



Session A1 : Introduction

Territorial development and decentralization: local authorities as drivers for change

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Why “Territorial” Development ?

The concept of territorial development is not new. For decades the world has given a lot of importance to the local development, community-based initiatives, the “*bottom-up*” approach



Market-oriented globalisation:

Local development has sometimes been understood in opposition to globalisation where national «economies» compete against each other for a larger share of the global «markets».

This model is driven externally and requires a country to «insert» itself in global dynamics favouring the free circulation of goods, capitals and services



GLOBALIZATION

Rising inequalities:

Globalisation has triggered growing inequalities, deepening the social and economic divide between the « haves » and the « have nots ».





URBANIZATION

Territorial disparities have further increased due the accelerated speed of urbanization that has in turn concentrated wealth and problems in most urban centers

Spatial disparities:

The result is a “globalized world” composed of stronger vs weaker territories.

Decentralization policies come as a means to level the playing field



Decentralization:

Decentralization happens when central governments transfer powers to sub-national or local government entities.

A trend towards decentralization began since the 1950's to try to address issues like the arrival of democratic regimes, political pluralism, preserving the unity of a Nation-State...

Decentralize what?

POLITICAL DECENTRALIZATION

- **Competencies**
(administrative decentralization)
- **Decision making**
(strengthened local autonomy)

FISCAL DECENTRALIZATION

- **Spending**
(redistribution of central government income)
- **Taxing**
(strengthened capacity collect taxes)

THE PRINCIPLE OF SUBSIDIARITY

Three forms of decentralization :

1. Devolution:

Implies the transfer of certain powers, competencies or resources from central government to sub-national or local elected authorities

EXAMPLE

The central government transfers the legal competencies on Public Education to provincial governments.

Three forms of decentralization :

2. Delegation:

It implies the transfer of certain responsibilities and funds to lower level authorities, semi-autonomous and tasked with complying a delegated duty

EXAMPLE

The central government delegates legal competencies on electricity to a semi-autonomous public enterprise but retains its control

Three forms of decentralization :

3. De-concentration:

It happens when central authorities retain their powers on a specific sector and implement policies through their own representative bodies/offices established in a given territory

EXAMPLE

The central government implements its own defined policies on data collection through its own representative offices established across the different territories of the country

But decentralization has had insufficient results:

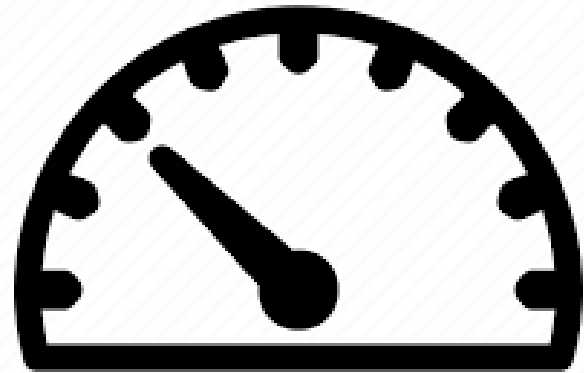
Decentralization efforts aiming at balancing territorial disparities have not always been successful. A few not so positive results include:

- Mono-sectoral approaches, disconnection
- Short term visions, contingent on political mandates



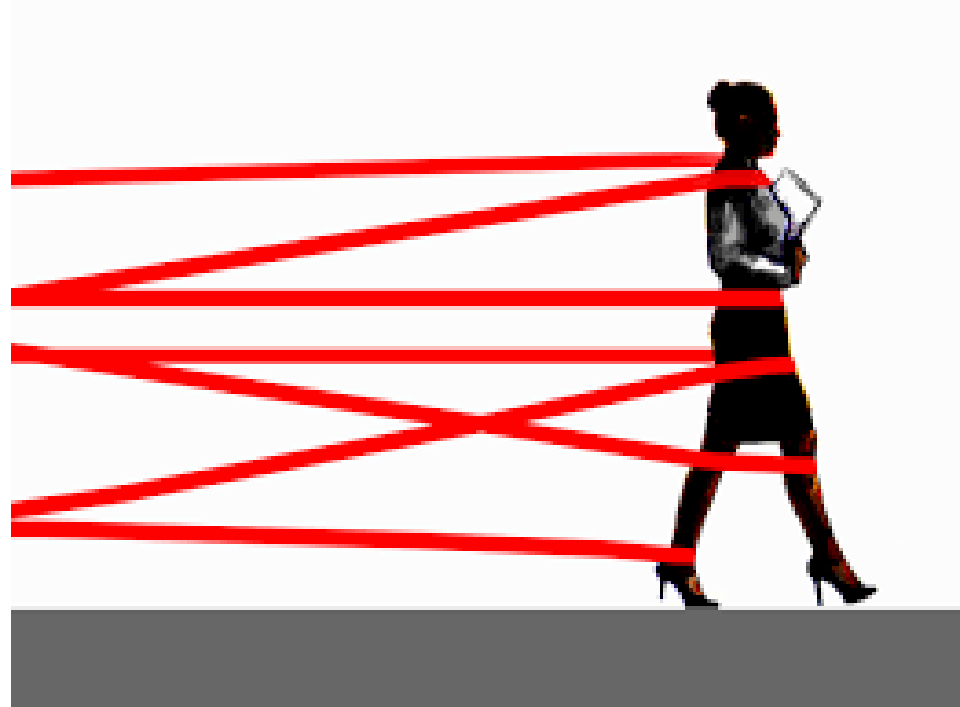
With insufficient results:

- Vertical « Top-down » approach, central government control
- Local development plans conceived to fit central government funding
- Inadequate or insufficient local capacities



With insufficient results:

- Bureaucratic or restrictive administrative procedures, red-tape
- More responsibilities not necessarily accompanied of more resources
- Lack of real local autonomy and self-government





LOCAL AUTHORITES AS DEVELOPMENT ACTORS



The traditional definition of local authorities:

- The local representation of the Nation-State
- The political or institutional representatives of a local community
- An administrative entity charged with providing local services



Local authorities: development actors

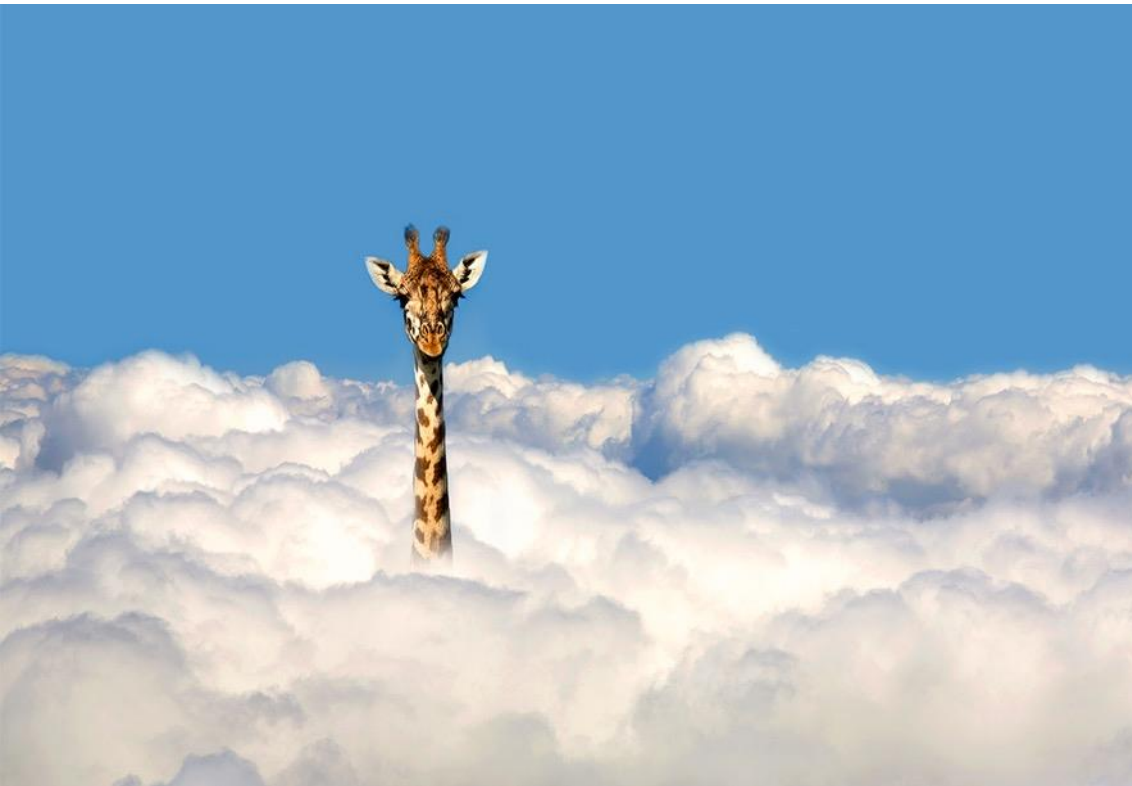
TALD considers that local authorities are not only the « object » of national policies defined elsewhere, but « subjects » in their own right of an **endogenous process of development policies** that includes other actors, is spatially integrated and operates with a vision set in the long term.

Local authorities: development actors

- Local authorities are **political actors**, capable of facilitating dialogue between the public and private sector, universities, civil society and the media
- **LAs are catalyzers** of the social, economic, cultural and environmental capital present in a given territory



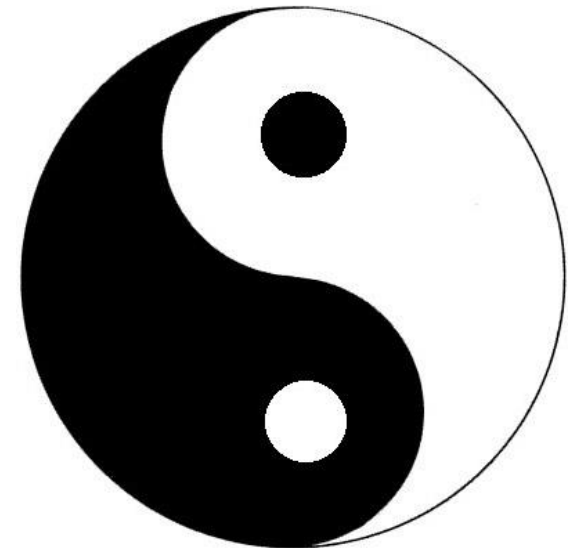
Local authorities: development actors



- LAs are **mediators** amongst different, sometimes conflicting, interests
- LAs are capable of spearheading local development by building on the opportunity of a « **locally defined future** »

Local autonomy and Local accountability:

**2 sides of a coin that complement
each other**



What is local autonomy?

- ✓ Degree of discretionary powers to make decisions about the future of a given territory
- ✓ Power to initiate policies (less control ex-ante)
- ✓ LAs elected in democratic elections
- ✓ Enhanced administrative capacity, efficient civil service
- ✓ Healthy local finances
- ✓ Local fiscal and taxation powers



What is local accountability?

- ✓ LAs are responsive to the population needs
- ✓ LAs are trustworthy and legitimate in the population's eyes
- ✓ There is transparency in decision making and financial management
- ✓ The population can challenge and seek modification of LAs decision and policies
- ✓ LAs are obliged to report (monitor, evaluate..)
- ✓ LAs recognize their public and legal responsibility to foster collective well being
- ✓ LAs establish mechanisms for the participation in public life of non governmental actors

However, still today in most developing countries Local Authorities are often considered as « **weak** », « **uncapable** » « **inefficient** » institutions, not ready to take their destiny in their own hands.

LAs are conceived somewhat despectively as a « **lower level of government** », less important, with less capacity and therefore less relevant ...



The aim of this seminar is to prove the contrary, by means of

1. Understanding of the concept of **TALD**, as the analytical framework that allows to establish a direct link between decentralization policies and the expected results from development and cooperation initiatives.
2. Recognition of the importance of the **role of local authorities** in the promotion of local development
3. Showcasing the **opportunity for the EU** to creatively put in practice the TALD approach, through the different aid modalities and with the purpose of realizing a more integrated and equitable development in EU's partner countries.





Thank you