Dilemmas of coordination, between dominance and localism

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Abstract:

While the focus of the webinar is problems and options of local service delivery, this paper argues that the associated challenges may benefit from an analysis of the wider framework of decentralisation. The aims, advances, and problems of democratic decentralisation in Porto Alegre (Brazil), Kerala and South Africa during the 1990s have been pertinently analysed by Patrick Heller in a widely cited article 'Moving the State...' in *Politics and Society, 29:1, 2001*. Heller identified the general factors associated with successful decentralisation, pointed to similar preconditions in the three contexts and identified one major factor that accounted for the more serious problems in South Africa than in the other cases – the dominance of a top-down driven party in the context of neo-liberal dynamics. While Heller's conclusion on South Africa have been validated by recent developments, we can now also, with the benefit of hindsight, point to similar though perhaps not as dramatic political dilemmas of state-society linkages and coordination that have caused problems in Porto Alegre and Kerala too. Thus, the paper arrives at some tentative conclusions on the dilemmas of coordinating participatory politics of development that possibly need to be addressed to move ahead.

Introduction

It is commonly expected that democratic decentralisation, along with directly expressed popular demand and participation, paves the way for better and more accountable public service delivery. In partial contrast, this brief paper suggests that the positive outcome cannot be taken for granted. There is a need for critical analyses of the conditions and political dynamics. What would be the essence of a framework to this end? What factors and insights are most essential to keep in mind?

Conditions

In a seminal article, Patrick Heller (2001) compared the experiments in the 1990's and early 2000's in South Africa, Porto Alegre (Brazil) and Kerala (India) to explain the problems and achievements. Based on broader studies, Heller identified three preconditions for democratic decentralisation: (1) a state with sufficient capacity to reach out and facilitate local public governance; (2) a well-developed civil society to contain elitist dominance, contribute and monitor; (3) a favourable political project to foster initiation and implementation. Without these conditions, there would be severe risks of elite capture and/or colonial-like despotic, indirect rule.

In Heller's view, however, the basic conditions were at hand in all his cases, so the problems must rather be related to the political dynamics. Given, moreover, that all the cases were exposed to the onslaught of neo-liberal globalisation, the different outcomes must rest with internal factors.

In view of previous research then, (Heller 2001, 2013, Törnquist 2013, 2021) the character and dynamics of the political projects in favour of democratic decentralisation tend to rest with four priorities. Firstly, to follow up fundamental social transformations such as land reforms with institutions to facilitate cooperation (including between capital and labour but also among independent producers, professionals, and others) towards local resource mobilisation and increased production. Secondly, to counter the fiscal crisis of the state, and thus the reduction of welfare and public services that tends to expand private and neo-liberal solutions, by facilitating instead citizen initiatives and cooperation. Thirdly, to resist the abuse of power and corruption by shaping institutions in favour of transparency, accountability, popular monitoring, and participation. Fourthly, to promote new progressive state and national politics by scaling up local popular efforts – i.e., to reinvent a democratic Left from the 'bottom up'.

In this regard, Heller (2001) argued convincingly that the results in South Africa were not as positive as in Porto Alegre and Kerala because of the hegemony of the African National Congress (ANC) and its less social-movement oriented political project. Even though social movements were crucial in the struggle against apartheid, the ANC dominated threafter in the elections, governance, and in its subsequent relations with movements and civics. This also paved the way for ANC's more comprehensive adjustment to neo-liberal and technocratic ideas, including new public management.

New challenges

However, while this may explain much of the problems in South Africa and initial advances in Porto Alegre and Kerala, it is insufficient to also understand the subsequent debacle in Brazil and the challenges in Kerala. For one, the participatory budgeting in Brazil did not help people to fight even the local austerity policies, not to talk of the national level abuse of powers and corruption, which paved the way for right wing populism under Bolsonaro. And even though Kerala has held on to the essence of decentralised governance that was introduced in the late 1990's, and which recently has facilitated the improvement of public health and the handling of natural disasters and Covid-19, (Törnquist 2021a, 2022) many of the initial advances were not institutionalised, popular participation faded away, the middle classes never really came along, and there has not been much improvement of production, comprehensive planning and coordination. Why? A comparative perspective may be helpful.

Comparative insights

Mixed outcomes of this kind are not unique. In Indonesia, for example, the radical decentralisation in the late 1990s and early 2000's suffered from poor preconditions, thus paving the way for extensive elite capture. Yet the combination of direct elections of political executives to handle the decentralised public resources also opened some widows of opportunities for people to raise their voices and for local actors to develop alternative sources of political power. This may be best illustrated by the informally negotiated local pacts on better livelihood for the poor in return for middle class- and business led development that brought an educated 'simple' businessman, the current President Joko 'Jokowi' Widodo, to power. Still, the local pacts were partial, informal, and temporary.

Elitist politics prevailed along with 'transactional populism'. Most importantly for progressive politics, the broad national mobilisation in favour of a universal public health reform was more promising. And its subsequent problems were not about centralism versus decentralisation but insufficient follow-up reforms, the prevalence of 'transactional populism' and increasingly technocratic governance. (Djani et.al. 2017, Törnquist 2021)

Even the critical Swedish case of historically strong state and civil society suggests that decentralisation is insufficient even if only to foster public service delivery. An organisationally strong but economically impoverished Church, and weak feudalism along with independent self-owning peasants, were certainly crucial components in pre-democratic local governance. This in turn was vital in the national implementation from the mid-19th century of centrally decided anti-corruption measures and the universal public school system. Because both central decisions <u>and</u> effective local implementation were needed. (Svensson 2016) Moreover, the local governments could neither handle the basic needs of the growing number of landless people and impoverished labourers, nor include them in a political system with equal political rights. (Sandvik 2016) At the time, Sweden was among the poorest and politically most unequal countries in Europe. (Piketty 2020, Bengtsson 2020) The fledgling liberal civil societies and self-help labour associations did much good but were also insufficient to handle the social and political challenges. Consequently, there was a fundamental need of national democratisation as well as of national welfare state programmes based on equal citizen rights, irrespective of residence.

This was the political project of the social democratic labour movement – but it certainly meant more powers to the central 'bourgeois state', so how would centralism be balanced? It is true that the local issues and implementation of many national programmes remained a prerogative of the local governments. And the universal suffrage and stronger political parties added vital checks and balances. But it was equally important that state-centralism was also matched by institutionalised consultation with and participation of democratically appointed representatives of the national farmers', workers', and employers' interest organisation, as well as of affected national civic associations in public governance. (E.g., Trägårdh 2007)

The social democratic project of political administration was in other words to contain central statism, and overcome the conflicts between central and local government, as well as between state and civil society, by strengthening the linkages between them through intensive civic and interest-based participation in nationwide governance.

This came of course with problems of bossism and some closed-door deals, but the principles of democratic representation prevailed, and the system worked fairly well until the nationally confined social democratic development project was undermined from the 1970s and onwards by the rise of market driven globalisation and neo-liberal priorities. In this context, mainstream social democrats altered their politics of administration in favour of decentralised new public management and supposedly regulated privatisation of much of the public services. (E.g., Therborn 2018)

The negative effects of this have not been limited to the race for private profit. Equally important, the aim of providing best possible quality and equal chances for all children

and students, as well as common understanding and cooperation among them, have been undermined. The same applies to the integration of immigrants. Recently, moreover, the severe deterioration of the public health system along with the care for the elderly was made painfully clear by the human sufferings during the pandemic. Even the public commissions on the issues now agree that the main causes relate to the weakness of the new public management system (including the neglect of the storage of basic medicines and safety materials), the poor coordination of central, regional, and local units, and certainly the poor training of temporary personnel, in addition to their precarious employment conditions, for example making it difficult for them to apply safety regulations and to stay at home when falling ill. (Törnquist 2021a)

Similarities and differences in Kerala

Turning to Kerala the historical conditions differed of course from those in Sweden. (Törnquist 2021) Yet there were also similarities, including the early efforts in Travancore-Cochin to foster tenancy reforms and education to balance landlordism and promote commerce. The same applies to the liberal oriented socio-religious reform movements, which, as in the case of the Swedish social democracy, were followed by the unified socialist oriented library, peasant, and labour movements. And, again as in Sweden, most of the demands could not be met locally, so there must be state based land- and welfare reforms. Yet, there were two major differences. The first was that Kerala was short of strong local governments to handle contextual issues and coordinate and implement state programmes. The second was that the interest organisations, as well as many of the civil society organisations, turned increasingly fragmented and party politicised. This made it next to impossible to include them in effective partnership governance as in Sweden. Rather the parties dominated. Fortunately, there was not just one dominant party as in South Africa, but the negative tendencies were similar.

Renewal from below

Against this backdrop, the new initiatives by social movements and citizen organisations in the 1980s and early 1990s – separately and through individuals within some of the parties, sections of the governments and educational and research institutions – were immensely important. With the People's Science Movement in the forefront. The priority was to promote development and welfare from below, along with democratic decentralisation and, without giving up their autonomy, in cooperation with elected governments rather than only as self-help and watch-dog oriented NGOs. (Törnquist with Tharakan 1995)

The concrete initiatives and proposals informed a comprehensive new agenda in partial conflict with the prevailing priorities of parties and interest organisations.[1] The new alternative gained wide public acclaim and contributed to the victory for the broad Left in the 1996 elections – after which the local examples of popular public action could be scaled up and the agenda implemented via the People's Planning Campaign, directed by the State Planning Board.

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[1] For this and the below about Kerala, see Törnquist 2021, 2022; c.f. also Rajesh 2020, Isaac 2022

By implication, the parties and their ministers of line-departments were expected to subordinate themselves to the non-partisan principles of the Campaign, but they not always did. Most importantly, many of the related state-wide issue- and interest-based organisations ignored the campaign and rarely contributed by combining issues and efforts in workplaces and local governance in different settings. Hence the dynamic local work tended to rest with a limited number of progressive local politicians and committed citizen activists, facilitated by the Planning Board. Although they were quite many and did fabulous work, their capacity was of course insufficient to engage all the crucial social and economic partners in mobilising local resources, promote production, engage the local middle classes (beyond the poor people benefitting from targeted programmes), and coordinate private and public initiatives as well as local, regional, and central priorities. In the process, moreover, party people who felt that they were losing out demanded more influence and control, at the expense of the principles of the Campaign.

Hindrances

Consequently, the campaign was weakened and was, for example, unable to provide a local alternative to the national level deregulation of the economy that radically reduced the prices of Kerala's commercial crops. Thus, the Left suffered humiliating defeats in the 2000 local 2001 state elections and the new centre-right government could roll back the campaign before it was consolidated.

It is true that the basics of decentralised governance were retained, including the devolution of resources, but the fiscal basis of public welfare and development contracted in the context of the neo-liberal dynamics. Hence, the people who benefitted from Kerala's comparatively high standard of education and training (including as migrant labourers) were looking for private solutions to their problems, and the inequalities increased.

Restart

During subsequent Left Front governments admirable efforts have been made to counter the tide, especially since 2016. Two factors have been crucial. The first is that the framework for decentralised democratic governance survived and can still be drawn upon and improved. The rebuilding of the public health system, for example, is now attracting more people again, also among the middle-classes, much thanks to co-operation with the local governments. Similarly, the natural disasters with severe flooding and landslides as well as the pandemic have been handled remarkably well via the local governments, especially the socio-economic consequences. This applies both to implementation of state level directives and to the innovative cooperation between local governments and civil society organisations. The latter included, for example, the women's kudumbashree cooperative groups which, among other things, facilitated relief for people in quarantine, and the volunteering fisherfolks who with their boats managed to evacuate lots of people when other alternatives were unfeasible.

The importance of state support and coordination

However, the struggle against communal disease beyond the jurisdiction of the local governments called for state level measures. Moreover, as the previous challenges to mobilise local resources and increase production remain unresolved, external resources were needed. Including to restart the economy, locally and generally, and provide new jobs for unemployed educated youth and returned migrants – as well as to sustain and improve service delivery.

The second factor that beyond local governance made it possible to handle these challenges was that the same leader who once propelled the People's Campaign (Dr. T.M. Thomas Isaac) in later on his capacity as Minister of Finance had introduced innovative and unorthodox extra-budgetary mobilisation of resources through the Kerala Infrastructure Investment Fund Board (KIIFB). This was to counter neo-liberal austerity policies and enable investment in the basic requirements of inclusive development, from roads to educational facilities. I addition to the mobilisation of funds through KIIFB, attraction of private investments, including more productive use of migrants' savings, was also crucial.

With the *combination* of local governance and state level direction and welfare programmes it was even possible for the Left Front to win the local elections in 2020. This combination and victory and thereafter the crucial ability to provide financial resources, made it possible for the government to also launch new optimistic development priorities in face of the 2021 state elections. The result was increasing number of votes from the middle and upper classes and the re-election of the government, which is extremely unusual for any government in Kerala. In the process it was also possible to contain the efforts by the right-wing Hindu fundamentalists in the North to get a foothold in Kerala.

Next step knowledge-based development

A remarkable effort is now being made to generate knowledge-based development by (a) modernising the traditional economic sectors such as coconut cultivation and (b) facilitate flexible home-based digital employment combined with a social security system – both of which call for co-ordination with local governments; plus (c) to invest in knowledge-skill and service intensive sectors, and of course (d) to upgrade higher education and research in support of productive investments. (E.g., Isaac 2022)

This is an exciting initiative beyond both the East Asian developmental state model focusing on top-down statist deals with big business to promote industrial development, and the northern social-democratic model of pacts between organised labour and capital to simulate investment and employment in efficient export-oriented sectors by wage compression to the benefit of these profitable sectors and to the labourers finding new employed in them when less competitive units are closed. (C.f., Moene 2016) The East Asian development state model called for authoritarian governance of workers and professionals as well as of dispossessed surplus labourers. The Left in West Bengal failed to replicate elements of the model, and Kerala resists it. The northern social democratic model called for low rates of unemployment and favourable export markets for the expansive modernising industries, which is likely to fail in Kerala just as it did in South Africa, given the high levels of unemployment. (C.f. Nattrass and Seekings 2019)

The imperative of democratic coordination

At this point, Kerala obviously tries instead to focus on more labour-intensive ventures that call for skill and education, as well as on flexible local employment combined with public social security.

Yet, Kerala it is bound to be part of and benefit from globalisation – which, as well put by Dani Rodrik (2022) generates international integration but local disintegration. So how will democratic priorities and coordination make up for it?

Decentralised local participatory democracy is fine but can hardly be scaled up to handle intricate matters such as to mobilise and coordinate investments on different levels as well as in a global context. Neither is it feasible to copy the Scandinavian model of partnership governance of enrolling representatives of unions, employers' organisations and other 'stakeholders' – given their fragmentation in Kerala, intense level of party politicisation, and the low rate of organisation in the new dynamic sectors and among underemployed.

Meanwhile Kerala seems to muddle on by way of increasing presidential-like coordination of the Chief Minister, along with subordinated ministers, the Planning Board and numerous state missions under his chairmanship. The missions might open-up for alternative democratic coordination in the designing and implementation of comprehensive programmes. This option calls for further studies. But in my preliminary understanding the missions are so far examples instead of technocratic governance by the Chief Minister, relevant ministers and representatives of the planning board, applicable agencies, experts, and companies – without democratic representation of the equally relevant workers, professionals, and citizen activists.

In brief conclusion…

…democratic decentralisation is crucial but insufficient to facilitate inclusive development and even the best possible local public service delivery. State support and integration with public as well as private externally oriented actors and dynamics are equally important – and in the absence of democratic governance, it may be left to strongmen and the market. The outcome is uncertain but so far inclusive democratic governance does not seem to be included along the essentially economic, medical, natural scientific and technological aspects that are deemed necessary in Kerala's knowledge-based development.

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