

THE LIAISON BETWEEN CENTRAL AND LOCAL GOVERNMENTS: IS IT INCLINED IN A SYMBIOTIC FASHION TO EASE SERVICE DELIVERY IN TANZANIA?

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ABSTRACT

It is not disputable that the symbiotic interface between the centre and local government is an elixir to service delivery. In the modern literature, this interface is referred to as intergovernmental relations (IGRs). It elucidates governments' interaction, be it either in a unitary or federal system. It refers not to an interface that hinges copious decision at the centre. On the contrary, it focuses on the devolvement of autonomy to lower tiers of government. This is evident in a scenario where sub-national government exhibits vibrant institutional capacity. The institutional capacity engrosses vivacious resources, lucid institutional arrangements, coherent policies, and feasible legal framework. The overall objective of the phenomenon is to bring the government closer to the governed and boost quality service provision. Despite copious benefits which have come as a result of this quest, the road towards building symbiotic relations has not been so smooth. The paradox has always been that the Center has continued to exercise control over local government. As a result, service provision at the grassroots has remained in a state of flux. In that regard, there is an over hatching need of trying to unveil the paradoxes that hold back lucid IGRs.

Key Words: *Intergovernmental (Central & Local Government) Relations and Service Delivery.*

Introduction

It is in no doubt that in order to have quality service provision there must be mutual interaction between upper and lower tiers of government. Its litmus test lies at the heart of vivacious resources, institutional arrangements, policies, and the legal framework at all government echelons. The interface between upper and lower layers of government can be expressed through political, financial, and administrative realms. Numerous scholars such as Oloo (2008) and Max (1991), tried to shed light to those aspects. The political realm expresses devolution of powers from the centre to the lower organs of the government. It entails the creation of real, multi-functional governments at lower tiers within the national legislative framework (URT

1977). The fiscal aspect engrosses the power to levy taxes at the grassroots. In Tanzania such discretionary power is bestowed by the 1998 policy document of local government. Its quest is to make local government authorities have budgets which reflect grassroots priorities. However, the centre remains obligatory to supply lower levels of government with adequate unconditional grants. The administrative realm engrosses the obligation of the sub national government to exercise resourcing and oversight functions (URT 1998).

In a nutshell, the interplay between fiscal, administrative, and political options intends to strengthen both horizontal and vertical accountability mechanisms and quality service delivery. Priority services include water, agriculture, health, education, transportation, power supply, among others (REPOA 2010). The mutual interaction of the upper and lower tiers of government can facilitate social service provision. It is indisputable that the manner the centre nurtures the local government can either promote or hold back service provision. However, the mode local authorities relate to their lower tier organs has something to do with positive or detrimental impact to service provision. In order to have quality service provision the notion of symbiotic interface is indispensable. This is because it places the governed at the heart of decision making where citizens can express issues that affect their affairs. This quest refutes the previous paradigm which hinged decisions at the centre. It is essential to note that while the old paradigm has highly been criticized for its ineffectiveness, the ongoing (modern) paradigm is encountering the same quandaries. The fact is that the interface between central and local governments believed to culminate into symbiotic relations has not clearly taken place. It is not well encapsulated why the Center has continued to exercise control over local government in this era where orb governments are busy translating decentralization by devolution model (D by D) into practice. That scenario is expressed by Warioba and Warioba (2012) as decentralization by centralization (D by C). It is a monster that is at the heart of pitiable interactions amidst tiers of government and limits service delivery (Olowu 2001). Understanding the root cause of it is a milestone towards addressing the dilemma. Therefore, through a review of literature, this paper is inclined to shed light to that contention. In order to execute that task, the paper is organized as follows: Section one, ventures into historical trajectories of IGRs; Section two, gives the conceptual and theoretical premises. This section as well covers the political, fiscal, and administrative aspects, which are the lifeblood of the phenomenon. Section three, explicates the prerequisites and intricacies embedded in IGRs. Section four, highlights the reason why the centre fears to cascade autonomy to local governments. Section five gives embedded IGRs intricacies in Tanzania. The last section offers the concluding remarks and the way forward.

Coming to Grip the Notion of IGRs

The concept of intergovernmental relations originated in the 1930s in the United States of America and from 1950s beyond, it gained widespread currency following the creation of the Advisory Commission on Intergovernmental relations (Adele 2008, Wright 1975). This notion came at the forefront following the beginning of the significant economic and social

development programs that took place in the federal governments such as Canada and America. Such a spirit of change in the American federal system did not go unnoticed as Banovetz (1980:141) asserted that: “Federalism-Old is dead. Yet federalism-new style- is alive and well and living in the United States, its name is intergovernmental relations”. The first article regarding this concept was released by Professor Clyde F. Snider in 1937. The literature does not clearly posit that he was the first person who coined this word, ‘IGRs’. According to Wright (1975) Snider used the term in the 1930s as was quoted, “I doubt very much that I was the first to use the term but have no notion from whom or from where I borrowed it”. However, the evolution of this concept was associated with Professor William Anderson as was quoted by his students, “I cannot tell you exactly how the term originated or when or where”. He used the term in 1930s in lectures in a graduate seminar under the title ‘*federalism and intergovernmental relations*’ in America.

Wright (1975) acknowledges that the concept was indistinguishable from federalism, new federalism, cooperative federalism and other similar formulations. Grave (1964) produced the “*Magnum opus of the field, American intergovernmental relations*”. By the 1960s the term had captured the wits of many policy-makers. According to Wright (1975) more than half of the states in America in the 1970s had established offices or directorates to deal exclusively with intergovernmental relations. In that epoch, more than three hundred cities in America had either full time or part time intergovernmental relations coordinators.

In Africa, Tanzania in particular, documentation about IGRs (central-local relations) came in the 20th Century. Tanzania embraced the concept constitutionally in 1996 when initiated the agenda for reforms through decentralization by devolution. And it was documented in the local government policy paper of 1998. It is imperative to note that from 1930s to the 1960s, almost all African countries were either under direct colonial administration or indirect colonial rule. The colonial regime did not intend to institutionalize vibrant local government, instead centred on their own interest which aimed at siphoning African resources. After independence in 1960s, most African countries, including Tanzania, were affected by the colonial legacy. The administrative structure and legal framework were either copied directly from the colonial masters or used as benchmarks for government operations. Indeed the administrative machinery was coupled with numerous bottlenecks. To address that oversight, the institutional arrangements and the legal frameworks needed a thorough transformation. One of the anticipated benefits was the evolvement of lucid IGRs. However, the reform initiatives were donor driven. Always donors funds come with prescribed preconditions. However, they are likely to increase state dependence. And when resource flow seizes, certain functions tend to be centralized. The: “...creation of central regulatory organs; central recruitment organs; increasing the powers of financial control and audit organs...” in Tanzania are some of the good examples (Warioba and Warioba 2012:94).

The Conceptual Framework

Concepts carry different meanings to suit different purposes. It is against this fact that this section provides the conceptual framework to ease an understanding of the concepts employed in this paper. There two key concepts born out of this paper. These are intergovernmental relations (IGRs) and service delivery.

Service Delivery

The delivery of services such as water, health, education, *ceteris paribus*, can be influenced by symbiotic interactions between upper and lower tiers of government. The 1998 Tanzanian local government policy emphasizes central-local relations for two major reasons. One is to strengthen governance and second to increase service quality delivery. Access to quality services is viewed as fundamental for wellbeing and economic development (World Bank, 2003). Service delivery outcomes are determined by the interplay of government, providers, and citizens (Olowu 2001 and World Bank 2010). *What does service delivery mean?* Defining service delivery first requires a common definition of service. The service is assumed as a product or activity that meets the needs of a user or can be applied by a user (WMO undated). Service delivery is defined as the way inputs are combined to allow the delivery of a series of interventions...[service] actions (WHO 2001b).

There are numerous indicators to assess quality services such as affordability, accessibility, availability, equity, dependability, reliability, applicability, sustainability, responsiveness, and flexibility (Alemu and Yosefu 2013). These indicators provide a set of metrics for benchmarking service delivery performance in order to track progress across and within countries over time. Indicators seek to enhance active monitoring of service delivery by policymakers and citizens, as well as to increase accountability and good governance (AERC and World Bank 2011). World Bank (2003), Reinikka & Svensson (2004) and Chaudhury *et al.* (2006), indicate that such elements are not well taken on board, in Africa and other developing countries, and for that matter service delivery is often poor or nonexistent. Making reference to health and education services they posit: schools and health clinics are not open when they are supposed to be; teachers and health workers are frequently absent from schools and clinics, and when present, spend a significant amount of time not serving the intended beneficiaries; equipment, even when available, is not used; drugs and vaccines are misused; and public funds are expropriated. Regrettably, poor people suffer a great deal when the public sector fails to deliver (World Bank 2010). The failure is attributed to Achilles' heel notions of IGRs. These include governance and service delivery. The following section in a nutshell ventures into the concept of IGRs.

Intergovernmental Relations

The concept simply means the interaction amidst different levels of government (Mollel 2011, Adebé 2008, Adamolekun 1983, and Olopade 1984). According to Mollel (2011:118) ‘the size and number of these spheres are often determined by the institutional arrangement of a particular country’. In the unitary system, there are two layers, the central government, and local government. The central government engrosses ministries, departments, and agencies. The local government is categorized into two, the rural and urban authorities. The rural authorities cover district councils. The urban authorities cover city, municipal, and town councils. This is a Tanzanian exemplar. However, there are variations from one country to the other. Van Zandt (2003) indicates that South Africa embraces a unitary system. Her constitution states unambiguously or explicitly that the ‘government is constituted at national, provincial and local spheres of government which are distinctive, interdependent and interrelated’. According to Olugbemi (1980) the unitary system exhibits three types of interactions. These are: national-local relations, inter-local relations and external relations. Adele (2008) posits that the third type of relations (i.e. external relations) belongs to another field of study which is called international relations. On the other hand Olugbemi (cited in Adele 2008: 77) identified nine types of relations in the federal system as follows: ‘Federal-state, Federal-local, Federal-Civic groups, state-state, state-local, state-civic groups, local-local, Local civic groups and inter-civic groups’. In addition to that Mollel (2011) argued that the federal system starts with the federal government, ‘central government’, the states, ‘sub central governments’, and local governments. It’s imperative to note that every echelon or organ exhibits elements of centralization and decentralization. Precisely, Mollel (2011:117) presents that:

‘In every state system, governmental authority is to some extent dispersed over more than one governmental body. Quite often, one could distinguish a certain level of interdependency between these bodies with a central body, a state authority or a federal government, and with decentralized bodies, like districts or municipalities. Even in the most centralized systems, there is a pressure to subdivide governmental activities and to attribute some power for taking decisions and executing tasks to authorities other than the central government. And on the other hand, even the most grassroots kind of state organization will experience incentives for concentrating part of the governmental authority in one central unit. Between these two units, intergovernmental relations exist’.

Scholars posit that the notion of IGRs does not only imply relationships between different government organs, but also citizens and governmental institutions, agencies and officials at various levels of the governmental operations (Mathur *et al*, 1979; Wright, 1975; Widianingsih, 2005; and UNDP, 2009). These relations are complex by nature. At any level of the relations are public policy makers or officials. Every stakeholder exhibits own interest and work against the government or public interests. This can be aggravated by the fact that some authority members

are elected by the people and some appointed by upper authorities. The appointees embrace more interests of appointing authorities than public. This notion can be seen in the way institutional arrangements and legal frameworks of a particular country are premised. Despite the number of existing complexities vibrant IGRs are requisite. Scholars have tried to shed light on some of them.

Prerequisites for Intergovernmental Relations

Many scholars have tried to highlight the prerequisite for mutual IGRs. Rondinelli (1983) and Wright (1995) suggested five attributes: One is that IGRs emphasizes more on policy issues than legal ones; Second, it embraces the interface of all governmental entities-local units or national-state relations in either federal or unitary systems; Third, it acknowledges the importance of officials' attitudes and actions; Fourth, it clinches or addresses regular, continuous day-to-day interactions among officials; and Fifth, it articulates the inclusion of all types of public officials-especially administrators and other officials who are elected or appointed. On the other hand, the Department of Provincial and Local Government (DPLG) (2007a:2) identified five facets. These are: Legislation and regulation related to IGRs fiscal issues which have to illustrate the distribution of powers and functions between and within spheres of government; IGRs notion should emphasize the structures such as forums and other instrumental bodies; It should embrace processes such as planning and budgeting of the phenomenon; it emphasizes instruments such as implementation protocols, guidelines and mechanisms for monitoring, communication, support and supervision; and it should as well focus on dispute resolution procedures.

These attributes set the framework for central government (federal government), states (sub central government) and local government interaction. However, notions of centralization and decentralization exist in orb governments, either in a federal or unitary system. Though the federal system is regarded to be more autonomous than a unitary system, this does not mean it exhibits perfect autonomy. Livingston in Rondinelli (1983: 72) argued that "federalism is... not an absolute but a relative term; there is no identifiable point at which a society ceases to be unified and becomes diversified... All communities fall somewhere in a spectrum which runs from what one can call a theoretically wholly integrated society at one extreme to a theoretically wholly, diversified society at the other." The notion of IGRs can well be understood by venturing into decentralization models:

The first is de-concentration. It is the transfer of administrative responsibilities from the central government to local governments within a central government ministry or agency (Muriisa 2008). Collins (1970) looks at it as the delegation of authority to staff of a central government ministry posted outside headquarters for performance of specified functions. It represents the weakest form of decentralization (Popic and Patel 2011). This means the shift in responsibility simply takes place within the central government hierarchy. *The second is delegation.* It entails transfer of managerial and administrative responsibilities of central ministries for specifically

defined functions to organizations that are external to the regular bureaucratic structure. It is recognized as a stronger form of administrative decentralization. It is referred to as the redistribution of decision and operational responsibility to local authorities which maintain a certain degree of independence from the central government and yet local authorities have to report to it (Popic and Patel 2011, Helena 1999). *The third is devolution*. Devolution engrosses the substantial transfer of powers and authority and functions from higher or central government to local units, upon which the local units or governments subsequently acquire significant and autonomous financial and legal powers to function without reference to central government (Muriisa 2008). Collins (1970) defines it as the delegation of authority to formally constituted local government bodies to discharge specified or residual functions.

Perspective of Intergovernmental Relations

This paper is guided by the functionalist perspective. It engrosses three models that are the inclusive authority, the coordinate-authority, and the overlapping authority. According to Mathur *et al* (1979) and Wright (1982) these functionalist perspectives are applicable in both unitary and federal systems. *The inclusive authority* perspective argues that the state and local governments depend exclusively or entirely on decisions that are nationwide in scope. It embraces hierarchy dominance. It makes the central government have overriding powers over local governments. And local governments are viewed as mere appendages of powerful central government in control of the system. Its opposite is '*the coordinate-authority perspective*'. It underscores that the central-local authority relationship is very important. It acknowledges the distinct jurisdictional domain of power and control. It embraces coordination of all unit activities of interest in the polity and society. The third perspective is '*overlapping authority*'. It limits dispersed powers of each unit in operation. It embraces the notion of interdependence over all units. In very echelon of the government there is a limited area of autonomy. The level of interaction between units is determined by bargaining and exchange powers. Such powers influence cooperation and competition among different units. It describes IGRs as patterned, interdependent, and bargained interaction among central and local government. IGRs exhibit number of paradoxes. The following section explicates some of them.

Paradoxes of Intergovernmental Relations

Intergovernmental Relations inconsistencies, *ceteris paribus*, are related with fiscal, financing, administrative, and political realms (Ahmed *et al* 2005:5-9): The fiscal issues can be explicated under four components. These are: (i) allocation of expenditure responsibility by central and local tiers of government; (ii) assignment of taxes by government tiers; (iii) the design of an intergovernmental grant system; and (iv) budgeting and monitoring of fiscal flows between government tiers.

1. The allocation of expenditure responsibility: it can either lead to positive or negative impact to service delivery. The negative is a loss of economies of scale. The decentralization of fiscal expenditure on water and sanitation in Latin America resulted to that problem (ibid). However, spillover effect or outcome, tax administration cost, tax efficiency, and equity, are aspects which influence fiscal sector centralization. According to Litvack, Ahmad, Bird (1998) this scenario is found in education and health sectors in Africa and Latin America. However, political realities and historical legacies often determine the choices which culminate to mismatches (Ahmed *et al* 2005).
2. Assignment of taxes by government tiers: The accountability of lower level governments to local clients is enhanced if sub-national governments have access to own tax sources with the right to adjust tax rates. Fiscal incentive for service delivery may improve if, at the margin, sub national governments have to raise their own revenues through tax increases rather than relying on central transfers which are not predictable. The practice shows that numerous government transfers depend on central government accounts. This fact limits local government's autonomy to access resources to discharge their own developmental goals. It is essential to make sure that all tiers of governments have enough resources so that their programs and plans can properly be funded. This is imperative in order to reduce the problem of fiscal imbalance. This problem can be aggravated by economic instability that is likely to culminate to vertical transfer inefficiency. The reforms in many countries tried to address this bottleneck. However, vertical transfers fail to match with local government budget. According to Wunsch (2001) reforms are experiencing problems in trying to bring about exciting local government benefits. Local tiers do not comply with the central government prescriptions (i.e. the legal issues, regulations, guidance, and minimum standards set). The central government supervision, audit and follow-ups measures are weak. However, the central governments often lack sufficient tools to ensure achievement of overall policy objectives and targets.
3. The design of an intergovernmental grant system: designing and implementing intergovernmental fiscal transfers can influence the accountability of sub-national governments for service delivery. Own-tax sources rarely meet the required funding requirements of sub national governments, nor does the theory of fiscal decentralization suggest that each tiers of government should be self-sufficient. Fiscal transfer always exhibit conditional and unconditional portion. Predictability of fiscal transfers can influence service delivery. It allows local government to plan local service delivery more effectively. This can be done through formula based allocation systems driven by simple measures of equity and efficiency (Bird 2003). However, transfers are subject to political manipulations. As a result, the problem of non-correspondence has burgeoned. Under normal circumstances, any tier of government is obliged to generate adequate resources to allow it discharges its responsibilities. The experience shows that in many countries there is lack of correspondence between the spending responsibility and tax powers or revenues source assigned to different levels of government (Ekpo 2004). Orb governments have tried to introduce certain modus

operandi to guide revenue and spending. However, this has not well been observed in lots of countries.

4. Budgeting and monitoring of fiscal flows between government tiers: financial interdependence between different tiers of governments enhances effective budgeting and evaluation of transfers to be carried out to ensure efficient service delivery and getting value for money. A three year medium term framework (MTEF) is used to make local government participate in a multi- year budgeting system. In order for it to be effective, predictability fiscal transfer system is undisputable. However, the transfer system is not viable in many countries. Financial management in local government has been in a state of flux. In addition to that, the notion of community voice in budgeting process in sub nation tiers is unable to be realized (Ahmed et al 2005).

The second absurdity is financing. For local governments to deliver quality services, predictable resources are required. Since own sources and transfers on LGAs are unpredictable, sub-national government can bridge this oversight by accessing capital markets. Capital markets can facilitate long term financing, among others. With long term financing, long term investment in infrastructural services such as roads, water, agriculture, education, and health can be made possible. However, central government can borrow one condition on behalf of sub national tiers. Anecdotal evidence suggests that government borrowing notion is embroiled with politics, something that makes it ineffective. In spite of this fact, and due to moral hazard actions at sub-national tiers, capital markets still channel funds to central government. As a result sub national governments are left with meager resources.

The third problem is administration. The key issue facing sub national governments is the access to human resources or staff. Service delivery is difficult when sub national government lack skills and institutional capacity. Local tiers have always encountered de-concentration and delegations intricacies. With de-concentration, local services providers continue to be full employees of the upper tiers of government. Delegation entails that local government, has only limited ability to hire and fire service providers.

The fourth problem is political institutions: Sujarwoto (2012:55) argues that 'local public service performance requires well functioning local political institutions, better informed citizens and transparent local government, and effective channels for political participation'. Ahmad *et al* (2005:3) posits that in order to deliver public services at least two kinds of accountability relationship are needed. 'First, clients as citizens have to hold policy makers or politicians accountable for allocating resources toward numerous services. Second, policy makers in turn need to hold the service providers accountable for delivering the services'. Weakness in service delivery outcomes can be ascribed to a breakdown in one of both of the links along the central-local root of accountability'. If the public spending, mainly benefits the non-poor, it reflects the inability of the citizens, especially the poor citizens to hold the politicians accountable for resource allocation decisions (Ahmad *et al* 2005:3). Keefer and Khemani (2005) added that in a

situation where electoral system is functioning, however, with information asymmetry or social polarization, the outcome may still be biased against the poor citizenry. Paradoxes of IGRs are concerned more with the tendency of centralization. Always upper tiers are reluctant to ensure fiscal, administrative and political transfers. However, in a devolved system, the tendency of centralization is linked with lack of political 'will' and 'commitment'. The following section discusses this scenario in details, with special reference from Tanzania.

Why Does the Center Fail to Cascade Autonomy?

Gupta (2009) argued that total autonomy cannot be delegated. Always are reasons to justify state interventions over local bodies. The mostly generic reasons have been of weak local capacity, fear of local corruption, communal and ethnic insurrection. The capacity includes inability to manage public finances and maintain proper accounting procedures, and lower grants from the centre (Ahmad *et al* 2005 and LGFR 2007). However, Liviga (2011) asserts that blaming local government's performance, inefficiency, or lack of competence and/or inexperience may only partly explain the problem. There must be factors other than those that contribute to that state of affairs. And even if the said factors were the real causes of local government inefficiency, they cannot constitute a sufficient justification for central government control over local government because national governments suffer from the same problem of miserable performance.

However, Olowu (2001:50) identified a number of factors, which lead to state interference over local government: first, governments fear that devolution might undermine national cohesion and fan the embers of secession in societies in which ethnic and community loyalties are quite strong. Nevertheless, Warioba and Warioba (2012) added that reports on budget and capital investment before the people are rarely conducted because of the fear of the bureaucrats being attacked by the citizenry who view them as people who do not deliver results. Second, they fear that devolution might compromise the integrity of nationally delivered services. Third, ruling elites at the center fear of loosening their grip on political power. In addition to that, Ayee (2008: 255) argues that "governments think that they would lose power and patronage if they implement real decentralization". Fourth, devolution is viewed as a 'zero sum power game' upon which local actors are thought to gain at the expense of the centre, rather than a positive sum power game in which all players, both local and the centre gain over time. Fifth, there is the problem of local elite capture. However, always the local elites rather than the most vulnerable capture decentralized power. The heightened problems limit developing countries to transfer substantial fiscal, administrative and political powers to local governments, as a result contradict the notion of IGRs. The following part draws Tanzanian experiences. It presents scenarios which explicate why the centre become unwillingly to transfer administrative, political and fiscal autonomy to the grassroots.

Embedded Intricacies of IGRs in Tanzania

Before venturing into the reasons which explicate lack of commitment of the centre to embrace lucid IGRs, let us see first the functions of both upper and lower tiers of government. The functions of the Center include: policy-making, capacity building, monitoring and quality assurance issues and provide legislation guidance on the working of local government. It involves regulative functions, for instance audit and legal control functions. Central government through the respective ministry of local government coordinates the intergovernmental relations. On the other hand, the local authorities exhibit the following functions. Both urban and district authorities work under council, which is the supreme body of decision making. It is mandated with the role of discussing and approving the budget, bylaws and other appropriate projects or programs. However, there are contradictions regarding the manner upper and lower tiers of government interact in Tanzania.

One area of relations is fiscal sphere. Fiscal IGRs engross four key issues such as local expenditure, revenue, fiscal transfers, and local financial management (URT, 2007). However, the fiscal transfers have been problematic. According to REPOA (2010), prior to 2000 fiscal spending at local government level was guided by national regulations, and transfers from the ministry of finance earmarked for certain uses. To correct this oversight fiscal reform became indisputable. In 2004 the government introduced *'formula based transfers'* for recurrent expenditure and *'Local Government Capital Development Grant (LGCDG)'*. The formula based transfer intended to correct disparities in LGA allocations. This is because the wealthy urban areas tended to attract more staff than others. Since fiscal allocations followed staff more than anything else, urban areas received disproportionately greater funding. This discrepancy would be corrected through formula based transfers and as result realize greater fiscal equity. However the Local Government Fiscal Review Program (LGRP) of 2007 and the current reviews by the PMO and RALG of 2010, indicate that in practice formula based transfers have not been fruitfully applied. "... The transfers to LGAs have continued to be opaque and unequal" (REPOA 2010:11).

As regards development grants and transfer issues, local government reform identified five sector priority areas such as education, health, roads, agriculture and water for local government development (Ibid). Number of progress so far has been appreciated a great deal. Nevertheless, some bottlenecks have been identified. Before 2004, local government in Tanzania received funding from a number of sources such as discrete donor funded project, area based programs, sector reform programs, and small non formula based development grants (see LGCDG assessment manual-www.logintanzania.net). However, after the introduction of LGCDG things have not gone very smoothly. Numbers of councils were not able to utilize that avenue well. According to a number of comptroller general reports councils have had deteriorated performance. As a result, councils have failed to access grants as per LGCDG requirements. This is because discretionary grants were awarded to such councils that were able to demonstrate

that they had met basic standards in terms of quality of their development plans, procurement systems, financial management, and transparency (CAG 2012). The transfers under LGCDG focused on personnel emolument (PE) and other charges (OC). However, due to the principle of hold harmless, councils that abided to LGCDG standards continued to receive little fiscal resources (Liviga 2011). Hold harmless principle meant to increase resources to LGAs used to receive fewer resources without affecting rich councils. Despite the above intricacies, some revenue avenues available to LGAs such as hotel levies have been centralized since 2004.

The second aspect engrosses administrative dilemma. The administrative notion involves aspects such as human resource planning, recruitment, promotion and disciplining. The contradiction is embedded in policy in operational and the existing legal framework. While the 1998 policy confers local government autonomy to recruit its own staff, the public service Act, No.8 of 2002 put restrictions. It required official permit (approval arrangement) for recruitment of staff before 2009. However, the amendment done in 2007, which started to be implemented in 2009, vested the public service recruitment function to the President's Office Recruitment Secretariat (PORS). This endeavour is partly explained by lack of fiscal capacity of central government.

However, the local government policy vested appointment, promotion and discipline holistic powers to directors of local authorities in Tanzania. On the contrary, this has been hard to implement. In that line, Warioba and Warioba (2012:92) noted that:

“.....the public service Act No.8:sec5 (a) (iii); gives such powers to the minister responsible for local government. At the same time the similar Act gives the director of any local government authority who happens to be an appointee of the minister responsible for local government the authority in respect of the appointment, confirmation and discipline of public servants other than those appointed by the president....The power over the staff lies with the director and the minister and not with the local government councilors who according to D by D policy are legitimate leaders and policy makers of the local government authorities”.

The above scholars refer to this scenario as Decentralization by Centralization (D by C). The third aspect that shape central-local relations is the political realm. The political aspect intends to strengthen governance for better decision making at all government levels and improvement of service delivery. It involves key policy making organs-the parliament and district/urban councils. These are the organs of policymaking. These organs, through vibrant policies and laws, can strengthen the framework of accountability among the people, policy makers and providers who have a great stake in the notion of IGRs. Their objective is to make public service provision at all levels of government better. Public service delivery involves at least two kind of relationship (Ahmad *et al* 2005:3). First, clients as citizens have to hold policy makers or politicians accountable for allocating resources toward numerous services. Second, policy makers in turn need to hold the service providers accountable for delivering the services. The paradox comes when the poor, as the case of developing countries, including Tanzania, receive unfortunate

services. Ahmad *et al* (2005:3) argue that this bottleneck is attributed to a breakdown in one of both of the links along the long root of accountability. Such links embrace the interaction between citizenry mainly the poor, policy makers and service providers. The fact that public spending on services such as health, education, water, among others, mainly benefits the non-poor, reflects the inability of the citizenry, the 'poor' to hold the politicians accountable for resource allocation decisions. On the other hand, there is also a problem related with information asymmetry or social polarization. According to Keefer and Khemani (2005), despite the presence of functioning electoral system, due to information asymmetry or social polarization, the outcome may still be biased against the poor citizenry.

Ahmad *et al* (2005:4) argue that changes in rules and practices affect service delivery, only if accountability relationship lines between local policy makers and providers are ineffective. The dominance of one party is likely to hinge most decisions at the centre. Most implemented policies in Tanzania address the development manifesto of the Chama Cha Mapinduzi (CCM). Party supremacy, does not embrace lucid policies. Vibrant policies and rules emanate from a scenario where decision making organs have almost good proportions of the number of representatives from oppositional and incumbent political parties. The fact that many decision making avenues are dominated by a single party, it means that the benefits of multiparty politics can rarely be seen. What escalates the party supremacy scenario? Warioba and Warioba (2012:94) indicate that party supremacy scenario is 'attributed to active political parties being ridden with internal disputes, power struggle and fighting; lack of a common approach over all political parties and inherent rivalry between political parties which affect good governance and service delivery' in the country.

Other factors, which hamper central-local relations, include the following: Some scholars indicate that in the new arrangements, central government sector ministries play little attention to regulation, policy making and guidance which nurture IGRs. Local government authorities still find themselves under surveillance during practical execution of policies in respect of their own priorities set by their full councils and also in the management of their own project and policies (Warioba and Warioba 2012:73). They as well argue that local government staff/employees and citizenries fail to internalize the philosophy of D by D; they fail to translate the mechanisms, structure and processes of D by D; the central government fails to address the challenges brewed by the reform especially in central local relations and slackness in handling conflicting situations in the local government authorities. They also pinpoint that local governments fail to translate the general reform efforts into the specific operational arrangement at the grassroots; local governments fail to plan and make capital investment budgeting and fiscal management, personnel systems and management, finance and revenue.

However, over dependence on donors limit realization of the reform goals. Eriksen *et al*, (2006 in Warioba and Warioba 2012:94) identifies such reform activities as capacity building, design of structures, process and activities, financial disbursement & operations, legal reforms, and

policy direction. Where donors stop pumping resources to the government, the government becomes reluctant and turns to centralization. However, the creation of central regulatory organs; central recruitment organs; increasing the powers of financial control and audit organs in Tanzania provides a good example (ibid).

Conclusions and the Way Forward

This paper has defined the intergovernmental relations very broadly and captured all aspects of paramount importance that shape the phenomenon. It has shown key areas that contravene the harmonious interaction of upper and lower tiers of government. Key such factors include lack of political 'will' and 'commitment' by the centre to devolve its powers down to other units of government. It has shown that Tanzanian institutional arrangements and the legal framework embrace centrality tendencies. To some extent the policies are incoherent. And numerous legislations are overlapping. The 1998 local government policies, the 1977 constitution (see article 145 and 146) confer some fiscal, administrative, and political powers to local government. However, such powers are engulfed back through establishment of certain clauses and Acts (see public service Act No 8 of 2002 as amended in 2007). It has well shown that overdependence on donor limit transfers and thus endangers provision of quality services.

The paper has also outlined important prerequisites for lucid intergovernmental relations. It has shown that the question of intergovernmental relations is very complex. This is because it involves not only government players, but also the civil society, private sector, NGOs-each of which each has a stake in the provision of socioeconomic and political services for the betterment of the society. In that regard, quality service provision is an interplay of the citizenry, policy makers, and service providers. Therefore, governments have to devolve more power to the lower tiers of government in order to increase good governance of which will culminate into quality service provision.

The way forward is that in order for local governments to access requisite fiscal incentives for service delivery have to have access to capital markets. Capital markets can make lower tiers liquid to venture in long-term infrastructural investment in projects such as health, education, roads, among others. However, the notion of 'moral hazard' should not be used by financial institutions to limit local government access to finances. In order to address issues of fiscal imbalance at local level the use of a formula in allocation of resources is certain. The centre cannot transfer resources to lower tiers if its economic base is in a state of flux, for it to be able to do so, should build a lucid economic base. Finally, the accountability framework that links the citizenry, policy makers and service providers has to remain intact throughout government life. In that regard, every stakeholder has to play his/her part.

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