

Quản lý công

Session 15: Intergovernmental Relationships and Decentralized
Governance

Session Overview

- Intergovernmental Relationships and Decentralization
- Global Trend and Why Decentralizes?
- Models and Types of Decentralization
- Measurement
- International Comparison



Global Trend

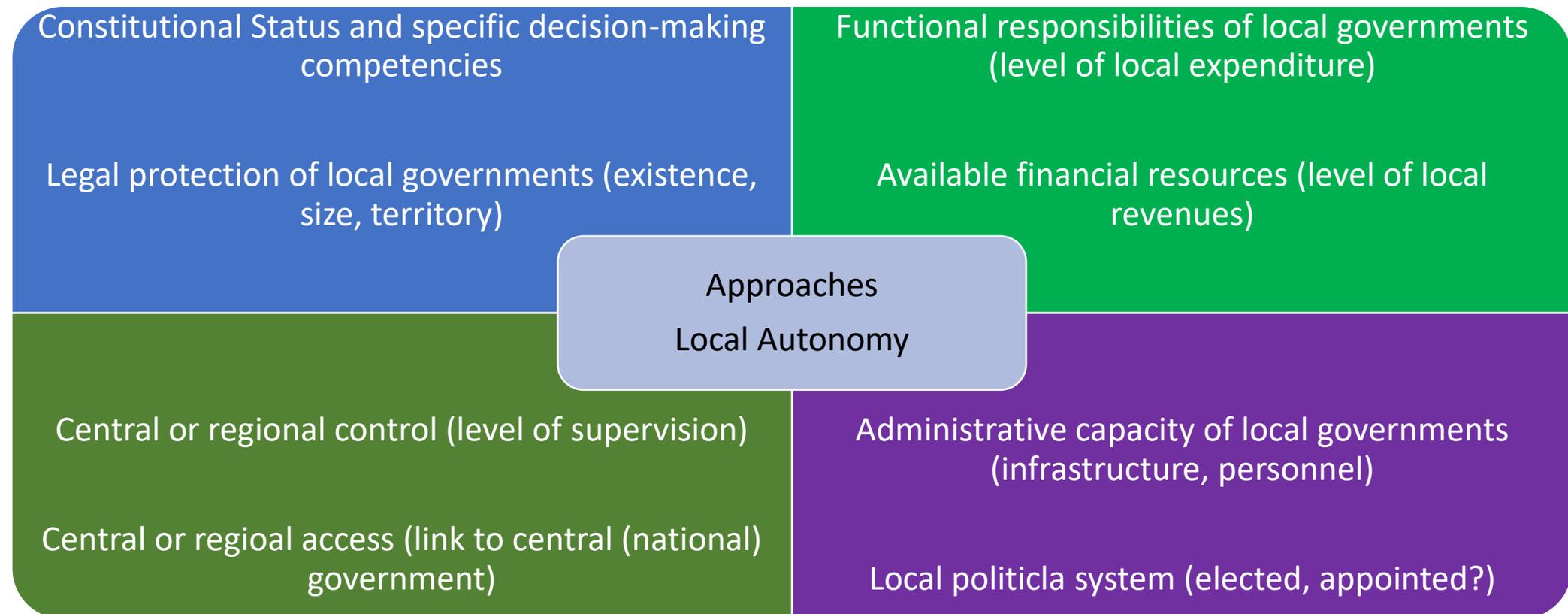
- Decentralization has become an essential feature of the process of political transformation from the past generation (Faguet, 2014; Marks et al., 2008).
- Western democracies (France, Italy, Spain, etc.), Japan, South Korea, and many developing countries: From territorial reorganization to resource allocation across different levels of government.
- World Bank: about **95%** of democratic countries are implementing some form of decentralization, regardless of size, degree of democracy, and the scale of the economy, as state has become gradually inefficient, not meeting citizens need, central economic crisis, less transparent, etc.
- Developing countries do for – 1) foreign debts; 2) macroeconomic mismanagement; 3) lack of representatives in government; 4) democratization, etc. → **successful** (Chile, Brazil, Mexico, Poland, South Africa, etc.), **failed** (Congo, Iraq, Rwanda), **fragmented** (the Soviet Union), **still struggling** (Nigeria, Bolivia, etc.). Vietnam?

Modes and Types of Decentralization

- Traditional classification: Political-administrative-fiscal decentralization / devolution-de-concentration-delegation. ***Useful but simpler classification.
- **Administrative** – general transfer of the responsibility for providing public services and administrative functions such as education, social services, police, etc. to subnational.
- **Political** - democratization (elections, executive and councils), citizen participation.
- **Fiscal** – increase fiscal autonomy of subnational governments by delegating decisional authority on matters of taxation and expenditure (Treisman, 2007).

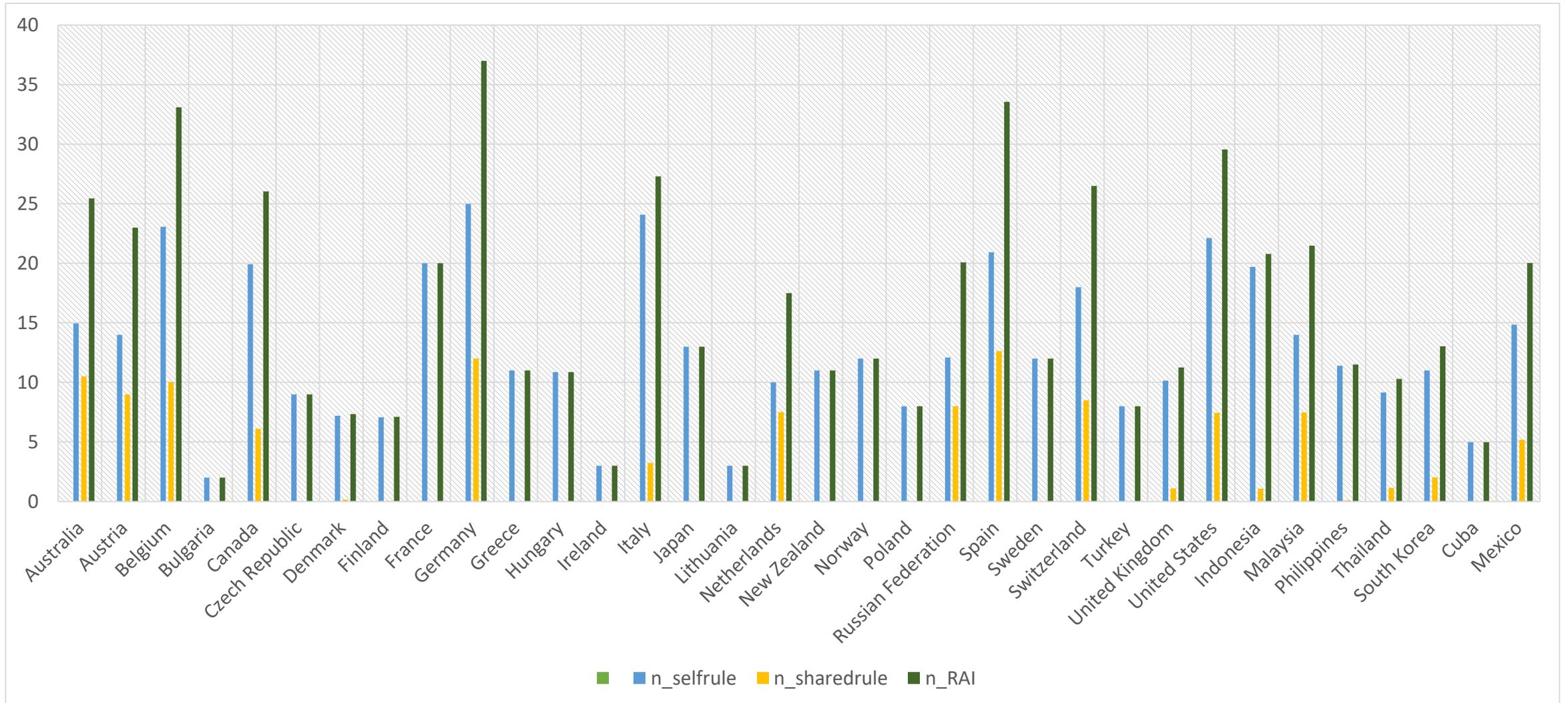
New Measurement: Are local governments autonomous?

- Ladner et al. (2018); Marks et al., (2016) – Approaches to Local Autonomy



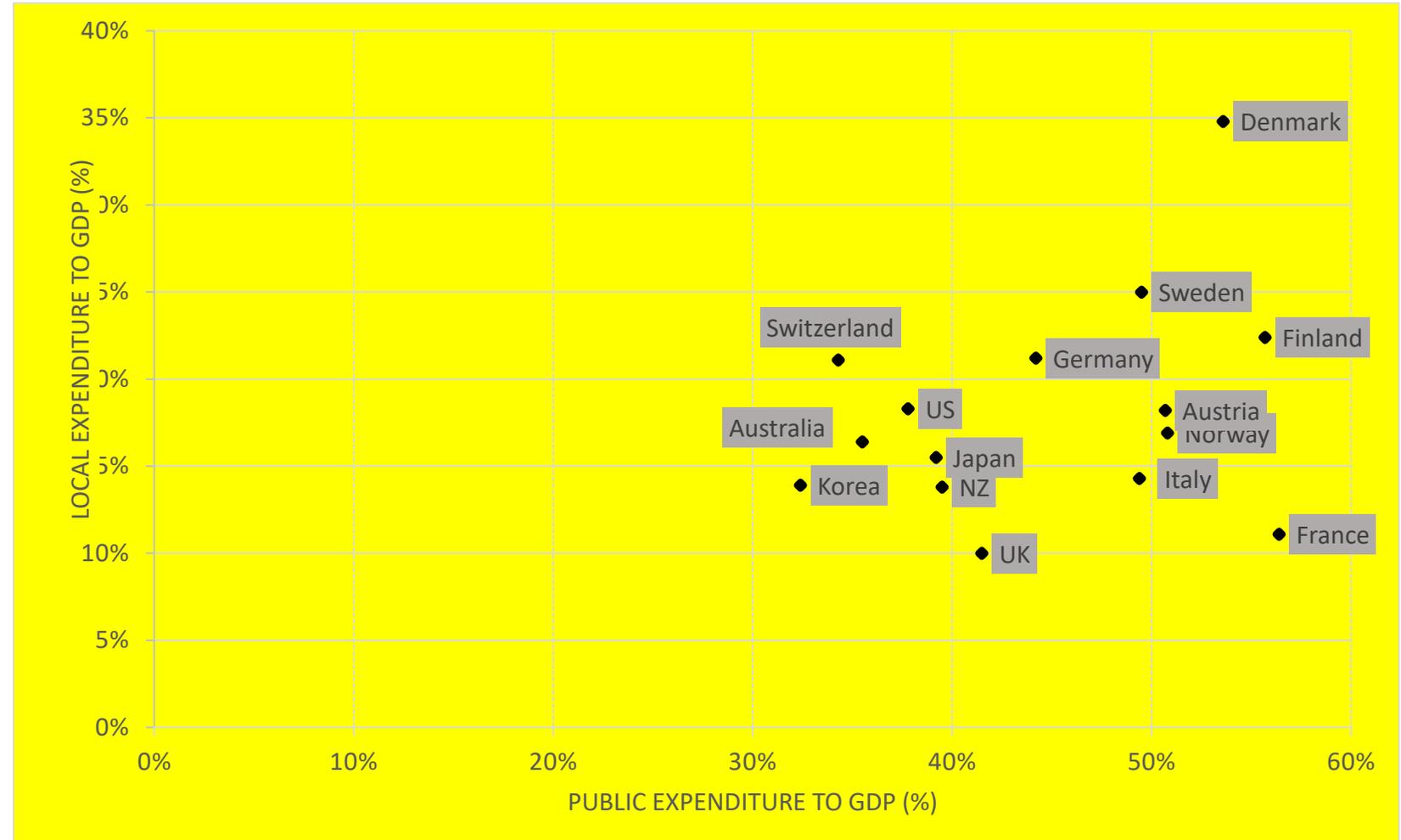
Variable	Score	Labels
Institutional dept	0-3	The extent to which a regional government is autonomous rather than deconcentrated: 0: no functioning general-purpose administration at regional level 1: deconcentrated, general-purpose, administration 2: non-deconcentrated, general-purpose, administration subject to central government veto 3: non-deconcentrated, general-purpose, administration *not* subject to central government veto.
Policy Scope	0-4	The range of policies for which a regional government is responsible: 0: very weak authoritative competence in a), b), c), d) whereby a) economic policy; b) cultural-educational policy; c) welfare policy; d) one of the following: residual powers, police, own institutional set-up, local government 1: authoritative competencies in one of a), b), c) or d) 2: authoritative competencies in at least two of a), b), c), or d) 3: authoritative competencies in d) and at least two of a), b), or c) 4: criteria for 3 plus authority over immigration or citizenship
Fiscal Autonomy	0-4	The extent to which a regional government can independently tax its population: 0: central government sets base and rate of all regional taxes 1: regional government sets the rate of minor taxes 2: regional government sets base and rate of minor taxes 3: regional government sets the rate of at least one major tax: personal income, corporate, value added, or sales tax 4: regional government sets base and rate of at least one major tax.
Borrowing Autonomy	0-3	The extent to which a regional government can borrow: 0: the regional government does not borrow (e.g. centrally imposed rules prohibit borrowing) 1: the regional government may borrow under prior authorization (ex ante) by the central government and with one or more of the following centrally imposed restrictions: a. golden rule (e.g. no borrowing to cover current account deficits) b. no foreign borrowing or borrowing from the central bank c. no borrowing above a ceiling d. borrowing is limited to specific purposes 2: the regional government may borrow without prior authorization (ex post) and under one or more of a), b), c), d), e) 3: the regional government may borrow without centrally imposed restrictions
Representation	0-4	The extent to which a region has an independent legislature and executive, which is the sum of assembly and executive.
Lawmaking	0-2	The extent to which regional representatives co-determine national legislation.
Executive control	0-2	The extent to which a regional government co-determines national policy in intergovernmental meetings.
Fiscal control	0-2	The extent to which regional representatives co-determine the distribution of national tax revenues.
Borrowing Control	0-2	The extent to which a regional government co-determines subnational and national borrowing constraints.
Constitutional Reform	0-4	The extent to which a regional government co-determines subnational and national borrowing constraints.

Actual Score of Regional Authority



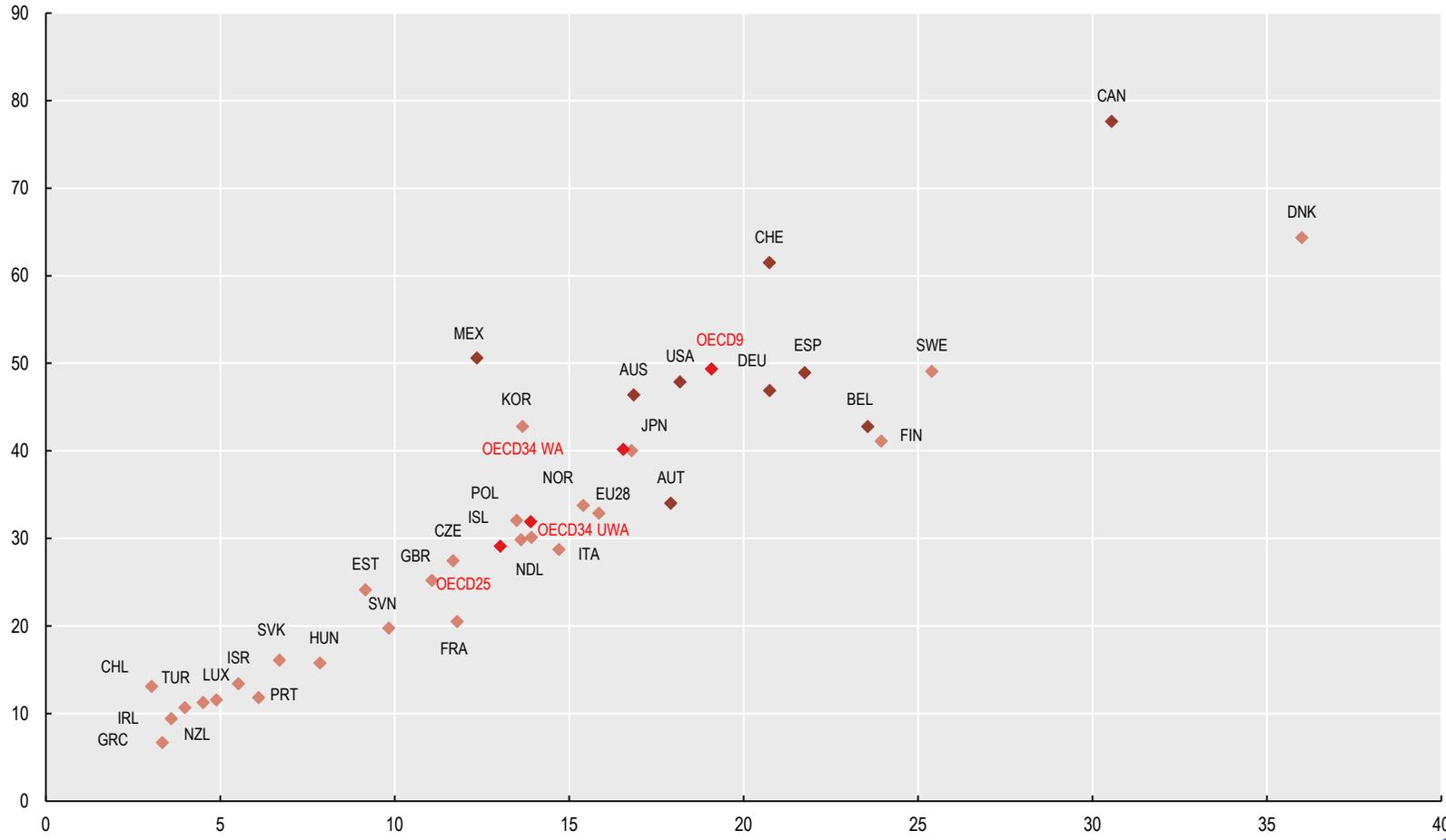
Trend of Policy State

- Orren and Skowronek (2017) argued that modern state is a policy state where policies take over more and more of the work of government, emerging as the destiny of the state's operation. Modern state collects more, spends more, and continues to expand (to serve citizens) → Local governments also tend to expand.



Subnational Expenditure as a Share of Total Public Expenditure (%)

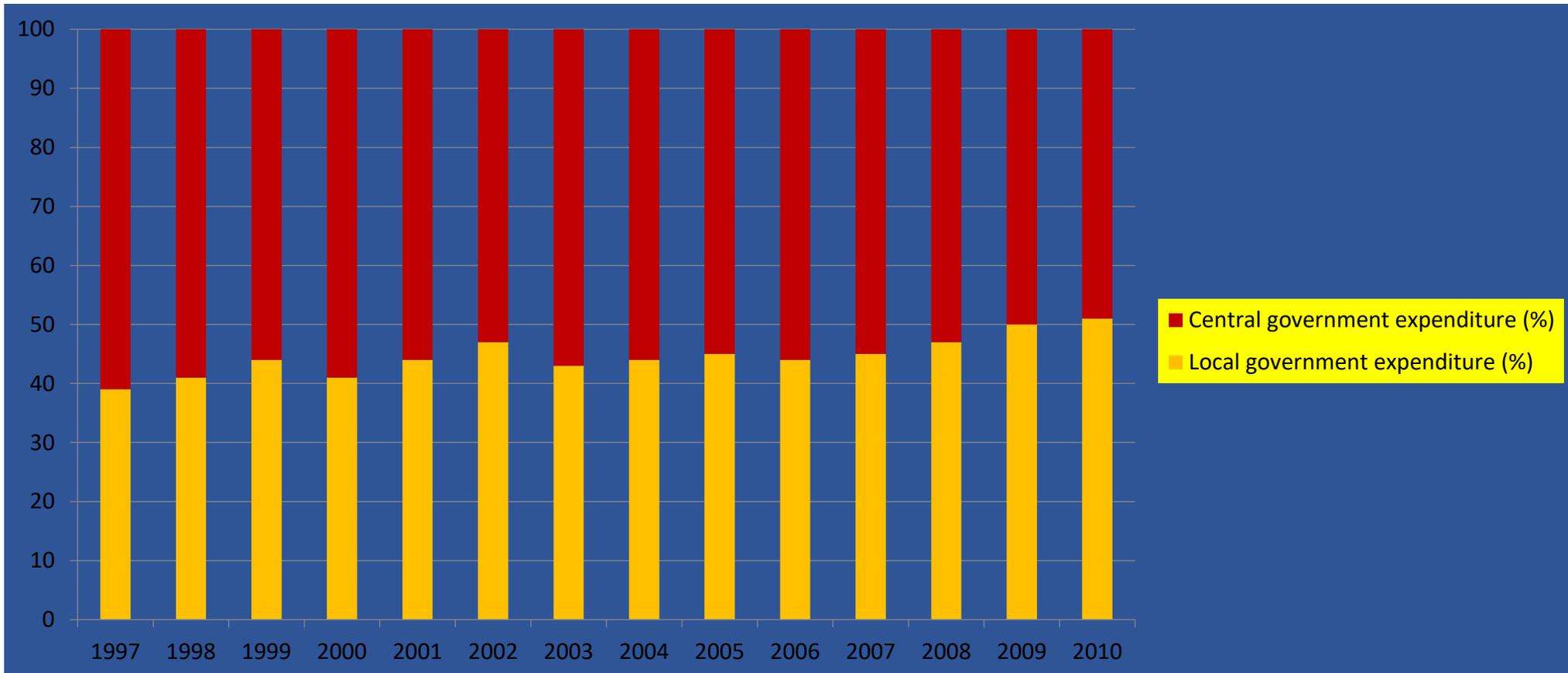
Subnational expenditure as a share of total public expenditure (%)



Subnational Expenditure as a Share of GDP (%)

Subnational expenditure as a share of GDP (%)

Vietnam: Central & Local Expenditure

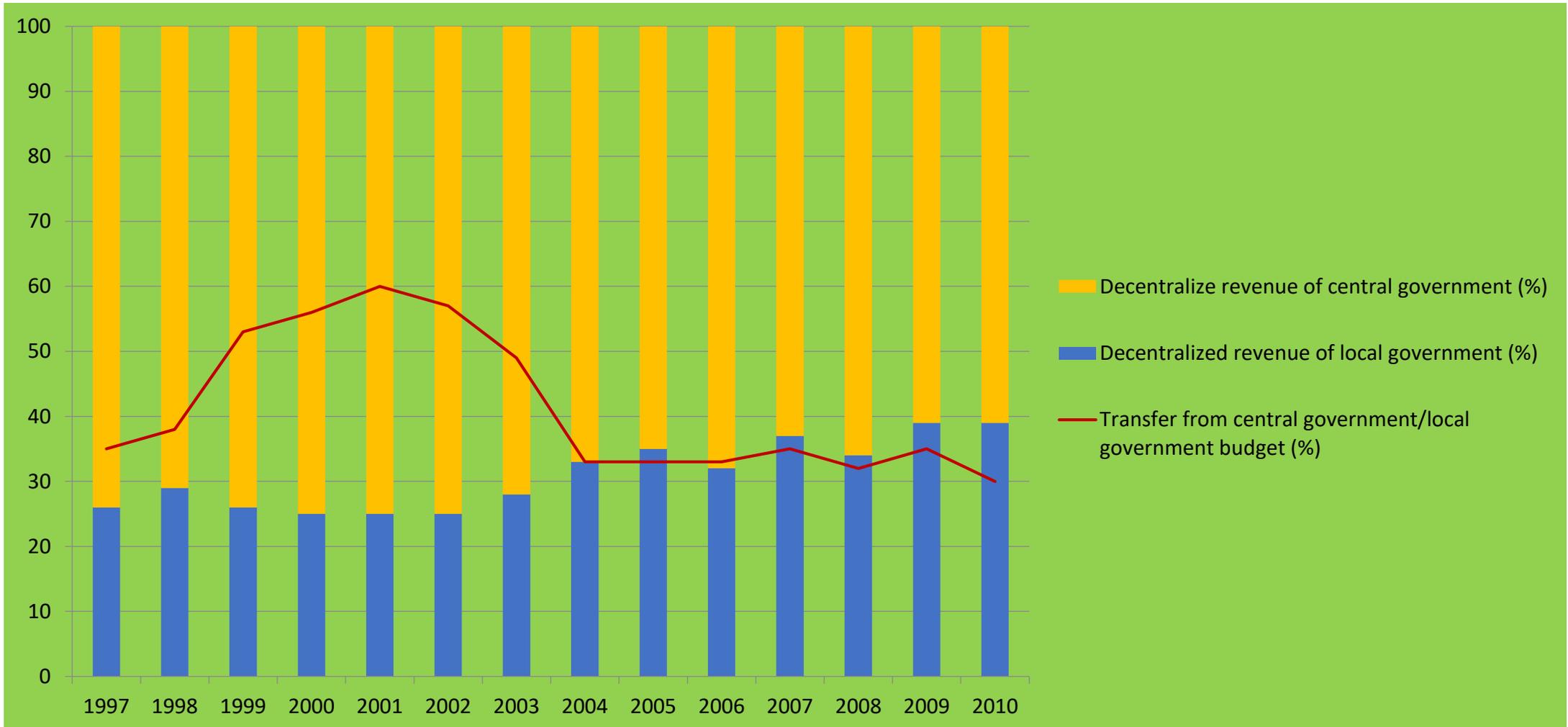


Local Government Revenue



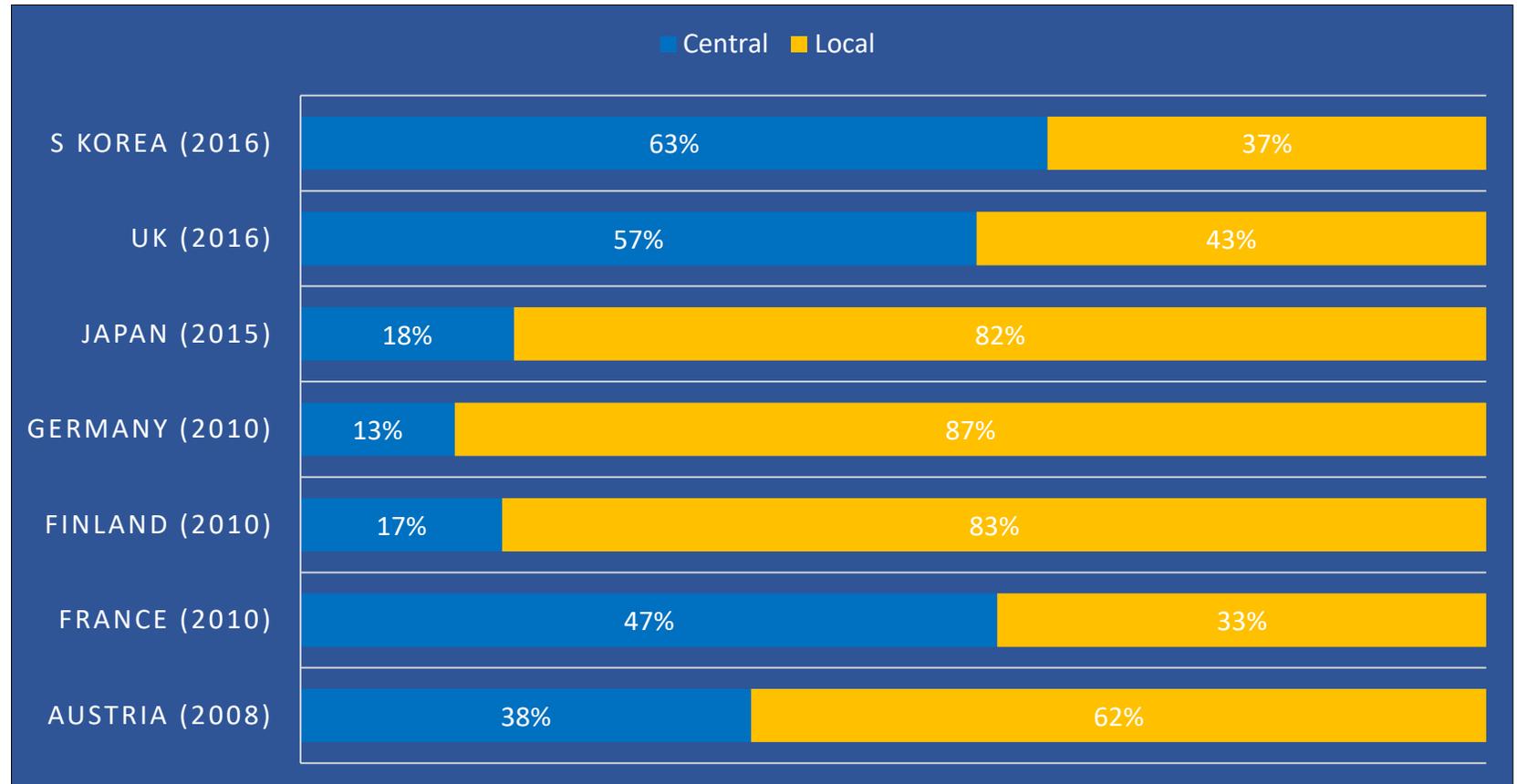
What does this mean?

Vietnam: Central & Local Revenue



Central vs. Local Civil Servants

- Central vs. Local Civil Servants (number): Vietnam, **15.7%** (central) vs. **84.3%** (local), except teachers, soldiers, and health sector



Question

- **Question:** Based on the data above, you can directly or indirectly compare decentralization level in Vietnam from a comparative perspective. How would you evaluate? Are Vietnamese local governments enjoying local autonomy? If so (not), why? Y / N

Mixed Results of Decentralization

- Despite high expectation for the decentralization, actual results across countries are mixed.
- In some cases, local governments failed to manage local finance and local debts became national government's responsibility.
- Often, local governments are not proactive in generating local own revenues → Instead of increasing the robustness of local taxation, local governments demanded more from central government (Grindle, 2007).
- Politically, local elites benefit inequitably ('authoritarian enclaves') in local setting. In divided local communities, political-economic & social conflicts increased after decentralization (where are citizens?).
- Local corruption, quality of local services, in many cases, were not better.

In-Class Discussion

- According to some studies, Vietnam has decentralized authority to some extent where many provincial government display flexibility and innovation in attracting foreign investment. Officials in certain areas have authority to borrow, contract and regulate. According to Alasdair Bowie – Vietnam scores ‘medium’ in achieving certain criteria of administrative and fiscal decentralization. What have been benefits and challenges of decentralization in Vietnamese context? Do you recognize variance among provinces and cities? What cause variance?
1) Big cities 2) Provinces, 3) Central government. Discuss

Discussion

Central government	Big Cities	Provincial Governments
Issues:	Issues:	

Multilevel Democracy (March 2020)

	Vertical / horizontal integration	Main Characteristics	Countries
(Nationalized)	High / High	State-centric policymaking / Strong supervision / High local capacity and high trust / local representation in higher governments / national party orgs / national interests groups / extensive citizen participation / consensus oriented.	Nordic countries
(Civic Localist)	Low / High	Weak central supervision / Low local capacity and low trust / weak local representation in higher governments / extensive citizen participation and mobilization / weak national party organizations / weak socio-economic organization	US, Australia, Swiss, Canada (Germany)
(Civic Elitist)	Low / Low	Vertical supervision / Weak local governments / Clientelist central-local / limited participation and party / unorganized socio-economic interests	France, Italy, Austria (Japan)

