

DEVOLVING POWER AFTER THE ARAB SPRING: DECENTRALIZATION AS A SOLUTION

March 2017 | **Intissar Kherigi**





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Decentralization As A
Solution

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Art design&Layout: Jawad Abazeed
Printed in Turkey

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Executive Summary

■ Arab states are among the most centralized in the world. A centralized political and economic model concentrates power in central government and capitals, driving massive rural-to-urban migration, widening inequalities between regions and undermining social cohesion and stability. A centralized development model relying on the central state for job creation is unable to keep up with the demands of a new generation of young people who are left without economic opportunities.

■ Local and regional authorities in the Arab world are often deprived of the power and starved of the resources and skilled personnel needed to meet the needs of local populations, creating more pressure on national institutions.

■ As a result, the Arab world is suffering from a crisis in state-society relations that has built up over decades. Grievances have built up against the concentration of all power in a small number of hands at the center, fueling poverty, exclusion, anger and extremism. The refusal to devolve power has led to de-facto devolution and fragmentation in many countries as competing groups and militias increasingly challenge the monopoly of the central state.

■ To achieve greater and more inclusive development that meets the needs of diverse groups in society, Arab states need to decentralize powers and resources to subnational levels and allow local authorities to take a greater role in local planning and management.

■ Decentralization is often dismissed in the region as a threat to the nation-state and to already fragile systems of government.

However, a growing body of evidence suggests that decentralization strengthens the state by making it more “supple” and able to respond to and withstand shocks. States that impose unity through coercion and fear are more likely to fall apart as soon as the central state shows signs of weakening than states that accommodate demands for regional diversity and autonomy.

■ Decentralization can help spur development by mobilizing local resources and investment and designing development policies geared towards the needs and priorities of each region or locality.

■ Decentralizing powers to local authorities can help address the gap between the citizen and the state by fulfilling some of the demands for greater self-government and allowing local communities to take decisions on some of the issues that affect their lives.

■ Even in authoritarian contexts where there are no free local elections, decentralization is a potential conduit to greater public participation, for example through participatory local development planning processes. Pushing for more powers for local authorities can open up limited space for citizens to mobilize and achieve “small wins” where politics at central government level is completely closed to public participation.



Introduction

The centralized Arab state is under unprecedented pressure. Throughout the region, demands for self-governance are being heard – whether these are demands by urban young protesters for a decent quality of life or civil and political rights, or by marginalized regions for development and greater autonomy. Across the Arab world, there is a feeling that the governance model in the region must change and that more inclusive governance is desperately needed to address the needs and realities of a vast swathe of excluded and marginalized social groups.

Calls for the devolution of power can be heard across the region. As Michel Foucault once wrote, “Power is tolerable only on condition that it masks a substantial part of itself. Its success is proportional to an ability to hide its own mechanisms.” It seems that Arab regimes and political elites are increasingly dispensing with even the pretense of consent and exercising naked power, relying solely on methods of coercion and an ever-smaller social base to defend their monopoly on power.

The Arab Spring was partially a desperate cry for help by marginalized groups and regions against highly centralized political and economic systems in which all power is concentrated in a few hands at the center.

This failure by political elites to devolve power and make concessions to competing social groups is weakening the central state rather than strengthening it. As we see in Iraq, for example, the state’s sectarian policies, which exclude vast swathes of the population, and Sunnis in particular, have led to an increasing reliance on Shiite factions and militias, weakening state institutions and driving grievances among Sunni communities, and contributing to the rise of ISIS. By ignoring

local grievances, the central Iraqi state has contributed to its own fragmentation.

This paper argues that to address the deep malaise in the Arab world, power must be devolved outwards from the center. The Arab Spring was partially a desperate cry for help by marginalized groups and regions against highly centralized political and economic systems in which all power is concentrated in a few hands at the center. It is no coincidence that the wave of protests was ignited by an incident in an impoverished, out-of-the-way rural region of Tunisia rather than a capital city. The grievances of the first Tunisian protesters were deeply linked to the wretched geography of their lives – young people born on the margins, growing up and struggling to find work in marginalized rural regions disconnected from the center, with little infrastructure, poor public services and with a deep sense of being abandoned by the central state.

Thus, local demands and regional grievances are critical to understanding the Arab Spring. A focus on the national level as the central unit of analysis and on centers such as Tahrir Square and Taghyeer Square causes us to overlook the margins in which grievances have slowly built up over decades due to regional inequalities. These tensions between the center and “the margins” is a theme that stretches across Arab Spring countries – whether in Libya, where the eastern region has long complained of marginalization, or in Yemen, where the Hirak or Southern Separatist Movement has gained strength during the current conflict.

It is time to rethink the obsession with the central state and shift our attention to the local level – this goes for both governments and opposition actors. Arab political life has become restricted to the salons and meeting rooms of capitals, with opposition parties often having little reach outside major



cities. The revolutions in many countries mobilized large numbers precisely because they went beyond the usual political actors and mobilized ordinary people across their countries. Decentralization must become a motto for Arab opposition movements too, not just regimes. Focusing on the local level would enable opposition movements to build stronger bases and, where they can get elected into local government, give them valuable experience of governing on a small scale before attempting to govern on a national level.

The decentralization of power down to regional and local levels should be one of the key demands of revolutionaries across the Arab world

The decentralization of power down to regional and local levels should be one of the key demands of revolutionaries across the Arab world. Decentralization can promote power-sharing by devolving powers, responsibilities and resources and creating new fora for political competition. Particularly in countries where a “winner takes all” style of governance has long been imposed, introducing decentralized governance helps create new prizes for which political actors can compete at local and regional levels, reducing the costs and risks associated with losing power at the central level.

In fact, a shift from the national to local level has begun to take place in the Arab world over the past decade. Decentralization reforms are perhaps most advanced in Morocco, where citizens directly elected their local and regional representatives for the first time in 2015. Local elections have been taking place in Lebanon since 1998, while Jordan introduced them in 2007. Iraqis and Yemenis also elected their governors and regional councils for the first time in 2009 and 2008 respectively. Saudi Arabians have been electing part of

their municipal councils since 2005, and in 2015 women were able to vote for the first time. Palestinian municipalities have existed since the second half of the 19th century and play a critical role in providing services to citizens in the context of occupation and territorial fragmentation.

Local authorities are often at the forefront of conflicts and demands. As the physically closest state institution to citizens, they are the first to face popular demands and protests and the first to bear the brunt of conflict and the collapse of public services, as we have seen in Libya and Syria. New challenges for local authorities have given rise to innovation across the region. In post-revolution Tunisia, local authorities have taken the initiative to involve local residents in development planning and introduce new mechanisms for participatory democracy. In war-torn Syria, the “sovereignty gap” created by the displacement of the regime in opposition-held areas has seen the rise of local councils and coordination committees alongside new actors – armed factions, political parties, clans, religious authorities, citizens’ groups and youth networks – providing local services and gaining local trust and support (Khalaf 2015).

Tunisia is going further than any Arab country in decentralizing power. Not only has power been devolved across the three branches of government at the national level, but the new constitution adopted in 2014 also shifts power from the central state down to regional and local authorities

Tunisia is going further than any Arab country in decentralizing power. Not only has power been devolved across the three branches of government at the national level, but the new constitution adopted in 2014 also shifts power from the central state down to regional and local authorities. This paper examines this



revolutionary step to fundamental reshape the structures of decision-making. It argues that decentralization could be a solution to the profound governance problems facing Arab states, enhancing stability by bolstering the legitimacy of the state and opening up political space for excluded groups and minorities. Rather than weakening Arab states, decentralization could actually make them stronger, more flexible and more able to respond to changes.

This paper draws on interviews conducted by the author with actors involved in the decentralization process in Tunisia, including government officials (at both national and subnational levels), parliamentarians, former officials, researchers in state research institutes, academic experts, representatives of international organizations who provide support or input into the decentralization process, and representatives of professional and civil society groups.

What is Decentralization?

Decentralization is the process of moving government closer to the people by transferring powers and responsibilities to subnational levels of government. There are various components of decentralization – political decentralization involves transferring decision-making power down to the local level, usually to elected officials; administrative decentralization is the transfer of power and responsibility for providing public services to local government; and fiscal decentralization is the transfer of power to raise revenues to local government. Decentralization is based on the principle of subsidiarity - that the lowest level of government that is closest to people should perform government functions, as long as it is capable of doing so effectively.

Decentralization has become a buzzword in recent decades, as the majority of countries around the world have attempted some

form of decentralization of power (Manor 1999). Around 95 per cent of democracies around the world have elected subnational governments (World Development Report 1999/2000). It is seen to bring two main benefits – driving development improving public services by adapting policies to local needs, and improving governance by strengthening participation in managing local affairs and bringing decision-making closer to citizens. It works on the premise that strengthening local control over public spending and institutions helps improve local services and reduce corruption by promoting greater accountability, transparency and dialogue between state institutions and citizens. The further away decision-making is and the more administrative layers there are between citizens and their representatives or officials, the less accountability citizens can exercise (the principal-agent problem). Moreover, decentralization is seen as a way of improving the representation of minority groups.

Nonetheless, countries may decentralize for reasons other than to improve governance – for example, Chile’s former president Pinochet introduced fiscal decentralization in order to shift financial spending from the national to the local level to reduce the national fiscal deficit, while restricting local elections to prevent the true empowerment of local officials (O’Neill, 218). Another incentive for decentralizing is pressure from international donors, which can lead to central governments adopting reforms that pay “lip service” to decentralization but which do not effectively transfer powers to the local level.



Why Decentralize?

Decentralization can bring a number of benefits, which can be divided into two main categories:

a) Promoting Development

The main argument for decentralization is that it can promote greater local development by producing policies that are better matched to local needs. Research shows that decentralization can enhance human development (Habibi et al. 2003), improve basic social services and infrastructure and generate more local resources by tapping into local sources of income (Klugman 1994). Locally elected leaders and governments tend to know their local constituents and their preferences and priorities better than national governments hundreds of kilometers away. By giving local governments more powers to shape local policies and manage local services such as public transport, primary health care, education and housing, all of these can be adapted to local needs and priorities, and decisions can be taken faster than if central government approval is required for every decision. Recent studies also show that local officials and communities are better able to identify and reach the poor than central government, making social assistance programs more effective (Alderman 2002, Gadenne and Singhal 2014).

b) Promoting Better Governance

Greater Access to Decision-Making

Most citizens do not have access to their national parliament or ministries in the capital. But they can access their municipal office or town hall. By shifting decision-making down to the local level, decentralization makes it more accessible to citizens and creates more points of access for the public to get involved in decisions that shape their lives. Tunisia provides an example – each municipality has a local development plan (Plan d'Investissement Communal or "PIC"), which sets programs and budgets

for local investment for the coming year, such as infrastructure, urban planning, local economic projects, and cultural and associative activities.

Historically, municipalities have had very little decision-making power over the PICs. It is a department of the Ministry of Interior that drafts and approves them and monitors their implementation. Now, under the new decentralization framework, it will be municipal councils who have primary responsibility for drafting the PICs, and they will be required to involve local communities when preparing the plan. This means that local residents, who know the needs and priorities of their own areas, can participate directly in deciding what local projects should be carried out and how their local budget will be spent. Theoretically, this proximity to decision-making also means that citizens will become better informed about the decisions at stake and more able to hold officials accountable. By becoming closer and more visible to citizens through local governments, the state can thus gain greater legitimacy in the eyes of citizens (Faguet 2012).

Recognition of Diversity and Prevention of Conflict

By giving groups concentrated in certain regions or localities recognition and the power to make decisions about certain issues that affect their lives, decentralization can help reduce tensions and prevent conflict (Lijphart 1996, Schou and Haug 2005). Several studies indicate that "relatively higher levels of sub national expenditure and employment as well as authentic politics decentralization are linked to a lower probability of ethnic conflict" (Siegle and O'Mahony 2006). By distributing power and creating different channels through which various social and minority groups can defend their interests, decentralization can reduce conflict.



Preventing the Concentration of Power

Decentralization can help prevent the concentration of power in the hands of one group, party or individual by creating many arenas of political contestation. Many South American countries, for example, introduced decentralization after periods of authoritarianism to avoid a repetition of the excesses of powerful central rulers (De la Cruz 2004). Decentralization transforms the political process from being “national, top-down, and subject to oligopolization by a socio-economic elite based in a few powerful cities, to a meta-arena embracing many specific, local arenas” (Faguet et al 2015a, 11).

Renewing the Political Elite

Decentralization can also help renew the political elite by creating new arenas for the emergence of leaders – something the Arab world is in great need of after decades of political atrophy. Local politics also gives new actors the chance to gain valuable experience through the process of political learning. The Arab Spring revealed just how little actual political experience many opposition parties have in the Arab world. In the absence of an open, competitive political arena, opposition parties have little experience of governance, coalition-building or power-sharing with political rivals. Being able to do this at the local level, where the stakes are lower than at the top of government, gives political leaders valuable space to accumulate governance experience, while allowing the public to test out different parties and develop more informed political preferences based on performance.

The Centralized Arab State

Arab states are the most centralized of any in the world (Harb and Atallah 2014). Local governments in the Arab world have an average share of only 5 percent of national spending, compared to 35 percent in OECD countries (CGLU 2010). This was not always the case. Prior to colonization, many local

communities in various parts of the Arab world managed their own affairs within a decentralized set of structures, relying on the central state for very minimal functions (Harb and Atallah 2014). Under colonialism, the central state became more dominant as colonial authorities sought to exploit economic resources often located in areas far from the capital, bringing these areas further under the state’s control and contributing to the centralization of power (Oxhorn et al. 2004).

On gaining their independence, many states in the developing world massively expanded the central state as part of a drive to build strong modern institutions and achieve economic and social development, putting in place national education, health and other social services, industrialization policies, and large central bureaucracies to manage these programs. This state-building phase further consolidated power in the hands of central elites and strengthened centralization.

However, by the 1980s many developing states had begun to decentralize powers to local and regional government. Africa, Asia and Latin America all saw massive waves of decentralization in response to internal and external pressures. The economic decline of the 1970s in particular created economic and governance crises that hit many countries in these regions, putting single-party, centralized regimes into question and undermining their legitimacy. This led to a search for new governance approaches and a move towards decentralization (Ndegwa 2004). Other countries adopted decentralization reforms following democratization processes which created momentum for dispersing power, as was the case in Brazil and Argentina (Eaton 2004).

Most Arab countries, however, have been able to resist the pressures to democratize and decentralize through a combination of



distributive and repressive policies. Not only are most Arab states still highly centralized, but the central state also continues to dominate every aspect of citizens' lives. The state and access to it are the key determinants of wealth, in terms of access to "rents" and influence over state bureaucracies and access to jobs, contracts and permits for a vast swathe of economic activity. The state is also the main employer. In Syria, for example, approximately half of the population lived off fixed government incomes prior to the start of the revolution (Abu-Ismaïl & El Laithy, 2005). This role as the key instrument of resource distribution makes the central state in the Arab world even more resistant to the devolution of power.

Local governments in most Arab countries have few powers and very limited resources and revenues. They have few taxation powers of their own (apart from Palestine), and transfers of funds from the center are often conditional on political allegiance (Harb and Atallah 2014). In some countries, local authorities do not use the powers of taxation they have to the full, exempting local taxpayers from paying in order to gain political loyalty. According to Harb and Atallah, "In Jordan, up to 40 percent of municipal revenues were not collected in 2003. Jordanian mayors seemed to prefer negotiating grant transfers from the central state rather than antagonizing their immediate constituency. In Morocco, too, fear of losing their electoral base, clientelism, and mistrust of public finance, make mayors reluctant to collect taxes. Similarly in Yemen, local councils did not want to upset the popular base they needed to appease." (Harb and Atallah 2015, 233).

Local governments also suffer from insufficient human resources and a lack of skilled personnel. Many regimes have used recruitment into local authorities as a safety valve for reducing unemployment and relieving political tensions – for example,

the Moroccan Interior Ministry recruited enormous numbers of young people into local administrations in the 1990s in response to the outbreak of protests in several cities. As a result of this mass recruitment policy, urban communes spend 43 percent of their budgets on paying salaries while in rural communes this figure rises to 55 percent. Despite this, there remains a shortage of skilled personnel as only 19.54 percent are skilled ("des cadres moyens") (Bouabid and Iraki, 2015).

The table below presents a brief overview of local governance in a number of Arab countries:

Country	Political System – Relations between Central and Local Government
Algeria	Highly centralized with little local autonomy. Local authorities consist of the "wilaya" (province) and the "commune" (municipality). The "wali" (provincial governor) is appointed by the President of the Republic. An elected municipal assembly represents each town, headed by an elected mayor. Elections are tightly controlled by ruling party.
Egypt	Highly centralized. Each region is headed by a governor and an executive committee appointed by the President of the Republic. Municipalities are controlled by an executive committee appointed by central government. 95 percent of committee members are from the ruling National Democratic Party. There are elected people's councils at regional and district levels, but they have little power compared with the executive committees.

Jordan	<p>Mixed - decentralization process launched in 1988 and re-launched by the King in 2005.</p> <p>Governorates headed by governors appointed by central government. Municipalities headed by elected councils. They are officially financially and administratively independent but can be dissolved by the government at any time. They have broad areas of responsibility in law but in reality control very few of these due to lack of capacity.</p> <p>“Strong centralization and direct interventionism by the King prevents opportunities for maneuvering autonomously at the local level.” (Harb and Atallah 2015, 8).</p>
Kuwait	<p>Mixed - highly centralized government and regional governors appointed by decree but elected municipal councils control a number of public services including roads, urban planning, sanitation and housing.</p>
Lebanon	<p>Has a tradition of local governance but the civil war resulted in centralization and municipalities losing many of their powers. Decentralization reforms introduced in 1990s – local elections re-introduced in 1998.</p> <p>Municipalities have broad powers under law, such as provision of health services, infrastructure development, etc. However, they suffer from a lack of resources and capacity. Municipal revenue as a percentage of total government revenue was under 9 percent in 2008 (Harb and Atallah 2014).</p>

Morocco	<p>Mixed - decentralization reforms introduced starting in 2002, with a policy of “advanced regionalization”. The new constitution officially devolves power to regional and municipal authorities. Each region has a governor answerable to central government as well as a regional council.</p> <p>Communes have significant powers, especially in urban areas, over public services such as water provision, electricity and transport. However, communes have to obtain the prior approval of governors and the Interior Ministry for many decisions. Local spending as a percentage of total national spending was 14.25 percent in 2009, relatively high for the Arab region (Bouabid and Iraki 2015).</p>
Saudi Arabia	<p>Highly centralized.</p> <p>13 regions, each has a governor answerable to the Minister of the Interior. Provincial councils have very limited role in assessing the development needs of their province.</p>
Sudan	<p>Federal state since 1991.</p> <p>Three tiers of government (federal government, states and local communities). Each state has its own governor, legislature and executive administration. The governor is elected by the legislative council from a list of four nominees proposed by the president in consultation with local leaders. The mahalliyya (locality) has an elected legislative council, which elects an executive body. All infrastructure and social services have been decentralized to state governments, including aspects of education provision.</p>



Syria	<p>Highly centralized. 14 provinces headed by governors appointed by the Interior Ministry. Local People's Councils are supposed to be elected but dominated by ruling party. Officials in huge central administration dominate decision-making. Local staff have low levels of expertise and training.</p>
Tunisia	<p>Highly centralized. Regional governors appointed by central government. Elected municipal councils are created and can be dissolved by the central state. Prior to the 2011 revolution, they were strictly controlled by the ruling party. No local government structures in rural areas. Local authorities suffer from very low revenues and resources – local council spending was around 3.7 percent of the national budget in 2011 (Turki and Verdeil 2015).</p>
Yemen	<p>Historically decentralized; local tribes dominate national politics. Decentralization law issued in 1991 and reinforced in 1994 constitution and 2000 law on local governance, which gives local councils broad powers over investment and development. Local elections are held and are “for the most part left free” (Hallaj 2015). Each governorate has a governor and an elected council. Governors have been locally elected since 2008 and have significant powers. However, ruling party candidates won all but one governorate.</p>

Decentralization Reforms in the Arab World – A Record of Subversion and Diversion

Throughout the wave of decentralization that swept the developing world in the 1990s, many Arab countries also introduced decentralization reforms with the support of international institutions such as the United Nations and the World Bank. However, these so-called “reforms” were designed to disturb the political status quo as little as possible while allowing regimes to create the impression of reform and change, and thus diverting attention from problems of governance.

A number of studies have shown that many decentralization reforms in Arab countries make a show of transferring powers to local authorities through new laws while in fact severely limiting and undermining their powers. As a recent report by the Lebanese Center for Policy Studies found, many Arab regimes are paying lip service to decentralization, “adopting decentralization policies while simultaneously finding ways to circumvent their full implementation”, and making sure to deny local authorities the fiscal or administrative powers that would allow them to exercise real independent decision-making powers (Harb and Atallah 2015, 230).

In fact, many regimes are subverting decentralization reforms by usurping international funds for decentralization to consolidate their own power, reward local leaders allied to them and further disempower local authorities. The Lebanese Center for Policy Studies report shows how the Lebanese Interior Ministry, for example, uses international funds for decentralization programs to fund its own internal training and services. Sylvia Bergh’s research on Morocco’s National Initiative for Human Development, a program funded by international donors such as the World Bank and the European Union



and aimed at promoting development in the poorest regions through local participatory mechanisms, shows how the program further expanded the power of Interior Ministry representatives and strengthened clientelism (Bergh 2012). Myriam Ababsa's research shows how decentralization programs in Jordan had the effect of strengthening tribal leaders close to the ruling family and weakening local governments (Ababsa 2015).

The Arab Spring uprisings galvanized the debate on the devolution of power across the Arab world, but the actual impact of the protests differed from country to country. These responses can be divided into three categories. In the first category are those states that further centralized power using the "authoritarian upgrading" option, to use Steven Heydemann's term – further narrowing space for political contestation, restricting freedoms, cracking down on civil society, trying to reduce social unrest by ramping up public spending and benefits, and developing new sophisticated strategies for controlling communications and media (Heydemann 2007).

This was the response of most Arab monarchies – within a month of the fall of Mubarak, Saudi Arabia's King Abdullah had announced an additional \$130 billion in social spending, an increase in the minimum public-sector wage and an extra 60,000 jobs in the Interior Ministry, while cracking down on opposition. Qatar raised public sector wages by between 60 percent and 120 percent, at a cost of \$2.75 billion. The UAE announced a \$2 billion housing loans program for citizens, cracked down severely on critics and is reportedly investing heavily in mass surveillance technology (Human Rights Watch 2016). In the face of increased social and political pressures, these regimes are choosing to bolster the central state and resist all attempts at opening up or decentralizing decision-making.

The second category consists of conflict-stricken states, namely Libya, Syria and Yemen. In these states, the weakening of the central state has led to fragmentation, the loss of control over some regions and the resurgence of regional and/or ethnic demands for power sharing. In Libya, old divides between East and West and calls for more regional autonomy have resurfaced. Yemen, an already-fragmented state, has seen further fragmentation, as regional-based actors such as the Houthis and the Hirak have been able to expand territorially. In Syria, new regional actors such as the PYD are making a push to establish their own autonomously administered areas. These states are witnessing a de facto uncontrolled form of decentralization, as far-flung regions escape from the grasp of the central state and begin to make political claims to governance.

The final category consists of states that took the "democratization/decentralization" option, introducing some elements of decentralization of decision-making along with moves towards local elections – namely Tunisia, Morocco and, to a degree, Lebanon and Jordan. Tunisia has introduced a decentralized governance model in its new constitution while Morocco recently allowed citizens to vote directly for their local and regional representatives for the first time. Lebanon, meanwhile, is discussing a new draft law on decentralization, as is Jordan, whose government says it is designed to give the public a greater role in decision-making and enable them to elect their own regional councils. In these states, the central state has been obliged to introduce incremental reforms as a way of defusing political and social tensions by moving towards greater devolution of power and decentralization.



Decentralization As a Means to Eroding Authoritarianism

The biggest obstacle to decentralization in the Arab world is undoubtedly the authoritarian model of government prevalent in most regimes. Authoritarian regimes have every reason not to decentralize, since this would create alternative, competing centers of power. Undemocratic Arab regimes sustain their power at the local level either by appointing local leaders directly from the center or by co-opting local elites through the selective distribution of resources.

But is it impossible to introduce decentralization in an authoritarian context? Studies show that there is a link between fiscal decentralization and democracy – those countries where subnational governments have a greater share of national expenditure tend to be democracies rather than autocracies. According to Pierre Landry, analyzing the percentage of revenue controlled by subnational governments against regime type shows that “authoritarian regimes are eleven percentage points less decentralized than democracies...” (Landry 2008, 9).

However, decentralized authoritarian regimes do exist. Landry identifies 11 authoritarian regimes in which the level of subnational expenditure exceeds 30 percent. China is one example – local authority spending is around 70 percent of total government expenditure in China and local governments control a large number of policy areas. Decentralization scholar Tulia Falletti has written extensively on decentralization reforms in South America, often initiated under military rule. She says that Argentina’s military junta, for example, introduced decentralization through decrees, transferring responsibility for pre-school and primary education provision to provincial authorities without transferring any resources. The move was aimed at reducing the national deficit as

part of neoliberal reforms under the slogan “to shrink the State is to enlarge the Nation.” While this abrupt decentralization under dictatorship did not immediately result in greater local autonomy, it did create a taste for greater decentralization and contributed to democratization in the long term.

Decentralization may be a way of introducing gradual change towards democratization by slowly eroding the central government’s monopoly on power

Thus, decentralization may be a way of introducing gradual change towards democratization by slowly eroding the central government’s monopoly on power. As Landry shows, decentralization directly “corrodes authoritarianism by creating loci of power that can gradually develop into a source of political opposition” and indirectly by stimulating economic development, which in turn weakens authoritarianism (Landry 2008, 10). Mona Harb’s work on decentralization in the Arab world also shows how decentralization policies can “open up avenues for improved service delivery and urban management, and for social and political change, albeit timid and contained” (Harb and Atallah 2014).

Even in authoritarian contexts, devolving powers to local authorities can create more space for engaging the public in decision-making and empowering local communities through the establishment of neighborhood committees and other participatory local planning processes. Decentralization could thus be one entry point for improved governance and democratic change in the Arab world, even in contexts in which organized political work through parties is not possible or where opposition parties have lost their appeal for young people.

Furthermore, Arab regimes increasingly face



economic pressures and constraints, and may be persuaded to view decentralization as an appealing option for reducing the national deficit and shifting the burden of service provision, as well as being seen to reform in response to popular demands for change. Such decentralization reforms, however small, could open the way towards greater devolution of power in the long term by empowering other centres of power, creating new arenas for political contestation by opposition actors and new opportunities for political learning.

Arab regimes increasingly face economic pressures and constraints, and may be persuaded to view decentralization as an appealing option for reducing the national deficit and shifting the burden of service provision, as well as being seen to reform in response to popular demands for change

Could Decentralization Work in the Arab World?

Every discussion on change in the Arab world raises the threat of instability, chaos, and the unraveling of the political order put in place by colonial powers along the lines of the Sykes-Picot agreement. Indeed, the wave of protests that took place across the region in 2011 seems to have opened up a Pandora’s box, unleashing huge state repression and devastation with colossal human, social, and economic costs.

Even among those who strongly support the Arab Spring, there is a real fear that rising ethnic and regional tensions will see countries disintegrate into smaller chunks of territory that will be even more ungovernable and unstable. Proposals to divide Syria up into areas governed by Assad and the Syrian opposition and the rise of Kurdish separatist forces taking advantage of the conflict to push for autonomy have dismayed many who supported calls for democratization.

The legacy of Sykes-Picot and, more recently, the war on Iraq, has further heightened suspicions that foreign powers are using ethnic and regional divides to stoke tensions and undermine national cohesion.

The problem is that, in this fraught context, any call for decentralization is taken to be a seditious challenge to national unity and territorial integrity. There is no reason why decentralization must mean political disintegration. Even the most far-reaching form of decentralization – federalism - does not necessarily mean autonomy for specific regions. In India, the world’s largest federal state, central government continues to exercise significant powers over subnational governments.

Neither does decentralization necessarily have to lead to the disintegration of the nation-state – in fact, it can have the very opposite impact. If certain regions or groups are excluded from any share of political power in a system, they are less likely to see that system as legitimate. On the other hand, giving regions and municipalities a greater share of decision-making and the chance to choose their own representatives at the local level creates a broader political space and is more likely to give citizens greater confidence in the system. Rather than ripping the country apart, decentralization can help hold it together by giving each region, group and citizen a stake in the system.

In fact, decentralization has often been introduced as a solution in divided countries to help maintain political stability. Recent research shows that decentralization can strengthen the central state, its authority over people and territory, and its political legitimacy, transforming it from “a simpler, more brittle command structure to one based on overlapping authority and complex complementarity, where government is more robust to failure in any of its parts” (Faguet



et al. 2015b, Brancati 2009). The experiences of developing countries such as South Africa and Uganda are illustrative. Countries that hold themselves together through force and coercion are more likely to disintegrate as soon as the strong central government is weakened, whereas countries that respond to demands for power-sharing by granting a degree of autonomy are more likely to hold together.

Designing Decentralization To Make It Work

Decentralization, like any reform, undoubtedly comes with risks. There is the danger that decentralization could lead to local elite capture, strengthening autocratic local leaders and enabling them to create their own fiefdoms. Shifting powers and resources down to the local level without the accompanying accountability mechanisms can also fuel corruption. Decentralization can lower the quality of services where local government does not have the resources or skills to manage them as well as central government. There is also the risk that giving regions and localities greater powers can widen the gap between them, as richer regions will have more resources and revenues.

However, certain safeguards can be put in place to manage these risks. The impact of decentralization depends on how it is designed. While most decentralization occurs during periods of upheaval, it is essential to design reforms carefully and introduce them in the right order. Decentralization should be based on clear rules for the division of powers and resources in a way that makes it in the interests of national and local elites to cooperate. Like in any stable system of rules, all parties must believe that they have more to gain by following the rules than by breaking them, creating more incentives to cooperate.

The experiences of decentralization show that sequencing is critical – clear fiscal rules should be put in place before devolving political powers to local government. Russia provides an example of the dangers of not doing so – after the collapse of the Soviet Union, political liberalization took place while the USSR's fiscal structure was still in place, under which subnational governments collected tax for both the regions and the central government. When regional governments gained autonomy, they began to refuse to transfer taxes to the central government, creating a fiscal crisis. This shows the importance of putting clear rules in place for the division of powers and responsibilities before devolving power.

Below are some methods for designing decentralization so as to maximize its positive effects and minimize its risks:

Maintaining National Cohesion:

It is clear that certain policy areas must always remain under central government control, such as national security and the use of force. Very few countries ever decentralize decision-making in these areas.

To avoid strengthening divisions based on ethnic or religious belonging, power should be decentralized to the local level in a way so that no local unit is specifically associated with a particular ethnic or religious group – for example, by splitting up a region with a particular ethnic concentration into several local units, or by drawing up mixed local units.

Limiting Corruption:

Local authorities, like other public institutions, should be subject to oversight by national government as regards the legality of their actions and held accountable by national courts. A posteriori oversight of local authorities is critical, while other methods for local accountability – citizens'



watchdogs, civil society organizations, etc. – are also important.

Designing and implementing electoral laws that promote open political competition, including strong electoral finance laws, is also important for providing a level playing field.

Maintaining the Quality of Public Services: Responsibilities must be clearly defined and allocated to minimize coordination problems. Local government must also have resources commensurate with their responsibilities and must be given the necessary human resources – this can be through transferring staff from central government and providing technical support during the decentralization process. Central government should retain a monitoring role over services.

Limiting Regional Inequalities:

Most decentralized fiscal systems provide for equalization grants. For example, in Canada and Germany, central government grants ensure that each region receives a minimum level of per capita expenditure for essential services.

Promoting Accountability:

Directly elected mayors are more likely to initiate municipal reforms and challenge the status quo than appointed mayors (World Development Report 1999/2000). At the same time, it is important to have strong local councils or legislatures to avoid a concentration of power in executive hands. Local government should be given incentives to involve local residents and civil society in decision-making to promote accountability, such as through participatory budgeting.

PART TWO: TUNISIA – A REVOLUTION OF THE REGIONS

Tunisia’s Long History of Regional Inequality

The Tunisian revolution of 2010-11 began in Sidi Bouzid, a marginalized and impoverished interior region. Protests were first sparked by an altercation between a vegetable seller, Mohamed Bouazizi, and a local government agent (a municipal police officer), prompting Bouazizi to set himself on fire outside the regional governor’s office. The final protest before Ben Ali fled was held in front of the Interior Ministry, the ministry in charge of all territorial and local affairs and which had long used local authorities as its eyes and ears to monitor and discipline citizens.

Regional inequalities were at the heart of the Tunisian Revolution. The eruption of Tunisia’s forgotten hinterlands in December 2010 revealed an issue long suppressed under dictatorship - the depth of the inequalities between different regions and the domination of Tunisia’s center over its impoverished peripheries. It was not the first time that the interior regions had witnessed an outpouring of discontent. Successive uprisings in Tunisia’s modern history have originated in these regions, from the 1864-7 revolt against the Bey (the ruler) to the 2008 protests in the Gafsa mining basin and the 2009 protests in Ben Guerdane in the South-East. After Sidi Bouzid, the 2010 protests first spread to other rural interior regions before later moving to coastal areas and the capital Tunis (Allal et al. 2013).

This “socio-territorial cleavage” is the product of decades of imbalanced socio-economic policies. The last investment budget of 2010-11 under the former regime dedicated only 18 percent of funds to interior regions as opposed to 82 percent to coastal areas. Interior regions suffered from a flagrant lack



of infrastructure – 99.9 percent of homes in the capital Tunis are supplied with drinking water compared with just 62 percent in the centre-west Kasserine region and 50 percent in Sidi Bouzid. While residents of Tunis share one doctor between 468 people, this rises to 2,149 people in the Centre West region, according to the 2014 national census.

The reasons for this cleavage are multiple and complex. They can be traced back to colonial economic policies that favored coastal areas over interior regions, deepening and systematically entrenching regional inequalities. Beatrice Hibou links this to the “geographical dynamic of capitalism”, which sought to develop high-value agricultural production in coastal areas (Hibou 2015). The interior regions served merely as sites for the extraction of raw goods, which colonial authorities transported to coastal areas to be transformed into more valuable products for export to foreign markets.

These asymmetrical economic policies were compounded after independence by import substitution industrialization policies that aimed at building national industry. While public investment and bank financing were ploughed into industry (again mainly located along the coast), the agricultural sector, on which many interior regions rely, only received between 7 and 9 percent of bank loans throughout the 1970s and its share of public investment dropped from 20 percent in the 1970s to 10 percent by the end of the 1980s (Ben Hammouda 2012). These policies coincided with the EU’s introduction of the CAP in 1962 and the single market, which greatly affected Tunisia and other North African countries, making it more difficult to export food products to the EU. The decline of the agricultural sector led to an explosion of rural poverty and mass migration towards cities in search of employment, further emptying interior regions of their working population.

A crucial factor in Tunisia’s regional imbalance is undoubtedly the political alliance between Tunisia’s rulers and its coastal elite. Tunisia’s first president, Habib Bourguiba, and his Neo-Destour party drew their constituency largely from a combination of the rural elite on the Sahel (coast), state employees and industrial workers. Private landowners on the coast were particularly influential in the ruling party, benefiting most from the sale of confiscated and nationalized former awqaf (foundation) land and from privileged access to public and private credit throughout the 1960s, and they were later the key beneficiaries of economic liberalization policies in the 1970s (Anderson 1986). This “incestuous relationship between the political and the economic” resulted in asymmetrical economic and budgetary policies that grossly favored coastal regions over interior regions (Hammouda 2012).

Local Governments and Innovation Post-2011

On the eve of the Revolution, Tunisia was composed of 24 regions (wilayat), 264 municipalities (baladiyyat) and 2,073 sectors (‘imadat), all of which were tightly controlled by central state authorities. The role of local authorities was largely to be the “eyes and ears” of the central state and the ruling RCD party. Their function was to maintain and consolidate a highly centralized system that largely distrusted the local and placed severe “constraints on spaces of autonomy imposed by the construction of national unity.” (Ben Ltaief 2008).

After the revolution, local governments found themselves facing an outpouring of public anger, disputes, and political, social and economic demands. Municipal councils completely lacked legitimacy and were dissolved by central government in early 2011. Temporary “délégations spéciales” took their place pending local elections, which have still yet to take place. These “délégations spéciales” were composed of a mixture of



local representatives of political parties, trade unions and civil society. This novel formula and the newfound freedom in the country provided an unprecedented opportunity for local councils to experiment and engage citizens using new participatory methods.

The summaries below provide a snapshot of some of the participatory experiments launched at a local level over the past six years:

Sayada: An Experiment in Open Government

Sayada, a small little-known fishing town in Tunisia, made national and international headlines by becoming the first Tunisian municipality to put all its official documents online – from meeting minutes to budgets and project contracts. The municipality set up a free open-access intranet network accessible throughout the town on which residents could consult the municipality website and give their views on local projects and issues.

The town’s mayor, Lotfi Farhane, a university mathematics professor, explained that the initiative came about in response to the financial difficulties the municipality faced after the revolution. To gain local residents’ trust and convince them of the need to pay their taxes, the municipal council put all documents online to show that its accounts were empty. They also opened up municipal council meetings to the public and allowed them to question the council and mayor although this goes against internal regulations which pre-date the revolution.

Mini-Mahdia

The Mini-Mahdia concept was developed in partnership between the National Federation of Tunisian Towns (Fédération Nationale des Villes Tunisiennes), the German Cooperation (GIZ) and “Mini-Beule”, a children’s simulation town in Bonn, Germany. The mayor and councilors are elected following an electoral

campaign. An electoral monitoring body is elected to organize the local elections. The “city” has an administrative office, responsible for distributing official documents, city maps, medical cards, etc.

Youth facilitators are trained in key concepts of participatory democracy and then train children in a residential program over five days. The children are divided into four working committees: the administrative institutions, service providers, businesses and leisure activities.

Participants from the business group choose a profession and carry out work in return for a salary. They pay taxes and deposit the money in their bank, and are taught how to make savings. Participants can use their money for recreational activities. Participants also commit to civic volunteering, such as tending to the public gardens, for at least one hour a day.¹

Competition of Ideas: “The Youth in CoMun”

In 2013, five Tunisian local authorities, with the support of the GIZ CoMun network, invited 15-29 year-olds to submit project proposals to be run by youth for youth. 35 project proposals were submitted in municipalities in Jendouba, Midoun Djerba, Gabes, Gafsa, and Monastir. Nine projects were selected by an independent jury and seven projects were eventually successfully implemented, covering diverse issues including citizen journalism, election observation, the environment, city heritage and municipal services.

Yassine Ben Abdallah, Project Manager of the Young Bloggers for Citizenship Project of the Press Association Club in Gabes said: "I don't feel the barrier between us and the leaders of the municipality anymore. A relationship has been built. We began to be able to offer ideas and discuss differences. Before it was not possible, the municipality president remained in his ivory tower... The fact that there is interaction and exchange of ideas

is the most important achievement of this training."²

Menzel Bourguiba: an experiment in participatory budgeting

In January 2014, the municipality of Menzel Bourguiba in Bizerte, together with three other municipalities in La Marsa, Tozeur and Gabes, became the first Tunisian municipalities to introduce participatory budgeting, a method implemented by over 2,700 localities around the world. The municipalities worked together with a Tunisian NGO and with the support of other partners to engage citizens to decide how a set amount of their 2015 municipal budgets should be spent. Menzel Bourguiba dedicated 100,000 dinars of its 2015 budget to the exercise.

Between March and April 2014 over 1000 residents took part in 22 public meetings or “citizen forums” organized by the four municipalities. Each forum lasted one weekend, with residents proposing projects and voting on them. 63 projects were selected in the first round and 63 neighborhood delegates chosen (20 women and 43 men, a third of them young people) to represent their municipalities in the next round. A follow-up delegates’ forum was organized in each municipality in May in which the elected delegates selected 29 priority projects in the four municipalities, with the technical assistance of municipal staff.

A number of innovative projects were implemented: in al-Marsa, residents voted to light their local park using solar energy; in Tozeur, a project to construct roads in a desert area was chosen; in Gabes, residents voted to construct a park with green spaces and children’s play areas; in Menzel Bourguiba, residents chose to place waste bins along all main roads in the municipality to solve the problem of littering (44,500 dinars). The Délégations Spéciales in the four

municipalities approved the 29 projects at a total cost of 1,400,000 dinars.

Local Governance in the New Tunisian Constitution

Regional development and local governance were given a prime position in the new constitution drafted by the elected National Constituent Assembly between 2011 and 2014. The constitution dedicates an entire chapter to local governance. Chapter Seven marks a radical rupture with Tunisia’s tradition of highly centralized rule, requiring the state to commit to “promote decentralization and adopt it across the whole of national territory” (Article 14). The aim of this chapter is not only to change policies but also to profoundly reshape decision-making structures and the distribution of power within the state, away from the center and towards the regions.

The elected representatives who wrote the constitution saw decentralization as a structural and radical solution to the problem of regional inequality. Chapter Seven requires the transfer of powers from central state authorities to elected regional and local authorities (*solta mahaliyya*) to set their own policies on local and regional development. It introduces three new concepts: local autonomy, subsidiarity and a posteriori oversight. Local authorities are to have “financial and administrative autonomy” and the power to manage local affairs according to the principle of “free administration” (Article 129). Powers should be shared between different levels of government according to the principle of subsidiarity, i.e. whichever level of government closest to citizens and able to provide a service should have the power to do so (Article 134). Finally, local authorities must only be subject to a posteriori central oversight. This means local and regional authorities will no longer have to

1- <http://www.co-mun.net/tunisie/promotion-des-jeunes/participation-des-jeunes>

2- <http://www.co-mun.net/tunisie/promotion-des-jeunes/concours-d-idees>



obtain prior authorization from the regional governor or central government before taking decisions. Legal oversight is carried out by the judiciary, which is empowered to adjudicate in cases of disputes between central and local authorities (Articles 138 and 142).

This is a radical departure from the historical and current status of municipalities, which, since the establishment of the first municipality of Tunis in 1858, have been subordinate units in a “very centralised country where authority is always exercised from top to bottom and...[municipalities] subjected to and very rigidly controlled by a higher authority” (Pellegrin 1955).

The chapter also introduces a new framework of democratic decentralization, which not only decentralizes power to local authorities but also emphasizes that they must be downwardly accountable to local residents. To this end, the constitution introduces new mechanisms of representative democracy. Article 133 mandates that municipalities and regions are managed by councils “elected through general, free, direct, secret, fair and transparent elections” and in which youth representation must be guaranteed. For the first time, municipal and regional councils will be freely and fairly elected and endowed with extensive powers and responsibilities.

The chapter goes beyond representative democracy by emphasizing the importance of citizen participation. Article 139 requires local government to “adopt mechanisms of participatory democracy and the principles of open governance to ensure broader participation by citizens and civil society in the preparation of development programmes and land management, and monitoring of their implementation, in accordance with the law.” This is in line with the normative ideal that runs throughout the constitution of a state subject to the rule of law and accountable to a community of citizens who

have the right not only to regularly elect their representatives but to participate in decision-making as political equals.

The new framework thus seeks not only to transform the state’s relationship internally between its own institutions, but also its external relationship with its citizens, based on two key values – autonomy and participation.

The New Local Government Code – Revolutionary or Disappointing?

In order to implement Chapter Seven of the Constitution, the government has drafted a new fundamental law on local authorities and a new local election law, which are now being discussed in parliament. The draft fundamental law on local authorities, drafted by the Department for Local Authorities (then part of the Interior Ministry), sets out the powers, composition and responsibilities of supra-regional councils (aqaleem), regional councils (majalis jihawiyya) and municipal councils (majalis baladiyya).

The draft law has been criticized by many for giving too little autonomy to local authorities and seeking to maintain the central state’s grip on power. The first draft conserved very broad and vaguely worded powers for regional governors (who are appointed by the central state) while giving few powers to local authorities. The draft did not specify which areas of policy would be transferred to local authorities. Instead, the Interior Ministry declared that it would put in place a process to gradually transfer responsibilities to local authorities over the course of 30 years, based on negotiations with sectoral ministries (transport, housing, education, health, etc.). In other words, the decentralization process, rather than being determined by parliament, would remain tightly in the hands of the ministries and central bureaucracy – which stand to lose the most from decentralization.

Nevertheless, the draft law contains many positive elements, particularly on public participation. Some of these are summarized below:

Transparency and Access to Information

The draft law requires local authorities to ensure transparency in all its processes and workings (Article 34), and places an obligation on councillors to make a declaration of their property immediately after being elected (Article 36). It gives citizens the right to request information such as documents, the minutes of meetings, contracts and budgets from local authorities (Article 34). It also imposes an obligation on local authorities to proactively publish this information without citizens having to request it. Local authorities must publish draft regulations and decisions and distribute them publicly (on their website or outside the council headquarters) at least 15 days before they are to be discussed by the council (Article 31). Local authorities must also produce an annual report of their activities and publish it on their websites.

Residents or civil society organizations may present written questions to the president of the local council regarding specific expenditures. If no response is received within two months, residents may file a complaint at the Court of Audit, which has the power to demand the relevant information and documents (Article 152).

Public Participation

The draft law requires every local council establish a “Participatory Democracy and Open Governance Committee” (Article 208) and to adopt mechanisms of participatory democracy in their work (Article 210) and in the management of public services and facilities (Article 72). The draft law requires local authorities to guarantee local residents and all social groups “genuine and comprehensive participation” at all stages of local development programs – preparation,

implementation and evaluation (Article 30). Local authorities are barred from presenting draft development programs for approval by local councils if the obligation of public participation has not been fulfilled.

Public Meetings

The draft law gives local residents the right to express their views at public meetings, which are recorded in a special register (Article 31). A summary of residents’ comments, suggestions and complaints must be presented at the beginning of each council meeting. The council president is required to read a summary of these opinions at the start of the following council meeting.

Calling Extraordinary Meetings

The draft law gives local residents the right to call a special meeting of the local council to question councillors if this request is supported by 10 percent of registered voters, in which case the council is obliged to hold the meeting (Article 35). This may concern, among other things, the financial management of the council, public contracts, regulations and decisions, development programs, urban planning decisions, and the financing of local associations.

Local Referenda

The draft law gives local authorities the power to organize local referenda on programs relating to urban planning and social and economic development, either on the initiative of the council president or a third of council members.

Local voters will also have the right to demand a local referendum on any issue in their locality provided they collect the signatures of 10 percent of registered voters in the area. If they succeed in gathering the minimum number of signatures, the referendum can be held but only if a third of council members approve the request. The regional governor has the power to challenge

the decision to hold a referendum if it has a potential impact on national security.

Local Commission to Monitor the Management of Public Facilities

The draft law gives local authorities the power to establish a local commission to monitor the management of public facilities, receive and investigate complaints by residents and hold regular meetings with the public (Article 71). This is potentially the strongest mechanism put forward by the law when it comes to public participation. The draft law specifies that if a request is received from “civil society”, local authorities must establish a commission that includes representatives from civil society (at least a third of commission members) to monitor the management of local public facilities. This, if utilized well, could be a powerful mechanism in opening up local decision-making to the public and monitoring local spending.

Local councils must also organize an evaluation of its management of public facilities in the final year of their mandate, to be conducted by an independent expert and published on the council’s website (Article 74).

Implementing Decentralized Governance – An Unprecedented Challenge

The decentralization process is now central to the success of Tunisia’s revolution. Six years after the fall of Ben Ali, Tunisians enjoy unprecedented freedom but the fundamental demands of economic inclusion and decent work have yet to be addressed. The map of deep inequalities between interior and coastal regions has seen little change. The centralized model that governs all economic and political decision-making in Tunis is simply not working. Large infrastructure projects and countless economic initiatives outside the center are held up by central

bureaucracy – either because decisions have to be made in Tunis or because local and regional governments simply do not have the capacity to manage large-scale projects. It is clear that without strengthening local and regional governance, Tunisians’ demands for a decent quality of life – across all regions – will not be fulfilled.

The decentralization process in Tunisia faces a number of key challenges. These call for a carefully planned and implemented national strategy to ensure that decentralization is implemented in a way that does not overwhelm local authorities, further weaken local services, or create political deadlock. Some of these challenges are summarized below:

a) Political Deadlock

Over two years after the adoption of the new constitution, regional and local elections have yet to be held. The parliament finally passed the local election law earlier this year on February 2 after months of political wrangling, although the first draft was ready by the end of 2015. The key issue that held up its adoption was the right of members of security forces and the army to vote – they have never had the right to do so since independence in 1956, and under the version of the law first proposed by the government, this position was maintained on the basis that the sensitive nature of their work requires absolute political neutrality and that the security institutions should not be brought into political conflicts and campaigning. However, a number of parties in the assembly insisted that security personnel be able to vote. The matter is particularly sensitive given that police forces are perceived as having been complicit in propping up the former regime and in implementing Ben Ali’s repressive police state. The final compromise reached by political parties was to allow members of the security forces and the army to vote, while not allowing them to stand as candidates.

b) Public Disengagement

Local elections are critical for reviving the democratic process, which has seen an increasingly disengaged public lose interest. This is particularly true among young people. A recent study found that only 36 percent of young people said they had registered to vote in the last elections (IWatch 2015), while another study found that only 6 percent of youth were active in a non-governmental organization and only 4.1 percent were active in a political party (UNDP 2014). These high levels of disengagement are surprising in a country that has just gone through profound political change. For many young people, political disengagement is compounded by economic exclusion as they struggle to find a place within the labor market, fueling social exclusion and disenchantment with the democratic process, and contributing to the worrying spread of extremism among young people. The draft law on local elections requires that all electoral lists have at least one candidate under the age of 35 among the top three candidates. It is hoped that this will help engage young people as political actors and provide opportunities for generating a new and younger political leadership at local level.

c) Weak Local Government Capacity

Another issue is the capacity of local governments to take on new powers and responsibilities. Local authorities currently lack financial resources, with their share of the budget for 2010 amounting to a mere 3.6 percent of the state budget compared to over 14 percent in Morocco, 20 percent in Turkey and 30 percent in OECD countries. They also suffer from a lack of human resources - only 7 percent of municipal employees have an education level equal to a baccalaureate or higher, while 68 percent are only educated up to primary school level (UCLG). This lack of institutional and managerial capacity is currently being addressed through training programs run by the Centre de Formation

et d'Appui à la Décentralisation, but the scale of capacity-building required dwarfs the efforts being made. Greater funding and support is needed to ensure that the decentralization of powers is accompanied by the decentralization of sufficient human and fiscal resources.

Conclusion

It has been clear for some time that the Arab world's governance system is broken. The new edition of the Arab Human Development Report published in 2016 concludes that despite reforms in the decade since its first report, Arab regimes are only buying time and continue to face the imminent prospect of instability. The emergence of an urban, educated middle class, the spread of communications technologies and the rising "youth bulge" have created new pressures for a broader distribution of political power in the Arab world, while shrinking economic opportunities and the unresponsiveness of the state to meet popular demands are pushing a growing number towards greater desperation and forms of extremism.

The strategy of most Arab regimes thus far has been to resist these pressures through co-option, coercion, or a combination of both. However, while this may buy time, governments will eventually be forced to face rising demands from a growing chorus of voices. The model of highly centralized power in the hands of a president or king, but also in a territorial sense, with power monopolized at a single center far from the regions, is increasingly under pressure.

The decentralization of power is one solution to the region's governance woes. The demands of Arab Spring protesters were essentially twofold: a call for more inclusive economic development and a greater say over policies and decisions that affect their lives. In many countries, anger at regional inequalities exacerbated by unfair economic



and social policies was also at the heart of grievances.

Decentralization has been adopted by countries across the world as a solution to precisely these challenges. On an economic level, decentralization can promote human development and reduce poverty. It allows services and policies to be adapted by local governments to the specific needs of their region and the priorities of local residents. On a political level, decentralization can promote public participation by bringing decision-making closer to the citizenry.

Decentralization is often viewed with suspicion in many Arab countries and associated with territorial fragmentation and the disintegration of states. However, the experience of the last few years in the Arab world has shown that in the face of challenges to their authority, centralized regimes are either crumbling and disintegrating or stepping up repressive measures to maintain their iron grip on power. Countries that have taken the third way and introduced political reforms – such as Tunisia, Lebanon and Morocco – have all pursued the decentralization of power in some form as a means to address grievances.

However, the biggest challenge to decentralization of power is the determination by central governments to monopolize power. What the research shows is that the benefits of decentralization can be realized only when there is a political will to decentralize, and when political and fiscal powers are decentralized. Decentralization transforms the governance model from a “command and control” structure where the central state can dictate policy down to the lowest level to a “coordination and cooperation” model where there are a larger number of actors with overlapping authority. While this enables the state to be more flexible and adaptable and to have greater

“reach”, it also creates alternative centers of power, which most regimes in the region are unwilling to countenance.

Rather than putting off the inevitable, Arab states would be better off introducing controlled decentralization reforms that could strengthen the state’s legitimacy, provide a much-needed boost to development and relieve political pressure. By ignoring or resisting calls for reform and refusing to make concessions, central states could be weakening their own chances for survival in the long term.

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