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Decentralisation and Local Governance in the MENA Region

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In most MENA countries, the establishment of municipalities dates back to the Ottoman Empire and colonial administrations. However, analysts and policy makers have until recently paid only limited attention to decentralisation and local governance issues in the MENA region. This is because they have focused on the authoritarian nature of the regimes and on developments with regard to politics and "democratisation" at the national level. However, over the past few years, a gradual shift in decision-making power from the national (central) level to sub-national levels has taken place in many countries in the region. Although decentralisation is still viewed mainly as an administrative technique (amounting to deconcentration rather than devolution) and not as a political process, the conduct of local elections and reforms in the legal framework governing cities and municipalities is slowly changing this perception.

The importance of sub-national governments has been further highlighted in the context of Euro-Mediterranean decentralised cooperation. Following the EuroMed Forum of Cities and Regions held in Barcelona in November 2005, a joint declaration was adopted that stated that local and regional authorities have a crucial role to play in the Euro-Mediterranean Partnership and should participate in the definition of future strategic policies. In that same declaration, it was decided to create a standing forum of Local and Regional Authorities in the Mediterranean. The Mediterranean Committee of United Cities and Local Governments (UCLG) was put in charge of its organisation, and the first Forum of Local and Regional Authorities of the Mediterranean was held in Marseilles in June 2008. The Forum was attended by 500 participants from thirty countries, including 130 elected officials. The Institut de la Méditerranée in Marseilles prepared a report entitled *Local and Regional Authorities in the New Mediterranean Governance* analysing territorial policies in the eastern and southern Mediterranean and the role of local and regional authorities in the Mediterranean project. Additionally, the Decentralisation and Local Self-Government Committee of UCLG, presided by the Provincial Government (Diputació) of Barcelona, seized the occasion to prepare a synthesis for the Mediterranean of the first *GOLD World Report on Decentralisation and Local Democracy*.

The major question for political analysts is whether recent local governance reforms in the MENA region really amount to increased authority and autonomy for local institutions, leading to greater local democracy, or whether they should rather be seen as part of an "upgrading of authoritarianism," i.e. cosmetic reforms aimed at promoting the regimes' image vis-à-vis European partners while in fact maintaining, if not strengthening, the governments' hold on power and control over societies.

This article argues the latter view and aims to give a concise overview of the most important developments, mainly with regard to local responsibilities, central-local relationships, local financial autonomy and management capacity. The article also critically discusses the state of local democracy and recent local governance innovations in the region.

The Challenge of Rapid Urbanisation and Changes in Territorial Organisation

Decentralisation reforms in the MENA region should be seen in the context of rapid urbanisation. The region has seen an average annual urban growth rate of 4% in the past two decades. The urban share of

TABLE 22	Territorial Organisation			
Country	Population (2007, in millions)	Regional Level	Provincial Level	Local Level
Algeria	33.9		48 provinces/*wilayas*, 160 districts/ constituencies (*da'iras*)	1,541 municipalities (communes)
Egypt	80.1		26 governorates, each divided into districts	217 towns + Luxor (with special status) 4,617 villages
Jordan	5.9	3 regions (creation announced in 2006)	12 governorates	99 municipalities
Lebanon	4.2		6 governorates (*muhafazat*), each (except Beirut) divided into districts (*aqdaya*)	930 municipalities and villages
Morocco	31.2	16 regions	49 provinces (rural areas) and 13 prefectures (urban areas)	1,497 municipalities (communes)
West Bank and Gaza	4.0		14 governorates (9 in the West Bank and 5 in the Gaza Strip), 2 autonomous provinces	74 municipalities (63 in the West Bank and 11 in the Gaza Strip), 368 village councils
Syria	20.5		14 departments	107 cities, 248 small cities, 207 villages
Tunisia	10.1		24 governorates (*wilayat*), each divided into districts	264 municipalities
Turkey	73.0	12 regions	81 special provincial administrations	3,225 municipalities, 16 metropolitan municipalities, and 35,000 villages

the total population grew from 48% in 1980 to close to 60% in 2000, and it is expected to exceed 70% by 2015 (against an average of 54% for all developing countries). The "urbanisation of poverty" accompanying the region's rapid urbanisation is adding enormous pressure on cities to deliver infrastructure, services, housing and jobs to meet the growing demands and needs of the urban poor. In several countries, large metropolitan areas (e.g. Amman) have therefore been granted special legal status to improve urban planning. City development strategies have been successfully formulated with Cities Alliance Programme funding and World Bank technical assistance and are now under implementation in Jordan, Egypt, Yemen and Lebanon.

At the national level, recent reforms have brought about changes in the territorial organisation of several MENA countries, for example by creating regions in Jordan and Morocco (see Table 22 for an overview). Such changes are accompanied by the decentralisation of certain responsibilities from central government agencies to regional, provincial and local authorities. However, these reforms have been counterbalanced by measures that in fact increase the power of supervision by centrally appointed government representatives. For example, the provincial governors (*walis*) in Algeria received increased powers in 2005, and the *wilaya*, which was previously regarded as a local authority, was turned into a deconcentrated administrative district. This contrasts with the example of Turkey, where the desire to gain membership in the European Union has contributed to recent legal reforms (2004-2006) that have lightened central government supervision by eliminating the Provincial Administrator's control over the budgets and deliberations of local councils.

Local Government Responsibilities and Central-Local Relationships

In general, the central governments in MENA countries retain substantial powers to intervene in local affairs, mainly through the position of governors who are appointed by the Minister of the Interior or Municipal Affairs (or directly by the Head of State, such as the King in the monarchies of Jordan and Morocco, or by the President). The provincial or regional level institutions are often hybrid structures, i.e. they are at the same time decentralised local authorities (with elected assemblies) and deconcentrated administrative units of the Ministry of the Interior. The governors are frequently heading both bodies and are the legal trustees (or guardians) of the local municipalities with *a priori* and/or *a posteriori* control over municipal-level decisions and budgets (though the Minister of Finance or an Audit Office often also needs to approve local budgets). Another example of central-level control can be found in Jordan, where the Minister of Municipal Affairs is entitled to appoint a Municipal Director General to work alongside the Mayor and be responsible for the day-to-day admin-

istration and management of the municipality. In official discourse, such high levels of supervision are justified by referring to the need for national security and law and order, especially with reference to the threat of Islamist activists or the danger of the disintegration of national entities (e.g. demands for autonomy of Kurdish regions in Syria and Turkey).

Local government responsibilities enshrined in the constitution and other laws typically include urban planning, issuing building and construction permits, managing public markets and spaces, public health, water, electricity, sewerage and solid waste disposal, sports and cultural institutions, public hygiene, food safety, and maintenance of cemeteries. The legal framework is, however, often unclear, referring to vaguely defined "local affairs," which, in turn, refer only to residual responsibilities, dependent on the goodwill of central authorities, or on the other hand could be taken to encompass the whole gamut of local services, for which the local financial resources are insufficient (see below). The vagueness of the laws (and absence of statutory instruments for their implementation) also creates overlapping areas of responsibility in many fields, which are then used by the central government to retain most of the powers. Similarly, some changes in laws governing municipalities have actually reduced the number of responsibilities given previously to local governments and essential to local governance (such as water, electricity, sewerage, local transport, health and education) and transferred them (back) to other central government agencies. In practice, therefore, local governments are often limited to providing rubbish collection and public lighting and maintaining roads and sewerages.

Apart from by central government ministries such as the Ministry of the Interior, local authorities are also *de facto* restricted in their autonomy by the deconcentrated (regional, provincial) representations of the line ministries such as Agriculture, Public Works, Education and Health. These bodies often implement their national, centrally-designed sectoral policies and programmes on the territories of municipalities without regard for local development priorities and plans and without adequate coordination and consultation. However, a new generation of national territorial planning tools (especially in the Maghreb countries) is more inclusive of local actors. In Lebanon and Jordan, local authorities have also been involved in preparing legislation on municipal waste management. In short, central authorities *de facto* determine local development plans and funding levels, though promising bottom-up planning reforms are currently underway.

The Potential of Joint Service Provision: The Private Sector, Civil Society and Unions of Local Authorities

As part of ongoing neo-liberal reforms, some of the responsibilities previously assigned to municipalities (e.g. water and electricity provision) have been taken over by private national and multinational companies through delegation, licensing and public-private partnerships. However, in virtually all cases, the private providers are under contract to the state rather than to local authorities.

Similarly, the legal framework in many countries has been amended to include the possibility of cooperation between local governments and civil society organisations in service provision. However, given that civil society in many MENA countries lacks mobilisation capacity and experience, its role in joint service provision has been limited so far.

As for local government associations, they have proliferated at both national and international levels, but they do not yet work very effectively as lobbies in putting forward demands for greater local autonomy towards central governments. However, the number of unions of local authorities for joint service provision is increasing steadily in some countries, such as Turkey.

Limited Local Financial Autonomy

Although accurate and up-to-date data is difficult to obtain, it is clear that local governments suffer from severe shortcomings in local finances in most MENA countries. Whereas the local
government share of public expenditure represents 20% of GDP in OECD countries, such expenditure averages only about 5% of GDP in the Arab countries. For example, in Jordan, the total budget for all 99 municipalities amounted to $161 million in 2006. This explains municipalities' inability to adequately pay their employees and the dominance of salaries as a share of total expenditure to the detriment of (productive) capital investments.

The main sources of finance for municipalities are transfers from the central government (such as a share of national VAT revenues), rental and tax revenues from

THE EURO-MEDITERRANEAN REGIONAL AND LOCAL ASSEMBLY

The Euro-Mediterranean Regional and Local Assembly (ARLEM), an association of regional and local authorities, was inaugurated on 21 January 2010 at Barcelona's Palau de Pedralbes. Once the General Assembly had been constituted, the then president of the Committee of Regions (CoR), Luc Van den Brande, appointed the Board, which was later ratified by the remaining Assembly members.

ARLEM is structured within the institutional framework of the Union for the Mediterranean (UfM) as a body that groups together local and regional authorities of Member Countries, i.e. European Union Member States, Morocco, Mauritania, Tunisia, Algeria, Egypt, Jordan, Israel, Palestinian Authority, Lebanon, Syria, Turkey, Albania, Bosnia and Herzegovina, Croatia, Monaco and Montenegro. It is a consultative assembly that acts by consensus and has the authority to approve resolutions and conclusions on the various aspects of the Euro-Mediterranean Partnership, as well as make recommendations at Ministerial Conferences and submit them to the remaining organs of the UfM and to EU institutions. This organization endeavours to foster the active participation of local and regional authorities in the conception and execution of UfM projects and objectives. Based on the principle of subsidiarity, the assembly's objective is to strengthen the local dimension of the UfM, involve local and regional authorities in further developing it, establish and step up cooperation among local and regional authorities of within the given countries and make their projects more tangible and concrete to the citizenry.

ARLEM is composed of 84 members divided into two groups – a group of the 42 EU Member States and another of the 42 Mediterranean Partner States – and the representatives of each member country serve a two-and-a-half-year term. The EU group consists of the 32 members of the CoR and 10 members representing European associations of local and regional authorities working in the sphere of Euro-Mediterranean cooperation. The composition of the other group is divided by country and according to its population: Egypt and Turkey – five members each; Algeria and Morocco - four members each; Syria and Tunisia – three members each; Albania, Bosnia and Herzegovina, Croatia, Israel, Jordan, Lebanon, Mauritania and the Palestinian Authority – two members each; and finally, Monaco and Montenegro, with one member each. The EU group members of the Assembly are appointed by the CoR, with the previous agreement of the entities in the case of the 10 members representing associations. The members of the Mediterranean Partner Countries group are appointed by their respective governments. ARLEM meets once a year at the location established by the Assembly on pro-

posal of the Board. The next plenary session will be held on 29 January 2011 in Agadir, Morocco.

The ARLEM Board's decisions are subject to approval by the Assembly. It defines the work programme, which is also subject to approval by the Assembly in plenary session. The Board consists of two co-presidents – whereby the EU group's president shall be the president of the CoR and the Mediterranean Partner Countries' president shall be a member elected by consensus – and six vice-presidents, three elected by consensus by the Mediterranean Partner Countries, and three chosen from among EU members and consisting of one of the ten members from regional and local authority associations and two members of the CoR, namely, the first vice-president of the CoR and the president of the Commission for Citizenship, Governance, Institutional and External Affairs (CIVEX). To maintain a certain degree of consistency between the ARLEM Board and the CoR Board, the term of office of the ARLEM Board Members has been adjusted to that of CoR Board Members. The Assembly is organized into two thematic commissions, the Commission for Economic, Social and Territorial Affairs (ECOTER) and the Commission for Sustainable Development (SUDEV), each with a maximum of 41 members, whereby the co-presidents cannot be members. The former commission focuses on such issues as decentralisation, urban and territorial development, cultural cooperation, the information society, migration and integration, small and medium-sized enterprises and commerce, among other things. The latter commission works on such issues as water management, waste management, energy, solar energy, transport, agriculture and tourism, among other things. The commissions' functions are to deliver opinions that will be adopted at the ARLEM's annual plenary session. Some issues that are missing and would seem pertinent to include are certain projects defined at the Paris Summit of 13 July 2008, such as higher education and research, associated with the Euro-Mediterranean Higher Education & Research Area and the Euro-Mediterranean University (EMUNI), especially with regard to the creation of a second Euro-Mediterranean University in Fez, common civil protection and de-pollution of the Mediterranean, which should include the protection of marine areas, with the pertinent regulation of the fishing industry.

For further information:

www.cor.europa.eu/pages/EventTemplate.aspx?view=folder&id=
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municipal real estate, tax on property ownership, and taxes on industrial, commercial or professional establishments and/or their turnover or wage bill (including hotels). Other revenues are generated from the issuance of building permits, other licenses and civil registry documents, user charges and fees (e.g. for water and electricity), and subsidies or loans from municipal development funds and banks. Some municipalities, though, receive funds from decentralised cooperation with European municipalities, and others rely on the goodwill of wealthy locals or people living abroad to sponsor grants for schools and health centres, etc.

Most municipalities are unable to (efficiently) collect the taxes and user fees from local residents and businesses and are heavily dependent on central government transfers and subsidies (accounting on average for more than 50% of local government finances). In some countries, these transfers are aimed at reducing spatial inequalities and disparities between local authorities, but in most they are haphazard and arbitrary. Any changes to local tax rates and fees need to be approved by central government authorities. In the absence of sufficient own revenues from taxation, local governments are often

highly indebted to state-owned municipal funds or banks.

Mainly due to the inadequate regulatory environment and sub-national government's lack of autonomy in fiscal decision-making, coupled with poor planning and operating capabilities, sub-national lending by domestic commercial banks, international financial institutions and other donors is not yet very common (except in the West Bank and Gaza, where foreign aid accounts for 90% of the investment budget of municipalities and villages).

Weak Local Management Capacity

Due to local patronage considerations, electoral politics and nepotism, local governments are in many cases overstaffed, which limits their productivity. The bulk of employees are made up of unskilled labour such as cleaning staff and couriers, and there is a lack of middle management civil servants with technical skills. The educational profiles of elected local councillors are also often inadequate to provide the needed local leadership and strategic vision to promote local development. However, capacity-building programmes (both in terms of human resources training and improving local management) are underway in many countries with the support of UNDP and bilateral donors such as USAID and individual EU Member States. For example, in 2005, a pioneering e-government system to automate delivery of citizen-oriented services was developed in the Moroccan city of Fez and is being rolled out nationally.

Another feature of municipal management has been the lack of long-term investment planning by the municipalities. This is attributed to the lack of expertise in strategic planning on one hand and to the push for political visibility through short-term investments on the other.

The State of Local Democracy

In the majority of MENA countries, local governments are run by councils that have been elected by direct suffrage. The executive (including the mayor) is mostly elected indirectly by the council members, and its powers have been increasing. Participation in local elections, however, is generally low (except for the West Bank and Gaza, see Table 23), reflecting the

TABLE 23	Participation in Recent Local Elections	
Country	**Year**	**Participation Rate**
Algeria	2005	45% in Common Popular Assemblies; 43% in the Popular Assemblies of Wilaya
Egypt	2008	The Ministry of the Interior did not publish the official participation figures; however, election monitoring put the figure at between 5% and 7%.
Jordan	2007	62%
Lebanon	2004	33%
Morocco	2003 (2009)	54%
West Bank and Gaza	2005	82%
Syria	2007	50%
Turkey	2004	72%

Sources: *GOLD World Report 2008* and UCLG country profiles.

disaffection of voters and their lack of trust in the integrity and meaningfulness of the elections. Most people vote according to community, tribal, confessional and family affiliations, rather than the political programme of the candidate or his/her political party. Electoral laws are often such that they favour the regime-friendly parties that are in the majority at the national level (e.g. the Constitutional Democratic Rally (CDR) in Tunisia dominated the 2005 municipal elections, taking 80% of the seats, as did the National Democratic Party in Egypt, which won 95% of the seats in 2008). Gerrymandering is also employed to limit the chance that (Islamist) opposition parties gain strategic local council seats and majorities. Central governments also intervene in local elections by prior examination of the candidates, limiting the number of candidates or intervening in the election of the mayor.

Women's Political Participation

In recent years, women's political participation in local governance institutions has increased considerably. In the West Bank and Gaza, quotas have been established for the election of female local councillors. In Morocco, additional lists with female candidates were introduced in the 2009 municipal elections, resulting in a women's share of 12% of all elected councillors. In Tunisia, the CDR party has announced a women's quota of 30% for its candidates in the municipal elections in 2010, though 26% of all councillors in the 2005-2010 term are already women. This contrasts with the situation in Algeria, where only 0.73% of municipal councillors during the 2007-2010 term are women. In Jordan's 2007 municipal elections,

211 seats were reserved for women, and in Lebanon, there were only 256 female councillors out of 10,668 municipal councillors in 2006. These advances, such as they are, are the results of top-down government decisions, changes in the policies of political parties and pressure from women's movements. However, much remains to be done to ensure gender equity in local governance institutions and to ensure that women access key decision-making powers.

Local Governance Innovations

The region has witnessed a tremendous growth of participatory approaches to drawing up territorial plans and development strategies (e.g. through the UNDP's GOLD Maghreb programme). The Local Agenda 21 model, created at the environment conference in Rio in 1992, is also enjoying considerable success, particularly in the Maghreb and Turkey. Such processes rely on mobilising and integrating local expertise, particularly from universities, government and civil society organisations, thereby giving rise to multi-stakeholder governance. However, to date, these phenomena have been restricted to occasional, one-off processes and do not enjoy constitutional or legislative recognition. The reach of the "territorialisation of public policy" is often limited by the weakness of local democracy. Most importantly, initiatives which involve opening up public policy and local democracy are often interrupted or stalled before completion by national players who wish to retain a dominant position in the decision-making process. An exception is a new law adopted in 2005 that allows municipalities in Turkey to organise referenda on local issues at their own initiative.

In general, though, the region still exhibits weak notions of citizenship and lacks transparent and accountable local governance. In the context of traditional authority structures (such as tribally-based village councils), informal power brokers and local patron-client relationships, it is questionable to what extent effective local civil society organisations exist that could function as "countervailing powers" vis-à-vis local governments and perform the roles of watchdogs demanding accountability from local leaders, e.g. through budget-tracking.

Conclusion

Recent decentralisation reforms have – at least on paper – devolved more resources and power to local governments, yet their administrative, fiscal and political autonomy remains limited. Decentralisation and other local governance reforms should therefore not be interpreted as a marker of government withdrawal, but rather as a tool in the toolbox of (semi-)authoritarian regimes in the MENA region to further extend government control and oversight to the peripheries of society, while outwardly satisfying Western expectations of transitions to democracy.

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