

**Second Assembly of the World Movement for Democracy
Sao Paulo, Brazil
12-15 November 2000**

**Improving Governance Through Federalism:
Decentralization, Devolution, and Other Approaches
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Federalism, through its pyramidal structure, provides for decentralization – especially devolution of powers – to subnational units. Decentralization in a federal context could be constitutional and/or administrative in techniques of governance, which does not include groups. A federal system provides a greater opportunity than a unitary system for greater participation at sub-national levels – state (provincial) and local. A federal government such as Germany provides for an integrated form of decentralization, while Canada provides for a more compartmentalized form of decentralization. In these contexts, sub-national autonomy becomes very important as it provides for greater participation by the people and opportunities for greater control over their destiny.

Thus, while there may be variants of decentralization and federations, the quality of governance can be improved greatly through the opportunities provided for participation and autonomy. However, there are problems of adopting federal models.

It must be borne in mind that federal government presupposes i) greater complexity; ii) greater need for coordination; iii) and, higher expense. Thus, it is important to note that federalism:

i) Is financially expensive, with structures at each tier of government, which must be financed.

ii) Is institutionally complex and may demand greater administrative bureaucratic capacity at each level than are available at any point in time. Capacity at each level has serious implications for the formulation and execution of social policies and ultimately, good governance.

iii) Is complex and demands greater capacity in coordination among different tiers or levels of government.

iv) Demands a relatively high level of cooperation and active intergovernmental relations (IGR).

Therefore, a number of recommendations need to be made to ensure

that federalism has a positive impact on governance.

1) Federalism (with all its complexity), should provide autonomy for each level of government in a democratic context to enable local people to set their priorities and use resources to achieve them.

2) Federal systems must extract greater resources for effective financing of the structures of governance at each level of autonomy.

3) There is the need for building greater capacity at each institutional level of government to enhance efficiency in delivery of services to the people. This will enhance good governance.

4) For purposes of rendering federal government more responsive to the elements of the people, there is a need, in each federation, to establish a network of intergovernmental relations. These can be formal and/or informal, constitutional and/or statutory and/or ad hoc. These networks of IGR institutions will help in the coordination of the activities/policies of the various levels of government; and facilitate greater cooperation among tiers of government.

5) The pattern of fiscal federalism should take into cognizance the functions of each level of government and its corresponding tax powers. The demands of fiscal equalization to give all units of the federation a sense of participation cannot be over emphasized.

6) In the context of changing global settings and demands for greater autonomy of federative units, it is recommended that there be a shift from federal control functions, to federal interventionist functions. The federal government should endeavour to intervene to correct inadequacies at sub-national levels, rather than to control these units.

7) The democratic institutional arrangement and processes are important in the strengthening of the federation and the enhancement of good governance.

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