Going beyond the Buzzwords of Decentralization and Local Governance Reform*

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Abstract: Decentralization measures are one of the most frequently implemented institutional reforms in the world.　While they are commonly interpreted as "transferring functions and authorities from the central to local governments," they in fact mean building appropriate institutional capacity both at the central as well as sub-national levels in responding to a newly refined division of responsibilities.　Thus, in order for decentralization to be successful, capacity development (CD) needs to be carefully pursued at different levels/spheres of the government.　In addition, sufficient attention should be paid to how CD of governments can be put into synergetic effects with that of NGOs and the private sector.　Building multi-dimensional partnership arrangements is easy to be said but difficult to be realized not only in the North but also in the South. For this difficult task to move forward, recent empirical investigations of decentralization measures, evolving theory/theories of institutions, and increasing articulation of governance analyses are all helpful but insufficient.　Much more careful conceptualization is needed to go beyond the buzzwords of CD, governance and institutional change.　Institutional design principles also need to be carefully crafted to reflect the political economy of each situation.

1 Introduction

The world today still suffers from poverty.　Development efforts to mitigate widespread poverty in the south have made significant progress since the end of World War II, but there remain considerable challenges to eliminate poverty in our time.　Our understanding of poverty and of countermeasures to combat human suffering and misery has improved substantially since the second half of the twentieth century.　Initially, poverty was conceptualized as a deficiency of material prosperity, and the mainstream understanding was equating development with economic growth. Thus making development plans to modernize societies in the south with a top-down approach was considered effective.　While this notion has not totally disappeared today, the contemporary scholars and practitioners alike understand poverty more as a multi-dimensional phenomena encompassing not only as material deficiencies but also social exclusion and politico-cultural marginalization (Stewart et al, 2007).　The countermeasures therefore need to be relatively more bottom up promoting participation of the poor and the marginalized in decision making.　While the

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debate about what development is and should be all about remains, it can be safe to say that it is essentially a process of social change.[1]

This gradual evolution of our understanding of development has also affected how external interventions, especially in the form of aid, can and should be provided primarily from rich to poor countries. When top-down initiatives were considered effective, aid was often provided by foreign experts and the poor did not have much say about what they wanted to receive or how they wanted to be supported in order to move out of the poverty trap. Once bottom-up methods became more preferable as has been practiced by numerous non-governmental organizations (NGOs),[2] participatory approaches have become a kind of new imperative for aid to be planned and implemented (Cornwall and Brock, 2005).

Alongside of this evolution there has been an increasing emphasis on the role of institutions to bring about social change, particularly since the 1980s. The emergence of institutional focus promoted heated debates about old and new institutional analyses in several social science disciplines (Peters & Pierre, 2007). More practically, effectiveness of institutions in aid-recipient countries started to receive much attention. Influential aid donors started to pay increasing attention to the agenda of so-called good governance (Smith, 2007) as well as of building institutions in the south for effective development management. Thus, in both academic and practical arenas, (re)newed emphasis on institutions produced a cadre of new concepts and management tools. The prime examples include governance and capacity development (CD).

The purpose of this article is to investigate whether the increasing circulation of these new concepts has contributed to the substantive improvement in our understanding of development. Or, are they just other "buzzwords," which can be interpreted differently for different purposes, and thereby contributing substantially little? In order to investigate these important questions, this article focuses on decentralization. It is primarily because decentralization measures, in one form or another, have been implemented in wide-spread countries, and have been a key institutional reform agenda promoted by influential aid donors. Thus, uncovering to what extent decentralization measures have achieved the assumed objectives is useful to examine wider issues of governance and CD.

2 Brief Review of Key Concepts

Different scholars and analysts tend to use the essential concepts differently. Thus, although it is not easy to provide a precise definition of them, some explanations are provided to by highlighting commonalities.

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[1] The debate about development might be articulated by the critique of so-called post development. See, for example, Ziai, 2007.
[2] For the potentials and limitations of NGOs, see for example, Bebbington et al, 2008.

2-1 Institutions

When development was primarily understood as economic modernization, economic thinking dominated the development agenda. The prime institution for economic growth is markets, and social and political mechanisms did not receive much attention. However, in the 1980s what was assumed as a rational and agreeable goal of fostering markets by the structural adjustment programmes (SAPs) faced tremendous difficulties in implementation. Especially in Africa, several political leaders have agreed with the international financial institutions about the SAPs, but they intentionally circumvented the implementation, which was contradictory to their understanding of the state-society relations (van de Wall, 2001). This discrepancy between assumed economic rationality and political reality has awakened economists' attention to institutional analyses.

Essentially, institutions are "complexes of norms and behaviors that persist over time because they serve common purposes" (Saito, 2003, p.18). Institutions are different from organizations, which can be defined as structures of recognized roles for particular purposes (ibid). Some, but not all, organizations are institutions. Institutions can be crafted in different ways. Constant interactions by actors and stakeholders to make transactions (either in economic, social, or political arenas) may create certain norms which can serve for mutually beneficial outcomes. When institutions are stable and functioning, these actors depend on such institutions precisely because the outcomes are predictable. Institutions, therefore, relate to the rules of the game in which these actors and stakeholder are engaged.[3] Understanding the importance of institutions is essential for social change including economic growth (North, 2005).

For developmental purposes, it is deemed preferable when institutions are functioning. Effective institutions reduce transaction costs. They can facilitate social change. On the other hand, institutions do not exit ahistorically. Institutions are embedded in a particular socio-historical contexts and designing new ones are still influenced by the wider circumstances in which designing processes are unfolding. Institutional reform, therefore, needs much care for success. Any change of the rules of the game produces both winners and losers. Some are supportive of it, while others are against it. This reality poses tremendous management challenges, particularly in the resource-scarce situations in the south.

2-2 Governance

The term governance is widely used, and subject related to economic growth is only one of such wide usages (Kjær, 2004). Broadly, it relates to both processes and outcomes of (formal and informal) rules applied to diverse actors in the pursuit of common social concerns (Saito, 2003, p.19). The difference between government and governance highlights the fundamental reasons why this

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[3] For a good understanding of relations between institutions and wider social issues, see Peters & Pierre, 2007.

term has been used frequently especially since the 1980s.   The term government has been with us for a long time.   The government was and still is considered as an important actor that resolves many critical social issues.   When government is well resourced, it can fulfill the expectation of the big state, which historically been associated with the notion of the welfare state.   This fulfillment is based on the assumption that citizens' expectation is rather simple and homogeneous, and state-society relation is stable.   This assumption does not apply to many governments in the world today whether they are in the north or in the south.   Most of the governments are not sufficiently resourced.   Demands by citizens are ever diverse today, and state-society relations sometimes face imminent crises.   Many citizens in the north do not believe in "democracy" as it operates recently. In this kind of situations, the governments alone cannot resolve many critical social issues today. Thus, government is only one of the agents which might be able to resolve social issues.   It is rather a facilitator that coordinates joint collaborative actions with other stakeholders.   This new situation necessitated to create a new word of governance.[4]

What is important is that the notion of governance signifies, first of all, the shift of coordination mechanisms (Peters and Pierre, 2003).   Previously, government depended on bureaucracy for administrating tasks and duties.   Bureaucracy adopted a hierarchical structure in which command and control was the main mode of operation.   For managing top-down initiatives, bureaucracy was suitable.   Now, governance is about partnerships of different agents.   The coordination mechanism is horizontal in which trust and mutual respect is needed.   Bottom-up endeavors need participation of diverse stakeholders recognizing each as an important representation of citizens.   Second, this new notion emphasizes the network of diverse agents and stakeholders (e.g. Rhodes, 2007).   This kind of network is fluid and changes constantly depending on how available knowledge and expertise can be jointed together in order to resolve complex and multi-dimensional issues that the today's world are facing.   Government may still be the center of the network, but may not be necessarily so.[5]

Any change of governing mechanisms affects how stakeholders interpret the new rules of the game.   Thus interactions in a new situation usually no longer display the same sort of behaviors by agents and stakeholders.   The interactions among diverse stakeholders are affected by a change in trust and respect among themselves.

2-3 Capacity Development

The term of capacity development (CD) is used in this article even if other words such as institution building and capacity-building have been used more or less interchangeably.   CD can be conceptualized at different levels: individuals, organizations in which they belong, and wider society

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[4] Here, we are not referring to global governance as scholars of international relations apply the term governance.   This subject deserves separate importance.
[5] Bevir (2007) is a good collection of issues related to governance and public policy.

(Fukuda-Par et al., 2002). Thus, roughly, it is defined as an endogenous process of cumulative improvement of capabilities, ranging from individuals to social levels, resolving common goals in developing countries (JICA, 2006). Some analysts pay more attention to the level of society rather than individual or organizational units. For instance, accordingly to Shunji Matsuoka, CD entails the ability of *social actors* (government, firms, and citizens) to monitor, analyze and evaluate critical societal problems such as environment (Matsuoka, 2007). Social CD is fundamentally about problem solving by a given community or society. Social CD can therefore be examined by two aspects. The first one is the unit, who's capacity is to be built? Second, what is the source of ability? The main sources may include policy, knowledge, and human resources. Obviously these two questions are interrelated, and ability one agency affects elements of other ability as well.

CD is much related to external intervention, especially as a form of aid projects. When development was about economic modernization, numerous large-scale aid projects were implemented to build variety of infrastructures. Although such projects made a certain contribution, they usually created a new set of problems in maintenance and sustainability. Thus, with the change of our understanding of poverty and development, it became increasingly emphasized that development should be about people not about large dams and airports, for instance. People-centered development calls for empowerment of the socially weak and the disadvantaged (Eade, 1997). In addition, in order to enhance effectiveness of aid projects, national governments need to play a more assertive role rather than passively accepting foreign aid. Ownership of recipients came to be emphasized (Fukuda-Par et al., 2002). CD, in this kind of evolving understanding, came to hold a key position in linking the various levels of ability improvement from individual empowerment of the poor to the national ownership of development planning and coordinated implementation by the governments in the south.[6]

The definition of CD accordingly came to emphasize the endogenous processes, even if many aid projects are aimed to attain CD as their project goals. While it is acknowledged that one level of CD does not lead to the next level automatically, usually these aid projects are implemented with the expectation that several key components would produce synergetic effects: individual level CD trough training, organizational CD reform to build leadership and to introduce incentive mechanisms, and knowledge transferred from external sources is to be internalized to build a wider bases for CD in a country.

3 Decentralization Measures

Decentralization measures are processes through which authorities and functions are transferred from a central to sub-national units of the government. In many parts of the world today,

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[6] CD, therefore, has not attracted much attention of scholars as the notions of institution and governance have done.

various forms of decentralization measures have been implemented. It is hoped that decentralized states will fulfill high expectations reflecting the demands of our time. These measures are expected to make the states both democratic and developmental. Toward democratization, decentralization intends to widen the opportunities for citizens to participate in local decision-making processes. As for economic development, the decentralized states are expected to reduce poverty by making public services more responsive to the needs of people. Decentralization, therefore, has often been regarded as a "panacea" as well as a normatively justified policy that has no room for criticism, particularly when it was introduced by international aid agencies in the late 1980s (World Bank, 1999).

It may not be much an exaggeration to say that both such excessive expectations and uncritical approval have made critical scrutiny of decentralization very difficult. It is only recently that a more realistic assessment is generated by empirical research (e.g. Saito, 2003). While the good intention of decentralization can be appreciated, it is necessary to examine whether such a noble intention can actually be realized under the harsh realities of today's world, especially in developing countries. The crucial question is under what conditions decentralization measures can be successful both politically and economically.

Recent empirical findings conclude several important lessons (Devas & Delay, 2006; Grindle, 2007; Saito, 2008). First, decentralization is a redefinition of what roles and functions to be performed at what levels of the government. It is thus a redefinition of what authorities the government as a whole should and can have.

Second, while the phrase "nation building" is no longer commonly used nowadays (unlike in the 1960s), efforts of public sector restructuring in general, and of decentralization endeavors in particular, are indeed inexplicably linked with the notion of nation building (Bangura and Larbi, 2006). Government in general, in whatever balance is effected between the central and local governments, therefore, continues to play an important role. It is appropriate to say that the governance agenda has recently highlighted the role of the government (Batley and Larbri, 2004; Bates, 2006); it is usually very difficult to attain "good governance" without "good government."

Third, decentralization is essentially a political process. Although there are several important factors that distinguish successful from unsuccessful implementation, perhaps the most essential is political motivation. As presented by recent analyses (Grindle, 2007; Saito, 2008), one of the most significant factors for success is the nature of the state itself and how the reform of the state is understood by political leadership in the countries of Asia and Africa and elsewhere. Therefore, for a full understanding of decentralization reform, it is indispensable to pay due attention to factors related to political dynamics.

Fourth, any successful decentralization measures need a concomitant democratization reform at both national and local levels (Heller, 2001). Unless political competition and possibility of handover of power increases at the national-level, introducing direct election at local councils and

legislatures alone would not fundamentally alter the political landscape that essentially define decentralization measures.   Likewise, without due increase of political participation by citizens at the national-level decision making, efforts to promote participatory planning and management by local governments and NGOs would not be sustainable.

Fifth, much more attention needs to be paid to the role of media.   Even though decentralization measures have been implemented in numerous countries both in the north and in the south, this issue has not attracted sufficient attention.   In order for decentralization to achieve the intended result of development and democratization, accountability mechanisms, especially downward channels to relate the government with the grassroots people, need to be improved.   For such improvement, citizens need much more information of what kinds of authorities and budgets are allocated to each level of the government.   Local media has a curtail role to play to disseminate such information and encourage citizens' understanding of the relevance of local governments to their daily lives.[7]

4 Theoretical Assessment of Decentralization

Decentralization measures are particularly useful to examine the extent of usefulness of three essential keywords introduced in this article.   In brief, decentralization can be seen as three forms at once; it is about institutional change, governance reform as well as CD.   Decentralization is a form institutional change, because, as already pointed out, it inevitably changes how authorities and functions are allocated to different levels of the government.   Precisely because it is about a change in the rules of the game, it creates a fluid transition affecting numerous stakeholders (some are government agencies and others are private entities).   Each interprets the new change differently. Tangible and intangible improvements may emerge as a result of contested negotiations of possibly competing interpretations (North, 2005).

Decentralization is also an important governance reform.   It affects how central and local government offices discharge respective duties.   Yet, these duties are not completely separated. Instead unless careful coordination ensures that each does what it can do best, decentralization creates *more* problems for a government, including discharging their obligation in service delivery to the public.   Thus, decentralization measures highlight interdependence of different levels of public offices, as much more continuous interactions between them becomes necessary for successful functioning of the government as a whole (Rhodes, 2007).

In addition, decentralization measures are one form of complex CD.   With decentralization, both a central and local governments have new responsibilities.   The central government needs to play a role of coordination and supporting local governments in administering important functions. The local governments usually need tremendous augmentation of human and financial resources,

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[7] Agomor and Obayashi (2008) provide an interesting introductory study in this direction.

usually from the center, to plan and implement public services.   Thus, individual, organizational, and social CD needs to be linked (JICA, 2006).

Furthermore, CD efforts within the government sector alone often may not be sufficient. Unless citizens are empowered to scrutinize local accountability, decentralization may create more corruption at local levels.   Local media again has an important role to play.   In addition, the private sector also has an important role for forging public-private-partnerships.   But precisely because of pervasive poverty, the private sector also need CD, especially in Africa.

5 Implications for Future Research

It has become abundantly obvious by now that the concepts of institutions, governance, and CD have much too common.   There are certain commonalities among these essential terms.   First, all presupposes that there are multiple actors and stakeholders.   There would be no institution, nor governance, nor CD (except at the individual level) if there is only one person in a society.   Second, all notions relate to human behavior and behavioral changes.   Such changes are hoped to be in the direction of much desired development.   Third, what is shared as an essential concern is coordination, which should harness abilities and talents of diverse stakeholders in order to resolve critical issues that no one alone can resolve decisively.

Then, it has some major implications for future research.   First, all of these words still tend to remain buzzwords, and may lack analytical clarity (Cornwall and Brock, 2005).   Even if these terms are widely circulated, and will continue to be used widely, sufficient care needs to be taken when such terms are used.   While it may still be necessary to use these terms, partly because they originate from different backgrounds and disciplines, loose application of these terms may not only be misleading but counter-productive in practical efforts on the ground.

Second, as these three terms have much too common, the crux of the matter is to investigate that commonality: how coordination occurs among diverse actors and agents which may form network for common purposeful actions and behaviors; and in what ways such coordination may be supported by aid projects.   In other words, institutions exit not in void of social, economic and political contexts.   One type of institution is related to another bundle of institutions.   A change in one institution – a rule of the game – affects how other institutions function.   Likewise, it is important to investigate what would the actual and potential sources of problem solving abilities. How each individual and organizational levels could become mutually reinforcing?   In what ways such synergy can become effective?   Analyzing multiple cause and effects of this kind of inter-related changes in a wider society is at the heart of the investigation, and applying whichever the term of institution, or governance, or CD should not prevent us from seeing the core objective of our investigation.

Third, this discussion brings us to the notion of the state,[8] because it is about the relationship between those in power (government) and those who are governed (citizens).[9] In order for any state to function legitimately, how to aggregate interests of citizens becomes an important concern. *Corporatism* was and probably still is a mechanism to bring such interests into the processes of governing. In liberal interpretation of corporatism, organized interests in mature liberal democracies gain privileged status and institutional access to policy formulation of national government (Haywood, 2007, p. 299). But many governments today face significant erosions of their ability and credibility, and shifting the understanding of the governments from that of resolving problems (the rowing role) by themselves to that of becoming facilitators networking with other partners (the steering role) reflects our understanding today of how the state can be reconstituted more effectively in contemporary circumstances. Decentralization is a method conceived useful for such reconstitution and thus is accompanied with all sorts of buzzwords.

6 Re-emphasized Role of the State

The re-emphasized role of the state represents a clear departure from the dominant thinking in the 1980s when the role of the state for social good was de-emphasized. It is ironical that decentralization introduced by the neo-liberalists in the late 1980s in order to reduce the size of the government for development and democratization now brings back the role of the state in which government is anticipated to play a pivotal role. Recent findings of empirical research of decentralization point two important lessons for both academicians and practitioners.

First, in order for any decentralization measures to be successful it is absolutely necessary to harmonize and coordinate in a much more systematic way different reform endeavors that are often implemented separately from each other. Effective decentralization policies need to be examined within a holistic framework. Often support for the government, market, and civil society is offered without much mutual linkage. More specifically, decentralization is often pursued for the administrative reform, while privatization and liberalization are implemented for harnessing market forces. In addition, participatory and empowerment-focused grassroots activities are conducted in order to release the energy of civil society.

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[8] According to a widely used textbook, the state is "a political association that establishes sovereign jurisdiction within defined territorial borders, and exercises authority through a set of permanent institutions. These institutions are those that are recognizably 'public' in that they are responsible for the collective organization of communal life, and are funded at the public's expense" (Haywood, 2007, p. 91).

[9] It is interesting to point out that G.W.F. Hegel considered that the state is a separate entity from family and civil society. The extension of this is found in modeling society in three sectors of government, private enterprise, and civil society. However, it is important to remind us that this conceptualization of society is "culturally and historically driven." This model also reflects the desirability of the separation of "public" from "private" spheres of life. This desirability does not apply to many of Africans. See Tripp, 2005.

What is problematic is that these respective measures are usually planned with its own logic and provided without a coherent vision. Decentralizing administration reflects a wide array of thinking including theories of political participation and neo-liberal economics and its related sub-field of new public management (Saito, 2003, chapter 2). Market liberalism is based on neo-liberal economics (van de Wall, 2001). Participatory development and empowerment derive from again variety of sources including popular education, feminist thinking and political science (Luttrell, 2007). This kind of scattered support has produced partial results at best. What is needed is a linking of these separate assistance activities with a focus on locality (Helling et al. 2005). Thus, what is expected for a local government as a coordinator is much more than what is commonly understood. The genuine coordination not only encompasses creating administrative committees and systems which cut across bureaucratic boundaries to ensure continuity and coherence, but also devising a new kind of vision which is a blend of public administration, economics and neo-populist thinking.

If this first task primarily rests with practitioners, then the second one is more analytical. Since decentralization measures introduce changes in rules of the game, they affect institutions, some of which are formal and others are informal. The crucial point is in what ways does the *formal* reorganization of decentralization foster/hinder the *informal* interactions among stakeholders? Once rules of the game are affected, people become no longer confident of what this new change will entail. Thus, people were concerned with unpredictable behaviors of other stakeholders with whom some transactions may be necessary for daily survival. As formal institutions become less predictable, people are pushed toward something that they are familiar with. This often ends up, in transitional periods, with more clientalistic and neo-patrimonial behaviors rather than "rational" behaviors that the institutional reforms are often based upon. This kind of adaptation has been observed in many parts of the world (Hyden, 2006).[10] With decentralization, local political leaders often promise that once they are elected to office, they can bring tangible benefits for local communities. The voters also tend to judge which candidate is likely to bring more benefits to secure their day to day necessities. In the end, even if individual choice may be "rational," cumulative effects in a wider society may be detrimental. Neo-patrimonialism, often resorted through informal institutions, is a prime example of such devastation and does not foster conducive political culture for development nor democracy.[11]

This understandable behavior increases coordination costs, because what formal institutions are intended and what people react through informal arrangements diverge. Put differently, once a

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[10] Grindle (2007) describes one such example in Mexico. Discussion of "coopération décentralisée" in Burkina Faso by Iwata (2008) is another example.

[11] Hyden (2006) calls neo-patrimonialism as the "ultimate form of clientelism in politics" (p. 79). With access to state power and wealth, leaders personally control public affairs. With such exploitation, a kind of perverted legitimacy is created between leaders (who distribute benefits according to their own logic) and followers (who seek to satisfy their particular demands) (p. 96).

change is introduced in one level of institution, a bundle of institutions does not necessarily move toward the same direction backed by the same sort of thinking.   This incongruence puts the governing arrangements more in trouble.   No matter how well intended they are, aid projects, therefore, need to be designed and implemented with much more careful understanding of both formal and informal institutions.[12]

CD in this kind of situations faces a fundamental dilemma.   It is precisely because social CD needs to take place in multiple fronts simultaneously.   CD at formal government institutions is for "rational" purposes, while CD at firms and citizens' levels may reinforce informal behaviors in line with clientalistic orientations.   The two values do not converge in any significant way.[13]   Here is a paradox.   On the one hand, a local government needs much more support for CD, as it is the pivotal coordinator to harmonize different avidities of the government, markets and citizens for the betterment of local community.   On the other hand, citizens who tend to act as clients may just see local government leaders and officials just another kind of patrons who would in turn return the kinds of benefits that they are seeking.   Indeed, as the local government comes to be developed with improved CD and resources, more people may resort to engage in clientalistic behavior perceiving such local government as their good patrons.   The behavioral logic here is different from that on which the decentralized administrative reform is based.

In order to prevent this kind of incompatibility, much more careful empirical research is needed.   Even if the literature is mushrooming, often country specific findings are not comparable, because research design vary considerably from case to case.   Also, more cross-fertilization of diverse academic disciplines is needed for advancing theoretical investigations.

7 Interesting Cases of Uganda and Kerala, India

What is interesting is that successful cases show relative congruence between formal and informal norms/rules.   The examples include the Local Council (LC) system in Uganda and the experience of the state of Kerala, India.   Uganda is often cited as one of the most experienced countries in implementing decentralization in Africa.   When the current National Resistance Movement (NRM) government took power in 1986, the state was virtually void of any formal institutions due to the preceding long lasted civil war.   The NRM attempted to stabilize society in order to prevent Uganda from falling back into another vicious cycle of political instability, economic collapse and human misery.   One key institutional reform was the introduction of the LC

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[12] This signifies that, in such circumstances, while it may not be impossible for aid projects to be effective, it certainly requires much in-dept understanding of contexts in which aid projects are designed and managed.

[13] This repeats what we saw in the past, when the SAPs were "agreed."   They were in fact implemented according to different logic and understanding (van de Wall, 2001) between the international donors and African governments.

system which was a five-tier hierarchy of legislatures and administrative committees ranging from village to district levels.   When the grassroots population encountered with the LC system for the first time particularly in the 1990s, many considered that it was something that they knew before. Historical experiences of "village democracy" before the colonial period began, in the eyes of the many, has revitalized as a formal policy.   There have been concomitant efforts to make decentralization successful.   The constitution making was participatory and the elaborated legal system on local government followed.   Significant efforts were made to transfer financial resources and numerous training activities have been conducted to sensitize the role of both political and administrative leaders at various localities.   Today, the village council system is highly evaluated by the ordinary people.   About one third of the rural population attends the regular council meetings (Saito, 2003 and 2008), and village council is the most trusted public institution in Uganda ahead of president, parliament, newspapers and police (Logan et al., 2003).

Of course, it would be too crude to single out one factor that made decentralization in Uganda successful.   Nonetheless, it would be reasonable to argue that the formal institutional mechanism was in line with what many have experienced before.   This historical experience reduced the anxiety of how this institution would evolve.   Then the renewed council system became more trustful by the ordinary villagers.   Of course, the LC system and decentralization in Uganda still face problems and are not totally free from clientalistic maneuvering.   However, the extent of local corruption has been reduced significantly and appears to be relatively low compared with other African countries.   This success is largely due to the relative fit between formal and informal institutional arrangement in this land-locked African state.[14]

India is also a very interesting country for assessing decentralization.   India is a huge country, and adopts a federal system.   The history of local governments in India is fairly long and complicated.   The 1993 constitutional amendments were really the beginning of a significant change in our time to bring local autonomy.   Because India is a federal state, the detail of arrangements was entrusted to state governments.   Thus how each state utilized the opportunities given by the amendments differs markedly from the state to state.   What stands out is the experience of Kerala, which is located at the southern end of India.   Kerala is known internationally for its outstanding human development showing, for example, high health and educational attainment in spite of the economic hardship in the area.   Because this contrasts with all other states in India, Kerala is often praised as a unique development model in South Asia.   Again, even if it would be too arbitrary to analyze the model in a schematic way, several scholars link Kerala's contemporary attainment to a series of local public actions taken historically (Heller, 2001). In the 1960s the local educationalists established a community organization to educate the rural people.   This was a beginning of social movements, and very interestingly enough, one movement was followed by another without massive support by foreign agents.   In this series of social

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[14] For Uganda, see Saito, 2003 and 2008

movements, the state government came to realize that it would be more effective to collaborate with the civic leaders to achieve significant development. The partnership was realized in the early 1990s when the state government launched the Total Literacy Campaign, primarily targeted to reduce adult literacy. Then, it was a natural evolution that when in 1996 a new policy of People's Plan and Campaign was introduced, the collaboration between the state government and civic leaders continued to facilitate this "participatory budgeting" exercise in which a certain proportion of the state budget is reserved for activities agreed by a bottom-up consultation and planning by ordinary people.[15]

Here, the experience shows that participation of the ordinary people helps create a sense of ownership to those activities that they agreed and supported by the government fund. Even if the scale of activities is small, some tangible changes in daily lives are realized, and this helps reduce the so-called participatory fatigue in this kind of bottom-up exercises. Obviously the Kerala model is far from perfect. However, what is crucial is that before formal institutional amendment was made, people in Kerala already had some good experience of collaboration between the state government and civil leaders. Many have already convinced that grassroots actions led by the civil leaders can change society. This experience appears to reduce the anxiety associated with an introduction of a new policy and institution in the name of decentralization. In contrast with other states in India, the accumulated experience helped Kerala to reduce coordination costs in launching a new Campaign for social development. It was why decentralization in Kerala was a notable success.[16]

8 Conclusion

Decentralization measures have been widely implemented in one way or another in numerous countries. They are the representations of three types of reform agenda simultaneously: institutional; governance; and CD. Since these key concepts derive from different backgrounds and disciplines, they will continue to be circulated among academicians and practitioners alike. However, sufficient care needs to be exercised because these key "buzzwords" are applied loosely in too many times. Instead, what is needed is a careful examination of real issues that these notions attempt to uncover. For decentralization to be successful, more empirical research is still needed to analyze, for instance, in what ways do any changes introduced in formal institutions affect informal behaviors of stakeholders in engaging other relevant organizations. What would be the sources of congruence or incongruence between formal and informal arrangements? Under what kind of circumstances can individual CD lead to organizational CD? To reach satisfactory understanding of complex relations within some bundles of formal and informal institutions, much more

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[15] For "participatory budgeting," the literature has been mashrooming. See, for instance, Shah, 2007.
[16] For Kerala, India, see Saito & Kato, 2008 and Harilal, 2008.

cross-fertilization of research among different disciplines and careful research design to allow comparative analyses are needed. Only with such complex and in-dept understanding, aid projects may become more successful.[17]

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[17] This has two practical implications for aid. First, for better understanding of complexities of local societies, involvement of local and foreign researchers in project preparation should perhaps receive more attention. Second, the successful aid project may need to tackle several different fronts simultaneously. For instance, as the Kerala experience demonstrates, aid might target to forge collaborative relations between government offices and civil society organizations. If each is weak, respective organizations and groups need CD through aid. However, forging partnerships by external intervention is usually very difficult. For successful attempts, much more nuanced trial and error processes may be needed.