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Decentralisation: The Search for New Development Solutions in the Arab World's Peripheries

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Road signs showing the direction of Tunis and the towns of Sfax, Sousse and El Kantaoui. © Goran Jakus / Shutterstock.com



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Introduction

An account of the Arab uprisings of the last decade would be incomplete without an understanding of regional inequalities. While each country's protests were driven by a distinct combination of grievances, a common factor has been the marginalisation of "peripheries". The Sidi Bouzid region of Tunisia from which the Arab Spring started is a region rich in agricultural resources yet poor in infrastructure and economic opportunities. Its connection rate to running water is half the national average. A similar story can be seen across the flashpoints of unrest in the Arab world, a story of widening urban-rural divides, uneven regional development and political and economic exclusion of entire regions.

Can decentralisation address these grievances? Since the 1980s, decentralisation has been championed as a driver for both democratisation and development, promising to empower regions, granting them political representation and enabling them to create their own economic strategies. However, a key fear among many, from politicians and bureaucrats to ordinary citizens, is that decentralisation is a means for the central state to withdraw from its traditional functions and transfer responsibility for service provision to under-resourced and over-burdened local government. Yet, the demands for freedom, dignity and social justice voiced by the Arab uprisings require the central state to be **more** present in peripheries, not less.

Can decentralisation help achieve greater local development in peripheral regions without allowing the central state to withdraw from its obligations to citizens? Is it even possible to envisage new forms of local development within the framework of highly centralised Arab states? How can Arab states reconfigure their relations with local communities in the context of severe political and economic crises?

This article explores these questions in the Tunisian context, where a major decentralisation process is taking place in response to demands for inclusion and development. It argues that in order to produce new modes of local development



in peripheries, central state institutions need to fundamentally reform the way they function.

Challenging the central state

Peripheries have taken centre stage since the Tunisian revolution. Immediately after the fall of Ben Ali in January 2011, caravans of protesters walked from marginalised regions all the way to the capital, staging sit-ins outside the Prime Minister's office and demanding fundamental change to the distribution of political and economic power in the country. State authority was severely weakened, with citizens taking the opportunity to settle long-standing property disputes. According to the Ministry of State Property, individuals appropriated 50,000-70,000 hectares of state property between 2011 and 2015 (Blaise 2016).

The revolution refocused attention on territorial inequalities and the failure of decades of development policies to achieve a balance between regions in terms of public investment, infrastructure, jobs and basic services. Some analyses have linked this to economic liberalisation policies since the 1980s, which have weakened public services, created mainly low-skilled jobs and aggravated existing socio-economic grievances. In Tunisia, the 1960s to early 1980s saw a policy of developing regional economic poles across the country to create balance. In the late 1980s, a new developmental model of "metropolitanisation" focused on "improving the productivity and competitiveness" of a handful of large cities, inserting them into the global economy by "offering comparative advantages in the face of competition from other Mediterranean centers" (Ministry of Infrastructure 1997). This process further concentrated resources in major coastal cities, with coastal areas receiving over 80% of public investment by 2011.

While much analysis has focused on inequalities between regions, the inequalities *within* regions may be even more significant. In Tunisia, public investment is concentrated in regional capitals while surrounding areas lack basic infrastructure and services, constituting peripheries of the peripheries. In Syria, intra-regional inequalities have grown over recent decades, with public services increasingly centralised in provincial capitals at the expense of surrounding rural areas (Hallaj 2018).



Decentralisation: the search for new modes of governance

Faced with the disintegration of traditional modes of governance after 2011, the Tunisian state has been forced to rebuild its authority on new grounds.

Decentralisation is part of this shift. The 2014 constitution dedicates an entire chapter to decentralisation and a new decentralisation law and elected local councils were put in place in 2018. One of the main appeals of decentralisation is the potential to drive development by drawing on the particularities of each region. For instance, many poor regions such as Kairouan, Beja and Kasserine have a rich archaeological heritage and enormous potential in eco-tourism and organic farming. By giving elected local and regional councils more powers, it is hoped that they can draw on their knowledge of local needs and resources to drive new economic sectors.

However, local councils are up against the enduring, centralising *habitus* of the central state. The central bureaucracy is refusing to decentralise resources, even though local spending represents less than 5% of total public spending (low even by regional standards, compared to 14% in Morocco). While the 2018 decentralisation law gives local councils more powers, the central state has resolutely held onto revenues and rejected proposals to apportion a percentage of VAT receipts or other fiscal revenues to municipalities. This is a pattern that is reproduced in Morocco and Jordan, where partial decentralisation means elected local councils are created without being given the means to respond to public demands, essentially setting them up to fail.

Another challenge is how to make a decentralised system function.

Decentralisation requires constant coordination between local and central government, given that many local services are provided jointly. For example, local councils are responsible for waste collection but then pass it on to central state agencies, which are responsible for management and disposal. Before 2018, all local-central coordination went via the centrally appointed *wali* (regional governor) who acted as both representative of the central state in the region, and representative of local communities to the state as head of the (nominally elected) regional council. Under the new decentralisation law, the *wali*'s role has been



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downgraded to reduce central state intervention in the work of local councils, who enjoy autonomy under the new constitution. In reality, regional governors retain important relationships and resources that local councils need, such as control over municipal police and the regional offices of all ministries. As a result, mayors are struggling to implement their council's decisions and regional governors still have the power to obstruct their work. A similar system of "institutional layering" was put in place in Morocco's decentralisation process where, instead of removing the governor's oversight over elected municipal and regional councils, central authorities created "a complex, tangled double structure" where centrally appointed officials still have the power to block the decisions of elected officials (Hoffmann, 164).

Central-local cooperation is particularly challenging in the context of party pluralism. The Tunisian state bureaucracy – like many of its Arab counterparts – was not built to accommodate political pluralism but to operate in strict obedience to a single ruling party. The line between state and party was often difficult to locate, with the ruling party using state resources to reward its allies. This interpenetration of state and party rendered local-central coordination easier, since the regional governors could get things done by leveraging their positions both within the ruling party and state institutions. The regional governor could mobilise a web of clients and notables held together through a system of state-party rewards and sanctions. State coordination operated through vertical relationships based on a clear hierarchy – municipalities who needed to deal with central state agencies had to direct requests to the regional governor, who would coordinate with the relevant ministries.

Decentralisation and multi-party democracy have now made these modes of governance obsolete. Party pluralism has ruptured the closed web of decision-making based on allegiance and obedience to a consolidated state-party nexus. Decentralisation has also weakened decision-making hierarchies by granting local councils administrative autonomy and removing the tutelage previously exercised by central state institutions. The mayor of a small town now feels s/he has more legitimacy as an elected official than an appointed governor who may be changed with the next government reshuffle (which has taken place, on average, once a year in Tunisia since 2011). This has inevitably created tensions between elected



and appointed officials, each of whom sees themselves as enjoying legitimacy.

More state, less state, or a different type of state?

The decentralisation experiment in Tunisia thus faces challenges at multiple levels. At the global level, local councils face the question of how to create a localised vision of development in an era of globalisation. At the domestic level, the challenge is how to share resources and cooperate with a highly centralised state bureaucracy, while dealing with the persistence of clientelistic networks that favour politically well-connected business interests and make it difficult to advance a new local development model.

The first response lies in approaching decentralisation as a transversal reform of how state institutions function across the board. Decentralisation is not purely a question of putting elected local councils in place and giving them new functions. It requires rethinking the entire institutional architecture in which those councils are embedded. The debate between proponents and opponents of decentralisation over whether decentralisation means the withdrawal of the state misses an important point. Decentralisation is not a choice between local or central government. For strong local governance, local government needs strong central state institutions to work with at local and regional levels, which means that the central state needs to be *more* present not less - albeit in a different way.

A recent study by the GIZ in Tunisia found that, contrary to widespread perceptions, the local and regional offices of central state bodies are largely unstaffed. In some interior regions, such as Medenine and Siliana, over 60% of positions are vacant, which helps explain why regional development projects have execution rates as low as 8% in many regions. Thus, rather than approaching decentralisation as a zero-sum game between central and local government, decentralisation calls for *reinforcing* the presence of the central state at local and regional levels through deconcentration, while amending the state's role to one of supporting local government to foster development.

The second response is to think about development territorially. This means



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rethinking the map of local government units in a way that takes them seriously as key players in development. Historically, the central state has drawn administrative boundaries based on security concerns or the interests of the ruling party. New municipalities were often created to reward local clients of the regime or resolve conflicts within local party cells (Turki and Gana 2015, 56). The boundaries of local government units often make little sense for local inhabitants or developmental needs, and take little account of territorial trade flows, resources, demographics, mobility and local identities.

The third response is to reform obsolete legal frameworks that stand in the way of local development, in order to encourage new forms of economic cooperation and local involvement. The complex web of legal requirements for permits, authorisations and approvals that stifle economic initiative and nurture patronage networks is familiar across the Arab world. One important source of patronage in Tunisia is state-owned land, which was used by the former regime to reward its allies and enrich those close to power. These practices have been contested since 2011, one example being the small town of Jemna in the Southern governorate of Kebili. In 2011, residents re-appropriated 185 hectares of state-owned agricultural land they claimed belonged to their ancestors before being confiscated by French colonial authorities, then nationalised after independence. In the context of a decline in central state control after the revolution, residents set up an association to manage the land, vastly improving its productivity and employing over 100 local workers, while reinvesting proceeds into local social and economic projects. The Ministry of State Property brought a legal claim against the association in 2016 and ordered local officials not to recognise the association's sale contracts. The courts eventually ruled in favour of the association in July 2017.

The Jemna case has provoked an interest in new ways of organising economic activity that promote social objectives and local self-management. This public debate has spurred the drafting of a new law on the social solidarity economy that removes the legal and administrative barriers to establishing community-based cooperatives.

Conclusion



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Tunisia's decentralisation process is a response to decades of failed development policies and the growing concentration of wealth in personal and regional-based clientelistic networks that have left little wealth to be re-distributed. Faced with the disintegration of pre-revolution governance mechanisms, state institutions in Tunisia are now being forced to change how they work. This means changing the nature of the state at the local level – strengthening its presence while changing its focus away from hierarchical command of local authorities to horizontal cooperation and support. It also means developing new institutional coordination mechanisms to replace the pre-existing system of coordination based on state-party and personalised, clientelistic relations.

Newly elected local councils find themselves at the forefront of this institutional shift. Tunisia's 350 municipal councils are struggling to respond to public demands in the context of limited resources, distrust towards the state, and resistance to the decentralisation process. The success of Tunisia's decentralisation process depends on viewing deconcentration and decentralisation as equally important, and undertaking legal and institutional reforms that undercut clientelistic modes of governance and enable the emergence of new forms of community-led development.

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About the author

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