

**ADVANTAGES & DISADVANTAGES OF LOCAL  
GOVERNMENT DECENTRALIZATION**

**A PRESENTATION TO THE  
CARIBBEAN CONFERENCE ON LOCAL  
GOVERNMENT & DECENTRALIZATION**

**AT THE OCEAN VIEW INTERNATIONAL HOTEL**

**GEORGETOWN, GUYANA**

**JUNE 25 TO 28, 2002**

**BY KEITH L MILLER**

## INTRODUCTION

The dawn of the 21<sup>st</sup> century find the small, vulnerable states which comprise the Caribbean Region engaged in a desperate and uphill struggle to overcome the twin monsters of underdevelopment and inherited vestiges of colonialism. As if these were not formidable enough, globalization and associated phenomena threaten to make this struggle even more difficult. Success or failure in this struggle could mean the difference between the emergence of a proud and distinct Caribbean civilization, whose member states enjoy a respected place among the world's nations, and can provide their citizens with prosperity and all the benefits which modern society has to offer; or on the other hand a disparate group of countries characterized by increasing social instability, a breakdown in the governability of the state, and severe economic hardship.

The existing model of governance/public administration, itself a legacy of the colonial past, has proven to be incapable of meeting the governance and development needs/challenges of post-colonial Caribbean society, or exorcizing the vestiges of colonialism. A new paradigm of governance is therefore imperative and urgent. This new paradigm must place sustainable development and the tenets of good governance as cornerstones for the construction of a strong, viable and prosperous Caribbean Community, blossoming into a distinct civilization.

The new paradigm must facilitate full participation of all citizens, especially traditionally marginalized groups such as women & youth, in the processes of nation-building & governance. Such a participatory framework, along with adequate scope for local self-management, will release the abundant energy, innovative spirit, leadership talents, vibrancy and innate problem-solving capacity which reside in Caribbean people, but which are currently stifled by the existing over-centralized, authoritarian style of governance. In fact, this style has the effect of causing these qualities to manifest themselves in the form of anti-social/deviant attitudes/behaviors which undermine the social order, and which hinder rather than contribute toward local/nation development.

Meaningful decentralization of state power, manifested in the form of strong systems of local governance, is now recognized as key prerequisites for facilitating sustainable development and promoting good governance. It is therefore critical that policy-makers, scholars, practitioners and related stakeholder groups in the region seek to advance their understanding/appreciation of issues relating to local government and decentralization, and forge a regional consensus on how these concepts and principles might be best applied in the Caribbean. This Conference is therefore most timely, as it provides a great opportunity to embark on such a process, out of which we hope will emerge agreement on a new paradigm of governance for the Caribbean,

based on real devolution of power from central governments to newly energized participatory local governance structures.

The Caribbean is not alone in recognizing that the new paradigm of participatory local governance is critical for improving the quality of governance, and realizing the objectives of sustainable development. Strong local government and decentralization are essential to this paradigm. Most countries around the world are therefore presently engaged in some initiative towards decentralizing the state and enhancing local government.

### **Definitions, Concepts & Principles of Local Government & Decentralization**

Definition of the main terms and concepts which are used in this discussion of the advantages and dis-advantages of local government/decentralization, and of the different forms which these terms/concepts may take, is useful in ensuring clarity as to the meanings ascribed to these terms/concepts in this Paper. This section attempts to provide such definitions. Special attention is given to explaining the difference between “local government” and “local governance”. In the following section of the Paper, the relationship between decentralization and local government is discussed, and the significance of this relationship to the issues being discussed is highlighted.

**Local government** can be defined as “a sub-national level of government which has jurisdiction over a limited range of state functions, within a defined geographical area which is part of a larger territory”. Some persons prefer however, to define it as “decentralized administration, democratically controlled by local communities”. **The term Local Government** refers to the institution, or structures, which exercises authority or carry out governmental functions at the local level. **Local governance** on the other hand, refers to the processes through which public choice is determined, policies formulated and decisions are made and executed at the local level, and to the roles and relationships between the various stakeholders which make up the society. It can be defined as “the exercise of political, economic and administrative authority to manage local affairs”

**Decentralization** refers to the transfer of state/national responsibilities or functions from central government to sub-national levels of government, or from central agencies/offices to regional bodies or branch offices, or to non-governmental organizations or private concerns. It can be described as “the redefinition of structures, procedures and practices of governance to be closer to the citizenry”.

Decentralization can take several forms. Deconcentration, delegation and devolution are generally recognized as the main forms of decentralization. **Deconcentration**, which is sometimes called administrative or bureaucratic decentralization, is the term used when decentralization takes the form of a transfer of functions from the centre to regional or branch

offices, since real decision-making is retained at the centre. **Delegation** is the term used when the transfer of function is to a non-governmental or private sector entity (privatization), or it could even be to a government agency, over which government exercises limited control - e.g the recently established Executive Agencies in Jamaica.

**Devolution** occurs where the transfer of any function or responsibility involves both administrative as well as political/decision-making authority. This is usually to a sub-national level of government, which can then be said to enjoy autonomy in respect to the devolved subjects/functions, provided that nothing else inhibits the exercise of such autonomy (e.g excessive financial dependency or lack of local administrative/technical capacity).

### **Relationship Between Local Governance and Decentralization**

Local Government and Decentralization are concepts which are very closely inter-related, but they are not synonymous, and they do not always bear the same relationship to each other. In other words, while local government can be said to always represent some form of decentralization, decentralization does not always have to take the form of some type of local government. Additionally, different models of local government may represent different forms of decentralization.

Local Government is often portrayed as representing the highest form of decentralization, i.e. the devolution model, but this is not always so. Where local governments operate essentially as agents of central government rather than as instruments of local self-expression, this in reality constitutes deconcentration rather than the devolution. This distinction is very relevant in the Caribbean, as most local governments in the region operate as agents of central government, in that they have limited scope for locally influenced decision-making, and are very strongly controlled from the centre in respect of financing, staffing and exercise of their legal powers.

Many seemingly strong advocates of local government in the region subscribe to the old paradigm or school of thought which holds that the relationship between central and local government is essentially that of principal and agent. This view sees local government as subordinate to, and indeed being a creature of central government, and therefore subject to its whims and fancies. The notion that local government ought not to be a subordinate level but rather a distinct sphere of government, with its own clearly defined range of functions over which it exercises full autonomy (subject only to clearly defined procedures for invoking national interest), is not widely accepted. However, this view represents the modern concept of local government, and is reflected in the fact that many countries around the world have now opted to entrench that institution in their constitutions, and have established that local governments are not creatures of central government, but rather have independent existence and enjoy strong safeguards against arbitrary action by central authorities.

The significance of this is that local governments which are essentially agents of central government will not confer most of the benefits/advantages of decentralization, as they would not facilitate local self-management or provide scope for independent action, out of which comes the ability to take decisions which reflect local conditions, choices or priorities. Neither does it empower localities to take initiatives for their own development. Thus the flexibility which decentralization offers to different regions to act in accordance with local circumstances or preferences will not be realized. Furthermore, this type of local government is unlikely to attract meaningful civil society participation, as local civil society interests will find it difficult to influence decisions about matters which affect them, as decisions about such matters reflect central directives. In turn the central decision-making process is unlikely to be able to accommodate the large array of local interest groups from different regions of the country, or to find solutions which reflect the special circumstance of each region.

### **Developmental and Governance Challenges Faced by Caribbean States.**

Full appreciation of the advantages which decentralization and local government have to offer in the Caribbean context, and discernment of potential disadvantages, requires a proper understanding of current the realities of Caribbean society, and the developmental and governance trends and challenges which presently confront these states. Such understanding will help to place in context the potential contributions which decentralization/local government can bring to addressing these trends and meeting those challenges

1. The current state of underdevelopment, with its attendant legacy of poverty and inability of the state to provide basic social services, amenities, and a quality of life which citizens regard as acceptable, makes the achievement of accelerated, balanced and sustainable development an urgent priority for Caribbean states.
2. Several global trends and phenomena pose severe threats and challenges to Caribbean society, including:
  - ❖ Globalization, which threaten the traditional social/economic foundations of Caribbean society;
  - ❖ Deep cultural penetration of Caribbean society which erodes its cultural roots & values,
  - ❖ The technological/information revolution, which creates dizzying rates of changes and a more assertive and knowledgeable citizenry;

These represent both threats & opportunities. Only societies possessing strong governmental capacity, fully empowered and mobilized citizens, and which display the characteristics of social cohesiveness, flexibility, resilience, and dynamism; will be able to successfully withstand these threats and grasp the opportunities.

3. British colonialism has bequeathed to its former colonies the Whitehall/Westminster model of governance/ public administration, in which authoritarianism, excessive concentration of power at the centre, and a lack of a development orientation are prominent characteristics. This model has proven to be inimical to the task environment of post colonial Caribbean society. Transformation is urgently needed to make it relevant and responsive to the development imperatives and rapidly changing circumstances of the region.
4. Concerns about corruption, lack of accountability and transparency, and questionable ethics in government have created demands for much higher standards of conduct in the management of public affairs, and for establishment of more effective mechanisms by which the public can be satisfied about the conduct and probity of public officials. New approaches which makes government more open and closer to people are required in order to reduce alienation and build confidence/trust of the public in their government.
5. More knowledgeable, informed and assertive citizens are no longer content with the limited opportunities for participation in governance afforded by the existing paradigm of representative democracy, i.e. voting once every 3 or 5 years in local/national elections. They now demand a more meaningful say in decisions which affect their lives, and this can best be achieved through a participatory model of governance.
6. Most Caribbean societies are characterized by high levels of social stratification or divisions, whether based on class, race or political allegiance. This results in a lack of social cohesion and low levels of social capital, making it difficult to mobilize the full potential of the society behind national goals and objectives.
7. Growing alienation of large sections of the population from the political system indicate the need to devise new approaches to governance which can rekindle the zeal of citizens towards national purposes/causes.
8. Limited resources with which to address completing claims for social services, national security, debt servicing, and developmental needs, pose difficult political choices with attendant risks of massive social instability, unless new governance mechanisms which facilitate reconciliation between citizens expectations and available resources, and among various elements of the society, can be devised.
9. Marginalization of a vast majority citizens, and in particular of groups such as women and youth, from the social, economic and political mainstream, means that the potential contribution of these persons towards national development, or towards solving their own problems, is lost. This invariably results in the marginalized channeling their innovativeness, informal leadership qualities and other skills/talents into anti-social behavior and attitudes.

## **Advantages/benefits of Local Government/decentralization**

Decentralization, which is best manifested in strong, autonomous and vibrant systems of local government, offers numerous benefits or advantages as a model of governance/public administration which is able to address the many challenges and trends which presently confront Caribbean states, and which are enumerated above. The advantages/benefits of decentralization which are listed below assumes that decentralization takes the form of a strong, autonomous and participatory model of local governance, which enjoys extensive and real powers for local self-management, and for spearheading the local sustainable development process.

1. Decentralization, including substantial fiscal decentralization, provides a framework which facilitates and stimulates local sustainable development throughout all regions of the country, because of the following:
  - ❖ Fiscal decentralization will reverse current practice which extracts resources from the periphery and concentrates these at the centre. Thus more resources will be retained at the local level, and will help to enhance/stimulate local economies and be available to support local development initiatives.
  - ❖ More functions will now be performed at the local level, thereby creating opportunities for locals with technical, managerial and leadership skills to remain in the region, thus reducing the rural/urban brain-drain, and enhancing local capacity to manage local affairs and spearhead local development.
  - ❖ Devolution enables each region to take initiatives for their own development, as they see fit. In doing so, they will know of the opportunities, indigenous resources and comparative advantages on which development can be based. Development is therefore driven locally, rather than by external agents who are pre-occupied with many other priorities, and know little about local potential for development.
  - ❖ Planning for local sustainable development is effected through a participatory process in which the partners forge a collective vision for local development, agree on common goals, and on strategies/ plans for achieving the goals and realizing the vision. Devolution is essential to this approach, and development plans produced through such a process will enjoy full support/commitment of the local community, and therefore is very likely to be realized, unlike the usual fate of centrally produced plans.
  
2. Devolution represents the most effective means of curbing excessive concentration of power at the centre, which is a distinctive feature of the existing governance model, and which is inimical to several basic tenets of good governance, e.g. openness, transparency, fairness and probity. Specific benefits include:

- ❖ Devolution creates many sub-centres from which power is exercised. It reduces the amount of resources /aspects of national life that are directly controlled/influenced by central authorities, and hence reduces the extent to which central government is able to exercise dominance over all aspects of public affairs.
  - ❖ Devolution leads to each region/locality being able to articulate its own interests/perspectives, which might differ from those of the centre or other regions/localities, thus creating a plurality of interests/ perspectives. The centre will no longer monopolize public policy formulation, and new power centres will serve to promote/protect regional interests. Political representatives will now have to show greater loyalty to the interests/views of their local constituents, rather than to the central party machinery.
  - ❖ Conferring power to local jurisdictions to manage local affairs will make it more difficult for any single group, be it government or private interests, to dominate the national scene; and will increase chances that persons/groups of differing persuasions will occupy positions of power somewhere in the system.
3. Decentralization facilitates greater popular participation in governance, as illustrated by the following.
- ❖ It brings government closer to the people, and thus enables citizens to be better informed and to better understand the conduct of public business. This facilitates the forging of a strong relationship between the governors and the governed and identification of the people with their government, which helps to reduce alienation from the political process. It also serves to reduce disruptive/anti-social behaviour by citizens in seeking to get their concerns addressed, or taken into consideration.
  - ❖ Placing responsibility for managing local affairs and for local sustainable development at the local level rather than central government will afford citizens greater access to, and ability to influence, the policy/ decision-making process. Civil society will now consider local government to be worthwhile partners, as they will be easily accessible, and will have the resources and authority to respond to representations.
  - ❖ It provides a conducive environment for creation of a civic culture of cooperation, tolerance and trust among the various groups/elements which comprise the local society.
  - ❖ Communities will find it easier to pursue their development objectives, and obtain support from local government, by their participation as a full partner in the local governance process.
  - ❖ It facilitates/stimulates the growth/empowerment of civil society institutions and networks, as citizens perceive the benefits of working in collaboration with local government, to advance their interests. They will therefore organize themselves into appropriate organizational forms, to pursue that objective.

4. Decentralization increases efficiency in determining service provision. In a decentralized, participatory system, citizens can influence decisions about service provision through mechanisms which enable them to indicate the type, level, quality and mix of services they desire, and the cost they are willing to pay for such services. This constitutes a type of market mechanism for determining service provision in a manner which responds to the wishes of citizens, and is sensitive to their willingness/ability to pay. This will not only optimize citizen satisfaction, but is also an excellent mechanism for reconciling citizens expectations to the resources available and/or the price which they are prepared to pay for the services desired.
5. Decentralization facilitates a better division of labour in the management of public affairs. The creation of strong local governments with the capacity to effectively manage local affairs enables central government to concentrate on higher level functions. This both improves efficiency and creates more effective checks and balances. A major weakness of public administration in the Caribbean is the neglect of high level functions such as policy formulation, strategic planning, setting standards and monitoring, because central agencies are pre-occupied with operational level matters, while neglecting areas which could make a qualitative difference in public management. Devolution allows each level of government to focus on the aspects of public management which it is best suited to perform.
6. Decentralization facilitates the tailoring of solutions for local problems to local conditions. Since each region is empowered to manage their own affairs, they will be able to tailor programmes or solutions to local problems to reflect the special circumstances or preferences of their respective regions/localities.
7. Decentralization, manifested in a participatory style of local governance, fosters greater social cohesion and stability, and encourages reconciliation between local interest groups and a convergence around common interests. This process of participation helps to create the conditions for collaboration and working together as is indicated by the following:
  - ❖ It brings the various stakeholders together and helps foster better understanding of each other, thereby reducing suspicion and mistrust and creating a framework for collaboration and cooperation.
  - ❖ It provides a framework and conducive environment for reconciling conflicting interests, long-standing prejudices and other differences which have served as barriers in the past.
  - ❖ It facilitates recognition of mutual self-interest, i.e. that the attainment of the goals of each group will only be achieved and sustained with the support of the other groups, therefore the need for cooperation.
  - ❖ It helps to highlight and bring to the fore the commonality of interests, values, goals, and aspirations which are shared by the different groups, and which usually far outweigh any differences. .

8. Decentralization provides the opportunity for a wider diversity of innovations, and increases flexibility of government in the context of changing circumstances. This is so because the decentralized, participatory model of governance mainstreams the many groups/citizens who were previously excluded, and creates greater scope for local and community self-management. This means that the vast reservoir of talent, innovativeness, creativity, problem-solving capacity and leadership qualities which have previously laid dormant in the local population is now able to find expression, and can be applied to the problems, visions and aspirations of the local community, and will also be available to contribute to nation-building. Such diversity/flexibility are important pre-conditions for significant policy and pragmatic changes.
9. Decentralization facilitates the mobilization of local resources in support of the development process, and enables value-added contributions to the provision of services and development efforts, which increases the total value of services provided, or development achieved, from the limited formal resources available. This happens because local people are able to identify and mobilize local/indigenous resources which would not be available to centrally run programmes, and because citizens are often willing to volunteer free labour and expertise, and other forms of in-kind contributions, in order to support local initiatives.
10. Decentralization promotes pluralism and dynamism in the society. The fact that there are now other centres of power and influence, and that each has the authority and means of pursuing its special interest and perspectives, will invariably lead to greater pluralism and dynamism in the society.
11. Decentralization broadens the potential for societal capacity building. Weak capacity is one of the main constraints to national development and good governance in the Caribbean. The authoritarian, over-centralized model of governance/public administration is a major inhibitor to capacity development, because it narrows the amount of people who are allowed any meaningful role in the process. A decentralized, participatory model of governance dramatically increases the opportunity for involvement, and provides space for persons to contribute at several different levels.
12. A decentralized, participatory model of local governance fosters accountability, transparency & openness, and create pressure for the adoption of high ethical standards in the conduct of public affairs. Examples of how the model contributes to achieving these tenets of good governance are as follows:

- ❖ In this model, citizens/civil society play an active role in policy/decision-making in respect of service provision and other aspects of local governance, and therefore share information and have a good understanding of the issues and facts relating to such matters. This gives them the knowledge base to critically appraise the performance of local government in these areas.
- ❖ To induce civil society participation, local governments practicing this model will usually adopt measures to promote accountability, openness, & transparency in the conduct of their affairs, such as: coopting civil society representatives to their committees; opening meetings of Councils /committees to the public/media, and/or broadcasting their proceedings; holding town meetings; discussing budget options with citizens; publishing annual/periodic reports; etc.
- ❖ In such models, LSD Planning is a local responsibility which is carried out in a participatory manner, with civil society playing a prominent role. Civil society will therefore be full informed on the issues, trends, options, and prospects affecting or relating to the region/locality, and thus can use that knowledge to assess the state of local affairs, and performance of the authorities.
- ❖ The model allows for representatives of civil society to be appointed to carry out oversight functions on behalf of citizens, i.e. to examine transactions, enquire into use of public resources and the exercise of authority by public officials, and to report their findings to fellow citizens.

### **Risks/disadvantages of Decentralization**

Notwithstanding the many, and substantial, advantages and benefits of decentralization, this model of governance does not come without some potential disadvantages or risks. It is therefore very important that there is a clear understanding of such disadvantages or risks, so that appropriate safeguards or preventive measures can be taken or put in place. Among such disadvantages or risks are the following.

1. Inter-regional inequalities may increase, and thus widen intra-national poverty gaps and foster politically destabilizing forces. Since different regions are differently endowed in terms of natural resources, level of economic activities, land values, etc. some local jurisdictions will generate more revenue than others and afford their citizens more or better quality services than is provided in poorer jurisdictions. The need for equitable distribution of available resources, to avoiding such disparities, is frequently advanced to justify centralization. That argument fails to recognize the significant incentive that is created, and development benefits derived, when regions are allowed to take initiatives towards their own development, and can benefit from any gains made. At the same time, the potentially destabilizing effect of too wide disparities between regions cannot be overlooked. The challenge to decentralization programmes is therefore to devise arrangements which allow

each region to undertake such initiatives as they see fit, and to benefit from these, while putting in place mechanisms to safeguard against extreme disparities between regions.

2. Decentralization can bring higher risks of resource/power capture by local elites or special interest groups. Without adequate safeguards, there is a risk that powerful or well placed local elites may be able to capture the resources/powers allocated to or conferred on local authorities, and use these resources/powers for their own benefit /interest. It is therefore essential that in formulating the decentralization arrangements, provisions are included to prevent the process being high-jacked by any single group or small elite.
3. An frequently advanced argument in support of centralization is that of economies of scale. The burden of this argument is that central delivery of most services is usually more efficient, particularly in relatively small states, because of likely savings arising from reduced overheads, bulk purchasing, and other areas of cost savings. To the extent that this is valid, it would represent disadvantage of decentralization. However, such claims of increased efficiency and cost savings are usually proven to be more imaginary than real, as factors such as elongated chains of command/supervision, remoteness from the scene of action, inability to apply solutions which best fit the local situation, all lead to higher costs which offset and savings realized. Furthermore the value of local involvement is lost, and that also carries a price.

On balance, it seems that decentralization is more likely to greater efficiency and is more cost-effective. However, there are situations in which some degree of centralization will lead to greater efficiency. There ideal approach may be to identify those aspects of any activity which could benefit from centralization, e.g. bulk purchasing, high level expertise, research & development, et and separate them from those that are more efficiently managed at the local level, e.g. choice, implementation and service delivery.

4. Misuse of authority due to inadequate supervision/weak accountability mechanisms constitutes a real risk of devolution. This can happen if central government supervision/accountability function is removed due to the new autonomous status of local governments, but no alternative mechanisms for accountability are put in place. It is therefore imperative that particular attention be paid to the issues of oversight/accountability in conferring greater autonomy on local governments. This could include legislation to ensure transparency and openness in the conduct of local affairs, and new mechanisms for accountability, such as the empower-ment of civil society entities to undertake watchdog functions. It should be noted however, that where devolution is within the framework of participatory local governance, the risk of weak accountability is minimized, because invariably the civil society partners will insist on and provide such mechanisms..

5. Inadequate implementation arrangements can lead to disparity between the revenue available and the mandated responsibilities/functions of local government, which could render them ineffective and/or bring them in disrepute/discredit. There are many examples of hastily conceived schemes for decentralization/ local government reform, which are not well thought-out, and which have failed or brought discredit to the concepts because of deficiencies in planning or implementation arrangements. A key requirement of decentralization is therefore careful planning and implementation arrangements. Given the complex nature of most decentralization/local government reform initiatives. A pilot approach is often prudent.
6. Devolution creates the potential for conflict between local and national interests. With each region having the means of identifying and articulating its particular interests, differences between local and national interests are sure to emerge. Such conflicts are not necessarily harmful, as it can serve to ensure that in arriving at any policy or course of action, the interests and concerns of all regions are taken into consideration and suitably addressed. However, if not properly managed they could become extremely destabilizing, and therefore an important aspect of any decentralization arrangement must be an appropriate framework for resolving such conflicts.
7. Decentralization represents a more complex form of governance. Creation of several levels of government brings complexities as to role and functions, relationships, and revenue and power sharing. The most controversial issue is usually related to finance and mandates. Definition of roles and functions of, and relationships between the different levels of government or operations, is critical to a successful exercise.

### **Centralization and. Decentralization**

Decentralization is often portrayed as leading inevitably to a massive reduction, or even elimination of the centre. The inference is that the adoption of a decentralized model must inevitably result in diminution of the centre in terms of size, scope and importance. Nothing is further from the truth or from reality. While it is axiomatic that any real devolution must entail a significant transfer of power from the centre to the sub-national level, this does not necessarily mean a reduction in the scope or importance of the centre.

In fact, for any process of decentralization to succeed, there must be a strong centre. What is required is a redefinition of roles and relationships between the centre and sub-national entities. In fact, if decentralization is to be successful and not lead to chaos and other dysfunctional developments, it is essential for certain central functions to be significantly enhanced. These

include the development of a comprehensive national policy framework which, while allowing adequate scope for local governments to adopt strategies which reflect local conditions and preferences, will also ensure broad coherence and direction in respect to national development. Other central functions which also need to be strengthened include coordination, monitoring and evaluation, setting national standards and specifications, research.

## **CONCLUSIONS**

Caribbean states face several challenges as they seek to achieve sustained/sustainable development and good governance, out of which they hope will flow economic prosperity, social and political stability/cohesiveness, and preservation/enhancement of the cultural identity of Caribbean people. Challenges include overcoming colonial vestiges and coping with phenomena such as globalization and the information/technology revolution.

The existing model of governance/public administration needs substantial overhaul to be capable of coping with these challenges. Decentralization, in the form of participatory local governance, offers many advantages which fit the profile of the new model of governance required for the Caribbean. Nonetheless, there are potential disadvantages associated with that style of governance, which need to be safeguarded against.

While advocating for decentralization/participatory local governance as the model of choice for the region, the feasibility of model in the smaller states must be given consideration. It must be accepted that some Caribbean states will find an orthodox, full fledged local government system to be non-viable. Nor is it essential in order to embrace the principles of decentralized, participatory governance. The critical factor is that the principles of decentralization, local self-management and citizen participation be woven into the fabric of governance, in a manner compatible with the particular circumstances of each territory. The minimum requirements for there to be a system of governance which reflects the ideals promoted in this Paper are the following:

1. There must be a clear division of state functions/responsibilities into those to be administered at the national as against the local level; such division to be determined by applying the principle of subsidiarity.
2. Autonomous Local Government should exist to manage affairs designated as local. These bodies can take the form of full-fledged professional Authorities, such as Parish, Municipal or regional Councils/ Corporations, or of voluntary District, Village or Town Councils.

3. The political leadership of Local Authorities, whether these are professional or voluntary, should be fully elected by the people on whose behalf they exercise authority, otherwise there will be no local control.
4. Local Authorities must have full control over all resources required for proper discharge of their mandate.
5. The system of participatory local governance should be properly clothed in an appropriate legal framework and incorporated into the constitutional arrangements of the state, to safeguard against arbitrary actions.

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