

Local Government

*Leave Truth to the police and us; we know the Good;
We build the Perfect City time shall never alter;
Our Law shall guard you always like a cirque of mountains...*

W. H. Auden

As the world becomes increasingly urbanised, the role of municipal governments becomes correspondingly more important. In many developing countries for instance, the urban population has surpassed the number of rural dwellers. According to a recent United Nations' estimate the number of Asian cities of more than one million inhabitants will grow from 359 in 1990, to 903 in 2015, which means that their number will have nearly trebled within the space of 25 years.

A citizen's civic duties and participation in a democratic system, first take place at the city level. A citizen casting his vote in a municipal election is exerting some influence over the way his or her city or community is being managed. Contact with local government, for many citizens, represents their first experience with public administration. Decisions and services relating to city planning, road maintenance, schools, public utilities, policing and administrative services such as licensing and the provision of services, generally fall with the local government. Local governments have greater contact with the public in the course of their daily lives than do national governments, as they are directly responsible for the community's health, housing, education, waste collection, environment and the basic needs such as sewerage and water.

The National Integrity System covers nation-wide situations. The growing realisation that corruption can sometimes be better fought from the bottom up, rather than from the national level down, has led anti-corruption strategists to target municipalities as a new focus of their work. It is indeed at that level, that the devastating impact of corrupt management can be felt by citizens, and where coalitions of concerned players can be formed around common goals for the creation of more humane and more sustainable living conditions. It is now a widely held view that good city administration can only operate effectively with increased transparency in its decision-making process, and with the greater involvement of civil society.

Increasingly, governments are being encouraged to decentralise their activities, and to follow the philosophy of "subsidiarity", whereby decisions are devolved to the lowest practical level. There is a paradox here. As more and more responsibilities are being shifted from central to local government, activities are being moved away from corrupt central bureaucracies and placed with institutions which are even less dependable. Local institutions lack numbers, and so often lack the human and material resources essential to ensure

The views of a Russian author...

"A strong central government is needed to keep the state from falling apart. In parallel, a growing, equally powerful pillar of self-government will spring from the communities upwards. These two power structures must control each other. The central government has to enforce strict compliance with the laws, while self-governing councils must control the openness and responsiveness of state decisions on every level – the villages, the regions, the provincial government. Otherwise, our country – with its vast distances, its countless peoples and its many religious groups – cannot survive."

A. Solzhenitsyn in an interview with the Guardian (UK), 18 March 2000

Avoiding conflicts of interest in Bosnia

The OSCE's Provisional Election Commission has decided that anyone elected to municipal councils in April's elections cannot remain director or a member of the governing board of a corporation in which the government owns more than 25 percent of the capital. OSCE spokesmen said in Sarajevo on 21 February that the ruling is aimed at preventing elected officials from misusing their position to protect, discriminate in favour of, or extend patronage to companies in which they have a vested interest. The OSCE's Robert Barry noted that it is not unusual in Bosnia for elected officials to hold top positions in several corporations simultaneously.

RFE/RL Newslines Vol. 4, No. 37, Part 11, 22 February 2000

proper stewardship of the public duties they are increasingly being required to perform.

As is also the case with central governments, many of the tasks which have to be carried out by local governments require cooperation with the private sector. This creates the potential for private interests to intervene and distort the decision-making processes against the best interest of the citizens. The zoning of land, for instance, is an area of local government activity which in many countries poses particular threats to integrity. Land values can increase dramatically when permitted uses are changed. The temptation to bribe councillors and council officials to ease zoning changes through the processes is a considerable problem in many countries, developed and developing alike. At the local level, relationships between the various actors tend to be much closer than at the national level, and as such, the problems of favouritism and nepotism become all the more acute.

Public budget hearings

A new tool for citizen participation is being developed in Latin America. It began in Paraguay, in 1995, when the Mayor of its capital city, Asunción, summonsed citizens to a public hearing on the city's budget. Since then annual meetings have attracted more than 300 local committees and stakeholders to share information and to create a channel for them to make their requests for consideration. Other cities have followed this lead, with local groups representing education, culture, sports organisations and local business. Petitions touch on matters such as waste disposal, health centres, primary education and the environment. Many of the petitions received at these meetings receive favourable treatment in the finalising of the budget.

Promoting transparency and citizen participation in this way opens channels of communication between city officials and the public, and creates a genuine forum for participation. As a result, citizens are better informed on public affairs and finances, they have an opportunity to air their own views, and the forum provides a way for public budget decisions to be explained. As a consequence of greater transparency, there is less room for corruption and citizens find that their opinions actually can influence government. Citizens see how, where and why their taxes are being spent, can monitor what happens to reduce waste and corruption, and can help increase efficiency. It is thought that these hearings also may serve as a way of encouraging citizens to pay their taxes, as they can see how they are being spent and how they themselves benefit from public expenditure.²

Honest, transparent, and effective local management of cities is essential to optimise the living conditions of citizens, and to foster trust in the way in which they are governed. Thus, it is crucial to address corruption and to promote transparency and accountability not just at the national, but also at the city level. As elsewhere, the best way to curb corruption is by creating coalitions and by involving government, the private sector and civil society in anti-corruption initiatives.

Such reforms can only be undertaken after some public awareness raising has taken place as to the need for such changes and the benefits they can yield. The messages must bear directly on the lives of citizens, and the issue of corruption should not be treated simply as a "moral" one. Authorities should be provided with an assessment of who benefits from corruption, what the incentives are for corrupt practices, and how employees are affected by it. In the case of a very demoralised institution, these findings may provide an avenue to deal with the problem, for instance, by having meetings or workshops with employees to discuss them, and even by involving those who may themselves be engaging in corrupt practices.

A "local government integrity system"

When asked to identify the "pillars" in their own local government integrity systems, mayors from several African cities, identified the equivalents, at the local level, of the "pillars" and practices described in this Source Book¹, and interestingly, added as a final pillar, the "National Integrity System" itself - as the provider of national judicial and police services, and as a major partner for local administrations. Therefore, in the "municipal integrity system" the National Integrity System is recognised by itself as comprising a "pillar". It is, of course, augmented by local arrangements for procurement, audit, public access to meetings of elected officials, and so on.

Local government integrity system handbooks and local integrity workshops

There is scope, and seemingly a need, for city-specific "local government integrity system handbooks" to be prepared. This could be an outcome of a local integrity workshop which

1 See Chapter 4 of this Source Book
 2 For more information on the public budget hearing process in Paraguay, contact CADEP, Centro de Análisis y Difusión de

Economía Paraguaya, Oliva 1019, Piso 12, Ofic. 22, Asunción, Paraguay: email: cadep@sce.cnc.una.py.

would bring together the various pillars of the local integrity system such as the Mayor, City Councillors, the tender board, financial managers, watchdog agencies, religious leaders, community associations, local business associations and the local media, to assess the strengths and weaknesses of the existing integrity system. The forum could also lead to the development of an action plan aimed at improving the municipal integrity system.

The issues which could be discussed in such a workshop could cover, for instance:

- the development of appropriate codes of conduct which apply to the Mayor, Councillors, senior staff and middle management;
- the introduction of declaration of assets and incomes at the higher levels of city management;
- the development of transparent public procurement processes;
- the opening of all meetings to the public;
- the development of transparent procedures for the hiring of staff; and last but not least,
- the encouragement of civil society groups to participate in the development of efficient and honest systems of service delivery.

Change at the local level faces much the same obstruction from vested interests and alliances as it does at the national level. Added obstacles, however, include the need to operate within the framework of the laws and practices of the national administration, the absence of a large number of players in the private sector, and the human and financial resource constraints under which local governments are forced to operate in most countries around the world. None of these obstacles should be underestimated.

However, there are also many advantages at the local level. These include:

- being closer to the people;
- the absence of the vaulting ambitions of politicians on the national stage; and
- the ability of “clean” municipalities to create inward investment ahead of more corrupt (and hence less attractive) neighbours.

For young politicians in particular, there is, too, the appeal of being able to build a strong local following through demonstrably improving people’s lives, rewards that are more noticeable at the grassroots. Given an active civil society in the local setting, and the growing need for municipalities to “market” their areas in order to attract private sector activities, “champions” for reform among Councillors and senior staff should not be hard to find.

For all these reasons, and because major change at the national level is usually so much more problematic and difficult, civil society is increasingly focusing on what it can do to bring about change at the local level. Transparency International chapters in Central and Eastern Europe, too, have begun to focus on this area, devising strategies for building civil society groups “around” municipal institutions.³

If sustainable change can be made at the grassroots, the reasoning runs, the case for change at regional and national levels becomes all the more compelling.⁴

³ See, Juliet S. Gole (1999) *The Role of Civil Society in Containing Corruption at the Municipal Level: Proceedings from the Regional Conference of Transparency International Representatives*, (Budapest: Open Society Institute and Transparency International).

⁴ Transparency International is initiating a project which will document these initiatives, analysing the ingredients which have made them successful and noting what lessons there may be for other civil society organisations who may wish to emulate them. The results will be posted progressively on the TI web site.

Some indicators for assessing Local government

- Is local government democratically accountable?
- Is it subject to independent audit?
- Are meetings of local bodies required to be held in public unless there are special reasons why they should be held in private, whether by law or by convention? If local bodies have power to close meetings to the public, are the grounds for doing so limited, and must they debate in public the necessity for closing the proceedings before a decision to do so is taken?
- Are local authorities subject to the jurisdiction of an Ombudsman or a similar independent body?
- Are gift and hospitality registers maintained for those in sensitive posts? If so, is there a right of public access to these registers?