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FIFTH ISSUE
POST INDEPENDENCE EXPERIENCE IN FINANCING DISTRICT COUNCILLORS

DR. A.H.L. Benaissa

Department of Rural and Urban Planning University of Zimbabwe

Note: This paper presents in revised form a part of the paper co-authored with Dr K. Welvaert entitled “Financing district councils. Local taxes and central allocations”, District Councils, held at Kariba, 13–17 October 1986.

INTRODUCTION

Since Independence central government has stressed the importance of district council local authorities and their role in decentralizing both economic and political activities. The 1984 Prime Minister’s directive on decentralization is the clearest manifestation of this. This directive elaborates, among other things, on the role of District Councils in planning, participation, coordination and implementation of development efforts. The success of the District Councils in fulfilling their role essentially depends on two questions: a) Do councils have effective powers of implementation (and thus of spending); b) Can the councils raise sufficient revenue to finance a wide range of development projects? This article concerns itself with the second question although it should be emphasized that both questions are interrelated. On this context it is important to have a good picture of the actual fiscal situation in which most District Councils find themselves, if only to stimulate debate and promote a better understanding of the issues. This article will present some main aggregate trends and will analyze in more detail the financial situation of a sample of districts.

GENERAL TRENDS AND COMPARISONS

At Independence Zimbabwe inherited an archaic system of local government. A dual system without real local government in either part. In the commercial farming areas there was and still is no fully representative system of local authorities. In the other part African Councils were existing which for a long time did not sufficiently cover the entire TTL population, nor were they viable units of local government. Most were too small and starved of resources. Some tentative calculation will show this. The Africa Councils had in 1972/73 a local revenue base of Rhs 9.9mln (1). With an estimated population of 3.3mln (2) this gives a per capita revenue of Rhs 3.31. The total of central allocations was not much higher, namely 4.7mln. That is on a per capita basis Rhs 1.42.

Thus, the total that African Councils could spend for the benefit of their population was Rhs 2.60 per annum.

Table 1

| Composition of revenue by account, District Councils, 1981/82 |
|----------------------|---------------------|---------------------|---------------------|
|                      | Local Rve           | general             | education           | liquor              |
|                      | 115,527,825         | 2,067,348           | 3,596,743           | 4,909,766           |
| Grants               | 102,527,825         | 4,600,117           | 97,867,938           |
|                      | 114,101,732         | 7,727,487           | 101,464,491          | 4,909,766           |
| Percentage distribution by source |
| Local Rve            | 10%                 | 40%                 | 4%                  | 100%               |
| Grants               | 90%                 | 60%                 | 96%                 | -                  |
| Total                | 100%                | 100%                | 100%                | 100%               |
| Percentage distribution by account |
| Local Rve            | 100%                | 27%                 | 31%                 | 42%                |
| Grants               | 100%                | 4%                  | 96%                 | 0%                 |
| Total                | 100%                | 7%                  | 89%                 | 4%                 |

Notes: liquor account refers to gross income Data from Ministry of Local Government, Rural and Urban Development, District Council Account 1981/82, unpublished figures

If one would express this amount in 1984 prices so as to make it comparable to the 1984/85 District Council budgets (with one dollar one could buy more in 1972/73 than in 1984/85 due to inflation) than this figure would rise to Z$9,10 (3). The actual amount in that year was Z$56,48 (4). In other words, present day district council expenditures are in real terms more than 6 times higher than those of the African Councils. To a large extent this may be explained by the transfer and post-independence expansion of education.

Even though considerable progress has been made since Independence, the great economic imbalance between central government in the one hand and the rural and urban councils on the other are still very much there. To illustrate this the correct expenditures of district councils were in 1981/82 on a per capita basis Z$93.60 while that for all local authorities together was Z$77.40 (5). Since the latter is an all local authority aggregate the actual gap is more than a factor three. Although this gap has been narrowed, primarily thanks to central government transfers to district councils, there are still considerable inequalities, which call for continued transfer of resources in favour of the communal areas.

Table 1 and 2 give a summary overview of the composition of revenue of District Councils for 1981/82 and 1984/85 respectively.

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EXPERIENCES OF SOME SELECTED DISTRICT COUNCILS

The above analysis is based on aggregate figures which tend to hide a lot of the variation in experiences of individual districts. It is not easy to capture the complexity of the problems without actually descending to the level of individual councils. In order to be able to come up with a picture that would mirror the situation for all district councils, a random sample was drawn. In such a sample each district has the same probability of being selected. Hence there is no bias in selection which would influence the results. The following districts were selected: Batanai, Beitbridge, Buhera, Cheziya Gokwe, Chiweshe, Gzeland, Hwange North, Mashambanzengu, Mbondo, Khatara, and Mutoko. Since our main aim is to get an overall picture for all districts, the names of individual districts have been deleted. What matters is the overall picture, not whether district A is slightly better off than B or vice versa.

The figures show that 82% of grants is in the general account (38% of total revenue). Although, it must be said, that the dependence on grants has diminished from 90% to 82%. A third observation is that dependence of grants is least in the general account (54% of total revenue).
Table 3
Per capita and local revenue, selected districts, 1981/82 and 1984/85 (current dollars)

<table>
<thead>
<tr>
<th>District</th>
<th>Per ca. grant rev</th>
<th>Per cap. local rev</th>
</tr>
</thead>
<tbody>
<tr>
<td>District 1</td>
<td>18.98</td>
<td>46.70</td>
</tr>
<tr>
<td>District 2</td>
<td>12.33</td>
<td>35.57</td>
</tr>
<tr>
<td>District 3</td>
<td>17.65</td>
<td>52.79</td>
</tr>
<tr>
<td>District 4</td>
<td>8.71</td>
<td>41.64</td>
</tr>
<tr>
<td>District 5</td>
<td>11.30</td>
<td>37.26</td>
</tr>
<tr>
<td>District 6</td>
<td>22.11</td>
<td>53.62</td>
</tr>
<tr>
<td>District 7</td>
<td>30.12</td>
<td>59.59</td>
</tr>
<tr>
<td>District 8</td>
<td>24.69</td>
<td>41.81</td>
</tr>
<tr>
<td>District 9</td>
<td>34.01</td>
<td>69.26</td>
</tr>
<tr>
<td>District 10</td>
<td>25.54</td>
<td>55.28</td>
</tr>
<tr>
<td>District 11</td>
<td>31.89</td>
<td>70.23</td>
</tr>
<tr>
<td>mean value</td>
<td>21.39</td>
<td>51.25</td>
</tr>
<tr>
<td>std dev</td>
<td>8.87</td>
<td>11.33</td>
</tr>
<tr>
<td>coeff var</td>
<td>0.40</td>
<td>0.23</td>
</tr>
</tbody>
</table>

Note: Calculations based on CSO preliminary results census 1982 and DC accounts of MLGRUD

From table 3 a number of important conclusions can be drawn. First of all, the interdistrict variation in the allocation of central government grants is relatively low, though not unimportant. Secondly it has gone down considerably over time. A third important finding is that there is a much greater generation local revenue, a much greater variation among the various districts in capacity to generate local revenue. Although this variation has gone down relatively it is much higher than the central government. Furthermore, at the height of the drought 1983/84 the interdistrict variation went up again (6), only to go down again in the last and favourable agricultural season. In other words, there are considerable differences between the districts in ability to raise local revenue. Furthermore, it seems that the differences in local fiscal capacity become accentuated in periods of drought. Lastly, it can be concluded that central allocation in the form of grants help to reduce differences in financial resources between the various districts. Without central allocations a potentially greater unequal development of districts would be enhanced.

As stressed earlier, the education account dwarfs every thing else. Since the role of District Councils in the case of education is to act as 'field office' for central government and local discretion is limited to the execution of the budget, the picture gets somewhat distorted. It is there for useful to take a closer look at the general administration account as it is particularly this department where District Council's capacity and responsibility is greatest. Table 4 gives a first impression of fiscal strength.

Table 4
Relative importance of local revenue, Administration
Selected districts, 1981/82 and 1984/85

<table>
<thead>
<tr>
<th>District</th>
<th>(percentages)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1981/82</td>
</tr>
<tr>
<td>District 1</td>
<td>30</td>
</tr>
<tr>
<td>District 2</td>
<td>50</td>
</tr>
<tr>
<td>District 3</td>
<td>63</td>
</tr>
<tr>
<td>District 4</td>
<td>20</td>
</tr>
<tr>
<td>District 5</td>
<td>69</td>
</tr>
<tr>
<td>District 6</td>
<td>57</td>
</tr>
<tr>
<td>District 7</td>
<td>60</td>
</tr>
<tr>
<td>District 8</td>
<td>52</td>
</tr>
<tr>
<td>District 9</td>
<td>70</td>
</tr>
<tr>
<td>District 10</td>
<td>40</td>
</tr>
<tr>
<td>District 11</td>
<td>24</td>
</tr>
</tbody>
</table>

Note: Calculations based on DC Accounts 1981/82 and 1984/85

Table 5
Composition of local revenue, Administration
By type, selected districts 1981/82 and 1984/85, in percentages

<table>
<thead>
<tr>
<th>Rates &amp; Etc. charges</th>
<th>Service</th>
<th>IGP</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sources</td>
<td>51/2</td>
<td>84/51/2</td>
</tr>
<tr>
<td></td>
<td>84/51/2</td>
<td>84/51/2</td>
</tr>
<tr>
<td></td>
<td>52/1</td>
<td>52/1</td>
</tr>
<tr>
<td></td>
<td>52/1</td>
<td>52/1</td>
</tr>
</tbody>
</table>

| District 1 | 1 0 | 0 | 92 | 33 | 3 | 4 | 0 | 46 | 4 | 17 |
| District 2 | 15 | 46 | 47 | 0 | 4 | 3 | 8 | 7 | 17 | 27 |
| District 3 | 2 0 | 7 | 3 | 65 | 0 | 3 | 18 | 13 | 9 | 11118 |
| District 4 | 13 | 84 | 60 | 0 | 1 | 1 | 2 | 4 | 24 |
| District 5 | 1 | 0 | 60 | 75 | 0 | 0 | 0 | 2 | 40 | 19 |
| District 6 | 0 | 60 | 75 | 8 | 17 | 17 | 11 | 6 | 7 |
| District 7 | 0 | 12 | 15 | 10 | 2 | 70 | 42 | 8 | 40 |
| District 8 | 0 | 15 | 67 | 1 | 0 | 0 | 1 | 3 | 15 | 15 |
| District 9 | 0 | 69 | 75 | 0 | 6 | 28 | 2 | 3 | 17 |
| District 10 | 0 | 84 | 53 | 7 | 0 | 42 | 9 | 1 |
| District 11 | 0 | 96 | 39 | 0 | 3 | 0 | 1 | 4 | 52 |
| Source: DC Accounts 1981/82 and 1984/85

By 1984/85 the picture had changed. Development fees had become a significant source of revenue for three districts. Income generating projects are becoming more important also, though some districts are clearly doing better than others. Five districts earned considerable revenue from these. In most cases these projects are commercial (sale of primary products). Manufacturing projects are so far only in one district yielding sizeable revenues. The overreliance of economic taxes has diminished somewhat. Service charges remain a relatively unimportant source of revenue.

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On the whole one may speak of a diversification of sources, and this in itself is a positive development. It increases the ability of the District councils to withstand better cyclical variations such as droughts and recessions.

Despite this measured optimism one should realize that in real terms the fiscal capacity of the District Councils has not increased so rapidly (disregarding for a moment education and gross liquor sales). If one takes into account the growing population and the rising costs due to inflation, the real amount of resources increased 3.5% per annum in the period considered.

Given the rising expectations about District Councils capacity to undertake development efforts, together with the insistence of the part of central government on greater local self reliance and reduction in (some) grants, the councils may get into a difficult position caught between fast growing responsibilities and slow growing resources.

**SOME CONCLUSIONS**

In the above sections the financial situation of District councils was analysed in some detail. The analysis is incomplete in so far as it has not dealt with the District Development Fund which in 1984/85 incurred some 23 million dollars, mostly on roads and bridges and water supplies. Also the implications of the future amalgamation with the Rural Councils have not been discussed.

Whatever the financial implications of amalgamation, it should be born in mind that the income of a communal land household was estimated to be Z$300 in 1983 (7). Assuming an average household size of 6 members, this means a per capita income of Z$50. The national per capita income of the same year (that is the sum of all earnings of all residents divided by the entire population) was estimated to be Z$418 (6). Admittedly, these are speculative and inaccurate figures, and they can always be criticized.

Yet, they are indicative for the tremendous gap in (income and) wealth between the Communal Lands and the rest of the economy. Given this vast inequality, the continued transfer of income in the form of grants and expenditures is a matter of political justice. Furthermore, the historically grown imbalances in developmental infrastructure require growth above average effort in order for the communal areas to catch up. With a per capita income which is only one eight of the national average, these extra efforts cannot be self financed locally. Self reliance is a laudable goal but history has given it sharp limits. It seems therefore unlikely that central government transfers will diminish in importance. A third argument in favour of central government grants is based on the observed spatial inequalities between districts. Only through central transfers can these differences in fiscal capacity be evened out. It is important to distinguish here between fiscal capacity and fiscal effort. Fiscal capacity may be large, yet because of poor administration, low professional standards, political opportunism, etc. the actual amount of revenues raised may be relatively small. Such situations should of course not be enhanced by compensatory central grants.

If central allocations will have to continue to play a significant role in financing districts, the question becomes what form. The present situation is a system of single purpose and unit cost grants (education, administration, health conservation, adult literacy etc). This system makes it difficult for District Councils to develop initiatives on their own. Introducing some form of block grants to be used for different purposes within boundaries prescribed by central government may be an alternative that gives councils greater discretion to respond to local demands and needs.

Tax sharing appears an attractive alternative. For example, if one could just get a 5 per cent share in the national taxes on goods and services, which constitute 43% of all national tax revenues, than one would have in 1984/85 a total of Z$57 million (9). In other words, slightly over Z$1 million for each council, but why should Harava with 28,000 inhabitants receive the same sum as Gutu with 177,000? The key issue is not the principle itself but a fully worked out proposal with a distributional formula that minimizes inequitable incidence among the districts.

Realising the structural need to the generation of local revenue, there are probably several ways to improve the situation. First of all, the fiscal effort of the councils can be improved by strengthening the administrative and legal capacity to implement existing tax (by) laws. The experiences with the development fees is illustrative. Some councils have been able to implement it with relative success. The failure others and their revenue collapse after one or two years. Secondly, the fiscal capacity of councils may be expanded with the development of new forms of revenue. One way could be the introduction of new taxes. One tax that has been discussed a lot recently is the grain levy. This is a producer income tax and would, in all probability, be levied on marketed grains.

The Grain Marketing Board would in such a scheme be the obvious collection point. Thus, a council would receive the amount of grain tax levied on grain sales originating in its territory. The most important drawback of such a proposal is that there are considerable differences between councils in the volume of grains marketed. Furthermore the introduction of such a tax would have to await a discussion so as not to reproduce the pre-independence situation where communal farmers and not the commercial farmers paid a surcharge on their grain sales to help finance the then existing African Development Fund. The idea of a grain levy has caught on but needs further thought as to its implementation details (10).

Income generating projects have received considerable attention as means to expand local revenue sources. However, the practice of income generating projects is that income are generated but often not for the councils but only for those who are employed in these projects. Of course, this is a positive aspect in the sense that these projects contribute to the creation of employment in the rural areas, but it stresses the difficulty of achieving the fiscal objectives. Furthermore, in the case of beer sales, councils are faced with contradictory central government measures. On the one hand Councils are told to generate their own income and at the same time prices on beer are controlled turning many liquor operations into net losses. The result has been several councils have decided to close down beer halls and gardens which has meant that traditional beer brewing and its (illegal) sale is on the rise. Although the overall trends in terms of local revenue is not very encouraging there are also cases where councils have made success stories. Notwithstanding some rethinking of the objectives of such 'council projects' may be in order.

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**NOTES**


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DECENTRALIZATION AND REGIONAL PLANNING
IN
DEVELOPING COUNTRIES: Basic Considerations

by N.D. Mutiwa-Mangiza

1. Introduction
Since Friedman and Weaver's 1973 misgivings about our concern and level of understanding of organizational issues, we are now in the slightly better position of being able to compare various types of organization that have been adopted for the implementation of regional development policies in developing countries. Decentralization encompasses a number of such organizational alternatives. However, before proceeding with the discussion, it is appropriate at this stage to state what is meant by the term 'regional planning.' Regional planning, as used in this paper, refers firstly, to the process of planning for geographical areas or spatial entities below the national level. Secondly, it refers to 'local regional' or 'inter-regional' planning, in contrast to 'regional national' or 'inter-regional' planning (Hall, 1975; Conyers, 1984). Thirdly, it refers to a process of integrated area planning, combining different dimensions traditionally known as 'physical planning,' 'sectarian planning,' 'project planning,' and 'social planning.' This holistic or integrated approach to area planning is an emerging trend in developing countries which, not without some controversy in academic circles, appears to be increasingly welcome, as studies of recent changes in the scope and organization of planning in a number of African countries have demonstrated (Conyers, 1981 and 1984; Mawhood, 1983; Mutiwa-Mangiza, 1985).

Turning now to the aims of this paper, these may be summarized as follows:

a) To describe briefly the various types of regional organization most commonly used in developing countries, focusing on the meaning or conceptions of the term 'decentralization';

b) To discuss the advantages and disadvantages of decentralization which have been frequently cited in the centralization-decentralization debate;

c) To point out some basic considerations in the implementation of decentralization for purposes of regional planning and development.

In more general terms, the purpose of the paper is to provide a background to the various and more specific papers and discussions that will follow.

2. Types of Organization for Regional Planning and Conceptions of Decentralization

The first basic distinction to be made in comparing organizations for regional or area planning is that between 'special area organizations' on the one hand, and 'national area organizations' on the other. Conyers, in making the same distinction, has referred to these as 'special organizations for planned regional development' and 'organizational reform for planned regional development' (Conyers, 1982, pp. 12-23; see also Conyers and Hills, 1984, part 3), respectively. While the former involves the setting up of an organization(s) in one (or more) specific geographical area(s) of a country for the purpose of implementing one or more types of development activity in that area(s), the latter refers to the setting up of similar institutions across the entire economic to implement specified or delegated development activities in all areas. Let us turn now to a slightly more detailed description of these two basic types of organization.

A. Special Area/Regional Organizations

These organizations, as pointed out above, are specified created to implement specific regional development activities in specific geographical areas. The internal structure of such organizations varies, depending on their purpose, and they are normally superimposed on existing governmental structures such as local governments. They may be temporary or permanent; they are usually more autonomous (financially and administratively); and the geographical areas they cover usually do not coincide with administrative boundaries. Many such organizations have been based on the model of the Tennessee Valley Authority (TVA) formed in the USA in the 1930s for the purposes of controlling the waters and land in the Tennessee valley area and to implement a number of interrelated hydrological and land development activities. Well known examples in the third world include the 'Damodar Valley Corporation' (DVC) in India see Bhalla, 1989) and the 'Corporacion Venezolana de Guayana' (CVG) in...
Venezuela (see Friedman, 1969). In the case of Zimbabwe, the ‘Agricultural and Rural Development Authority’ (ARDA) estates may be placed in this category, so would be the ‘Sabi-Limpopo Valley Authority’. Conyers’ (1993) has further tentatively divided this type of organisation into the following sub-types;

A1 — Temporary planning unit or team
A2 — Special regional administration
A3 — Regional development corporation
A4 — Special local government authority.

Conyers’ very useful classification table, which is reproduced on this page (Table 1) describes the basic characteristics of the subtypes.

**TABLE**

<table>
<thead>
<tr>
<th>Type of organisation</th>
<th>Type of administration</th>
<th>Type of system</th>
<th>Type of operation</th>
<th>Type of coordination</th>
<th>Type of control</th>
</tr>
</thead>
<tbody>
<tr>
<td>A1</td>
<td>High</td>
<td>Centralised</td>
<td>Full</td>
<td>Strong</td>
<td>Weak</td>
</tr>
<tr>
<td>A2</td>
<td>Low</td>
<td>Decentralised</td>
<td>Mixed</td>
<td>Weak</td>
<td>Strong</td>
</tr>
<tr>
<td>A3</td>
<td>Low</td>
<td>Decentralised</td>
<td>Mixed</td>
<td>Weak</td>
<td>Strong</td>
</tr>
<tr>
<td>A4</td>
<td>Low</td>
<td>Decentralised</td>
<td>Full</td>
<td>Strong</td>
<td>Weak</td>
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</tbody>
</table>

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<th>Program</th>
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<tr>
<td>02</td>
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<td>Water Billing</td>
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<td>Rents</td>
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<td>Unit Tax and Assessment Rates</td>
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<td>09</td>
<td>Vehicle Change Out</td>
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<td>10</td>
<td>Home Ownership</td>
</tr>
</tbody>
</table>

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B. National Area Organizations

This type of organization involves the setting up of local government authorities for the whole country at different spatial levels for the purposes of planning and administering development within specified administrative geographical boundaries. Virtually every country has such a system, although they differ in one or another. Such organizations may be more centralized or more decentralized, depending on the required levels of a number of aspects such as, as government control, popular participation, local autonomy, etc. Again, Conyers (1985) classified this type into four sub-types:

B1 — Central government field administration
B2 — Local authority with mixed central and local representation
B3 — Elected local authority (dual system)
B4 — Elected local authority (comprehensive system)

The basic characteristics of these, or one of these, are shown in their discussions of decentralization, Cheema has offered an alternative classification for the basic types or conceptions of 'decentralization', viz.:

Devolution — Deconcentration
Delegation to semi-autonomous or parastatal organizations
Transfer of functions from government to non-government institutions.

Devolution' and 'deconcentration' refer basically to local government organizations (Conyers type B), while 'delegation to parastatal and transfer of functions to non-government institutions' refer to special organizations or Conyers type A organizations discussed above.

As this discussion is more concerned with type B organizations, let us consider in more detail 'devolution' and 'deconcentration'. Devolution means in which they are seen by Cheema and Rondinelli (1983) as types of decentralization.

Devolution

This involves geographical redistribution or dispersal of central government’s administrative authority.

Three levels of decentralization have been identified by Cheema and Rondinelli:

(i) Devolution of authority or responsibility

(ii) Field of works or, in the context of national or district offices.

Field staff in the provinces or districts are there to implement central government directives without themselves making any decisions.

Advantages: Administrative-Managed Arguments

(i) Devolution is argued to be a way of decentralization in terms of local government participation in all aspects of management.

(ii) Field administration — in addition to shifting workloads, this arrangement allows a limited transfer of some decision-making powers in respect of the day-to-day implementation of government directives in order to adjust those directives to local conditions.

(iii) Local administration — in this case, central government’s agents of government (provincial or district) are agents of central government’s administrative machinery, headed by the ‘internal sub-office’ which constitutes the ‘planning—administration’ process (Apthorp and Conyers, 1985). No other words can possibly better than those from Falas (1982, p. 5):

An advantage of decentralization can be neither adequately realized nor decentralized and still be an organization. In the former case, it can be argued that the case is shown; it the latter, we would have a raffle of actors, each one doing his own thing.

3. Advantages and Disadvantages of Decentralization

Conyers and Rondinelli (1983, p. 10) assert that the desire to adopt decentralization policies in developing countries arose from three planning processes.

(i) There was disappointment with the results of centralized systems of planning during the 1950s and 1960s.

(ii) Growth with equity development policies which started emerging in the late 1960s. This involved re-allocating organizational structures to enable the implementation of more egalitarian policies as well as popular participation; and

(iii) As developing countries became more complex, there was the realization that decentralization might be a more efficient and effective way of planning and decision-making.

These historical factors do, to a large extent, encompass the major advantages which have been argued in support of decentralization. This has been the case for both the 'decentralizational' or 'managerial' arguments and, on the other, 'political' arguments (Conyers and Hills, 1984).

Advantages: Administrative-Managed Arguments

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Advantages: Political Arguments

(i) The most widely accepted political argument is that decentralization enables and increases popular participation. Ordinary people should be able to influence decisions which affect their lives, thereby determining their own destinies. In this respect, popular or citizen participation is considered to be a personal or human right. The notion of participation increases popular trust in the local government. In this sense, popular participation can be considered as an end in itself, rather than as a means of improving the planning and implementation process.

(ii) Another political argument is that decentralization minimizes the risks associated with corrupt, weak or inefficient governments and is an important check on government which ensures that those on the social and geographical periphery of the nation in pursuit of personal and political goals. Where such governments exist, some areas may be forgotten and
left far behind in the development process, so that serious regional inequalities may emerge. Decentralization is thus to a large extent a defensive measure against these problems and spread the risks. (ii) In some circumstances, decentralization may strengthen national unity, contrary to the argument that decentralization is more likely to threaten the national polity with fragmentation. This may be true in countries composed of many distinct ethnic groups desiring of maintaining individual ethnic identities. The granting of partial regional autonomy may prove to be better than enforcing a total unity which may eventually provoke secessionist or irredentist movements.

One more general argument in support of decentralization which is neither purely administrative nor purely political is the companion of planning and financial power. Fried- man (1973) has argued that, unlike regional planning, which has proved to be more effective because planning is made by the very agencies in charge of budgeting and investing, the planning of regional planning and budgetary powers ensures that plans are more realistic or cost conscious and, more important, that the projects actually get implemented. Decentralization, where it involves the creation of national authorities with substantive financial power, should be both more capable of raising significant financial resources or with freedom to decide on the use of the region allocated to it. This would clearly be beneficial to regional planning. Conjoining planning authority with financial authority should favorably shift the destiny of many regional plans, from dark archival shelves to the implementation stage.

Turning now to the disadvantages of decentralization: the arguments which have been put forward in support of centralization can largely be considered to be the disadvantages of decentralization, as these would be aspects to be sacrificed through the adoption of policies towards more decentralization in those cases where arguments for decentralization are made dualistic and based on historical segregation principles. In such situations, it has sometimes been argued that it is necessary for central control over the development process at national level, that any radical policies require strict central government guidance which cannot be diffused in a decentralized sys- tem — only a centralized planning and administrative system is capable of bringing about radical changes and rapid socio-economic transforma- tions. In this respect, the ex- amples of the USSR and other eastern bloc countries are often cited.

(iii) Reduction of regional economic inequalities is also a strong argu- ment against decentralization. Too much decentralization may encourage regional inequalities to increase as different regions with different resource endowments are allowed to pursue different courses at different levels. It is usually the disadvantaged regions, in terms of natural resources, which suffer. Only a strong centre can redistribute resources between regions more effectively.

(iii) Too much decentralization en- courages fragmentation of the nation state, especially in the case of large nations consisting of many large ethnic groups. If political and central control is exercised along ethnic lines, which often happens, then decentralization may be a recipe for disaster. In such circumstances, decentralization policies may enable the building of a sense of nationhood and concentra- tion on the pressing issues of hunger, disease and illiteracy.

(iv) It is also sometimes argued that decentralization structures adopted in such a country would promote devolution on the part of central government. How- ever, this usually leads to financial difficulties resulting from dwindling financial bases; staff shortages and instability; staff inefficiency and corruption; divisive ethnic politics; and lack of commit- ment on the part of central government.

5. Summary

This paper, being more of a reminder on issues already well known, has attempted to open up the discussion on decentralization and planning by providing a concise summary of the implications of decentralization for regional planning purposes. It should be pointed out again, for emphasis, that there are other regional planning frameworks in which decentralization strategy will depend on the clarity of policy inten- tions, objectives and goals, as well as the political and financial power and the part of central government ministries. It should also be pointed out that other aspects of decentralization which should accompany decentralization in public planning and administrative institutions, such as decentralization of industry and urban development, though very important, have not been con- sidered here due to the limited nature of the topic.

References