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Social Funds – support
or obstacle to local
government reform

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Abstract: This working paper deals with the Tanzanian Social Action Fund. Research on similar ‘social funds’, funded and designed by the World Bank, in other countries conclude that they (i) weaken the existing local government structures, (ii) tend to support political clientelism by providing politicians with projects that feed their support bases, and (iii) do not help reduce poverty. Do these conclusions apply even to Tanzania and TASAF?

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Preface

This working paper is written on the basis of on-going research on the Local Government Reform Programme (LGRP) in Tanzania. The LGRP started in the year 2000. The four-year research project started in 2002, funded by the Norwegian Agency for International Development (NORAD), and is carried out jointly by three institutions: Research on Poverty Alleviation (REPOA), Tanzania; Chr. Michelsen Institute, Norway; and the Norwegian Institute for Urban and Regional Research. The research concentrates on the following three broad dimensions of reform: (i) Governance: local autonomy and citizen participation; (ii) Finances and financial management: accountability, efficiency and local resource mobilisation. (iii) Service delivery and poverty alleviation: criteria of success and operational constraints. A methodology of 'formative process research' is pursued, aiming at feeding research results back to the stakeholders (local government reformers) while in operation. This paper has been published by REPOA in its bi-annual Project Brief of the formative process research project.

Oslo, December 2004

Arne Tesli
Research Director

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Summary

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Social Funds – support or obstacle to local government reform?

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This working paper deals with the Tanzanian Social Action Fund. (TASAF). Research on similar 'social funds', funded and designed by the World Bank, in other countries conclude that they (i) weaken the existing local government structures; (ii) tend to support political clientelism by providing politicians with projects that feed their support bases, and (iii) do not help reduce poverty. Do these conclusions apply even to Tanzania and TASAF?

1 Background

In the Southern and Eastern region of Africa, there are so-called Social Funds operating in country-wide programmes in Zambia, Malawi and Tanzania. Designed and funded by the World Bank, it is no surprise that these funds have many similarities. However, there are also differences. The main one from our perspective seems to be the following: In Malawi and Zambia the Social Funds have become key tools in the governments' decentralisation policy. In Tanzania, by contrast, there is a well-designed Local Government Reform Programme, and the role of the Tanzanian Social Action Fund (TASAF) in the decentralisation policy is not very clear.

However, in response to pressure in the Parliament, the government has stated that it is considering to extend TASAF to all the districts of the country in a second phase of TASAF, 2005-2010. In the first stage, 2000-2005, only 40 of the 86 districts on the mainland plus the Zanzibar and Pemba islands have benefited from the \$ 60 million programme. If a significant financial mechanism like TASAF is 'universalised' to include all the districts, a harmonisation with the Local Government Reform Programme and other aspects of the decentralisation policy are required. Moreover, it might be a good idea to review the experiences of TASAF at the district level so far, in particular from a local government reform perspective, before extending TASAF. This working paper is a modest contribution to such a review. It is based on field work in the formative process research on the Local Government Reform Programme in 2003.

2 Analysis

The main questions are dealing with TASAF's relations to the local councils: Is it a support or an obstacle to the local government reform? To what extent does TASAF enhance good governance and management at the district and village levels? An independent analysis of social funds in other countries conclude that they (i) weaken the existing local government structures, (ii) tend to support political clientelism by providing politicians with projects that feed their support bases, and (iii) do not help reduce poverty (see Tendler, 2000). Do these conclusions apply even to Tanzania and TASAF?

The following more concrete questions might serve to provide answers: (i) Administrative effects – does TASAF weaken existing government structures? (ii) Political effects – does TASAF promote political clientelism? (iii) Social effects – does TASAF help reduce poverty?

2.1 Administrative effects

Does TASAF weaken existing government structures? TASAF has an army of district sergeants: 42 TASAF district accountants; (making 65 professionals in total on TASAF full-time consultant terms). In addition come the 42 TASAF project coordinators paid by the local government councils, and up to 40 officers hired on a part-time basis in each district to facilitate TASAF related participatory planning in the villages. The local corps can be counted to about 107 full-time officers plus more than one thousand part time officers.

A TASAF project coordinator is recruited among the council employees, chosen by the District Executive Director. The coordinator is thus a council employee, fully paid by the Council, but TASAF equips the coordinator well, with a vehicle, a computer, a fax machine and a photo-copy machine.

There is a *District Steering Committee* for the social funds projects. The committee consists of the District Commissioner (a president-appointed category), the District Executive Director (administrative head of the district council), plus a handful of councillors (council chairman, women councillor, chairmen of standing committees, as well as councillors from the piloting projects/wards). In sum, TASAF looks administratively well integrated with the councils.

2.2 Political effects

Does TASAF promote political clientelism? The way the District Steering Committee is organised, may give the local political notabilities influence over the selection of beneficiary communities. In a district as a whole, there is usually not more than one

project operating in each ward. However, we found that the ward (village) of the council chairman, was the only one in the district that had received two projects. Moreover, the TASAF projects were usually allocated to the village where the councillor comes from.

People are informed that the projects are gifts from the Tanzanian Government, and not based on loans from the World Bank. A district council officer held: "TASAF is only a funding mechanism, so we say: This is not a donor agency project, it is part of the Government". A head teacher in a village benefiting from Social Funds said that people think TASAF is a CCM/government thing, not World Bank. He thought that TASAF helps to increase people's support to the Government. A TASAF officer said:

The politicisation problem is there. Some opposition parties like CUF claims that TASAF builds popularity for the ruling party. But that is not true. We want to support the Councils, who are guarantees against political discrimination.

Nonetheless, our informants seem to agree favouritism/clientelism is an issue as far as TASAF concerns.

2.3 Social effects

Does TASAF help reduce poverty? How are communities affected?. The main component is construction of social service facilities through the Community Development Initiatives (CDI). An 'auxiliary' component is a Public Works Programme. It appears to involve the communities to an amazing extent – in particular the poorest-of-the poor and the women in the villages. They are the targeted beneficiaries, and they are also actively co-managing the projects. This was seen in one particular village visited. Most of the people in the public works programme were women – widows or single mothers. The chairman and members of the project committee were among those ranked as the poorest in the village.

However, the method used may have social *side-effects*. 'Participatory Rural Assessments' (PRA) were employed.

First, they had a short-term and 'consumerist' (hence clientelist) orientation. A PRA team of 3-4 government extension officers 'invaded' a village for five days. They established focus groups and came up with 'a shopping list' – there was a vote in the village assembly on what are the major needs in the village - a Community Needs Assessment. Still, a local government officer expressed concern with the quality of this type of exercise:

It is supposed to be bottom-up, but that is not the case. People at the grassroots level are not well capacitated. They just shop-list their problems, and want us deliver it ...

Second, the PRAs constructed a rather strange 'hierarchy' of poverty within the village. The neighbourhood (kitongoji) leaders were asked to make a ranking of all the people: the poorest up to the relatively non-poor (wealth ranking), with a score of minimum 5 points for the poorest and 60 points for the wealthiest. Those who received 5 to 8 points were listed as 'poor', and they were eligible for the Public Works Programme. The Village Chairman told us that he considered 75 % of the village population as poor, but that only half of them were allowed to partake in the works programme. Besides affecting the social/political unity of the village, the works programme was also said to undermine

the *self-help* spirit based on non-paid community work. The works programme paid the beneficiaries approximately a dollar a day.

Finally, TASAF seems to cement a pattern of district development where ‘social’ services are more emphasised than ‘economic’ services. Although one of the aims of TASAF is to build entrepreneurial private capacity at the community level, the scope for that is limited.

3 By way of a conclusion

There are some small indications that TASAF promotes political clientelism at the local level – increases the resources for re-election of local politicians, favours certain villages against others, and introduces individualisation and non-inclusive arrangements of social assistance in the communities. However, there was little evidence that this was due to deliberate choices and actions by the TASAF officers. To the contrary, the officers seem to favour political neutrality and inclusion of all citizens, in opposition to political clientelism.

If they have an alternative ‘ideological’ approach, it might be best described as ‘technocratic populism’. On the one hand they express low trust in the elected representatives of the people. In their view the councillors are needed only at the early stages, to give legitimacy to the selection of projects and beneficiary communities. In the implementation of projects, however, the councillors are effectively left out. On the other hand they want to be in the forefront of a reformed, people-oriented public service. A national TASAF officer put it this way:

The bureaucratic mentality is a problem. Many district bureaucrats consider community people to be stupid. That leads to less transparency and more mismanagement of funds. Something you will not find for the TASAF projects.

Hence, TASAF may support the *social* goals of the Local Government Reform. TASAF may push local governments into being better partners for the communities – more effective service deliverers and poverty reducers. However, TASAF may be an obstacle to the *political* goals of the reform. TASAF does not seem to enhance democratic governance, exemplified by officers’ ambiguous relationships with the councillors. Nevertheless, my reflections on these issues are very tentative. Review of many more cases and districts are needed before we can arrive at firm conclusions.

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