

# The Political Economy of Local Governance in Malawi

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## Introduction

Local government has become increasingly important for Malawi's donors. The last five years have seen a substantial deconcentration of functions from central ministries to district government. Over the same period donors have directed increasing volumes of General Budget Support and Sector Budget Support through the Government of Malawi. The result is that financial transfers to districts have risen significantly and an increasing proportion of donor investment particularly for health, education and agriculture now goes through this structure.

For many donors, district structures are seen as part of a specific line ministry rather than as part of a semi-autonomous local government, overseen by its own democratic structure. While in practice this assumption is not necessarily mistaken, it has long been clear that local politics play an important role in influencing service delivery. Very rarely have local dynamics and their consequences on services been explored in either academic or donor work. This study thus had two aims:

1. To act as a backgrounder on district government and district politics, collectively described here as local governance.
2. To follow resource flows at district level, particularly in the areas of health and education where DFID has significant investments, and to describe the implications local governance has on service delivery and accountability.

## ***Approach***

Significant research material exists on Local Councils and their central structures. Unfortunately studies have rarely included a focus on the sectors and local service provision, either the politics surrounding decision making or accountability. This is unfortunate given these sectors account for over 80% of district budgets. It is through these district sector offices that a significant proportion of donor investment in health and education flow.

Given this, primary field work was essential but its reach was limited. This study is based on field research in just 3 districts, these are Dedza and Rumphi, chosen because they are in different regions and are dominated by different parties and an urban area, Lilongwe. Wider contextual interviews in Lilongwe, Blantyre and Mangochi brought in *limited* material from other districts.<sup>1</sup> Limited numbers of research days means that this study cannot and does not make a claim to reliably represent the national picture.<sup>2</sup> Indeed, a major finding of this study is the extent of difference – there are significant variations in how local governance functions between districts, despite all operating within the same formal frameworks.

This study is structured as follows. Part One provides a background to local government today. The First Section outlines the history of local government in Malawi, using it to demonstrate that current challenges facing local government are as old as the state itself. It makes the argument that central leaders have consistently used local actors to strengthen their authority, but have rarely been willing to concede genuine power over policy for fear of providing political space for opposition to develop. The Second Section describes the local government system as designed, and the shape it takes today without Councillors. The Third Section looks more closely at Chiefs, MPs and District Commissioners who can all play a key role in allocating resources. It identifies various incentives they face to influence policy in certain ways.

Part Two further unpacks these political incentives to support or undermine effective service delivery. Section Four looks at the role local politics plays in decision making. Section Five identifies the structures designed to provide oversight for district resources, arguing that many accountability processes actually undermine service delivery. Part Three provides practical suggestions of entry points and goes on to provide a number of recommendations for donor policy.

<b>Local Governance: Key Terms</b>
<b>Decentralisation</b> - Decision making delegated to local levels. Collective term for both deconcentration and devolution
<b>Deconcentration</b> - Decision making delegated to local levels, to structures that are part of the central government machinery, without local level democratic oversight.
<b>Devolution</b> - Decision making delegated to local levels, to autonomous bodies, specifically created by an Act of Parliament with local level democratic oversight, and where decisions are supposed to be taken by elected members on behalf of the electorate.

## **PART I: LOCAL GOVERNANCE IN MALAWI**

### **1 A History of Decentralisation**

The history of local governance in Malawi reveals two political trends that have been present over the last 90 years<sup>3</sup> and remain highly relevant today. The first is that national level leaders have consistently looked to co-opt and borrow the local authority<sup>4</sup> that chiefs and other powerful local actors have over the Malawian population. They have done this to

<sup>1</sup> Limited further material was gathered on Mangochi, Salima, Ntcheu, Thyolo, Phalombe & Mulanje.

<sup>2</sup> 6 research days were spent in Dedza, Lilongwe & Rumphi.

<sup>3</sup> Chiefs were first incorporated into the colonial administrative system in 1912.

<sup>4</sup> I use this term to include both the legitimacy many chiefs hold and the tools for coercion (land distribution etc) that they have at their disposal.

expand and consolidate their own national power. The second trend is a consistent unwillingness of national actors to concede spaces for genuine political autonomy at the local level, for fear that it may be used to organise opposition against them. Malawi has begun to see some democratic progress at a national level, but in local level politics democratic governance remains both limited and fragile.

### **1.1 The establishment of local government**

The first of these two dynamics can be seen in the pattern of in-direct rule that evolved during the colonial era.<sup>5</sup> The British successfully used local chiefs as part of national governance structures, combining their traditional legitimacy and authority with, sometimes new, judicial and administrative powers<sup>6</sup>. This allowed the British to maintain control and implement projects. At the same time, the independence of the chiefs was kept in check by the central state via District Commissioners. This prevented the emergence of spaces for opposition to colonial rule, a tactic that was largely successful until the 1950s.<sup>7</sup>

This trend of not conceding local spaces for opposition to develop continued following the establishment of District Councils in 1953. While councils were designed to include elected local councillors, the colonial government stepped away from this out of recognition that it could provide a basis for nationalist opposition.<sup>8</sup> Pressures for democratic decentralisation<sup>9</sup> were present then, as today, but the increasing political weakness of the colonial government led them to step away from it. This pattern has been repeated through to the present day,<sup>10</sup> regimes' willingness to concede to pressure for local democratic decentralisation is contingent on their national political strength at the time.

### **1.2 Banda and no change**

Post-independence, the Malawian government again reformed district local councils, ensuring councillors would be directly through universal adult suffrage.<sup>11</sup> While this is seen by many as the heyday of local government,<sup>12</sup> by 1965 the instillation of a the one-party state curtailed this, with councillors directly selected by Banda, in consultation with the local party.

The Banda era also saw the emergence of dual administration in the districts. District Councils continued to provide the basic local services such as supervision of markets and maintenance of local infrastructure. The Council administration was headed by a clerk of the district council who was overseen by the unelected District Council. Alongside this, many central ministries began to deconcentrate some of their functions to regional and district

<sup>5</sup> Particularly following the 1933 Native Authorities Ordinance.

<sup>6</sup> The use of Native Authorities was more than a cheap mode of local governance, it was about co-option of existing patterns of legitimacy, where they existed. The colonial state also transformed the role of chiefs in many places, strengthening their position and creating opportunities for patronage that did not exist before. Where a tradition of chiefs did not exist, they were often invented.

<sup>7</sup> Ross *Colonialism to the Cabinet Crisis* The obvious exceptions to this are the political fallout from the Ethiopianist Watchtower movement and, linked to this, the Chilembwe uprising. Yet, despite these exceptions, the fabric of indirect rule remained strong until their breakdown in the 1950s. This is demonstrated in the complete unpreparedness of the British for the campaigns of non-violent resistance seen with the rise of the Nyasaland African Congress.

<sup>8</sup> Kaunda 1999

<sup>9</sup> Local government was seen as a forum for practical political education

<sup>10</sup> Seen for instance in the preparations for Local Government elections which have since been suspended.

<sup>11</sup> Baker, C. (1975). *The Evolution of Local Government in Malawi*. Ile-Ife: University of Life Press.

<sup>12</sup> Apthorpe, Chiviya and Kaunda 1995; Kutengule et al. 2004

level, overseen by the District Commissioner. In each district there were two bodies, one headed by the District Commissioner and the other by the council and the clerk. Banda steadily stripped District Councils of responsibilities, such as public health, which were allocated to ministry officials in the districts.<sup>13</sup> Whilst Banda did not formally abolish local government, it was in practice substantively undermined and sidelined.

### **1.3 *Muluzi and a new approach***

The end of Banda's rule and the development of a new constitution in 1994 laid down a new framework to enable democratic devolution to take place. This ended dual administration and brought all government functions in the districts together under a democratic local assembly with the administration overseen by the District Commissioner.<sup>14</sup>

Muluzi played the politics of local governance deftly during his first term (1994-1999), limiting the space available for opposition at the local level until he was in a strong enough position to control it. One of Muluzi's first moves was to abolish local councils in 1995, justified under the guise of ending dual administration. In the polarised regional politics of the time, it removed a key platform that the MCP or AFORD could have used to undermine the UDF.

It took a full six years from the passing of the constitution for local government elections to be held.<sup>15</sup> By this time the UDF had strengthened representation in Parliament and further consolidated its rule. When the local elections were held in 2000 the UDF gained 612 of the 860 (about 71%) District Council seats.

Elections and the Muluzi era also brought changes to for the role of chiefs. The need to deliver votes at election time made the chiefs useful to central politicians not just for longer term political control but for shorter term delivery of votes. Muluzi used the tools of the state to co-opt the chiefs, taking the first steps to pay Traditional Authorities a salary and to reward TA's loyalty by elevating individuals to the creation of senior chief positions and building of houses for some chiefs. At the same time, chiefs were used to legitimise Muluzi's campaign for a third term.

### **1.4 *Mutharika***

Following the 2004 election and Mutharika's departure from the UDF, the Presidency was again faced with a Parliamentary minority. It was in this context of political weakness that the suspension of Local Government Elections was announced. In 2005 the terms of Local Councillors ended, Councils were dissolved, and the Ministry of Local Government and Rural Development made provision for an alternative decision making structure comprised of Members of Parliament and a range of unelected local leaders known as District Consultative Committee (see Section 2). Afrobarometer data demonstrates that while some Malawians continued to contact their former councillors, MPs began to receive increased

<sup>13</sup> Chiweza *Public Sector Reforms*

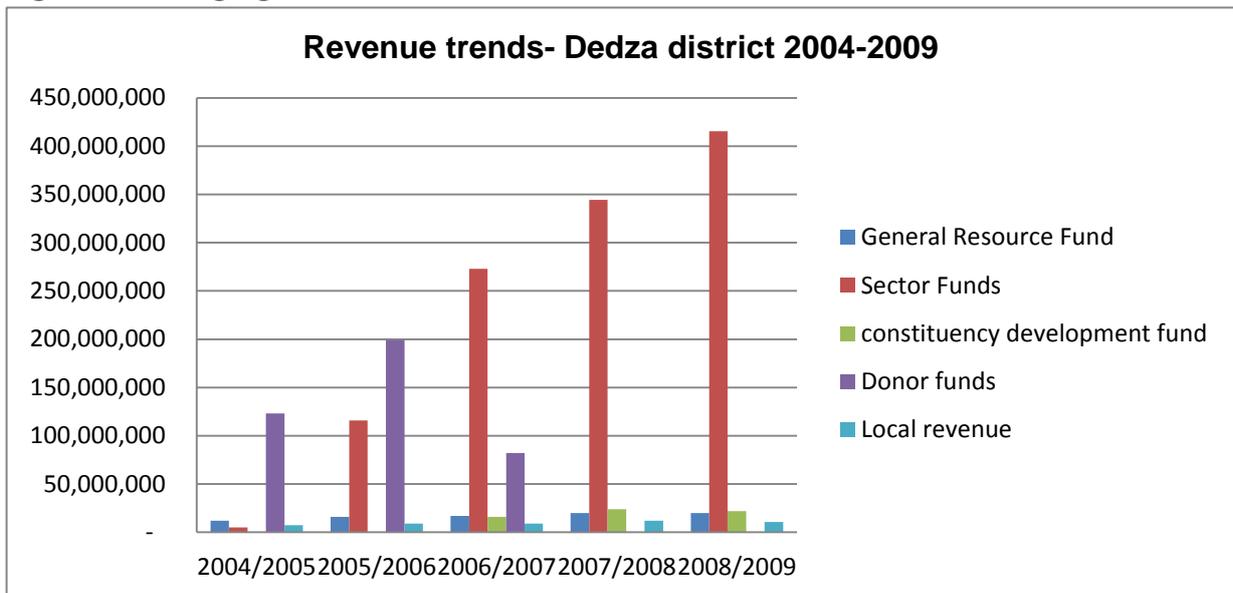
<sup>14</sup> Known as 'Chief Executives' in urban districts

<sup>15</sup> Four years to develop and pass the Local Government Act allowing the reestablishment of district councils followed by two years to hold elections. While the pace of reform was questioned at the time, Muluzi ensured that reform did continue to progress, albeit slowly.

levels of demand from constituents.<sup>16</sup> This status quo also led to a decline in levels of trust in local government.<sup>17</sup>

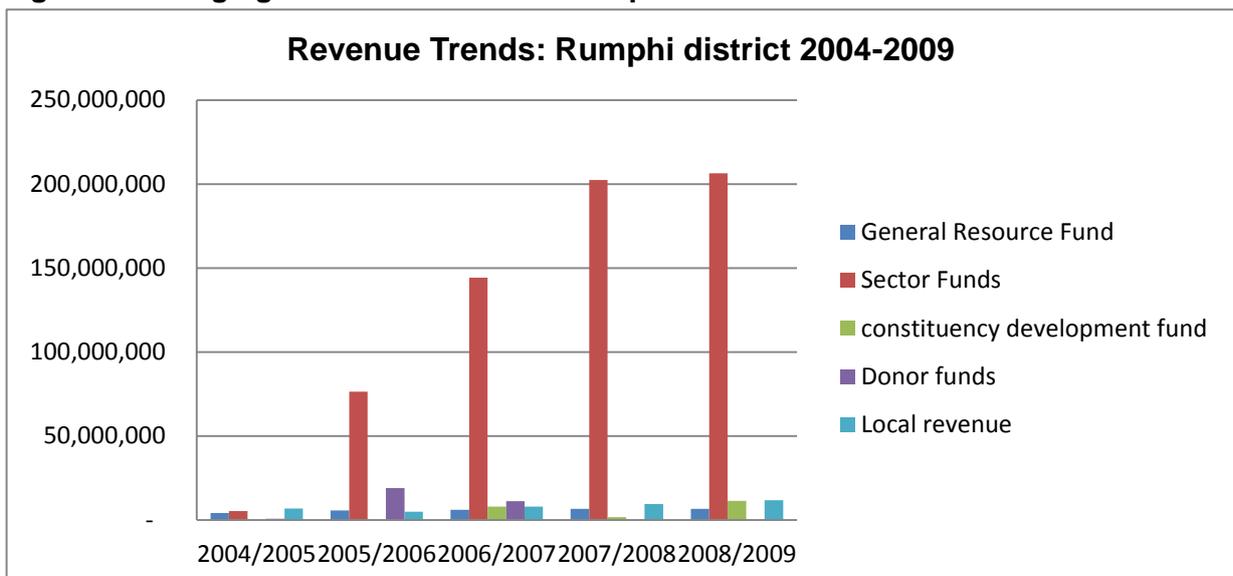
At the same time as this decline in trust and democratic oversight, significant numbers of central ministry functions were being devolved to district offices as part of the process of implementing decentralisation in Malawi. The value of sector specific conditional transfers from the centre went from comprising anywhere between 10% and 30% of many district budgets during 2004/5 to over 90% by 2008/9, with non-sector discretionary specific funding remaining flat. Figures 1 & 2 illustrate the significant increase in local government revenue for two survey districts during this period, driven by sector transfers.

**Figure 1: Changing Revenue Patterns - Dedza**



Source: Chiweza 2010

**Figure 2: Changing Revenue Patterns – Rumphi**



<sup>16</sup> Afrobarometer Malawi survey 2008 (Q25a, Q25b & 27b); 2005 (Q32a, Q32b & Q32f) & 2003 (Q29a, Q29b & Q29f) [www.afrobarometer.org](http://www.afrobarometer.org)

<sup>17</sup> Afrobarometer Malawi survey 2008 (Q49d); 2005 (Q55d).

Source: Chiweza 2010

A number of factors drove this dramatic shift. On a political front, increased transfers to local levels were one way Mutharika mollified pressures on him to hold Local Government Elections. They allowed him to be seen to be taking decentralisation forward without conceding spaces for opposition while not fully in control. Related to this, donor pressure also increased at this time, both as a condition for World Bank support and through the design of the first Health SWAp.<sup>18</sup>

### **1.5 Legal change - 2010 Local Government Act**

The 2009 election and a new Parliamentary majority allowed Mutharika to reduce the opposition threat posed by democratic Local Government. In 2009 the constitution was amended to give the President the authority to determine the date of Local Government elections. This allowed elections to be held at a time of maximum support.

In 2010 significant amendments were made to the 1998 Local Government Act. Two changes are of particular note, firstly MPs were given voting rights within the District Assemblies alongside councillors and second, ward sizes were increased, reducing the number of Local Councillors to two per constituency. This reflects a novel effort to increase central government authority, rebalancing of power by weakening councillors and strengthening, the more directly controllable, MPs within Councils.

These changes will not be implemented until local elections occur and it is unclear whether they will be effective in reducing opposition space. DPP's Parliamentary majority is a guarantor of short term control in the majority of districts,<sup>19</sup> yet these reforms could mean Local Councils become more, not less, of an opposition platform in the event that future Parliaments are more balanced.<sup>20</sup> These questions will only be answered following further rounds of elections but do point to the short term political thinking behind the legislation.

It was in this context that preparations for Local Government elections began, with an intended poll day of 23<sup>rd</sup> November 2010. On 24<sup>th</sup> August 2010 the poll day was shifted to 20<sup>th</sup> April 2011 and, in December 2010, the Electoral Commission was suspended. These suspensions coincided with an increasingly problematic relationship between President Bingu Wa Mutharika and Vice President Joyce Banda and the beginnings of intra-party splits within DPP. While the reasons for the suspension of the elections cannot be proven at this point, the suspension of space for local opposition at a time in which a leader's power is not fully consolidated is consistent with both Mutharika's first term and a well established pattern that goes back to the late colonial era and the foundation of local government in Malawi.<sup>21</sup>

<sup>18</sup> World Bank support was particularly dependent on visible progress in decentralisation between 2005 and 2008.

<sup>19</sup> Of the 28 districts, only 5 do not have a majority of DPP MPs (Dedza, Lilongwe, Salima, Machinga & Mangochi with Mchinji split)

<sup>20</sup> In particular, if the trend toward polarised regional politics continued (unlike the 2009 elections) this could create strong opposition councils comprised of both opposition councillors and MPs.

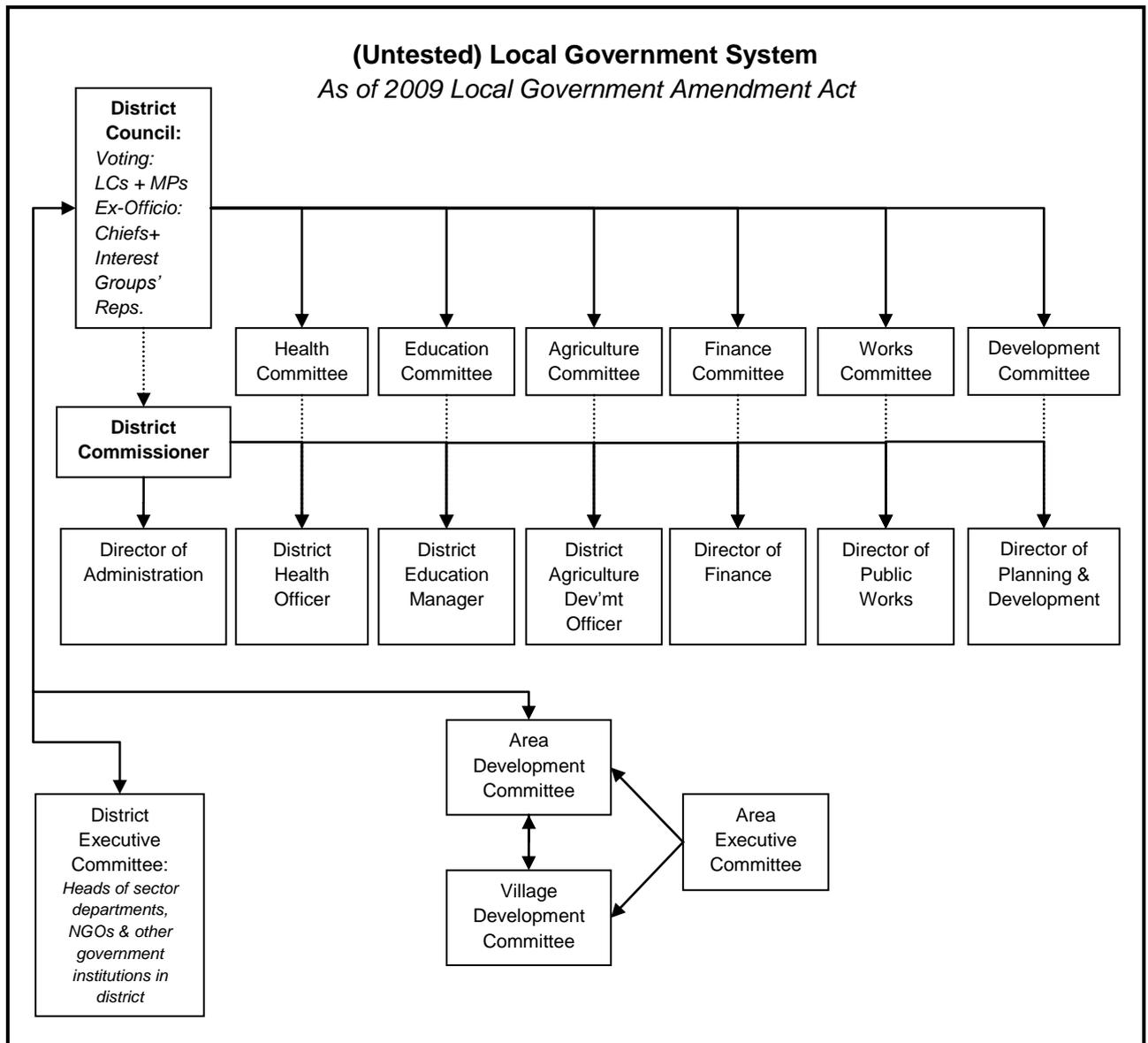
<sup>21</sup> The implication of this argument is that if pressure on the President continues over the next few years, it may be unlikely that LGEs will occur unless extreme pressure is placed on the presidency. For more see Chiweza 2010 *The Significance and Prospects of Local Government Elections*.

## 2 The local government system: design and reality

This section outlines the structure of Local Government. There have been three structures in the last decade. The first was seen in the 2000- 2005 period when councillors were in operation. Material from this period is used throughout this study, but the structure is not dealt with directly in this section as the Act was subsequently changed. The second period, from 2005 to present, has followed an interim structure. Finally, following the 2010 amendments to the 1998 Local Government Act a new structure exists, but has not yet been tested because elections have not been held. This section explains the untested 'official' structure and then the interim structure.

### 2.1 The Local Government system (untested following 2010 Amendment to the 1998 Local Government Act)

Figure 3: Local Government System Following 2010 Amendments to the 1998 Local Government Act



The Local Government system laid down in the 1998 Local Government Act was operational from 2000 to 2005, following the election of Local Councillors. If Local Elections were held in the near future then Local Government would take a different form with less councillors and more MPs following the amendment to the Act in April 2010 as depicted in figure 3. This means that the current 'official' Local Government remains partly untested, this is the system outlined here.

The system as designed has a Local Council overseeing a district administration, including de-concentrated sector budgets. The heads of each sector department e.g. the District Health Officer or District Education Manager are directly managed by *both* the District Commissioner *and* their line ministries. Each sector head has an administration under him or her.

The Council itself exercises oversight on two levels. First, the District Commissioner reports directly to the council (as well as the Ministry of Local Government and Rural Development) and is responsible for performance. Second, Councillors chair committees for each of the sectors. In this way sector heads are directly responsible to the Council for overall performance in their sector, in addition to reporting lines to the District Commissioner and ministries.

Below the council are sub-structures that were developed to facilitate participatory planning, organise self help initiatives, feed awareness of local issues into the councils, and to allow the councils to disseminate information. At Group Village Headman level, covering a number of villages, are Village Development Committees.<sup>22</sup> They feed up to the Traditional Authority level, where the Area Development Committees sits.<sup>23</sup> The District Planning Guidelines developed by the MLGRD prohibit T/As and Group Village Heads from chairing these committees, although in practice they often do in some districts. The structure also provides for Area Executive Committees, which are supposed to provide input, advice and capacity building into the VDC and ADC committees

At district level, the District Executive Committee includes a range of technical actors including the District Commissioner, sector heads, representatives of other government departments in the district and NGOs. Its role is to advise the Council, to strengthen Village Development Committees and Area Development Committees and to quality assure their proposals and to solicit funds from external sources.

## **2.2 The creation of an unelected Councils and the reality of local government from 2005**

The failure to hold Local Government Elections in 2005 led the Ministry of Local Government to develop regulations around a 'temporary' decision making structure, the District Consultative Committee.<sup>24</sup> This structure has now been in place longer than the District Councils were.

<sup>22</sup> These are composed of representatives of all villages, local councillors, women's representatives and an extension worker representative.

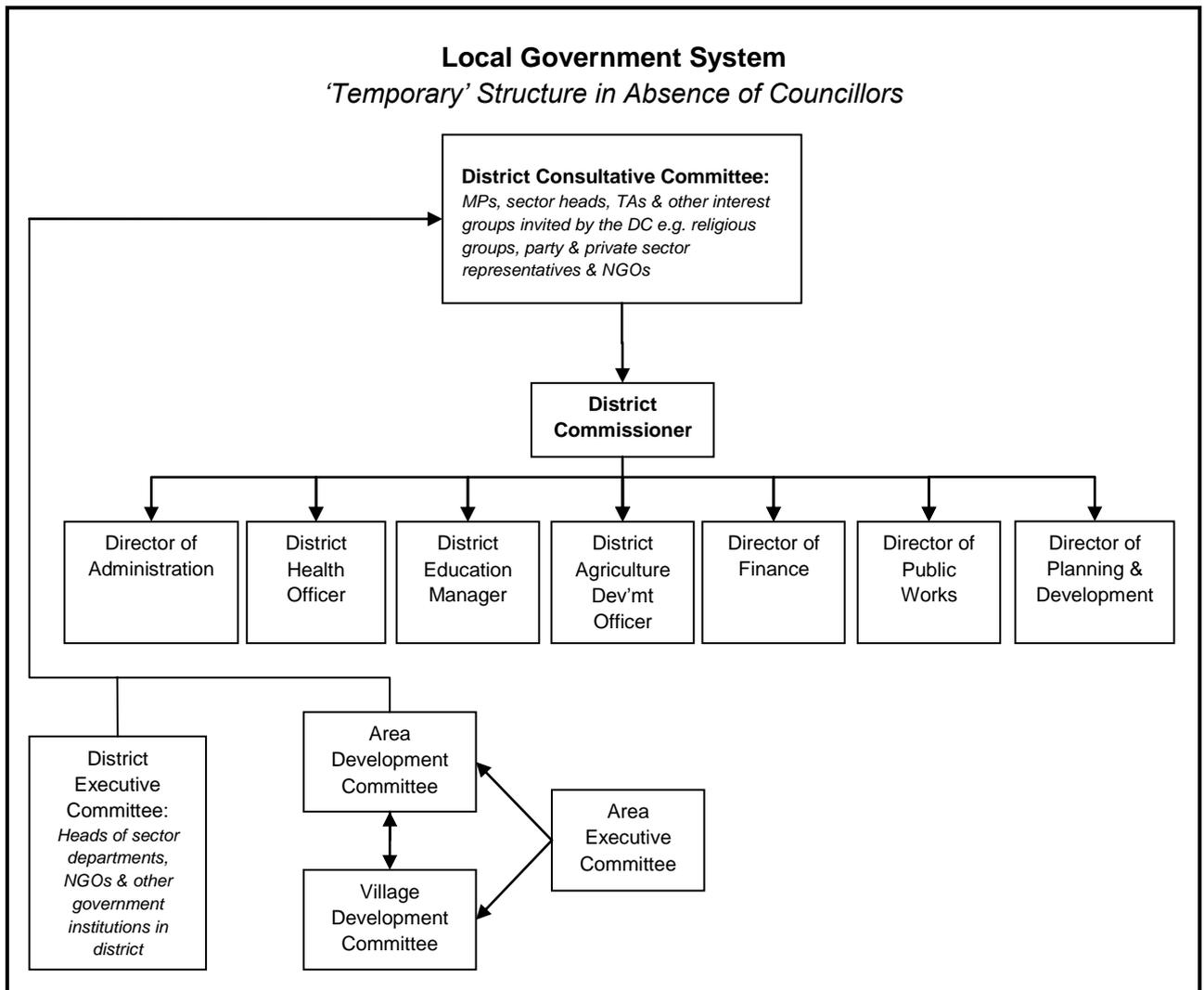
<sup>23</sup> The ADC includes VDC and AEC leaders, councillors, religious leaders, and youth, women and business representatives

<sup>24</sup> Known in some districts as the District Consultative Forum (DCF)

While guidelines on composition do exist, actual practice varies significantly and is contingent on the decision of the District Commissioner and pressure from external actors in each district. At a minimum, the District Consultative Committee includes MPs, Traditional Authorities, sector heads and the District Commissioner. Across different locations other members have included political party leaders, women’s groups, religious leaders, NGOs, business representatives and Area Development Committee chairs. Despite wide voting powers, it is MPs and Chiefs, as well as sector officials who have the most say, although the balance of power varies significantly according to the relative power of Chiefs, MPs in a district.

This structure has no legal basis meaning councils cannot now borrow money or pass changes to outdated by-laws, something that has been particularly problematic in urban areas.

**Figure 4: Local Government System in Absence of Local Elections**



In many ways the temporary structures, the DDCs have acted more as information sharing forums than strategic bodies. Engagement around the development and approval of annual sector work plans has been generally weak, particularly given the large sums delivered through these plans. Nevertheless, decisions relating to the distribution of resources are put

before the committee and changes are made, in line with the political priorities of those participating, as well as need.

As the only elected members of the DCC structure MPs engagement varies significantly with significant attendance when decisions on capital investments and other questions of resource allocation are made, but often weak attendance at other times.

It remains unclear how much difference the Local Government amendment Act will make to the balance of power on councils between Local Councillors (LCs) and Members of Parliament (MP). Whatever the outcome, the temporary structure in place currently appears to be structures in such a way as to avoid the constant tensions between LCs and MPs that characterised the 2000 – 2005 period.

An important recent development has been the establishment of the Local Development Fund which places resources in the hands of the central Local Government administration, rather than earmarking it to sector offices. The original concept was for it to be used as a discretionary fund to meet locally defined needs summarised in the District Development Plans. Four funding windows were developed for communities, urban areas and a performance window.<sup>25</sup>

Following the 2009 elections, the Minister of Local Government at the time, decided that the majority of existing Government and World Bank funding for the Community Window would be ring fenced for use in building primary school teachers' houses. This limited the fungibility of the Local Development Fund, both its ability to respond to local needs and to be diverted to political projects.<sup>26</sup>

Implementation of the sub-district structures<sup>27</sup> has been particularly sporadic. A recent study noted that most of them have been defunct. Whether they continue to exist or not is largely dependent on whether NGOs are using them to deliver programmes.<sup>28</sup> Many of these local committees submitted proposals for funding to the district councils but received little feedback, until recently the district administration stockpiled these requests without any resources to support them. Indeed, the vast majority of council funding has been going, ring-fenced, into the sector offices with very little discretionary funding for other local needs. The result has been that many of those working on lower level committees have become disgruntled. The LDF has provided some means to address this, although the fact that the majority of the fund is currently tied to building teachers houses limits the ability of district councils to be responsive to the needs of the communities. Where functional, these structures have been vulnerable to political capture by local MPs and this study identified cases of attempted capture in Rumphu, Mangochi and Mulanje. This tactic often meets resistance locally or from the district council.

In contrast, District Executive Committees remain largely functional and meet regularly in most districts. They rarely support the sub-district structures, as per their formal role, but they do offer a useful coordination mechanism for district actors.

### **2.3 State of decentralisation in the sectors**

<sup>25</sup> DFID invested in the development of a framework for the LDF Performance Window

<sup>26</sup> See Section Four for more on this.

<sup>27</sup> Area Development Committees, Village Development Committees and Area Executive Committees.

<sup>28</sup> Chiweza 2010

Decentralisation in the sectors began slowly - by 2005 only 3 ministries had deconcentrated any functions. From 2005 onwards, and the second decentralisation plan, the number of ministries increased rapidly to 9 by 2008. This trend has since slowed.

Health and education are usually the largest sectors, with agriculture often third largest. The spread of functions between central ministries and sector offices varies. In health, the District Health Officer is responsible for recurrent costs of health centres and the district hospital (where they exist), including the purchase of drugs.<sup>29</sup> Similarly, for education, recurrent expenditure is held at the district level but procurement and distribution of school teaching resources as well as construction is held at the centre.

For all sectors, most salaries for technical staff (teachers, clinicians etc) are paid through the central government payroll. A limited number of staff are employed locally through the district such as cleaners and gardeners.

Alongside the budgets held at district level, sector heads also hold other two key powers. First, sector heads have the power to transfer and distribute staff. Second, in neither sector does the district office hold the line ministry budget for capital investments. Yet, despite this, decisions about allocations of capital investments, whether school desks or new are often made by district officials and implemented by central ministries.

The original intention of the Constitution was to eliminate dual administration, a local council on one hand and a de-concentrated set of ministry structures on the other. This has only been partially successful.

Sector heads are accountable *both* to the District Commissioner and their line ministries.<sup>30</sup> On a day to day basis District Commissioners are supposed to manage sector heads. To some extent this occurs everywhere and is enforced by mechanisms such as counter signatures on cheques. In some districts the District Commissioner's role is largely limited to ensuring correct procedure has been followed, less frequently the DC plays a more hands on managerial role. This often varies according to personalities and personality clashes.<sup>31</sup>

Yet in almost all cases, line ministries exert significantly more influence and oversight over the direction of district policy than the Council. This also varies from sector to sector with District Health Officers often more autonomous than District Education Managers. The balance of power within the relationship is also affected by the fact that many District Health Officers have received higher levels of education or are on the same or higher pay scales as the District Commissioners.<sup>32</sup>

For the district sector managers who officially report to two bosses, there is usually little doubt where their primary loyalty lies. The line ministries carry out discipline and are

<sup>29</sup> From Central Medical Stores or, where CMS has given a waiver due to lack of stock, other suppliers.

<sup>30</sup> If Local elections are held then a formal third line of accountability to councillors and MPs will re-emerge. In reality this third line already exists informally with MPs directly engaging sector heads (See the politics of decision making section).

<sup>31</sup> It appears that better relationships more likely where there is frequent interaction. This in turn is made more likely when officials are based in the same office or the district capital is based in a small town with limited elite.

<sup>32</sup> As a result of salary top-ups in the Health SWAp.

responsible for transfer and, of course, promotion. For many of the current stock of young District Health Officers for instance, time in the district is understood as a stepping stone to being sent abroad to specialise. It is notable that politicians, whose pragmatism often betrays where power genuinely lies, will often go up to the ministry to exert pressure on sector heads, despite the proximity to the district officials.

The planning process further illustrates this dual structure. Annual plans of work are developed by sector teams and are important in guiding allocation of sector resources. These are then approved by the Council (or currently the District Consultative Committee). Following this they are submitted to the line ministries who regularly make significant changes in line with ministry budgets.

The planning process also demonstrates the lack of local level integration between the sectors. The overall district plans link into the sectors at only a very general level. Key decisions are made away from the council, limiting the extent to which work done across sectors can be coordinated or integrated.<sup>33</sup>

This division continues to exist in a very physical sense. In all study districts, the offices of key sector heads were located in different areas to the District administration.

Financial management remains weak across all of local government with District Council and SWAp audits revealing significant problems, year on year. This is due to weak systems and low staff capacity<sup>34</sup> but has provided a context in which corrupt practices can thrive. In this sense there are clear incentives for district officials to continue to maintain this 'disorder'. This suggests that capacity building and increased staffing levels alone are unlikely to provide an answer.<sup>35</sup> Yet it is clear that the current system provides little accountability for these failures, something this study will come to in Section Five.

While line ministries exert significant control in the districts, this pattern continues to change particularly in relation to district level finance. With the introduction of IFMIS, single district bank accounts are currently being rolled out across districts. At the same time finance personnel from each of the sectors are being relocated away from the sector offices into the central district administration in order to strengthen the district finance management team.<sup>36</sup> While separate ledgers will be kept for each sector, this may introduce a new risk - that pooled funds from one sector may be diverted to others<sup>37</sup>.

The oversight structures built into District Councils, both elected Councils and unelected District Consultative Committees, were designed to put an end to the unaccountable sector offices of the Banda era and to provide a check on corruption. Unfortunately the opposite has often been true because much of the work of the DDCs does not border on scrutinising and monitoring the work of the DC and his/her administrative team. Very rarely do these

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<sup>33</sup> More broadly, each local sector uses different sub-district units that do not correspond to each other e.g. primary schools use zones, health uses health centre catchments. Wiseman Chirwa has argued convincingly in previous work that this represents an important collective action problem in Malawi, preventing citizens from organising across sectors.

<sup>34</sup> Both numbers and quality.

<sup>35</sup> Chabal & Daloz *The Political Instrumentalisation of Disorder*.

<sup>36</sup> This is an example of the central administration in the district appropriating 'resources' (in this case staff time) flowing through the sector offices for use on central non-sector work within the districts.

<sup>37</sup> See recommendations.

forums examine financial and other performance reports. These structures have provided minimal oversight but created new value for money risks for donors.<sup>38</sup> The next section analyses the different individuals and groups involved in this process.

### 3 District Politics

Members of Parliament, Chiefs and District Commissioners sit at the core of decision making and oversight processes in the Districts, although the balance of power does vary greatly from district to district. The formal and informal influence these individuals have in the districts can have important implications for both service delivery and the value for money achieved through district expenditure. This section outlines the contexts in which MPs, Chiefs and District Commissioners operate and thus the incentives they face to push policy in certain directions. The next section will apply these findings to how decisions are made in the sectors and the following section will identify what this means for accountability processes. These incentives do not mean actors will *inevitably* behave in a particular way, all decisions are tradeoffs, but they do structure the choices individuals face.<sup>39</sup>

This section also builds upwards to the national Political Economy study, by exploring how national power is consolidated at a local level.

#### 3.1 MPs

Members of Parliament have become increasingly important District actors following the 2010 Amendment to the Local Government Act which gave them voting powers on Councils. The failure to hold Local Government Elections further strengthened their hands as in almost all districts they are the most powerful group sitting on the District Consultative Committee. Their formal role on the Committee means they approve and amend decisions made in the sectors from the distribution of allocations of school desks to annual sector work plans.

MPs also can have an important informal influence on a range of sector issues, including those not covered in the District Consultative Committee remit. For instance, this study identified a number of cases in which MPs used central ministries or the District Commissioner to force District Education Managers and District Health Officers to transfer staff who were perceived to be engaging in local politics that would not be in the MPs favour.<sup>40</sup> MPs are also important because they control the Constituency Development Fund, one of the larger sources on non-sector tied funding in the Districts, which is regularly spent on building political support.<sup>41</sup>

MP's formal and informal ability to influence decision making is contingent on two related factors. Firstly, the seniority of MPs; in extreme cases Ministers have directly dictated where resources should be spent. Previous research in Mulanje identified a case where District technocrats presented a list of school bursary recipients to the District Consultative Committee. MP Patricia Kaliati, then a Minister, simply presented her own alternative list of

<sup>38</sup> See Section 4 for more on these.

<sup>39</sup> The approach to decision making applied in this study is 'structured contingency' (Villalon and VonDoepp 2005) which accounts for the agency of local level political actors whilst recognising that the decisions they make are structured by the context including institutions, personalities and what has happened before.

<sup>40</sup> Interview 1<sup>st</sup> March 2011

<sup>41</sup> See Malawi Economic Justice Network study on the Constituency Development Fund

individuals, focused on delivering bursaries to key supporters' families, insisting it be passed. Her close relationship with the President meant the District Consultative Committee members and technocrats felt they had little option but to accept. With less influential MPs the District Commissioner and sector heads are more able and willing to stand up to the MP.

Secondly, ability to influence decisions is often dependent on whether or not MPs are in government or opposition. In the case of Dedza, the success of informal influencing was greatly reduced because opposition MPs struggled to leverage central ministries to place pressure on sector heads.<sup>42</sup> A repeated theme is that central ministry officials strongly differentiate between those close to the President and are often unwilling to do favours for opposition MPs.<sup>43</sup>

The main incentive MPs face in the Districts is the need to be re-elected. This is no mean feat in a context in which a majority of MPs lost their seats in the 2009 election.<sup>44</sup> For a Malawian MP, there can be no guarantee of re-election.

MPs win elections using a variety of means but of primary interest is MPs' ability to 'deliver development'. Afrobarometer data suggests that 76% of Malawians expect their MP to deliver goods and services to people in *their* community in particular.<sup>45</sup> Only 22% would vote for a candidate who can make policies that benefit everyone in the country.

This is also seen in terms of how people perceive the role of an MP. 40.1% of Malawians see MPs' *primary* role as *directly* delivering jobs and development. 51.1% see MPs' primary role as to listen to constituents and represent their needs. Just 4.4% understand MPs' primary role is to make laws for the good of the country and only 2.3% see the purpose of MPs' as monitoring the President and his government. MPs are seen more as local development officers than in terms of legislative and accountability of executive functions. Perhaps this is because people have not had much experience with local government councillors since their brief appearance on the local scene.

Over the four rounds of elections, one consequence of these expectations and high turnover has been bidding up of promises made by MPs. Increasingly unrealistic promises of delivering development projects are made to unseat incumbents. Following elections MPs are regularly not in a position to deliver on their promises and so they lose their seats because competing candidates are able to 'bid' higher and the process starts again<sup>46</sup>.

The last two decades have also seen a similar bidding up process in the value of financial investment needed to win election.<sup>47</sup> Victories are contingent on ability to distribute large numbers of small gifts such as sugar, cloth and soap to constituents both as an upfront resource transfer and also as a visible sign that the MP can continue to deliver after being elected. Competition drives up the investment needed to win and sets the bar higher for

<sup>42</sup> MPs reported that they did try to leverage sector officials but it was unsuccessful. Interview February 2011

<sup>43</sup> This also extends to DPP MPs who are perceived to be out of favour

<sup>44</sup> The 2009 elections had a particularly high turnover but even in previous elections, turnover is comparatively high.

<sup>45</sup> Afrobarometer 2008 Survey

<sup>46</sup> Interview 4<sup>th</sup> February 2011

<sup>47</sup> Both for primaries and the race itself

subsequent elections.<sup>48</sup> The combination of these factors means it is increasingly expensive and difficult to win Parliamentary seats and then keep them.<sup>49</sup> Members of Parliament win elections by responding to these pressures. This leads to MPs having a strong focus on delivering very visible benefits to their constituents, either private goods for the benefit of key individuals or ‘club’ goods which benefit a small group. As a result, on the District Consultative Committee, MPs have little incentive to support initiatives that will benefit the whole district.

The need for very visible development results means MPs often emphasise those investments that are most obviously seen, particularly capital expenditure. MPs will aim to deliver a new clinic rather than ensuring that there are drugs in existing clinics. MPs display a high degree of pragmatism in this, strongly prioritising what is feasible in the short term. This is particularly true where solving a service delivery problem involves changes at the centre, such as drug supply. Take the example of Area 18 clinic in Lilongwe which regularly runs out of particular drugs. In the past this has been a significant community issue and one which the MP could have used to their advantage. The decision not to intervene is based on the recognition that a significant part of the supply problem is with the dysfunctional Central Medical Stores. For the MP, informal influencing could have leveraged the DHO to deliver *some* more drugs to the clinic, but this would at best be a partial solution. The political risks linked to *associating* with the problem but only half treating it were deemed higher than doing nothing.<sup>50</sup> The same issue was seen in both Dedza and Rumphi, MPs make a cost-benefit calculation based on the amount of likely votes compared to time and cost of getting them. While varying from place to place, this means MPs do prioritise visible capital investments over influencing how recurrent budgets are spent. This is not to say, however, that MPs ignore recurrent budgets all together and indeed elements such as maintenance work can also be highly visible.

MPs also ensure that investment is placed in areas of high support *within* their constituencies to reward their supporters and guarantee re-election. They therefore try to ensure that they influence resource allocation towards their favoured areas in order to boost their stakes for re-election. Areas of support are easy to identify in a context in which results are released by polling station. District officials also pointed to a strong pressure on these questions of intra-constituency distribution. This can lead to significant intra-constituency distortions in distribution. In Rumphi, for instance, we visited the village of Chikwawa which has received multiple Local and Constituency Development Fund projects including a new school roof, teacher’s houses, water points and a skills training centre. The MP and his supporters were quite open that this was a ‘reward’ for voting ‘correctly’. A nearby village in the same constituency that had voted for a different candidate had received nothing and members of a School Management Committee in the area expressed regret at their electoral choices.

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<sup>48</sup> Both Muluzi and Mutharika have fed this dynamic from the top by encouraging citizens to vote for Government MPs as they are the only ones who can ‘bring development’. These national political discourses create local expectation and *structure* how citizens approach national politics (for instance leading citizen to see politics as an opportunity to receive short term ‘private’ or ‘club’ goods rather than long term services). There is strong relationship between political *discourse* and the *practice* of politics. This reality has significant implications for donor programming – to shift the *debate* is to alter *behaviour*.

<sup>49</sup> Interview 11<sup>th</sup> February 2011

<sup>50</sup> Interview

While MPs often focus on the delivery of goods that can be accessed by a number of constituents, targeting goods to individuals also remains extremely important. This is often because demands from citizens are for private goods such as school fees or funeral expenses and because party primaries require individual goods be delivered to party leaders in the area. These purely private demands are extremely important as it is not uncommon for MPs to spend as much on primaries as elections.<sup>51</sup> This creates strong incentives for corruption and can involve misappropriating Local Government funds, through procurement processes for the Constituency Development Fund, to spend on elections. It can also involve making sure key individuals locally, such as party leaders who influence voting in primaries, benefit directly from the distribution of investments such as boreholes.<sup>52</sup> These dynamics are particularly common with the Constituency Development Fund which is the Local Government resource that MPs have most control over.

These are not merely political problems; they constitute significant risks to the value for money, particularly discretionary funds provided by Government of Malawi, and thus donor partner investments. Without a strong oversight system that can check the excesses of the MP, resource allocation may not be pro-poor but may be geared towards serving the political interests of the leaders.

Oversight comes in many forms and is covered in subsequent sections. In Rumphu and Dedza, Chiefs took an important role in restricting the MPs' ability to focus on narrow political self interest (see below). More broadly, MPs' influence over sectors varied considerably from sector to sector and place to place.<sup>53</sup> The context is also fluid; provision of voting powers for MPs is likely to tilt the balance away from Chiefs if local elections occur. Nevertheless, the incentives facing MPs means their decisions on the DCC may actually undermine policy performance.

MPs also face two further incentives that impact services. First, MPs often join Parliament having invested significant resources in the electoral process. These are often higher than what the MP may have planned because election campaigns can lead to bidding up of investments between competing candidates. Furthermore, once initial investments have been made, MPs find the costs of leaving the race prohibitive.

A key way government MPs recoup these investments is through securing Ministerial positions or government contracts. These benefits can only be secured through loyalty to the Executive. When combined with constituents' disinterest in MPs legislative role, this has produced a Parliament which provides very minimal oversight. Local service delivery problems, such as drugs supply, require a response at both local and national levels. MPs incentives at a national level also have implications for local politics with MPs sometimes unwilling to tackle the root of service delivery problems for fear of appearing disloyal. This leads to highly localised problems being raised on the floor of Parliament with little consideration for their deeper causes.

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<sup>51</sup> Interview 11<sup>th</sup> February

<sup>52</sup> Interview 18<sup>th</sup> February 2011

<sup>53</sup> While we were able to identify two key variables that influence the ability of MPs to influence (seniority & opposition/ government), the sample size was not big enough to develop a clear understanding of why some sectors in some places are more subject to influence than other sectors in other places.

Second, the huge demands on MPs mean they often avoid their constituencies. In their absence, MPs are often vulnerable to local political opposition. Where opponents are Government staff, whether teachers or local health care workers, MPs can sometimes exercise significant pressure on sector heads to have them transferred. This kind of pressure has been seen in the education sector in Rumphi and Dedza. This disrupts services, particularly as it is often extremely time consuming for sector workers to fill vacant posts internally. This dynamic was raised as something that had occurred in all study districts.

### 3.2 Chiefs

Chiefs exist at many levels (see below) however the most direct influences on District decision making processes are Traditional Authorities (TAs) and, in select districts, Paramount Chiefs. The Local Government Act provides for Traditional Authorities and Sub-Traditional Authorities to be members of the Council but in an ex-officio non -voting capacity. In the absence of councillors, they still serve as important members of the DCC alongside MPs.

**Figure 5: Backgrounder on Different Types of Chiefs**

Title	Number <sup>54</sup>	Remit & Description
Paramount Chief	7	Where Paramount Chiefs exist, <sup>55</sup> they oversee all the TAs of their ethnicity. In some cases this relationship is strong while in others the role is more symbolic and individual TAs do not necessarily look to their paramount.
Traditional Authority	171	Overseeing Group Village Headmen, a number of TA's exist within each district (and often within constituencies). In the most districts a single TA has been elevated to the position of senior TA, the lead TA in the district. In many cases assistant senior TA positions have also been created. The elevation of chiefs is a useful patronage opportunity for the executive, creating a reward for loyalty.
Group Village Headman	2400	Overseeing an average of about eight village headman although this varies considerably.
Village Headman	Over 18,000	The chief of a village. Malawi has seen significant growth in both village headman and group village headman positions in recent years.

Source: Author; Cammack, Kanyongolo & O'Neil (2009).

The intention of the new Constitution had been to reduce Chiefs powers in favour of democratically elected representatives at the local government level. While Chiefs continued to exercise significant informal influence during the 2000- 2005 period, the creation of District Consultative Committees in 2005 has, in most districts, restored their formal influence over local decision making. This resurgence accompanies an increase in salaries paid to Chiefs through Local Government.

<sup>54</sup> These 2009 numbers are largely accurate for TAs and Paramount Chiefs but studies elsewhere (Cammack, Kanyongolo & O'Neil 2009) suggest these official numbers significantly under represent the numbers of Village Headmen and Group Village Headmen recognised locally

<sup>55</sup> There are currently seven Paramount Chiefs for Tumbuka, Yao, Southern Ngoni, Northern Ngoni, Lomwe, Mang'anja & Ngonde

Traditional Authorities' power and influence vary considerably between districts. It varies for two reasons. Firstly, the strength of the TA's influence over citizens in his/her area. This is in turn dependent on the current TA and the history of the role in the area. MP's respect this form of authority as it is often essential to delivering local votes. The relationship can become particularly tense when TAs informally support a different party to the MP.

Second, some TA's are powerful because of their upward relationships to the executive. This is, of course, related to the TA's local influence but brings with it influence over the District Administration and particularly District Commissioners who are appointed by the executive.

In many cases Traditional Authorities are interested in the viability of longer term investments while MPs are focused more on short term delivery. In the case of Dedza this played out in relation to the timing of investments in boreholes. TAs argued that boreholes only last when they have proper community involvement so time should be taken to ensure this. At the same time, MPs pushed for the boreholes to be delivered immediately as an election was coming. Traditional Authorities are also often less sympathetic to diverting projects to reward areas of support for the MP. Whether TAs act as an effective mediating influence on MPs depends on the TA's influence and authority over voters.

Where TAs are important, MPs carefully manage their relationships with them. This often affects debate within the District Consultative Committee. In both Dedza and Rumphi, it was noted that because of the countervailing power of the chiefs in the DCC, MPs avoid raising contentious issues within the Committee but then attempt to exert influence on District staff away from the DCC.

The relationship between District Commissioners and TA is often more close. TAs are paid through the District and often aim to stay close to the government of the day, and their defacto representative in the District, the District Commissioner. District Commissioners also use TAs and Paramount Chiefs to counter informal pressure applied by MPs. In the case of Rumphi, where the Tumbuka Paramount exercises significant influence, the District Commissioner actively brings him in to intervene and keep MPs in line.

The incentives faced by Traditional Authorities are complex and more variable than for MPs. While Traditional Authorities time horizons are longer than those of MPs, they do still want to see investment in their area. This is dependent on TA's power and willingness to exert pressure but does occur. TAs are usually less persistent in their pressure to divert resources, as their authority does not directly rest on it. In the short term, then, Traditional Authorities can play an important role in limiting the influence of MPs and ensuring more equitable investment is made locally. Yet, in the long term, a powerful TA can have a distorting effect on an area drawing resources away from other parts of a district over a long period of time. This is discussed further in Section Four.

### **3.3 District Commissioner**

District Commissioners can often play an important role in resisting pressures from MPs. They play a lead role in representing and defending decisions made by District technocrats. In some cases their role extends beyond this, resisting the wider politicisation of issues. For instance in Monkey Bay constituency in Mangochi, it was the District Commissioner who

prevented the replacement of those on Area and Village Development Committees with ruling party supporters.<sup>56</sup>

Yet the position of District Commissioners is not politically neutral one and appointments are made directly by the Executive.<sup>57</sup> The lack of Local Government Elections have strengthened the District Commissioner's role, District Consultative Committees do not have legal authority to make decisions so they can be overturned. The current oversight structure is also missing key powers held by Councillors such as the power to call meetings. The failure to hold Local Government Elections have thus strengthened the Executive's *potential* political control, with the District Commissioner as the conduit for this.

District Commissioners are also vulnerable to political pressure from influential MPs and Chiefs which can result in their transfer. This means DCs are often pragmatic, engaging in disputes they think they can win and allying themselves to different interests in the districts to ensure political cover. As civil servants, District Commissioners do not have local political bases to maintain, giving them more flexibility in decision making. Yet in a context where accountability is low, District Commissioners do not face strong incentives to deliver development impact or rein in weak financial management practices. The reality varies between individuals yet for the DCs covered in this study, decision making was seemingly driven by pragmatic self interest.

## **PART II: LOCAL GOVERNANCE IN MALAWI**

### **4 The politics of decision making in local government**

#### ***4.1 Decision making by the District Consultative Committee***

The District Consultative Committee oversees a wide range of policy decisions made by the District Administrations, including annual sector work plans and budgets. The DCC also influences allocations of capital investments, directly by approving Local Development Plan allocations, and indirectly by approving some suggestions made to central ministries on capital investments. Examples from study districts included Teachers Houses and school toilets built under LDF, clinic construction, allocations of desks for primary schools, educational bursaries and maintenance of clinics. Line ministries maintain important influence over the sector heads and technical aspects of sector work, but the District Consultative Committee's regularly engage strongly on questions of resource distribution.

Debates in the District Consultative Committee vary considerably due to local political dynamics and Committee composition, particularly the power of the TAs compared to MPs, and the influence the MPs have. In many cases, particularly in districts represented by a range of political parties, differences between MPs can be more important than differences between MPs and other Committee members.

The District Commissioner and the sector heads put proposals before the Committee which then debates and approves them, making amendments where they deem necessary. Committees are comprised of individuals with significant local knowledge such as Traditional

<sup>56</sup> Interviews 16<sup>th</sup> & 18<sup>th</sup> February 2011

<sup>57</sup> The 2010 Act has formalised this practice, although it was established earlier.

Authorities, and this allows for substantive debate about the targeting of proposals. Yet, in all Districts, MPs face the same incentives to be re-elected through the delivery of visible investment in their constituencies.

Participation by MPs in District Consultative Committees is often low, but this pattern reverses when there is the possibility of delivering resources to a constituent.<sup>58</sup> Where opportunities for diversion of resources to their constituencies exist, MPs will work to ensure this occurs. Opportunities to deliver visible development often take the form of debates about capital expenditure, through the LDF and recommendations to ministries, and visible forms of recurrent expenditure, such as maintenance. As noted previously, the success of MPs (or indeed TAs) in this diversion is largely contingent on their relative influence.

In the past the most contentious debates have often come where District Officials have presented different allocations to different constituencies, often based on a *whole district approach* to assessing need. These dynamics are particularly strong in relation to Local Development Fund investments, which are both highly visible and something the District Consultative Committee exercises significant discretion over.

Influencing also occurs informally. In each of the survey districts, sector officials and the district commissioner received semi-regular visits from local MPs. This was particularly the case with the District Health Officer who controls the largest sector budget and, to a lesser extent, the District Education Manager. These visits were often concerned with lobbying to ensure that visible improvements in service delivery were achieved. As noted above, MPs make a pragmatic cost benefit calculation around this, but MPs recognise the significant discretion DHOs have in redirecting investment.

In a number of cases, MPs had also applied informal pressure on sector heads, either going to seniors in line ministries or the District Commissioners to ensure this. In Rumphu, an MP who was unhappy with the LDF allocation to his constituency went to the District Commissioner *and* the ministry to convince the sector head that a change be made. The District Commissioner managed this pressure by involving the Tumbuka Paramount Chief who, due to his significant influence, quickly got the MP to stand down. In Dedza, past District Education Managers have been forced to change allocations of investments in primary schools based on pressure brought via the line ministry.

For many sector heads, MPs are individuals to be managed carefully. MPs from a ruling party wield a lot of influence are generally feared by many district administrators. MPs were mostly concerned in very small scale and localised changes, such as mending a particular toilet, rather than ensuring that overall services were improved. In many cases this influencing was successful, as sector heads traded off short term career incentives (the impact of MPs expressing dissatisfaction to their bosses in the line ministries) against the long term impacts such diversion of resources and particularly time would have on equitable service delivery. The danger of such pressure is that limited resources are invested according to pressure rather than an overall assessment of greatest need.<sup>59</sup>

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<sup>58</sup> Interview 17<sup>th</sup> February 2011

<sup>59</sup> Interviews 17<sup>th</sup> February and 1<sup>st</sup> March 2011

One District Health Officer gave the example of the annual health sector plan which year on year planned to target maintenance resources to a clinic in a particularly bad state. Year on year an influential MP would come and pressure the District Health Officer to invest in maintaining a clinic in his area. The plan would then be amended and year on year result was a declining clinic in one area and a well maintained facility elsewhere.

This trend if unabated can have serious impacts on equitable service delivery in the districts

#### **4.2 Feedback effects – how decisions made by the District Consultative Committee have started to affect what is presented to it**

When changes to sector submissions are made in the District Consultative Committee, it has implications for what sector officials present the next time decisions are to be made. District officials would want to minimise debate and changes made to their proposal by anticipating the Committee's reaction. One major tactic adopted, to some extent, in all districts was that sector officials made sure that next time they submitted proposals to the DDC, particularly LDF, school desks, boreholes, and other materials, they distributed evenly *between* all constituencies<sup>60</sup>. *Within* constituencies submissions were *ostensibly* (see 4.3 below) made based on evidence of need.

In many districts this has neutralised District Consultative Committee debate on *inter-constituency* distribution. In cases such as Dedza, it has shifted the debate what to do with any 'remainder', where resources are not neatly divisible between constituencies. District Commissioners and sector heads have found the use of this tactic as a way to reduce pressure put on them by MPs.

This does not prevent debate about *intra-constituency* distribution; MPs still push hard in the District Consultative Committee to ensure areas of support are favoured. The extent to which this succeeds is usually contingent on the balance of power between Traditional Authorities and MPs.

This tactic has also not proved viable in districts that are dominated by particularly powerful individuals such as Thyolo, where Peter Mutharika's constituency receives more LDF investment than other area, or Mulanje where individuals such as Patricia Kaliati have dictated local policy (see examples above). Yet in other areas it has proved an effective way for district officials to manage MP's pressure by appealing to 'fairness'.<sup>61</sup> There is now evidence of this becoming an increasingly widespread tactic.<sup>62</sup>

In one sense this is welcome and avoids the systematic inequalities that can come from powerful actors consistently distributing resources to a single constituency. Yet there are a number of problems with this approach. First, its reach is limited; evidence suggests that pressure on *intra-constituency* distribution persists and where highly powerful MPs exist,

<sup>60</sup> For a good discussion of this in the water sector See Chiweza (2011), A Baseline Assessment of the Local Development Fund and its potential impact on the financing of WASH sector in Malawi.

<sup>61</sup> District officials share tactics for managing local power brokers informally, allowing them to spread. Respondents in Dedza suggested that they often exchange ideas and experiences on a wide range of issues with neighbouring district officials.

<sup>62</sup> We have seen evidence of this in Rumphi, Dedza, Mangochi and Salima as well as failed attempts at this in Thyolo.

resources still do not get evenly distributed.<sup>63</sup> Second, it represents a value for money risk; in all survey districts there were significant differences in the quality and availability of services across the district. Indeed, targeting resources according to need would lead to a highly uneven spread of investment.<sup>64</sup> Finally, by distributing very limited resources evenly, the districts do not use local knowledge to tackle areas where poverty is highest – a key justification for decentralisation. In these cases it is unclear what specific local ‘value added’ District structures are offering.

More remote parts of Rumphi District, particularly along the shore of lake Malawi and toward the Nyika Plateau have received systematic under investment in schools over the years. The deconcentration of funds to District offices provides an opportunity for some of this under-investment in the periphery of the District to be addressed. Decentralisation is justified in terms of applying knowledge local knowledge to address such inequalities. The District Education Manager is aware of the issues but regularly presents submissions to the council that distribute resources evenly been constituencies. In the last few months this has included investments in desks (from the national government, allocated by the DEM) and teachers’ houses. He argues that there is no other *viable* way to manage District Consultative Committee pressure.

#### **4.3 The illusion of evidence based decision making**

In examining the distribution of resources across districts visited, it also became clear how little evidence of need is used to decide on allocations.<sup>65</sup> This is unfortunate given that in the survey districts, detailed data of need was available, particularly in the education sector. Sector officials often argued that this evidence was a useful tool for resisting the pressure MPs place on them. Yet, while often claims are made that evidence is being used, further investigations proved this was not the case. The situation did vary. In Rumphi allocations bore very little link to either the data or write-ups of the methodologies used that had been presented to the District Commissioner and District Executive Committee. In Dedza the situation was somewhat better where a USAID project to support decision making had been implemented, yet serious problems still persisted. This study did not have the field time to accurately pin-point why sector officials are not using the evidence they have at their disposal, although it is clear that a lack of accountability for decision making is important. This lack of oversight was seen most explicitly in Rumphi where submissions of allocations were not based on the methodologies covering notes purported to use. That submissions can have such weak relationship to ‘evidence’ could potentially lead to serious distortions in distribution, something seen in both Rumphi and also Dedza.

<sup>63</sup> interview 11<sup>th</sup> February 2011

<sup>64</sup> This is an approach taken in some urban districts, for example Lilongwe where distribution of Council resources is less important to winning votes.

<sup>65</sup> We analysed allocations of Local Development Fund teachers’ houses in Dedza and Rumphi, and desk distribution in Rumphi against other educational statistics (including teacher/class ratio, teacher/house ratio, class size, permanent/temporary classrooms and learner/desk ratio). These findings were reflected in wider interviews.

TA Kachindamoto of Dedza is particularly influential due to her relationship with the Executive. When an international NGO wanted to build a clinic, they consulted the District Government on where the need was greatest. The District Health Officer presented the District Consultative Committee with the data on population and clinic coverage and suggested a site, the TA's area came low on the list. Much to the DHO's distain, this was ignored and a recommendation was made by the Consultative Committee that the clinic be built in TA Kachindamoto. In doing so inequalities within the district were reproduced.

These distortions represent a failure of accountability over sector investments. This includes weak internal oversight from the District Commissioners office and of political oversight in the District Consultative Committee. As described in previous sections, both district officials and key Consultative Committee members have little incentive to quality assure these provisions.

#### **4.4 How serious a problem is this?**

This study does not have the sample size to quantify the extent of these problems. This is particularly as this study has found a huge variation between districts. The urban district in our sample, Lilongwe, performed better in targeting resources to need than the rural districts of Dedza and Rumphi. As argued above, political interference in distribution is contingent on the influence MPs can exert on District technocrats. Yet, in all survey districts there were examples of political interference preventing an optimum allocation of resources either *between* constituencies or *within* them. This study does not allege that all investments go this way. The question, then, is the extent to which this represents a serious problem.

The political distribution of resources leads to short term, localised inequalities with some areas benefiting more than others. This is likely to impact education and health indicators only if maintained over the medium to long term. There is a sense in which the fluidity of Parliamentary politics and high MP turnover could lead to a relatively random distribution of strong and weak MPs in the long term. Governments change, MPs turnover and new more powerful actors local emerge and this may prevent systematic inequalities building up.<sup>66</sup> For instance, many formerly influential UDF figures of the early 2000s have either lost their seats or their ability to leverage resources.

Where political influence is most important, then, are the cases where systematic national, district or intra-constituency inequalities are reproduced year on year. Sector staff do identify the reproduction of uneven access to services as a problem. This can happen either with a long term MP or, more likely, a particularly influential Traditional Authority, as in Dedza. Whether it is a significant enough problem to produce inequalities in health or education outcomes would need to be investigated in a larger study. Either way, the concept of 'even distribution' between constituencies limits the ability of sector staff to tackle inequalities that already exist for other reasons.

It seems likely that a weak use of evidence to make policy decisions probably represents a bigger value for money risk. These dynamics, political influence and a lack of evidence

<sup>66</sup> The suggestion here is that rotation of powerful MPs at a local level is relatively random. There are clear exceptions such as John Tembo's Dedza constituency but it is argued here that these are the exception rather than the rule.

based policy are, in effect, two sides of a similar problem. They both lead to ineffective allocation of the Government of Malawi's very limited resources and both constitute a failure of accountability processes designed to ensure resources are targeted towards need. It is this question of accountability for decisions made by District Governments that this study now turns to.

## **5 Accountability in the sectors**

The sections above suggest that decision making processes in local government are often insufficiently rooted in evidence to target limited resources to where they are needed. Equally, audits have revealed significant weaknesses in financial management.<sup>67</sup> The Local Government system was designed to provide democratic oversight to prevent such issues.

This section looks at these potential sources of accountability and argues that these are, for various reasons, forums through which either private or localised interests are prioritised over the collective good for the whole district.

Accountability is a concept used throughout this section to refer to demands placed on Local Government Officials.<sup>68</sup> This does not imply that demands are in the public interest. To give an example, a Minister may experience accountability and sanction from constituents for failing to maximise opportunities to embezzle funds that can be invested in local constituency development and private goods for constituents.

### **5.1 District Consultative Committees**

In absence of elected District Councils, the District Consultative Committees were established to provide accountability for the Council's performance across the district. Unfortunately, the research revealed almost no instances of this occurring. This is despite the fact that District Consultative Committees have a wider membership than the suspended Local Assembly structure and thus a greater potential range of members and skill sets to exercise more detailed oversight due to its more diverse. This accountability failure is driven from two directions. Firstly, because in most cases, District Consultative Committees meetings are called at the discretion of the District Commissioner to provide members with some important information or discuss proposed allocations. Very rarely are meetings called to discuss overall Council performance or scrutinise Council finance and other reports. District Consultative Committee members do not have the right to call meetings on these subjects.

Secondly, this accountability failure is driven by members of the Committees themselves. As this study has noted at length in Section 4, members often use the District Consultative Committee to drive their own personal or political agendas. For many MPs, oversight is only as important as far as it allows them to deliver resources to their constituencies. These incentives also often extend to other council members such as Traditional Authorities whose interest is often focused on their area. While in theory this should lead every area to be

<sup>67</sup> Local Government Audits 2006, 2007 & 2008.

<sup>68</sup> In the case of local government a 'principle', that is, citizens and their representatives have delegated decision making to an 'agent', local government officials. In many cases the principle is not demanding uniform distribution of public goods but for resources to be diverted to their community or them personally. Accountability need not be positive.

covered, in reality it means that as long as every area gets ‘something’ few actors are looking to leakages from the system or the whole picture.<sup>69</sup>

## **5.2 Are Local Elections the answer?**

District structures were designed in order that decisions made in the sectors would be subject to democratic oversight at the local level. The current lack of Local Councillors has meant that democratic oversight has been replaced with an unelected body.

Yet Local Councillors are not necessarily the panacea here. Evidence from the 2000 – 2005 period suggests they were relatively weak in exercising their oversight role.<sup>70</sup> There are a number of reasons for this including the fact there was no living precedent and Councillors’ lack of awareness of the role. Equally, Councillors faced some of the same pressures for local development that incentivise MPs behaviour. Councillors were more locally embedded and so, like for Chiefs, expectations were more realistic yet the core expectation for visible local development projects remained important, particularly for those with Parliamentary aspirations. However, should local elections take place, the discussion in this paper points to key areas that need to be taken into account in the design of any future programmes that seek to support local governance through councillors

Aside from the District Consultative Committee and the potential offered by Local Councillors, a number of lower level or more sector specific accountability structures exist. It is to these the study now turns.

## **5.3 District Sector Committees**

Originally established to allow Councillors to have direct oversight in the sectors, the current status of District sector committees varies considerably. These committees were only meeting in two of the study districts.<sup>71</sup> In practice membership varies but includes sector heads and local NGOs, as well as often representatives from interest groups such as womens’ organisations.

As an accountability structure with a technical membership, sector committees might expected to be well placed to engage in oversight for the ‘whole picture’ of resource distribution and financial management. Yet, limited evidence from Lilongwe suggests that these committees *do* raise issues of poor quality services, but these are inevitably small scale and highly localised problems. Committee members often do not face strong incentives to request detailed information on finances and implementation, often for fear of undermining NGO’s relationship with government. Committee members, particularly those working for service delivery NGOs are often concerned with keeping their relationship with Local Government strong. This means that important District level problems such as drug

<sup>69</sup> A collective action problem exists. For each actor, interested in his or her area, the costs of working to improve the ‘whole’ picture exceed the small benefit each area would receive. A further argument is made later in relation to this ‘strong demand’; in any (patrimonial) system based on holding power through uneven distribution of resources to supporters, demands that come from a wide range of places will be met unequally. Even demand does not equal even supply as some voices are stronger than others. For example, citizens from all parts of a constituency may demand resources for their areas but the MP will aim to divert them areas of support. In a patrimonial system, an exclusive donor focus on the *strength* of demand rather than the *nature* of these demands will not produce results.

<sup>70</sup> Chiweza

<sup>71</sup> In Lilongwe and Rumphu it appears that this is largely contingent on how District Commissioners interpret the position of the committees in a content in which there are no Councillors. In the cases we saw, either they are mostly all active, or none of them are.

leakage are ignored over highly localised problems.<sup>72</sup> While the District sector committees provide important channels for *some* local problems, this means some problems get prioritised over others.

#### **5.4 Health Centre Advisory Committees, Hospital Advisory Committees and School Management Committees**

Each health centre, hospital and primary school is overseen by a committee structure. In the three districts we found that the activity associated with these committees varied considerably. Some barely existed while others thrived and this seemed to be contingent on an active leader ensuring that they function. In the three Districts we worked in, education committees including School Management Committees and Parent Teacher Associations met more regularly and were more likely to be active than the health committees.

Where active, these committees play an important role in identifying and dealing with issues that arise including problems between staff and patients, parents or children and, in some areas,<sup>73</sup> conducting self help projects. They also identify needs faced by the school, clinic or hospital and pass it up to the sector head. The strength of the Local Development Fund is that it targets these locally defined needs, but unfortunately it does so in an uneven manner. This is often highly frustrating for committee members.<sup>74</sup>

#### **5.5 Area and Village Development Committees**

Area Development Committees and Village Development Committees were designed to send local demands for improved services to the District. They have often previously been successful at this although, as noted in other studies,<sup>75</sup> these committees have often become frustrated at a lack of any response and, in many places, become inactive. The Local Development Fund was designed to meet these needs but, because it is largely tied to building only teachers houses, has been largely unsuccessful.

The nature of these demands is, as with all of these accountability structures, highly localised. The structures covered in this section demonstrate that, in many ways, the 'demand side' of accountability relationships are very strong. Needs are sent upwards and regularly reach district sector heads. In some political systems it could be assumed that this wide variety of local demands would be aggregated and resources distributed according to need. The next section argues that this is not the case. While demands placed on local government are strong, the problem is with the supply side, district officials not mediating between these demands in an even manner.

### **PART III: ENGAGING LOCAL GOVERNMENT**

#### **6 Entry Points for Improved Accountability**

The previous section looked at District accountability structures and argued that these are, for various reasons, forums through which localised interests are prioritised over the collective good for the whole district. It might be expected that these locally demands would

<sup>72</sup>Interview 8<sup>th</sup> February 2011

<sup>73</sup> In our sample, particularly Rumphu District

<sup>74</sup>Interview 28<sup>th</sup> February

<sup>75</sup> Chiweza 2010

be aggregated to represent the District wide picture, and then dealt with according to need.<sup>76</sup> This section builds on the previous section, arguing that in contexts where MPs hold power by redistributing resources to those that support them, consistently even demands will not be met in an even handed manner. Even though demands placed on Malawi's Local Government are strong, the problem is with the supply side - district officials not mediating between these demands in an even manner due to lack of evidence based decision making and political pressure.

### **6.1 Too much demand?**

The flow of demands from constituents to MPs is incredibly strong. This in turn leads to significant pressure on district officials. At the same time, sub-district structures such as Village Development Committees and Area Development Committees provide a process through which local needs are forwarded to the district headquarters. Sector heads offices are often full of piles of such letters. At all levels the demand for resources for ones area is strong. This study found that in most cases District officials do know the problems; they simply do not have the resources to meet the demands. In this context, it is unclear how much impact donor support to NGOs seeking to strengthen citizen voice that pass demands from local levels to the centre are. Put colloquially, these donor supported demands are simply 'added to the pile'. This study recommends that such initiatives be questioned apart from where they target processes of social exclusion.<sup>77</sup>

### **6.2 Strong demand does not lead to equitable supply<sup>78</sup>**

The problem then, is not one of a lack of demand but the basis upon which District Government allocates resources; whether they are used to target need or to benefit political allies. As the sections above show, some demands are louder than others and this can lead to inequality in service provision. While this is a supply side failure, it is not clear that this is due to any lack of capacity. Rather, it is related to the accountability pressures faced by district officials. The supply side fails because the *wrong* kinds of demands are being exerted.

### **6.3 An accountability failure: limited oversight of the whole picture**

The District Consultative Committee is a good example of private interest oversight. MPs do not regularly hold officials accountable for distribution or even misappropriation, as long as they are getting projects allocated to their areas. This is also true of sector oversight committees which tend to focus on micro level issues rather than the whole picture.

The argument, then, is that despite lots of individual demands, there is little accountability for the 'bigger picture'. This has created a context in which uneven distribution from the supply side can continue. Sector heads will continue to respond to MPs private interest pressure and their own vested interests until they are subject to counter pressures that look at the collective interest. District accountability is a *supply side problem* that can be targeted by supporting a *different form of demand* focused on collective interest.

<sup>76</sup> As in policy based rather than patronage based political systems.

<sup>77</sup> The only exception to this is for groups that are less likely to have their demands represented. As the extensive participation literature demonstrates, the prioritisation of local demands is often a question of representing the interests of those with power.

<sup>78</sup> In a Patrimonial system where resources are diverted to reward supporters, rather than need.

This study has shown the limited potential that District Consultative Committees and sector accountability committees have for this 'big picture' accountability. For these existing accountability forums, political incentives push in the opposite direction. The question, then, is how can donors support more effective accountability in the districts?

#### **6.4 Spaces of accountability outside of government**

There may be some role for NGOs, although they do face significant challenges. On one hand, NGOs are well placed to leverage the skills and resources needed to hold district officials accountable. Donors should support NGOs to conduct budget tracking and value for money monitoring of local government budgets.

NGOs already working on service delivery in the respective districts are not well suited to this task. Service delivery NGOs must usually maintain a strong working relationship with Local Government and are reliant on the approval of district officials, particularly the District Executive Committee, to be allowed to operate in the area. These factors lead to unwillingness from NGOs to engage in directly reviewing decisions made by local governments, something that seriously limits impact. Donor support should be conversant of this and work only with NGOs that are not already conducting service delivery in a district.

NGOs should look to build wider coalitions around specific local issues such as health care provision. By gathering a range of local actors such as CBOs, FBOs, religious leaders etc., NGOs can develop legitimacy and exert a pressure locally that might not be otherwise possible.

Access to information for partner NGOs is often problematic, particularly when used for expenditure tracing. . Accountability can only come when ministries make it clear to their district sector offices that transparency is not optional.

## **7 Recommendations**

### **7.1 Accountability for Service Delivery**

- Review accountability programmes that are focused on *increasing* demands for service delivery. Focus such programming on areas or groups where demands are not being communicated.
- Support civil society to upscale accountability for decision making. This includes analysis of the basis for resource allocations, expenditure tracing and value for money assessments.
- Consider conducting a Local Government Public Expenditure Tracking Study and supporting Civil Society follow up.
- Assess the potential for surveys focused on auditing decision making processes and value for money of local government investments.

### **7.2 The operation of Local Government**

- Initiate a dialogue with Government of Malawi to ensure that sector funds will be *fully* ring fenced within joint Local Government Accounts.

- Continue to support the roll out of IFMIS in the districts including trouble shooting current problems.
- Transparency should continue to be placed at the centre of dialogue between donors and the Government of Malawi. In addition, There must be a mechanism for feeding non-compliance in the districts to central dialogue.

### **7.3 Local Government Elections**

- Support Local Government Elections if they come, but it is important to recognise that councillors may face the same incentives as MPs for distribution of resources to their wards. Thus the elections may do little to change these dynamics if the institutions guiding district level decision making and allocation processes remain the same.
- It is therefore important to invest more heavily in district level accountability work and work that will result in changing district level institutions to support pro-poor and equitable development which is more likely to yield results.
- If Local Government Elections are held explore the potential for training newly elected councillors in their role and right of access to information. The trainings should not only focus on technocratic aspects but also political dynamics and broader service delivery issues

### **7.4 Donor support to the health sector**

- Support the distribution of SWAp audit findings to Health Advisory Committees where they exist or District Consultative Committee members where they don't.
- Provide Sector Heads with a way to challenge political influence by supporting the development of tools that enable evidence based decision making.
- Support the development of incentives to use evidence in decisions.

### **7.5 Donor support to the education sector**

- Continue to champion Direct Support to Schools which gets resources direct t to Head Teachers and Management Committees.
- Provide Sector Heads with a way to challenge political influence by supporting the development of tools that enable evidence based decision making.
- Support the development of incentives to use evidence in decisions.

### **7.6 Support to the Local Development Fund**

- Support a review of the Local Development Fund in order to gain a clearer picture of expenditure patterns and audits.
- Earmarked funds in the community window appear to offer little over convention programmes of school teacher house construction. Non earmarked funding would remain vulnerable to political priorities rather than community need. Ensure that any support to the LDF is accompanied by sufficient safeguards to ensure financial follow up by district officials and oversight of the quality of work.
- Support Civil Society work that will track and monitor district implementation of the LDF and influence policy reform in district decision making and resource allocation making processes.