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Launching decentralisation reforms to enhance state resilience

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OECD Seminar “Implementing Decentralisation and Deconcentration Reforms in Ukraine“

Kyiv, 26–27 January 2017

The challenge in global perspective

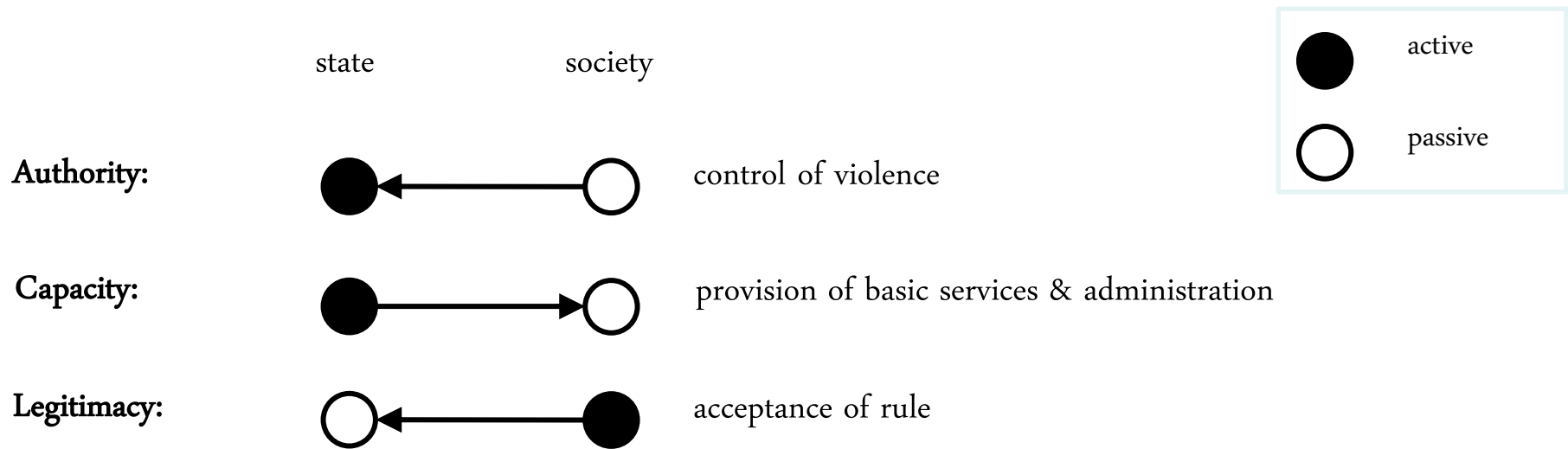


- Global rise of populism (Europe, U.S., Latin America, Philippines...)
 - democratic values challenged
- Global rise of violent conflict and concomitant displacement
 - basic human rights challenged
- Increasing insecurity about national governments' ability to tame detrimental effects of global capitalism on environment and social fabric
 - legitimacy of governments challenged
- ⇒ States and governments need to be better capable of:
 - ... delivering critical services to the people
 - ... creating support or preventing its erosion (maintain legitimacy!)
- ⇒ ... building up **“resilience”**

What makes a state resilient? 3 basic features



- Resilient statehood is all about **state–society relations**



- All three dimensions need attention

Reforms! – And yet...



- Governance institutions key to maintaining resilient statehood
- Political, economic and social instability indicate need for governance reforms...
 - ...but at the same time call for stabilisation
- Stabilisation *and* reform: contradiction in terms?!
 - ...yet both needed for a resilient state
- Primarily contradiction between short-term individual interests and society's long-term perspective
 - Exclusive focus on short-term risks tends to run counter interests of general public

5 elements of a “resilient” state



- Legitimate Politics:
inclusive political settlements and conflict resolution
- Security:
establish and strengthen people’s security
- Justice:
ensure everyone’s fair and equal access to justice
- Economic Foundations:
generate employment and improve livelihoods
- Revenues & Services:
manage revenue and build capacity for accountable and fair
(non-corrupt!) service delivery

What local governments can contribute



- Improving people's security begins locally
 - Providing basic services, infrastructure and administration
 - Promoting economy and employment to secure livelihoods and reducing one-sided dependencies
 - Contributing to state legitimacy: Shared responsibility for success and failure reduces exclusion and increases resilience
- ⇒ Capable local governments in a functioning decentralised setting are a major source of resilient statehood!



- Challenges differ with the details of the context:
 - Economy rent-based (redistribution) or diversified (competition)?
 - Society & economy homogenous or divided along territorial lines?
 - Starting from scratch or building on rich previous experience?
- Some risks not unique to DeLoG reforms
 - Risks of corruption, embezzlement etc. obvious...
 - ...but not limited to support of decentralisation/local governance



- Sequencing important – yet no magic bullet
 - Mechanistic sequencing misses complexity of politics
 - “Gradual” approach: progress step-wise on “all fronts” (political, administrative, fiscal)
 - ... but lock in full reform to avoid distortions of “partial reform”

- Risk of missing the right moment for reform
 - *Intuition*: stabilise first, then divide competences and accountability
 - *Lessons*: Who defines when moment is right?
“Stability first” risks putting off the “right moment” endlessly

Crafting “DeLoG” reforms: entry points for support



- Political decision making
 - Political participation, inclusion, accountability
 - ⇒ strengthen (“input”) legitimacy
 - Conceive of political crises as windows of opportunity (!)
- Administrative implementation
 - Local capacities to “cope” in crisis (resilience!) and perform after reform
 - ⇒ strengthen (“output”) legitimacy
- Mobilisation of revenue and reform of domestic finance
 - Less dependence, state-society “contract”, resilience

Crafting “DeLoG” reforms: lessons for support



- Challenged statehood = governance failure
 - no resilience without governance reform; local gov-s often key
- Avoiding risks of DeLoG reforms by avoiding DeLoG altogether?
 - Consider “risk of non-action”
- “Business as usual” will fail
 - Needed: flexible approaches, close monitoring, readiness to adapt
- Fundamental (!): Adequate analytical / monitoring capacities
 - Support adequate country systems
- Bottom line:
 - Encourage broad-based domestic decision-making process
 - Help smoothen hardships of transition, but with clear exit plan



Thank you for your attention!



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