



Central Vs Local: Where is Management of Public Money Most Accountable

Decentralization in Tanzanian History

Decentralization is not new to Tanzania. We have experienced various forms of decentralization by deconcentration since colonial times. This is where central government has agents at local level to implement its policies and plans. In its *Policy Paper on Local Government Reform*, approved in 1998, the government adopted a policy of decentralization by devolution (D-by-D), where local governments are being asked not only to manage public money on behalf of central government but also to make more decisions about how the money should be used rather than simply receiving directives from above. A major assumption of decentralization is that delivery of social services will improve. The aim of decentralization is to increase the local communities' responsibility for their own development by being more involved in decisions about how money is spent. Despite the commitment to D-by-D in Tanzania, recently there has been much debate about accountability of public money, especially at local government level. In the most recent Controller and Auditor General's (CAG) report (2005/6), a shocking 273 billion shillings could not be accounted for by our Government. Where then is public money most accountable, at central or local level?

The Activist says:

Public money is most accountable at the local level as local officials are closest to the people and understand our needs better. When we leave things to get done by the Central government, we see very little change, outside of Dar es Salaam and the big cities. We hear about decisions being made within government that do not benefit us while our MP looks more and more healthy every time he comes to ask for our vote. Many promises are made but very little is achieved.

We know what we need from Government. We just need someone to listen to us and then use the money we pay in taxes wisely to give us what we need. It is that simple. Therefore, the most obvious place to make decisions about what to spend our money on is at the local level. Local officials are better suited to know the priorities of the people they serve, not the politicians sitting in Dar or Dodoma! Even if a local official mismanages our money we know where to find him.

A good example of this is the capitation grant that comes to our schools. We know how much money is coming and we plan together how to spend this money. They even post on our village notice board when the money arrives to tell us how much has come and for what and together we monitor how the money is spent. It is therefore difficult to squander it through mismanagement or corrupt practices because we will all see.

The Bureaucrat says:

Central government is better equipped to handle public money. We have more resources and tools to track money whereas local government has limited capacity and expertise. We also understand national priorities better and are better able to make decisions for the country as a whole and can make sure that national income is distributed fairly to those who need it most. Our economy is affected by many factors both inside and

outside the country. People at the local level cannot possibly understand the complicated nature of managing the economy that we have to deal with.

We here in Central Government see a clear connection between decentralization and mismanagement, even corruption. The best and brightest minds would rather work for central government in Dar es Salaam or Dodoma. They rarely want to work in rural areas. We also have modern computer systems that can easily track how money is spent and produce reports quickly. We know how much we will collect in taxes from the whole country. We are the ones who speak to the donors so we are in a better position to know how much money we will have and this helps us to plan better.

Because donors are often late in telling us how much money they will disburse during the year, by the time we are able to send this information to the local level it is often too late to use this information for planning. Even money that is promised often comes late. This means that while local governments spend most of the year without enough money, they end up with a lot of money towards the end of the year. If they do not spend it by the end of the year, their allocation for the next year might be reduced. They therefore end up spending it on things that are neither national nor local priorities and the money does not make peoples' lives better. Tanzania is not ready for D-by-D and it is absolutely necessary to continue issuing directives about how money sent to local level should be used, because we are the only ones able to see the complete picture. This is the only way that we can have at least some impact in improving peoples' lives.

The Council Director says:

There are more important things that determine accountability than whether money is spent by central or local government. It would be so much easier for us to be accountable if some of the more systemic issues were addressed. We know what our local areas need, but the systems in place are so complicated that we cannot do the work that needs to be done to achieve results!

D-by-D is a good thing for my district. However, it can only result in better accountability if the systems of transferring, monitoring and reporting on money are simplified.

We are always reforming. This 'maboresho' is supposed to help us but before one change has time to work we are already being trained to change it. No one asks us in advance whether these changes are implementable! Each reform comes with a whole book of requirements that usually requires that we set up separate monitoring and reporting systems. We spend so much time in briefing and training, we do not have time to do our jobs. We like donor projects but they also add to the confusion. They often require separate reporting and auditing procedures and this makes management of money very complicated. I feel like I am constantly being audited.

My district does have some discretionary funds that I should be able to use for local priorities. However, when a senior politician issues general directives that cover the whole country, we are required to implement them, whether or not they fit

Jukwaa discusses a public topic. Three fictional people's points of view on the issue are presented, and the reader is encouraged to consider all three of them to see if their own opinion is represented. If your opinion is not here, let us know what you think! Readers are encouraged to discuss the issue and respond to Policy Forum by email, by post or through the website. Readers are also encouraged to ask questions if they would like to find out more information about the issue. Finally, readers are encouraged to use Jukwaa to stimulate dialogue in their community and with their leaders.

within our plans. I am therefore forced to use my discretionary funds to implement the wishes of a certain politician, such as building a secondary school, even if that is not the current priority of my district. In such cases, what do I tell the citizens in my district when I have no money to complete the activities we planned together? These are the kinds of things we should be looking at if we want to improve local accountability not whether money is managed centrally or locally!

Where Do You Think Public Money is Most Accountable?

The issue raised concerning where public money is best managed has been debated a lot lately as Tanzania is going through decentralization. When our government is allocating money to both central and local governments, we as citizens should ask ourselves where we think this money will be best managed. Taking into consideration what we as Tanzanians want from our government, where do you think public money should go? Is there a better alternative system of public money management than the one we have at the moment? Please contact us with any comments or ideas you may have. Public money will be best managed with your inputs!

More money should remain with Central Government	More money should be given to Local Government
Central government considers the needs of the whole country. It can make sure that even those parts of the country that are poor also receive enough resources to survive.	Local Government are closer to the people they serve. They understand their needs better and are more likely to spend the money to solve local problems.
Systems and tools for monitoring and controlling how public money is used are normally more advanced in central government. It would be expensive to develop similar systems and tools in all local governments.	People have more access to local government officials. They can therefore monitor how public money is used and enforce any action that needs to be taken when funds are misused.
Highly qualified personnel usually prefer to work in Central Government because there are better opportunities and often the pay is better.	Solutions can often be more sustainable when people play an active part in solving their own problems. This also helps us to create a more innovative and forward-thinking society. D by D enables this process to happen better than top-down decision-making.

Definitions

Decentralisation by Deconcentration: is usually referred to as the transfer of some responsibilities from central government to lower levels but the lower level still take directive and are accountable to central government.

Decentralization by Devolution (DbyD): The transfer of authority and power to local government from central government. This refers to giving management authority to local individuals and institutions located within and outside of government without directive from central government.

Accountability: the principle that individuals in public office are responsible for their actions and may be required to explain them to others, especially with regard to use of public money.

Discretionary Funds: These are funds or money that is used or distributed at the judgment of the official in charge without the need of prior approval.

Autonomous: This is the ability for an individual, group or organization to operate and make decisions without interference from others.



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About Policy Forum: Policy Forum is a network of non-governmental organizations (NGOs). This growing network currently has over 50 member organizations, all of which are registered in Tanzania. The aim of Policy Forum is to make policies work better for the people of Tanzania, and especially for Tanzanians living in poverty. As a member-led network, Policy Forum strives to enhance and augment the voice of ordinary citizens in national policy processes while advocating for poverty reduction, equity and democratization in Tanzania. Policy Forum's work has three main areas of focus: local governance, public money and active citizen voice.

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*Please note, image obtained from SNV Tanzania