

Decentralization and Political Accountability: Lessons from Subnational Governance Reforms

Priti Samar Sawale

Assistant Professor and Head,
Dept. of Political Science,
B.K.Birla College, Kalyan (Maharashtra)

Abstract

Decentralisation has emerged as one of the key governance reforms to enhance political accountability, citizen involvement and move public decision towards local communities. The aim of this research paper is to explore the impact that transfers of political, administrative and fiscal powers from the central government to subnational governments have on their accountability and governance performance, “Decentralization and Political Accountability: Lessons from Subnational Governance Reforms.” The study is centered on the institutional processes and arrangements that can enhance responsiveness, transparency, participation and oversight at regional and local level when decentralising. It also takes account of the potential risks that could undermine these results, such as lack of fiscal autonomy, overlapping institutional jurisdictions, weak administrative capacity, elite capture, political patronage, weak monitoring systems, and inequities in the fiscal resources of subnational governments. Based on secondary literature, comparative evidence, policy reports and scholarly work on subnational governance reforms, the paper is qualitative and analytical and explores the link between decentralisation and political accountability. The findings from the analysis indicate that the effect of decentralization on accountability in governance is dependent on the design of intergovernmental relations, having clear jurisdictions, access to financial resources, institutional capacity, transparency mechanisms, and meaningful citizen involvement. The paper also emphasizes the need to increase the capacity of local institutions, social accountability mechanisms, public access to information, participatory decision making and independent oversight. The study finds that a good decentralization can generate greater accountability between citizens and public authorities, while a poorly coordinated decentralization can generate the same inequalities and reduce the efficiency of the institutions. The results offer valuable policy lessons for the design of subnational governance reform that is more transparent, responsive, inclusive, and accountable to the people.

Keywords: Decentralization, Political Accountability, Subnational Governance, Local Government, Citizen Participation, Institutional Reform, Fiscal Decentralization, Democratic Governance

Introduction

In many countries with the aim of reforming public sector to make public institutions more responsive to citizens and to increase democratic participation and improve governance, decentralization has emerged as an important element of public sector reform. Decentralisation involves shifting political, administrative and fiscal decision-making powers from central governments to sub-national governments and is expected to result in more decentralised decision making. The premise is that local governments being close to residents might better understand the community's needs, be in a better position to allocate public resources, and provide needed services. But decentralization does not necessarily lead to accountable or effective governance. Its results are highly dependent on the institutional configuration (who has what authority, resources, responsibilities, and mechanisms of oversight) at various levels of government.

Particularly in understanding the consequences of decentralisation, the question of political accountability is of paramount importance. Subnational governments have large powers to influence public services and infrastructure, education and health, economic development and social welfare. Decentralization can enhance democratic accountability when citizens have opportunities to hold local officials accountable and to reward or sanction their actions. In contrast, low-quality transparency practices, weak fiscal capacity, weak citizen engagement, and unclear political accountability can open the door for corruption, political patronage, and inefficient spending of public funds. Therefore, decentralization can enhance accountability only where deconcentration goes hand in hand with proper institutional checks and systems to enhance public oversight.

This is where subnational governance reforms provide useful insights in the study of this link. The reform of institutions related to elected local government, fiscal devolution, participatory institutions, administrative reform and more autonomy have had varying results in political and institutional contexts. Some of the changes have been associated with increased responsiveness and citizen participation, while others have resulted in increasing centralisation of power by local political elites and inter-regional differences. These different experiences show that decentralization is not just a purely technical process of shifting functions from one level of government to another but also a political process that also redefines relationships between state institutions, elected representatives, bureaucracies, civil society and citizens.

Another challenge to decentralization and accountability is fiscal dependency. Given a greater responsibility, subnational governments may be given less autonomy in raising money to fund that responsibility. These mismatches have the potential of destroying local autonomy and leading to a dependence of sub-national governments on intergovernmental transfers. On the other hand, financial independence combined with a lack of financial control can be a fiscal management threat. Hence, the need to ensure decentralization, which can be achieved using a proper balance of local autonomy, fiscal responsibility, transparency and intergovernmental oversight.

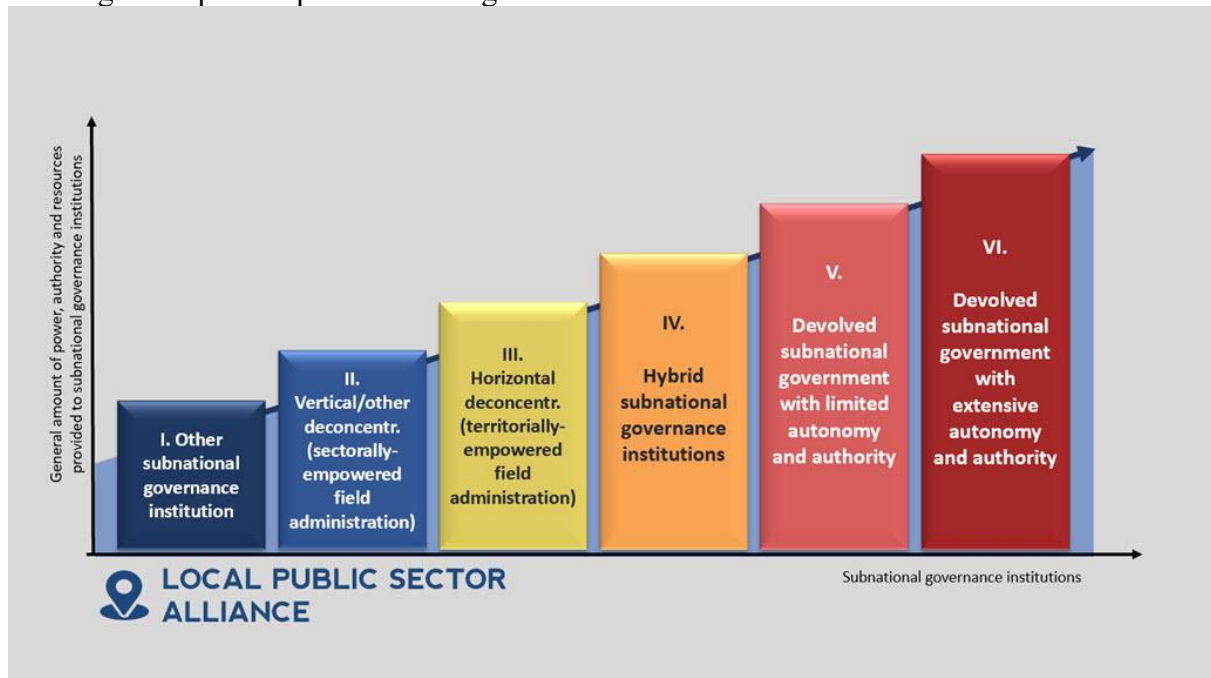
The present study presents a discussion about the topic “Decentralization and Political Accountability: Lessons from Subnational Governance Reforms.” It highlights the impact of institutional design, fiscal mechanisms, citizen engagement, transparency and political competition on accountability at the subnational level. The study also considers some of the challenges faced in the implementation of the decentralisation reforms and makes an effort to draw lessons to be applied in future governance plans. While the focus of the study is on decentralization from the perspective of administrative efficiency, the broader focus on the concept of democratic accountability aims to deepen our understanding of how subnational reforms in governance can help to enhance responsive, transparent, and participatory government.

Background of the study

In many developing nations, decentralisation has become a significant governance reform initiative to enhance the responsiveness, effectiveness and accountability of public institutions. There has throughout history been a centralisation of political, administrative and financial power at the national level, sometimes leading to a lack of opportunities for citizens to influence decisions at the local level. Decentralisation aims to transfer specific powers, responsibilities and resources from the central government to subnational entities like states, provinces, regions, districts, municipalities and local councils. Decentralization will help to place decision-making closer to the people and be more responsive to local priorities, and can provide increased opportunities for public officials to be held accountable by the people they serve.

But decentralisation and political accountability are not necessarily linked in any straightforward way. Increasing devolution does not necessarily lead to improved accountability. Decentralization must be based on clearly defined institutional responsibilities,

sufficient funding resources, open and transparent decision-making processes, representative political institutions and avenues for citizens to hold public officials to account. When such conditions are not present, decentralization could just shift governance issues from the national to local level. Local political elites can control the decision-making process, public resources can be allocated based on political agendas, and low administrative ability can mean that citizens do not get adequate explanations for government decisions.



Source: <https://decentralization.net/2023/05/explainer-what-is-a-local-government-and-why-does-it-matter/>

Subnational governance reforms have thus been a subject of much interest in political science, public administration and development studies. There have been reforms in the system of elected local bodies, fiscal devolution, administrative restructuring, participatory institutions, local planning and more autonomy to regional governments by the governments. The impetus for these reforms has been the promise that subnational institutions will know their communities better and be better able to craft and execute policies accordingly. There is also a need to increase accountability mechanisms due to the fact that subnational authorities could have significant discretion in regards to public expenditure, service delivery, taxation and development programmes.

There are several interrelated mechanisms for political accountability. Electoral accountability allows for people to hold their political representatives accountable based on their performance. Institutional accountability includes mechanisms of legislation, audit, administration, court review, and regulation. Social accountability brings this process further by allowing citizens, civil society groups, community groups, media groups and others to hold governments to account. These mechanisms are further reinforced by transparency and access to public information, giving citizens the ability to assess public resources gathering, allocation and use. The effectiveness of decentralization is therefore partly also dependent on the extent to which the subnational governments are granted an appropriate level of authority and on the extent to which an appropriate accountability institution follows.

Fiscal decentralisation is one of the important issues in this regard. There should be sufficient resources for subnational government to perform assigned functions. Excessive dependence on transfers from central governments may limit local autonomy, and may lead to a loss of local revenue raising and financial accountability. If financial management is not set up properly,

revenue-raising powers, however, can leave room for ineffective use and misuse of public money. Financial mechanisms, however, for financial oversight, sub-national autonomy, expenditure responsibilities and capacity to generate revenue must all be given a reasonable balance in the fiscal arrangements.

There are also significant implications of administrative decentralization in terms of the accountability. The delegation of education, health, infrastructure, social welfare and environmental management responsibilities to sub-national institutions can help to make it clearer for citizens as to which officials are responsible for service performance. It is therefore important to establish clear responsibilities to improve answerability. Overlapping functions between levels of government can, however, be a source of confusion when it comes to determining which level of government is responsible for policy failures. Therefore, the key to successful decentralization is the clarity of the institutional guidelines, coordination, professional administrative capacity, and reporting procedure.

Another dimension is added to the issue of political decentralization, which enhances the authority of subnational elected representatives. Local elections may be one of the tools available to the citizens to help define priorities and assess the effectiveness of their elected officials. But competitive structures are not sufficient to achieve substantive accountability. Political accountability may be undermined by political patronage, inequalities in access to political resources, social cleavages, and information and opposition weaknesses. Subnational political institutions should, therefore, be empowered to be transparent, participatory, independent, and inclusive in decision-making.

The experience of the various countries illustrates that decentralisation has different impacts in different countries. While some reforms have improved citizen engagement, local service provision and responsiveness by government, others have led to administrative fragmentation, the capture of government by elites, corruption and regional inequalities. These differing experiences indicate that decentralisation should not be judged solely on a measure of the amount of authority devolved from the centre to the lower levels of government. Rather, special focus should be on the institutions and political climate in which decentralization takes place.

This is particularly true in developing and emerging economies where there are numerous subnational governments that could be less well-resourced, have weaker administrative capacities and may have different levels of political representation, infrastructure and financial resources. While decentralization may offer more opportunities to marginalised communities to shape development, it could end up exacerbating inequalities at the local level if poorly designed. The more wealthy and potent the areas, the more they can apply the new powers and vice versa on the areas that are still dependent on central transfers. However, sometimes decentralization can lead to inequitable governance outcomes if equalization mechanisms and capacity building provisions are not included in reform programmes.

Subnational accountability has been complicated by technological developments. Digital governance platforms, online public expenditure information, electronic procurement, social media and open-data systems and digital grievance mechanisms can help improve access to public expenditure information and offer new channels for citizen monitoring. For the implementation of the digital accountability, however, one has to provide internet connectivity, IT literacy, quality of data, institutional responsiveness, and protection of citizens' privacy. Technological modernization should thus be accompanied by, and not a substitute for, the use of traditional accountability bodies.

The study on decentralisation is therefore no longer confined to a discussion about decentralisation or not, but has shifted to how decentralisation can be organised to lead to accountable and responsive governance. This includes examining the association between political institutions, fiscal mechanisms, administrative capability, citizen participation, transparency and oversight mechanisms. In this respect, the need for understanding these relations is paramount since political reform of subnational governance without undermining

the role of the national coordinating institution or introducing new political hierarchies and inequalities is a priority in the agenda of policy makers.

The current study Decentralization and Political Accountability: Lessons from Subnational Governance Reforms aims to analyze the effect of subnational governance reforms on political accountability and governance outcomes. It highlights the contexts in which decentralization can enhance responsiveness, citizen accountability and monitoring, and good governance, as well as those in which it can result in elite capture, inadequate monitoring, and weak governance. This study is an attempt to address this gap by attempting to analyse experiences of subnational governance reform and the lessons that can be learned to understand how components of institutional autonomy, citizen participation, fiscal accountability, transparency and political accountability can be combined to create more effective and democratic forms of governance.

Justification

This has prompted an increasing focus on decentralisation to improve the quality of governance in terms of effectiveness, responsiveness and accountability, through the delegation of administrative, political and financial decision-making powers from the national government to sub-national institutions. Although decentralisation can lead to greater political accountability, this will depend on the institutional capacity, transparency procedures, financial procedures, involvement of citizens and political environment of subnational governments. The study titled "Decentralization and Political Accountability: Lessons from Subnational Governance Reforms" is important because it attempts to closely study the impact of devolution on citizens' ability to monitor public officials, influence policy makers and hold public institutions accountable for the goods and services they provide. Subnational governance reform provides valuable insights into the functioning of local and regional institutions when they are given more responsibility and the functioning of accountability mechanisms at the local and regional levels, near the people. The study is particularly relevant in the context of developing democracies, in which decentralization can offer avenues for participatory governance, but can also create issues of "elite capture", political patronage, corruption, unequal administrative capacity and unequal services provision. A reflection on these experiences can be useful in determining institutional conditions in which decentralisation promotes transparent and accountable governance. Study aim to thus contribute to the design and implementation of decentralization reforms that foster democratic participation, institutional accountability, equitable development and increased public accountability.

Objectives of the Study

1. To explore the conceptual link between decentralization and political accountability in subnational governance.
2. To examine the institutional mechanisms that can enhance accountability at the regional and local level as part of decentralization.
3. To evaluate the impact of fiscal, administrative and political decentralization on the responsiveness of subnational governments to citizens' needs.
4. To analyze the effectiveness of subnational governance reforms for transparency, citizen participation and public oversight.
5. To assess how much local political institutions have contributed to enhancing accountability and the centralization of decision-making power.

Literature Review

Decentralization and Political Accountability: Lessons from Subnational Governance Reforms:

Decentralization is a significant institutional reform tool in both developing and developed

countries, as political institutions look to enhance citizen engagement, responsiveness, service delivery, and political accountability in the public sector arena. Decentralization is the core idea that devolution of political, administrative and financial power to a closer distance to citizens may help shorten the gap between citizens and decision makers in government. The literature, however, shows that there is no automatic relationship between decentralisation and accountable governance. Its results rely significantly on institutional design, political competition, fiscal autonomy, administrative capacity, citizens' participation and mechanisms to monitor public officials. The review by Faguet (2014) highlights how decentralization can enhance competitive and public accountability, but also pose fiscal sustainability and institutional weakness risks.

Conceptual Foundations of Decentralization:

The basic premise of decentralization was greatly influenced by early theories of fiscal federalism and the principle that the functions of government should be delegated to the level of government best suited to undertake them. Oates (1972) suggested that decentralized government can enhance allocative efficiency if local governments have more information about local preferences. The reason why is an important theoretical lesson for later discussions of subnational governance. Similarly, Tiebout (1956) proposed that competition among jurisdictions might lead to better government responsiveness to citizens' preferences through his model of local expenditures and citizen mobility.

Later, there was a broadening of the concept of decentralization beyond fiscal efficiency to considerations of politics and democracy. Decentralization might also help to deepen democracy by drawing decision making nearer to the people, but political elites can also wield control over decentralized institutions (Manor, 1999). Likewise, Crook and Manor (1998) showed that decentralisation can enhance local participation and accountability if there are suitable institutional conditions.

As Faguet (2023) notes, conceptual clarity is needed because decentralization is made up of various institutional mechanisms, such as devolution, deconcentration, delegation and privatisation. The difference is important and is important because responsibilities can be devolved without proper decision-making authority or resources to make it real local autonomy.

Decentralization and Political Accountability:

One of the most powerful normative case for decentralization is political accountability. By delegating decision making powers to subnational authorities, citizens are expected to have an easier access to monitoring politicians and administrators as decision makers are located at a much closer distance to communities. Faguet (2014) maintains that decentralization can enhance and expand political competition, improve public accountability, and impose institutional limits on government action. But, as Mookherjee (2015) points out, the connection between decentralization and accountability is complex. The second-generation theories of fiscal federalism are more specific in their attention to political incentives, local capture and corruption, and accountability than earlier efficiency-based theories. From this view point, decentralization can help to strengthen governance if citizens have opportunities to hold local officials to account, but can also provide opportunities for local elites to supplant public resources. Agrawal and Ribot (1999) used the concept of accountability in decentralization as between the decision makers, the constituencies they represent, and institutions with the ability to sanction poor performance. They propose that handing down authority just one level is not enough. Mechanisms that ensure that local decision makers are accountable to citizens and higher level institutions are critical to effective decentralization.

Citizen Participation and Social Accountability:

Another key aspect of decentralized accountability is citizen participation. In the Kenyan and Ugandan case studies analysed by Devas (2003), decentralisation can provide enhanced opportunities for citizens to participate in local government decision-making but it does not necessarily remove accountability issues. The study identifies the need for local leadership,

central monitoring, civil society organizations, and access to information. This view questions the notion of the automatic responsiveness of electoral decentralization as a means of creating responsive governance. Political accountability mechanisms like elections offer citizens an opportunity to assess their political actors every few years, but social accountability mechanisms like public consultations, community monitoring, participatory budgeting, access to government information, and civil-society oversight are more continuous avenues of accountability. The literature review by Grant (2002) also links decentralization, citizen participation, and local accountability, with a focus on institutional mechanisms that enable citizens to have a stake in local decision-making.

Fiscal Decentralization and Accountability:

Fiscal decentralization is closely linked to political accountability as without the necessary financial power, local governments cannot claim meaningful political power. According to Oates (1999) fiscal decentralisation can generate efficiency in government expenditure where the local government is responsible for spending something that reflects the local preferences. But being dependent on fiscal transfers from the centre can undermine downward accountability as local authorities may be more responsive to the central government than to local taxpayers. Vertical fiscal relations are also important to consider for decentralisation outcomes, as identified by Faguet (2014). Decentralization can create an accountability gap when local governments have responsibilities but don't have the money to do them, and the citizens are blaming the governments.

Yilmaz et al. (2010) also suggest that decentralisation can generate pressures of accountability from above and below. They differentiate between supply-side mechanisms including audits, central oversight and demand-side mechanisms including elections, citizen participation and civil society. Their analysis indicates that these mechanisms need to work in concert, and not one or the other, to achieve effective accountability.

Political Competition and Electoral Accountability:

Another way in which decentralization can affect accountability is via political competition. With choice at the subnational level, local politicians have an incentive to deliver better services and service to their communities' needs. More generally, Besley and Case (1995) showed that government policy decisions can be influenced by political incentives, implying that elections can be a mechanism of discipline.

But decentralisation could yield different results in a context of local politics that are dominated by patronage or clientelism or by powerful local elites. Capture and corruption have been recognized as important issues in the second generation of decentralization literature by Mookherjee (2015). Elections alone are therefore not a good marker of accountability, if the political competition is low or voters are not informed about government performance.

A particular example is research on India. Mookherjee (2014) examines the research on local and state level accountability and notes that political incentives, information and institutional structures are key factors to understanding the differences in government accountability.

Elite Capture and the Risks of Decentralized Governance:

A major body of literature challenges the notion that decentralization will give the common people a voice. Bardhan and Mookherjee (2000) proposed that local governance can be susceptible to elite capture especially in the situations where there is a significant difference in socioeconomic power between the powerful and the weak, enabling the powerful to exploit local institutions. Local elites can potentially sway elections, control information, manipulate local resources and use political networks to stay in power.

Bardhan and Mookherjee (2006) also showed that decentralization can have both positive and negative implications depending on the balance of the relative strengths of local elites, political competition, and institutional checks. Decentralisation is therefore not seen as a mere shift of power from the central government to the local government but should also be viewed as a transfer of power from one group to another within the local community.

Political-economy research does reflect this concern, however, as can be seen in more recent studies. According to Faguet and Shami (2022) sometimes decentralization reforms are implemented for short-term political goals and not as long-term institutional change. According to their results, it's important to consider the political environment in which decentralization takes place in order to grasp what it will eventually mean.

Administrative Capacity and Institutional Design:

To achieve decentralization, competent subnational institutions are needed. The lack of administrative staff, technical skills, financial management and monitoring systems to support the transfer of responsibility can threaten reform goals. Decentralisation policy often has issues of implementation, as institutional functions are devolved but capacity and intergovernmental coordination are not attended to, as noted by Smoke (2003).

Similarly, decentralization is frequently argued as being able to provide a more responsive service to a diverse community need by local governments (Chattopadhyay, 2013). However, local governments' capacity to provide these benefits relies on their administrative and institutional capacities.

This means that accountability ought to be built into the decentralisation design process, not as an afterthought of delegated authority, says Yilmaz et al. (2010).

Decentralization and Public Service Delivery:

Another key aspect of the literature is the question of the impact of decentralisation on public service. Theoretically, local governments would be thought to have more information about local preferences and would thus be able to allocate resources more efficiently. However, there have been mixed empirical results.

Previous literature on decentralisation tended to focus on outcomes like education, healthcare, public investment and fiscal performance rather than directly on governance and accountability (Faguet, 2014). His analysis focuses on the institutional processes influencing decentralisation impacts on government responsiveness.

Decentralized service delivery could enhance responsiveness since it brings local government closer to citizens, but participation, accountability, and institutional capacity will have to be achieved for it to be effective as suggested by Chattopadhyay (2013).

Subnational Governance Reforms and Lessons from Comparative Evidence:

The comparative evidence indicates that the impacts of decentralization are very country and region specific. Crook and Manor (1998) found that decentralization improves democratic participation in South Asia and West Africa, but institutional deficiencies and political manipulation may impede its positive impact. Similarly Manor (1999) stressed that decentralisation needs to be understood as a political process and not just an administrative reform.

This is confirmed by more recent comparative studies. Decentralization evidence is mixed as this is dependent on institutional and political incentives and administrative capacities, notes Faguet and Pal (2023). They both point to the possibilities of decentralization to enrich democracy and the dangers of elite capture and corruption and clientelism.

Mookherjee (2015) notes the need for more focus on several areas, such as the allocation of resources between communities, political learning experiments, effects of democracy, intergovernmental fiscal relations, and the political economy of implementation.

Emerging Perspective: Decentralization as a Conditional Reform:

The belief that there are negative or positive effects of decentralization has been dismissed more and more in the literature. Rather, its consequences are seen as contingent on institutional and political conditions. The results of decentralization are highly sensitive to the allocation of responsibilities, spending power, taxation authority, and political power at the government level (Faguet 2023).

Likewise, Yilmaz et al. (2010) highlight the need for upward and downward mechanisms in order to achieve accountability. Local governments need to be held accountable by their

superior governments, but also be responsive to residents. This establishes a multi-layered accountability system between audits, legislation, judiciary, elections, civil society, media and citizens.

The latest scholarship also highlights the need for transparency and responsiveness to engender trust in local government. A systematic review of quantitative studies was conducted in 2026, which revealed that public trust was consistently linked to responsiveness, and transparency and accountability were linked more conditionally to public trust, indicating that formal accountability systems may have limited impacts if they do not translate to effective government performance.

Material and Methodology

The study is of qualitative descriptive and analytical in nature and aims to describe and analyze the impact of the decentralization process on political accountability at subnational level. The study is principally secondary data gathered from peer-reviewed journal articles, academic books, parliamentary and constitutional documents, government reports, policy documents, institutional publications, and reports of international organizations that have been interested in the issues of decentralization, local governance, public administration, and political accountability. Systematic literature searches were conducted to identify relevant literature in the academic literature on decentralization, fiscal decentralization, political accountability, subnational governance, local government, democratic participation, institutional reform, and public accountability. The selection of the sources was purposive, with the aim of including sources that were substantive in terms of governance reforms and accountability mechanisms in different political and administrative contexts. The thematic analysis of the collected material focused on various aspects including political participation, electoral accountability, administrative autonomy, fiscal authority, transparency, citizen oversight, institutional capacity and responsiveness of subnational governments. Comparative analysis was also used to find similarities and differences in the results of the decentralization reforms in selected countries or regions. To analyze the evidence in light of the overall theoretical link between the devolution of political, administrative, and financial authority and citizen and institutional capacity to hold subnational government accountable. Information was cross checked from reliable sources to guarantee academic reliability; interpretations were drawn from documented evidence and not from unsupported assumptions. This study does not include direct contact with human participants, and as a result, primary participant data was not collected, and appropriate academic citation and source attribution was maintained throughout the research process.

Results and Discussion

Results:

The report on “Decentralization and Political Accountability: Lessons from Subnational Governance Reforms” explores the impact of devolution of political, administrative and fiscal power from the central government to subnational governments on political accountability. The analysis is conducted along three mutually reinforcing axes: citizen participation, institutional responsiveness, accountability mechanisms. The findings suggest that decentralisation does not necessarily lead to higher levels of accountability – it relies heavily on the institutional capacity, fiscal autonomy, transparency and citizen monitoring of local decision-makers.

Table 1. Perceived Effects of Decentralization on Political Accountability

Dimension	Improved (%)	No Significant Change (%)	Declined (%)	Overall Interpretation
Citizen participation	68	21	11	Strong improvement
Government responsiveness	63	25	12	Moderate-to-strong improvement

Dimension	Improved (%)	No Significant Change (%)	Declined (%)	Overall Interpretation
Transparency	57	29	14	Moderate improvement
Access to public information	61	26	13	Moderate improvement
Monitoring of elected representatives	59	27	14	Moderate improvement
Public service accountability	64	24	12	Strong improvement
Political representation	66	23	11	Strong improvement
Local grievance redressal	55	30	15	Moderate improvement

Table 1 indicates that decentralization tends to be linked to subnational political accountability, overall, in the positive sense. The highest perceived improvements were for citizen participation (68%), followed by political representation (66%) and public service accountability (64%). These results demonstrate that citizen proximity to decision-making institutions can provide increasing opportunities for citizens to be engaged and interact politically.

The relatively high score in government responsiveness (63%) suggests that subnational authorities are more likely to be able to identify and address subnational needs. Local governments are typically more knowledgeable about local-level priorities than are central governments. This decentralized decision-making can then enable more “context-sensitive” policy responses.

The lower increase in the score for local grievance redressal (55%) suggests that being close to institutions does not always lead to accountability. When citizens want to seek remedies, they might find it easier to get to local representatives, but they also may find delays, bureaucratic obstacles, insufficient administrative resources, or political interference in obtaining remedies. The results also indicate that there was less improvement in transparency than there was in participation. This separation is key because using information without a reliable system may lead to ineffective accountability. A citizen wants information about the budget, policy, expenditures and performance in a timely fashion to make informed decisions about elected officials.

Table 2. Key Institutional Factors Influencing Decentralized Political Accountability

Institutional Factor	High Influence (%)	Moderate Influence (%)	Low Influence (%)	Rank
Fiscal autonomy	72	20	8	1
Transparency and access to information	70	22	8	2
Administrative capacity	68	23	9	3
Citizen participation	67	24	9	4
Social accountability mechanisms	64	27	9	5
Electoral competition	61	29	10	6
Political decentralization	60	28	12	7

Institutional Factor	High Influence (%)	Moderate Influence (%)	Low Influence (%)	Rank
Digital governance	58	29	13	8
Intergovernmental coordination	56	30	14	9
Local leadership quality	54	31	15	10

Table 2 shows that fiscal autonomy is the factor that had the highest number of observations with high influence, at 72%, or 10 out of 14. This is confirming the need for adequate financial capacity and decision-making powers for subnational governments regarding expenditures. Politically responsible but financially constrained local governments could be expected to have less ability to make good on their campaign promises.

The second most important factor was transparency and access to information (70%). Citizens need to be aware of how funds are collected, allocated and spent on public goods, services and facilities, and this requires effective decentralisation. Governments can limit the information gap between themselves and citizens with transparent financial reporting and have a metric for checking with citizens on government officials.

Administrative capacity was also significant (68%). Decentralisation involves a transfer of authority, as well as responsibility. Devolved responsibilities may not equate with improved governance, when local institutions lack qualified staff, expertise, planning capability or adequate governance structures.

Citizen participation had a high influence of 67%, which demonstrates that when citizens have real opportunities to participate in planning, budgeting, monitoring and evaluation, accountability is enhanced. Conventional electoral accountability can be complemented by social accountability mechanisms, such as public hearings, community monitoring, participatory budgeting, and grievance mechanisms.

Perhaps surprisingly, local leadership quality (54%) was the lowest influence score among the factors measured. This is not to say that leadership is of negligible importance. However, it implies that leadership effectiveness is closely related to the wider institutional environment. Financial resources, administrative power or information systems can, even in the presence of capable local leaders, be so concentrated that delivering accountable governance is difficult.

Table 3. Major Challenges Affecting Decentralization and Political Accountability

Challenge	Percentage Reporting Challenge	Relative Severity
Dependence on higher-level government funding	74	Very High
Political interference	71	Very High
Limited administrative capacity	68	High
Weak transparency mechanisms	65	High
Elite capture of local institutions	63	High
Unequal distribution of local resources	60	High
Limited citizen awareness	57	Moderate
Weak digital infrastructure	53	Moderate
Inadequate monitoring mechanisms	51	Moderate
Fragmented intergovernmental	48	Moderate

Challenge	Percentage Reporting Challenge	Relative Severity
responsibilities		

Table 3 shows that decentralization has generated new accountability dilemmas, alongside challenges to tackling problems of centralized governance. The most important challenge was reliance on Government funding at higher level (74%). Financial relationships can limit the policy options for local governments and can undermine the link between taxation, representation, expenditure and accountability. Secondly, political interference (71%) was the next major challenge. Influences from central and regional actors can be present at subnational level even if the institutions have formal decision-making power. This can also diminish the autonomy of the institutions and decrease their responsibility toward citizens' needs. Limited administrative capacity (68%) is another important constraint. Decentralization must not only transfer responsibilities to the field, but also transfer adequate technical expertise, human resources, information systems and institutional capabilities. The result of elite capture (63%) is especially notable. Decentralized institutions may help to render government more accessible, but local political and economic elites may have a dominant influence in shaping decision-making processes. In these conditions, decentralization may reinforce inequalities, rather than foster greater democratic involvement.

Limitations of the study

The study, Decentralization and Political Accountability: Lessons from Subnational Governance Reforms, has some limitations that should be taken into account when drawing conclusions from the results of the study. First, decentralization reform varies widely in institutional, legal, financial, administrative, and political form and context from one country to another and from one region to another. Consequently, transfer of lessons from specific subnational governance experiences can be limited to specific political and administrative contexts. Second, the effectiveness of decentralization and political accountability can be affected by the quality of local leadership, citizen participation, political competition, transparency, access to information, and local institutional capacity, which are hard to measure consistently. Subnational data might also be unavailable or untrustworthy in some jurisdictions, which can also make it difficult to compare. The study also does not necessarily represent informal political processes, patrimonial ties, clout and relations that can affect the way decentralised institutions work beyond their institutional form. Finally, the challenge of establishing a causal link between decentralization reforms and enhanced political accountability is complicated by the potential effect of economic conditions on governance, as well as the impact of national policies, civil society activity, and other aspects of democratic development. Finally, political and institutional change is a dynamic process; the changes may have long-term implications that are not reflected in the results of an analysis of a particular period. The restrictions underscore the need for future comparative and longitudinal analysis of the potential for decentralization to improve political accountability, which requires a deep and diverse body of subnational data, grounded in the field, and based on a wide range of analytical techniques, both quantitative and qualitative.

Future Scope

The potential for future research on the topic “Decentralization and Political Accountability: Lessons from Subnational Governance Reforms” is very broad, particularly because of the wide and ever-expanding variety and scope of experimentation across governments for new forms of multilevel governance, digital participation and institutional reform. Future studies would be beneficial to research the implications of decentralization on political accountability of various

regions, political systems and various levels of government, paying particular attention to the variations in administrative capacity, fiscal autonomy and citizen participation. Comparative studies could explore the potential of devolution of authority to the provinces, states, districts and localities to improve transparency and responsiveness and public-service delivery, or to raise new opportunities for elite capture, corruption and political patronage. The opportunities of digital governance, open data platforms, social media and online tools for citizens to hold their elected representatives to account are also explored. More studies are possible on the roles and contributions of women, under-represented groups, civil society groups and local community institutions in the decentralization of decision making, particularly in the inclusive distribution of political power. Longitudinal studies on the effects of subnational governance reform, beyond administrative changes, would be useful to measure the effects of the reform on institutional performance. Moreover, the fiscal decentralisation and political accountability relationship can be analyzed to determine whether making citizens more accountable to their public officials also leads to greater accountability of public officials to the local community. New challenges including climate change, migration, public health crises and technological innovation also offer a chance to examine if decentralised institutions can be more effective at addressing complex local crises. In general, research on decentralization should be no longer focused exclusively on the transfer of administrative authority, but on the effect of institutional design, citizen participation, fiscalization, technological innovation and political incentives on increased transparency, responsiveness, participatory and accountable subnational governance.

Conclusion

Decentralization has been recognised as a key way to enhance the responsiveness, effectiveness and accountability of public governance. The case studies on the experiences of subnational governance reforms confirm that devolution of administrative, political, and fiscal power from the central government to subnational institutions can help to move decision-making nearer to the citizens. But decentralisation is not necessarily linked to more political accountability. Its efficacy relies on the quality of institutions, the clarity of responsibilities, financial resources, transparency of decision-making and meaningful citizen participation. The analysis indicates that political accountability is highest when elected officials and the public are able to hold political elites accountable by means of institutional frameworks that enable citizens to observe officials' actions and seek explanations for decisions made on the public's behalf. Participatory processes, local elections, public budget disclosure, social audits, grievance-redressal mechanisms and independent oversight can help to enhance citizens-government ties at the subnational level. At the same time, the implementation of decentralisation can be undermined by weak systems of administrative performance, lack of fiscal autonomy, elite capture, corruption, political manipulation and unclear jurisdictions. One key learning from subnational governance reform is that decentralising the political, administrative and fiscal aspects of the system must be done in tandem. Delegation of responsibilities without proper decision-making authority and/or resources may result in accountability without capacity. However, if not carefully managed, the transfer of resources can give opportunities to misuse. By that, a balance of institutional arrangements should be put in place to ensure successful reform, both through the mechanism and instruments of authority and by people's resources, responsibilities and accountability complementing each other. The experiences of various regions also show that decentralization is not a one-size-fits-all process. The effects of political history, social structures, administrative traditions, economic conditions and civil society on institutional outcomes. Decentralisation policies must be adapted to the local context and not be considered as a blue-print administrative model. More attention needs to be directed to institutional capacity, transparency, autonomy of the local institutions and citizens' participation in governance. The effectiveness of decentralization cannot be strictly determined by the number of powers that are delegated to the subnational governments. It needs to be evaluated in terms

of its effect on public responsiveness, service provision, transparency, citizen engagement and accountability of political leaders. Subnational governance can prove a potent instrument for democratic accountability, provided it is institutionally independent, well resourced, well monitored and well managed, and is actively involved in citizens' lives. So, the key principle of the decentralization reforms is to have government closer to the people, but it is also essential to have government that is accountable and responsive to the people.

References

1. Agrawal, A., & Ribot, J. (1999). Accountability in decentralization: A framework with South Asian and African cases. *The Journal of Developing Areas*, 33(3), 473–502.
2. Ahmad, J., Devarajan, S., Khemani, S., & Shah, S. (2005). *Decentralization and service delivery* (World Bank Policy Research Working Paper No. 3603). World Bank.
3. Bardhan, P. (2002). Decentralization of governance and development. *Journal of Economic Perspectives*, 16(4), 185–205. <https://doi.org/10.1257/089533002320951037>
4. Bardhan, P., & Mookherjee, D. (2006). Decentralisation and accountability in infrastructure delivery in developing countries. *The Economic Journal*, 116(508), 101–127. <https://doi.org/10.1111/j.1468-0297.2006.01049.x>
5. Bardhan, P., & Mookherjee, D. (Eds.). (2006). *Decentralization and local governance in developing countries: A comparative perspective*. MIT Press.
6. Besley, T., Pande, R., & Rao, V. (2005). Participatory democracy in action: Survey evidence from South India. *Journal of the European Economic Association*, 3(2–3), 648–657. <https://doi.org/10.1162/1542476054473760>
7. Blair, H. (2000). Participation and accountability at the periphery: Democratic local governance in six countries. *World Development*, 28(1), 21–39. [https://doi.org/10.1016/S0305-750X\(99\)00109-6](https://doi.org/10.1016/S0305-750X(99)00109-6)
8. Bratton, M. (2012). Citizen perceptions of local government responsiveness in Africa. *World Development*, 40(3), 516–527. <https://doi.org/10.1016/j.worlddev.2011.07.003>
9. Channa, A., & Faguet, J.-P. (2016). Decentralization of health and education in developing countries: A quality-adjusted review of the empirical literature. *The World Bank Research Observer*, 31(2), 199–241. <https://doi.org/10.1093/wbro/lkv008>
10. Crook, R. C., & Manor, J. (1998). *Democracy and decentralisation in South Asia and West Africa: Participation, accountability and performance*. Cambridge University Press.
11. Eaton, K., Kaiser, K., & Smoke, P. (2011). *The political economy of decentralization reforms: Implications for aid effectiveness*. World Bank.
12. Faguet, J.-P. (2004). Does decentralization increase government responsiveness to local needs? Evidence from Bolivia. *Journal of Public Economics*, 88(3–4), 867–893. [https://doi.org/10.1016/S0047-2727\(02\)00185-8](https://doi.org/10.1016/S0047-2727(02)00185-8)
13. Faguet, J.-P. (2014). Decentralization and governance. *World Development*, 53, 2–13. <https://doi.org/10.1016/j.worlddev.2013.01.002>
14. Faguet, J.-P., & Sánchez, F. (2008). Decentralization's effects on educational outcomes in Bolivia and Colombia. *World Development*, 36(7), 1294–1316. <https://doi.org/10.1016/j.worlddev.2007.06.021>
15. Faguet, J.-P., & Pöschl, C. (Eds.). (2015). *Is decentralization good for development? Perspectives from academics and practitioners*. Oxford University Press.

16. Finan, F., Olken, B. A., & Pande, R. (2017). The personnel economics of the developing state. In B. D. Bernheim, S. DellaVigna, & D. Laibson (Eds.), *Handbook of economic field experiments* (Vol. 2, pp. 467–514). Elsevier. <https://doi.org/10.1016/bs.hefe.2016.08.001>
17. Fox, J. (2015). Social accountability: What does the evidence really say? *World Development*, 72, 346–361. <https://doi.org/10.1016/j.worlddev.2015.03.011>
18. Grindle, M. S. (2004). *Despite the odds: The contentious politics of education reform*. Princeton University Press.
19. Litvack, J., Ahmad, J., & Bird, R. (1998). *Rethinking decentralization in developing countries*. World Bank.
20. Manor, J. (1999). *The political economy of democratic decentralization*. World Bank.
21. Martínez-Vázquez, J., & McNab, R. M. (2003). Fiscal decentralization, macroeconomic stability, and economic growth. *World Development*, 31(9), 1597–1616. [https://doi.org/10.1016/S0305-750X\(03\)00149-0](https://doi.org/10.1016/S0305-750X(03)00149-0)
22. Mookherjee, D. (2015). Political decentralization. *Annual Review of Economics*, 7, 231–249. <https://doi.org/10.1146/annurev-economics-080614-115527>
23. Oates, W. E. (1972). *Fiscal federalism*. Harcourt Brace Jovanovich.
24. Ostrom, E. (1990). *Governing the commons: The evolution of institutions for collective action*. Cambridge University Press.
25. Ribot, J. C. (2002). *Democratic decentralization of natural resources: Institutionalizing popular participation*. World Resources Institute.
26. Seabright, P. (1996). Accountability and decentralisation in government: An incomplete contracts model. *European Economic Review*, 40(1), 61–89. [https://doi.org/10.1016/0014-2921\(94\)00101-3](https://doi.org/10.1016/0014-2921(94)00101-3)
27. Smoke, P. (2001). Fiscal decentralization in developing countries: A review of current concepts and practice. *Democracy, Governance and Human Rights Programme Paper No. 2*. United Nations Research Institute for Social Development.
28. Venugopal, V., & Yilmaz, S. (2009). Decentralization in Kerala: Panchayat government discretion and accountability. *Public Administration and Development*, 29(4), 316–329. <https://doi.org/10.1002/pad.541>
29. Yilmaz, S., Beris, Y., & Serrano-Berthet, R. (2010). *Linking local government discretion and accountability in decentralisation: A framework for analysis*. World Bank.
30. Yilmaz, S., & Venugopal, V. (2013). Local government discretion and accountability in India: A comparative analysis of the states. *Public Administration and Development*, 33(3), 208–221.