

# Policy Brief: The Local Public Sector's Role In Achieving Development Goals

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Since the start of the new millennium real progress is being made by the global development community in the fight against under-development and poverty. Based on the work of the *Open Working Group on Sustainable Development Goals*, the recommendations of the *High-Level Panel on the Post-2015 Development Agenda*, and the outcome of the *President of the General Assembly's Special Event towards achieving the Millennium Development Goals* held on September 25, 2013, there is every indication to suggest that the global development community is determined to eliminate extreme poverty and hunger by 2030. In order to achieve inclusive and universal access to basic public services, such as education, basic child and maternal health services, and access to clean drinking water and sanitation, all levels of government need to be involved and take responsibility. The local public sector and especially local governments play a significant role as catalysts and enablers in effective provision of essential public services.

Also most development experts agree that the bulk of pro-poor public services that are relevant for the Millennium Development Goals (as well as for the post-2015 global development agenda) have to be delivered in a localised manner (Boex, 2010). Therefore, it would be reasonable to expect that since 2000, an increasing share of official development assistance as well as an increasing share of public sector resources in developing countries has been funneled towards the local public sector.

The available evidence, however, does not suggest that such a shift in favor of the local public sector has taken place over the past ten years. This gives rise to the possibility that a disproportionate share of public finances and global development resources intended for pro-poor public services has become stuck before reaching the local level—where these resources can be used for the delivery of front-line public services that matter to the lives of people.

As the post-2015 development agenda is finding their shape, a widening set of stakeholders seems to recognize that ***inclusive and responsive service delivery and transformative and sustainable development take place at the local level*** where services are delivered and where the people interact with government officials. This means that regardless of the institutional structure of the public sector, local governments and other local actors have an important role to play in achieving inclusive public services and sustainable development.

But beyond the governance arguments in support of decentralisation and local governance, the recognition that the local level is a critical space for attaining effective and inclusive service delivery does not necessarily mean that there is a blueprint model of decentralisation that will always lead to better public services or human development outcomes. Since many public services are delivered in a multi-level governance context where concurrent competencies require close cooperation and coordination between actors at different government levels, the emerging set of global development objectives would likely be achieved more effectively if—in addition to more traditional local governance strengthening interventions—the community of practice surrounding local governance would work more closely with sectoral line ministries and other sectoral stakeholders (including sectoral development interventions) to ensure that local governments and other local-level institutions function as more effective service delivery providers.



In order to achieve this and maximize their relevance as part of the post-2015 development agenda, local governance experts and champions of decentralisation may need to step out of the “box” of traditional decentralisation and good local governance interventions more often to engage with colleagues working on education, health, agriculture extension, water and sanitation, as well as other public services, to promote a shared agenda of providing effective, equitable, responsive and sustainable public services at the local level.

While strong arguments can be made that improved local governance and decentralisation will contribute to more efficient public services and greater economic growth, this view is not universally shared within the development community. Similarly, the academic research on the role of the local public sector has been unable to confirm to what extent (or under what conditions) a greater degree of decentralisation results in better development outcomes. The absence of such evidence can be attributed in part to the complexity of multi-level governance and service delivery systems, as well as to the absence of the necessary data to properly measure the contribution of different government levels to development outcomes.

In order to start filling this knowledge gap with rigorous evidence about the contribution of the local public sector in achieving global development objectives, DeLoG (Development Partners Working Group on Decentralisation & Local Governance)—in collaboration with the Urban Institute’s Local Public Sector Initiative—has developed a Country Survey in order to analyse the structure and functioning of the Local Public Sector in different countries. Once collected, this country-level information will be used to carefully study the local public sector’s role in achieving global development goals.

More specifically, it is the ambition of the study on the role of the local public sector to analyse the changes in global development outcomes for the education sector and the health sector (as reflected by sectoral MDG indicators) from 2000 through 2010 for approximately 60 developing and transition countries. The study will then analyze whether countries that spent a greater share of resources at the local level—among other factors—were able to have a bigger impact on poverty reduction as measured by the MDG indicators for these sectors. In addition, the study will examine whether differences in local governance and local administrative practices have had an impact on MDG outcomes in health and education. For instance, do countries that rely on elected local governments for the provision of health and education services have better sector outcomes than the ones relying on more centralised systems?

If the assumption is correct that countries which spend a higher share of their public finances at the local level are more effective at achieving MDG outcomes, then greater progress towards the global development agenda could be made if central authorities and international development agencies would be willing to rely more on the local public sector as catalysts and implementers of pro-poor public services. Based on the empirical results, the study will estimate the extent to which greater development progress could be achieved by relying more on the local public sector.

The description of the complete research design and methodology for this study along with all other relevant study documents are available online at [www.delog.org](http://www.delog.org) and [www.localpublicsector.org](http://www.localpublicsector.org). If you have any questions or comments about this research effort, please contact Jochen Mattern ([jochen.mattern@giz.de](mailto:jochen.mattern@giz.de)) at the DeLoG Secretariat or Jamie Boex ([jboex@urban.org](mailto:jboex@urban.org)) at the Urban Institute.

