

Local government in Uganda

Modern local government in Uganda traces its origins to British colonial rule. As it consolidated its hold on the territory, the colonial administration decided to introduce 'good government' and ensure effectiveness and efficiency in administration by establishing elected local councils.

At independence the colonial administration bequeathed Uganda well-developed and autonomous local authorities. After independence, many of the colonial-era achievements were reversed by the successive regimes of Milton Obote and Idi Amin. Local administrations became political instruments of the central government and, in the process, lost their autonomy and capacity for service delivery.

What remained of local governments after the collapse of the second Obote government in 1986 subsequently underwent far-reaching reforms through decentralisation by the National Resistance Movement (NRM) after it seized power.



Photo: Reuben Baajjies

Gaba Town, Kampala

Decentralisation centred on the transfer of powers and responsibility for revenue mobilisation, as well as planning and delivery of water supply, health, education and certain parts of the road network to two levels of local government, the district and sub-county. Elected local leaders became responsible for supervising and monitoring the activities of locally based and appointed civil servants. The objective of this was to render civil servants more accountable to elected leaders and responsive to the aspirations of service users, who were expected to play an active role in decision-making.

Constitutional recognition

The principles of a decentralised system were first elaborated in the 1993 Decentralisation Statute and then entrenched in the 1995 Constitution. This Constitution, substantial parts of which were amended in 2005, provides an elaborate description of the local government system. In addition, the Constitution was designed in a way that rendered any legal reversal of decentralisation without the approval of local governments impossible.

Against the background of the Constitution and experience with implementing decentralisation up to that point, however, the Local Government Act of 1997 was enacted to address weaknesses within the system. Specifically, it was intended to revise the development and administrative roles of local councils. The Local Government Act was amended in 2001. The amending Act consisted of only a few revisions to clarify some issues in the existing legislation. One major amendment (the

insertion of section 174A) made technical staff and councillors personally accountable for financial losses incurred by local governments on account of malpractices. Others focused on the inclusion of marginalised groups in local government institutions and procedures for the removal of councillors and chairpersons.

Composition, powers and functions

The NRM government went on to decentralise power, responsibilities and resources to local governments based on popularly elected local councils at village (LC1), parish (LC2), sub-county (LC3), county (LC4) and district (LC5) levels. In urban areas the equivalent of a village (RC1) is a ward, while the county's equivalent is a

municipality. At the village level, all residents aged 18 and above are by default members of the village council. The five-tier local council structure, with the district at the apex and the village at the bottom, is run by elected councillors, alongside appointed administrators and service provision personnel or technocrats in domains such as health, education, agriculture and infrastructural development. The administration in each district is headed by a chief administrative officer assisted by assistant chief administrative officers and then sub-county and parish chiefs. Every district council and its sub-county equivalent is headed by a chairperson and an executive committee whose members are each responsible for overseeing the provision of specific services by the civil servants employed in each sector.

Parish and village levels are also headed by chairpersons assisted by executive committees similar to those at higher levels, but without service delivery functions or responsibilities, as they do not manage budgets for this purpose. The two levels are, however, responsible for ensuring that higher levels of local government deliver the services for which they are respectively responsible. Secretaries for health at parish and village levels will, for example, concern themselves with whether their sub-county-level counterparts are fulfilling their functions as they should and, if not, endeavour to find out why, as stipulated by the principle of upward accountability. In turn, members of the community who may be unhappy with the quality of health services will address their grievances to the village secretary for health. In practice things sometimes work differently.

Financing

One of the assumptions underlying decentralisation was that improved services would facilitate the mobilisation of resources by local governments, as people would be more willing to pay taxes to finance further improvement and maintain the high standards already achieved. The Local Government Act of 1997 allowed local governments to levy, charge, and collect fees and taxes including rates, rents, royalties, stamp duties, personal graduated tax, and registration and license fees. Despite variations in collection across local governments, graduated tax has always been the single most important source of local revenue, other big sources being property tax, user fees and charges.

Generally, however, the capacity of local governments to raise revenue has been weak. Underlying the weakness is politicisation and political interference, especially in the run-up to elections, when politicians have sought to protect tax-evading constituents from 'harassment' and arrest by collectors. In addition, the increasing dependence of local governments on central government grants has removed the incentive for revenue collection. Besides the central government, donors, international agencies and charitable organisations also channel resources into local governments. Before decentralisation local administrations had no direct relationship with these actors. Instead they dealt directly with the central government in deciding priority funding and overall planning.

However, after decentralisation direct links were established. The outcome was easier and more targeted disbursement of financial assistance. Decentralisation effectively ended the traditional management of foreign assistance through central government institutions, which had relegated local authorities to mere beneficiaries. An important feature of resource mobilisation was the sharing of locally generated revenue between local government and administrative units, with each unit enjoying autonomy over expenditure decisions.

Besides resources from donors, NGOs and their own revenue generation efforts, local governments receive large amounts of resources from the centre in the form of constitutionally mandated (article 193) conditional and unconditional grants and equalisation grants. Conditional grants are financed mainly from the donor-funded Poverty Action Fund and constitute the bulk of resources from the central government. They are tied to the performance of particular tasks and the delivery of specific services: the payment of salaries, the construction of classrooms, clinics, roads, cattle dips and teachers' houses, and the purchase of

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supplies such as desks. The tasks and services are decided on and prioritised by local communities through their councils.

Unconditional grants are allocated on the basis of a formula that takes into account geographical and population size, infant mortality rate and school-age population. Equalisation grants are non-sectoral grants designed to help weaker local governments. Also, within certain legal constraints, local governments can borrow money to take care of locally set priorities. The abolition of graduated tax in 2005 and the politicisation of other revenue sources has, however, left local governments almost completely dependent on central government financing, some for up to 90% of their expenditure. This is a serious threat to local autonomy, a defining feature of devolution.

Even before graduated tax was abolished in the lead-up to the 2006 general elections, some local governments were already collecting less than 50% of annual projections. Politicisation of revenue mobilisation has usually taken the form of condemnation, by politicians seeking re-election, of certain forms of taxation as oppressive and promises to advocate for their abolition. Politicians already in office have often incited taxpayers against collectors, forcing the latter to slacken their collection efforts. The outcome has been widespread evasion. This was always the fate of graduated tax during political campaigns until it was eventually abolished, ostensibly because it was "a primitive tax", as the Minister of Local Government once noted.

Although it was generally welcomed by the public, the abolition of this tax has had a negative impact on the functioning of local governments. While conventional wisdom suggests that the tax was not critical to the functioning of local governments, its abolition paralysed local governments which, for the most part, depended on it for general administration. Currently many local governments no longer hold local council

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meetings – and are therefore unable to discharge their policy-making and oversight functions – because they do not have the resources to pay councillors' sitting and transport allowances. In addition, they are unable to service their debts, pay pensions and gratuities, recruit new personnel and, most disturbingly of all, pay the wages of locally recruited personnel. The demoralisation of technical personnel due to irregular payment has seriously affected the quality of service delivery.

Intergovernmental relations

Broadly, intergovernmental relations are underpinned by the principle of non-subordination of local governments, which underlies and safeguards their autonomy from the centre and which is provided for and safeguarded by the Constitution. Autonomy, however, exists alongside functions and roles reserved for the central government at the local level. For example, the Constitution (article 179) allows Parliament, on the basis of majority support, to alter the boundaries of local governments (districts) and create new ones. Suffice it to say that the President has hijacked this role in recent years and created districts which are then retroactively endorsed by a Parliament that is not entirely independent of the executive. Between 2004 and 2007, 24 districts were created, the majority in this fashion, their creation being driven by political considerations and not the viability of the new districts.

The number of districts has grown from 56 in 2004 to 80 in 2007. This exponential growth has had a significant impact on intergovernmental relations, not least because it has led to the emergence of local governments without the financial capacity, infrastructure or even personnel to enable them to sustain themselves. As a result, they exist mainly on the basis of support from the centre. Also, unconditional grants to local governments have diminished relative to conditional grants. This means that local governments have fewer resources to spend on locally determined priorities. In addition, since 2006 the salaries of the political leaders of higher-level local

governments have been paid by the central government, not from locally generated revenue. Furthermore, the responsibility for appointing chief administrative officers and their deputies, as well as for paying their salaries, has been withdrawn from local governments.

Nonetheless, the central government also carries out activities that add value to the functions and roles of local governments. These activities include providing guidance, inspection, monitoring, training and coordination of local governments to ensure compliance with legislation and adherence to national policies and set performance standards. The Ministry of Local Government develops and issues guidelines, provides hands-on support, and organises and provides capacity-building assistance. In support of the ministry's guidance, inspection and monitoring mandates, each of its departments mentors and supports local governments.

Comment

Local government reforms under the NRM government in recent years have brought government physically close to where people live. In addition, they have facilitated popular engagement in the making and implementation of decisions. As a result of popular participation, the public are generally better able to keep track of policy implementation than when implementation was the preserve of the central government or its local-level representatives. Services have improved considerably as a result, and as a consequence of generally increased resource availability, recent decreases owing to political interference notwithstanding. The public now think in terms of having rights with regard to service delivery and no longer see themselves as passive recipients whose role is to be grateful to benevolent local authorities dispensing services as gifts. While the situation is far from perfect, the extent of positive change is visible. Therefore commentators do not exaggerate when they portray Uganda's decentralisation programme as a success, even as the government shows signs of undermining some of the more important gains made in recent years.



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