it is not possible to envisage decentralization that is part of a “good governance” experience in the absence of participatory engagement between civil society and government\(^{20}\). As a short-hand one may propose that decentralization is a necessary condition for good governance.

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\(^{20}\) “Good Governance” has been defined in different ways all of which contain some or all of the following attributes – responsiveness, inclusiveness, participation, integrity, accountability and fairness. In the Millennium Declaration, 2000, “good governance” is seen as embodying democracy, human rights, genuine participation by citizens and freedom of the media. In addition, human rights are defined in the wider sense to incorporate civil, political, economic, social and cultural rights for all.
governance but not a sufficient condition. Further, that engaged governance is the missing link to enable decentralization to operate effectively and demonstrate those attributes of good governance. Consequently, engaged governance, with all its diversity and richness in underpinnings, is of immense importance to the subject matter of this workshop for otherwise Decentralization is still an empty box in terms of guidance in securing the MDGs.

6. Recent Contributions by the United Nations Centre for Regional Development (UNCRD)

UNCRD brings the following contributions to the workshop:

1. Findings from recent research on human security focusing on practical application of the concept at the sub-national level and experience and networks on training for human security and decentralization in the Asia Pacific Region.
2. Experience from extensive activities related to community based disaster mitigation; and
3. Experience on empowerment of communities for environmental action and natural resource protection in rural and urban areas of the Asia Pacific region.

In particular, UNCRD’s research and training activities on human security are directly relevant to the workshop theme of decentralization: poverty reduction, empowerment, and participation. In the last decade, many developing countries have made remarkable progress in economic growth and social development, and the expansion of new communication technologies and international trade, globalization has become a strong integrating force. Yet, this period has also seen an explosion of conflict, environmental degradation, and financial crisis resulting in vast increases in the numbers of the poor and vulnerable. Disparities between the rich and the poor between and within countries have grown bringing despair and a receding hope for a more equitable world.

To respond to this situation and the need to go beyond conventional approaches to development, UNCRD launched an initiative on human security in July 1999. This was concurrent with the shift in perceptions of security from a focus on defense of territory from external attack to the protection of communities and individuals from threats to their lives and livelihoods. Between 1999 and 2004, UNCRD has gained substantial experience on integrating human security into national agendas for poverty alleviation and local development strategies in the Asia Pacific Region.

UNCRD is endeavoring to integrate the human security concept into local and regional (sub-national) development through practical applications. Defining human security as the removal or reduction of vulnerability to economic, environmental, social, and cultural threats that undermines sustainable development of communities, the goal of UNCRD’s Human Security Group (HS Group) is to increase human security for the sustainable development of vulnerable communities through the following objectives:

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21 This section has been provided by Ms Devyani Mani, UNCRD, Nagoya, Japan.
a. Mainstreaming human security concerns into development policy and local/regional development planning;
b. Building capacity to incorporate human security into local development planning; and
c. Increasing opportunities for the inclusion of the most vulnerable communities (poorest women, indigenous groups, resettled communities, etc.) into mainstream economic and social development.

The activities of the HS group respond to UNCRD’s mandate to provide research, training, and advisory services for regional (sub-national) development and the imperative to contribute to the commitments of the Social Summit and the Social Summit +5 as well as to the Millennium Development Goals (MDGs) and the Johannesburg Plan of Implementation.

Five issues of UNCRD’s flagship journal *Regional Development Dialogue* between 2001 and 2004 have documented ongoing research on human security in terms of regional (sub-national) development, training, use of new technologies, response to the May 2003 report of the Commission on Human Security (CHS), and generation of sustainable livelihoods.

Training on human security in support of decentralization targeting government officials from the sub-national levels is provided in the form of international and country specific training courses that are structured around five themes as follows:

1. **What is Human Security?** The origins of the concept of human security and its evolution are discussed. The interrelations between human security and poverty reduction are clarified along with an introduction to methods for vulnerability analysis to identify insecure groups.

2. **Security for People on the Move.** As populations on the move as a result of migration, involuntary resettlement, or seeking refuge from conflict are considered among the most vulnerable groups, means to ensure their security are emphasized.

3. **Globalization and its Discontents.** The forces of globalization have a major impact on the growth of economies, changes in social structure, and the state of the environment – the positive and negative impacts of globalization and strategies to counter negative impacts of globalization and increase human security through community-based and sustainable approaches are introduced.

4. **The New Technologies and Human Security.** Rapid innovation in the use of information and communications technologies (ICTs) is seen as important in improving governance, enhancing social inclusion, and mainstreaming the vulnerable through improved access to information. Therefore, the use of ICTs for poverty reduction and e-government is discussed.
5. Partnerships for Human Security. To achieve human security, all the stakeholders in development have to be involved – the roles and responsibilities of various organizations – central and local governments, nongovernmental organizations (NGOs), communities, the private sector, and international agencies are discussed in terms of creating partnerships to integrate human security into local development.

7. Concluding Remarks

In principle, we seem to have considerable background information on decentralization, participation and empowerment but only a modest amount of this knowledge and experience provides a good guide on how we may link these to the requirements of MDGs and in particular to poverty reduction. The challenge before us is twofold: First, by pooling our knowledge and experience to discuss, and where possible suggest, ways for strengthening those aspects of decentralization that are in accord with good practices of democracy and governance, and for facilitating the MDGs. Second, to develop means to monitor, signpost and evaluate the signals of performance if we are to built acceptable platforms for indicators that further the discussion on the depth of decentralization and good governance. That is to complement qualitative statements about good governance and decentralization with some quantitative notions on the strength of those qualities. For this, the development of indicators for monitoring and performance are an inescapable requirement. Three relevant questions are emerging:

- First, why is it that the enabling environment for civil society and the participation of communities seemed more receptive to new ideas and concepts in one region than another – e.g. in Asia and the Pacific than in sub-Saharan Africa?
- Second, how would it be possible to include aspects of accountability, responsiveness and participation alongside other and more corporate forms of performance for public institutions? And
- Third, is it possible to effectively monitor, signpost and measure decentralization, and decentralization processes to enable a better understanding of its impact and limitations?

All three questions are still pertinent for the present international conference, and especially for this Workshop dealing with Decentralization: Poverty Reduction, Empowerment and Participation. Both the agency, including UN-DESA and UNCRD, and the country submissions at this workshop, as well as the interventions and debate, that will ensue are encouraged to keep these questions and challenges alive.
Annex

Simple Matrix for Evaluating Decentralization

<table>
<thead>
<tr>
<th></th>
<th>Devolution</th>
<th>Delegation</th>
<th>Deconcentration</th>
</tr>
</thead>
<tbody>
<tr>
<td>Political</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>Administrative</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Fiscal</td>
<td>Yes</td>
<td>Yes</td>
<td>No</td>
</tr>
</tbody>
</table>

One may begin with a working proposition that Decentralization is to do with the transfer of power, functions, and resources from the centre to sub-national entities – often, but not always, decentralization has a spatial dimension, e.g. states, provinces, districts and municipalities, when it involves theses sub-national entities. Definitions and clarifications regarding the concept of decentralization abound, yet there is a large measure of agreement that it can take various forms whose attributes and kinds can be described as devolution, delegation and deconcentration.

- **Devolution**: Is regarded as the strongest form of decentralization, with the clearest attributes, as it involves transfer of powers, resources and administrative responsibility from central to sub-national authorities;
- **Delegation**: Is a hybrid form of decentralized governance where authority is retained, especially for the revocation of powers, by the central body while functions and duties are shifted to a subsidiary body. Formally, delegation is the transfer of functions and duties to semi-autonomous bodies or public enterprises, without a specification of the period of the transfer, usually for the purpose of bypassing the central bureaucracy and avoiding the day to day control in running the new enterprise; and
- **Deconcentration**: This form has more of a spatial than power transfer aspect to it, in that it implies the shifting of functions and resources by central government from one area, usually the metropolis, to the regions and to other locations. An interesting aspect of deconcentration is that it not only provides benefits to the host areas from the possible creation of jobs and the lower cost of living found in the provinces, but often decisions can be made on the spot under the principle of subsidiarity.

In the traditional definitions of decentralization, three forms are usually identified: Political, Administrative and Fiscal. For the more radical case of Decentralization, albeit few in the developing countries, all three kinds, political, administrative and fiscal, are decentralized under a framework of devolution of power. That is fiscal resources, political and administrative powers are transferred from the centre to some other authority with usually a spatial jurisdiction. However, in the weaker forms of Decentralization, that is delegation and deconcentration, political power is retained by the centre, and only administrative, and to some extent fiscal, powers are delegated or deconcentrated. In the formal case of Delegation, the centre decides to pass on primarily administrative and fiscal resources, while retaining the power of revocation. The bottom line is that even where some political power may be passed on this may be revoked at the
will of the centre. Both administrative and fiscal delegation is possible but usually with conditions attached, including the kind of supervision and auditing by the Centre, and with a formal time limit that may require legislative or executive intervention for the extension of the delegated powers. The case of deconcentration is by far the weakest form of decentralization, for essentially is the spatial movement of Central functions – for example where location of central ministries is bread to the provinces to benefit from cheaper rents or to generate additional employment in the host communities. It is primarily a geographical move, with an underlying purpose of cutting costs or stimulate economic activity in the receiving towns or communities.

Two points to be made: First, in principle each cell in the above matrix engenders issues of monitoring and evaluation, ME, against some set objective such as empowerment or poverty reduction. Second, apriori there is no warranty, though presumptions to the contrary may be made, that the results of ME against one objective, say empowerment, closely correlate with the results of ME, for another objective, for example poverty reduction. Though we may presume that empowerment will also affect poverty reduction positively, that presumption if to have any lasting influence, has to be the subject of analysis and tested.
PART TWO
Engaging Civil Society for Promoting Environmentally Sustainable Cities in Asia – from the Perspective of Cleaner Transport and Waste Management

Kazunobu Onogawa, C.R.C. Mohanty, Aditi Joshi, and Peter Popovics22

1. Introduction

Clean air, clean water, and clean land are the integral elements of environmentally sustainable cities. However, urban cities in the Asia and Pacific region have witnessed significant population increase and economic development together with a range of health and environment issues. This rapid growth has led to increased demand for transport facilities and supplies. In many cities, expansion has occurred without appropriate development planning, while the provision of required infrastructure and service has fallen behind. As a result, most of the Asian cities have been significantly affected by transport related socio-economic and environmental problems. These include – vehicular air pollution and associated public health and environmental impacts, noise pollution, road accidents, traffic congestions and associated economic loss. Inefficient use of energy resources, greater use of non-renewable fossil fuel, and loss of potential natural habitats and land resources present another façade of problems. A range of initiatives ranging from local to global level have urged for sustainable transport strategies with a focus to strengthen regional and national programs, including through public-private partnerships and active role of civil society through participatory process. At best, three key stakeholders – state/local government, market/economy/business and civil society/communities – cooperate in a positive and mutually reinforcing manner.

While there is a lot more to be achieved in the transport sector, the waste management issues have taken critical dimension in Asian cities. Needs assessment missions conducted by UNCRD in a number of Asian countries have revealed a range of policy, knowledge, and technical gaps such as – a lack of 3R (reduce, reuse, recycle) orientation of the over all production and waste management policies; waste management being viewed in terms of end-of-pipe (down stream) solutions and the integration of 3R elements of waste minimization and sustainable use of limited resources in over all policy framework is negligible; lack of awareness on various aspects of 3R both at consumer and producers (mainly Small and Medium Enterprises (SMEs)) as well as at NGOs and media levels; absence of required eco-labeling schemes; and lack of expertise in developing eco-label criteria for various commercial products, etc. Further, electronic waste (e-waste) – from computers, televisions, telephones, mobile phones, electronic toys, and sources – is compounding the waste management issues in Asia. E-waste is currently one of the fastest growing segments of solid waste in Asia; for instance, four million personal computers are discarded every year in China according to UNEP’s assessment.1

1 Kazunobu Onogawa, Director of UNCRD; C.R.C. Mohanty, Environment Coordinator in UNCRD; Aditi Joshi, Student Intern in UNCRD; Peter Popovics, Student Intern in UNCRD.
Chapter 4 of Agenda 21, UN Guideline of Consumer Protection (1999), Chapter 3 of Johannesburg Plan of Implementation (JPOI), and subsequently the 30th G-8 Summit at Sea Island held at Georgia (June 2004) have emphasized the critical need for reorienting the production and consumption pattern through effective implementation of 3R principles. These initiatives have recognized that the major cause of the continued disorientation of the global environment is the unsustainable pattern of consumption and production. The private sector and all the major groups of the civil society could play an effective role in promoting 3R, e.g. as in the case in Japan in different relevant sectors such as energy, agriculture, transport, industry, tourism and other service sectors etc. Long term strategic needs of the urban cities for sustainable development and economic achievement need to be pursued with the active participation of civil society.

2. Objectives

The objectives of this paper are to:

a) look into the dimensions of civil society involvement from the perspective of cleaner transport and Waste Management; and

b) draw on best practices, policies, measures for enhanced civil society participation in cleaner transport and waste management sector.

3. Needs in Asia

With a population of approximately 3600 million, Asia is the most populous region in the World. Growing at 1.1 percent a year, the region’s total population is expected to reach 4,690 million by 2025. In 2004, 41 percent of the total population in Asia lived in urban areas and cities, and the number is steadily growing. Therefore, the high quality governance of cities is essential to the economic prospects and quality of life of the urban communities in Asia.

Cleaner transport and sound technologies for management of wastes are two issues, which demand much greater attention from many countries in Asia. It is seen that in most of the Asian cities the increased demand for transport due to economic development has increased the level of air and noise pollution, and mortality rate caused by traffic accidents to dangerous levels, and at the same time wastes in vast majority of these countries are managed on a very low level or mistreated in many occasions. Poorly managed wastes and transport system, which generate high levels of pollution without doubt, deteriorate the quality of the environment jeopardizing the well being of future generations. Moreover, they also pose health hazards, like causing several infectious and vector borne diseases, and respiratory disorders.

The negative impacts of these environmental problems further trickle down to the economy as well. The dire environmental conditions negatively affect trade (both domestic and international) and tourism of that country which form major sources of revenue for most developing economies in Asia. The ineffective waste management has a potential for contamination of food supplies, which can have impacts on local markets or revenue from export crops. Also congestions caused due to ineffective transport system, may cause undue delays in transportation of goods to the markets, which might result in financial losses. World Bank studies in 1999, for instance, estimated that a 10 percent reduction in congestion in peak-hour trips would provide benefits of about US$ 400 million annually. The environmental degradation also poses a threat to the tourism
industry of the developing countries as it detracts from the “Tourists’ Paradise” image promoted by these countries and by associations with health warnings about infectious and vector borne diseases.

Conversely, the benefits from cleaner transport and environmentally sustainable waste management are many; they include reduced utility of natural resources and raw material costs, enhancement of the tourism experience, reduced health care costs. This calls for effective measures on the part of not only the government but also every responsible member of the civil society. Having discussed the need for waste management and cleaner transport, the paper will further discuss a few selected best practices in both areas, which have been adopted successfully by some of the Asian cities.

In view of the above, the ASEAN nations, for instance, have established a Working Group (ASEAN Working Group on Environmentally Sustainable Cities) to drive good urban environmental management and governance in ASEAN cities. Further the ASEAN Environment Ministers have officially endorsed a Framework for Environmentally Cities in ASEAN to address environmentally sustainable challenges in three key sectors – air, water and land.

In order to promote environmentally sustainable transport (EST), UNCRD² has, for instance, established a Regional EST Forum to address the needs of the developing countries in Asia in relation to various issues concerning environment and transport. The Forum, which is represented by both Government agencies (representatives from Environment and Transport Ministries/Agencies) and a Subsidiary Expert Group, the members of which have affiliation to NGOs, academic/scientific research institutions, international organizations and private sectors, etc., provides a strategic platform to discuss and share best practices, tools, technologies, and effective policy instruments in relation to key elements of EST such as - vehicle emission control/standards and inspection and maintenance (I/M), cleaner fuel, strengthening road side air quality monitoring and assessment, public transport planning, transport demand management (TDM), and non-motorized transport (NMT), road safety and maintenance, traffic noise management, environmentally and people friendly urban transport infrastructures; land use planning; strengthening knowledge base, public education, awareness, and social equity and gender perspectives. It is clearly evident from these multi-sectoral elements of EST that active involvement and cooperation of key stakeholders such as - central governments, local/municipal governments, oil/fuel industries, motor companies, repair/service industries, research institutions, and NGOs, is very essential to realize an Asian EST in true sense. UNCRD also provides support to selected countries in Asia to formulate national EST strategies through a highly participatory and consultative process involving a wide range of key stakeholders at national level.
4. Selected Best Practices

4.1 Best practices in Waste Management

The characteristics of MSW management in the Asian cities\(^3\) are highlighted in Table 1 to give a brief idea about the gravity of the problem and why there is a need for engaging the civil society.

It can be clearly seen from the table below, the waste-handling problem originates in the early stages of MSW management in less-developed cities. The collection rate of municipal solid waste below 70% already makes it impossible for any type of waste-treatment technique to handle the severe waste disposal situation of overpopulated cities. The lack of public participation and willingness to sacrifice a relatively comfortable but polluting way of waste disposal for an environment-conscious way has been accompanied by informal recycling methods, which also need to be addressed by technological interventions.

From Table 1 one can also see, among less developed and rapidly developing cities, the table shows that in spite of very high percentage of municipal budget being allocated for waste management has failed to give desired results. The table shows that in some cities as much as 40% of the municipal budget is allocated to waste management and studies show that out of this budget almost 70 to 90% is spent on just collection and sorting of wastes. But in spite of all these efforts this has proved insufficient to achieve the desired level of services. Thus, we conclude that lack of public participation is one of the major reasons for inefficient waste management, this stresses on the role of civil societies in waste management.

<table>
<thead>
<tr>
<th>Table 1: MSW Management(^3)</th>
<th>Typical characteristics of MSW management in Asian cities</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Less-developed cities</td>
</tr>
<tr>
<td>GNI-PPP* per capita (2002)</td>
<td>Less than 2,000</td>
</tr>
<tr>
<td>MSW generation (kg/capita/day)</td>
<td>0.3-0.7</td>
</tr>
<tr>
<td>MSW collection rate</td>
<td>&lt;70%</td>
</tr>
<tr>
<td>Recycling</td>
<td>Informal</td>
</tr>
<tr>
<td>Expenditure from municipal budget (%)</td>
<td>15-40</td>
</tr>
</tbody>
</table>

* GNI-PPP: Gross national income in purchasing power parity.
Source: Mendes and Imura, 2004b.
The following diagram shows the quantity of different types of wastes generated for a group of developed and developing countries.

**Figure 1:**

*Waste composition (%) in selected countries*

It is evident from the above figure that developing countries generate more organic wastes in comparison to their more developed counterparts. On the other hand it is seen that the generation of inorganic wastes (metals, plastics and papers) is more in the developed countries when compared with the developing ones.

Within this situation it is inevitable to find proper and feasible methodology for waste selection, and treatment and implement them in country-specific circumstances in Asian cities. However, it is very important to realize that high-tech innovation, or capital-intensive technology for solid waste management may not always be the best example for every region. This may be simply because these are inappropriate methods due to the lack of funding, knowledge or civil-society participation. Moreover, needs dictate different priorities in different countries depending upon the income group to which the country belongs. That is why in order to create environmentally sustainable cities in the developing nations of Asia, community-based, easily adaptable, affordable and user-friendly technologies should be employed to encourage a wider range of civil society participation.

From the diagram above we have seen that both Bangladesh and Nepal generate the largest amount of organic wastes among other developing countries. From this perspective, initiatives taken by these countries are not only worth mentioning but also
have the potential to be an illuminating example for countries with the same proportion of organic wastes.

a) Case in Bangladesh- Community Based Composting

In Bangladesh a pilot project, called Innovative ways to promote community-based composting in Dhaka, has provided one of the most well established schemes in the region. Major objectives of the project are to: (a) increase public awareness about the tremendous amount of solid waste generated in the city and reducing the overall amount of solid waste dumped into open space; and (b) provide motivation by providing cash to communities that sell compost.

The contributor organizations, Waste Concerns (NGO), Map Agro Ltd. Bangladesh (a fertilizer company), PROSHIKA (NGO) and local communities have developed marketing and strategic frameworks for the community to sell the compost and have been motivating people to participate in organic waste collection by cash-reward for their compost. In a city like Dhaka, where incineration plants or landfill sites do not exist in formal ways and where the daily solid waste production reaches 3000 metric tons, mostly consisting of organic waste, the concept works effectively. As a prerequisite, farmers had indicated their interest to buy compost with a quality satisfying their needs, after which Waste Concern could begin its pilot project to fight the mistreatment of daily waste generated by the city. Procuring funding from the UNDP and 1000 sq. m land from the Lion’s Club, the NGO started to carry out a systematic, door-to-door waste collection, which resulted in two tons per day organic solid waste accumulation. Utilizing different composting technologies (aerobic and anaerobic) with monitored composting quality, Waste Concern has managed to sell the compost through various marketing channels and cooperative networks with a net earning of 6300$ annually. This business concept has successfully integrated public motivation, profit realization and most importantly a successful management of organic waste in a community where the environment is exposed to the threat of waste generated by households. This has also contributed to another dimension of benefit by reducing the use of inorganic fertilizers by the farmer’s community.

b) Case in Nepal- Community based Waste Management Practice

Katmandu-based Zero Waste Nepal, a non-profit organization too has launched a project in Nepal on treatment of solid organic wastes. In addition to that it also emphasizes on raising awareness among common people about waste management practices. It deals with severe solid waste problems through less direct and practical ways. It has launched schemes minimizing waste in local communities, carried out awareness programs for the general public, organized seminars and trainings. Their pioneer networking among Nepalese stakeholders has laid down the basis for residents to successfully build up a waste minimizing community. Priority activities include networking within focal point organizations; distributing educational and campaign materials; conducting lectures, talk programs, seminars; identifying new members; negotiating with end users for recycling and reuse of water resources; waste identification
and separation of reusable items, including clothes, electronic appliances, food waste, construction debris; discussion on waste collection and recycling methods; developing composting and waste digesting systems. They have been active in various zero-waste related activities and have recently introduced a promising pilot program, called the *Waste Free Everest.*

c) Cases in Japan - NGO Participation

In Japan, together with central and local governments, many NGOs have been playing important role in the management of municipal waste. They have been actively promoting community based waste collection and management activities, including recycling of wastes, to achieve advanced recycle based society. Local residents in Japan have become aware that they are the generators of municipal waste and realized the need to recycle, including sorting wastes in appropriate manner and categories.

Raising public awareness about systematic garbage separation on local basis has been one of the most crucial elements of sound waste management. There are many different educative activities dealing with waste reduction and sound management, but a Japanese non-profit organization, called Japan Environment Exchange, has chosen a very exemplary way of environmental education. What is peculiar about their effort is that it encourages waste management at household levels. They realized that the best way possibly to show an example for households on how to minimize waste, or how to sort waste efficiently is to provide a practical and easy-to-use manual for the residents on disposing trash. The chart, which is available both in Japanese and English, indicates clearly the difference between collectable and non-collectable articles and provides a flowchart of what to do with each type of garbage. It also provides useful information, such as phone numbers in case of help needed, and indicates which item requires extra charge to be collected. The Kyoto based NPO also publishes eco-cartoon book series, essays and cartoons about the environment to start a purposive education on environmental problems for young children. Their wide range of activities characterize conscious life-style since they carry out trash clean-ups, support green purchase with the distribution of maps with eco-friendly businesses, offer organic food stuff, fair trade handicrafts and cloth shopping bags.
d) Cases of Extended Corporate Responsibility in Japan and Korea Rep. of

Traditional down-stream management in terms of recycling and disposal of products as waste has only been partially effective in dealing increasing amount of municipal wastes in cities of many industrial nations, which has ultimately led to the emergence of the idea of extended producers’ responsibility. Extended Producer Responsibility (EPR) attaches the importance of the role that the private/corporate sector could play for the betterment of the environment. In Japan, for instance, the manufacturers would be responsible to a certain extent for the adequate reuse, recycling, and disposal of their discarded products. As a result, manufacturers in Japan are now required to adopt LCA (Life Cycle Assessment) approach to minimize the adverse impact of their products on the environment and natural resources beginning from raw material procurement/processing to final disposal of the product.

**Box 1. Actions Based on EPR**

*Reduce~ Reduction at Source*
- Efficient use of natural resources.
- Product design to make items less likely to turn into waste and easy to reuse or recycle
- Use of recycled parts and materials
- Reduction of use of hazardous substances
- Use of Eco labeling

*Reuse*
- Repair services
- Production of long life parts
- Leasing services

*Recycling*
- Reuse and recycling of the used products
- Purchasing products and raw materials made from recyclables
- Development of recycling technologies

Source: MoE, Japan (2005)

**Box 2. Toshiba’s attempt towards manufacturing environmentally conscious products**

On a corporate level, the exercise of green purchasing has been known for another successful way of supporting sustainable production. Toshiba’s attempt towards manufacturing environmentally conscious products starts with a very careful and precise selection method of potential suppliers ranked into five groups as per satisfactory environmental compliance (such as Rank S = priority accorded for procurement – ISO 14001 certification gained; Rank A = priority accorded for procurement – sufficient environmental protection activities are conducted; Rank B = priority accorded for procurement - environmental protection activities are conducted; Rank C = improvement required – acceptance of guidance and support is a prerequisite for procurement; and Rank D = improvement required – acceptance of guidance and support is a prerequisite for procurement). Calculating the so-called green ratio by dividing the number of suppliers in Rank S and Rank A with the total number of suppliers evaluated, it indicates the company’s performance on using components and raw materials, which have less harmful environmental impacts. Toshiba established its own guidelines of green procurement in December 1999 and revised it in June 2003 to meet the new laws and regulations of the Japanese and the EU markets. In three years, from 2000 to 2003, the company’s Green Ratio had increased 20%, from 57% (with 1712 evaluated suppliers) to 77% (with 5558 suppliers). As a member of the Japan Green Procurement Survey Standardization Initiative, Toshiba has taken a leading position in the electronic industry to make efforts standardizing Green Procurement Guidelines to establish a sustainable but more importantly an eco-friendly production system.

In another instance, Nippon Electric Ltd., the old-traditional corporation widely known as NEC, along with other Japanese consumer-electronics or car manufacturers, has been implementing an outstanding form of advanced waste management. The company has a very distinct and comprehensive view on the 3R system. On the reduce-side, they are promoting design reduction such as developing simple design, which makes it possible to upgrade models more efficiently and more environment-friendly way.

In addition, NEC has developed easily disassembled products and has been using materials with high reusability to refrain from utilizing unnecessary raw materials and resources. On the reuse aspect, their aim includes improving the overall reuse ratio and cost reduction through reusing collected, non-defective used items. Finally, promoting the improvement of the overall recycling ratio, reducing recycling cost and improving recycling technologies completes the three-stationed cycle of 3R. Their in-house recycling technologies include material recycling for precious metal, non-ferrous metal, iron, plastic, glass, etc., and thermal recycling as well. They have also been committed to ease the capacity of landfill sites with their disposal goal set to zero. NEC has twelve collections and recycling sites so far throughout Japan, along with four 3R sites, one of which can be run also as a collection and recycling site. This shows NEC’s commitment to a recycle-base society by improving recycling efficiency. Due to efforts put in into plastics, cathode-ray tubes and LCD glass recycling, the company had achieved an overall recycling rate of 92% until 2000.12

Manufacturers in Korea Rep. of, have also excelled in promoting environmentally sustainable production and consumption and 3R towards waste minimization13. Samsung, one of the largest South Korean companies and also a pioneer developer of environmental technologies in the Asia pacific region, has mobilized reasonable green-technology arsenal to incorporate eco-design, green procurement, specific 3R commitments and Extended Producer Responsibility (EPR). Eco-design refers to considering the environmental impact of the product from the design stage conducted by designated LCA (Life Cycle Assessment) and DfX (DfR/S/D/A, Design for Recycle/Service/Disassembly/Assembly) software that has been a major project for the
company. Another challenge has been the application of 3R technologies at different phases of production process. One of their methods to save material is to share components, which has been outstandingly succeeding not only to reduce the raw material but also to increase the recycling efficiency.13

Box 3. Samsung’s Initiative on Raw Material Saving and Improved Recycle Efficiency13

By 2002, the company had achieved a remarkable 27% components sharing ratio with PCs. Another, more direct way to contribute to material saving is to reduce the number of components, which results in energy saving in the production process. Besides these achievements, Samsung’s initiative of paper-based cushion packaging earned the “Green Packaging Winner” award in 2002 and 2003 from Citizen’s Alliance for Consumer Protection of Korea. To further contribute to a recycling-oriented environmental sustainability and to rise even higher in public esteem, the Korean giant has established a network of collecting and recycling systems throughout South Korea, under the duty of EPR (Extended Producer Responsibility). The infrastructural scheme includes more than one thousand retail stores collecting end-of-life goods, many logistics centers and a broad network of recycling centers nationwide.

Source: http://www.samsung.com/AboutSAMSUNG/ELECTRONICSGLOBAL/SocialCommitmenthtm

e) Case from Cambodia- Stakeholders approach for Waste Management in National parks

The following case demonstrates how a local NGO in Cambodia, Mlup Baitong, with the support from Blacksmith Institute in USA, set up an effective waste management strategy in Kirirom national park in Cambodia (the only national park in Cambodia within easy traveling distance from Phnom Penh, and it currently receives over 20,000 visitors each year). This activity engaged all possible stakeholders such as local villagers, Park rangers, food vendors and the Ministry of Environment, in devising a solution for waste management in the National park. The program had following key features behinds its success:

1) Firstly, the program did not rely on any highly technical and expensive solutions, or foreign expertise;
2) Secondly the initiatives took into account the interest of the local community and did not affect their economic interest. Because usually it is believed that environmental improvements might have adverse economic consequences, which deter the participation of the general society; and
3) Thirdly, the local community was made to realize that this project was for their own gain and it would benefit them in the long run.

So based on these principles the implementing solutions were simple, the project began in April 2002 with three full-time Park Rangers picking up litter from the ground and emptying the bins located throughout the park. Not only did this reduce litter, but it also provided a practical demonstration of the benefits of a cleaner park - a tangible benefit that tourists could see. This visible improvement drew both new and repeat visitors to the park, boosting revenues and ensuring the Park’s commercial viability and the Park Rangers’ continued employment. At the same time, new equipment was purchased: a small tractor for transporting waste to disposal sites, gloves and rakes, and plastic liners
for litter bins. Six recycling bins for bottles and cans were also strategically positioned throughout the park (possibly the first ‘official’ recycling bins in Cambodia!). For the first few weeks of operation, one of the Park Rangers stood near the bins on busy days, monitoring the situation and instructing visitors on correct disposal, as recycle bins were a new concept and many people did not bother to read the signs. The recyclables are taken to a nearby town for sale, providing a small amount of additional income for the Park Rangers, as well as reducing the amount of non-biodegradable waste which would otherwise be buried in Park disposal sites or end up along roadsides.

As a result of this program, there has been a 60% decrease in litter, and the eventual goal is to eliminate litter entirely. The challenge however, was to continue these current litter control efforts while directing greater attention towards prevention and control. Mlup Baitong is planning an ongoing educational campaign to control garbage in the Park. Eight large signs reinforcing the anti-littering message have been placed at key tourist areas, as well as 25 smaller signs at the main picnic area urging visitors to dispose waste properly. Mlup Baitong will continue to work closely with the Ministry of Environment, Park authorities, and food vendors to continue to implement the waste management strategy, thereby building capacity and ownership for the program and ensuring its ongoing sustainability.\textsuperscript{14}

4.2 Best practices for Cleaner transport

Cleaner transport is an essential element of sustainable cities. While urban transport can significantly contribute towards poverty reduction, it can at the same time have a range of health and environment impacts unless properly planned and designed. As cities grow and become prosperous, vehicle ownership and intensity of use grow more rapidly beyond the accommodative capacity of existing roads and infrastructure. This results in increased traffic congestion, traffic-generated air pollution, and associated health and environmental impacts. The World Health Organization estimates that suspended particulate matter leads to the premature death of over 0.5 million people per year globally. In developing countries an estimated 0.5 to 1 million people die prematurely each year due to respiratory and other diseases caused by urban air pollution.\textsuperscript{15}

While the role of the local, provincial, and national government is essential in regulating and enforcing vehicle emission control standards, fuel quality norms, fuel pricing, etc., the role of civil society, in particular the general public, NGOs, private and corporate sector, is extremely crucial starting from the initial planning phase to the operations and demand side management to reduce the intensity of urban air pollution and other urban environmental issues. While vehicle manufacturing industries try to develop more environmentally friendly vehicles, NGOs advocate for more efficient public transport systems (Bus Rapid Transit (BRT), Mass Rapid Transit (MRT), etc.), improved vehicle inspection and maintenance (I/M), cleaner fuels, road safety and maintenance, non-motorized transport (NMT), and car-free days, etc. Strong advocacy of Indian NGOs, for instance, influenced the Government of India to introduce CNG driven vehicles in major cities of the country to reduce urban air pollution.
Mentioned below are some best practices in urban transport sector -

a) Car Pooling/Sharing as a way to cleaner environment- Case in Japan

In the service sector the following two best practices have a great potential to promote and spread the deployment of technology aiming for environmentally sustainable transport especially in Asian countries. Since these technologies have already been introduced in certain Asian markets and eventually paid off, they possess a significant capability to encourage even greater support for environment-friendly transportation providing alternative ways and down-to-earth examples for less wealthy regions. Moreover, none of these services require additional incidental costs or development on the technology-side and with a moderate-level of investment they can be run efficiently, being even more attractive for countries with developing economies. One of these initiatives seeking to ease on transport circumstances and reduce GHG emissions combined with possible energy, material and cost saving capabilities, is known as Car Pooling/ Car Sharing.

Until now, several private companies along with NGOs have already started operations mainly in Japan and Singapore. As the name suggests, the service satisfies people with different time schedule and purpose of using cars, but allows them to share the same vehicle in different time-scales. Especially for those who are not depending on cars during the whole day or often travel short distance, it could be a smart option to avoid possessing a car or paying fixed costs like taxes or insurance not to mention the purchase price of the car. Customers pay after the booked time period or the traveled distance. Either way, they can enjoy the benefits of the short-term use of vehicle (available from a one hour period), which is ideal for shopping, going to appointments or any other family related purposes.

The success of running such services, desirably with electric, hybrid or any other low-emission vehicles can be measured not only by strict economic indicators but also with its contribution to the reduction of environmental impacts of cars. The table below shows the success and evaluation of an experimental case in Japan conducted by Toyota Motor Corporation. Estimations suggest that passenger cars account for 40% of the exhaust rate of domestic carbon dioxide in car-base societies. This number is very frightening considering the ever-faster growth of car possessions in developing Asian countries. However, it has been proved that people sharing cars tend to spend less time behind the wheel if they pay after the hours spent with driving. They are more likely to draw up punctual and more specific time-tables or schedule for the time using the car, in a case where time reduction clearly leads to fuel saving.\footnote{16}
Table 2: Evaluation of Shared use of Eco Cars – An initiative by Toyota

<table>
<thead>
<tr>
<th>Period of trial</th>
<th>Fiscal 2000 and 2001</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Users</strong></td>
<td>100 general members, 100 city employee members, 4-hour members**</td>
</tr>
<tr>
<td><strong>Number of cars</strong></td>
<td>9 electric cars</td>
</tr>
<tr>
<td><strong>Number of depots installed</strong>*</td>
<td>3 locations</td>
</tr>
<tr>
<td><strong>CO₂ reduction</strong></td>
<td>132kg/month (equivalent to CO₂ reduction properties of 163 Japanese cinnamon trees (50 cm in diameter))</td>
</tr>
<tr>
<td><strong>Nitrate reduction</strong></td>
<td>693g/month</td>
</tr>
<tr>
<td><strong>Reduction of distance traveled by car after participation in this experiment</strong></td>
<td>80%</td>
</tr>
<tr>
<td><strong>Increase of train use after participation in this experiment</strong></td>
<td>80%</td>
</tr>
<tr>
<td><strong>Opinions regarding future use of car-sharing</strong></td>
<td>97.2%=will use again</td>
</tr>
</tbody>
</table>

* Toyota City's eco-car sharing system uses the term 'depot' for a rental/return location for the cars
** 4-hour membership is a system designed for visitors to the city, whereby those wishing to use the cars can join the system for four hours only

Source: Toyota City's Small Electric Vehicle Shared Use Trial, Fiscal 2001

b) Case from India- Usage of Electric Vehicles to Promote Eco-tourism

The Eco-Rick service, run by the Indian Hotel Mughal Sheraton in the city of Agra, combined a zero-emission form of transportation with new means of eco-tourism providing four electric vehicles to carry residents to and from the Taj Mahal, including one of those, operating inside the World Heritage site helping physically handicapped tourists to move around. This way, the multi-purpose zero-emission vehicles maintain tourist spots cleaner, more enjoyable, more convenient through less GHG emission around popular areas and reduction of traffic jams, while serving as a significant tool in the fight for equal rights and opportunities, another serious matter of today’s society.

c) Case from Japan- Financial Sector participation

Turning to the profit-oriented financial sector, banking institutions could also be key players in the promotion of EST. Beyond ‘development banks’ usually assigned for allocating funds in the favor of regional planning or infrastructural modernization, private, commercial banks could also include eco-support services in their portfolios. Providing low-interest loans for purchasing environmentally friendly goods, such as hybrid, electric, LPG cars along with other eco-friendly appliances is one of the representative activities of some of the banks such as the Japanese Shizuoka Bank Limited, the Nanto Bank Ltd, and the Toyama Shinkin Bank. These eco-loans are generally available for a maximum period of 5 to 7 years, from a minimum amount of 100,000 yen up to 5 million yen.
Furthermore, the ISO 14001 certified bank provides a comprehensive business package of eco-funding through capital procurement opportunities to companies having or aiming for ISO 14001, EcoAction 21, HACCP etc. certifications. Although priorities among Asian banks are might be given to different, more beneficial financial areas yet, but the above-mentioned examples could forecast future activities and operations in this sector.18

c) Case from Philippines- Involving Youth Community

Manila, with a growing population of 11 million, is among the 10 worst polluted cities in Asia, according to the Asian Development Bank (ADB). Its largest source of air pollution is Automobiles. The air pollution caused by these automobiles lead to around 223 premature deaths or even more each year. Fueled by this human toll, a non-governmental group called Environmental Watchdog (Bantay Kalikasan or BK in Tagalog) tried to mobilize millions of Filipino youths to use mobile texting – keyed-in messages on a cell phone – to target automobiles with poor exhaust. Filipino youths over 18 are the main users of the estimated 13 million cell phones in the Philippines. Mobile-phone operators say Filipinos send out an average of 25 million text messages a day – as many as the entire European Union. The idea behind BK's latest text revolution, known as Smoke belchers Watchdog (Bantay Usok in Tagalog) is simple. Essentially, anyone with a cell phone is encouraged to report to BK – via mobile text – any vehicles they see emitting black smoke. College students are among the volunteers. "They can do it in the car, on their way to class," they say. "It costs them nothing, and they feel they can contribute something to the fight against pollution." For those who don't have cell phones or can't text, BK also provides e-mail addresses and two telephone hotlines. Most complaints are against trucking and commercial vehicle companies. At the end of each week, BK compiles a list of vehicles with five or more complaints against them and sends it to the Land Transportation Office (LTO) – the arm of the Department of Transportation and Communications that issues licenses to such companies. The LTO then summons offending vehicle owners to their offices for an exhaust test. Those that fail are required to clean up their engines in a garage; companies that don't comply lose their licenses. According to LTO, most companies have been cooperative. Although the LTO has pledged to fully cooperate, this agency lacks equipment and personnel to keep up with the project's demands. But the ultimate aim of BK is to make the politicians to enforce the country's 1999 Clean Air Act. Financially backed by the ADB, the law requires the government to take action, such as phasing out leaded gasoline, to reduce pollution.19

d) Cases from Several Asian Countries- NPO, NGO and CBO participation for promotion of non-motorized transport (NMT)/bicycles

Serious achievements can be made in reducing ecological, social, economic losses caused by traffic congestions, GHG emission, inappropriate area planning, service shortage, improper vehicle emission check etc by indirect, awareness-rising methods too. In this context, environmental mapping, led by Green Map System (GMS) network, could bring a pioneer approach where environmental maps are drawn up as local projects with the help of local NPOs, NGOs, and educational institutions. Maps, already existing or scheduled to be published in a few year, include Chinese, Indian, Indonesian, Japanese,
Malaysian, Philippine, Singaporean, South Korean and Thai eco-maps of landscape related issues including the state of natural habitats, diverse and existing environment in the cities linked with eco-resources, information on eco-tourism, heritage sites, introduction of ecologically vulnerable areas, etc.

Under this framework, the Japanese Tennen Design Forum (NGO), also a member of GMS network has produced a bicycle route map with charming natural spots along the roadside. Kyoto’s cycling green map was part of the Green Map project, began in 1996. Promoting non-motorized transportation (NMT) systems, most importantly cycling, could result in a setback of car possession, a problem existing in China, India, Indonesia, Cambodia, and in other Southeast Asian countries. By encouraging people to use traditional bicycle-based transportation, people shall realize gradually that cars should stop being status symbols, which is still one of the biggest reasons behind the increasing number of cars in Asian societies. In addition, cycling as one of the most environmentally friendly means of transportation has positive effects on people’s health condition and wellness at the same time.20

5. Conclusions and Recommendations

As the ideal understanding of sustainable development stresses that it is a political process of mediation between economic, social, and environment objectives, and between the objectives of government, business and civil society, it is essential to ensure an equality of bargaining power, and to institutionalize the roles of the three sectors for urban environment management.

Given that, by middle of 21st century, almost three quarters of the world’s population will live in cities, it can be realized from the above discussion how important the role of civil society is towards realizing environmentally sustainable cities in the face of rapid globalization that is taking place in many sectors. The paper examined several best practices of different stakeholders such as private/corporate sector, NGOs, and communities. One clear message has come out that the private/corporate sectors are becoming increasingly responsible about their social and environmental obligations. Recognizing the burden of investments in transport infrastructures and waste management sectors, some Asian cities have championed in mobilizing private sector participation and finance.

The initiative taken by financial institutions providing low-interest loans for purchasing environmentally friendly goods, such as hybrid, electric, LPG cars, for instance in Japan, is indeed an effective way of engaging the financial sector to promote environmental sustainable projects. As people usually better respond to monetary incentives, they could prove to be extremely effective in getting the desired outcome; therefore such monetary incentives should be further encouraged.

These are growing evidences that Asian cities in over all are making conscious efforts towards better living environment. This is more clear evident from the emergence of prominent city based initiatives, for instance, the ASEAN Working Group of Environmentally Sustainable Cities (AWGESC), which is promoting localized activities and strategies for clean air, clean water, and clean land in ASEAN cities.
However, in order to drive a large scale participation of the civil society in Asia in sustainability issues, the following recommendations could be taken into account:

- **engage** with interested civil society group/s through education and awareness campaigns;
- **institutionalize** the role of civil society in public decision making on environment and sustainable development issues;
- launch innovative ideas or initiatives to make the civil society groups increasingly aware of the need to make individual *contribution to the common good* through action, criticism, and demands;
- bridge the information and knowledge gap by ensuring *improved access to accurate information* on best practices, tools, technologies, etc., that facilitate informed debate and consultation among the civil society groups on various urban environment issues;
References:


Overcoming Constraints In Implementing Poverty Reduction Strategies Through Decentralized Structures In India

Vinod Vyasulu

1. Introduction

Decentralisation seems to be the flavour of the nineties decade. In the 1990s, countries across the globe have passed major legislation bringing in decentralisation in many different contexts. From Indonesia to Mexico, major changes have been brought in. While Indonesia is considered the classic case of a ‘big bang’ decentralisation, Mexico has decentralised only health services and brought in a new budget line [ramo 33] for these funds devolved to states. The Philippines and South Africa are other countries that have shown faith in decentralisation. India is no exception to this trend when its constitution was amended through the 73rd and 74th amendments to bring in ‘local self governments’ in 1992-93. This paper examines the potential of decentralisation in the context of poverty alleviation in India.

This paper is organised as follows. The next section sets out the context in which this issue has to be discussed in India. Section 3 presents background information on India’s Poverty Reduction Strategies, and their evolution over time. Section 4 discusses the kind of decentralised structures that have grown in India—in civil society and in the federal state through a Constitutional Amendment. Section 5 moves on to the challenges being faced currently in overcoming constraints to implementing poverty reduction strategies through these decentralised structures. Section 6 then moves on to a discussion of indicators that are specific to this context. The focus of the paper is on the relevance and use of such indicators. However, the useful indicator is also very context specific. It is therefore necessary to contextualise the discussion before dealing with specific indicators. [To try and clarify this, three figures based on stylised facts are presented]. It is also necessary to note that the use of indicators is only the first step in the more important task of poverty reduction—that remains to be achieved. The last section is by way of conclusion.

2. The Indian Context

India in 1950, just after Independence, was one of the poorest countries of the world. There had been stagnation for at least the past 50 years. The immediate objective after 1950 was to tackle poverty. Given that the age old caste system had led to tremendous inequity for a segment of the population that were ‘untouchable’ [and inevitably poor], the Constitution provided for positive discrimination for these groups. This system of what in India is called ‘reservations’ has played an important part in reducing
discrimination and exploitation in India. Priority was to be given to these groups in all development and welfare programmes of the government, including employment in the public sector. India opted for a federal democratic system with regular elections based on universal franchise and with a large role for the state in the economy. As subsequent experience has shown this has given ordinary people tremendous power in changing governments they do not like. No Indian government can afford to be insensitive to public opinion.

The State took up the responsibility for development. The goal was proclaimed to be “growth with social justice”. Ambitious Five Year Plans were drawn up in which public investment was to ‘control the commanding heights of the economy’. The idea was to ‘invest in machines to make machines’ that would then make consumer goods. While this called for belt tightening on a grand scale in an already poor country, the immediate needs of citizens were to be met by small and village industries which were also expected to provide employment to large numbers. This Plan strategy did lead to a trend change in growth rate—from close to 0% before 1950 to about 3.5% a year till the 1980s, mockingly referred to as the ‘hindu’ rate of growth. In the 1980s, the growth rate shot up further to over 5% per annum.

There was concern about poverty from the early days of Planning. A Working Group of the Planning Commission, led by V.K.R.V.Rao, came up with a definition of poverty in the Indian context which was related to the ability of an individual to spend an amount equal to 2200 kilocalories of nutrition, which was believed to be the minimum needed to stay healthy. The basket did not include other items as it was felt that these would be provided by the State. The Constitution, [in Part 4 on Directive Principles], obliged the State to provide free and compulsory primary education and minimum health services. It was assumed the State would do so, and thus this minimum definition of individual/family poverty was accepted for use in policy discourse.

There were economic shocks in the 1960s. The most important was the famine in Bihar in 1967, when India was critically dependent on food imports. These imports came with conditions attached. Agriculture had to be given greater priority for food security. In 1971, Dandekar and Rath, in a pioneering study, showed that about half the Indian population was poor by this definition. It became clear that growth per se would not lead

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23 This does not mean that there is no poverty or inequity today. It is possible more could have been done. Without such reservations, however, things would have been much worse. It is important to recognise the positive contribution of reservations in India.


25 In contrast to the Asean tigers, which were growing much faster!

26 This is the average; there were different figures for rural and urban citizens. This is quite sophisticated in the literature.

27 For example, the rupee had to be devalued from Rs 4.25 to the US$ to Rs 7.50. The World Bank was then to give US$ 900 millions for development programmes—this money never materialised. Self reliance became an important national goal.

28 V.M. Dandekar and N. Rath, Poverty in India, Indian School of Political Economy, Pune, 1971.
to a reduction in poverty: the state had to intervene directly to alleviate poverty\textsuperscript{29}. Thus, from the 5\textsuperscript{th} Plan onwards, there were programmes meant to directly attack poverty, stemming from the slogan, “garibi hatao”—remove poverty.

The Plan provided funds for different kinds of government programmes meant to reduce poverty. There were welfare schemes, such as Integrated Child Development Services, which were targeted at children and pregnant women. There were programmes like the Small Farmer Development Agency and the Marginal Farmer and Agricultural Labour schemes meant to provide resources and agricultural inputs to small and marginal farmers. The National Small Industries Corporation was set up to provide technology and marketing support to small industries that, it was hoped, would provide large scale employment. There were schemes like the Drought Prone Areas Programme meant to deal with the consequences of chronic water shortage. After some time employment oriented programmes were introduced—the National Rural Employment Programme which was a wage employment programme\textsuperscript{30} and the Integrated Rural Development Programme which was meant to promote self employment by making some assets available to the poor. These have been evolving over time.

Political compulsions led to a whole lot of other sops to different groups from the late 1970s and after Mrs Gandhi’s re-election in 1980. These were subsidies from the government budget meant to please important sections of the electorate—fertiliser subsidies, fuel subsidies and so on. Studies began to show, by the 1990s, that the poor received only a small portion of these subsidies\textsuperscript{31}. Yet, politically, they became sacrosanct—increasing each year till they became a large part of the budget. From the 1980, the government of India budget began to show a revenue deficit that kept growing. With government borrowing to meet its consumption needs, debt increased. The budget went into a vicious cycle of deficit leading to borrowing leading to more deficit. Public investment declined.

In 1991 there was a major crisis in which the government almost defaulted on its repayment obligations. The government accepted a short-term ‘stabilisation’ programme of the IMF that included devaluation and other standard measures. On top of this, the government also went in for a ‘structural adjustment programme’ of the World Bank meant to place the economy on a high growth path. This led to major changes in policy in which the role of the state in the economy was to be reduced\textsuperscript{32}. Yet, in a country in which

\textsuperscript{29} A good source of information on these issues is the Economic and Political Weekly, published from Bombay where debates on all important contemporary matters took place in a lively way. India has much experience with both poverty alleviation programmes and with poverty research.

\textsuperscript{30} One state, Maharashtra, in the 1970s, introduced an Employment Guarantee Scheme in which profession tax paid in urban areas—Bombay—was set aside to provide employment to those who demanded it in rural areas.

\textsuperscript{31} R.K.Hazari’s report to the Planning Commission in the late 1960s was a precursor in this regard, showing how many of these policies were having adverse effects.

even today one fourth of the population is below a very low poverty line\textsuperscript{33}, such abdication is difficult. The state has to shoulder its responsibility towards the poor, but it can seek new ways of doing so. Decentralisation\textsuperscript{34}, brought in by two amendments to the Constitution, was one such new way. On this, more later.

3. Poverty Reduction Strategies

The 5\textsuperscript{th} Plan introduced a strategy of direct programmes to deal with poverty, without waiting for ‘a trickle down’ effect from growth. Growth\textsuperscript{35} was at best seen as a necessary, but not as a sufficient, condition for poverty alleviation\textsuperscript{36}. Ministries directly went into programme implementation. These can be classified as follows:

[1] Livelihood support programmes. These would try and provide useful skills, or assets for self-employment, or even wage employment.

[2] Subsidised schemes. These would make available essentials to the poor at low rates. Examples are the Public Distribution System for foodgrains—but which included items like kerosene and sugar—and subsidised rates or the supply of power etc to specified groups like farmers.

[3] Welfare schemes, like the Integrated Child Development Services, which were meant to provide some pre-primary education, nutrition and immunisation to the children of the poor and to pregnant women of these poor communities. The overall number of such schemes increased over the years. In any district, there could be several hundred schemes on paper, though in reality, about 20 would account for the bulk of the expenditure\textsuperscript{37}.

The typical design would be for the union ministry concerned to frame a scheme and fund it partially. Implementation would be the responsibility of the State governments. In order to streamline the flow of funds and ensure adherence to given guidelines, an administrative structure was created. A District Rural Development Agency was created with the district Collector/Deputy Commissioner as the head. The heads of different departments at the district level were members of the DRDA. Central funds would be released to the DRDA for the implementation of poverty alleviation programmes. Since

\textsuperscript{33} This is the most recent estimate from the Planning Commission—and a subject of considerable controversy among Indian economists.

\textsuperscript{34} Interestingly enough, although the decentralisation initiative came from the same government as the new economic policy, and shortly after it, it is not often discussed as part of the economic reforms programme, but is seen as something distinct.

\textsuperscript{35} India has not formally signed up to the MDGs; but it is committed to the goals of the 10h Five Year Plan, which are similar to the MDGs. For the global MDGs to be met, India has to make significant progress, given its size.

\textsuperscript{36} One can ask whether growth is even a ‘necessary’ condition for improvement in human development indicators, by citing the example of Kerala state in India, where there is economic stagnation, but human development indicators are excellent—and have improved over the last 20 years.

\textsuperscript{37} See A. Indira, An Analysis of District Level Budgets in Karnataka, Centre for Budget and Policy Studies, Bangalore 1997.
the Collector was a member of the Indian Administrative Service\textsuperscript{38}, under the control of the Government of India, and belonged to the state cadre, he was the link between the centre and the state at the bureaucratic level. All poverty alleviation programmes were implemented this way. See Figure 1.

Consider for example, TRYSEM—Training Rural Youth for Self Employment. If a lack of skills was the reason for young rural people not being able to work, this scheme was designed to train them in marketable skills—from tailoring to scooter maintenance, from encouraging pickle making to electrical repairs, from raising chickens to making furniture. Once trained, there was another scheme [Integrated Rural Development Programme or IRDP] in which the trainees could be given seed capital and expected to make a living in the local market. Within the scheme, priority was given to the scheduled castes. Later, guidelines were framed to include women specifically in these programmes. The Ministry of women and Child Welfare introduced a separate scheme called the Development of Women and Children in Rural Areas—DWCRA.

\begin{figure}
\centering
\includegraphics[width=\textwidth]{figure1.png}
\caption{Administrative System for Poverty Reduction Programmes}
\end{figure}

This type of civil service may be unique to India. It has constitutional status [Art 310]. It is a powerful arm of the Indian ‘state’.

\textsuperscript{38}
The Public Distribution System (PDS) is a national programme and all the state governments are implementing it. Based on experience, it has now been redesigned as the Targeted Public Distribution system. Food grains are provided at subsidized rates to ‘BPL’ families and at reasonable rates to ‘APL’ families. The Government of India provides food grains required for this purpose through the Food Corporation of India. Different types of ration cards - Green, Yellow, Saffron and so on - are given to the people by the government after identifying their economic status. The green cards are given to the BPL families and each one of these families is eligible for 20 Kilos of rice and 5 Kilos of wheat per month at a subsidised price. Families having an annual income not more than Rs. 6,400 in rural areas and families living in urban slums but having less than an annual income of Rs 11,850.00 are given the Green Card.

One of the most important poverty alleviation programmes in India has been the IRDP—the Integrated Rural Development Programme. Huge sums of money have been allocated to this programme. The idea is to identify the poor in the villages; and to help them to acquire assets by arranging a link to a local bank that would provide a loan at a subsidised rate of interest; and to provide a portion of the capital required as subsidy from the state government. In addition to the funds earmarked by the government, this bought in the banks that were to provide these low interest loans to the projects identified by the district administration. The idea is an interesting one, but evaluations have shown that there were many problems in the implementation of the IRDP. While the programme did have some positive points, there were so many defaults to the banks that the costs were clearly very high. This was because the appraisal of the schemes was cursory; there was much political pressure on banks to sanction these loans to persons recommended by politicians. It took many years for the banks to recover from the impact on their books of the IRDP defaults. A fortunate development for them was the decision of the government of India in 1991 to waive all loans up to Rs 10,000/-.

Such schemes were partly financed by the union ministry, to the extent of 2/3rds, often, and the balance was to be contributed by the state government concerned. The union government contribution had a grant component [30%] and a loan component [70%], which was to be repaid over a long term at prevailing rates of interest—which were around 11% recently. This led to a loan burden on the states’ finances.

Studies of the working of many of these schemes have shown that

39 “Below Poverty Line and “Above Poverty Line”—India’s poverty reduction strategy cannot do without acronyms and initials!

40 In some cases, of 4% per annum, when the interest rate on savings deposits was over 6%, and commercial rates were around 18%. This came under what is called ‘priority sector lending’.
They are rigidly designed. Although the ministry says it only issues guidelines for the implementation of these schemes, these guidelines become rigid rules in the hands of the bureaucracy that implements them. The result is a one-size-fits-all scheme that is really not suitable for any specific place in this diverse country.

There is much duplication across ministries—the same kind of work is done by several ministries, so that this multiplicity of schemes and guidelines caused much confusion. For example, those trained under the TRYSEM scheme of the Agriculture Ministry may not be those who got loans from the IRDP of the Rural Development Ministry.

There has been a poor record in the selection of beneficiaries of most of these programmes. There have been both types of error. Eligible people have not been chosen; and non-eligible—mostly the not-very-poor—people have benefited.

The funding pattern has led to states accepting schemes that were not the most important for them because they did not want to miss out on the grant component involved. This meant a distortion of state development priorities.

Repayments have become a serious problem for many states, further effecting finances in a negative way.

Even when a state has committed to implement a scheme, it has often not spent the money allocated. The system of funds flow has placed blocks in the implementation process.

States have taken the money and used it for other purposes. Some states used the money to pay salaries.

The record in India is not one of improvement commensurate with the funds spent or the efforts put in on poverty alleviation. The point is not that there has been no improvement; there has. It is that much more should have been achieved. Most studies argue that there has been a great deal of inefficiency and corruption in the implementation of these schemes.\(^{41}\) If the number below the poverty line, or other indicators like literacy, nutrition and the like are taken into account,\(^ {42}\) the need for a fresh approach becomes very clear. Who was poor, and how many poor people were there? Where were they? And so on—such questions have an immediate relevance.\(^ {43}\)

4. Decentralised Structures

Given the problems with poverty alleviation programmes discussed above, efforts have been made to improve efficiency of administration and service delivery. There has been much debate about the relations between the Union of India and the state governments—

\(^{41}\) See, for example, a Special number of the Economic and Political Weekly, in 1995, which brought together a set of state level studies on poverty alleviation in the country. The group was co-ordinated by V.S. Vyas.

\(^{42}\) Clearly brought out in the National Human Development Report, Planning Commission, New Delhi, 2002.

\(^{43}\) For a method of estimating poverty on the basis of price indices that takes care of issues of transparency, individuality of states and the link between consumption levels and prices of basic commodities, see Sharadini Rath, “Poverty by Prices”, Economic and Political Weekly, 4 October 2004.
with the stats arguing that there was overcentralisation. Given the vertically integrated manner in which these programmes were organised and implemented, a major problem was one of local relevance. What modifications were required when a particular scheme was implemented in an area where local conditions did not permit all the guidelines to be met? For example, there was a limit on how much could be spent on materials in the IRDP. In the soil conditions that exist in north Karnataka, it was impossible to get the kind of equipment needed for agricultural work and keep this ratio. Often the money went unused. A second point was the ‘participation’ of local people. Citizens had no role in the schemes; naturally they were alienated from the civil service that was treating them as ‘targets’ to be achieved. This issue of ‘people’s participation has been long recognised—and efforts to bring it have also regularly failed44.

In the 1980s, a new element came in, in the form of foreign [mainly European] donors, both to the government [as bilateral partners], and to NGOs. The share of such donors in the development expenditure in India is miniscule. Yet, in many ways, they have had a very real impact for it was here that experimentation and innovation was possible. For one, they brought into government an acceptance of the need to ensure ‘people’s participation’ and they brought in new fangled ideas of gender equity—the need to ensure that women had a say in matters that affected them. They prevailed upon the government to work with NGOs. In programme after programme, as a result of their ‘conditionalities’, NGOs were given roles in programmes—from training and capacity building to actual implementation. NGOs began to run schools and health centres, and these were often far better than those run by the government. The growth of civil society development organisations in all parts of the country is a direct result of the work of donors in India. In Karnataka there was a partnership between a donor [Swiss Development Co-operation] an NGO [Myrada] and the state government in experimenting in a watershed programme in Gulbarga that was quite novel in these ways.

This has had an interesting consequence in many states. Imitation, it is said, is the most sincere form of flattery. Government departments began to imitate the functioning of NGOs. In water supply schemes, government departments began to set up users associations. The Forest Department set up Joint Forest Management Committees in villages to protect forests. The state governments began to set up registered societies to implement schemes, rather then let the line departments with their set ways to implement them, as before. Thus, in Karnataka, the Education Department set up Mahila Samakhya for a women’s literacy programme, or the Society for District Primary Education to implement the District Primary Education Programme. When the Danes brought in money for a blindness control programme, a District Blindness Prevention Society was set up. This became a standard practice in most states.

In these societies, it became possible to seek the views of local people through local committees. Women were necessarily to be included in these management committees. These societies became the cutting edge of government departments—and their link with ordinary citizens. This was a distinct improvement over the earlier impersonal manner of working but evaluations have shown that it did not grow beyond a paternalistic

44 The Balwant Rai Mehta Committee raised these issues in the 1950s.
relationship between the state government and local people mediated through the society which a controlled by the local official.

At the same time, in some states—West Bengal, Karnataka, for example—the state governments took the initiative to pass laws creating subnational governments. In Karnataka and West Bengal, these were called panchayats, after the ancient Sanskrit word for traditional village governance. Elected local councils came into existence in rural areas, with responsibility for local governance. The Rajiv Gandhi Ministry in Delhi, in the 1980s, after a series of exercises, also decided that these bodies should have a constitutional status. Thus came the concept of local governance to India—three tier panchayats to rural areas as a result of the 73rd constitutional amendment, and municipalities in urban areas, as a result of the 74th constitutional amendment. To integrate plans of rural and urban areas, a District Planning Committee, consisting of elected representatives, has been brought into constitutional existence. Since these are democratically elected bodies with constitutional status, they are a new factor in the Indian governance schemes of things. They do not replace NGOs; rather, they are the local face of government. This is a major change whose implications are only now becoming understood.

This means that there are now two types of decentralised structures in India below the state [province] level.

--The first consists of civil society organisations, that flowered under the impetus given by donors in the 1980s, and which have considerable experience of working in the field of poverty alleviation, often as the local face for the state government with which they are in partnership.

--The second consists of the new local government, democratically elected, and with specific areas of responsibility—and the power to tax. But while they exist, their effectiveness leaves much to be desired. This takes us to the next section on challenges.

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45 Its effort to amend the constitution, however, fell through for lack of majority in the Upper House.
46 This paper has not addressed the urban sector in India. It may not be out of place to note in passing that things are probably much worse in the urban areas, where the elected bodies are weak, the civil servants are strong and organised, and where civil society often works with the civil servants to bring in ‘people’s participation’. One example is the work of Janaagraha in Bangalore to get people to participate in the Greater Bangalore Water Supply and Sanitation project now being implemented through para-statal agencies, not the local governments.
In this set up, there are any more agencies, some of which are democratically elected. Given the strong office of deputy commissioner, things still work through that office. Genuine decentralisation would mean changes in this set up that gives the democratically elected bodies more responsibility. This is discussed below.

5. The Challenge

One lesson that Indian experience teaches is that little changes with the mere passing of a law. Although local self governments—to use the constitutional term—have come into existence, the conditions in which they can work effectively do not exist. This may need some elaboration.

The tasks that these bodies—henceforth, PRIs—are to look after are not new tasks. Till now, there have been vertically integrated agencies that have been responsible for these tasks. For example, the Health Department has been running primary health centres; the Education Department has been running schools. Similarly, other departments have had
their local presence and function. They have staff posted in every district and village, and a well-established administrative machinery headed in the district by the Collector/Deputy Commissioner. They continue to work as before because the changes that brought in PRIs have not affected their functioning in any way. The district Collector still continues to be the first citizen of the district, even though today the elected President of the district panchayat holds elective, but decorative, office. The delegation of administrative powers gives the Collector—by whatever name called—the powers of the government. It is he who can declare a district ‘drought hit’, not the elected President. He reports to the state government, not the locally elected official. He is charged with responsibility for law and order and controls the police. His promotions and postings are decided at levels above the district. This line of authority has not changed in the least with the arrival on the scene of the PRIs. It is no wonder, then, that in Karnataka, local officials refer contemptuously to the elected members of PRIs as ‘non-officials’. The situation is not very different in other states.

There is opposition also from the NGO sector. As mentioned above, NGOs have been working in all parts of India for many years now. They have been running schools, hospitals, credit groups and much more. They have been innovative; what they have done today, governments have taken up tomorrow. They have brought in ‘people’s participation’. Many of them are large, with capable staff and good funding. The sector has a good track record. They have begun to see the PRIs as rivals who are taking up their space. They argue that the PRIs are ‘political’ and hence necessarily out of tune with the problems of the poor, who need the guidance of those whose only agenda is poverty alleviation, not political advancement. This group sees the NGO sector as the local state—or a substitute for the state, and the PRI as a ‘political’ interloper. That the PRI is democratically elected and representative, unlike the NGO, is neither here nor there.

In a sense, this is a turf war. Those who were responsible for local works, are loath to give up that power and responsibility—even if it is well known they handled the job badly. Given that these people are government officials, well entrenched in a powerful bureaucracy, and with links to state level ministers, it will not be easy to get them to move aside. The situation is complicated by the fact that members of the state legislature, who have been patrons of official favours till now, find the locally elected political office bearers a threat: on the basis of their work, they can challenge the incumbents in the next election. [This has indeed happened, with some of the incumbents losing!]. Thus, state

49 People’s participation is then implicitly pitted against representative democracy. This view can be seen in Amartya Sen and Jean Dreze, India: Development and Participation, Oxford University Press, New Delhi 2002. See my review of this book, in EPW, “Development and Participation: What is Missing?” 13, August 2002 for an elaboration of this point.
level legislators have no interest in the efficient functioning of PRIs—they would like to get credit for work done by showing they can do what the PRIs cannot. While the PRIs have electoral legitimacy, they have no effective power because they have no staff under their control to do the work that needs to be done. They have no control over the flow of funds that come down from above. They see no point in exercising their tax power in a situation in which they cannot implement their promises.

Meanwhile, the PRIs exist, and so do the older structures of administration in the form of line departments of the state government. Several rounds of elections have been completed since the law was passed. Women have gained political experience, and demands for powers to do what they are supposed to do are becoming clearly articulated. This too will have its impact over time. The role of line departments has yet to change, but such change is essential. It difficult to say at this time how this issue will be resolved.

How does India move from a two tier governance system of union government and state governments, to a multi-tier governance system mandated by the Constitution after the 73rd and 74th amendments? This transition is the challenge facing the country, and from more than just the concern with implementing poverty alleviation programmes though these must be among their most important concerns. Resolving this dilemma—and it is only now being recognised—will be important to the success of poverty alleviation objectives.

In the context of such a transition in decentralisation, which will necessarily be slow, and with its ups and downs, the next section discusses possible indicators of effective decentralisation and evolution.

6. Indicators of decentralisation

In India, elections to the decentralised structures have been regularly held as per law since the Constitutional amendment. Before that, it was not uncommon for the state government to supersede these ‘local’ bodies.

Regular holding of elections is an important indicator of the health of the system. Conversely, the postponing of elections, electoral irregularities, restrictions on standing for elections, are negative indicators.

There is an important point to note here. India has reserved [at least] one-third of all the seats in the local self governments for women. This is in line with India’s policy to use reservations to achieve social goals. There is much controversial about reservations—or quotas, as the Americans call them. Such reservations do put restrictions on the electoral process—men cannot stand for election in these ‘reserved’ seats. Most commentators in

51 The Abdul Nasir Sab State Institute of Rural Development in Mysore has been conducting satellite based capacity building programmes, and the issues that the participants—elected representatives—have been raising suggest that they will demand change in the system—ad they will not stop till they get it.
India, recognising the weaknesses in the system, still support these reservations. Their criticisms are on how they work\textsuperscript{52}; on the systemic obstacles women face. In India, this is not seen as a negative point, but others could have a different point of view. I leave it there.

But there are other restrictions. In India, the requirement [in some states] that those standing for elections to gram panchayats should [a] have less than 2 children [as in Rajasthan] or [b] have a toilet in their house [as in Karnataka] are all indicators of weaknesses in the system that need to be set right in the interests of universal suffrage\textsuperscript{53}. These may be laudable goals, but is this the right way to achieve them? This is different from the point above on reservations.

Whether an independent and impartial election mechanism exists would be another important indicator since free elections are fundamental to the functioning of democracy.

Research\textsuperscript{54} has shown the following dimensions to be critical in decentralisation in India:

1. Structure of Decentralisation, including levels, electoral requirements and staffing
2. Devolution of functions, responsibilities, services to be provided, planning
3. Devolution of finances, tax powers, sources of income, constraints on decision making
4. Operating Procedures, clarity on systems, monitoring and mid-course corrections
5. Accountability Mechanisms, internal audit, external audit, performance audit, action on audit reports
6. Information sharing, duties of officials, citizen charters circulated, right to information
7. Interface with citizens, feedback from citizens, awareness of ground reality

Each of these dimensions, with the related indicators, are discussed below.

1. Structure of Decentralisation, including levels, electoral requirements and staffing. This stems from the vision of the country on decentralisation. Is the local body to be an implementer of policies decided above? In what areas does it have some autonomy? Full autonomy? Is there consistency between the vision and the ground reality? What positions does the body have? Are people in position, or are there vacancies? Are the staff qualified?

\textit{Indicators would be:}--Does the body recruit its own staff, and enjoy control over them—such as decisions on pay increases, punishments? What is the percentage of

\textsuperscript{52} In Anupur district of Madhya Pradesh [carved out of Shadol district], all four of the constituencies for the zilla panchayat members are reserved for tribal persons. The President’s post, however, is for a person elected from an unreserved seat when there are none in the district. Who then can be President in this situation? The issue is pending in the courts.

\textsuperscript{53} Nirmala Buch, “Law of Two Child Norm in Panchayats: Implications, Consequences and Experiences”, \textit{Economic and Political Weekly}, June 11, 2005

\textsuperscript{54} In what follows, I draw upon “Strengthening PRIs in Andhra Pradesh” a Report submitted to the Centre for Good Governance, Hyderabad, by Centre for Budget and Policy Studies, Bangalore, forthcoming.
vacancies; how many of the staff have less than the required qualifications. Is there a training function for staff? These would indicate whether the body can fulfil its responsibilities.

In many states, the state governments have not let panchayats develop their own methods of working. Most states have legislated details—for example, how many sub-committees a gram panchayat should have. In Madhya Pradesh, power was shifted from the gram panchayat to the gram sabha; the gram sabha was to work through eight sub-committees; then this was changed to two sub-committees with the directly elected sarpanch not part of them. What should the term of the sarpanch be? In Karnataka, it was restricted to two years in the five year term of the panchayat. In Andhra Pradesh, there were two different gram sabhas—those of the gram panchayat and those of the janmabhoomi programme. In Uttar Pradesh, gram panchayats were told that they must use the grant given to them to build a panchayat bhavan to house their office, as it was important to have an office building.

All these instructions from above impinge on the functioning of a panchayat; all these not only open it to criticism that it is not following prescribed rules, they also prevent it from experimenting and coming up with its own procedures. Thus, the kind of rules legislated from above is very relevant to this discussion. But this is a matter of judgment in a specific context: it is difficult to think of this as an indicator except in the broadest sense.

At the first level, these indicators have a ‘yes’ or no’ answer. After that, it would have to be nuanced for each context carefully. That is beyond the scope of this paper.

What needs to be done if the indicators suggest shortcomings? This has to be dealt with by the political process. The demand for devolution from elected representatives is important here. In the absence of such a demand, it is not likely that decentralisation will be substantial.

2. Devolution of functions, responsibilities, services to be provided, planning. Is the devolution of responsibility according to the principle of subsidiarity: what can be done at a given level must be done at that level only. It should not go to a higher level. The appropriate indicator would be the percentage of decisions on devolved functions for which approval from above is needed. The higher this percentage, the lower the decentralisation. This should exclude policy matters. For example, who sanctions leave to the school teacher? The curriculum could be a higher level function. In an Emergency, can the PRI buy drugs without permission from above?

If there is a mismatch between responsibilities and resources of each level of panchayat in the three tier system, activity mapping exercises may be useful as correctives, as in Karnataka. It is important to get the design right, and this may happen by trial and error. What works in one state may not work in another. Indicators are not likely to be of much use if the design is not appropriate—in fact
they may even mislead the researcher. The design of decentralisation and the indicators that can be used are inextricably tied together.

3. Devolution of finances, tax powers, sources of income, constraints on decision making. How are decisions on, say property tax taken? Can the local body use money collected as it pleases—with a resolution of the elected chamber? What is the ratio of its ‘own’ resources to its total resources, including devolutions? Is this ratio rising over time? Is there a delay in its share of grants reaching the PRI? How much? On purely local matters—such as minor road repairs in its territory, can it act on its own initiative? Does it use its tax power? If a local body is not using its tax powers, does that probably indicates that there are problems of design to be dealt with?

In a situation of transition, as in India, this kind of decentralisation will come about as the result from a struggle by the local body. Whether it is prepared for such a struggle—or even to accept such responsibility—remains to be seen in each situation. There is need for caution.

4. Operating Procedures, clarity on systems, monitoring and mid-course corrections. Are there clear administrative procedures in place? Can the elected members call for a meeting? Has the society invested in decentralisation? Have locally elected representative been trained in procedures? Have the women members received any training? Does the local civil servant have to report progress, and take orders, from the local President? Do local civil servants attend public meetings like the gram sabha, ready to answer questions? Are accounts regularly maintained and audited? What happens to audit reports at the local level?

Sometimes, the language used in daily conversation gives a useful clue to the spirit behind the implementation of decentralisation. In Karnataka, the elected members of panchayats at any level are referred to as “non-officials”. It is non uncommon to hear officials complain about the ‘interference’ of these “non-officials” as they perform their duties. This language immediately takes away legitimacy from those to whom it is applied—the fact that they are elected representatives of the people is put in the background, making it possible to speak of their interest in local issues as ‘interference’—and therefore somehow illegitimate! Those using this language may not be conscious of the message they are giving out, because in their world view it is correct. How this is to be dealt with is not obvious, but that it points to a basic problem of attitudes that must be changed is clear.

5. Accountability Mechanisms, internal audit, external audit, performance audit, action on audit reports. Is there any internal audit? Does annual audit take place within three months of the end of the financial year? Is the audit report placed in the elected council? What action is taken when major fraud is exposed? Can the council demand action from above? And get it in reasonable time? Do higher level bodies use the audit reports in any way?
6. Information sharing, duties of officials, citizen charters circulated, right to information. In India, basic information on allocations for schemes is to be painned on the wall of the local office building. Is information painted on the wall? Is such information up to date? Are there any notice boards? Have citizen charters been prepared and circulated? How is a citizen who demands a service within the parameters of the citizen charter treated? Is there an appeal process? Is there a list of the information that is available in that office? Are specified forms under the right to information easily available? Are requests for information met within the parameters of the law? If no, then what remedy exists for a citizen?

7. Interface with citizens, feedback from citizens, awareness of ground reality. Do elected representatives regularly meet with their constituents? Is there an open hour when anyone can meet officials? And is it honoured? When citizens complain about some thing going wrong, how do officials, and elected representatives, deal with them? Can an answer be expected within a fixed time frame? Are programmes revised in the light of citizen feedback?

It is also pertinent to note that often the information needed to use such indicators is not readily available. It will have to be carefully collected, and that is not an easy task. Even when laws on the Right to Information are passed, there are often obstacles to acquiring the needed information.55

It would be interesting to explore the possibility of developing an index of decentralisation using the indictors discussed in this paper. It may be premature at this stage, but with more work, it

What then would an ideal system look like in India? The figure below presents one such ideal, based on the discussion above. It is one in which the union government concentrates on its constitutional responsibilities; the state governments see their role in policy making, resource provision and co-ordination, while the local governments are responsible for all issues of local governance—drinking water, village roads, child care, public health and so on.

7. Conclusion

The discussion of indicators above is tentative. These indicators have been chosen from among the suggestions made by many working in this field. But unless they are used and applied in many different contexts, within India itself, they will remain somewhat abstract. Insisting upon the use of such indicators, collecting the information required, and then refining the indicators, is an important next step in the in the evolution of decentralisation in India. And, needless to say, that is only a step in poverty reduction.

The process of overcoming constraints in implementing Poverty Reduction Strategies through Decentralized Structures will be a slow one. By decentralised structures, in this paper, we have meant democratically elected local governments, not NGOs.

India has chosen democracy, and the system works well at the national and state levels. Civil servants have no problem in accepting the authority that an elected minister enjoys. Whether or not a minister is educated or not has no relevance when it comes to his authority in making policy. But in India, this is not the case when it comes to locally

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56 Why should a highly educated doctor report to an uneducated, dalit [scheduled caste] woman who happens [because of the system of reservations] to be a sarpanch [president] in a village? This is a
elected representatives who are dismissed as ‘non officials’, ‘corrupt’ or even ‘political’! There is a more basic problem here. The opposition to decentralisation lies not in decentralisation, but in the distribution of power in the political and bureaucratic system.

The constraints have only now begun to be understood, and that is the first step to overcoming them. But by a strict insistence on implementing the law, by building capacity of elected representatives, by partnering civil society organisations that distinguish between governance and other roles, it will gradually become a reality. The problems that face India are too big; the time available is too short for any other solution. Having chosen democracy, India has no option but to deepen it in the course of reducing poverty amongst its people. And that deepening of democracy requires decentralisation and devolution.

question that is often asked rhetorically, as if it will end the debate. Teachers, and health workers have protested against rules that made them accountable [in an administrative sense] to local governments.
DECENTRALIZED GOVERNANCE AND FOOD SECURITY
Perceptions from Rural Local Governments and Communities in Bulacan Province, the Philippines

Josefa S. Edralin and Cristino M. Collado

INTRODUCTION

More than a decade ago, the Philippines made headlines on the adoption of the Local Government Code of 1991. Such legislation has placed substantial decisions in the hands of local government units (LGUs), including budget and human resources. Devolution has affected five national government departments, namely, the Departments of Agriculture, Environment and Natural Resources, Health, Public Works and Highways, and Social Welfare and Development.1/

In the Department of Agriculture, authority and responsibility for agricultural extension and research has been devolved to LGUs, comprising provinces, cities, municipalities, and barangays (the lowest unit of government). This was a major shift from a centralized system premised on macro policy-based command and control principles.

Devolution entailed added responsibility for financial and personnel management by LGUs. Until now, however, many LGUs have had no funds to administer, except their shares from the internal revenue allotments (IRAs)2/ and their income from local taxes and fees. They remain heavily dependent on the national government for recurrent and capital or investment expenditures. The Department of Finance records show that the national government still spends a considerable portion of its budget to finance the devolved functions.3/ In 2003, for example, the IRA allotted to LGUs increased to P141 billion from P134.4 billion in 2002. However, LGUs also have had problems in actually getting the budgeted funds released from the national government. This made expenditure planning by LGUs extremely difficult.

The transformation of LGUs to decentralized, participatory governance was a difficult task. LGUs accustomed to highly centralized government and administration found it difficult to deal with such decentralized governance concepts as empowerment, participation, equity, accountability, responsiveness, and efficient and effective management of resources. Many were unprepared for their new roles.4/ While richer LGUs were able to deliver effective, efficient, and sustainable services and practice fiscal discipline, the poorer ones lagged behind. Many LGUs had no experience in decentralized governance and lacked capacity for facilitating development at the local level. Communities had little or no opportunity to be involved directly with the LGUs. As a result, development administration was very weak at the local level, reflecting low planning and implementation skills, lack of budgetary resources, lack of community participation, and poor quality of infrastructure, services, and facilities.
To date, there is little documented experience on how LGUs are implementing agricultural extension and food security programmes. The effects of such poorly managed programmes are observed to be especially acute. From the viewpoint of a nongovernmental organization (NGO), devolution of the agricultural extension function to LGUs has been ineffective because they lacked the capacity to provide the needed support services such as credit and technical assistance.5/

With the aim of helping move decentralization from rhetoric to empirical reality, the authors conducted a small study of Bulacan Province and its selected municipalities and rural communities to assess whether the devolution process has helped improve the food security situation in the province. The results of the study are documented in this paper, emphasizing the strong points and positive outcomes of devolution from the perspective of the LGUs and their rural communities.

**Food Security Framework**

Many organizations (e.g., the World Bank, the Food and Agriculture Organization of the United Nations, the World Food Programme, and Save the Children) have contributed to understanding the concept of food security in developing countries. The World Bank defines food security as “access by all people at all times to enough food for an active and healthy life”.6/ This means that households and individuals must have available food, access to food, and the ability to fully utilize food once it is available and accessible.

This paper adopts the World Bank definition and uses the following indicators to measure the different facets of food security:7/

- Food availability -- sufficient physical supplies of food;
- Food access – economic and physical access by all households and individuals to those food supplies either through market systems or other sources; and
- Food utilization -- proper biological use of those food supplies by households and individuals to meet their dietary and food needs.

The above indicators relate to food production, food distribution, and food consumption, respectively. More than these factors, food security requires decentralized governance as well as proper interventions to guarantee the sustainability of food production, distribution, and consumption. On the other hand, decentralized governance requires a strong, stable local government that will enhance and protect food security at the local level.8/ A sustainable food system will help to satisfy basic human needs9/ while decentralized governance will encourage local initiative. Food security will be lasting only if all these factors are applied.

This paper examined the performance of these indicators in Bulacan Province to determine whether its rural communities are food secure.
FOOD SECURITY ISSUES AT THE NATIONAL LEVEL

Causes of Food Insecurity

Fast-paced population growth, poverty, and slow economic growth represent some of the underlying causes of food insecurity in the Philippines. These issues are major stumbling blocks in efforts to increase food security in the country.

1. Rapid population growth

The Philippines is experiencing rapid population growth. By the National Statistical Coordination Board (NSCB) projection, the population will increase to 85.2 million this year (2005), from 82.3 million in 2003 and 76.5 million in 2000. The rate of natural increase (birth rate minus death rate) is 2.36 per cent.

High population growth threatens food security, and the status quo is not acceptable, according to Balisacan. Arresting the rapid growth of the population could very well address food security concerns, he concludes.

2. Poverty

According to the World Bank’s World Development Report, 1990, the country’s high population growth rate is a major cause of widespread poverty, particularly in the rural areas where three-quarters of the poor live.

While the country’s population is steadily rising, more people are falling into the poverty trap. Since 1985, Philippine economic growth has had only a slight effect in reducing poverty levels while the absolute number of poor keeps increasing, according to a report by the Asian Development Bank (ADB). The proportion of families living in poverty fell from 44.2 per cent in 1985 to 31.8 per cent in 1997 but had since risen to 33.7 per cent in 2000, the ADB report said.

Indeed, the economic and social reforms introduced by the past and present government administrations hardly eased poverty. In 2000, 20.9 per cent of the population (or 16.7 per cent of total families) were core poor (i.e., food poor or lived below subsistence), according to the 2003 Philippine Progress Report on the Millennium Development Goals (MDGs). In 2001, around 38 per cent of the population were considered to be living below the poverty line; in 2003, the figure went up to 40 per cent, according to the Philippine Population Commission. The target under the Medium-Term Philippine Development Plan, 2005-2010 is to cut by half the current 38 per cent poverty incidence within the next six years.

Also in 2000, the NSCB estimates that approximately one-third of the population lacked the amount required annually (about US$275) to satisfy food and non-food basic needs. Poverty is highest in the agriculture sector, according to the Philippines Poverty Assessment Report. Agriculture-dependent households account for over two-
thirds of the poor (representing about 30.8 million poor people or 5.1 million poor families in 2000), according to the same report.\textsuperscript{19/} Between 1985 and 2000, poverty incidence among farm households remained at more than 50 per cent or more than half of the total families whose heads were farmers without sufficient income to meet their basic needs.\textsuperscript{20/}

Inequalities in income divide Philippine society. The disparity between the richest and the poorest households is very wide.\textsuperscript{21/} For example, in 2004 the median household income was approximately U$$1,836, which is forecast to rise by an average of 6.7 per cent a year. In 2003, the richest 20 per cent of the population had an income 9.7 times that of the poorest 20 per cent, and the richest 10 per cent captured 36.3 per cent of household income.

However, the most notable gap is the poverty incidence across regions – in 2000 the highest was in the Autonomous Region in Muslim Mindanao (ARMM) (66 per cent) and the lowest was in the National Capital Region (8.7 per cent).\textsuperscript{22/}

3. Slow economic growth

Poverty and rapid population growth are in turn linked to the country’s economy. The \textit{Asian Development Outlook 2004} projected Philippine economic growth in the range of 4.5 per cent to 5.5 per cent in both 2004 and 2005, compared with 4.5 per cent in 2003.\textsuperscript{23/} Agricultural growth was expected to accelerate from 3.1 per cent in 2001 to between 3.7 per cent and 4.7 per cent in 2004 and 2005. But the ADB report warned that unless major economic and political reforms are accomplished, it will be extremely difficult for the country to lift its potential growth rate. For the country to take a more rapid growth path, the ADB report said the government must address the heavy budget deficit and consequent debt problem, poor investment climate, lack of capacity to generate employment, and a high rate of population increase.

The country experienced both good and bad growth periods in its economic history.\textsuperscript{24/} The good years were 1986-89 (the early years of the Aquino administration), and 1993-97 (part of the Ramos administration and the Asian financial crisis). The bad years were 1990-92 (the 1 December 1989 coup, the power crisis, political destabilization moves, and lack of international business confidence in the political leadership) and 1998-2000 (the reported scandals and subsequent impeachment of Estrada).

Besides population growth, poverty, and slow economic growth, weak macroeconomic management, employment problems, an unfinished land reform programme, issues over corruption, a weak state, and security problems are blamed for the food security problems in the country.
**Food Security Situation at the National Level**

In the Philippines, food security is sometimes referred to “food self-sufficiency”. Self-sufficiency in rice and white corn was mandated in the *Agriculture and Fisheries Modernization Act of 1997*. Rice is both a staple food and an economic and political commodity. About 3 million small farmers depend on rice farming as their source of livelihood.

Achieving self-sufficiency in rice has been the elusive goal of past and present government administrations, beginning with Marcos’ *Masagana ’99*, and followed by Aquino’s Rice Productivity Enhancement Programme, Ramos’ Grains Productivity Enhancement Programme, Estrada’s *Agriculturang Makamasa* (Agriculture for the Masses), and Arroyo’s P20-billion-a-year Agricultural Modernization Programme for which she was awarded the FAO Ceres Award.

1. **Food availability**

Is there enough food for all in the country? The Philippines has been classified by the Food and Agriculture Organization of the United Nations (FAO) as a low-income and food-deficit country. Agriculture suffers from low and declining productivity, and is incapable of supplying the food needs of the population, according to the Philippine Legislators’ Committee on Population and Development Foundation. The Committee notes that total agricultural output as measured by real gross value added (GVA) has minimally increased. For example, from 1995-2000 the average growth rate of agricultural GVA was only 1.38 per cent, which is lower than the average rate of 1.62 per cent during 1991-94. This reflects a declining agricultural output. In 2002, the agricultural sector only slightly grew by 3.69 per cent in GVA compared to the 2000 output of 3.52 per cent.

In particular, rice and corn which accounts for 50 per cent to 60 per cent of agricultural GVA has performed poorly. While rice production increased in the early 1990s it suffered significant declines in 1997-98. This is true for corn production which posted negative growth rates from 1995 to 2000.

Nonetheless, in its January-December 2004 performance report the Bureau of Agricultural Statistics claims that agricultural output expanded by 5.06 per cent in 2004, from 3.8 per cent in 2002 and 2003.

By contrast, the 1998-2000 *Food Balance Sheets of the Philippines* indicate that per capita food supply in 2000 was more than adequate to satisfy daily per capita consumption, says Florencio. She estimates that the per capita daily food supply was 1127 g and the per capita daily recommended food intake was 1031 g, indicating a 109 per cent food supply to recommended adequacy level. Based on the 1993 National Nutrition Survey, Florencio estimates that the per capita daily energy supply was 2445
kcal and the per capita energy consumption was 1684 kcal, giving a supply to consumption adequacy level of 145 per cent.

Based on Florencio’s estimates, it can be said that food is readily available, although opportunities to buy food are often constrained by the lack of income to buy food.

2. Food access

Based on a 2000 study by United Nations Economic and Social Commission for Asia and the Pacific (UNESCAP), the Economist Intelligence Unit (EIU) indicates that the daily calorie consumption per head is low in the Philippines, at 2,408.28/ Philippine consumption of fish and fruit is ranked high (ninth in the world), consumption of vegetables is middling, and consumption of meat is low. This reflects the availability of domestically produced food, according to the EIU.29/ Furthermore, EIU claims that food imports accounted for only around 5-6 per cent of total imports in 2004.

Nonetheless, since the Government of the Philippines ratified the General Agreement on Tariffs and Trade (GATT)-Uruguay Round and became a member of the World Trade Organization (WTO) in 1995, it has been observed that the volume of imported agricultural products, including rice, increased as a result of liberalized trade policies.30/ However, critics argue that increased imports in agricultural products caused undue competition with local production, dislocating the farmers who rely on agriculture for their livelihood.

Relative to the rice-producing ASEAN countries (e.g., Indonesia and Viet Nam), the Philippines has been left behind in terms of productivity growth. For example, in 2001 rice yield in the Philippines was 3.19 mt/ha, as against 4.25 mt/ha in Indonesia and 4.26 mt/ha in Viet Nam.31/

This year, the National Food Authority (NFA) announced that it will import 400,000 mt of rice from nine Vietnamese firms and two Thai firms.32/ The imports are intended to boost the country’s rice stocks in anticipation of a possible drop in crop production because of the El Nino phenomenon.

Since 1983, it has been observed that the domestic wholesale prices of rice in the Philippines have been higher than international prices.33/ This is because domestic rice producers continue to receive government protection.

The food industry is one of the biggest industries in the country, with agriculture accounting for 14.8 per cent of GDP in 2003.34/ Although agriculture employs a large proportion of the population (approximately one-third of the labour force in 2003), the Philippines continues to import food products.

Expenditure on food as a percentage of household spending is estimated to have declined marginally to 39.6 per cent in 2003 from 40.2 per cent in 1998.35/
3. Food consumption

The Philippines is not on target in meeting the United Nations Millennium Development Goal (MDG) of reducing the proportion of malnourished people by 50 per cent by 2015, either from the 1990 or 1996 levels of protein-energy malnutrition. According to the 2003 Philippine Progress Report on the Millennium Development Goals, the government target under its Medium-Term Philippine Development Plan, 2001-2004 was to reduce the prevalence of underweight children aged 0-5 years old (Philippine Reference Standards) to 7.4 per cent by 2004.36 Malnutrition is still a major threat to the Filipino child’s survival even as the prevalence of underweight preschool children has improved, the report said.

In 1989-90, the starting point used to measure progress against the target, and the year the First National Nutrition Survey was conducted by the Food and Nutrition Research Institute, Department of Science and Technology (FNRI-DOST), the Philippine Progress Report on the MDGs notes that the prevalence of underweight preschool children 0-5 years old decreased from 34.5 per cent to 30.8 per cent in 1996, then increased to 32 per cent in 1998 and decreased to 30.6 per cent in 2001.

In order to halve the 1990 proportion of underweight preschool children, the average annual rate experienced during the decade should be trebled, Florencio argues. She says, “If it is ‘business as usual’, the goal may be reached only in 2040.”37 For underweight young schoolchildren (6-19 years of age), Florencio notes that the annual reduction rate will have to be ten times the average annual rate (from 34.2 per cent in 1989-90 to 32.9 per cent in 2001). “If the usual rate continues, it may take more than 100 years for the goal to be met.”38

Government figures from the Sixth National Nutrition Survey claim a further decline in the percentage of underweight preschool children to 27.6 per cent in 2003.39 While noting that there have been slight improvements in the nutritional status of children, the survey results show that the number of afflicted children is still enormous.

Regional disparities in the nutritional status of children remain wide, from a low of 20.3 per cent in the National Capital Region to 37.8 per cent in the Bicol Region, according to the Philippine Progress Report on the MDGs.

Again, the Sixth National Nutrition Survey shows that 3.4 million primary school-age children were underweight or stunted (41 out of every 100 boys compared to 32 out of every 100 girls), a condition indicative of prolonged deprivation of food. As cited in the Philippine Progress Report on the MDGs, figures on stunted growth decreased from 40 per cent in 1989-90 to 34.5 per cent in 1996, and remained at 34 per cent until 1998.

Concerns remain about the country’s dismal performance in increasing food consumption. According to the Philippine Progress Report on the MDGs, the trends in
food consumption indicate a general decrease in the intake of various foods, particularly rice, fish, and meat. The report indicates that the mean one-day per capita food consumption decreased from 869 grams in 1987 to 803 grams in 1993, and the mean one-day per capita energy intake decreased from 1,753 kilocalories to 1,684 kilocalories in the same period. Energy, iron, calcium, and ascorbic acid intakes also significantly decreased between 1987 and 1993. As cited in the report, most of the food groups showed lower consumption levels. These negative trends indicate that the vitamin and mineral intakes of Filipinos are very inadequate.

Policy Interventions for Food Security

Various policy interventions have been initiated by past and present government administrations to improve agriculture and food security. The LGUs are key partners of the national government in implementing the policies, plans, and programmes. A Cabinet-level Executive Committee on Food Security was established in 1996 to implement the Rome Declaration and Plan of Action on Food Security.40/

The policy and programme interventions include the following:

- The Agriculture and Fisheries Modernization Act (AFMA) of 1997, which provides for the development of agricultural support services such as irrigation, training, and credit; increasing the efficiency and effectiveness of key sectoral interventions; encouraging private sector investments; and modernizing technology extension system.

- The Department of Agriculture’s (DA) Philippine Food Security Plan, with an eight-point programme – providing food for every family; improved income through improved farm production; improved food safety; empowering farmers and fisherfolk; the full implementation of the Agriculture and Fisheries Modernization Act; a focus on the southern region of Mindanao; expansion of credit facilities; and the creation of jobs to help ease unemployment.

- The DA’s Gintong Ani (Golden Harvest) Programme, with four banner sub-programmes – Grains, Fisheries, Commercial Crops, and Livestock.

- The Social Reform and Poverty Alleviation Act of 1997, with “flagship” programmes targeted to disadvantaged groups (farmers, landless rural workers, fisherfolk, indigenous peoples, informal sector workers, and the urban poor).41/

- The Nutrition Act of the Philippines, which declared nutrition a priority of the government.

- The sixth Philippine Food and Nutrition Plan, 1999-2004, otherwise called the Philippine Plan of Action for Nutrition (PPAN), which was formulated in
consonance with the *Medium-Term Philippine Development Plan, 1999-2004* (which allocated resources for agricultural production and rural development). The PPAN was designed to improve food security in the home, community, and the nation through a two-pronged strategy – Food Security; and Prevention, Control, and Elimination of Micronutrient Malnutrition.42/

- A draft Philippine Plan of Action for Nutrition, 2005-2010 was recently unveiled, with the following guiding principles -- “Food is key to survival and critical for physical and mental development”; “Good nutrition is the right of every Filipino”; and Good nutrition is “sound investment”.43/

Monitoring systems were established including the following:

- National nutrition surveys conducted every five years and updates issued by the FNRI-DOST.

- The Food Insecurity and Vulnerability Information and Mapping Systems (FIVIMS), established by the National Nutrition Council (an agency attached to the DA) to monitor food insecurity and vulnerability at the national level.44/

Recent assessments show the inadequacies of some of the policy interventions. With respect to the agriculture, Bello says:

Agricultural policy for the Philippines is in crisis. The various parts of such a policy – trade, agrarian reform, technological upgrading, and food security – are very loosely articulated with one another. How in so far as one can say that there is a common thread running through these different components, it is of relying on market forces as much as possible—that is, ‘reforming’ Philippine agriculture through accelerated deregulation and liberalization, though this process must be tempered by pragmatic political considerations.45/

In a paper by Lara, he confirms that earlier calls for synergy in policy reform and implementation have not been accomplished.46/ This indicates the state’s abdication of its role in fostering markets, he says.

A policy advocacy paper by the Integrated Rural Development Foundation of the Philippines points out that “the Philippines’ food security situation is at its worst” because laws that give support to rice farmers and poor consumers were repealed.47/ This included the 1995 Magna Carta for Small Farmers (which provided quantitative import restrictions on sensitive products) and the *Seed Act* (which banned importation of seeds). Furthermore, the Foundation noted that the *Agriculture and Fisheries Modernization Act*, which was supposed to be the main vehicle for making the agricultural sector globally competitive, lacked budgetary support.
In fact, the DA’s budget suffered significant declines from 3.99 per cent of the total national government budget in 1996 to 2.29 per cent in 2000. The DA’s budget was cut from P19.9 billion in 2002 to P16.5 billion in 2003. A further evidence of declining government support for agricultural development is the 2005 budget which did not include the DA in the top-ten priority departments designated to receive higher allotments from the national government.

In reviewing the performance of the nutrition interventions, Florencio observed that the PPAN 1999-2004 was very much like the 1993-98 version which achieved less than half of the interventions; and that the results of the 1993 and 1998 national nutrition surveys of the FNRI-DOST did not support the government’s claim that there had been improvements in the nutritional status of Filipinos.

IMPLEMENTING DECENTRALIZED GOVERNANCE AND FOOD SECURITY: FOCUS ON BULACAN PROVINCE

Bulacan Province’s vision is “to have a province that is progressive, peaceful, and self-reliant where its people are living models of its historical heritage and cultural excellence with strong middle class as the core of the citizenry with equal access to opportunities and services. Towards this end, the province is committed to pursue good and responsive governance, sustainable economic growth, protection and management of the environment, and community safety.”

In 2001, the Provincial Government launched its Five-Point Development Agenda consisting of Sustainable Economic Development; Peace and Order; Youth, Culture, and Historical Development; Effective Delivery of Health Services; and Reforms in Government Bureaucracy.

The provincial economy has undergone a dynamic transformation, from agriculture and farming-based activities to manufacturing and entrepreneurial activities. The municipalities in the province were instrumental in attracting business investments in their localities. In 2001, some 2,598 business and commercial enterprises and 282 main offices and branches of major Manila-based commercial banks and province-based rural banks were established in the different municipalities. Based on figures compiled by the Provincial Planning and Development Office (PPDO), the total investments generated amounted to P4.695 billion resulting in job openings for 31,300 people.

This growth has resulted in better-than-average employment rate in Bulacan. In 2002, Bulacan registered an employment rate of 91.8 per cent, compared to 90.1 per cent in 1998. In the same year, Region III (comprising six provinces of Central Luzon, including Bulacan) had an employment rate of 89.2 per cent while the whole country had 89.8 per cent.
The average annual income of Bulacan families also increased, from P95,000 in 1991 to P142,082 in 1997, and then to P183,495 in 2000, according to PPDO data obtained from the Regional Office of the Department of Labor and Employment.

The favourable employment rate, coupled with adequate income opportunities, had brought down the poverty incidence in the province. According to the provincial data available, the poverty index was significantly reduced from 17.3 per cent in 1994 to 8.3 per cent in 1997, and then to 5.4 per cent in 2000. On the other hand, the human development index (HDI) increased from 0.727 in 1994 to 0.760 in 2000.

The good revenue contributed by the various forms of taxes enabled the province to pursue its development goals. In 2001, for example, the provincial share from the real property taxes collected from the various municipalities amounted to P609.98 million. This brought the total income of the province to P1,697.83 million (including loans from NGOs and government-controlled corporations, grants and donations, trust funds, and appropriations from the national government). Meanwhile, Bulacan’s share from the IRA increased to P578 million in 2001, from P513 million in 1999.

According to the Bulacan Provincial Police Office, there are no reasons for businesses and people to be concerned about peace and order conditions in the province. In 2001, for example, of the 1,771 crimes of various categories reported, 1,601 were resolved, giving the police a capability rating of 90.4 per cent.

The province is located north of Metro Manila (a 45-minute ride from the metropolis) and serves as the main gateway to all the regions and provinces in the central and northern parts of Central Luzon. Comprised of twenty-three towns and two cities, and divided into four political districts, it has a total land area of 262,500 ha. Based on the last Philippine census, its population in 2000 was 2,234,088, which translated to a population density of 851 people per km². The NSCB projected that the population would increase to 2,250,620 by 2005.

**FINDINGS FROM THE BULACAN FIELD SURVEY**

To gauge the performance of the farming sector and solicit feedbacks on how the LGUs had contributed in their pursuit for a better economic situation, a field survey was conducted in February/March 2005. Chosen in a random manner were ninety-six farmers and ninety-six rural housewives picked out from twenty-four barangays in eight municipalities.

The municipalities of Calumpit, Pulilan, Baliuag, Bustos, Plaridel, San Rafael, San Ildefonso, and San Miguel were chosen as interview sites on account of their vast agricultural production areas and the large concentration of farming families in their villages.
Perceptions on Decentralization

1. How Agricultural Officers Viewed Decentralization

The authors solicited the ideas and views of eight agricultural officers working at the municipal level. Almost all of them agreed that decentralization had made positive impacts, directly or indirectly, on agriculture-related programmes, including food production. They cited, in particular, the relatively shorter interval between planning and implementation of action programmes. They said this was because local executives were more accessible and thus the flow of authority was faster and more direct.

Before the devolution of governance, food production programmes emanated almost totally from the central offices of the DA and flowed downward to the municipal level through a circuitous route. Also, prior to the granting of local autonomy, agricultural development programmes were regional in scope and did not focus on specific issues and concerns peculiar to a province, a municipality, or a barangay.

The survey heightened the agricultural officers’ awareness about the advantages of decentralization (see table 1). Their perceptions were that programmes were more focused (88 per cent of respondents); the flow of authority was more direct (88 per cent); monitoring was faster and feedback mechanism was easier to validate (76 per cent); decisions were faster; and sense of accountability was stronger (38 per cent).

At the same time, the survey stimulated the agricultural officers’ awareness and concern about the disadvantages of decentralization (see also table 1). According to the respondents, funding was not enough (100 per cent of respondents); salary was dependent and based on classification of municipality, thus was below national level (100 per cent); programmes were susceptible to political interference (76 per cent); and programme continuity was linked to reelection of incumbent political leaders (50 per cent).

### TABLE 1. AGRICULTURAL OFFICERS’ VIEW OF DECENTRALIZATION

<table>
<thead>
<tr>
<th>Advantages of Decentralization</th>
<th>Percentage</th>
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<tbody>
<tr>
<td>Programmes were more focused</td>
<td>88</td>
</tr>
<tr>
<td>Flow of authority was more direct</td>
<td>88</td>
</tr>
<tr>
<td>Monitoring was faster and feedback mechanism was easier to validate</td>
<td>76</td>
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<tr>
<td></td>
<td>Percentages</td>
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<td>--------------------------------</td>
<td>-------------</td>
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<tr>
<td>Decisions were faster</td>
<td>50</td>
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<tr>
<td>Sense of accountability was</td>
<td>38</td>
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<tr>
<td>stronger</td>
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**Disadvantages of Decentralization**

<table>
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<th></th>
<th>Percentages</th>
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<tbody>
<tr>
<td>Funding was not enough</td>
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</tr>
<tr>
<td>Salary was dependent and based</td>
<td>100</td>
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<tr>
<td>on class of municipality</td>
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<td>Programmes were susceptible to</td>
<td>76</td>
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<tr>
<td>political interference</td>
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<tr>
<td>Programme continuity was linked</td>
<td>50</td>
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<tr>
<td>to reelection of incumbent</td>
<td></td>
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<tr>
<td>politicians</td>
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Note: Due to multiple answers, the percentage total does not come up to 100.

The above comments by the agricultural officers suggest that agriculture and related food production programmes were among the biggest casualties of decentralization. The agricultural officers themselves were victims. Some of them had to suffer diminution in their salaries. From the payroll of the national government, they were moved to the roster of LGUs whose ability to pay their employees was contingent on their income level. Thus, those who found themselves devolved to 4th or 5th class municipalities found their salary rate way below the national average salaries of civil service employees whose offices were not decentralized.

The effect of this disparity in salary rate was the dip in the morale of the affected employees. Their enthusiasm diminished. A good number of them failed to provide extension services to far-flung farming areas. Because of the precarious budgetary state of the poorer municipalities where they were assigned, their travel and field expenses could not be reimbursed expeditiously. In the process and down the road, the efficacy of these disadvantaged agricultural workers was compromised.

The agricultural officers’ concern about political interference appear to translate into the susceptibility of agriculture-related initiatives and food production campaigns to the vagaries of politics. Some local executives, particularly those slated for reelection, tended to pander to the requests of local political leaders even if doing so would derail some of the agreed development projects. A worse case scenario could emerge where the incumbent local executive ends his term after holding office for three consecutive terms (or after nine successive years) or fails in his/her reelection bid. This is particularly true if the succeeding governor or mayor is from the opposite political camp. Some of the ongoing programmes may be unjustly modified at best, or totally scrapped at worst.
2. How Farmers Perceived Decentralized Governance

A high number of Bulacan farmers were aware of the work of LGUs and were appreciative of those initiatives that positively affected them. As shown in table 2, nine out of ten farmers recognized that LGUs had contributed to the improvement of law and order in the community. About 80 per cent of the farmers appreciated the technical seminars and training on cooperatives and crop and livestock production organized and coordinated by the provincial and municipal agricultural officers.

<table>
<thead>
<tr>
<th>Found LGU helpful, one way or another</th>
<th>Percentage</th>
</tr>
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<tbody>
<tr>
<td>Yes</td>
<td>79</td>
</tr>
<tr>
<td>No</td>
<td>21</td>
</tr>
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</table>

<table>
<thead>
<tr>
<th>Those who were helped, and kind of assistance received</th>
<th>Percentage</th>
</tr>
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<tbody>
<tr>
<td>Peace and order</td>
<td>89</td>
</tr>
<tr>
<td>Technical seminars</td>
<td>82</td>
</tr>
<tr>
<td>Training on cooperatives</td>
<td>77</td>
</tr>
<tr>
<td>Communal irrigation</td>
<td>70</td>
</tr>
<tr>
<td>Pest and disease control</td>
<td>51</td>
</tr>
<tr>
<td>Improved seeds distribution</td>
<td>28</td>
</tr>
<tr>
<td>Micro-credit seminars</td>
<td>25</td>
</tr>
</tbody>
</table>

Note: Multiple answers.

A specific case cited frequently during the interviews was the significant role the LGU played in the control of foot-and-mouth disease that broke out not many years ago. The disease struck fear in the heart of many farmers because aside from swine, it could also affect buffaloes which were most essential in their farming. Some farmers mentioned that they heard of their municipal councils having passed ordinances banning the inter-municipality movement of diseased animals.

During the dry cropping season, supply of irrigation water usually dwindles. It becomes problematic for those farmers whose farms are situated at the far end of the irrigation canals. Since communal irrigation flows by gravity, there could be times when water, which was released from dams in allocated quantity, would no longer be sufficient by the time it reaches the areas peripheral to the canal network. Related to this, 70 per cent of the farmers found the local executives, particularly the mayors, quite helpful in
intervening on their behalf to negotiate with the National Irrigation Administration personnel to increase the water allocation in their areas.

LGUs are also the designated conduits whenever the national government disseminates new rice or crop varieties for distribution. LGUs were likewise cited by the farmers for this role. The lower percentage (28 per cent) could mean that not so many became recipients of those improved seed varieties. It should be pointed out, however, that the volume of seed allocation was not within the sphere of authority of the local officials. The regional officials of the DA have the bigger say on such matters.

3. How Rural Housewives Regarded Decentralized Governance

Decentralization brought LGUs closer to the people they are mandated to serve. The housewives surveyed felt that their LGUs were useful and had positive impacts on their lives. Eight housewives out of ten cited the improved peace and order situation in their villages through the deployment of barangay tanods or village policemen (see table 3). They said that these local foot patrols, though unarmed, had a very close coordination with the police force based in the town halls.

This was why small thievery of backyard produce (chickens, fruits, and vegetables) had abated significantly. Also, with the continued presence of the barangay tanods (recruited from among the village’s male residents), they felt secure in pursuing street vending or operating roadside eateries without fearing local thugs to molest them.

An offshoot of the Local Government Code implementation is the empowerment of barangay officials to have a share of the IRAs. These have become a tool by which villages get budgetary allotments to pursue community-based undertakings, including payment of the salaries of barangay officials. Some barangays used as well part of their IRA for community improvement as cited by 46 per cent of the respondents.

Another LGU initiative highly appreciated by the housewives was the seeds and seedlings distribution programme that enabled them to put up backyard vegetable gardens. These plant seed materials sometimes came from the municipal government. Most of the time, however, they were part of a national programme being administered by a national government agency. That the barangays got to have a share of those seeds and seedlings was a credit to the lobbying power and influence of the local executives.

The respondents also acknowledged the seminars on micro-financing conducted by local financing institutions and nongovernmental organizations (NGOs) but were organized through the initiative of the LGU. Two-thirds (66 per cent) of the housewives interviewed similarly credited their local officials for the systematic collection of street and market garbage and their household wastes.
TABLE 3. RURAL HOUSEWIVES’ PERCEPTIONS ON DECENTRALIZED GOVERNANCE

<table>
<thead>
<tr>
<th>Found LGU helpful, one way or another</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>71</td>
</tr>
<tr>
<td>No</td>
<td>29</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Ways by which LGU was found helpful</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Peace and order through barangay tanod</td>
<td>79</td>
</tr>
<tr>
<td>Seeds and seedlings (backyard vegetable production)</td>
<td>72</td>
</tr>
<tr>
<td>Waste management</td>
<td>66</td>
</tr>
<tr>
<td>Livelihood seminar (micro-credit financing)</td>
<td>60</td>
</tr>
<tr>
<td>Health care (rural health centre)</td>
<td>51</td>
</tr>
<tr>
<td>Community beautification</td>
<td>46</td>
</tr>
</tbody>
</table>

Note: Multiple answers.

Rural Communities’ Perceptions on Food Security

1. Meaning of food security, according to housewives

Food sufficiency in terms of what the family needs to fill their stomachs every mealtime summarizes the rural housewives’ understanding of what food security is all about (see table 4). Nine out of ten housewives said that they would feel secure if the food available to them would be enough for everyone in the family; not one family member had to be hungry; and everyone would be able to eat three square meals a day. A small percentage (5 per cent), possibly those depending solely on farm cultivation, correlated food security with having a good harvest. Others (4 per cent) defined food security in terms of having enough income to buy food.
TABLE 4. HOUSEWIVES’ CONCEPT OF FOOD SECURITY

<table>
<thead>
<tr>
<th>Meaning of Food Security</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Enough food for the whole family</td>
<td>59</td>
</tr>
<tr>
<td>Being able to eat three times a day</td>
<td>32</td>
</tr>
<tr>
<td>Good farm harvest</td>
<td>5</td>
</tr>
<tr>
<td>Enough income to buy food</td>
<td>4</td>
</tr>
</tbody>
</table>

2. Housewives’ concerns about food security

Table 5 shows that fewer housewives were very concerned or somewhat worried about food for their families. This can be interpreted as a reflection of their relative confidence that their food supply was enough and their families would not go hungry. Another way to interpret this is that housewives as a rule, would do everything to make sure that there is food on the table every single day. To support this notion, some 21 per cent of the housewives had, at one time or another in the recent past, gone to the extent of borrowing rice or cash from relatives of friends. However, this was more of a response to an unforeseen shortage, rather than a regular pattern of incurring food deficiency.

TABLE 5. FOOD SECURITY CONCERNS

<table>
<thead>
<tr>
<th>In recent past, have experienced foregoing a meal due to lack of food</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>8</td>
</tr>
<tr>
<td>No</td>
<td>92</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>In recent past, have experienced not having enough food for everyone in the family</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>14</td>
</tr>
<tr>
<td>No</td>
<td>86</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>In recent past, have experienced having to borrow so as not to miss a meal</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>21</td>
</tr>
<tr>
<td>Rice</td>
<td>9</td>
</tr>
<tr>
<td>Money</td>
<td>12</td>
</tr>
<tr>
<td>No</td>
<td>79</td>
</tr>
</tbody>
</table>
3. **Access to Markets and Food**

Access to markets was not a problem among the housewives surveyed. They had different sources of marketing for the purchase of foodstuffs – from public markets that were usually located in the centre of the town (51 per cent) to ambulant vendors who could be seen plying their wares around the village throughout the day (25 per cent) (table 6). A marketing source that plays a significant role in the continuous flow of food items in rural villages is the neighbourhood store that is found in many road intersections.

Their marketing frequency varied from weekly to daily. In many Bulacan villages as elsewhere in the Philippines, an inverse relationship exists between frequency of marketing and the level of income. Thus, those who did their marketing weekly or once a week should not in any way be seen as having refrigerators or freezers that enabled them to store food provisions that would last six or seven days. On the contrary, the women whose responses were “weekly” had husbands who did menial jobs and got paid at the end of the week or those who managed to supplement their daily subsistence through backyard gardening and thus needed to buy only items such as condiments, sugar, vinegar, and related necessities that they themselves did not produce. The once-a-week buyers were also those whose trip to the town proper was necessitated only by their need to go to church on Sundays and took advantage of the trip to go to the public market as well.

**TABLE 6. SOURCE AND FREQUENCY OF MARKETING**

<table>
<thead>
<tr>
<th>Source of Marketing</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Public market</td>
<td>51</td>
</tr>
<tr>
<td>Neighbourhood store</td>
<td>38</td>
</tr>
<tr>
<td>Ambulant vendor</td>
<td>25</td>
</tr>
<tr>
<td>Grocery store</td>
<td>13</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Frequency of Marketing</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Weekly</td>
<td>42</td>
</tr>
<tr>
<td>Twice a week</td>
<td>29</td>
</tr>
<tr>
<td>Thrice a week</td>
<td>23</td>
</tr>
<tr>
<td>Daily</td>
<td>6</td>
</tr>
</tbody>
</table>

Note: Due to multiple answers, the total does not add up to 100 per cent.
4. Sources and level of family income

The housewives’ families had multiple sources of income (table 7). More than half of them (64 per cent) derived their earnings from farming or agribusiness; 46 per cent had family members who were regularly employed; and 40 per cent were engaged in small business (e.g., beauty shops, eateries, or selling). Still some had relatives who enhanced the family income by their remittances. It should be noted that the total percentages exceeded 100 per cent simply because most households had multiple sources of income. Some (14 per cent) even had remittances from family members working abroad who sent money in dollars or yen. The interviews for both the farmers and the housewives were undertaken in the same village. It is thus safe to assume that a big number of housewife-respondents themselves belonged to the same farming families as the farmer-interviewees did. It can be seen in tables 8 and 12 that a big percentage of the farmers’ and housewives’ households had at least three and as many as four members having income to contribute to the family budget.

This would thus explain why nearly half of the housewives’ households had at least P5,000 monthly income. One-third of them generated P8,000 or more. According to the estimates of the PPDO, an average Bulacan family needed only a monthly budget of P7,021.50 to meet food and nonfood basic requirements.

<table>
<thead>
<tr>
<th>Sources of Income</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Farming/agribusiness</td>
<td>64</td>
</tr>
<tr>
<td>Public/private employment</td>
<td>46</td>
</tr>
<tr>
<td>Self-employment</td>
<td>40</td>
</tr>
<tr>
<td>Remittances from relatives</td>
<td>17</td>
</tr>
</tbody>
</table>

**TABLE 7. SOURCES AND LEVEL OF FAMILY INCOME**

<table>
<thead>
<tr>
<th>Average Monthly Family Income</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>3,000 - 5,000</td>
<td>19</td>
</tr>
<tr>
<td>5,000 - 8,000</td>
<td>49</td>
</tr>
<tr>
<td>8,000 - 12,000</td>
<td>18</td>
</tr>
<tr>
<td>12,000 and above</td>
<td>14</td>
</tr>
</tbody>
</table>

**Note:** Multiple responses.

5. Housewives’ Profile

In many ways, the housewives serve as good or perhaps better arbiter in assessing the success or failure of government programmes at the grass roots level. On matters of food security, they are sensitive to the appearance or disappearance of food items, their quality and degree of availability, and the fluctuation of their prices. Majority of the housewives
(41 per cent) were between 40 and 50 years of age (table 8). About half of them had one or two family members with regular income.

TABLE 8. HOUSEWIVES’ PROFILE

<table>
<thead>
<tr>
<th>Age</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>20 – 30</td>
<td>13</td>
</tr>
<tr>
<td>30 – 40</td>
<td>29</td>
</tr>
<tr>
<td>40 – 50</td>
<td>41</td>
</tr>
<tr>
<td>50 and above</td>
<td>17</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Family Structure</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Nuclear</td>
<td>68</td>
</tr>
<tr>
<td>Extended</td>
<td>32</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Dwelling</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>House, sole owner</td>
<td>71</td>
</tr>
<tr>
<td>House, co-owner</td>
<td>22</td>
</tr>
<tr>
<td>Rented</td>
<td>7</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Family Size</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>3 – 4</td>
<td>23</td>
</tr>
<tr>
<td>5 – 6</td>
<td>38</td>
</tr>
<tr>
<td>7 – 8</td>
<td>27</td>
</tr>
<tr>
<td>9 and above</td>
<td>12</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Family Members with Income</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1 – 2</td>
<td>58</td>
</tr>
<tr>
<td>3 – 4</td>
<td>37</td>
</tr>
<tr>
<td>5 – 6</td>
<td>5</td>
</tr>
</tbody>
</table>

Community Food Production and Productivity

1. Size of farm and dominant farming systems

Seventy per cent of the farmers interviewed had farms no bigger than 2 ha, with 16 per cent cultivating 1 ha or less (table 9). The rest of the farmers had farm areas ranging from 2 ha to 4 ha.

The smaller farm areas suggest two things. First, the ratio between the farm size and the farmer’s time and labour is narrow which indicates that the farmer is able to tend to his crops more closely and efficiently. Second, the farmers’ families had grown larger...
such that parceling of the farm lot among the farmers’ children had to be resorted to in order to provide them a source of livelihood. Per the national population census of 2000, Bulacan’s population was growing at 4.02 per cent, which was much higher than the region’s average of 2.02 per cent.50/

Rice is the dominant crop in almost every agricultural land used for crop production in Bulacan Province (table 9). More than half of the farmers surveyed (54 per cent) were planting no other crop but rice all year round. One-fifth (22 per cent) also planted vegetables side-by-side with rice. Others (13 per cent) planted corn to complement rice. This was particularly done during the dry season when irrigation water was sometimes inadequate to meet the crops’ requirements (corn needs less water than rice). Only one in every ten farmers ventured in planting both corn and vegetables simultaneously with rice.

**TABLE 9. SIZE OF FARM AND DOMINANT FARMING SYSTEMS**

<table>
<thead>
<tr>
<th>Size of Farms</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than 1 ha</td>
<td>16</td>
</tr>
<tr>
<td>1 – 2 ha</td>
<td>54</td>
</tr>
<tr>
<td>2 – 3 ha</td>
<td>18</td>
</tr>
<tr>
<td>3 – 4 ha</td>
<td>8</td>
</tr>
<tr>
<td>Above 4 ha</td>
<td>4</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Dominant Farming Systems</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rice only</td>
<td>54</td>
</tr>
<tr>
<td>Rice + corn</td>
<td>13</td>
</tr>
<tr>
<td>Rice + vegetables</td>
<td>22</td>
</tr>
<tr>
<td>Rice + corn + vegetables</td>
<td>11</td>
</tr>
</tbody>
</table>

2. Productivity of rice cultivation

The national rice harvest in the Philippines is around 3.8 mt/ha.51/ Bulacan farmers have thus been proving that they generally perform much better than their counterparts elsewhere in the country. More than half of the farmers interviewed (51 per cent) could produce a yield that was 4 mt/ha.
TABLE 10. RICE PRODUCTIVITY IN BULACAN PROVINCE

<table>
<thead>
<tr>
<th>Cavans Per Hectare</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>30 – 50</td>
<td>1</td>
</tr>
<tr>
<td>50 – 60</td>
<td>3</td>
</tr>
<tr>
<td>60 – 70</td>
<td>13</td>
</tr>
<tr>
<td>70 – 80</td>
<td>32</td>
</tr>
<tr>
<td>80 – 100</td>
<td>43</td>
</tr>
<tr>
<td>Above 100</td>
<td>8</td>
</tr>
</tbody>
</table>

Note: One cavan is equivalent to 50 kg.

3. Farmers’ assets

Most of the farmers (86 per cent) owned the houses they were living in, with 60 per cent also owning the lots on which their houses stood (table 10). Eighty-five per cent said they owned the farm they were tilling. This high farm ownership is a result of the whole Bulacan province having been fully covered by the Comprehensive Agrarian Reform Law (CARL) where tenanted land distribution was made mandatory and for which tenant-farmers were made recipients of a Certificate of Land Ownership Award (CLOA).

It should also be noted that as a matter of rural culture, every family strives to have a house of its own. Size is never used to qualify a house. Even a small hut is considered a home. Also, under the CARL, a CLOA holder entitles a person to allocate a reasonable area in the farm awarded to that person on which he/she can build a house.

TABLE 11. FARMERS’ ASSETS

<table>
<thead>
<tr>
<th>Resource Ownership</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>House</td>
<td>86</td>
</tr>
<tr>
<td>House lot</td>
<td>60</td>
</tr>
<tr>
<td>Farm lot</td>
<td>85</td>
</tr>
<tr>
<td>Farm equipment</td>
<td>65</td>
</tr>
</tbody>
</table>

Note: Majority claimed farm ownership by virtue of CLOA. Farm equipment consisted mostly of small hand-tractors.
4. **Farmers’ income and livelihood**

A high percentage of farmers had one or two family members earning an income; they are likely to be the farmer and his wife or working child. Rice farming is not too time consuming. The farmer only has to occasionally visit his farm to remove weeds and apply fertilizers between planting time and the harvest season. Thus, he can easily find time to engage in some side activities that could augment his income. Bulacan farmers appear to have productively made use of their spare time by engaging in construction work, carpentry, or tricycle-driving.

<table>
<thead>
<tr>
<th>Family Members with Income</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 – 2</td>
<td>54</td>
</tr>
<tr>
<td>3 – 4</td>
<td>42</td>
</tr>
<tr>
<td>5 – 6</td>
<td>4</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Total Monthly Family Income</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>P3,000 – P5,000</td>
<td>21</td>
</tr>
<tr>
<td>P5,000 – P8,000</td>
<td>53</td>
</tr>
<tr>
<td>P8,000 – P12,000</td>
<td>10</td>
</tr>
<tr>
<td>Above P12,000</td>
<td>16</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Sources of Family Income</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Farm/agribusiness</td>
<td>100</td>
</tr>
<tr>
<td>Public/private employment</td>
<td>27</td>
</tr>
<tr>
<td>Self-employment</td>
<td>52</td>
</tr>
<tr>
<td>Remittances from relatives abroad</td>
<td>14</td>
</tr>
</tbody>
</table>

5. **Farmers’ profile**

Table 13 indicates that a majority of farmers in Bulacan are still young and in their most physically productive years. Sixty per cent of the farmers interviewed were between 20 and 40 years of age. The other 40 per cent were above 40 years old, indicating an established familiarity with agriculture and long experience in the farming of rice and other crops.
TABLE 13. FARMERS’ PROFILE

<table>
<thead>
<tr>
<th>Age</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>20 – 30</td>
<td>35</td>
</tr>
<tr>
<td>30 – 40</td>
<td>24</td>
</tr>
<tr>
<td>40 – 50</td>
<td>26</td>
</tr>
<tr>
<td>Above 50</td>
<td>15</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Family Structure</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Nuclear</td>
<td>71</td>
</tr>
<tr>
<td>Extended</td>
<td>29</td>
</tr>
</tbody>
</table>

Conclusions and Policy Recommendations

Conclusions: Food Security Impact of Decentralized Governance

Decentralized governance was one of the Government of the Philippines’ best legislative initiatives in 1991. In one big stroke, the government bestowed on the LGUs the empowerment they had long needed to spur development in the countryside. Devolution was an appropriate institutional response to the evolving risk of human insecurity. It also took away the long circuitous route that had prevented the swift flow of authority from the bureaucratic offices of the central government to the LGUs, NGOs, and community-based organizations tasked to implement programmes.

Bulacan Province was able to showcase the benefits of devolution. However, due to the lapse of time, data and information on the socioeconomic conditions prevailing in the province prior to the implementation of the Local Government Code proved difficult to collect. Nonetheless, it would not be far off to surmise that post-decentralization had brought more progress and improvement in the quality of life of the people in the province.

The responses generated in this study supported the premise that decentralized governance could provide the impetus and serve as an effective tool through which socioeconomic development could be pursued. Devolution creates an environment where the benefactor-beneficiary roles between the LGUs and the local communities become interchangeable. Top-down consultation is facilitated in the same way that bottom-up feedback is expedited.

A specific beneficiary of devolution in Bulacan Province was its food security programme which is aimed at improving the farmers’ productivity to increase the supply level of basic food items and their continued availability. The programme likewise seeks to improve the people’s livelihood opportunities so that they could be equipped with purchasing power that would enable them to freely access food that they could afford. In
a parallel manner, the programme aims to broaden the people’s understanding of what food items they should consume to sustain their nourishment and satisfy their nutritional requirements.

The farm-level productivity of the rice-croppers was very much improved compared to the national standards. More than half (51 per cent) had yields that were far superior to the national harvest level.

Devolution has empowered the local communities to address their own basic needs. A good 80 per cent of the village families had income levels that put them above the poverty line of US$2 a day. The diversity of their income sources has reduced their dependency on a single resource (farming) and vulnerability to natural hazards and uncertain returns in volatile markets. This lends support to the assumption that they had the purchasing power to procure food items to complement what they produced on their own. This was made possible by the large percentage of those whose households had three or more family members with earning capacity. Another factor to consider is that more than half of the respondents had the capability to engage in self-employment, which could thrive only under a favourable socioeconomic environment.

In analysing the cause-and-effect relationship in a given socioeconomic setting, it is usually helpful to focus on the effect rather than on the cause. In judging a development initiative, the targeted beneficiaries can be the best barometers to assess the positive impacts or inefficacy of such initiatives. These notions received validation from the Bulacan farmers and housewives who contributed their economic experiences and shared their perceptions on how their LGUs had affected them.

Eight out of ten farmers interviewed acknowledged that their local government leaders had been helpful one way or another in their daily social life and economic pursuits. Their views were shared by 70 per cent of the women interviewed. What these figures indicate is that people are now more involved in the affairs of their LGUs and given the proper stimulus, they are willing and ready to respond to and be a part of local development efforts. A good example of this is the high percentage of farmers (82 per cent) who attended and benefited from the technical seminars and training programmes.

A salient feature of the Local Government Code is the granting of authority even to village leaders to address their concerns by themselves using the resources available to them. As articulated well during the interviews, whereas before the village people had to seek higher authorities’ assistance to bring up complaints, village officials themselves could now resolve minor and localized disputes onsite. This was evidenced by the high approval rating of LGUs on improved peace-and-order situation made possible by the deployment of barangay tanods.

Diminished incidence of petty thievery involving backyard produce and household property helped to create a feeling of human security that motivated village people to engage in various forms of entrepreneurial activities. Village women did not fear to roam around the streets to sell vegetables or open road-side eateries as they were
assured that they were free from molestations and harassments of undesirable social elements.

The Bulacan experience, coupled with a situational assessment of the interrelationship between decentralized governance and food security efforts, provides a microcosm of the shifting dynamics that must be always put into focus and continually addressed to ensure that the social and economic order will prevail. It serves as a reminder that the beneficial aspects of devolution should be preserved but at the same time, be improved and enhanced particularly in the area of implementation.

Policy Recommendations

1. Make the provincial governors the food czars of their respective provinces.

   It would be pragmatic and helpful if provincial governors would be designated as the equivalent of the DA Secretary (Minister) in their own provinces and made to head the food security programme. They are the ones more attuned to what needs to be done on the ground. They know the territory and the constraints. Thus, they can prescribe the more doable and sustainable solution.

   Concerning food production, for example, provincial governors are more knowledgeable about the infrastructure constraints (irrigation, farm-to-market roads, and post-harvest facilities) that must be prioritized and put in place. They are prerequisites to sustained agricultural development efforts. They also know better the local market situation, the eating habits and preferences of the people, and the area topography as well as the production-carrying capacity of the agricultural lands in the province.

   Most important, they know that the people are aware that their tenure of elective office can only be as good as their performance and capability to fulfill their constituency’s expectations. As such, they can be expected to be more circumscribed in their decisions and judgment calls. By necessity, the local officials tend to be more sensitive to public perception of good governance. Their desire to win opprobrium from the electorate provides them a strong pressure to do their best.

2. Make decentralization more meaningful by devolving as well the corresponding budgetary outlay needed to fund LGUs’ development programmes.

   Based on the principle of subsidiarity, agricultural development functions have been devolved to each level of government. Yet, there has been no clear assignment of expenditures to each level of government. Concomitant with the devolved functions, corresponding budgetary allocations must also be devolved. Anyone who had had a hand in operational matters will agree that the chances of development programmes succeeding are only as good as the adequacy level of their funding.

3. Reengineer the DA’s procedures in formulating its annual programmes.

   To make its programmes more needs-oriented, and to spur food production in the rural areas, the DA should solicit proposals from the provincial governments. Guidelines
on proposal preparation should be disseminated so that the submissions of the different provinces would conform to the parameters on which inclusion in the national programmes should be based.

4. **Provide a fixed line-item budget for LGU-initiated agricultural development proposals, once included in the DA’s national programme.**

   - Once the DA’s budget receives congressional approval, fund releases to the provincial governments should be automatic and no longer subject to the discretion of the Cabinet secretaries (ministers) of the DA and the Department of Budget and Management (DBM).

   - The DA’s role then becomes merely ministerial and coordinative.

   - To provide safeguards against fund misuse and abuse, an Oversight and Monitoring Committee composed of the Undersecretaries for Operation of both the DA and the DBM, plus the PPDO Officer of each province, should be created.

   A recurring dilemma for Cabinet secretaries is how to keep programme implementation focused on predetermined needs while at the same time be able to accommodate “persuasive” interference from meddling national politicians who have a say on budget approval. Thus, if certain development programmes are given to LGUs for implementation, this balancing act will be shifted to the local level (where political susceptibility is lower).

5. **Enable provincial governments to prepare and consolidate holistic development proposals by replicating the consultative process suggested to the DA.**

   - A provincial-level plenary workshop, with the Planning and Development Officers of all municipalities as participants, should be convened. During the workshop, proposals emanating from each municipality should be discussed and screened in accordance with an agreed set of criteria. All candidate proposals should be subjected to an evaluation process.

   - The consolidated proposals would then be submitted to the governor who in turn should direct the PPDO to determine which ones can be implemented using the provincial budget and which ones to endorse to the DA.

6. **Strengthen the capacity of the devolved agricultural offices in enhancing food security; and address the grievances of the agricultural officers.**

   - Enhancing food security at the local level cannot be achieved without developing the capacity of the devolved agricultural offices. Strengthening their capacity will enable them to pursue agricultural modernization and meet the food security objectives of the LGUs.
In addition to capacity development, there is a need to address the continuing grievances of those who were devolved to poor provinces and municipalities. Through no fault of their own, they were made to suffer a diminution of their salary level. The provincial governments concerned should make a strong representation on their behalf, with both the DA and the DBM.

Those provinces whose revenue level has put the devolved agricultural officers in the 4th and 5th class categories should seek a remittance to their coffers the equivalent of the differentials between the current (lower) salary rates of devolved agricultural officers and what they should be receiving by now had they been retained in the payroll of the DA.

7. Establish food security councils at the national and local levels.

There are many reasons why the national government and LGUs should create food security councils. The most important is the need to broaden the discussion of issues beyond agricultural production and nutrition to involve a more comprehensive examination of issues relating to food security. The councils can also examine how LGUs are implementing food security programmes, the effectiveness of such programmes, and the causes of food insecurity or hunger. The councils can also be a vehicle to consider how the decisions of the stakeholders and actors concerned affect food security. They can also be a valuable resource for developing and implementing risk management activities designed to serve the food security needs of the disadvantaged and vulnerable groups in society. Local food councils can initiate local food mapping and food security assessments, and identify and strengthen community-based food security strategies, and with support from civil society organizations, strengthen food security in the local communities. They can also monitor food insecurity and vulnerability at the local level.

8. Continue the education and awareness programmes on food security.

LGUs, in partnership with the private sector and civil society organizations, should continue to develop and conduct a series of educational programmes that will work to enhance community awareness, skills, and involvement in efforts to achieve food security in the community. This should include knowledge of food security, healthy food choices, food production and preservation, community-supported farming, reduced purchase of agricultural inputs, reduced use of insecticides and pesticides, direct marketing, and the root causes of hunger and malnutrition.

9. Incorporate the gender dimension in agricultural development and food security programmes.

LGUs, in partnership with the private sector and civil society organizations, should give priority to agricultural development and food security programmes that recognize and empower women, particularly in those activities critical to maintaining food security for the family and community. Women are key contributors to household
food security. They are also increasingly involved in traditionally male tasks, such as land preparation, irrigation, and threshing. LGUs should consider establishing a task force on women and agricultural development and food security.

NOTES


2/ In their study titled, “Fiscal Decentralization and Economic Efficiency: Measurement and Evaluation” (Consulting Assistance on Economic Reform II. CAER Discussion Paper No. 38. Boston, MA: Harvard Institute for International Development, 1999), William Loehr and Rosario Manasan found that many LGUs were not able to meet their devolved expenditure responsibilities and create new expenditures out of their shared revenues. Provinces were particularly hard pressed to meet their expenditure responsibilities. Under the Local Government Code, local government units (LGUs) are entitled to receive 40 per cent of the internal revenue tax collections three years prior to the current year. The internal revenue allotment (IRA) is divided among the LGUs as follows: provinces (23 per cent); cities (23 per cent); municipalities (34 per cent); and barangays (20 per cent). The share of each LGU is determined by a formula that takes into account population, land area, and equal sharing.


*Philippine Progress Report on the MDGs*.


*Philippine Progress Report on the MDGs.*

ADB, “ADB.”


Ibid.

 Philippine Legislative Committee on Population and Development Foundation, “Philippine Food Security Situation.”


“NFA to Import 400,000 Tons of Rice,” Philippine Star (11 March 2005).


EIU, “Executive Briefing.”

Ibid.

Philippine Progress Report on the MDGs.

Florencio, “Food and Nutritional Status of Filipinos and Nutrition Integration.”
38/ Ibid.


40/ Philippine Progress Report on the MDGs.


44/ Philippine Progress Report on the MDGs.


48/ Florencio, “Food and Nutritional Status of Filipinos and Nutrition Integration.”


50/ Personal communication by Cristino M. Collado with an official from the Department of Agriculture (11 March 2005).

51/ NSCB, “Countryside in Figures: Bulacan.”
PART THREE
Strengthening Decentralized Governance for Human Security

Devyani Mani

Background

Human security is a powerful new concept complementary to the human development concept. It calls for a move from a territorial-centered approach security to a human-centered one. The former approach depends on the national defense policies and military control of external threats to a nation while the latter depends on means to address internal threats such as civil conflict, terrorism, crime, poverty, disease, and unequal access to opportunity and the involvement of all levels of government and civil society.

Human security addresses the protection of people from critical and pervasive threats to their lives, livelihoods, and dignity, including the downside risks of development. Human security covers both conflict and development aspects for peace and sustainable development. The Millennium Development Goals (MDGs) are aimed to assuage the threats to development related threats to human security. While some developing countries are making progress in achieving the MDGs, the least developed countries (LDCs) and those affected by conflict are found to be lagging on most goals. The human security approach can improve targeting of the vulnerable and directly address factors increasing vulnerability to poverty, disease, conflict, and disempowerment.

Security related to conflict is traditionally perceived as the preserve of central government agencies to ensure national integration, and efforts to achieve security have used force and control. Human security is still an emerging concept – for governments to actively accept and promote a human security approach, a deeper understanding is required of the roles of different levels of government in reducing vulnerability of individuals and communities to the threats to human security.

Decentralization is recommended based on the principle of subsidiarity that recommends that tasks be allotted to different levels of government according to their capacities and potential. Decentralization has been widely promoted as a response to:

1. The call for greater regional political freedom, participation, and conflict resolution to resolve latent or manifest ethnic conflicts, or marginalization of minority groups;
2. Pressures of global competition as countries or regions within countries make economic progress resulting in pronounced development of certain regions over others;
3. Demands for stabilization and “opening up” of economies such as those exposed to exogenous shocks and transitional economies; and
4. Demands for greater equity and efficiency in local service delivery.

Strengthening decentralized structures for conflict-related aspects of human security may take a while to gain political acceptability but needs to be considered seriously as
globalization, and movement of people, information, and businesses across borders are changing traditional security concerns.

This paper aims to increase the understanding on the potentials of decentralized structures in achieving human security. A number of cases from Africa, Asia, and Latin America and the Caribbean (LAC) are reviewed to better comprehend the need and the means to strengthen decentralized governance for human security through local economic development, local monitoring of impact of poverty alleviation and development programmes, engagement of communities in dialogue to reduce alienation and conflict, local identification of early warnings of violence, and management of resources for poverty reduction.

The paper is divided into three parts covering the definitions of human security and decentralization, a framework based on the recent report of the Commission on Human Security, and an analysis based on a review of experience from Africa, Asia, and LAC covering several aspects of human security. The paper concludes with a summary of the discussion, and identification of areas for capacity building to strengthen decentralized governance for human security and engage civil society in conflict resolution and empowerment of vulnerable groups.

**Definitions**

**Human Security**

The Human Development Report of 1994 was the first to propel the concept of human security into mainstream development discourse with a clarion call for a shift from a “territorial-centred” concept of security to a “human-centred” one. This shift came in the wake of burgeoning civil conflict following the end of the cold war, the spread of epidemics like HIV/AIDS, and the negative impacts of globalization being experienced as increasing income disparities and vulnerability to financial crisis. This report identified seven interrelated and complementary dimensions of human security as economic security, food security, health security, environmental security, personal security, community security and political security.

In response to a spate of terrorist attacks at the beginning of the new millennia, the human security concept has gained greater prominence being based on the premise that ensuring security of individuals and communities requires actions beyond military suppression of violence. With the promotion of the MDGs as a major step towards reducing development related insecurity, the case for human security has gained greater momentum. In the report of the UN Secretary General, *In Larger Freedom: towards development, security and human rights for all*, prepared for the September 2005 summit to review the progress of the Millennium Declaration, it is stated that “humanity will not enjoy security without development, it will not enjoy development without security, and it will not enjoy either without respect for human rights.”

The most current and widely accepted definition of human security is promoted by the UN Commission on Human Security (CHS) in the report *Human Security Now*:
... to protect the vital core of all human lives in ways that enhance human freedoms and human fulfillment. Human security means protecting fundamental freedoms—freedoms that are the essence of life. It means protecting people from critical (severe) and pervasive (widespread) threats and situations. It means using processes that build on people’s strengths and aspirations. It means creating political, social, environmental, economic, military and cultural systems that together give people the building blocks of survival, livelihood and dignity.\[^{iv}\]

The value of this definition is that it includes the need to strengthen individuals and communities for greater resilience in the face of threat.

Given the existence of the concepts such as human development, human rights, and sustainable development, the need for a new concept on human security is sometimes questioned. The human development concept was a major step forward to address the human dimension of development and the incorporation of social development with economic development. This approach called for an expansion of social services such as health and education and the need to address the development of women. The rights approach calls for the need to ensure the basic entitlements of people for their development. Sustainable development focuses on the needs to conserve natural resources and ensure that the benefits of development are maintained. Human security may seem to touch all these but deals specifically with the underside of development to reach those who have been left out, those who have been impacted by conflict, and those whose development has been compromised by threats to their lives and livelihoods. In today’s world with the spread of globalization, environmental degradation, and terrorism, it has become ever more important to address human security to achieve human development and sustainable development and respect human rights.

### Decentralization

Decentralization is understood as the

Restructuring of authority so that there is a system of co-responsibility between institutions of governance at the central, regional, and local levels according to the principles of subsidiarity thus increasing the overall quality and effectiveness of the system of governance, while increasing the authority and capabilities of sub-national levels.\[^{iv}\]

Three types of decentralization -- political, administrative, and fiscal; and four forms -- devolution, delegation, deconcentration, and divestment are commonly identified.

Political decentralization is concerned with transfer of political power and authority to sub-national levels of government often seen as election and empowerment of lower levels of government. Devolution, which involves full transfer of responsibility, decision-making, resources, and revenue generation to an independent and autonomous local level public agency, is considered a form of political decentralization. This form of
decentralization necessitates the provision of appropriate legal and regulatory frameworks to ensure accountability and transparency while also demanding links with civil society and community institutions.

Administrative decentralization involves transfer of decision-making authority, resources, and responsibility for some public services from central to lower levels of government. This often takes place in conjunction with civil-service reform and is implemented as deconcentration, where authority and responsibility is transferred from one level of central government to another, or delegation where the authority and responsibility are transferred to a local unit of government that may not be a branch of the delegating authority.\(^v\)

Fiscal decentralization is resource reallocation to sub-national levels of government and may include revenue raising and expenditure. Divestment can be seen as a form of decentralization where planning and administrative authority are transferred from government to voluntary, private, or nongovernmental institutions. The World Bank refers to this as “market decentralization” that “allows functions that had been primarily or exclusively the responsibility of government to be carried out by businesses, community groups, cooperatives, private voluntary associations, and other non-government organizations.”\(^vi\)

The sequence of the various types of decentralization and the forms in which they may be implemented vary according to the need for decentralization, existing institutional structures, and capacity at lower levels of government.

**Framework**

While decentralization has been actively promoted for its virtues as mentioned earlier, it is also recognized that the positive impacts of decentralization on poverty reduction or service delivery have not been clearly established.

The Department for International Development (DFID) in its key sheets on decentralization states that decentralization cannot be a panacea for development and that not all government functions should be decentralized. In weak states, decentralization could aggravate existing problems when there is no strong central entity to regulate decentralization and to ensure equitable distribution of resources between unequally endowed regions.\(^vii\)

The sector guideline on decentralization prepared by GTZ strongly endorses decentralization but also highlights the complexity of the process. It is recognized that decentralization will succeed depending on the nature of the relationship between the state, the market, and the community. As decentralization demands cross sector coordination and high levels of capacity at all levels of government, it should be seen as a “long-term, open and evolutionary” process. In addition to sufficient government capacity at all levels, there have to be well developed civil society institutions to ensure the legitimacy of local government action. As decentralization involves the redistribution
of power, it is an inherently conflictive process acerbating existing divisions. Additional issues are elite capture of the benefits of decentralization and differences between decentralized governance and traditional local institutions.\textsuperscript{viii}

The impacts of decentralization on poverty alleviation and social development remain insufficiently discussed and there are few studies on appropriate means to measure the impacts and related indicators. The study by Crook and Sverrisson discusses some conceptual and methodological issues with measuring the performance of decentralization. They state that measurement of responsiveness and participation needs to be differentiated from measurement of development impact on the poor as a result of decentralization.\textsuperscript{ix}

Degree of responsiveness can be understood by comparing popular preferences (obtained through representative surveys and social research) with government policies. These studies have to be specially commissioned. Participation is measured in terms of voting in elections, representation from local communities, formation of advocacy groups lobbying for changes in government policy, and associational membership. However, none of these can correctly indicate the extent of representation of marginalized groups in influencing policy, as often elite capture is observed at the local levels. In terms of community mobilization too, the creation of ‘grass-roots institutions’ can represent the extent to which the community is participating in democratic processes but can also indicate the influence of higher levels of government on local elites at the forefront of mobilizing local communities.\textsuperscript{x}

In terms of economic and social impact on the poor, common measures used are increases in economic activity and income of the poor, extent of redistribution of income, improvements in education and health for the poor, and reduction in disparities between rich and poor areas in a country. To establish that the above are the result of decentralization, the indicator generally used is the level of subnational expenditure on service delivery. This indicator is flawed though – for example the construction of a school does not necessarily benefit the poor if their children are still engaged in economic activity rather than attending school. Decentralized governments are found to spend on infrastructure projects such as roads and schools that are easily identified and appease the local population.\textsuperscript{xi}

To study the implications of decentralization on human security, this paper explores the tasks and responsibilities of sub-national governments for the seven categories of human security concerns identified by the CHS report \textit{Human Security Now}:

1. Protecting communities in violent conflict;
2. Addressing the needs and rights of people on the move;
3. Post conflict reconstruction;
4. Ensuring economic security;
5. Improving health conditions;
6. Developing knowledge, skills, and values for human security; and
7. Creating a global alliance to give human security the highest priority in the development agenda.

The implications of decentralization on each of the above seven human security concerns are explored in terms of political, administrative, and fiscal decentralization as seen from experience throughout the developing world. The first and third human security concerns on protecting communities from violent conflict and post conflict reconstruction are looked at jointly in the first sub-section as they form a continuum. The second sub-section deals with the needs and rights of people on the move including migrants, refugees, and internally displaced persons (IDPs). The third sub-section is on economic security for the chronic poor as well as economic security for peacebuilding. The fourth sub-section deals with health for human security in terms of disease control and improvements in maternal and infant mortality rates. Cases from around the developing world demonstrating important issues and solutions for conflict-based and development-based human security concerns are used to illustrate the important points in each sub-section.

The sixth and seventh concerns are addressed in the fifth sub-section that introduces UNCRD’s Human Security Programme that focuses on knowledge, skills, and values for human security, and the creation of a global alliance to promote human security in the development agenda. Conclusions are drawn in terms of the most significant issues that emerge in terms of building capacity in sub-national levels of government for human security.

Protecting people from Violent Conflict and Post Conflict Reconstruction

Some of the key factors that cause violent internal conflict are:

- Competition over land and resources between groups of different ethnicity or religious background;
- Sudden and deep political and economic transitions;
- Growing inequality among people and communities in terms of access to services and opportunities for economic advancement;
- Increasing crime, corruption and illegal activities such as trafficking of drugs and human beings;
- Weak and unstable political regimes and institutions; and
- Identity politics and historical legacies, such as colonialism.

The victims of the conflict are generally the poor, those without resources or stripped of resources by stronger groups, women and children. Women and children are additionally vulnerable as they lose protection and livelihoods as well are subject to rape and prostitution creating serious insecurity.

When violent conflict erupts in a country, the central government generally suppresses it with military force. The role of lower levels of government however, is important at all stages of conflict – before, during, and after. Conflict occurs between different ethnic or religious groups of which one may be dominant and have greater representation in the
local government. It is found that decentralized government without clauses for representation for minorities may reinforce the dominance of one group and ethnic politics can be used to manipulate and grab development outcomes. In the worst case, decentralization polarizes groups of different ethnicity or religion while in the best case, it creates political space for minorities.

Where communities of different religious or ethnic background are economically and socially integrated through business and participation in local institutions, the potential for violent conflict is found to be lower. Varshney in his study on Hindu-Muslim conflict in riot-prone and riot-averse cities in India found that in the former, the two communities shared little economic and social space while in the latter economic and social activities were highly integrated and joint patrolling of areas was undertaken to avoid inter-communal violence.\textsuperscript{xiii}

In a federal structure, deconcentration can be used to further the national agenda and dominate over the local population as in northeast India where secessionist forces are active. In Bosnia and Sri Lanka, decentralization to ethnically exclusive areas (created through ethnic cleansing in Bosnia) has not reduced separatist pressures or created democracy.\textsuperscript{xiv}

In addition to security and resource gaps, the CHS report, \textit{Human Security Now} identifies governance gaps in the process for post conflict reconstruction as follows:

- The perception of peace-building as a “top-down” process, most often led and imposed by outside actors rather than as a process to be owned by national institutions and people;
- Insufficient attention given to building national and local civil society and communities or to learning from their capacities and expertise;
- A strong focus on national elections with few follow up actions to strengthen governance and democratization; and
- Measures to ensure the coexistence of divided communities and the building of trust.\textsuperscript{xv}

The National Human Development Report 2004 for Afghanistan studies the issues in strengthening governance for human security in a post conflict situation. The potentials and constraints are clearly recognized. In this situation, central government remains weak, and decentralization is hoped to improve service delivery using local institutions including traditional organizations. It is also realized that decentralization can “generate, re-ignite or intensify power struggles, thus leading to further chaos or conflict.” Decentralization can work to strengthen post conflict reconstruction if mechanisms are in place for accountability and to counter abuse of power, corruption, and elite capture. Strong civil society and active participation of the people are essential for this but again, the lack of a “culture of participation” especially in post-conflict situations where social institutions have broken down is a major constraint.\textsuperscript{xvi}
The role of civil society in conflict mediation will depend upon the nature of the dominant political forces.

Whether civil society becomes a guarantor of a democratic, constitutional order depends upon which elements within it predominate. In Bosnia, ethnic nationalist parties have continually sabotaged attempts to reach democratic accommodation amongst rival groups, whereas in Uganda they have been unable to do so. The factors that determine whether 'pro-democratic' elements in civil society become dominant include the character of the ruling political parties and the design of the state (e.g. whether administrative areas are delimited on ethnic criteria, and the autonomy of decentralized authorities).\textsuperscript{xvii}

Early warning systems maintained by local governments and civil society can ensure early intervention to control escalation of conflict. In the conflict affected areas of Sri Lanka, the Consortium of Humanitarian Agencies (CHA) is monitoring data on missing persons, assault, extortion of money, civil unrest, protests, strikes, landmines, attacks and killings by unknown persons, kidnappings, grenade attacks, confrontation between security and the LTTE, harassment of civilians by security or the LTTE, recruitment of child soldiers, abductions, and torture in custody. Timely dissemination of this information is contributing to reduction of violence in the conflict.\textsuperscript{xviii}

In Rwanda, FAST (German acronym for “Early Analysis of Tensions and Fact-finding”) has set up a political early warning system for early identification of impending armed conflict and political crisis situations. Their risk assessment identifies sources of disputes at the local level related to land, which are reported to the district administrators. Unfortunately, when local government itself is polarized between ethnic groups a volatile situation can arise. For example, in Ahmedabad, India a right wing Hindu fundamentalist local government is alleged to have disclosed records of Muslims residents helping the rioters to identify and attack them during the communal conflagration in February 2002.

In Cambodia, it is found that traditional pagoda associations and women’s groups have played an important role in improving local governance, and ensuring peace and stability in the post-conflict phase of the country. The traditional pagoda associations are among the few institutions in Cambodian society that survived the political and social turmoil of the Khmer Rouge regime and continue to enjoy the trust of local people. This gives them legitimacy in local planning and rebuilding of shattered communities.\textsuperscript{xix} The role of local traditional institutions and leaders based on clans or religion is important in achieving improved understanding between conflicting communities and strengthening decentralized governance. Traditional and religious leaders have been found to either foment hate or work towards reconciliation of differing groups.\textsuperscript{xv}

The struggle for power between political parties has characterized the post-conflict phase of Cambodia during the last fifteen years and this struggle has used violence and intimidation. Although few women attain positions of power in Cambodia, some women’s groups such as Women for Prosperity (WfP) are active in creating links
between the parties for dialogue and peaceful resolution of issues. The Center for Social Development has tirelessly advocated for legislation on corruption and increased accountability in governance.xxii

The protection and empowerment of women in violent conflict and post-conflict reconstruction is of extreme importance as they are the worst victims of the violence. In Rwanda, in the reconstruction, a concerted effort has been made to enable women to participate in all levels of government resulting in women holding nearly half of the parliamentary seats following the elections in 2003. Both at national and grassroots levels, Rwandan women have contributed to the post-genocide recovery and reconciliation. As in Cambodia, women in government have generated mechanisms to work across party and ethnic lines, and strengthen partnerships with civil society.xxiii

Killick et. al explore the role of local businesses in peace-building and finds that the private sector is often maligned and an underestimated and underused peace-building actor. As illicit resource exploitation is often the root of a conflict, there is a high level of awareness on the negative role of the private sector as a generator of conflict to gain control over resources such as diamond mining in Angola and Sierra Leone or cocaine in Colombia. Control of land and resources by big business and corruption in government monitoring agencies are seen as critical contributors to conflict. The first step is to understand the diversity of the private sector ranging from small traders to larger national and transnational companies, and the variety of interests that are generated to resolve conflicts.xxiv

Business can have a major interest in peace when violence disrupts economic activities and influential business leaders can be champions for the peace building process. In addition to their capacity to influence political leadership is their role in employment generation where jobs engage conflicting groups to work together. This combined with a more conscious social role in targeting the most vulnerable can enhance the peace process as has been demonstrated in South Africa which saw a dramatic shift in the way business was conducted following the breakdown of apartheid.

**People on the move**

People on the move include those who move between and within countries. In 2000, nearly 3% of the world’s population -- 175 million people -- was identified as international migrants. This figure doubled since 1975. The number of refugees constituted 9% of the international migrants amounting to 16 million people. The movement within borders is much higher than that between borders. Among these, the internally displaced persons (IDPs) are among the most vulnerable being victims of conflict, violence, disasters, or eviction as an outcome of development projects.

While migration generally improves economic opportunities, in the early stages, migrants lack assets and can become more vulnerable. Illegal migrants who constitute 15% of all migrants are more vulnerable as they lack proper documentation and tend to be manipulated by criminals. Migration has positive outcomes on human security where
improvements income and remuneration to economically depressed populations in the country of origin are found to have reduced vulnerability. Migrant worker remittances represent the second largest international monetary trade flow, exceeded only by petroleum ($100 billion in 2000, nearly twice the ODA of $51 billion). Migrants also provide a valuable source of semi-skilled and unskilled labor to many industrializing countries and provide a source of highly skilled labor to advanced countries.

Among illegal migrants are persons trafficked to serve as cheap labour or in the sex trade. Women and children are the worst affected by trafficking. In recent years, there has been an explosive growth in irregular migration, trafficking, and crime. These illegal migrants need protections against exploitation and in their “dirty, dangerous, and demanding” jobs. Women are increasingly on the move as domestic workers, cheap labour, entertainers, and in the sex trade. In addition to exploitation and lack of assets, migrants are vulnerable to xenophobia. Recently, terrorism has become a major concern worldwide and the links to transnational migration and criminal networks has constrained even legal venues for migration. With increased mobility of people, rapid spread of diseases such as HIV/AIDS, SARS, and bird flu has become more likely.

Therefore, the CHS has called for steps towards the orderly and safe movement of people that includes more opportunities for migration and burden sharing among countries. Strategies to combat trafficking and smuggling of persons are necessary. Traditionally, pressure has been put on the country or origin of trafficked persons but increasingly the responsibility of the host country is being recognized. Better policing at the sub-national levels and local control of crime can decrease such illegal activities. In the Philippines and Thailand, NGOs are active in identifying victims of trafficking and creating awareness on their vulnerability. Remedial actions in the form of creation of sustainable livelihoods and local economic development are necessary to reduce risky movements of people.

Of all populations on the move, refugees are the most vulnerable suffering from loss to lives and livelihoods, living under the threat of violence and lacking stability in their country of origin as well as the host country. When dealing with the refugee problem, several human security concerns arise:

1. Guaranteeing security of refugees
2. Controlling spillover of conflicts into country of asylum
3. Integrating refugees into host countries
4. Reintegrating refugees into country of origin
5. Increasing the productive capacity of refugees in addition to humanitarian needs
6. Control of armed conflict within refugee camps.

Local governments are generally responsible for providing services to refugees and their integration into the local community. Sufficient preparation is needed in the host community as during periods of resource shortage, the host community resents the presence of refugees causing conflict. There is also host fatigue when the refugee population exceeds the capacity of the local government as is happening in northwestern
Pakistan where the constant influx of refugees from Afghanistan has severely burdened the local population. Local governments are often not familiar with or are not allowed to undertake procedures related to refugee documentation and provision of services.

Refugee camps tend to be volatile places, and local police need to be aware and trained to control violence when it occurs. Often large external donations result in local manipulation of goods designated for the consumption of the refugees. In Sierra Leone, large scale exploitation of women refugees occurred where provisions were allocated in exchange for sexual favors with the threat of violence.

IDPs in Colombia constitute the country’s most serious humanitarian and social problem. Since the mid-1980’s, nearly 3 million persons have been displaced as a result of the social and armed conflict with additional negative impacts on neighboring countries. Colombia’s IDPs are additionally vulnerable as they belong to marginalized Afro-Colombian or indigenous groups and have a high proportion of women headed households.

In 1997, the Colombian government promulgated Law 387 to prevent displacement and provide IDPs with assistance and protection. Enforcing the legislation however, was constrained by the lack of proper procedures to deal with the registration of the multiple kinds of land tenure systems co-existing in the country (such as owners with legal titles, possession without title, individual ownership, and collective ownership). The Law required municipalities with a risk of displacement to register the properties of the potentially affected population -- a task for which the capacity did not exist.

A joint project was recently undertaken by the Colombian government and the World Bank to increase capacity for implementation of the legislation at the subnational level of government. The approach was: participative, involving government, nongovernmental organizations (NGOs), and the affected communities; partnership oriented, as alliances were built with different sectors to prevent further displacement and to reduce the impacts on IDPs; and sensitive to the cultural diversity. Consensus was built between government, the church, NGOs, and the community during planning and implementation to gain their commitment and participation.

Where IDPs have to be protected at their new locations, several measures need to be taken to provide basic assets and integrate them into the host community. This is constrained by inadequate resources, unwillingness or inability of the host community to accommodate new persons, and corruption. There is possibility of assimilation when there are pre-existing social networks in the host community.

**Economic Security**

There are two dimensions to economic security – one related to reducing insecurities caused by chronic poverty and the other to using economic development and security as a means to bring peace to a region. The first MDG addresses the former.
The role of decentralization in reducing chronic poverty through increased participation of pro-poor groups in local government to influence policy and decisions regarding pro-poor programmes, and improved services for the poor has been emphasized for the last two decades. It is believed that participatory local governments are in a better position to assess needs at the local level, monitor and control development of local communities, and provide more responsive services. Elected local governments may also be more accountable to the community and inclusive of the poor in decision and policymaking. When given greater autonomy, local governments can stimulate economic development that makes best use of local resources.

Uganda has made a conscious effort to address the above. The Local Government Act of 1997 increased the responsibilities and resources assigned to local councils through grants for basic services and infrastructure. This increase has enabled the local governments to provide services and infrastructure for the poor. Participatory decision making as well as upward accountability to the central government has improved. However, the extent of local choice in decisions on spending remains limited, participation is difficult for marginal groups, and there are widespread concerns about corruption. In the Philippines, some local governments have been able to make progress in poverty reduction by better addressing the needs of the poor through partnership with civil society actors.

When it comes to increasing economic security in areas affected by conflict, the challenges are multiple as there is a destruction of economic activities, livelihoods, infrastructure, and social capital coupled with a larger presence of vulnerable groups. The StopGap Programme in Sierra Leone is cited as a successful example where 6,000 ex-combatants were rehabilitated through provision of labor-intensive work opportunities along with community members for rebuilding of community infrastructure. In conflict affected areas, rebuilding economic security through local initiatives is promoted by linking security with development, improved identification and targeting of the vulnerable, building of civil society capacity, ensuring community security and confidence building, and dealing with armed violence.

As mentioned earlier, the roots of violence often lie in inequitable or unfair access to resources. In the case of conflicts related to natural resources such as forests, land, and water, decentralization has been recommended to increase equitable access to the resources and their preservation. In the case of land, agrarian reforms have been the key to poverty reduction. In Zimbabwe, currently fraught with land related conflicts, the dominance of the central government to the extent of excluding the rural district committees (RDCs), non-state actors, and civil society institutions has slowed down the progress of agrarian reform. Particularly, the RDCs need to be strengthened and empowered for democratic decision making, given capacity to set practical goals and link agrarian reform with securing rural livelihoods, and given financial sustainability through revenue collection. Also measures for accountability and checks and balances need to be put in place. In the Philippines, the establishment of the Agrarian Reform Communities (ARCs) has expedited the agrarian reform process and links with
productivity enhancement has reduced poverty. Strong local government initiatives and participation of the civil society and private sector have contributed to the success. xxvii

With water and forests, joint resource management with the participation of the community is being widely promoted. While the rationale for decentralization is undoubtedly sound, the practice has been challenged by decentralization posing a threat to webs of vested interests, corruption, and domination by select groups. Larson in her study on democratic decentralization in the forestry sector observes that democratic decentralization is rarely implemented and that a large share of decision-making powers, resources and benefits from forests remain centralized. Moreover the local actors tend to be local elites who are neither representative nor accountable. Decentralization can even be harmful to poor local people without their empowerment in dialogue and the process of resource management. Decentralization of natural resource management needs to start with building on the institutions that they have already existed, and through representative and accountable local governments. xxviii

Health for human security

Health security can be achieved through reduced vulnerability to disease and increased access to health services. To reduce vulnerability to disease, the spread of infectious diseases needs to be controlled while also access to basic services such as water and sanitation needs to be improved. Access to health services is essential to cure disease as well as to reduce infant and maternal mortality which are high in many developing countries particularly in the remote areas. Health services include both curative and preventive strategies.

Decentralization of the health sector has been rigorously promoted in most countries to ensure easier access to services by local communities through increases in the resources being used for health, more efficient use of existing resources to provide the health services most needed at the local level, and changes in the mix of services at the local level for greater impacts on health.

A significant amount of research has been undertaken on the impacts of decentralization on provision of health services. The results are mixed and studies find that decentralization with insufficient planning or capacity building in the local agencies cannot provide the expected results. In Uganda, decentralization of the health sector has been undertaken since a decade and it is found that the emphasis has shifted from provision of primary health care to curative care. This is attributed to the HIV/AIDS epidemic and shifts in donor priorities. This has negatively impacted the immunization programme with long-term implications on vulnerability to disease. Yet, local planners are responding to local preferences for services exactly as envisaged but these preferences may not correspond to the national policy. In the early stages of decentralization, the process focused on administrative decentralization by creation of new posts at the district level with limited accountability to central ministries. At a later stage fiscal decentralization took place through devolution to the district governments. xxxiv
Uganda’s health sector is seen as a success story and the key factors are identified as:

- Sufficient time allowed to develop relationships between stakeholders for realistic planning;
- Well developed health sector strategic plan based on a sound national health policy;
- Administrative decentralization followed by fiscal decentralization;
- Earmarking of funds;
- Provision of additional technical assistance to the Ministry of Health; and
- Recognition that change takes time and continued support and commitment of donors.

In Thailand, the success of the HIV/AIDS control programme is attributed to strong central government initiatives. HIV/AIDS prevention and alleviation efforts in have been undertaken by mobilizing the national, provincial, district, and local levels, government agencies, non-government organizations, business sector, community-based organizations, and groups of people living with HIV/AIDS. The programme has administered and implemented prevention and alleviation programs under the auspices of the National AIDS Prevention and Control Committee. Through wider participation of all sectors in the effort, Thailand has been able to contain the HIV/AIDS epidemic to a considerable extent.

In general, with decentralization of the health sector, the following concerns remain:

1. Matching local action with national policy and local needs
2. Ensuring that privatization does not result in less attention to primary health care and diseases of the poor
3. Building capacity at the local level – doctors and health workers
4. Ensuring appropriate generation and use of local resources—bulk of finances are used to pay salaries leaving little for implementation of health programmes and improvement of health facilities
5. Involving the community for greater awareness on disease spread and control, and basic sanitation, and child and maternal care.

**Knowledge, skills and values for human security**

Education is emphasized in the MDGs, especially for women. The lack of education increases vulnerability as it limits the opportunities for earning a livelihood, receiving entitlements, and protection. While increasing access to basic education is being stressed on one hand, increased access to the new information and communication technologies (ICTs) is being stressed on the other to increase people’s opportunities to emerge from poverty worldwide. Vocational skills and knowledge sharing are also important to further economic development. ICTs have a potential to hasten the achievement of the MDGs through wider dissemination of information reaching previously marginalized groups.
Human security deals with developmental and conflict related threats. The lack of information is a major constraint to economic and social development making the right to information one of the basic human rights. Moreover, while a lot of information is documented and even circulated on the internet converting into knowledge that is useful for a local community to develop economically, link it to the outer world, and protect itself from threats is an additional task.

Recently, the Indian Ocean tsunami demonstrated how the lack of adequate and timely information resulted in the huge impact of the disaster on human lives and livelihoods for a number of countries in the South Asian region. Poor and biased information is known to feed conflict. The case of the Rwandan genocide that used the radio to transmit hate propaganda and incite killings is an example. Worldwide terror networks are making use of the internet and modern technology to spread the culture of hate and violence.

Decentralization of education services are purported to better respond to the local needs and demands. However, as in the case of health services, greater local spending on education can occur only when resources are allocated to this sector. Quality of education is an additional concern where what is imparted must be useful for the betterment of the people.

While there is not much documentation on how decentralization can spread the knowledge, skills, and value for human security, a strong case has been built for the use of ICTs to strengthen decentralized governance through wide dissemination of information on government entitlements, improve service delivery, increase interaction between government and citizens, spread relevant knowledge for development, and document and preserve indigenous knowledge. Cases that have been doing this at a small scale abound. In Mexico, the E-Local project is increasing public access to information related to local government activity in the federal, state, and even municipal levels. This increases the responsiveness of government structures to respond to problems and improve public services. Widespread dissemination of information is being used to demand higher levels of accountability in government.

In 2001, the Municipality of Ipatinga began using the Internet to extend, enhance, and diversify the process whereby citizens voted on priorities and budgetary allotments for local projects. Through the Municipality’s website, citizens register their priorities and track public project delivery. This resulted in a three-fold increase in the numbers of citizens giving inputs into the budgeting priorities and also helped draw younger participants into the process. Interestingly, even citizens without much education are using this website for inclusion of their demands. This has increased participation and social control in the process.

**Promoting human security in the development agenda**

The concept of human security complements that of human development by ensuring that the benefits of development reach the most vulnerable groups and that the downside risks
of development and the impacts of conflict are addressed to ensure security to the lives and livelihoods of individuals and communities.

In this sub-section, UNCRD’s efforts towards integrating human security into the development agenda are discussed. UNCRD is currently endeavoring to integrate the human security concept into local and regional (sub-national) development through practical applications. Defining human security as the removal or reduction of vulnerability to economic, environmental, social, and cultural threats that undermine sustainable development of communities, the goal of UNCRD’s Human Security Group (HS Group) is to increase human security for the sustainable development of vulnerable communities by:

1. Mainstreaming human security concerns into development policy and local/regional development planning;
2. Building capacity to incorporate human security into local development planning; and
3. Increasing opportunities for the inclusion of the most vulnerable communities (poorest women, indigenous groups, resettled communities, etc.) into mainstream economic and social development.

The activities of the HS Group arise from UNCRD’s mandate to provide research, training, and advisory services for regional (sub-national) development and the imperative to contribute to the commitments of the Social Summit and the Social Summit +5 as well as to the Millennium Development Goals (MDGs) and the Johannesburg Plan of Implementation (JPOI).

Seven interrelated project areas are identified to achieve the goal of the HS Group:

1. Human security assessments as inputs into development policies and regional/local planning. The human security concept is seen as integral to achieving and sustaining the Millennium Development Goals (MDGs). It ensures that ongoing development efforts include the most vulnerable groups, and that mechanisms are established at different levels, national, provincial, and local—within government and civil society—to protect communities from threats to their sustainable development.

Over the last five years, UNCRD has undertaken joint research and capacity-building activities to integrate a human-security orientation in local and regional (sub-national) development with governmental and nongovernmental agencies at the central, provincial, and local levels in five countries in the Asia-Pacific Region. The current focus is on Cambodia and Sri Lanka, where human security is challenged by the aftermath of civil war, environmental degradation, and chronic poverty. While Cambodia is additionally challenged by weak governance and institutions as the country painstakingly rebuilds itself, Sri Lanka has been among the hardest hit by the devastating tsunami of December 2004.
2. Training on the human security concept, assessment methods, and tools to reduce vulnerability. While creating awareness for addressing human security at the national level, it is also essential to develop a human security orientation in implementing plans and development programs at the regional (sub-national) and local levels. UNCRD has developed training modules on human security for this purpose. This contributes to the JPOI by increasing capacity for the preparation and implementation of poverty reduction strategies.

3. Decentralized governance and participatory planning for human security. Capacity building is undertaken at the provincial and district levels for translation of national policy guidelines into relevant programmes for local development. Joint participatory action research is undertaken to understand the constraints in decentralization at different levels of government and to design training strategies to address them. Engaging policymakers provides support for dissemination of ideas to all levels of government. Enhancing collaboration between governmental and nongovernmental agencies enables a mutually supportive learning approach and the opportunity to move from confrontation to consolidation of joint development efforts through proper identification of roles and responsibilities. This increases accountability, particularly downward accountability, to target communities. Means to engage the community using participatory planning techniques is encouraged.

Strengthening vertical and horizontal linkages, and team building between the various government agencies allows for sharing of information and minimizing overlaps and duplication of efforts. Decentralization requires that linkages between higher and lower levels of government be strengthened and function according to the principle of subsidiarity.

However, institutional memories take time and effort to overcome. UNCRD makes effort to strengthen linkages between different levels of government. Training with lower levels of government is linked directly to the outputs—the plans for the region. South-South collaboration encourages sharing of experience in decentralization through exposure visits and special training sessions by local experts. This approach is in accordance with the Johannesburg Plan of Implementation (JPOI), 2002.

4. Sustainable livelihoods. Communities with sustainable livelihoods are able to emerge from poverty and maintain an informal safety-net mechanism when subject to shocks triggered by a financial crisis, environmental destruction, or conflict as well as to chronic problems such as illness, death of the breadwinner, indebtedness, social oppression, and seasonal variations in vulnerability. Sustainable livelihoods are a valuable means to ensure human security with the potential to address several dimensions of vulnerability. Emphasis is laid on mobilization of the community, in particular women, and
expanding women’s livelihoods. Best practices in the region are used for exchange of experience through South-South cooperation.

5. Asset base protection and improvement (focus on natural resources, social assets, and access to finance). The lives and livelihoods of the poorest and most vulnerable groups in rural and remote areas are directly dependent on the natural resource base. Destruction of the natural resource base, including land, water, and forest is seriously threatening human security. Several chronic conflicts are rooted in the degradation and skewed use of natural resources that are the principal source of life, livelihood, and cultural identity of communities. During crisis, the maintenance of diversity of species and products serves as buffers to shocks caused by the vagaries of the market and the environment. Adequate natural resource management is a vital concern for sustainable development and human security. The move towards decentralized, participatory, local management of natural resources in the past two decades has highlighted the important role of the community as a unit for natural resource management.

6. Use of Information and communication technologies (ICTs) for social inclusion and empowerment. Access to ICTs is more than provision of technology and hardware to a community. It entails undertaking an assessment of information needs of the community, an understanding of existing communication systems and their inherent strengths and flaws in providing information to the weakest, training of the community to use the ICTs effectively and participate in content creation for their benefit, and preparation of the local governments for the changes wrought by a move to e-government and greater dissemination of information.

The introduction of ICTs induces social change and demands institutional reform with communities being empowered with greater information and increased accountability being demanded from local governments. Therefore, a two-pronged approach is adopted for this project area:

1. Empowering poor communities with the use of ICTs for their social and economic development; and
2. Increasing capacity in local governments to adapt to e-government and greater inclusion of weakest groups in the planning processes.

7. Access to basic services—water supply and sanitation. Human security for millions of people is compromised by poor access to basic services, in particular water supply and sanitation. The World Summit on Sustainable Development (WSSD) stressed the need to ensure drastic improvements in provision of water supply and sanitation. It is realized that even where there is expansion of services, it is the poorest and the most marginalized groups located in illegal settlements or in remote rural areas that are often neglected.
UNCRD has been providing training on improving access to basic services, and efforts are now being made to combine training activities with ongoing projects that provide water supply and sanitation to the most vulnerable and marginalized communities. These activities are especially important in transitional economies where few mechanisms exist to empower the poor and mainstream their concerns. Joint efforts involving local governments, nongovernmental organizations (NGOs), and community-based organizations (CBOs) are found to be most successful worldwide. In the least developed countries (LDCs) with insignificant history of community mobilization and low intervention of NGOs, much needs to be done in mobilizing the communities, and building capacity in local governments to address the needs of poorest groups.

Conclusions

Human security deals with conflict- and development-related threats to lives and livelihoods of individuals and communities. This approach calls for a major shift in the perception of security from a territorial focus to a human focus. Several countries face increased vulnerability caused by conflict, disasters, environmental degradation, poverty, epidemics, and negative outcomes of globalization. The human security approach can help the threats to development.

This paper looks at the role of decentralized governance in enhancing human security along the priority areas identified by the CHS report *Human Security Now*. The role of local government is found to be significant in conflict affected areas and post-conflict reconstruction. The strengthening of local institutions can provide a forum for peace where conflicting parties are given sufficient political space without domination by one group. The experience shows manipulation of local conflict and development outcomes by local elites. This can be countered by strong civil society and measures for accountability. After conflict, the culture of participation is destroyed and rebuilding it is a challenge. Innovative measures in rebuilding infrastructure involving conflicting parties and engagement of the private sector offer solutions.

People on the move – migrants, legal and illegal, refugees, victims of trafficking, and IDPs are among the most vulnerable populations due to their lack of assets and exposure to exploitation and crime. Women and children are worst affected. Local governments receiving these groups of people need additional capacity to provide appropriate services and integrate them into host communities as well as better policing to monitor negative aspects such as violence and conflict. The countries of origin of populations on the move need to enhance local economic development to discourage risky movements and rehabilitate returning populations. The participation of the civil society is essential.

Decentralization for improved health and education services is discussed. A review of the experience indicates the need for a match between national policy and local choices made in respond to the local demand to ensure that the wider public good is addressed.
Commitment in terms of resources to increase spending on services by local governments is important. Sufficient capacity is essential in the local governments to undertake additional responsibilities for planning and implementing development programmes previously undertaken by the state. Measures for accountability and increased empowerment of the marginalized are important to avoid elite capture and improve targeting of the poor. The use of ICTs to further the MDGs and also to strengthen decentralized government is important as these can become valuable tools in increasing accountability in the government, and interactions between the community and the government.

Human security needs to be mainstreamed in the development agenda to address the vulnerable and the downside risks of development. UNCRD is active in promoting human security in the development agenda through dissemination of knowledge on practical application of the concept and strengthening of capacity at the sub-national levels of government in addressing this concept and applying it to ongoing development programmes.

Notes
5/ Ibid.
10/ Ibid.
11/ Ibid.
12/ Ibid.
13/ CHS, Human Security Now.
14/ Ibid.
16/ CHS, Human Security Now.

Enhancing Local Governance Through Decentralization Policy
In Managing Conflict-Affected Regions in Indonesia

Dr. Suprayoga Hadi

Abstract
Good governance is necessary to bring about changes in allocation and alignment of powers and resources within government and the wider society which can address root causes of conflict and create an environment for sustainable peace building. In Indonesia, decentralization is clearly one of the keys for sustainable peace building given that the major responsibility for local development and community welfare now falls to local governments. If handled well, decentralization can support peace building by encouraging transparent and accountable actions by key actors, building local participation in public decision making processes, empowering communities and increasing their sense of security. It encourages social cohesion by strengthening both vertical and horizontal relationships. Making local administrations more efficient and effective enhances their credibility in the eyes of the community. But if handled badly and without proper accountability mechanisms, this reallocation of power and resources can reproduce power struggles possibly leading to renewed violence and trauma.
Reforms can reinforce unequal power structures, enable elite capture of resources and perpetrate differential treatment for different groups, particularly related to religion and ethnicity. A lack of transparency encourages rumor-mongering while a lack of accountability quickly leads to perceptions of corruption and injustice. All of these risks are exacerbated when, as in the case of Indonesia, local governments are characterized by an inadequate policy framework for decentralization and post conflict recovery, poor capacities for peace building and local development, lack of meaningful community participation and ineffective mobilization of resources.

I. Background

1.1. Introduction
Indonesia’s transition to democracy and decentralization of government authority to the regions has been marked by the outbreak of violent conflict in several parts of eastern Indonesia. Three provinces in particular, Maluku, Central Sulawesi and North Maluku, have experienced major sectarian conflict since 1999 that has had a devastating impact on the well being of the people in the affected regions and challenged successive national and regional governments to formulate effective responses.
Violence first erupted in Poso district, Central Sulawesi in December 1998 following a street fight during a local political campaign on the eve of both Ramadan and Christmas. Clashes ensued over the following five years and have resulted in displacement of over

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100,000 people. In Maluku, violence in Ambon city broke out following a traffic incident in January 1999 that spread to other areas of the province leading to the displacement of more than 350,000 people. Later that year, violence erupted in North Maluku between the Kao and Makian people, ostensibly over the establishment of a new sub-district. The violence soon spread to other parts of the province and caused the displacement of more than 250,000 people, most of whom have now returned home. Further details of the context of each province are provided in Annex 1.

For the Government of Indonesia (GOI), responding to the development needs of these regions to reduce the potential for conflict is a priority that is highlighted in the GOI Mid-Term National Development Plan 2004-2009, which conveys the vision of “a society, nation and state that is safe, united, harmonious and peaceful”.

The GOI National Mid-Term Development Plan (2004-2009) highlights the strengthening of social trust and harmony amongst community groups as a priority. The plan defines three policy targets: (i) reduction of social tensions and risk of conflict in areas prone to conflict; (ii) maintenance of security and peace; and (iii) increased community participation in public policy-making and the settlement of social problems. The policy directives to achieve these targets are: (i) strengthen the capacity of social, socio-religious and non-government organizations to prevent and transform injustice, discrimination and social inequity as an important part of the creation of a strong civil society; (ii) promote consistently a sustainable national reconciliation process; (iii) establish the role of government as a credible and just facilitator and/or mediator in maintaining security, peace and harmony in the community; and (iv) apply national communication and information policies based on openness and equitable access to information.

In the regions, the Mid-Term Provincial Development Plans of North Maluku (2003-2007), Maluku (2003-2008) and Central Sulawesi (2001-2006) highlight the priority given to promoting social harmony, prosperity and peace. This paper is designed to proposed recommendations for the Government of Indonesia to meet its mid-term development targets.

1.2 Impact of Conflict on Human Development

Crisis and conflict are key obstacles to human development, poverty reduction and achieving the Millennium Development Goals (MDGs). Crisis undermines development progress but poor or unequal developmental progress can also contribute to risks of crisis and human-made disasters. Freedom from the effects of crisis – through preventing conflicts from becoming violent and natural hazards from becoming disasters – must thus be considered an essential pre-condition for the achievement of the MDGs. Conflict in Maluku, Central Sulawesi and North Maluku has had a major impact on the quality of life and human development:

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60 Details of the Millenium Development Goals are available at http://www.undp.org/mdg/.

Information on progress with the MDG’s in Indonesia is available in “Indonesia – Progress Report on the Millenium Development Goals”, GOI, 2004 and can be downloaded at http://www.undp.or.id/pubs/imdg2004/.
a) **Poverty** – Most of conflict-affected districts in Maluku and North Maluku had poverty rates double the national average and four of the eighteen districts showing a fall in the Human Development Index between 1999 and 2002. In 2002, one in three people were considered poor in Maluku and an average of 55% of IDP families were below their district poverty line at the height of the IDP crisis in 2001-2002, almost three times the average district level poverty in Indonesia at that time.

b) **Education** – Disruption in education provision has occurred through the destruction of schools and displacement of teachers, with schools specifically targeted in some areas. Attendance rates have been affected through displacement, security concerns, inability to pay school fees, lack of access to schools in areas of displacement, or as a result of increased responsibilities for children following the death of family members. A WFP survey in 2001-2002 found 28% of 7,500 school-age IDP children had either stopped attending or had never attended school.

c) **Health Services and Status** - Maluku and North Maluku were the only provinces in Indonesia that experienced an overall decline in life expectancy and an increase in infant mortality rates between 1999 and 2002. Between 1999 and 2002 the percentage of the population with access to health services in North Maluku dropped from 66 to 58% and in Central Sulawesi from 70 to 63%.

d) **Vulnerable Groups** - Crisis has aggravated the vulnerability of many groups and created new vulnerabilities for which special protection measures are necessary. Women and children in conflict situations in particular have had increased vulnerability to violence, abuse and exploitation.

II. **Analysis of Responses and the Current Situation**

The resolution of regional conflicts since has been a priority of national government and has resulted in a range of policies and responses with support from the international community.

2.1. **Responses in Maluku, North Maluku and Central Sulawesi**

The extent and frequency of violent conflict subsided in these provinces between 2000 and 2002. Intermittent outbreaks of violence have occurred in both Poso and Maluku as recently as 2004 while North Maluku province has remained generally calm since 2001. Outside of the three provinces, these conflicts remain characterised as ethnic and/or religious, which belies the varied and complex structural and proximate causes of conflict in each province. Furthermore, overlaying these are secondary issues that have arisen in many areas as a result of the violence and displacement that further challenges the establishment of peace in these provinces.

It is significant that each province has undertaken substantial changes to local administrative boundaries with the sub-division of districts into new administrative units (*pemekaran wilayah*). North Maluku, a new province in 1999, now consists of eight

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districts; Maluku now has eight districts compared to four in 1999; and Poso district has recently been divided into three districts.

Of particular significance, Indonesia reformed both its regional autonomy laws and its national development planning system in 2004.62 The new regional autonomy law emphasizes the role of the Governor and the province to supervise district development, services and budgets, and legislates for the direct election of regional heads, bringing greater potential democratic accountability to regional governance. With its strong focus on inter-governmental relations, it is hoped that this new regulation will have a major effect in clarifying roles and responsibilities between levels and government and eliminating some of the issues that have caused uncertainty. The new system of national and regional development planning is still in transition and will require a number of national and regional regulations before it is fully established.63

a) **Security** - Indonesia’s security response to internal conflict has included the deployment of both police and military units. However, concerns have been expressed over the professionalism and neutrality of the security forces. The lifting of civil emergency status in both Maluku and North Maluku has returned responsibility for security to the police.

b) **Humanitarian Responses** - Initial responses to the conflicts were naturally focused on the immediate humanitarian crises with the international community providing significant support to the Government of Indonesia through UN agencies, bilateral donors and international NGOs. Relief efforts were soon refocused to provide support for recovery, the resettlement of IDPs and reconstruction of destroyed and damaged infrastructure.

c) **IDP Return** - In 2001 the GOI produced a National Policy for Handling Internally Displaced Persons (IDPs)64, which outlined three options for IDPs. These options were return to place of origin, local integration in their place of displacement and resettlement to new areas. This policy supported by significant national funding has facilitated the return and resettlement of IDP families but many still remain with allegations of widespread corruption in the management of funds for the IDP program.

d) **Malino Peace Accords** - Two separate peace accords (Malino I for Poso and Malino II for Maluku) were signed by community leaders from Poso and Maluku as a result of mediation by national government in December 2001 (Malino I) and February 2002 (Malino II). Both agreements addressed the major issues of disarmament, law enforcement, return of IDPs to their places of origin and social-economic rehabilitation (see Annex 2). They also encouraged the formation of local working groups to examine specific issues and formulate recommendations for local action.

e) **Presidential Instruction No 6 / 2003** - Presidential Instruction No 6 of 2003 provides for a whole of government approach to assisting the provinces of Maluku and North Maluku to recover from conflict through additional support from national government

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departments with Bappenas as the coordinator of annual implementation plans. Overall, responses on the ground have been limited.

f) Grand Strategy for Conflict Prevention – Bappenas has produced a draft government strategy that outlines a comprehensive macro-level strategy for GOI programming in conflict areas with an emphasis on participation, building social harmony and proposals for the roles of different departments.

III. Discussion of Issues

Good governance is necessary to bring about changes in allocation and alignment of powers and resources within government and the wider society which can address root causes of conflict and create an environment for sustainable peace building. In Indonesia, decentralization is clearly one of the keys for sustainable peace building given that the major responsibility for local development and community welfare now falls to local governments.

If handled well, decentralization can support peace building by encouraging transparent and accountable actions by key actors, building local participation in public decision making processes, empowering communities and increasing their sense of security. It encourages social cohesion by strengthening both vertical and horizontal relationships. Making local administrations (government, parliament and NGOs) more efficient and effective enhances their credibility in the eyes of the community. But if handled badly and without proper accountability mechanisms, this reallocation of power and resources can reproduce power struggles possibly leading to renewed violence and trauma. Reforms can reinforce unequal power structures, enable elite capture of resources and perpetrate differential treatment for different groups (particularly related to religion and ethnicity). A lack of transparency encourages rumour-mongering while a lack of accountability quickly leads to perceptions of corruption and injustice. All of these risks are exacerbated when, as in the case of Central Sulawesi, Maluku and North Maluku, local governments are characterized by an inadequate policy framework for decentralization and post conflict recovery, poor capacities for peace building and local development, lack of meaningful community participation and ineffective mobilization of resources.

3.1. Issues at the National level

Overseeing decentralization at the national level is a multi-departmental Tim Keppres 157 set up by Presidential Decree 157/2000 which has several sub-teams set up for various assignments (see Attachment 6 for Tim 157 membership). The rhetoric of reform has not yet seen substantial changes in central government to complement the decentralization of powers to regions. Local governments universally claim there is still inadequate national guidance related to power sharing arrangements while Law 22/1999 provides minimal guidance and little imperative for mainstreaming good governance within administrations.

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66 For example, new sectoral regulations by sectors, such as Kepmendagri No. 29/2002 on Performance Based Budgeting made by MoHA are creating new problems for decentralization.
Coordination between district and provinces for use of deconcentration funds for local economic development/poverty reduction is not effective yet so that communities continue to experience poorly targeted initiatives that have no impact. So generally there is a widening gap between public expectations and the results of decentralization and regional autonomy. Some of the issues affecting the pace of change include:

a) Significant differences between central agencies on policy development related to decentralization;

b) Conflicts of interest between MoHA and MOF on financial management issues;

c) Conflicts between BKN, LAN and MenPAN on Civil Service Reforms.

d) Real interest in civil service reform by the DPR has yet to be seen;

e) Certain ministries, and factions within ministries, appear to be resisting change and top-down planning remains a powerful organizational reflex;

f) Only the top layer of the bureaucracy has been replaced and most officials have not yet fully embraced the idea of new procedures and standards and democratic reforms so that old work patterns and attitudes prevail; and

g) Political parties continue to lack meaningful grassroots basis.

3.2 Issues at local government level

The conditions of governance in these two provinces are similar to the rest of Indonesia. Local government face the challenge of rationalizing funding and pricing of public services to achieve better use of resources but do not yet have full authority, reliable financial resources or capacity to manage service provision. For example, the debate still goes on at national level as to whether local governments should comply with national standards or have wider latitude to experiment and be innovative. Decree 105/2000 and Ministry of Home Affairs Decree (Kepmendagri) 29/2002 for performance-based budgeting reflect a desire to have local governments comply with national standard for budgeting and financial reporting requirements (although local departments find it confusing and difficult to implement)\(^\text{67}\). Nonetheless, local authorities in the visited districts indicated a preference to follow central government guidelines rather than create their own way of doing things.

While local governments receive substantially more income now, almost entirely from central government fiscal transfer, they claim little scope for maneuver since the bulk of funds are used for salaries and basic operating costs. Within each department, annual allocations tend to be the same unless there is a new priority being pushed by the Bupati (or more rarely by the legislature). Despite this, experiences from other provinces suggest that a key issue for local governments is not so much the lack of resources but more how to use those resources (and others not yet tapped) effectively\(^\text{68}\). For example,

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\(^\text{67}\) Experience from BIGG (USAID) in other parts of Indonesia shows that performance based budgeting is possible but requires considerable time and effort. It recommends starting on a small scale with service-oriented departments where outputs and outcomes are easier to identify and measure.

\(^\text{68}\) For example, see Local solutions for local development – Issues Paper, Area Focus Approach Scoping Mission Document, June 2004, Canberra
new districts are allocating a significant proportion to building government infrastructure at the expense of service delivery.

Budget documents are not very useful for planning as they contain a lot of figures, but little information that sheds light on how the budget relates to development goals or service objectives. For example, even though some local governments are allocating a proportion of budgets for emergencies in line with national guidelines, there is little evidence that public authorities understand the need for conflict sensitive policy or programming. DPRD have difficulty then making sense of budget plans made more challenging since the budget is no longer organized in terms of routine and development expenditures but according to core administrative functions and public service activities. It is more difficult to see how much budget is allocated for development and budgets continue to be used more as a means of allocating and controlling expenditures, rather than as an instrument for managing development. The whole process of budgeting has to be more transparent and accountable, so that DPRD members, interested civil society groups and government staff can contribute more effectively.

Governance is being undermined by structural and systemic gaps in public administration including weak processes and procedures for planning, participation, budgeting, financial management, human resource management and coordination. In addition, gender equity is not mainstreamed in the public sector at any level, service delivery is not yet gender-inclusive women continue to be under-represented in senior positions while offices responsible for women’s empowerment (where they exist) have very low status and authority. There have been calls from a range of stakeholders for increased transparency and accountability from government authorities at all levels. People want more open recruitment practices, clearer information about government programs, better access to basic services and more community voice in local development. As yet there no mechanisms for people to report suspected misbehavior except through the DRPD which may not itself command respect. Similarly, while Bawasda monitors government performance, this is more of an auditing exercise rather than assessing community satisfaction with government performance and it is highly doubtful that all departments can be audited thoroughly.

It would be fair to say that most local governments are not yet governance bodies although each district has some governance champions on which to draw. The concept of good governance is not yet well understood and there is a risk it will be seen as yet another donor idea that imposes more obligations on the public sector without clear benefits. Governments may also feel threatened by the insistence on civil society participation and greater transparency that undermines current rent seeking practices. Building ‘structures of engagement’ is vital for monitoring government’s performance and should include support for networks of traditional institutions and new mechanisms such as forum warga (citizens’ groups).

These can be supported through local regulations on transparency and participation and by strengthening BPDs and existing groups.

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69 There was a demonstration against in the government in Tidore in 2003 because of perceived lack of transparency in recruitment
3.3. Issues on Local Parliament (DPRD)

DPRD in local government has been always a reflection of the legislature at the national level. Before reform took place it had been merely a rubber-stamping body for decisions taken for the local government, but now the law on local governance gives it the authority to act as a parliament. This means for example, that it can issue a vote of no-confidence against the head of region and remove him/her from office. In this context, DPRD is already mandated for all the functions required for governance and to create a check-and-balance system between the two branches of local government: a legal drafting function to make local law, an oversight function to monitor its implementation and a budget drafting function to ensure that the government does not have an unchecked authority in budgeting.

The election in 2004 has seen a group of fresh politicians entering local politics with a spirit to improve the situation. It can be seen as an ideal opportunity to support them in building accountability of local government by introducing new practices. This will produce healthier politics particularly as the two branches of government become more independent with the anticipated passage of the law stipulating the direct election of head of regions later this year or early in 2005.

3.4. Issues on Village Council (BPD)

Government Regulations number 76/2001 on Guidelines of Village Administrative Arrangements stipulates the establishment of a village council called a Badan Perwakilan Desa (BPD). It constitutes the body responsible for village regulation drafting, overseeing of budget and the accountability of the village head and maintaining local customs. Effective BPDs for example have been seen to be those that have a functioning representative body of different groups in the village, but the local governments have not yet produced a local regulation (perda) concerning village administration as required by the Government Regulation. However, there are few models that set good examples. The danger is that villages may end up establishing BPDs with inappropriate representation (e.g. elite dominated)\(^70\), without legal foundation and poor participatory practices. BPDs need basic orientation and capacity building program as well as provision of basic references on legal framework\(^71\). A governance program at village level is likely to be more effective if it incorporated into district level programs for governance strengthening. Providing support for both sides hopefully will lead to improving the ability of village BPD to play its roles more effectively and the availability of good practice for local government to disseminate and replicate elsewhere, especially in the area of peace-building. One approach may be to pilot a governance strengthening (through BPD capacity building and leadership programs in a select number of villages (to include different religious or ethnic groups) in partnership with the district government in order to institutionalize the approach within public administration. This could be done through

\(^{70}\) The Government regulation only requires that BPD comprises of at least 5 members elected among the village population in accordance to the Local Regulation (Government Regulation number 76/2001, article 31).

\(^{71}\) BPD also has to understand regulations on taxes and charges in the respective region, as villages cannot levy tax or charges for similar objects as the district government. This requires an overview of all related legal framework so as to help BPD promote village development without violating district level regulations.
technical assistance to BPM or Pemda for example to train and mentor departmental staff and other service providers (if outsourced). However, since responsibility for support BPDs can fall under the auspice of the Section of General and Village Governance under the Sekretaris Daerah office at the district level, the district PMD or provincial level PMD, these agencies need to coordinate more effectively and work in collaboration.

3.5. Issues on Civil Society

People are facing greater economic hardships through loss of livelihoods and withdrawal of investment funds from the region as a result of the economic crisis and then the conflicts. Reliance on government is even higher and community self-reliance is very low. Years of so-called “bottom-up” planning have resulted in few real welfare gains for communities or specific groups. Poor coordination between district and provincial governments results in duplication of development programs within villages or very poorly targeted support that does not match community needs. Women’s status has not increased, educated young people are unable to find employment and the presence of internally displaced persons remains a challenge for social cohesion and human development (especially in health, education and economic empowerment). The lack of coordination among village, sub-district, district and provincial levels of government means that problems emerging at the village level hardly even reach district let alone provincial government and, vice versa, policies at the provincial and district levels hardly reach people in villages (particularly women and poor).

There are few civil society organizations (CSOs) or media pursuing greater transparency and anti-corruption. Strengthening CSO networks for information sharing, promoting popular/civic education and ensuring unbiased information to the public is needed, but first CSOs need opportunities to reflect on what role they can play in promoting democratic governance. There is not yet a Code of Ethics for NGOs/CSOs in either province. There is also much scope for local government and NGOs to collaborate on governance and peace building through activities that support community social and economic empowerment. NGOs may be better placed to work intensively with a smaller number of groups since government necessarily has to spread its resources for wider coverage (e.g. allocation of extension workers) although they require substantial capacity building to be effective. A few NGOs do appear to have good capacity for outreach and community organising which can be further developed.

IV. Risks for future conflict

As elsewhere in Indonesia, social and economic development efforts in these provinces have occurred in an environment where the rules and institutions have been seen as biased towards particular groups and geographic locations. Communities in both provinces face uncertainties in terms of access to justice and employment opportunities, provision of services and government’s commitment to eliminate corruption. Many issues for those who were displaced and/or suffered trauma during conflicts remain unresolved.

72 In particular, domestic violence against women and children was identified in both provinces as an issue that warrants urgent public attention. A Technical Guide to Implement the Program Management for the Advancement of Women at Sub-National Level (Instruction No. 17/1996) sets out to improve management co-ordination of development programs for women at the sub-national level, administered by the provincial governor.
Such perceptions of unfairness, exclusion and nepotism continue to fuel sentiments of resentment and frustration and result in low confidence in local governments and poor social cohesion.

The Assessments provide detailed analysis of the dynamics of the conflict in Maluku, North Maluku and Central Sulawesi. From a governance perspective, these risks could be grouped as follows:

a) A critical issue is that certain groups continue to feel aggrieved at being treated as ‘second class citizens’ and see a lack of government concern for their social and economic welfare. Public sector employment remains a highly contentious issue since it is one of three main sources for income (together with agriculture and trade). Fierce competition makes people highly alert to possible nepotism and religious or ethnic discrimination in promotions and recruitment and to the possibility of people ‘buying’ their jobs. This is obviously expressed in the anti-Makian sentiments of North Maluku and concern that a Christian Bupati will be elected in predominantly Muslim Poso.

b) A second set of issues revolve around a perceived lack of respect by government and others’ for cultural identity and heritage, leading to struggles for resources such as land and forests for which the local community feels ownership. This is expressed most clearly in the continuing dissension among the Kao people over the new territorial boundaries of Malifut in North Maluku and access to benefits from the mine there. It is also found among communities who feel threatened by a lack of transparent government practices in allocating mining and forestry rights which can affect their livelihoods.

c) Perceptions of corruption in use of public funds, collusive practices in contracting and procurement of public goods and poor accountability mechanisms from government and DPRD create a third set of risks. These result from lack of transparent and participatory decision-making, delivery, supervision and auditing of government programs. Three kinds of misuse of funds were typically identified during the mission: money being reallocated to other programs without consultation, contracts for infrastructure projects are inflated to provide kickbacks to those awarding the contracts and funds are taken for personal gain.

d) The potential for mistrust between communities offers further risk as villages and areas become more ethnically and/or religiously homogenous with few channels for communication between different groups. Splitting districts as a way of dealing with issues of power sharing and resource allocations increases the risk as stronger religious and ethnic lines are drawn.

e) A lack of government action (including parliament) on a range of quality of life issues that are affecting people’s livelihoods and well-being is already creating unrest among communities which could deepen. These include increasing youth unemployment, unresolved situation for IDPs, poor support for those suffering trauma and lack of government action to minimize the environmental damage through bad logging and mining practices.

f) If government does not address these tensions and triggers effectively, there will be always be some potential for elites engaged in their own power struggles to capitalize
on resentments and dissatisfaction among local citizenry to provide momentum for social disharmony and violence.

V. Proposed Strategic Framework: Peace Through Development

Overall, the proposed strategic framework for peace through development (PTD) approach encourages conflict sensitivity in development. The PTD approach focuses on the building of partnerships focused on long-term development, governance and peace building among government actors, local civil society groups and the public. It is envisaged that the strategic framework provided by PTD can be extended to other provinces of Indonesia, should GOI, UNDP and regional partners and donors agree that this is appropriate.

The key strategic approaches incorporated in the design of PTD are:

a) **Government Leadership** - Government ownership is vital for the success of the program. The program strategy is based on strengthening existing government mechanisms and the application of existing regulations.

b) **Area-based Approach** - Within the context of decentralisation in Indonesia, PTD is an area-based program focused on the districts. An area-based approach allows capacity building and the experience of hands on delivery to be combined within an existing institutional framework targeted at areas with significant conflict risk. PTD will work initially in selected core districts in which it will provide comprehensive support. The selection of districts will be based on selected criteria and will be agreed by a National Committee. The provincial level will be supported is its mandated role of managing cross-district initiatives, oversight of district PTD performance and establishing and monitoring minimum service standards.

c) **Multi-stakeholder Processes and Collective Benefits** - Effective multi-stakeholder processes are of great importance in rebuilding trust and confidence in conflict and post-conflict contexts. PTD will achieve this through effective program mechanisms, management arrangements and assistance aimed at strengthening processes and the skills of those involved. The effectiveness and performance of multi-stakeholder processes will be monitored and reviewed by those involved. PTD will link multi-stakeholder processes with the delivery of collective benefits for the community that can strengthen social cohesion.

d) **Building Capacities for Peace and Development** - The main emphasis of the program is on capacities for building long-term peace and development. Capacity building should be demand driven with careful identification of needs and formulation of capacity building responses.

Capacity has been defined as “the ability of an individual, organization or a system to perform functions and meet objectives effectively and efficiently”. Capacity-building

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therefore concerns support to achieve performance and produce outcomes focusing on three interrelated levels:

a) **the systems level**, which sets the policy, legal and regulatory framework that includes management and accountability systems, resource allocation and broad system level processes such as planning and evaluation;

b) **the organization (unit) level** including its core business and strategy; culture, organizational structures and competencies; internal management processes and procedures; its human, financial and information resources; and its infrastructure;

c) **the individual level** including general and specific skills such as initiative, judgment, values, professional competencies, motivations and work attitudes.

The GOI National Framework for Capacity Building to Support Decentralization highlights the need to build the capacity of a variety of stakeholders including government, non-government organizations and local communities. It includes four key stages: (i) comprehensive identification and formulation of capacity building needs within the context of regional autonomy, (ii) formulating priorities for capacity building initiatives, (iii) determining comprehensive plans for capacity building and (iv) allocation of technical and financial resources to capacity building plans including donor and government sources. The program will focus on developing sustainable mechanisms for capacity development through the local and national institutions responsible for supervision and capacity building support.

The essential capacities for long-term peace have been identified through the PDA as those relating to governance and social cohesion.

a) **Capacities for Local Governance** – PTD will support the executive and legislative arms of local governments, civil society and the community through enhanced public awareness and participatory planning mechanisms to strengthen the capacities for local democratic governance to promote peace and human development. Although the rule of law and the role of the judicial arms of government are essential, there are limitations to the extent that work can be done within the context of PTD as a decentralized program.

b) **Capacities for Social Cohesion** – Social segregation and prejudice need to be overcome in the promotion of peaceful and equitable development. PTD will strengthen the capacities of government and civil society to promote social integration and harmony. The PDA has shown that opportunities for strengthening inter-community networks and relations exist and are a priority in these provinces. PTD will focus its support to organizations and networks that promote social cohesion through meeting priority development needs across community divisions. In particular there is scope to address the issues of currently or previously displaced people which, in some areas, is the main barrier to sustainable peace. The context varies widely, from Ambon City where a segregated and overcrowded city is unsustainable and frequently violent, to North Maluku where the majority of IDPs have returned but to the same underlying conditions that promoted violent conflict. In all cases there is a need to analyze the issues at local level, link them to the broader
environment and create the conditions within which local solutions can be found or advocacy activities supported to resolution at a higher level.  

Social cohesion refers to the crosscutting social and economic relations within society – including the trust, inter-group associations, networks of communication and cultural patterns of interaction – that bond a society together, promote harmony, a sense of community, and a degree of commitment to promoting the common good. The concept of social cohesion emphasizes the importance of horizontal equity between groups and places the responsibility for minimizing disparities, avoiding polarization and facilitating balanced development. In Indonesia, the terms “social integration and harmony” are often used.
Poverty Reduction through Strengthened Local Governance and Effective Decentralization: Issues and Challenges in Human Empowerment and Security (A Case Study of Nepal)

Dr. Bishwa Keshar Maskay

1. INTRODUCTION

Developing countries of Asia and the Pacific had mixed economic performance during the last decades. Some have established themselves as most rapidly developing or even developed economies in Asia and the Pacific region. As a result, not only rapid growth of their economies but also due to far reaching structural transformations, Republic of Korea, Taiwan Province of China, Hong Kong and Singapore are considered to be the most dynamic economies in the world. China in recent decades and India in recent years are also the fastest growing economies. Others such as Malaysia, Indonesia and Thailand are moving in similar directions. These economies are not only good performances, but have achieved significant results in reducing poverty with far reaching economic and political changes and reforms including devolution of power to local authorities and strengthened local governance. Some of these economies have been able to promote social inclusion of all sections of population in development processes and thus have been successful to promote employment and empowerment of different ethnic groups and communities. But all economies have not been able to perform well and when economic performance and poverty reduction successes are broken down at sub regional and country levels, it is clearly evident that some nations and regions remained in economic stagnation and even grew poorer over the past decades. Nepal, a least developed country of South Asia, is one of such category.

Even after half a century's period of planned development, Nepal remains gripped with poverty, having more than 50 per cent of population living below the poverty line. The official statistics informs that the poverty level has decreased to 38 per cent, but the ongoing conflict and displacement of the people from land and their residences could have further aggravated the situation, and various donor agencies have estimated the poverty level to more than 50 per cent. Furthermore, additional 300,000 people enter the Nepalese labor market annually, but most of them remain unemployed due to the small modern sector not being able to absorb the new entrants and the agricultural sector as such is already suffering from substantial underemployment. After the restoration of multi-party democracy in 1990, Nepal has enacted several measures including the poverty reduction strategy papers (PRSP), other local development programmes and procedures, and decentralization schemes. The most notable is the Local Self-Governance Act enacted in 1999 with the objective of strengthening local governance units for

75 The recently released unofficial findings of the National Standard Living Survey II undertaken in 2003 where results have been published recently indicates that the poverty has decreased by 11 per cent in 2003 when compared to 1996 figures. Thus poverty level is said to have decreased to 31 per cent of the total population.
planning, implementing and monitoring of the local development activities and other poverty reduction programmes. The Act envisages strengthening social mobilization and building-up of community groups/associations for ownership, monitoring and evaluation of development activities, and promoting human empowerment and security. As a result of these measures and other central level development activities, positive achievements were made; nevertheless, the ongoing and continuously aggravating conflict situation have reversed many of the achievements. The conflict situation has also restricted the effective implementation of the decentralization measures, due to absence of elected bodies at the local levels.

This article has elaborated and highlighted on the past efforts in the areas of poverty reduction including measures enacted for improved local governance and decentralization and identifies new challenges for Nepal in furthering poverty reduction through human empowerment and security. The article has also evolved recommendations and areas of immediate concern in poverty reduction through strengthening of decentralization measures.

Having presented the introduction in the first section, the paper provides a brief overview of Nepal's development efforts (1950-2004) with special focus on poverty reduction measures. Institutional building and promotion of community-based development activities in rural areas are also reviewed. A general assessment of strengths and weaknesses of the past policies and programmes for poverty reduction has been attempted. The follower section deals with local governance, decentralization measures and policies and local institutional building for development and poverty reduction and presents a critical assessment of the government's current policies in those areas. Decentralization measures and centre-local government working relationships including resource mobilization and revenue sharing arrangements, devolution of development activities to local levels and ways and means for efficient service delivery provision are analyzed. Cooperation among local government units, CBOs, NGOs and other development partners are also assessed. Empowerment of organizations and individuals through social mobilization and capacity building measures have been suggested. The next section deals with possible partnership among development agencies, stakeholders and citizens for poverty reduction and socially inclusive development and a critical assessment of donors approach and perspectives as well as existing institutional framework for community-driven approach for poverty reduction has been made. PRSP approach, linkage of current programmes to the achievement of MDGs and additional efforts required for MDGs have been explored and suggested. The last section presents the conclusions and recommendations focusing on: specific policies and re-orientation measures for poverty reduction, decentralization and local governance for poverty reduction; institution-building and strengthening; public-private partnership for service delivery and resource efficiencies; strengthening and capacity-building of local governance units for poverty reduction; and measures for good governance through decentralizations are presented.
II. NEPAL'S DEVELOPMENT EFFORT AND POVERTY REDUCTION

i) Development Planning Process in Nepal

Nepal adopted the development planning process since the 1950s and by this time it has implemented nine medium-term plans and is currently in the mid-period of the Tenth Plan. Even after 55 years of planned development, Nepal remains as one of the poorest least developed country with high population growth rate, seriously constraining the growth of income per head. The country faces challenges unprecedented in its history. Poverty remains widespread with very high dependency on external assistance required as much as 60 per cent to meet the development budget. External borrowing have been growing steadily with 54 per cent of the GDP as total debt stock in 2002. 76 Despite all kinds of claims by the government it is felt that poverty level has not changed significantly. The educated and well off urban population lives not so differently from their counterparts in other countries of similar income range, however the poor and rural inhabitants are being left behind.

The First Plan of Nepal (1956-1961) had given some priority to rural development, as the plan emphasized that village development programme should be given a top priority. The Second Plan (1962-65) which was initiated with the royal takeover of 1961 had further emphasized on village development approach. A progressive land reform programme was also initiated in 1964, with the abolition of Zamindari system and ceiling of land ownership. The Third Plan (1965-70) more or less took forward the same policies as that of the second, but tried to consolidate village level organizations for political purposes. The Fourth Plan (1970-75) emphasized on a new concept of regional development focusing on north-south growth axis and growth centres. District development plans were formulated with greater role for government employees. During the Fifth Plan (1975-80) several rural development projects were initiated. The Sixth Plan (1980-85) emphasized on promotion of people's participation in development process and accorded priority to the provision of the basic needs to the people. The Seventh Plan (1985-90) also emphasized on employment promotion and provision of the basic needs to the people. The Eighth Plan (1992-97) initiated after a gap of two years of no plan and being the first plan under the newly restored democratic multiparty system of government, had emphasized on agricultural development and diversification of agricultural sector, development of rural infrastructure, employment creation and human resources development.

Various methodological reforms were introduced from Ninth Plan (1997-2001) and the Plan had set the target of achieving the annual economic growth rate of 6.0 per cent by gaining 4.0 per cent growth in agriculture sector and 7.3 per cent in non-agricultural sector. The annual population growth rate during the plan period was expected to be 2.4 per cent thereby the net annual per capita GDP growth rate was expected to register 3.6 per cent. However, the actual growth rate during the Ninth Plan period was limited to 3.6 per cent due to low level of investment and production in non-agricultural sector as a result of growing political instabilities and deteriorating law and order situation. Similarly

the low productivity in agriculture due to weather conditions and untimely monsoon pulled down the sectorwise growth to 3.3 per cent in agro-sector and 3.9 per cent in non-agro sector. National population grew by 2.25 per cent, and thus the net per capita income growth rate was only 1.3 per cent annually during the plan period. The contribution of agriculture sector in GDP was 40.4 per cent in 1996/97, the base year of the Ninth Plan, which decreased somewhat to 39.3 per cent in the final year of the plan in 2001/02.

The annual average growth rate of 4.6 per cent marked the first four years of the Ninth Plan heralding a set of positive achievements in several sectors. Unfortunately, they could not be sustained in many sectors up to the fifth year. The GDP growth rate on the fifth year was negative by -0.5 per cent due to internal and external adverse situations, which brought home unhealthy stress on poverty alleviation and employment generation.77

The Tenth Plan has set the target rate of growth between 4.3 to 6.2 per cent per annum depending upon the improvement of the conflict situation and security perspectives. In the same vein, the targets are set such as to boost up literacy rate to 70 per cent, to lower the infant mortality rate to 45 per thousand, to increase average life expectancy to 62 years, to extend safe drinking water service to 85 per cent of population, electricity service to 55 per cent of population and to extend telephone service to all VDCs. However, the Nepalese economy has been adversely affected by exacerbation of the insurgency and political instability and economic growth slowed to an average of 1.2 per cent during FY2002-FY2003, which was well below the annual average of 4.7 per cent in the decade before FY2002.78 In FY2004 GDP growth recovered moderately to 3.3 per cent from 2.9 per cent in FY2003, supported by improved performance in agriculture and services, which offset the conflict-induced weak performance in industry. Agriculture grew by 3.9 per cent in FY2004 from 2.5 per cent in the previous year, contributing to 1.5 percentage points to GDP growth. Growth in industry declined to 1.0 per cent as compared to 3.0 per cent a year earlier, reflecting sharply lower gains in the manufacturing and construction subsectors. Manufacturing grew by only 1.7 per cent - much lower than the average rate of 7.5 per cent in the decade before FY2001 - due to conflict.79

Nepal's development planning period of the last 50 years have not been that inspiring or encouraging. In comparison to other developing countries which achieved remarkable progresses through planned development and similar socio-economic conditions, Nepal's development performance was rather dismal and frustrating. "The government machinery including the ministries thought themselves as masters and gave less priority to the target group - the common people. The people never got opportunity of reviewing and monitoring in the whole process of development".80

78 Source: World Bank, Nepal Office
The above presentation clearly depicts Nepal as one of the poorest country in the world, and has been affected by long standing constraints, policy inadequacies and institutional bottlenecks for accelerating the pace of socio-economic development. Despite the fact that the economic growth rate was around 4.5 per cent per annum during 1986-1996, Nepal continued to experience widespread poverty and deprivation due to stagnation in the rural areas. It is fairly established that higher rate of economic growth tends to reduce poverty. However one has to analyze the impact of economic growth on poverty more carefully. Higher growth reduces poverty only if it leads to greater labor absorption and is accompanied by appropriate policies and programmes aimed at mitigation of income inequalities and promotion of employment generation for the rural poor particularly women and other traditionally excluded groups. But in Nepal's past development efforts, this did not happen. Even at present Nepal's economy remains highly dualistic, with a large agricultural sector and a relatively fast-growing urban economy. Almost 90 per cent of the Nepali population live in rural areas and much of the employment and income generation in rural areas depend directly or indirectly on agriculture. Agriculture, however, has been virtually untouched by various economic reforms enacted in Nepal and remains at subsistence levels, characterized by low input use and low productivity. Agricultural growth in the last two decades have averaged only 2.3 per cent per annum - less than the rate of population growth. At the same time, nonagricultural (which includes, among others, industry, trade, transport, tourism, construction and services) has grown at an average rate of 6.5 per cent per annum over the past decade, recording some growth benefitting from economic liberalization and deregulation. Since most of the non-agricultural activities have been urban-based, they directly and indirectly benefited the urban economy. In contrast, the stagnation of agriculture (due to poor policies and ineffective use of public resources) has meant that the rural economy continued to languish, even as overall economic growth (driven by non-agricultural activities) remained somewhat higher. However, in the last few years, non-agricultural growth itself decelerated due to a slowdown in exports and domestic demand, low levels of public and private investment etc., in turn pulling down overall GDP growth. The ongoing conflict and insurgency has seriously affected the economic and productive activities, in recent years. Despite all these events, it is felt that in future (if conflict situation is resolved) Nepalese economy remains well inside its production possibilities frontier, which makes further acceleration of the growth rate perfectly feasible. With 71 per cent of its labor force in agriculture and underemployed, Nepal can hasten its transformation from an economy based primarily on agriculture to one based primarily on services and industry. If labor-intensive services and industry grow and pull even a quarter of the rural labor force into more productive employment, the economy can be expected to grow much faster, Simultaneously, the accompanying reduction in the population pressure on farmland will help raise agricultural productivity and wages.81

ii) Poverty Reduction Efforts and Poverty Profile in Nepal

Poverty - its multi-dimensional manifestations and difficulties associated with alleviation or even reduction remain as the most formidable challenge of development processes. In other words an effective strategy which is in favour of the poor to enable them in

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benefiting proportionally more than the richer section of the society needs to be fully formulated and implemented. As present national governments, international agencies, bilateral and multi-lateral donors, and development banks, all are working with active support of national and international civil society organizations and seem to be committed to alleviate the miserable conditions of absolute poverty in different regions of the globe. In recent years, government and donors, with further unwavering commitment to poverty reduction, are attempting to support and implement procedures and activities with new initiatives in service delivery mechanisms and modalities. However, a pro-poor growth strategy which sincerely aims at removal of institutional and policy induced biases and constraints against the poor and other disadvantaged groups of the society are yet to be evolved and implemented. Certain programmes are bringing positive outcomes in poverty reduction with selected economies experiencing sound economic growth and improvements in redistributive measures and equality arrangements. Countries such as China and India where poverty remained enclaved in wide areas of their national boundaries for sustained period of time, have now clearly demonstrated that poverty reduction is possible with sound and high economic growth. China had a record growth rate of its economy during the 1990s and continuing that trend was /expected to grow by 9.3 per cent in 2004 and is forecasted to growth by 8.5 per cent in 2005. Rural per capita income in China was expected to grow by 7 per cent in 2004 and by over 6 per cent in 2005. Indian economy had grown at the rate of 8.2 per cent last year, joining the group of the fastest growing countries in the world. While the growth rate is expected to be around 6.5 per cent in 2005, India is forecasted to sustain broad based economic growth over the coming years. As a result, these countries along with others in South-East Asia and Latin America have demonstrated a significant reduction in absolute poverty. Despite all these, it is estimated that around 800 million people who constitute two thirds of the global poor living on less than US$ 1 per day, and remain in Asia and the Pacific region. As mentioned earlier, Nepal's official statistics put 38 per cent of its population in absolute poor category, however, due to conflict, displacements from houses and land and other associated conditions of violence and political uncertainties, poverty and deprivations must have aggravated significantly in Nepal and calls for urgent measures to deal with them. Given the widespread poverty in Nepal - nearly half the population is below the poverty line and recent economic performance has not been good enough; Nepal needs to grow more rapidly and equitably in order to make tangible progress in reducing poverty. There is little scope in Nepal for improving living standards of the poor through income redistribution, and higher growth and better employment opportunities are necessary both to increase income levels and to generate additional resources to provide better services and infrastructure to the poor. In the context of widespread poverty, generating adequate income-earning and employment opportunities are of urgent priority for maintaining social and political stability as well for peace.

Several studies have correctly pointed out that growth has to be pro-poor to make a dent on poverty. Empowerment makes growth pro-poor by broadening human capabilities and improving the distribution of productive assets. For a given rate of economic growth, poverty will fall faster in countries with more equitable distribution of income than in those where income inequalities are higher. Evidence from Nepal clearly illustrates how economic growth had limited impact on poverty reduction (as mentioned earlier about the
dualistic nature of the Nepalese economy) also due to the inequitable distribution of income and assets. Therefore, empowerment must drive the policy framework for attaining pro-poor growth.82

Looking at the growth performance of the first two years of the Tenth Plan, meeting the objective of reducing poverty level to 30 per cent by the end of the plan period looks rather an arduous task. Based on the current growth performance of the Nepalese economy and in view of the aggravating conflict situation and political uncertainties within the nation, it can be fairly said that the Tenth Plan will not be able to fulfill its target in achieving the growth rate as well as in poverty reduction. As a matter of fact, due to increased conflict in the rural areas causing major displacement of people, the poverty level could actually increase the coming years. Furthermore, as a result of disturbance in the education sector in rural areas, especially leading to the closure of several schools, its impact on the perpetuation of poverty and lack of capacity building for poverty reduction will be felt for many years to come, may even for generations. This is rather a sad and the most disappointing period in Nepal's development history and everyone is yearning that such a situation be alleviated as soon as possible so that peace could prevail and education which as the most essential asset for poverty removal could be acquired by all children throughout the country.

iii) State of Human Development and Poverty in Nepal

It is well established now that poverty is closely associated with low levels of human development, as evidenced by various indicators of health, education and access to services. These indicators express both to the multitude of poverty and its difficult dimensions and the underlying constraints that perpetuate poverty further and Nepal is a concrete example. Literacy, primarily enrollment rates, basic health indicators and availabilities of infrastructure are very low for the poor in Nepal and thus Nepal, with population of more than 24 million people (annual growth rate of 2.2 per cent)83 has a very low level of human development. The Human Development Report of Nepal 2004, points out that Nepal's level of human development remains among the lowest in the world. Though Nepal achieved some socio-economic progress during the 1980s and early 1990s, yet development outcomes have increased the disparity in income distribution and gender, caste, ethnic and geographical differences in benefiting from development outcomes have been significant. As a result, employment opportunities in rural areas have been restricted and people's needs have gone unfulfilled, institutions have weakened, and policies have not been sufficiently pro-poor. The outbreak of armed violence has further exacerbated all these problems, pushing the country into deeper crisis.84

Nepal's Human Development Index (HDI) score stood at 0.504 in 2004, a graduation from low HDI status to medium HDI when compared to 1996. But the figure is lower than all the South Asian nations, except Pakistan. Using the latest data available from the 2001 census and other sources, the HDI value is estimated to be even lower: 0.471. HDI

83 ADB, Key Economic Indicators, table 6, Manila, 2004
in the urban areas (0.581) outstrips that of the rural areas (0.452) in which the majority of the Nepalese people live. The proximate causes that underlie this striking disparity are higher per capita income and better access to social and health services in the towns and cities.

When we disaggregate HDI in Nepal's ecological zones, development regions and sub regions, as well as at the district level, significant differences emerge. HDI in the mountain scores lowest (0.386), followed by the Tarai (0.478) and the hills (0.512); people in the mountain are poorer than those in the Tarai and the hills. The far western and mid western development regions score the lowest HDI values of the country.

The Human Poverty Index (HPI) value for Nepal is estimated at 39.6, a figure fairly close to the HPI (41.2) reported in the global Human Development Report 2004. The HPI value exceeds that of all the other South Asian countries, except Bangladesh and Pakistan. Human poverty in rural areas (42.0) surpasses that of urban areas (25.2). The incidence is most pronounced in the mountain, followed by the Tarai and the hills. Likewise, it is heavily concentrated in the mid-western and far western development regions and is highest in the mid-western mountain - 1.7 times higher than that of the central hills where the HPI value is recorded to be the lowest. Similarly, considerable disparities in human poverty exist across districts in Nepal.85

Nepal's socio-indicators point out a very low level of social development as well. Even at present, average life expectancy of Nepalese is 62 years; adult literacy is 49 per cent. Life expectancy, adult literacy and mean years of schooling across regions of Nepal show different patterns that reflect uneven distribution of resources country-wide and differences in accountability. Women in Nepal have a lower level of human development than men. Gender-related Development Index (GDI) in Nepal has a score of 0.452 showing the gender inequality. Women are much less empowered in the political, economic and professional fields. The maternal mortality rate is 415 per 100,000 live births. In general, the distribution of income in Nepal over the years appears to have become more unequal over time. The stagnation in rural income along with the increased inequality has led to an increase in poverty in most rural areas. Progress in reducing the gender imbalance in development has been slow and detriment in environment has not been arrested.

iv) Recent Poverty Reduction Efforts

Ever since the adoption of planning process, Nepal had attempted to enact measures for poverty reduction and enhance economic prosperity of the Nepalese people. As stated earlier various programmes aimed at rural development, community development projects, development of rural infrastructures, provision of basic needs to the people, employment promotion and people's participation in local development activities were designed and implemented. But reduction of widespread poverty always remained as the biggest development challenge for all countries including Nepal. In the past, the government's efforts for poverty reduction could not produce desirable impacts due

85 Ibid., page 17.
to inadequate provision of resources for projects and programmes, overly centralized decision-making framework, low institutional capacity of local bodies, absence of good governance lacking in transparency and accountability at all levels, and absence of effective monitoring and evaluation mechanism. After the restoration of multiparty democracy and the formation of the democratically elected government, several reform measures were initiated, and concrete and focused poverty reduction were launched from the period of the formulation of the Eighth Plan. More focused programmes were designed, especially from the Ninth Plan.

The Ninth Plan had emphasized that eradication of poverty was the government's major development objective and had targeted to reduce poverty from 42 per cent to 32 per cent by 2002. There were three main strategic development policies within the framework of liberal and market-oriented economy and they were (i) achievement of sustainable and wider economic growth rate (ii) development of social sectors and rural infrastructures and (iii) targeted programmes for deprived areas and communities. Overall poverty reduction was to be achieved by: accelerating economic growth rate of an average of 6.0 per cent per annum during the Ninth Plan period and to 7.2 per cent per annum in later years. The Ninth Plan had emphasized on bringing rural population into the main stream of development by giving priority to agriculture, water resources, tourism, rural infrastructure and agro-based industries (to increase employment opportunities); and promoting human resource development, involving local communities closely in this process; reducing economic disparities between regions and communities by increasing access to basic services and developing special programmes for the most vulnerable and underprivileged groups; and emphasizing decentralization of programmes, especially human resource development and rural infrastructure, as a mechanism for involving local communities in the development process. Despite these good intentions, the Plan was however thought to be over ambitious, both in regard to its development targets and its macroeconomic framework and did not achieve much.

It is estimated that the percentage of population living under poverty line had fallen to 38 per cent by the end of the Ninth Plan. Similarly, the HDI target also could not be met. Adult literacy (15 years and above) was raised to 49.2 per cent only as against 70 per cent targeted growth. The women literacy rate was mere 35.6 per cent, while the net enrolment in primary classes reached only up to 80.4 per cent against the target of 90 per cent. But the average life expectancy had crossed the target of 59.7 years to 61.9 years. The total fertility rate recorded 4.1 per cent as against the target of 4.2 per cent (see table I below).

Table 1. The target and progress on poverty and HDI, Ninth Plan

<table>
<thead>
<tr>
<th>Heading</th>
<th>Target</th>
<th>Progress</th>
</tr>
</thead>
<tbody>
<tr>
<td>Population below poverty (per cent)</td>
<td>32.0</td>
<td>38.0</td>
</tr>
<tr>
<td>Literacy above 15 years (per cent)</td>
<td>70.0</td>
<td>49.2</td>
</tr>
<tr>
<td>Primary class enrollment (per cent)</td>
<td>90.0</td>
<td>80.4</td>
</tr>
<tr>
<td>Child mortality rate (1000 live birth)</td>
<td>61.5</td>
<td>64.2</td>
</tr>
<tr>
<td>Maternal mortality rate (100,000)</td>
<td>400.0</td>
<td>415.0</td>
</tr>
</tbody>
</table>
Total fertility rate (per cent)  4.2  4.1
Average life expectancy (years)  59.7  61.9
Population using drinking water (per cent)  100.0  71.6

Source: The Tenth Plan, NPC, Nepal.

The Plan could not meet the HDI targets due to over ambitious targets, inaccessibility of the facilities and services to the target groups and poor quality of services, whatever delivered. However, there were some suitable progresses is some areas during the Ninth Plan period. Important measures were taken to address social exclusion. Kamaiya, (bonded agriculture labourers) eradication, establishment of National Academy of Indigenous People, Commissions of Dalits (the suppressed occupational caste) National Commission for Women, etc. were some of the examples in this respect.

Keeping the long-term perspective in view of bringing the poverty line to 10 per cent of the population by the end of Twelfth Plan, the Tenth Plan (2002-2007) of Nepal aims to make tangible progress in reducing poverty to 30 per cent by the end of the Tenth Plan. It has been well realized that though Nepal needs to correct the existing inequity of assets of income and aim at better income redistribution, however it is more urgent that measures be strengthened to generate higher income to increase income levels as well as to provide better services and infrastructures to the poor. Keeping these compulsions in view, the Tenth Plan emphasizes four broad strategies such as: (a) high sustainable and broader economic growth; (b) social sectors and rural infrastructures development; (c) targeted programmes for disadvantaged groups; and (d) good governance. Through these four strategies, the objective is to alleviate poverty by mobilizing optimally the means and resources. With the mutual participation of government, local agencies, non-governmental sectors, private sector and civil society it is expected to extend economic opportunities and open new ones for enlarging employment for youth and the growing population, and widen the access to women, Dalits, peoples of remote areas and poor and backward groups through programmes like empowerment, human development, security and targeted projects. Through provision of appropriate means and economic opportunities the government aims to improve the status of overall economic, human and social indicator.

Based on the experience of the past, it is considered that Nepal also needs to reduce its population growth rate. Moreover; economic growth needs to be broad-based and more equitable in order to improve the living conditions of the predominantly rural poor. In addition, concerted efforts are necessary to promote human resource development and provide basic infrastructure and services. Improvements in education, health and nutrition are essential for enhancing literacy, skills, productivity and income-earning capacity of the population; while increased provision of basic infrastructure would directly help support economic activities and improve living standards, especially in the rural areas. To take care of those who will not directly benefit from the growth process, special programmes need to be developed, especially for vulnerable and underprivileged groups, including women. Given the pervasiveness of poverty, however, such programmes cannot be implemented on a large scale in Nepal, and will need to be small and well
targeted to assist the most needy. It is in these contexts, improved efficiencies through decentralized programmes are necessary.

As part of the priority areas for programmes aimed at poverty reduction and enhancement of economic prosperity of the Nepalese people, the Tenth Plan emphasizes on agricultural development along with sustainable management of natural resources, rural energy development for helping the mobilization of rural economy, increased investment in social sectors and special programmes for women empowerment, targeted programmes for upliftment employment and basic security of indigenous people and disabled class, strengthening of local bodies and local governance.

Poverty and its different dimensions are well discussed in various forums organized in Nepal. These forums, as well as the reports and studies of international organizations, have very well documented the underlying cause of poverty in Nepal. These discussions and findings critically point to certain issues.

As emphasized earlier poverty in Nepal has to be treated as a multi-dimensional and complex problem. The causes of poverty, are not only economic but also relate to social and technological backwardness, and thus constitute a human problem.

Persistence of poverty in Nepal has been due to low economic growth rate. The stock taking of economic achievement of last five decades shows a lower economic growth rate of approximately 4 per cent while annual population growth rate was about 2.5 per cent. The per capita income growth rate at a very low level could not contribute to mitigate poverty significantly. Nepal needs to improve its economic growth rate to a much higher level.

Economic growth rate in Nepal is not only very low but its annual variation is also very high. The main reason behind such variation of high degree has been the dependence on agriculture. Still agriculture in Nepal depends on monsoon. Though agricultural productivity is increasing at insignificantly low rate. The concentration of poverty is high in rural areas where the main economic base is agriculture. There is no noticeable improvement in rural poverty because of low agricultural growth rate, monsoon dependency and of subsistence nature.

Non-agricultural sector has contributed to the growth rate of GDP in Nepal, but its impact is limited to urban areas. It has helped to lower the intensity of poverty in urban areas, but it has not affected the rural areas where majority of poor live.

Appropriate improvements and reforms of public expenditure resolve poverty problem. However, the effectiveness of government expenditure in Nepal is low because of weak prioritization, weak process of selecting projects and smaller amount of budget allocation in a number of projects. Poverty is not reduced as targeted because of ineffective public service delivery and lack of access of poor to the services delivered by the private sector. It is highly essential in Nepal that public administrators' accountability be improved and
they respond to elected representatives more effectively in the delivery of the public services.

Lack of good governance is said to be the chief constraint to impair development efforts, and proper utilization of government expenditure on poverty alleviation programme. Poverty alleviation programmes have been less effective due to the factors like over centralization of decision making process, good governance related problems such as no control over loopholes, leakages and irregularities, lack of responsibility and transparency along with the low capability of government to act as facilitator as demanded by the liberal economic system as there is lack of legal and institutional frameworks necessary to promote economy with the open and competitive market environment.

Security problem and political instability have been the major problem in Nepal during the 1990s. The economic system has been weak due to instability in government, weak bureaucracy, lack of transparency and responsibility. They all together resulted in adverse impact on poverty alleviation programmes.

Targeted programmes of both public and private sectors and the lack of sustainability of such programmes to a longer period of time have cumulatively contributed to lower the overall effectiveness of poverty alleviation efforts in Nepal.

Social discriminations, prevailing due to traditional, social values have deprived the opportunity and access for all segments of society to education and development works. There are deprived groups of people where the poverty befalls squarely inhibiting their development of skills and technological know-how to increase productivity.

Thus, the problems of poverty and its reduction difficulties are well identified and analyzed. But the commitments for actions and initiatives have been lacking, resulting in the continued perpetuation of poverty and its different manifestations, including the social conflict and disharmony in the Nepalese society.

III. DECENTRALIZATION, LOCAL GOVERNANCE AND POVERTY REDUCTION

The assessments of the last 50 years of development performance in many developing countries have clearly pointed out that centralized macro-level activities have benefited little to majority of the poor people. The ineffectiveness and inefficiencies of the public organizations and the offices and irresponsible behaviour of the public service providers as well as the weak institutions have led to wastages, inefficiencies and lack of delivery of the programmes and projects aimed at providing benefits to the poor people. Local bodies and civil society institutions which are expected to play a catalytic role in transforming society and encouraging citizens to voice their views and mobilize pressure to make local government units work for the poor, were weak and ineffective.

Development models adopted earlier assumed that benefits of development will trickle down across communities, geographical areas and income groups. It was also expected that rural communities would respond appropriately to market changes and productivity
enhancement changes of the urban centres and areas. Government assumed major responsibility in providing all kinds of services at national and local levels. It was perceived that government could manage change at all levels within the nation. In order to fulfill those responsibilities, public institutions and offices were extended enormously placing heavier burdens on government requiring all kinds of skills and expertise among bureaucrats but not being able to provide those at the same time. This approach completely ignored the diverse rural conditions and needs of the rural poor. Not only did the centralized development programmes failed to address area-specific problems and potentials of rural communities but they also aggravated the chronic problems of poverty, such as seasonal out-migration and the depletion of social capital and natural resources.

i) Decentralization and Poverty Reduction

Many developing countries of Asia and the Pacific did initiate community focused programmes during the 1950s, 1960s and 1970s. These programmes, popularly known as community development programmes, regarded rural people as beneficiaries but not participants in the development process. Their centrally designed training and extension packages were implemented by extension agents using a top-down mode of decision-making that took no note of local conditions, training needs and other capacity building measures. Consequently, owing to traditional power structures, lack of ownerships of programmes, legal barriers, lack of access to resources and gender imbalances, the bulk of the programme benefits did not flow to the villages but were captured and absorbed by better-off sections of the rural communities. Some development strategies in the 1970s and 1980s, such as integrated rural development programmes (IRDPs), the basic needs approach and rural infrastructure development which were aimed at poverty reduction, failed due to the lack of local communities participation in design and implementation of those programmes.

It is generally felt that without proper organizational set-up and decision-making authorities at the local level and opportunities for empowerment of the poor and the disadvantaged groups of people, poverty reduction efforts will be ineffective. Therefore, proper and functional local organization is necessary to enable the poor to access services and resources meant for them and to solve local problems collectively through local resource mobilization and participation. The poor, when organized into groups, represent a social capital giving them strength and confidence. Reform of the social and institutional rigidities responsible for perpetuating poverty, e.g., unproductive expenditure and wasteful consumption patterns, is possible through group action. Social mobilization, thus, needs to be the core element of poverty alleviation package since the effectiveness of other elements of the package in reaching the poor are critically dependent on the existence of effective people's organization at the grass root level. It should be implemented in the local levels and should be considered as a part of the overall decentralization programme.

Thus, decentralization and strengthening of local governance have been considered not only as important ways for poverty reduction but the most critical and strategic public sector reform agenda. They are important for improving the service delivery and overall
development performance. It is highly emphasized that improved local economic
development and poverty reduction through decentralization can be effectively achieved
through provision of services that serve as production and distribution inputs for local
organizations and promoting effective coordination of key public officials and
community workers by creating partnerships for development. It is also considered to
improve efficiencies as decentralized governments are closer to the people and have
better local information. Furthermore, under decentralization political equality is better
achieved as it will encourage greater participation and will reduce the likelihood of the
concentration of power. It is being increasingly realized that decentralization and
improved local governance will bring service delivery closer to the people, improve
responsiveness of the central government to public demands and thereby reduce poverty
expeditiously, and empower lower units of government to be more involved in
development and poverty reduction activities. In this way, the virtues of decentralization
such as democracy, popular participation, responsiveness, accountability and equity are
well appreciated and have led to the belief that decentralization will lead to greater
responsiveness to the poor. Since the poor have been excluded from politics and therefore
inaccessible to public goods and services, decentralization is seen as offering greater
political participation to ordinary citizens whose "voice" is more likely to increase with
concomitant relevance and effectiveness of government's policies and programmes,
especially in poverty reduction.

A number of countries in Asia, including Nepal, have legislated reform measures relating
to good governance through devolution of authority and responsibility. While
governments were involved fully in the design of comprehensive reform packages and
the related legislation, the inability to ensure implementation limited the impact of such
reforms. As it is well experienced that legislating decentralization policy alone cannot
empower people. Decentralization policy should include a social mobilization
programme that will motivate poor and marginal households to organize and seek access
to available opportunities and resources. The role of external agencies with their
resources, expertise and experience is crucial to the decentralized development process.
Policy makers often lack comprehensive interaction and feedback and thus appear to be
uninvolved in the process. Therefore, learning, dissemination and policy advocacy are
integral to the empowerment process. While both government and non-governmental
organizations (NGOs) have been involved in the empowerment of the rural poor through
decentralization, but in Nepal there has been no systematic documentation on lessons
learned to guide policy makers and those others involved.

Decentralization and attempts to improve the performance of local governments have
been introduced in Nepal at different times. However, comprehensive decentralization
goals were set by the National Planning Commission (NPC) since the Third Five-Year
Plan (1964-69) to create a financial basis for people's participation. The Seventh Plan
also laid stress on formulation, implementation, maintenance and mobilization of local

86 For detailed assessment of decentralization efforts in Nepal, please refer to ADDCN, National Report on
Decentralization in Nepal, A study report submitted to the Management Development and Governance
Division, UNDP, New York by Association of District Development Committees of Nepal (ADDCN),
resources and talents. The Panchayat system\textsuperscript{87} had granted the local bodies taxation rights under Panchayat Development and Land Tax. The basic structure of the political economy - social mobilization through local units and Back to the Village National Campaign, land reforms, modernization of health, education, agricultural, industrial and service sectors, development of transport and communication and the spatial and sectoral differentiation of the planning tradition, management and coordination system - created by the Panchayat system laid down the socio-economic base for development at that time in Nepal. After change of political system in Nepal in 1990, the new constitution of the country made new provisions of decentralization. However, it was during the Ninth Plan period (1997-2002) decentralization policies were more pronounced and policies were enacted by aiming to strengthen the local units to take the responsibility of formulating and executing local development plans by themselves. This was supposed to be achieved by institutionalizing local government, increasing people's participation in the mobilization and distribution of local resources, social and economic development of geographically disadvantaged areas, improvement, expansion and development of suitable local technology, entitlement of women, indigenous and backward communities of rural areas, enhancing the participation of local people for sustainable development and establishing technological and human development infrastructure in rural areas.\textsuperscript{88}

Earlier in 1995, the government had also introduced "Let's Build our Village Ourselves" programme to: accelerate local development through the utilization of locally available labor, resources and institutions without outside intervention; make the local body independent of the central government; promote self-reliance and rural development planning; provide official support in management, technical input and legal reforms; and to carry out capacity building of the VDCs by providing them the authority to utilize 40 per cent of the local land revenue. These were supplemented by central level grants of Nepalese Rupees 300,000 per VDC for the year and NRs 5,000,000 the next year. But the landmark decision was made in 1999 with the enactment of the Local Self-Government Act (LSGA) which underlined the goals of decentralization as achieving: (a) participation of sovereign people in the governance, (b) institutionalization of the process of equitable development, (c) capacity building of local bodies to sustain power and responsibility necessary to formulate and carry out plans and programmes, (d) development of local leadership capable of running local self-governance system and addressing local needs and concerns, (e) partnership with civil society, NGOs and consumer groups espousing the democratic attributes of participation, transparency and accountability in decision-making, and (f) involvement of the private sector in local self-governance in the tasks of providing basic services to the people for sustainable development.\textsuperscript{89}

Apart from the inaction of LSGA in 1999, Local Self-governance Rules 2000, Local Body Rules 2000 were also enacted during the Ninth Plan.

\textsuperscript{87} The partyless political system that existed in Nepal, prior to the change to multiparty system in 1990.
\textsuperscript{89} Ibid., page 78.
In line with the spirit and objectives of the LSGA 1999 and keeping the long-term vision of decentralization process of devolving authority, accountability, resources and manpower to local bodies, the Tenth Plan had emphasized that development benefits would reach majority of the people only if the decisions were made by the people. Decentralization process was to be successful if local resources were mobilized primarily at the local level and local bodies take leadership of the local level development work. In that context, the main strategies for decentralization under the Tenth Plan were expected to be:

a) autonomy to the local bodies for performing duties pursuant to the objective of the Local Self-Governance Act, 2055 (1999),

b) enhancing the institutional capacity of local bodies for enabling them to deliver services to the people, and for enabling them to function responsibly,

c) promoting the people's participation in the local development process extensively, and

d) making local bodies capable of mobilizing internal and external resources.

Thus, important steps were initiated in Nepal to devolve power and strengthen local governance which was expected to result in effective local level development activities and thereby in significant poverty reduction. Like in many other developing countries, decentralization in Nepal was considered as the principal institutional development strategy for reaching the local level and empowering the poor and the disadvantaged groups. However, the various efforts have not been yet successful due to the lack of requisite human and financial resources. Furthermore, the sincerity on the part of those who are expected to be responsible for successful decentralization and strengthening of local governance is also questioned in many developing countries.

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ii) Strengthening Local Governance for Poverty Reduction

The experience of the participation of the rural poor in governance has also been mixed in several countries. In recent years, with more countries installing an open and democratic system of governance, political participation through elections has expanded at both national and sub national levels. Still, the majority of the rural poor have not been active partners in governance, rendering the systems of governance less responsive and relevant to the needs and concerns of the rural poor. Furthermore, the majority of the rural people are disorganized and have little or no training. They are, therefore, unable to access the opportunities and resources that are available even through the decentralized mechanism. This is made more difficult by complicated rules and regulations. A few NGOs are taking a lead in this regard and are working in the areas of social mobilization, awareness-praising, environmental protection and income generation. However, the absence of proper mechanisms for coordination with different tiers of government structure is a hindrance. It is therefore emphasized that NGOs and representatives of civil society need to complement each other and avoid overlaps, so that the outcomes of the macro-level policy liberalization reach the rural household level. This could result in cost-effective implementation of rural projects and contribute to the prosperity of the rural poor. Good and effective governance generally defined as the manner in which public sector organizations and society as a whole manages their common affairs and is crucial to any efforts related to development. This is particularly important while addressing issues and efforts aimed at poverty reduction. Furthermore, these critical factors are important not only at the central level, but equally relevant at local governance level. The key components of good governance both at central and local levels are equity, participation and security. Good governance implies that development is inclusive, that all people have the right to share in the benefits of development and the duty to contribute to development, including their participation in decision-making. Good governance can be seen as a vital component of the establishment of an enabling environment because it ensures that all people, in particular the poor, can realize their full potential as agents of their own growth and development. The Tenth Plan of Nepal emphasizes on the need to strengthen local governance through various means such as empowering local people for decision making process, devolving resource mobilization authority to local government units, building institutional capacity at local levels and local leadership empowerment through training and study tours. However, as a result of the present difficulties in holding election of the local government representatives, Nepal faces formidable challenge in all these areas.

A recent study by the United Nations has very correctly pointed out the difficulties in successful strengthening local governance through effective decentralization for reaching out the poor at the local level. It emphasizes that in many countries, decentralization has made building management capacity at regional, district and municipal levels a particularly high priority. The intent of these reforms is correct: many aspects of programme design and implementation are best carried out at more local levels of government, which are closer to those who require the services and have better access to local information. But local managers have often been given new responsibilities - for setting priorities, implementing and monitoring programmes, and managing financial
flows - without receiving appropriate training and without corresponding increases in their administrative budgets. Moreover, in some cases processes for ensuring the prompt flow of resources from the centre to the periphery need to be streamlined, as severe bottlenecks have impeded the local use of allocated funds. Building the managerial capacity of local NGOs and developing more efficient procedures for channeling funds to them are also priorities, since these organizations are often best placed to deliver certain services.91

Thus, the general conclusion with respect to the decentralization, local governance and poverty reduction has been very aptly pointed out that "although decentralization is a necessary condition for improving service provision and reducing poverty, it is the manner in which it is applied that is decisive in determining the extent to which its expected objectives can be realized. At issue is how power and resources can best be utilized to generate optimum benefits for citizens; how efficiency an effectiveness can be enhanced in service provision; how transparency and accountability can be promoted in the management of public affairs; how popular participation can be facilitated in decision-making and implementation; and how effective partnerships can be created between local governments, NGOs, community-based organizations (CBOs) and other stakeholders in order to enhance the development process at the local level.92"

IV. PARTNERSHIP FOR DEVELOPMENT AND POVERTY REDUCTION IN NEPAL

Development approach, processes and even partnerships of stakeholder have always remained topics of constant debate while designing methods and sequences for enabling people to participate in the development process. Earlier development strategists treated people as objects or target groups who were incapable of doing anything and to whom development had to be delivered from outside. Such concepts always perceived and treated, -especially the rural poor, as passive recipients who wait for outsiders to come to their rescue and assistance. Such approach did not lead to the poor peoples' empowerment and they remained as recipient of temporary relief's and contributions. However, in recent decades such concepts have given way to partnerships and involvement of beneficiaries in all stages of development processes. Increasingly, national governments, development agencies, NGOs and other stakeholders of development process are focusing on ways and means of empowering people especially in rural areas and grass root levels, making administrative functionaries accountable to appropriate service deliveries, providing adequate financial resources to projects and programmes and encouraging wider participation in all stages of development.

As mentioned earlier poverty and its different dimensions were not properly understood and the measures to deal with them were partial and inadequate. As a result many of the

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91 United Nations, Investing in Development: A Practical Plan to Achieve the Millennium Development Goals, Millennium Project, Report to the Secretary-General, page 100, Earthscan, 2005.
past policies and programmes did not achieve much. Poverty is now recognized as a multifaceted complex phenomenon affected by a variety of factors that make it very difficult to translate economic growth directly into poverty reduction. Matching pro-poor economic policies with poverty reduction programmes that provide the poor with the means to seize the new economic opportunities created by these policies is an enormous challenge. Many large-scale poverty reduction programmes failed because they are imposed in a monolithic manner from the top without due consideration for the priorities, needs and conditions of the poor. The need to identify and analyze successful interventions has also been recognized as one of the cornerstone of any poverty reduction effort. These interventions are often local level and small scale. Several meetings and conferences on poverty reduction have emphasized that for effective poverty reduction the replication and up-scaling of successful local level initiatives have to become a powerful tool in the battle against poverty.

National governments, bilateral donors and international organizations have realized that the earlier efforts towards development and poverty reduction required a fresh look and new approach. Several international conferences such as World Summit on Sustainable Development (WSSD), Monterrey Conference on Financing for Development, World Summit on Information Society (WSIS) as well as annual conferences of World Bank, IMF and regional banks and the United Nations Organizations, have called for new approach and programmes. The major landmark on renewed emphasis and commitment was through the "Millennium Declaration" adopted in September 2000, which was later transcribed in Millennium Development Goals and objectives. This mandate is now serving the international organizations and the national governments major guidelines and objectives for overall development process and poverty reduction.

The MDGs cover major areas related to the well-being of people including extreme poverty, hunger, education, health, gender equality and the environment. The MDGs have clear targets to be met by countries within a time-frame of 15 years.

The eight millennium goals which constitute a new global partnership for upgrading the level of development globally and reducing poverty is an unprecedented commitment of the world leaders for a common global understanding on working together for rescuing the poor and the downtrodden. Thus the Millennium Development Goals are the world's time-bound and quantified targets for addressing extreme poverty in its many dimensions-income poverty, hunger, disease, lack of adequate shelter, and exclusion-while promoting gender equality, education, and environmental sustainability. They are also basic human rights-the rights of each person on health, education, shelter, and security as pledged in the Universal Declaration of Human Rights and the UN Millennium Declaration.

While, there have been some criticisms about the MDGs being over ambitions and countries not being able to achieve them, yet it needs to be emphasized that poverty reduction through appropriate human development process, was neglected for a long time and it is highly important that the global community collectively work in this direction. The report of the UN Millennium Project emphasizes that "While the Monterrey
Consensus rightly affirmed that poverty reduction is the primary responsibility of developing countries themselves, it also set forth a balanced approach to economic growth that recognizes the interwoven nature of individual economies and how some countries need more international support. For instance, Monterrey outlined the need for better policies and increased assistance, for more trade and more aid. It also outlined the special development assistance needs of the least developed, African, small island, and landlocked economies. Moreover, it restated the long-standing development assistance target of 0.7 percent of gross national product (GNP). The UN Millennium Project supports these balanced principles and considers the Monterrey Consensus to be the international point of departure for detailing the specific steps to achieve the Goals.

Couched in these landmark Millennium and Monterrey pledges, the Millennium Development Goals drive a new era in international development. They are the first international goals to recognize, at the highest political levels, that poverty in the poorest countries can be dramatically reduced only if developing countries put well designed and well implemented plans in place to reduce poverty-and only if rich countries match their efforts with substantial increases in support. No well intended but impoverished country is to be left, under "business as usual," solely to its own resources. Under the auspices of the Goals, countries have agreed to hold each other to account, and citizens of both high-income and low-income countries are empowered to hold their own governments to clear standard.93

As mentioned above the responsibilities of meeting the MDGs depends mostly on economic policy decisions and the programme implementation of the individual countries. While several countries could achieve major goals and targets, least developed country like Nepal could have formidable challenges in meeting majority of the goals. It is highly important for Nepal to be sincere towards national commitment on poverty reduction with greater emphasis on good governance, promotion of women's rights and appropriate programmes for rural development and decentralization, decision-making process. Nepal needs to scale substantially and uplift investment in social sector if it is to achieve universal primary education by 2015. Nepal continues to face major challenges in achieving gender equality, particularly in areas of tertiary education and women's representation in the decision-making processes and equality in economic opportunities. Foremost among all, Nepal needs to substantially accelerate its economic growth rate for any meaningful results in poverty reduction and achievement of the MDGs. In these context it is desirable to mention that specially targeted programmes for poverty reduction as envisaged under the arrangement of Poverty Alleviation Fund and need to be launched in greater number of districts.94 Similarly, several bilateral donors have launched specially targeted programmes for poverty reduction. The project aims to improve the livelihoods of the rural poor and socially excluded groups by implementing the income generation activities, small-scale infrastructure development programs and sustaining these programs in rural community of Nepal through capacity building and

94 The Poverty Alleviation Fund (PAF) project is funded by World Bank and is executed by an autonomous office set-up under the chairmanship of Prime Minister.
training. PAF plans to implement the rural development activities in one hand, while on the other hand, it intends to empower the rural poor communities for the enhancement of socio-economy. The project aims at socio-economic development of deprived rural communities through the development of skill and establishment of basic infrastructures. Social mobilization and organization of the communities is defined as the starting point in the project. Community participation at project planning, implementation and operation has been identified as the pre-requisite for the development of the schemes under PAF. Targeting the poor, deprived groups and ensuring the equity and gender balance would be the basic principles of this project.

V. CONCLUSIONS AND AREAS OF CRITICAL PRIORITY FOR POVERTY REDUCTION SPECIALLY DECENTRALIZATION AND STRENGTHENED LOCAL GOVERNANCE

Nepal is currently passing through a difficult period of political uncertainties and economic backwardness. The current domestic disturbances as well as economic hardships are leading to shrinking investments and restricted economic activities. The governments in early 1990s had maintained macro-economic stability and achieved modest rates of economic growth. However in recent years the economic growth rates have been drastically slowed down and it is necessary to devise ways to enhance economic growth rate and development activities in order to make a significant impact in terms of reducing poverty. The recent economic growth has not been fast or equitable enough to benefit the predominantly rural population. Fiscal management has been poor, and progress has been slow in implementing economic reforms aimed at improving the economy's capacity for faster growth and development. Moreover, growing problems in the financial sector has posed a serious threat to economic activity, especially to the private sector, to provide a basis for faster and more sustainable economic growth and development. Thus significant improvements in economic policies are required.

Furthermore, the agriculture which is still the major sector of the economy remains in a critically backward state. Overall quality of human resources is very low within the country, investment in social sectors remains low and quality of social services remain highly unsatisfactory. Governance quality both at centre and local levels remain poor and opportunities for effective participation of stakeholders in governance and development activities remain limited.

In Nepal, the past efforts towards poverty reduction utterly failed due to adoption of partial anti-poverty approaches, which focused only on income and basic needs. It is now highly desirable that Nepal forcefully adopt empowerment approach with its stress on enhancing individual entitlements, capabilities, rights and freedoms as four pillars of human development and effectively reinforce the other three: equity, productivity and sustainability. As pointed out, such approach creates the conditions necessary to enable the poor to take advantage of poverty-reduction opportunities by strengthening their socio-cultural, economic and political capabilities. However, empowerment becomes sustainable only in an environment where policies and institutional reforms complement
grassroots initiatives to address political, social and economic empowerment simultaneously – in short, the policy environment generally termed "pro-poor".95

In Nepal, if the government is really sincere towards poverty reduction, it must aim at creating better climate for investment so that economic growth rate can be substantially increased. While the present situation may discourage overall investment, however the government should take a long term perspective and the national development strategies must attempts to define clear policies and programmes for promoting sustained higher economic growth. In this context it highly urgent that the government seriously initiate policy reorientation and hasten remaining macroeconomic reforms with the objective of improving regulatory and institutional environment for promoting private sector activities especially aimed at encouraging new businesses and enterprises. The government also needs to scale-up its investment in developing economic and social infrastructures.

Though in recent years Nepal has allocated higher levels of investment in the social sectors as compared to the earlier years, yet it needs to be significantly scaled-up. The recent World Bank study emphasizes on the scaling up of the service delivery in the social sectors. It may aptly points out that "the human development MDGs require a major scaling up of education and health services – including primary education, basic health care and control of diseases."96 This is highly needed for Nepal, if poverty is to be reduced in the foreseeable time and if MDGs are to be achieved by 2015.

Poverty in Nepal is basically a rural phenomena. While poverty is present in the country's urban areas as well, but it is mostly concentrated in the remote rural areas. In rural areas, the incidence of poverty is highest amongst agricultural workers mostly small-scale farmers and landless labourers. People of low cast and disadvantaged groups are poor due to lack of ownership of land as well as other income generating assets including occupational skills. As agriculture is the predominant sector in the rural areas, achieving higher rates of agricultural growth is considered as one of the key factors in poverty reduction. In this context as cultivable land is limited and as agricultural sector cannot absorb additional labor for employment, it is necessary that increased emphasis be placed on productivity enhancement measures for agricultural growth and development of the rural sector. In this context effective implementation of the "Agricultural Perspective Plan" would help, but government needs to be more effective in delivering its intended services to improve the climate for greater investment in agricultural sector. Apart from the provision of agriculture-related infrastructure, the government must institute some facilities for the wider provision of rural credit and its accessibilities to the poor. It is highly necessary for the Nepalese policy-makers to realize that agriculture growth without specific interventions targeted for the benefit of small farmers, landless agricultural labourers and rural non-farm households will not alleviate poverty in Nepal. One of the major inadequacy of the Poverty Reduction Strategy Paper (PRSP) in Nepal is the absence of a comprehensive approach for the development of rural agro sector especially in promoting linkages for rural agro and non-agro sectors. It needs to be realized that growth and productivity of the rural development and any kind of rural

development and poverty reduction policy must seek to integrate strategies to address these issues.
PART FOUR
Community Based Disaster Management: Empowering Communities to Cope with Disaster Risks

Bishnu Pandey and Kenji Okazaki

Abstract

Sustainable development and disaster reduction are essential preconditions for each other. Natural disasters severely hamper the progress and achievements of sustainable development while, at the same time, physical infrastructure we are constructing may itself constitute a source of risk in the event of future disasters. This is particularly true in the case of earthquakes, where the majority of victims are killed by their own collapsing houses. From the perspectives of environmental degradation, human intervention, and security aspects, disaster management is a pressing issue for all of us and should be undertaken on a comprehensive basis. The approach seeks communities at risk get engaged in all of its phases: prevention, mitigation, preparedness, response and recovery.

In order to build disaster-resilient communities, they first need to be empowered so that community members can cope with the adverse effects of natural hazards. This is the most effective approach to achieving sustainability in dealing with natural disaster risks. UNCRD is carrying out various community-based programmes to establish disaster prevention as an essential component of sustainable development. Its activities include improvement of the safety levels of core community facilities such as schools; the dissemination of best practices in disaster risk management at the community level; and the formulation of integrated programmes for sustainable development through disaster risk management initiatives. The paper presents analysis and some findings of those programs which engage communities to deal with disaster risks.

Disasters and Communities

Disaster risk is on the rise throughout the world. Over the past two to three decades, the economic losses and the number of people who have been affected by natural disasters have increased more rapidly than both economic and population growth. The physical, social and economic losses caused by these disasters are particularly harsh for developing countries since they have a long-range effect in the development process. The impacts of the disasters are deeply related with the socio economic conditions, tradition, culture, and climate of the communities.

To minimize the damages caused by disasters, various efforts have been taken by government, international communities including donor agencies. However, in spite of participation of these sectors during the project period, it has been observed that many of the disaster management programmes have failed to be sustainable at local level after the completion of the project. Without sustainability, disaster management efforts will not preserve. A critical element of sustainable disaster management is communities’ participation in these activities. The most common elements of community involvement are partnership, participation, empowerment and ownership by the local people. The
emphasis of disaster management efforts should focus on communities and the people who live in them. Unless the disaster management efforts are sustainable at individual and community level, it is difficult to reduce the losses and scale of the tragedy. There needs to be an opportunity where people can be involved from the initial programming stage of disaster management activities.

Through these community–based activities, people should be able to participate alongside government officials and experts groups as the direct stakeholders of these activities. While people should own the problems, consequences and challenges of any mitigation and/or preparedness initiative, it is necessary to take people’s involvement further, into policy and strategy. This process induces sense of ownership to the people which results in their continuous engagement and long term commitment to these activities. Involvement of communities is important in both pre-disaster mitigation and post disaster response and recovery process.

**Community Empowerment**

While disasters can strike wide region or a nation, that impact is felt at the community level although it may hit one or several communities at once. It is these communities that constitute what is referred to as “disaster fronts”. Being at the forefronts, communities need to have capacity to respond to threats themselves. It is for this reason that communities should be involved in managing the risks that may threaten their well-being.

While different community empowerment programmes related to disaster mitigation have achieved their objectives, they are often short term, and issues on sustainability in these efforts are rarely addressed. Government, non-government and international organizations implement various programmes before and after the disasters. Most of them are very successful during the project period, but gradually diminish as the years pass. There are many reasons for this kind of phenomena, however, lack of effective participation and capacity building of the local communities to peruse the program remains major factor for lack of sustainability.

It is accepted that governments have the prime responsibility for managing disasters and for taking into consideration the roles played by different players. In the past, top-down and command-and-control approaches were oftentimes used to manage the consequences of disasters. In this approach, decisions come from higher authorities based on their perception on the needs. The communities serve as mere “victims” or receiver of aid. In practice though, this approach was proven to be ineffective. It fails to meet the appropriate and vital humanitarian needs. Moreover, it increases requirements for unnecessary external resources and creates general dissatisfaction over performance despite exceptional management measures employed. This is due to the fact that the community, as the primary stakeholder and recipient of the direct impact of disasters, was not given the chance to participate in the process of decision-making and implementation of activities. On the other hand, communities if left alone have limited resources to fully cope with disasters. In many developing and underdeveloped countries, those who suffer the most are the poor, who, in the first place have limited survival resources and do not enjoy adequate infrastructure and access to social services.
Community empowerment for disaster risk management demands their participation in risk assessment, mitigation planning, capacity building, participation in implementation and development of system for monitoring which ensures their stake.

**Community Based Disaster Management (CBDM)**

Most of disaster response can be characterized as command and control structure one that is top down and with logistic centre approach. Because of this, we observe, lack of community participation that results into failures in meeting the appropriate and vital humanitarian needs, unnecessary increase in requirement for external resources, and general dissatisfaction over performance despite the use of exceptional management measures.

Recognizing these limitations, the Community Based Disaster Management (CBDM) approach promotes a bottom-up approach working in harmony with the top-down approach, to address the challenges and difficulties. To be effective, local communities must be supported into analyzing their hazardous conditions, their vulnerabilities and capacities as they see themselves.

In case of disasters, the people at the community level have more to lose because they are the ones directly hit by disasters, whether major or minor. They are the first ones to become vulnerable to the effects of such hazardous events. On the other hand, they have the most to gain if they can reduce the impact of disasters on their community. This concept gave rise to the idea of community-based disaster management where communities are put at the forefront. Through the CBDM, the people’s capacity to respond to emergencies is increased by providing them with more access and control over resources and basic social services. Using a community-based approach to managing disasters certainly has its advantages. Through CBDM, it is hoped that communities will be strengthened to enable them undertake any programmes of development including disaster preparedness and mitigation.

The CBDM approach provides opportunities for the local community to evaluate their own situation based on their own experiences initially. Under this approach, the local community not only becomes part of creating plans and decisions, but also becomes a major player in its implementation. Although the community is given greater roles in the decision-making and implementation processes, CBDM does not ignore the importance of scientific and objective risk assessment and planning. The CBDM approach acknowledges that as many stakeholders as needed should be involved in the process, with the end goal of achieving capacities and transferring of resources to the community, which level who would assume the biggest responsibility over disaster reduction.
Case studies

The United Nations Centre for Regional Development (UNCRD) has incorporated CBDM as its approach in disaster management planning under the overall organizational mandate of sustainable regional development and human security. The UNCRD Disaster Management Planning Hyogo Office focused on the community initiatives in the Asian region targeting different stakeholders, from local government decision makers to schoolchildren. In all initiatives, attempts were made to ensure that communities are engaged in disaster risk management phases and are empowered to carry over them in long term run. Some case studies of UNCRD initiatives in this regards are discussed below.

Sustainability in Community Based Disaster Management

In the Year 2002, UNCRD launched a three-year project on titled “Sustainability in Community Based Disaster Management”, to study the effectiveness of the grass - root projects and to suggest policy input for sustainability, which will be useful for the different communities to take future actions. This was to help to understand the gaps in the community initiatives, and to take corrective actions in future. The study would be an evaluation of what has been done so far in CBDM with specific examples from field experiences, and what should be done in future for the sustainability of these efforts. In this study, the inter-linkages of government, non-government, academics, and international organizations should be reflected in terms of concrete projects and initiatives, and a model of cooperation would be established.

The goal of the current study is to achieve safety and sustainability of livelihoods for effective disaster mitigation, focusing on three key elements: self-help, cooperation, and education. In order to identify the key factors for successful CBDM, six case studies were chosen in the Asian region targeting three specific hazards: Cyclones (India and the Philippines), earthquakes(Indonesia and Nepal)and floods(Bangladesh and Cambodia). At first, field surveys were carried out and best practices from the case study countries were documented. Based on the analysis of these cases studies, overall framework of action for the sustainability of community based disaster management was prepared. Generic and specific guidelines were developed and field experimentations and testing were made for specific hazards in selected case study countries. From the three-years study, followings were found as key factors for enhancing sustainability:

- The existence of “culture of coping with crisis” and “culture of disaster reduction” exist
- Risk assessment process involves participation of people and incorporating their perception of vulnerability and capacity
- Community and supporting agencies share common motivation and ownership for the initiation and sustainability of CBDM
- Genuine people’s participation within capacity building objectives, with specific focus on sectoral groups like women, elderly, children and ethnic minorities
- Well-delivered training inputs in accordance with the objectives of the project and the needs of the community for training
- **Wider stakeholders involvement and participation**
- **Accumulation of physical, technological and economic assets to reduce hazards and vulnerability**
- **Integration of these projects into regular development planning and budgeting to ensure sustainability**

### Afgan Training and livelihood Initiative

UNCRD Hyogo Office carried out “Afgan Training and Livlihood Initiative (ALTI)” in Afghanistan from October 2002 to June 2003. Under the need of the holistic rehabilitation after more than two decades of conflict and strife, the urgent need was to build houses of people. As Afghanistan is an earthquake prone country, and is located in one of the most active seismic belts of the world, seismic risk needs to be incorporated in its rehabilitation process. The ALTI focused on developments of guidelines for earthquake safe construction practices, training of masons and engineers, and construction of model houses. All these activities aimed to empower the communities with their active participation in this process. In this community based initiative, livelihood recovery was incorporated through revitalization of vineyards using a cooperative system. These efforts altogether develop human resources, provide sustainable livelihood and are linked to the long term recovery of the country.

### Patanka New Life (PNY) Plan

After the Gujarat earthquake of January 2001, PNY was initiated as joint initiative of diverse organizations including government, non-government, academics and international organizations for community based effective rehabilitation. The aim of the initiative was to train and empower local masons and communities with proper earthquake-safer technologies focusing on local tradition and culture. Emphasis was to ensure confidence building and long-term use of traditional technologies. There were two major components of the initiative: one construction and rehabilitation of model village, and training and confidence building of communities through shaketable demonstration testing. The characteristic feature of the initiative was to focus on the holistic approach of the rehabilitation including livelihood. The initiative was successful, especially in terms of community involvement and ownership. The initiative was considered a successful model for sustainable community recovery. The PNY was conceived as a model program right from its inception stage. It sought to empower the affected community to the extent that they are sufficiently resilient against future disasters.

### School Earthquake Safety Initiative

The United Nations Centre for Regional Development (UNCRD) is, currently, promoting School Earthquake Safety Initiative through a project “Reducing Vulnerability of School Children to Earthquakes” jointly with UN Department of Economic and Social Affairs (UNDESA) in Asia-Pacific region. The project aims to make schools safe against earthquakes and build disaster- resilient communities through self-help, cooperation and education. The project includes retrofitting of school building in a participatory way with
the involvement of local communities, local governments and resource institutions, trainings on safer construction practices to technicians, disaster education in school and communities. These activities are carried out in Fiji Islands, India, Indonesia and Uzbekistan as demonstration cases which will be disseminated throughout the respective geographical regions.

There are three major aspects of the community empowerment in earthquake disaster risk management through this initiative:

**Seismic safety of school buildings:** The project includes seismic vulnerability analysis of some selected schools in a project city of each country and retrofitting of some of them which cover prominent construction typology in the region. This leads to development of country specific guidelines on the earthquake safe construction which incorporates solutions to the practical problems experienced school retrofitting.

**Capacity building of communities:** Retrofitting of schools in communities serves as a demonstration of proper earthquake technology to them. Masons in the communities get on-job training during the retrofitting of schools. In addition, technicians in each project cities get trainings on earthquake design and construction of houses. Consideration is given to the local practice, material availability, indigenous knowledge and affordability in trainings on earthquake technology.

**Disaster education and awareness:** The project includes development and wide distribution of educational booklets, posters and guidebook on teachers training and students’ drills for earthquake disaster preparedness and response. The guidebooks get verification and updated through trainings and mock drills. The projects also develops an interactive educational tool for awareness raising on earthquake disaster and simple seismic risk assessment of buildings aiming to motivate households for planning seismic upgrading of their houses.

It was learned from earlier programs of UNCRD that the process of making safer schools can be used as an entry points to the communities at risk to facilitate implementation of a training and capacity-building program for earthquake disaster mitigation technology besides its prime objective of ensuring the safety of school children against future earthquakes. It is achieved by demonstrating how schools can be used as community centres for earthquake disaster prevention and mitigation. Locally applicable and affordable earthquake-safer construction technology is transferred to these communities.

**Lessons**

In regards to the issue of engaging and empowering communities for sustainable disaster risk management, followings are the major lessons:

1. Community empowerment and communication help to achieve sustainability in CBDM
2. A holistic secure-livelihood approach enhances sustainability
3. Community based action plans and training improves community's problem solving skills.
4. Because disasters are unpredictable, it is important to maintain the projects and people's awareness of disasters.

5. Transparency of activities and dissemination of knowledge and information encourage people's participation in activities.

6. CBDM efforts need stable financial resources.

7. 'What is accepted by the community' is more important than 'what is necessary'.

8. Institutionalizing the community and the private sectors can result in more sustainable disaster management programmes.
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Decentralization and Poverty Reduction in Cambodia: Experiences and Challenges

Prum Sokha

1 Cambodia at a Glance: Cambodia is an enigmatic example of historical evolution of a nation state. Today, it is ranked as one of the poorest developing nations in the world in terms of income and human poverty. Simultaneously, it also provides a case of post-conflict society that has successfully resolved conflict through national reconciliations, maintained peace and security and taken sustained strides towards democratic governance as well as national development.

Cambodian lag in development process is a result of various socio-economic and political factors. In sociological context Cambodia remains a traditional society. In economic terms, majority of Cambodian population lives within subsistence economy. Almost two third populations are rural and derives livelihood from traditional and subsistent agricultural practices. The per-capita income is less than US $ 300.00 and the HDI is 0.543 or at the level of “medium human development.”

Poverty in Cambodia has multiple dimensions. For example:\footnote{For more information, see, National Poverty Reduction Strategy, 2003-2005, Kingdom of Cambodia, Council for Social Development, 2002; Second Five Year Socioeconomic Development Plan, 2001-2005, Kingdom of Cambodia, 2001; “Five year Strategic Plan, 2005-2009, Neary Rattanak II (draft, 2004); Ministry of Women’s Affairs.}

Economic dimensions:

- 36 percent of the Cambodian population lives below the poverty line of US$ 0.46-0.63 at the current exchange rate
- Poverty in Cambodia has largely resulted from high population growth (2.5% in average), inadequate opportunities for economic development, low human and technical capabilities, insecurity, exclusion and vulnerability
- More than 70% of the population depends on agriculture production for livelihood, yet 12-15 % have no ownership of agricultural land
- Access of poor into natural resources- forestry and fishery – is significantly constrained
- Among the poor 79% are those having heads of households employed in agriculture
- Only 8.4 % of the population benefits from industrial growth

Social and Human Development Dimensions:

- Maternal and infant mortality in Cambodia remains very high (maternal mortality at 437 per 100,000 live births ad infant mortality at 95 per 1000 live births. Almost 24% of births are considered unwanted).
In 2000, 58% of women between 15-49 years of age, 66% of the pregnant women and 87% of children were anemic. 44% children were stunted; 15% wasted; and 45.2% were underweight. These indicators provide the challenges and magnitude of the human development side of the poverty reduction in Cambodia.

- Illiteracy among men is 25% and 45% among women. In substance 50% men and 71% women are functionally illiterate
- Health service for majority poor is difficult and inaccessible. For example, 21 % of the poor population has to travel more than 5 kilometers to reach the nearest health facility, where essential services and drugs are lacking
- Services and access to immunization, sanitation, preventable diseases remain from marginal to poor
- The exclusion of women and vulnerable in all walks of life and affairs is high, and
- Ethnic minorities and disadvantaged groups lack sufficient representation in decision making processes

Governance Dimensions:

- Governance institutions are top-down, hierarchic and weak in accountability and transparency
- Citizens as a whole and poor in particular have little access in information and decision makings related to their well-being and services
- Civil service system is weak and civil servants have low salary and weak professional capacity and motivation to deliver services, and,
- Lack of access to law, justice and rights is a serious issue at all levels and more so in the case of poor and vulnerable.

Thus poverty reduction in Cambodia is a multi-dimensional. Therefore, it is a key governance challenge.

2 Rectangular Strategy of the Royal Government of Cambodia98:

Recognizing of the imperative need to reduce poverty and also achieve the MDG, the Royal Government of Cambodia has given high priority to take governance reform and poverty reduction efforts together since 1998. The Royal Government has developed Rectangular Strategy (2003-2008) for governance reform and poverty reduction. The Rectangular Strategy selects key elements from the Millennium Development Goals, the Cambodia Socio-Economic Development Program 2001-2005 and the National Poverty Reduction Strategy 200302005.

The Rectangular Strategy is an “integrated structure of interlocking rectangles”.

98 For details, see, Rectangular Strategy: Growth, employment, Equity and Efficiency, 2004, Royal Government of Cambodia.
The core of the rectangle is good governance with four components (I) anti corruption (ii) legal and judicial reform (iii) public administration reform including decentralization and deconcentration, and (IV) reform of the armed forces, especially demobilization.

The second part is the appropriate overall environment for the implementation of the strategy. It also focuses in four aspects: (I) peace, political stability and social order (ii) partnerships: stakeholders, private sector, donor and civil society (iii) favorable macroeconomic and financial environment and (IV) integration of Cambodia into the region and the world.

The third part has four strategic “growth rectangles”. They are (I) agriculture (ii) private sector and employment (iii) improved physical infrastructure and (IV) capacity and human resource development.

Fourth, is that each strategic “growth rectangle” has four sides which correspond to the four rectangles stated in the previous paragraph.

4 Decentralized Governance and Poverty Reduction: Conceptual Framework: Good governance concept – with focus on humane governance- championing equality, human right and pro-poor orientation, responsiveness, transparency and accountability has been globally accepted. Hence, the traditional idea of governance being "methods that societies use to distribute power and manage public resources and problems," is replaced by good governance which is defined as a process that "provides an enabling environment for human development and eradication of human deprivations". One of the most desirable policy frameworks and appropriate means to promote good governance that is humane is decentralization.

Decentralization neither has single definition nor one global practice. In general decentralization is defined as "transfer of responsibility for planning, management, and raise and allocation of resources from central government and its agencies to field units of central government ministries or agencies and subordinate units." Decentralized governance – where good governance, human rights and poverty reduction are the central themes- however focuses more on devolution components in which deconcentration process works as supportive, facilitative and catalytic element enabling local governments, civil societies, citizens and private sector to do things themselves in accordance with subsidiary principle. This principle says

- Functions/services at citizens level that can be carried out by the citizens or citizens' institutions they should be allowed to carried out by themselves

99 Overcoming Human Poverty, United Nations Development Programme, Poverty Report, 2000, P. 54
100 For conceptual aspects on decentralization, see writings of Cheema, Rondinelli, Mark Turner
• If function/services can be carried out at lower level, they should be carried out at that lower level; and
• The necessary governance functions should always be carried out as close to the citizens as possible.

This is to say that people are center and subjects of governance or putting the people first and believing that they are capable to make right choices. To realize such an idea within decentralized governance, promotion of social and human capital is essential. When social and human capital is formed at local level to articulate needs, participate and contribute in decision makings, demand and receive services from governance bodies and also make them accountable to the citizens for what they do and how they do, then only effective synergy can be established between decentralized services and poverty reduction. So far poverty reduction strategies and approaches tend to give heavy focus on *economic factors and vertically accountable sectoral interventions* rather than social and human capital formation. Hence "decentralized good governance" has remained a "missing link" in poverty reduction policies and strategies of governments in developing countries including Cambodia.

5 Decentralized Governance and Poverty Reduction: Experiences of Developing Nations: Specifically since early 1990 countries of developing world have taken bold policy decisions to promote decentralized governance and also link it with poverty reduction both through local governance systems and also sectorally. Evidently the overall outcome has mixed picture: good cases of success and not so good cases as well. However, what is demonstrated beyond doubt is that political decentralization has catalyzed the emergence of popularly mandated local governments, promoted participation of people in local political and development decisions hence bringing about the new ideas of local democracy and accountable governance.

However, there are other sides of the picture also. Important among them are: (a) political decentralization and fiscal decentralization have not been compatible (b) relationship between deconcentration and local governments remains blurred and often disputed (c) sectoral services continue to remain top down, vertically integrated but horizontally disintegrated (separated form local governments) as well as less accountable and (d) lack of policy clarity on inter-governmental relationships causing problems and lapses in coordination among stakeholders and service providers at levels. Thus the question how does decentralization contributes or should contribute to human development and poverty reduction in developing countries yet remains exploratory and experimental to a large extent. Despite elaborate legal framework to ensure participation and voice of weaker sections of citizens in resources, benefits and services, elite domination prevails resulting into increased marginalization of poor and weaker sections of society.

Often, local governments are ignored or bypassed in poverty reduction efforts of central government. In poverty reduction programs donor support is usually channeled through central government apparatus that are not sure to reach the poor. The programs may have good reports but impact in the field is often difficult to trace after the program is over. As

101 Philippines, Nepal and Thailand in Asia. Uganda, South Africa, Tanzania among the African cases.
a result the donor have turned to civil society organizations again bypassing the local governments – "a critical missing piece in the poverty reduction puzzle"- to implement their programs. It is also becoming increasingly troublesome in many countries where donor and international lending agencies are more willing to engage civil society groups instead of democratically elected local governments, thus undermining the very efforts of decentralization and sustainable poverty reduction efforts102.

In substance, the positive experiences and lessons from various developing countries linking decentralization and poverty reduction can be summarized as followings:

- When access of poor in resources and management decisions is ensured through decentralized local governments, poverty reduction through local effort produces better results103
- When local communities are provided access and management of natural resources including forest, poor significantly benefit 104 and deforestation declined
- When participatory local governance and social mobilization go hand in hand, poor have better access to services and significant volume of local resources can be mobilized to deal with poverty issues locally
- When authority to decide on the use of resources and services moves one step closer to people, accountability to poor and to people in general increases;
- Under such a system, communities and poor can effectively organize themselves to demand and receive services locally and also influence the decision making processes;
- Civil societies can thus take catalytic roles to mobilize communities and enable them to make their voices and choices heard

Experiences and lessons learned show that human development and income poverty should be addressed together. There should be no multiple choices in this area because they are interdependent. Income poverty is linked to lack of access to essential human development services (public and primary health care, sanitation and safe drinking water, education, housing and protection and protection of weak and vulnerable) while lack of human development is associated with low level of knowledge, participation, production potential and competence of poor to organize, demand, bargain and negotiate to free themselves from the poverty trap. This complexity of the issue we have at hand makes decentralization as means and local governments as organizational instruments to address poverty reduction issue in its entirety. This is the missing link many countries have failed to establish in decentralized governance and poverty reduction initiatives. In order to establish decentralization and local governance linkage with poverty reduction and human development, it is imperative to weigh the following important concerns:

- Political, administrative and fiscal decentralization should become components of the same reform package not separate and independent of each other. Political decentralization must ensure creation and sustenance of accountable and

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103 Various country level experiences of the World Food Programme and UNDP country reports, Nepal, Uganda.
104 Examples of Community Forestry in Nepal.
transparent popularly mandated bodies. To facilitate the political body to work, administrative autonomy and resource base in the form of fiscal decentralization must accompany. Political decentralization alone runs the risk of increasing sense deprivation of people and contributes elite domination. Administrative decentralization without sufficient horizontal accountability and coordination linkage weakens chain of command and discipline. Fiscal decentralization without accountable and transparent local government institutions becomes the distributive means of corruption and malpractices.

- Public service reform (deconcentration process) should be developed as a supportive instrument to decentralization process not as contender or competitor of local governments.
- Control and supervision aspects of decentralization should be enabling and appreciative rather than yielding discretionary authority.
- Tasks assigned to local governments must accompany resources as per the scope of work and incentives should accompany performance.
- Capacity building must be a focus of support of higher level agencies.
- Civil society and public sector should be recognized as partners by the national and local governments and promoted.
- Clear cut and precise delegation of tasks must in order to avoid duplication, overlaps and conflict over jurisdiction, and
- Access and control over resources should follow the subsidiary principle.

6 Cambodian Experience with Decentralization: 105 Cambodia is a new comer in decentralization reform process. The Royal Government initiated decentralization reform with three objectives:

- promote participatory local democracy
- promote social and economic developments and,
- Reduce poverty.

The implementation of decentralization reform in Cambodia began with the election of Commune/Sangkat Councils in February 2002. Hence, the Cambodian experience is only three years old. It is evolving and consolidating the experiences.

6.1 Decentralization Framework in Cambodia:

The following is the framework of decentralization in Cambodia106:

- Commune/Sangkat Councils (Commune in rural areas and Sangkats in urban areas) are decentralized local bodies.
- Communes (CC) are popularly mandated and are legal entities107 Development assistance to Communes from the government.

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105 For detailed and comprehensive analysis, see Review of Decentralization Reform in Cambodia: Policy and Practices, 2004, Royal Government of Cambodia, The National Committee for Support to Communes (NCSC). In addition, Decentralization reform in Cambodia has attracted a great deal of intellectual and professional interest over the last four years. There are series of research and analytical studies available.

106 The Law on Administration and Management of Commune (LAMC), 2001 and various supportive legal instruments including ministerial and inter-ministerial sub-decrees issued since 2001.
Communes have roles and functions which they can implement without intervention
Communes follow participatory planning process
Communes are entitled to own source of revenue and they can access development and administrative grant assistance from the government on annual basis.\textsuperscript{108}
Commune access to development and administrative grant assistance through nationally managed Commune Fund which receives share of national revenue and also accesses external assistance\textsuperscript{109} to the Communes (Commune Development Fund/commitment of percentage of national revenue)
Communes can access grants from outside
Communes must follow 11 step bottoms-up participatory planning process in order address the needs and aspirations of the citizens. While planning they must give priority to poor.
At the national level a National Committee to Support Communes is established for policy coordination and support the Communes.
Ministry of Interior works as the link ministry, and
Significant support to Communes and sub-national bodies for capacity development is provided.\textsuperscript{110}

6.2 Emerging Experiences and Lessons: Since the implementation of decentralization reform various experiences and lessons relating to decentralization and poverty reduction are emerging in Cambodia. They are the followings:

- The priorities identified by the Commune planning process represent the poverty cause which can serve as the main entry and intervention points for pro-poor programs
- Investments made through Communes in physical infrastructure in the long-term have potential to contribute to poverty reduction, although in short term these investments may improve access to transportation and markets only
- Communes have articulated the need for accessing citizens and poor in natural resources – land, forest, fisheries- which are important points the sector can undertake

\textsuperscript{107} In total there are 1621 Commune/Sangkats in Cambodia. More than 11000 Councilors are popularly elected in them through pluralist processes. Of them around 800 are women, this reflects low representation of women in Communes.\textsuperscript{108} Commune own source of revenue is yet to be defined. It is recognized as one of key priority reform areas of the government.\textsuperscript{109} The percentage of share of national revenue to Commune Fund started with 2.1% and it is expected to reach 2.4% by the year 2005.\textsuperscript{110} Three exemplary achievements of Cambodia in decentralization reform can be considered: (I) the ability of the government to put in place the body of supportive legal instruments in place during short period (II) ability to provide capacity development support to Communes and mobilization of external partners, and (iii) enable all Communes to prepare long-term development plans and hence access development grant assistance.

• Communes have begun to relate poverty with low service quality, inequity and deprivations, these are very good indicators of local level linking human development with poverty reduction
• Communes consider security (property and personal) as essential for poor to lead productive life- this is an indication of right based approach to poverty reduction
• Communes consider skill and capacity development as effective ways to reduce poverty, this is again a very positive lesson, and,
• In some cases at local level Communes, civil society and communities have begun to run programs on areas such as micro credit and savings.

7 Challenges: The PRSP strategy has recognized accessing citizens to local resources and mobilization these as means of poverty reduction. In addition it focuses on enabling and empowerment of citizens as means of demanding and receiving services to reduce poverty. Communes are instruments in this regard. The Seila and various other experiences show that participatory local democracy and local government institutions contribute to accessing citizens to resources and hence reduce their poverty. However, there are many challenges ahead. Such as (a) enabling Communes and communities to focus on human development and poverty reduction programs (b) mobilization and accessing of resources (c) creation of supportive physical infrastructure and services (d) creation of access to production and markets (e) creation and delivery of needed capacity building support, and (f) formation of human capital and institutions.

8 Perspectives: Challenges stated provide the basic framework for the government to design future policy and strategy establishing effective linkages between decentralization and poverty reduction in Cambodia. They should ensure that decentralization becomes an effective means in this regard. However at the present stage the following can be envisioned:

• Adopt and follow a process and learning based policy and strategic framework mitigating the shortcomings and build on achievements. This can be done through review of local experiences and successful cases and then design approach and programs for national coverage on phased manner.
• Initiate pilot programs involving Communities, Communes and Civil society institutions for Commune led poverty reduction
• Access Communities and citizens to use and benefit from local/communal natural resources with specific objectives of focusing local poor
• Introduce Commune led social mobilization programs as entry points for human capital formation at local level and complement them with resources, skill development and local level income and employment generation opportunities. These types of programs should accompany both technology and market components
• Support inter-Commune initiatives for creation of production and market opportunities through joint investment and planning with private sector, Community Organizations, NGOs and donor agencies
• Encourage and support NGO/Civil society institutions in joint programming and cost-sharing with Communes on local development programs
• Encourage donors to support programs that are of inter-commune nature (infrastructure and services)
• Promote and encourage Communes in all poverty reduction programs of the government
• Promote urban-rural linkages and partnership, and, finally
• Integrate line agency programs with Communes

9 The Way Ahead: The decentralization reform served as catalysts in Cambodia demonstrating urgency of initiating reform of provincial, municipal and district administrations also. Hence, the Royal Government has taken a new and greater reform initiative under the broad theme of decentralization and decentralization reform (D and D). This reform initiative will try to deal with most of the issues we have raised as challenges. Hence the way ahead for Cambodia is to develop the D and D in such a way so that decentralization and poverty reduction have clear linkages and synergy.111


Fiji - Vanua ‘O Natewa: Sustainable Decentralization, Empowerment, Participation and Poverty Reduction Response

Ropate Qalo

Abstract

Fiji is officially struggling towards the eradication of poverty. Universally the Millennium Development Goals (MDGs) are being addressed in numerous ways. Most governments find the target cumbersome and laborious as shown in the shifting of the goal from the year 2000 to 2015. Most governments that decided to target the reduction of poverty to 50% by 2015 seems oblivious of the knowledge base on which the goals were formed as indicated in the Human Development Report of 1997 explaining the Human Poverty Index for instance.

Discussions of Poverty Response Strategy Programmes (PRSP) rage as this paper is written. The definition of poverty has been argued to be insignificant in comparison to achieving higher national development growth rate (e.g. Duncan & Pollard) that will provide the opportunities to create jobs that will alleviate poverty as understood under the Washington Consensus. A softer World Bank and IMF policy has seen the exit of the proponents (Stiglitz, Kanbur and Wolfenson) in the institutions. We may now expect to see a stronger resolve for conditionalities that have landed countries into huge debts that are now written off ($800 billion) for eighteen countries mostly in Africa. This in simple term means continued indebtedness, poverty in cities, corruption/abuse in landlocked desert countries and militarily dominated countries.

This paper attempts to explain the optimism on decentralised governing structures, participation and the nullification, alleviation or eradication of poverty in the case of a Fijian traditional district or vanua. Of course optimism is a major part of this attempt, it being the source of many useful inventions we enjoy today. Pessimism cannot be allowed to dominate for they cause regression. Optimism in our time honoured institutional realities in little countries like Fiji and most of the South Pacific have survived in an ecological balance for millennia. Even lately when there were coups; it was the time-honoured institution of traditional Chiefs that instilled calm and focus towards development and the pursuit of sustainability. This speaks volume of the realities of our indigenous knowledge and thought processes emanating from those realities of balance contrary to globalisation and its incumbent politics.

Geographically and culturally we are decentralised. Chiefs lead the vanua. The core of our existence is of an autonomous nature, structured, participatory and by and large rational in our own context. The question of empowerment is already tied into nucleus family and extended families with which we are bonded through participatory activities for sustainability. This does not stop individuals to move in or out of our districts. Culturally our traditional context contains poverty with our social capital. This should not mean that we wish to remain static in our traditional ways but to hybridise with the acceptable global trends sustaining the mana i.e. the spiritual essence of our Pacific rational world. Some have called the above the Syndrome of Poverty Denial. Such a pessimistic view is relative to the ‘supposedly’ homogeneity of global capitalism. The Pacific people are special and they deserve specialised studies based on the decentralised, participatory, and structural realities of small vulnerable island countries. They cannot see themselves as denying poverty because the world today is driven much by the insensitivity of ‘wants’ ignoring the ‘needs’ of so many. It is not difficult (if we want to) to understand that limited basic needs causes vulnerability. Logically, by reducing our ‘wants’ we will supply our needs, as Mahatma Gandhi articulated decades ago. Supplying the needs of all will reduce vulnerability. In essence this is what the late former President of Fiji Ratu Sir KKT Mara (1997) referred to as the Pacific Way.
Introduction

Fiji’s case like most countries is unique and its Pacific culture makes it special. The overwhelming view of globalisation has been applied generally to demand change of Fiji’s population, especially the indigenous people. As a result indigenous Pacific Islanders have reluctantly changed for one hundred and thirty years. After 17 years of independence there was a strong revival of ‘so-called’ culture and traditions with a very pronounced capitalistic flavour. This was repeated in 2000. Now the Reconciliation, Tolerance and Unity (RTU) Bill to grant amnesty is being sought by the Government because stalwarts of its coalition partner were convicted and some are in prison. This so-called revival highlights that government and governance at national level is confused by local chiefdoms whose authority is more traditional or charismatic at local level. They erroneously blame Indo-Fijians for their backwardness. But that is another discussion.

Nationally a more legal-rational authority is in operation that similarly confuses the authority at villages or vanua level (in this view). Members of the Great Council of Chiefs in Fiji who advise on matters of culture and traditions on Fijians as the majority (54%) ethnic group display such confusion. This distinction has not been given the scrutiny it deserves. The result is that ethnic Fijians will ignore their homes or village traditions and join a political party or religion to voice dissent and make demands that are personally based on Indo-Fijian bashing, generalisations and hearsay. They use their vanua as a weapon to gain recognition. This is basically devoid of Fijian protocol and culture of respect. In fact it is distaste-full, offensive and mirrors mob rule.

Often former villagers in towns and cities join parties or individuals become self-appointed spokespersons without authority. Some have been accommodated by political parties to curry favours from their locality without proper procedures of tradition. Needless to say that such breach of procedures by ethnic Fijians who purportedly treasure traditions contribute to the decline of their culture of respect. This process is deemed dangerous and has been festering for decades resulting in coups, violence, deaths, distress, alienation and so on. It needs to be addressed now. This paper asserts that through decentralisation, empowerment, participation and poverty reduction via training as well as education for income generation provides a wholesome short, medium and long term solution. It is certainly not new or spectacular; it is merely applied sociology, economics, public administration, incrementalism, some imagination and work.

The above proposition will be explained through the organisation envisioned of our geographically and socially decentralised traditional Fijian district called the vanua as a shift towards a local corporate body. The aim of the vanua o Natewa is to utilise the resources of the district to address the eight Millennium Development Goals (MDGs) through good governance locally. Embedded in that pursuit is the added aim to attain a comprehensive human development process to realise the short, medium and long-term visions of the people of the vanua or Tikina. In the process, the training of shifting the

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112 As a member of the vanua or Tikina/district of Natewa, permission was granted to the author at the Council Meeting held at one of the villages – Nadavaci on 9th June 2005, 10.00 am to 3.00pm.
traditional and charismatic leadership and authority to a more democratic level with the
traditional leaders still intact as it is in the British royal sense will be pursued. The plan,
using what is already on the ground will evolve over time to a hybrid corporate culture
steeped in the market economy with a view to satisfying the MDGs as well as evolving
an already hybridised culture that is sustainable.

At this juncture it might be useful to register that this conceptualisation has benefited
from the e-Discussion: The MDGs: Global Goals To Support Local Solutions (15
December 2004 Prepared by Flham Sevedsyamdost and Laurel Gascho on MDG Net on
Queries and Answers). It might also be useful to mention that traditional districts such as
vanua or tikina vary in size.

A vanua /tikina /district, for example, may consist only of two traditional villages (Nuku
district or vanua in the Province of Tailevu), seven villages (Natewa district or vanua in
the Province of Cakaudrove) or thirteen (Bau district or vanua in the Province of Tailevu)
[see maps in Appendices 1 & 2]. Altogether there are fifteen provinces including the
Polynesian Island of Rotuma). These provinces have varying numbers of districts.
According to the Fijian Affairs Board (Fijian Affairs Act Cap 120) Provincial Statistics on
Traditional and Administrative Groupings, there are 187 official district or administrative
vanua altogether. This is 28 less than the known traditional vanua recorded by the Fijian
Affairs Board (FAB). Altogether there were 1170 villages recognised by the FAB in 1992
(Qalo 1993 Appendix B.4).

To explain the present evolution from the traditional and charismatic hybrid of the vanua
or tikina to a legal-rational basis of authority of a decentralised corporate entity the
subject will be divided into sub-headings.

i. Brief on vanua, leaders, ownership, and autonomy;
ii. Glocal government, deconcentration, decentralisation
iii. MDGs engine of partnership: global and glocal participation;
iv. Accountability and peddling your own canoe;
v. Sensitising glocal capacities to the hybrid of traditions and globalisation for
empowerment;
vi. Plan strategically for tax revenue and sustainability;
vii. Social capital and some practical implications.

The coverage of the above is basically a conceptual exercise based on the observations on
the vanua /tikina ‘o Natewa in the Province of Cakaudrove in more than three decades of
personal participation and action research. Some templates and mechanisms of corporate
institutions will be experimented with the creation of mechanisms to facilitate hybridised
global and glocal institutions in the creation of a corporatised vanua. Some mechanisms
used by villagers in the late 1950s to the mid-70s were the co-operative movement, credit
union, and the Fijian Development Fund Board (FDFB). Developing capacities of the
youth of that period benefited from those activities and efforts. It is now the turn of those
developed youths to give back to their vanua as elders what they got out of it in a
coherent and comprehensive manner suitable for their times and beyond for later
Natewans to modify to suit them and their vanua. This added dimension of the legacy of the vanua to develop those of us who were youths in the fifties to the seventies is perhaps loosely referred to here as our social capital.

i. Brief on vanua, leaders, ownership, and autonomy

The vanua, tikina or district as mentioned earlier is a part of a Province that is a deconcentrated form of a centralised system of government. It is part of an orthodoxy that was created by colonial powers. An attempt to make head or tail of the Fijian way of life or culture by a dominant power. Overtime it became accepted by many indigenes as something authentically Fijian. It has become hybridized and claimed by a significant segment of ethnic Fijians as their very own indigenous institution. Many young chiefs without adequate training and formal education, today, assume that this is the case. Like-minded ethnic Fijians who are not academically, professionally or entrepreneurially engaged support them.

Such mindset forms the basis that was responsible and central to the coups. Basically it is a matter of the mind. Writing in 1917 the revered chief Ratu Sir Lala Sukuna (BA LLB Oxford) wrote of ethnic Fijians as having, by and large, docility and suspicion engendered and engraved in their character. “Fear and respect for constitutional authority, being the only things that matter under such conditions, are indelibly stamped on the minds of the people. On the negative side it is found that the faculty of independent thinking is suppressed and, as the centuries pass, the masses become more and more dependent on the will and guidance of the rulers. There is, to speak, inertia of the mind” (Scarr 1983: 52). That inertia of the mind persists today (Qalo 1993).

Ratu Sukuna provided the leadership that saw the review of the Fijian Administration to a Fijian Affairs Board (FAB), the creation of the Native Lands Trust Board (NLTB) and the Fijian Development Fund Board (FDFB). This corporate trilogy gave the ethnic Fijians a sense of autonomy. They were supervised by the FAB, their land was protected and leased for cash by the NLTB while the FDFB accumulated funds deducted from copra sold by landowners. These institutions exist to this day. Supporting the trilogy is the Native Lands and Fisheries Commission that registers all ethnic Fijians according to their tokatoka, mataqali, yavusa, and vanua (see Appendix 3). Allocation of lands and fishing grounds are based on this colonial designed structure and precedence on patriarchal line dominating matrilineal traditions113. Earlier this system was stated to have been deemed traditionally ethnic Fijian (sic).

ii. Global government, deconcentration114, decentralisation

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113 Illustrated in the tradition of vasu where the children of a woman may acquire properties of the woman’s clan or sub-clan etc. A similar tradition exists in the Kingdom of Tonga known as fa’hu.  
114 For this purpose I assume Wolfers’ (in Larmour & Qalo 1985:03) definition of ‘administrative decentralisation’ as deconcentration and distinct from ‘political decentralisation’ with autonomy and
Glocal government is used here to highlight the historical British local government and its use throughout the Empire. While local governments are corporate bodies with similar structures and functions they are based on the culture of its users generally. Functions become affected because the people who drive the structures impute their own personalities into them contrary to ‘grand theorists’ from Weber to Parsons, Merton, etc (Adam & Sadie 2001). This is not only true at this level but nationally and globally.

The personalisation mentioned must be within legal provisions, needless to state i.e. governments locally, nationally, and globally must function within the law in practice and in theory. Autonomy in this sense must be within that parameter of law. In this sense much of what happens at local government may be dominated by the centre or by the law and personalities, as such, they fall into deconcentration. The provincial system of Fiji whilst communal, deemed to be decentralised and autonomous has developed as mode of deconcentration i.e. with legal provisions tying the system to central government influence and control. Distinctly provinces are less autonomous than municipalities that generate revenue and managed by political dominance. The same is true of Tikina or vanua Council that are dominated by articulate local chiefs who are influenced and driven by government officials or extension officers.

Provincial Council members were experimentally elected since 1968. This was discontinued eighteen years later after the Great Council Of Chiefs (GCC) meeting at Somosomo Village, Taveuni Island in 1986. With local government politics, especially in municipalities, the election practises is first ‘past the post’ while nationally the ‘alternative vote’ is practised. Both election systems are plurality majority systems (Siwatibau 2005) i.e. one of the three large general groupings stated. The other two general groups are the semi-proportional representation and the proportional representation. Hundreds of electoral systems are used globally according to Siwatibau.

ii. MDGs engine of partnership: global and global participation

The electronic global discussions via IT on the MDGNet indicate the degree of participation and partnership from numerous countries around the globe. The MDGs: Global Goals To Support Local Solutions (e.g. 15 December 2004 Prepared by Elham Sevedsyamdost and Laurel Gascho on MDG Net on News Update #3 of 17 June 2005 etc) highlight the capacity available for participation intellectually. The volume of which is difficult to keep up with. Given this heavy traffic, we witness that the MDGs has become an engine of discussions through which lives are touched and changed hopefully for the better.

The pop festival in Edinburgh, Scotland Make Poverty History, Tony Blair’s pressure on the G8 on poverty in Africa and the debt write-off of $800 million for 18 least developed countries in June this year alone highlight an awakening. As the MDGs appeal to ‘human and social capital’ it inspires individuals to act in whatever way deemed by them to be independent revenue. These are mentioned here for conventional reasons and ease of association to more developed or sophisticated systems.
useful. Ted Turner announced his donation of US$1 billion to the United Nations in September 1997 to address issues like population control and epidemic disease. This was to be paid at $100 million for the next ten years. In 2001 Bill Gates donated $23 billion to various agencies and charitable organisations (Conniff 2004: 100-116). Of course with these gentlemen there are no shortage of alternative views with their own interpretations and particular sophistication.

Another interesting view, relate to the needless description of poverty in great detail for “It also appears irrelevant in such cases to be debating whether the focus of development should be on promoting economic growth or on reducing poverty” (Duncan & Pollard 2001:2-3). This view is supportive of the Washington Consensus of achieving higher national development growth rate that will provide the opportunities to create jobs that will alleviate poverty. Pincus & Winters (2002) report the softer World Bank and IMF policy that saw the exit of the proponents Stiglitz, Kanbur and later Wolfenson in 2004. We may now expect to see a stronger resolve for conditionalities that have landed countries into huge debts that are now being written off for eighteen countries mostly in Africa. Should what is being denied but fully understood by a substantive number of observers i.e. the change of personalities mentioned at the outset in simple term, means more of the same i.e. indebtedness, poverty, corruption, abuse of authority, military dominance and so on.

Contrary to the alternative views mentioned above, the MDGs in the micro case of the Tikina or Vanua ‘o Natewa have been touched by this international commitment to the eight targets. Their resolve is to corporatise their vanua as mentioned earlier. As such the process that will convert the vanua to eventually become a more rational-legally driven authority will be multi-pronged. First it will be a Poverty Response Strategy (PRS) with the conversion of the vanua to an evolving corporate institution. Secondly it will form a comprehensive glocal government with by-laws, tax/revenue base, financial reserve, database, planning unit, issuance of business licenses, health unit, agriculture, fisheries etc. Finally it will manage its activities in their established Council that will oversee that policies of government dovetail with that of the vanua. In all of its activities villagers will be encouraged to pursue their private endeavours and collectively build on what they presently engage in e.g. fund raising, village maintenance, and various maintenance work needed. Further to the above the vanua would like to learn from other vanua at the same level (especially with entrepreneurial pursuits) what they are doing successfully for replication or modified versions in their vanua. Other vanua may send interns to learn from Natewa on other aspects.

iv. Peddling your own canoe: Accountability

The Vanua ‘o Natewa and its people are looking forward to peddle their own canoe. This

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115 In the USA official numbers of people living below the poverty line, and the percentage population of the total population that this represents, in selected years – 1990 = 33.5%; 1995 = 36.4%; 2000 = 31.5% and 2001 = 32.9%. Needless to say that many of the poorest people are undocumented immigrants (Seabrook 2003:13).
means building mechanisms earlier mentioned that they could understand. The mechanism, as mentioned is a Poverty Response Strategy (PRS) with the conversion of the vanua to an evolving corporate institution.

The peddling of one’s own canoe means forming a comprehensive glocal government institution from the Tikina Council. The Council will provide by-laws, tax/revenue base, financial reserve, database, planning unit, issuance of business licenses, proper health unit, extensive agricultural projects, fisheries etc. In addition it means looking for funds themselves from their own resources and from donors that are interested in this proposition and its replication around the South Pacific from the locals instead of others who work for a wage or salary only. We want those who will invest for their peoples’ future sustainability.

In our youth our elders planted a pine forest we can now harvest to build a reserve that we could invest for the future. Coupled with an annual taxation we will raise enough funds to develop our villages and respond to poverty, education, health, and infrastructure. We hope that we will be able to raise annually the 1/3 vanua – 2/3 government contributions for village projects. We are sure that our accounting will be much more accurate and transparent. In this sense it will be the new culture that will be evolved for the sustainability of development. We have buildings in the village of Natewa to house an Office that will administer the work needed.

v. Hybridising traditions, glocal capacities and globalisation for empowerment

Each village is still led traditionally by a village chief who has a particular title. In the case of Natewa Village, these are the Vunivalu, Sauvou, Maidreketi and Mataki. Maidawa is the head of Dawa Village and so is Tui Vusa in the village of Vusaratu. Tui Vusasivo is the head of the village of the same name and the nearby settlement and village of Qaranibali and Nadavaci respectively. Nadavaci has its own head in the Tui Nakaulau. Buca and Tukavesi villages are led by the Tui Kama and are located in Buca Bay. The Vanua ‘O Natewa is unique in that it has two bays i.e. Natewa and Buca.

All the leaders are members of the Council and are given leadership roles. At present the Tui Vusa has been the Chairperson for the last nine years. He is a retired forester who was instrumental in the development of the vanua. His service has been stabilising and he has been asked to serve till the end of the year. The priests of all the Christian denominations, the women’s group (Soqosoqo Vakamarama) and the youth (Tabagone) are members. Head teachers from the three schools of the district attend when the Council meets in the village that they are in. The Chairperson of the school committees, the health doctor, and all the extension officers of government attend the Council.

vi. Plan strategically for tax revenue and sustainability

Presently the difficulties of raising funds for village projects have been wasteful with
‘hidden costs’ of festivals and bazaars. Besides the Provinces compete with the annual conferences of churches, rugby teams and so on. Fund raising has not been thought out carefully and what we get is just more of the same of some enthusiasts. Provincial tax is heavily criticised as inefficient and increases contribution by some that are taxed on PAYE, VAT and again on Provincial subscription, which use to be a tax.

The Province of Cakaudrove tax 740 registered members of the Vanua ‘O Natewa over the age of 21 years. Some are still at school at tertiary level. The vanua raises $15,000 last year for the Province. To improve subscribing to the rural area and the vanua for development purposes it is proposed that any subscription to the Council will be tax deductible or tax-free. This will overcome the difficulties of tax collection and will encourage participation by every villager. The Council will be given this proposal regarding Vanua Tax. The mataqali or the village as a whole may raise the tax that the Council will determine in annual budgets. The other alternative that the subscription are collected in the office or sent to the office or bank account and receipts are made for tax returns. This taxation or subscription will allow the vanua to pay its Provincial subs as well as raising the 1/3 necessary for government funded projects with its 2/3 grant as mentioned earlier.

vii. Social capital and some practical implications

This proposition to the Vanua ‘O Natewa has been discussed and is now written up for further discussion and improvement. It is indeed a return to local-level planning by people of the area who have their resources to develop. Much of Fiji has been lying dormant and so is Natewa. Some of it could be developed in a thoughtful and sustainable way. Like many in the developed world we dislike what we cannot afford as well as those first world things our national government like but stretched to sustain like motorways, genetically modified food, industrialisation, huge concrete buildings and so on introduced by multi-national corporations.

We see our development as prioritised. First and foremost is our environment that our ancestors protected and guarded with their lives. They were tricked by some and lost some of it. This cannot and must not happen again. Sensitising our people to this legacy is vital and to begin at home, church, and at the primary schools. Small businesses have started and some members of the vanua run their own businesses as lawyers, accountants, transportation (trucks & taxis), small village shops, handicrafts, eco-tourism and so on. There is a plan to purchase a double storey building in Savusavu Town to be a business centre for the vanua. Savusavu is a growth area in tourism and people of the vanua have already been gearing up to attract tourists for an experience in their villages and their coastline for snorkelling and scuba diving.

Education is well developed because our elders saw it as such. Today almost all households have a graduate from university or other tertiary organisations. The capacity of the past where mataqali will leave the coconut for the specific purpose of sending our
Using our traditions and decentralised autonomous authority for a sustainable development must revive the building of capacities and empowerment we enjoy today.

There are two Health Centres; one Police Station, two Post Offices and some households have telephones. Water is piped to homes or to a central tap. Village generators in all villages except for Vusasivo that invested on solar. Road provided by the government joins all the village of Natewa and Savusavu Town where they buy and sell their ware. The official count in the vanua is 1,717 in the villages as shown below.

<table>
<thead>
<tr>
<th>Village</th>
<th>Population</th>
<th>Male</th>
<th>Female</th>
<th>Households</th>
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</thead>
<tbody>
<tr>
<td>Natewa</td>
<td>190</td>
<td>97</td>
<td>93</td>
<td>40</td>
</tr>
<tr>
<td>Vusaratu</td>
<td>108</td>
<td>52</td>
<td>56</td>
<td>23</td>
</tr>
<tr>
<td>Dawa</td>
<td>69</td>
<td>36</td>
<td>33</td>
<td>19</td>
</tr>
<tr>
<td>Tukavesi</td>
<td>415</td>
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References


Reports on Fijian Administration


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