

PP5146: Decentralization, Governance, and Sustainable Development

Lecturer: Naomi Aoki

sppnma@nus.edu.sg

Local governments and communities are increasingly responsible for making decisions important to the welfare of people and to sustainable development. This module reviews theories of decentralization and local governance from multiple academic disciplines, with regard to what decentralization/centralization and local governance reforms can achieve for sustainable development and what their unintended consequences are. You will be asked to develop a thoughtful proposal for a decentralization or centralization reform in a sector or for a local governance reform in a country of your choice.

The module proceeds as follows: It starts by revisiting normative theories of decentralization from the fields of economics and political science. Later, we will delve into decentralization and local governance issues in specific sectors, namely, education, health, community planning, disaster management, education, and natural resource management. Although the mission of our school is to raise standards of governance in Asia, this does not mean that we should learn only from Asia. Cases to be discussed in this module will be drawn from a variety of world regions, including not only Asia, but also Europe, Latin America, and Sub-Saharan Africa.

ASSIGNMENTS AND ASSESSMENTS

Participation (40%). You will be assessed on your contribution to class discussions. Please read the assigned material before coming to class. If you are not in class, by definition you cannot participate.

Short Assignments (30%).

Each of the following memos constitutes 15% of the total grade and should be less than 1,500 words. Please submit one soft copy to IVLE.

1. *Understanding Local Political Institutions in Your Own Country (Due noon, May 20)*
You will be asked to identify and list aspects of local political institutions using a standard table based on Bland (2010). This exercise will help all of us in the class to see how our countries differ in regard to local political systems and autonomy. We will compare and contrast our findings in the class on May 21.
2. *Which Local Government Is the Most Innovative? (Due noon, June 10)*
Identify a local government that is being innovative and share its story in class on June 11. In the memo, explain what the local government is doing, why it is innovative, what has enabled this innovation to happen, and what you like and do not like about the innovation.

Reform Proposal Memo (30%). You will be asked to produce one of the following:

(1) A decentralization (or centralization) reform proposal memo for a sector of a country of your choice. In the proposal, you will be expected to:

- carefully define one criterion that needs to be improved in that sector
- describe the divisions of decision-making responsibilities in that sector; come up with a creative way to present the divisions
- propose the decentralization or centralization of a decision item to improve the criterion
- assess the conditions necessary for the reform to succeed, and
- discuss any unintended trade-offs involved in the reform.

(2) A local governance reform proposal, focusing on a single local government or a community in a particular country.

- present a profile of the local government and its situation, just enough to help the reader understand the problem and your proposal
- carefully define a governance problem currently faced by a local government.
- discuss what can be done to address the problem
- assess the conditions necessary for the reform to succeed, and
- discuss any unintended trade-offs involved in the reform.

If the enrollment size is less than 15, you will be asked to make a presentation in class, which will be counted towards participation. The length of the presentation is to be announced; it will depend on the number of students enrolled in the module. Please upload your presentation slides to the computer in the classroom before 9:00 AM on the day of your presentation. It is important to finish your presentation within the assigned time; time management will be counted as a part of your presentation grade.

If the enrollment size is 15 or larger, you will not be asked to make an individual presentation. Instead, you will be asked to verbally share your individual draft proposal with classmates in a World Café format. The instructor will first ask you to pick one of the indicated sectors (e.g. education, health, environmental management, etc.) and write a reform proposal on that sector for a country of your choice. Then, on the day of the presentations, students will be grouped according to sector. For example, students who chose education will form a group, although they may have picked different countries. You will be asked to discuss the division of decision-making responsibilities in that sector, to make cross-country comparisons, and to share the problems faced by the sector in the country of your choice. After this, we will have a World Café session, where all students will be invited to join different groups and brainstorm solutions to the problems in all sectors. Finally, you will return to your original group, which will be asked to present what it has learned from the World Café session. All of this will happen in class. You are welcome to incorporate any input you get during the World Café session into your final proposal memo.

The final proposal should be less than 3,000 words (including the title, appendix and references). You can use any citation style, as long as you keep it consistent throughout the

paper, and as long as you use in-text citations with a reference list, instead of footnote citations. The proposal memo is due by 12:00 PM, 30 June. Please submit one hard copy to the lecturer's mailbox and one soft copy to IVLE.

The assessment criteria for the reform proposal memo are as follows:

DEPTH AND CLARITY OF PROBLEM IDENTIFICATION **20%**

- *The problem is carefully and clearly defined.*
- *The author focuses on this problem throughout the memo.*
- *The reason for addressing the problem as important is convincing.*

THOUGHTFULNESS OF THE PROPOSALS **20%**

- *Recommendations are clear, plausible, sophisticated, and insightful.*
- *The author has put enough thought into the trade-offs involved in the proposal.*
- *The author thoughtfully discusses the conditions for the reform to succeed.*
- *The memo helps policy makers to make decisions instead of confusing them about what they should do.*

INNOVATIVENESS OF THE PROPOSALS **20%**

- *The recommendations are interesting or novel and show the author's creative, out-of-the-box thinking.*
- *The recommendations are likely to result in a groundbreaking, positive change in practice.*

LINKAGE WITH CLASS MATERIALS AND READINGS **20%**

- *The author demonstrates his or her understanding of the class materials.*
- *The author is able to build on the knowledge covered in class to analyze the current problem and propose reforms.*

WRITING **20%**

- *The memo flows logically, and the argument is concise, clear, and consistent.*
- *Citations and punctuation are free of errors. The word count is kept under the assigned limit.*
- *If the memo uses figures and tables to communicate key points, they are effective and the points are clear.*

NO EXTENSION POLICY

All written assignments submitted after the stated deadline will be penalized by one grade increment—namely, an erstwhile A assignment will be counted as a B+, a B+ assignment as a B, etc. There will be no extension of deadlines except under extraordinary conditions. If the deadline for this module overlaps with the deadline for another module, please plan ahead wisely to meet all deadlines.

PLAGIARISM POLICY

Plagiarism is a serious offense. When you use ideas from other sources, you need to cite those sources. You must use quotation marks when you reproduce exact phrases or sentences; otherwise, be sure to paraphrase.

POLICY ON ABSENCE FOR CONFERENCE

For those who plan to attend a conference, if your conference is in Singapore, you may be absent on the day of your presentation without compromising your participation grade, but only on that day. If your conference is overseas, you may be absent also for one day before and after the date of your presentation without compromising your participation grade. This leave of absence can be granted only if you inform the instructor by email in advance about which conference you will be attending and what the dates of the conference and your presentation are. Furthermore, you can be granted this leave for only one conference presentation. This rule is in effect because this is an intensive module whose sessions are condensed into a short period of time, and hence, frequent participation in conferences can result in your absence from a large part of the module.

CLASS SCHEDULES AND READINGS

(*indicates optional)

13-May: Normative Theories of Decentralization – Economics Perspectives

- Oates, W. (1972). An economic approach to federalism. In *Fiscal federalism* (pp. 3-20). Harcourt Brace Jovanovich, Inc.
 - Gruber, J. (2016). Public goods. In *Public finance and public policy* (pp. 191-217). New York: Worth Publisher.
 - * Tiebout, C. (1956). A pure theory of local expenditures. *Journal of Political Economy*, 64(5), 416-424.
- This session is preceded by the introduction to this module.*


14-May: Political Decentralization

- Bland, G. (2010). Elections and the development of local democracy. In E. Connerley, K. Eaton, & P. Smoke (Eds.), *Making decentralization work: democracy, development and security* (pp. 47-80). Boulder: Lynne Rienner Publishers.
- Desposato, S. & Scheiner, E. (2008). Governmental centralization and party affiliation: Legislator strategies in Brazil and Japan. *American Political Science Review*, 102(4), 509-524.
- Diprose, R. (2008). Passing on the challenges or prescribing better management of diversity? Decentralisation, power sharing and conflict dynamics in Central Sulawesi, Indonesia. *Conflict, Security & Development*, 8(4), 393-425.


HBS CASE: Women as Leaders: Lessons from Political Quotas in India.

Guiding questions:

1. What were the purposes of introducing gender quotas in Indian village councils (beyond simply increasing the number of female leaders)?
2. What worked or didn't work with gender quotas?
3. To what extent can the findings from political quotas in India apply elsewhere?
4. Would you promote gender representation in local councils in your country?

 21-May: Understanding Our Political Systems

In this session, we will discuss what you wrote for the first memo assignment and systematically compare and contrast our political systems. Be ready to discuss these questions: To what extent is your country's political system decentralized? How does it differ from the political systems of your classmates' countries?

 22-May: Caveats of Decentralization

- Prud'homme, R. (1995). The dangers of decentralization. *The World Bank Research Observer*, 10(2), 201-220.
- * Fan, C. S., Lin, C., & Treisman, D. (2009). Political decentralization and corruption: Evidence from around the world. *Journal of Public Economics*, 93(1), 14-34.
- * Gruber, J. (2016). State and local government expenditures. In *Public finance and public policy* (pp. 275-303). New York: Worth Publisher.

Class Discussion Material: World Bank (2005). Cambodia: Public Expenditure Tracking Survey (PETS) in Primary Education. http://www-wds.worldbank.org/servlet/WDSContentServer/IW3P/IB/2006/03/30/000012009_20060330143624/Rendered/PDF/349110KH0rev0P10ed0P08501501PUBLIC1.pdf

Guiding questions:

1. What were the challenges faced by Cambodia's education sector prior to PAP?
2. What was PAP2? How was it different from Chapter 11?
3. In what sense was PAP pro-poor?
4. What were the objectives of PETS, and what were the findings?

 27-May: Decentralization and Health

- Pollitt, C. (2016). Managerialism redux? *Financial Accountability & Management*, 32(4), 0267-4424. (This reading is not on health; however, the concept is related to what we will discuss in class.)
- Anell, A., Glengård, A. H., & Merkur, S. (2012). Sweden health system review: Health systems in transition. http://www.euro.who.int/_data/assets/pdf_file/0008/164096/e96455.pdf
This is a very long reading, so try to focus on addressing the following guiding questions as you read it: (i) What are the key aspects of governance in the health

sector in Sweden? and (ii) In what sense is the governance of the health sector consistent with New Public Management?

HBS CASE: HIV/AIDS in Brazil: Delivering Prevention in a Decentralized Health System

Guiding questions:


1. What was Brazil's model for preventing HIV?
2. How did the division of responsibilities across levels of government change over time?
3. Assess the role of civil society in promoting and implementing HIV/AIDS programs.
4. Assess the role of the World Bank in promoting and strengthening HIV/AIDS programs.
5. How was Brazil's epidemiological profile changing over time?
6. How effective was the political commitment to fighting HIV/AIDS at the local level?
7. What were the goals of decentralization in 2009?
8. What leverage did the National Department have to influence delivery at the local level?
9. What would you recommend that Brazil (or specific stakeholders) do to make the decentralized system work better?
10. To what extent is Brazil's case relevant to your country? What lessons are to be learned?

 28-May: Decentralization and Education

- Tan, J. (1993). Independent schools in Singapore: Implications for social and educational inequalities. *International Journal of Educational Development*, 13(3), 239-251.
- Mok, K. (2003). Decentralization and marketization of education in Singapore: A case study of the school excellence model. *Journal of Educational Administration*, 41(4), 348-366.
- * Aoki, N. (2015). Institutionalization of New Public Management: The case of Singapore's education system. *Public Management Review*, 17(4), 165-186.
- * Aoki, N. After all these years, what has happened to the international prevalence of NPM-inspired managerial practices? *International Journal of Public Sector Management*. Forthcoming.

CLASS DISCUSSION: Should Singapore Pursue Further Decentralization in Education?

You are encouraged to read Tan (1993) and Mok (2003) and to be ready to take a position on whether you think that Singapore should pursue further decentralization or centralization.

 3-June: Decentralization and Disaster Risk Reduction

- United Nations. (2010). *Local governments and disaster risk reduction: Good practices and lessons learned*.
http://www.unisdr.org/files/13627_LocalGovernmentsandDisasterRiskRedu.pdf
- * Aoki, N. (2017). Who would be willing to lend their public servants to disaster-impacted local governments? An empirical investigation into public attitudes in post-3.11 Japan. *International Journal of Disaster Risk Reduction*.

- * Aoki, N. (2018). Who would be willing to accept disaster debris in their backyard? Investigating the determinants of public attitudes in post-Fukushima Japan. *Risk Analysis*, 38(3), 535-547.

CASE: Managing Disaster Debris in Post-Fukushima Japan. (Case and questions to be presented in class.)

✚ 4-June: Community Planning and Participatory Governance

- Fung, A. (2006). Varieties of participation in complex governance. *Public Administration Review*, 66, 66-75.
- Vigoda, E. (2002). From responsiveness to collaboration: Governance, citizens, and the next generation of public administration. *Public Administration Review*, 62(5), 528-540.

CASE: Rebuilding a Tsunami-Ravaged Town in Japan (IVLE WorkBin); also read C. Tolan, "Disasters happen when we forget: The slow rebuilding of a tiny Japanese town destroyed by a tsunami." <https://projectearth.us/disasters-happen-when-we-forget-the-slow-rebuilding-of-1796423566>

Guiding questions:

- What do you think should be prioritized in the process of reconstruction and how would you design the governance of reconstruction planning?

✚ 10-June: Guest Lecture by Professor Benjamin Cashore

- Humphreys, D., Cashore, B., Visseren-Hamakers, I. J., De Jong, W., Mcginley, K., Denvir, A., Caro Torres, P., & Lupberger, S. (2017). Towards durable multistakeholder-generated solutions: The pilot application of a problem-oriented policy learning protocol to legality verification and community rights in Peru. *International Forestry Review*, 19(3), 278-293.
- Yona, L., Cashore, B., & Schmitz, O. J. (2019). Integrating policy and ecology systems to achieve path dependent climate solutions. *Environmental Science and Policy*, 98, 54-60.
- Lecture video: <https://www.youtube.com/watch?v=tgyxp9TXEjk>

✚ 11-June: Natural Resource Management and Decentralization

- Agrawal, A., & Ostrom, E. (2001). Collective action, property rights, and decentralization in resource use in India and Nepal. *Politics & Society*, 29(4), 485-514.
- Dietz, T., Ostrom, E., & Stern, P. (2003). The struggle to govern the commons. *American Association for the Advancement of Science*, 302(5652), 1907-1912.

HBS CASE: United States Agency for International Development (USAID): Campfire Program in Zimbabwe

Guiding questions:

1. What was the relationship between the village people and the elephants in Zimbabwe before CAMPFIRE?
2. How did CAMPFIRE change the governance of wildlife management?
3. What was the impact of CAMPFIRE on (i) the welfare of the village people and (ii) the relationship between the village people and the elephants in Zimbabwe?
4. How did USAID get involved in CAMPFIRE and what was the rationale for doing that?
5. Who are the stakeholders inside and outside of Zimbabwe and what are their views on CAMPFIRE?
6. Considering the controversy surrounding USAID's funding of CAMPFIRE, what do you think Zimbabwe should do with CAMPFIRE?

12-June: Innovation and Local Governance

- Rogers, E. (1983). Chapter 1: Elements of diffusion. In *Diffusion of innovations, 3d ed.* (pp. 1-37). New York: Free Press. Available [online](#).
- Schneider, M. & Teske, P. (1992). Towards a theory of the political entrepreneur: Evidence from local government. *The American Political Science Review*, 86(3), 737-747.

Based on the second memo assignment, you will be asked to briefly present the most innovative local government of your choice during this session. We will vote for the best ones.

17-June: Student Presentations on Reform Proposals

24-June: Empirical Research on Decentralization and Wrap-Ups

- Ebel, R. D., & Yilmaz, S. (2003). On the measurement and impact of fiscal decentralization. In J. Martinez-Vazquez & J. Aim (Eds.), *Public finance in developing and transitional countries: Essays in Honor of Richard Bird* (pp. 101-120). Edward Elgar. <https://openknowledge.worldbank.org/handle/10986/14821>
- Brancati, D. (2006). Decentralization: Fueling the fire or dampening the flames of ethnic conflict and secessionism? *International Organization*, 60, 651-685.
- Bossert, T. (1998). Analyzing the decentralization of health systems in developing countries: Decision space, innovation and performance. *Social Science & Medicine*, 47, 1513-1527.