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Original Article

### Factors Influencing Recentralization of Local Government Functions in Uganda

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Delivery.*

The decentralisation system of governance is perceived as one of the recent public sector reforms to improve service delivery in Uganda. It is the transfer of authority from Central to Local Governments to execute their duties to improve service delivery. Various developing countries have praised Uganda's decentralisation policy regarding the magnitude of the transfer of authority to the local level. However, since 2003, the Central Government started reversing the policy in terms of : recentralization of the appointment of Chief Administrative Officers and Municipal Town Clerks and of recent City Town Clerks (for new cities in Uganda) from the District Service Commissions (DSCs) to the Public Service Commission, recentralization of Kampala Capital City Authority (KCCA) under the management of the Executive Director, Procurement of drugs from the district health office to the National Medical Stores (NMS), recentralization of the payroll and the recent recentralization of local revenue collection from LGs. This paper focuses on the factors influencing the recentralization of Local Government powers in Uganda. This is presumed to be evidence of the demise of decentralisation policy. From the reviewed articles, these factors include: accountability challenges, human resource management crisis, political interference by local authorities and lack of financial discipline among local authorities and fear of local autonomy. The paper concluded that recentralisation of Local Government functions reduced undue influence of local politicians though it accorded excessive powers to executive officers in Local Governments; human resource crisis was mainly caused by poor man power planning. Recentralisation of local revenue caused financial constraints at the local level and recentralisation of KCCA led to the weakening of the opposition but led to increases resources to develop the capital city. The paper recommended that the Parliament should harmonise with the central government on the issue of returning Local revenue collection and management at the local level; give reasonable powers to the local Governments to control top technical leadership; increase funding to Central Government staff to monitor Local Government programs and build the capacity of local leaders to improve service delivery.

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## INTRODUCTION

To begin with, most governments in developing countries like Uganda, Rwanda, Kenya, Tanzania, Burundi, among others, have in the recent decades adopted decentralisation policy as a system of governance aimed at enhancing service delivery at the local level. It is important to note that most government decentralisation reforms are claimed to enhance service delivery, implying the strengthening of key functions at the grassroots to promote public welfare (ibid). It is further claimed that this policy usually makes sense for the central Government decentralising functions to districts, cities apart from Kampala City Council Authority (KCCA) and lower local governments like municipalities, town councils and sub-counties (Bird, 1990; Bahl and Linn, 1992; the Local Governments Act, Cap 243 as amended) in order to improve on service delivery. In other words, it presumes that the major objective of decentralisation reforms is improved output in terms of service provision to the local populace.

However, Bailey (1992) observed that for accountability to improve from the transfer of authority to the local governments, there is a need to strengthen functions at the centre through recentralization of some key local government decentralised functions. Based on his argument, this

is claimed to be one main rationale behind the recentralisation of decentralised powers. To this end, recentralisation is claimed to be linked to aspects of service provision and accountability that the central Government maintains, reinforces, and develops, based on the rationale of enhancing the efficiency and effectiveness of decentralisation as a reform. In this regard, its use usually means a restructuring of central government functions, and may not simply mean centralization (Gershberg, 1998). Therefore, the main objective of this paper is to find out the factors that influence the recentralization of local government functions in Uganda.

To put this aspect in the historical perspective, Uganda established the decentralisation policy in 1992 (in order to bring services nearer to the people), which was welcomed with praise from the whole of Africa (Steiner, 2006; Abaho, 2023). However, the central Government, in 2003, started re-usurping some functions from local governments, for example, the appointment and control of Chief Administrative Officers (CAOs) and Municipal/City/Town Clerks, centralization of KCCA, recentralization of the Local Government payroll system and the recent collection and allocation of local revenues based on requisitions from the respective local Government and approval of Local Government payment of allowances from

Central Government. This seems to strengthen downward accountability and transparency; however, it is likely to weaken the decentralisation policy in Uganda, which forms the rationale behind this paper. Another rationale of this paper is to analyse the factors influencing recentralisation of functions contrary to the Local Government Act of 1997 as amended and the Constitution of the Republic of Uganda, 1995, as amended. For instance, the 1995 Constitution of the Republic of Uganda and Section 80 of the Local Governments Act, Cap 243 provide that Local Governments are mandated to make strategic plans and budgets as well as collect local revenue to facilitate recurrent and development expenditure. However, given the uphill task of delivering services now, the released funds from the centre to different local authorities to finance decentralised services have long been constrained (Abaho, 2023).

## METHODOLOGY

The study employed the qualitative approach based on reviewing relevant articles and reporting on the recentralisation of Local Government functions, especially in developing countries like Uganda.

## FINDINGS AND DISCUSSION

### Factors Affecting the Recentralisation of the Hitherto Decentralised Functions in Uganda

To begin with, in agreement with Lwanga (2016), the recentralisation of some functions to the central government from districts is not a new aspect in Uganda as first noted during Obote one Government under UPC political Party that came up with some strategies to recentralise key functions, few years after Uganda had attained independence in 1962. He further observed that the colonial master had ruled the country using a decentralised system of governance. However, he noted that the trend was reversed by the 1964 Urban Authorities Act and the 1967 Local Administration Act, which introduced similar rules and regulations that heaped powers on the Central Government.

However, it is important to note that in 1987, the NRM regime instituted a Commission of Inquiry into the Local Governance System to review the system and structures. The Commission's Report recommended that local governments be empowered and granted enough powers and autonomy. Consequently, the Government initiated the Local Government Decentralisation Program in 1992. Later on in 1993, the Local Governments under the Resistance Councils Statute, promoted stronger Local Governments' autonomy by incorporating aspects of non-subordination (Nabaho, 2014).

Nevertheless, from 2003, the Government of Uganda came up with an idea to reverse the decentralisation policy (Lwanga, 2016), which has sparked a debate among stakeholders like researchers, politicians, and development partners, including the writer of this paper, hence developing the idea. It should be noted that Government insisted on its hard decision and implemented recentralization policy that forms the basis of this paper in terms of factors influencing recentralization of functions in Uganda.

First, the recentralisation of some local government functions is claimed to reduce the undue influence of political authorities at the local level. This is because decentralisation policy gives local councils authority to take charge of planning and budgeting, formulation of bye-laws and financial accountability (Natamba and Muyomba, 2010). Contrary to this, the central Government later decided otherwise and started appointing CAOs and Municipal Town Clerks, which Central Government authorities observed was meant to reduce undue influence. It was argued by the Ministry of Local Government officials that there was an urgent call to protect CAOs and Municipal Town Clerks from political influence and pressure caused by local leaders. It was also argued that by allowing District Service Commissions (DSCs) to appoint these officials would definitely expose them to greater pressures which would make them fail to

follow rules, regulations, and procedures especially resource allocation and financial management (Nsubuga and Olum, 2009).

On the other hand, it was noted that officials who did not take up pressures, in most cases, were dismissed by their DSCs. For example, the District Service Commission of Kabale District unlawfully dismissed its CAO based on allegations of financial mismanagement. She later sued the said Commission in court in Kabale and won the case. The district was forced to compensate the said CAO, which has since cost the district heavily. Therefore, the Central Government officials argued that recentralization would enable these top officials to be autonomous from political influence by district councils. However, in my view, it has been found out that these officials were given excessive powers that are hardly checked by the top district officials since they possess excessive powers that cannot easily be controlled by district officials. However, on the positive note, district officials cannot tamper with lawful decisions arrived at with the guidance of the top most executive in the district or Municipal Town Council. For example, lawful decisions made during council sessions are implemented according to the existing laws governing the country, like the Constitution of the Republic of Uganda, 1995 as amended, the Local Governments Act, 1997 as Amended and the Local Governments Financial and Accounting Regulations, 1998, as amended, among others.

The other claim behind the recentralisation of Local Government functions in Uganda is the fear of local autonomy. The available literature indicates that the period NRM has ruled Uganda, which is close to 40 years, has mainly been attributed to its total control of opposition right away from local leaders (Aili, 2010). Based on experience, this is typical of the NRM Governments' commitment to weaken members of the opposition. This claim can be supported by two cases that resulted in the recentralisation of power. First, the mission to recentralise the governance of Kampala Capital City

that enabled the Head of State to appoint the Executive Director alongside her Deputy was argued to be an endeavour to weaken the opposition and threaten their power centre, which view I may not entirely agree with, though politically it makes some sense.

Secondly, after recentralization, I strongly agree with other scholars like Aili (2010) that this move has since enabled the central Government to increase her budget for the city, hence exerting greater control of her decisions, which further weakened opposition leadership. For example, leaders of opposition (like the Lord Mayor, have given headaches to the ruling Government since his appointment in 2011). This has always compelled the Government to undermine his influence as evidenced by his impeachment from Office in the meeting chaired by the Central Government Minister in 2013. In the same vein, the recentralisation of the Office of CAO and City/ Municipal Town Clerk could have been boosted by the need to reduce their autonomy since most of them are believed to be diehard supporters of opposition parties.

At the same time as Nabaho (2013) observed the President accused CAOs of supporting oppositions upon his loss in most districts in the 2006 elections. For that matter, in the aftermath of elections, they were required to reapply for their positions in order to accommodate new applicants. So, the recentralisation of CAOs and City/ Municipal Town Clerk could be a mission to reduce the probability of losing the election to any members of the opposition (Awortwi, 2011). Therefore, the review of relevant literature found out the recentralisation of Local Government functions like total recentralization of KCCA was meant to boost its planning and budgeting so as to develop the city status of the capital city in order to develop at the pace of other African cities like Nairobi, Dares-salaam, Cairo, Lagos, which are still of course many miles from KCCA, but at least recentralising it has tremendously improved its status by reasonable

magnitude since at first it had the budget comparable to that of other districts in Uganda. Secondly, the politics of the control of powers of the opposition indirectly cannot be ruled out because the long-standing conflicts between political leadership of Kampala and the head of the executive arm of Government and the condemnation of CAOs and Municipal Town Clerks for supporting opposition cannot be indirectly ruled out for recentralising local government power in order to control their appointment and powers as well as they are usually summoned to attend some classified meetings like at National Leadership Institute in Kyankwanzi to attend some political courses that are meant to indoctrinate them and capture their allegiance.

Furthermore, recentralization of Local Government functions is attributed to the human resource crisis in local governments in Uganda. According to the World Health Organisation (WHO) Guidelines of 1:4391, Uganda is usually cited alongside other countries with critical health workers shortage (Lwanga, 2003:25). For instance, he observed that the health workers to the whole population ratio in Uganda was at 1:1298. Therefore, in a bid to address this gap, health professionals and politicians, for example, the former Minister of Health, Stephen Molinga called for urgent recentralization of health services to take care of rural areas. He attributed this to fear among most health workers of being deployed in a rural setting which would put them at risk of losing out on promotion and further studies (The Guardian, 2010). However, it was agreed that Local Governments remain in charge of the recruitment of health workers by their respective DSCs and recentralise the appointment of senior health workers like medical doctors as indicated in the Health Sector Development Plan (HSDP 111, 2010/11-2014/15).

In agreement with, Nabaho (2012), it should be noted that the appointment of employees by DSCs brought about abuse by prioritising natives, who may not necessarily be competent, hence causing a

human resource crisis. For instance, in the appointment of CAOs, local residents were favoured at the expense of outsiders. This subsequently curtailed opportunities for competent candidates with relevant knowledge and values (IGG, 2008). This is evidenced by the decision that was taken by the Public Service Commission (PSC) to retire a good number of CAOs after recentralization of their appointment in 2006, based on a lack of the required standards as some DSCs had overlooked merit elements during the staffing process as they mainly favoured their local natives at the expense of outside potential applicants with requisite knowledge and skills. The findings from the review of relevant literature indicate that the appointment of civil servants including all health workers remains with the District Service Commissions with the exception of CAOs and City/ Municipal Town Clerks to promote down-ward accountability.

Last but not the least, a lack of financial discipline by local authorities is claimed to be behind the recentralization of power in Uganda. While the legal framework has been in place for a while, for example, the Constitution of the Republic of Uganda of 1995 as amended and the Local Governments Act, Cap 243 of 1997 as amended, the Local Government Financial and Accounting Regulations, 1998, as amended, it in particular gave mandate to Local Governments to collect and account for revenue from different sources. They are also allowed to make plans and budgets, spend, and invest in various crucial services (Nabaho, 2014). This enables them to finance their budgets from local revenue in addition to Central Government transfers especially unconditional grants.

However, following the scrapping off the graduated tax in 2003/2004 financial year, local revenue base reduced tremendously, which compelled the centre to increase financial transfers to local governments (Ministry of Local Government, 2014). Arising from this increase, financial misappropriation was



regularly reported in various media centres and the Auditor General Reports. Based on this condition, then the centre argued for recentralisation of the appointment of CAOs whose accountability would then lie at the centre in order to properly account for funds allocated to provide public services at the local level. At the same time, this would enable the centre to control CAOs in the utilisation of central government transfers in line with existing laws. In the recent development, central government has recentralised the collection and allocation of local revenue from all sources including market fees, beer brewing fees, licenses, and group registration fees, among others.

To make matters worse, birth and death registration fees are currently collected by the National Identification Registration Authority (NIRA) in Uganda. This has further weakened the revenue base for local governments. As another innovation, all payments of local government activities are authorised by the centre, for example the payment of allowances or any activity like travel on land is initiated locally but authority is granted from the centre and after at least 48 hours. This indicates that the central Government has basically taken up the mantle of controlling all funds utilised by local government, which it says aims at controlling downward accountability, though there could be other motives like limited funding from the centre as shown by recentralising some revenue sources like birth and death registration, which the central government notes is meant to reduce errors in the National Identification Cards. However, it used to be a major source of revenue for local governments, which the centre recently usurped, hence depleting the local revenue base for local governments (Abaho, 2023).

While the legal framework allows local authorities to levy, charge and collect and allocate local taxes and fees in their local settings, the mobilised local revenue without any discussion with the central government is collected by local government staff and is directed banked into the consolidated fund

through Uganda Revenue Authority Account (URA). This implies that the centre later allocates this revenue to their respective local Government based on their level of collection and requisitions (Abaho, 2023).

This indeed reverses the trend where local authorities should instead act as social and economic development instruments of the country. Nevertheless, this is not the practice at the moment due to the manner in which locally generated revenue is being controlled and utilised. This has eventually constrained financial resources at the local level, and therefore has far reaching negative implications that cripple service delivery to the citizenry in Uganda (ibid).

In addition, other functions like procurement of drugs were taken back to the National Medical Stores (NMS) from districts after citing corrupt tendencies. Survey evidence further indicated that Ugandans find local officials more corrupt than Central Government officials, with corruption increasing as one moves upwards right away from the village to the district (Deininger and Mpuga, 2005).

## CONCLUSION AND RECOMMENDATIONS

Based on the findings from the review of relevant literature, recentralisation of local Government decentralised functions, which commenced in 2003 to-date was supported by several factors, among which was to reduce the undue influence of political authorities at the local level. This reduced the influence of local politicians on lawful decisions taken by CAOs and City/ Municipal Town clerks, but gave them excessive powers over local council control. On the issue of reducing human resource crisis at the local, the review found out that it was caused by poor manpower planning by local authorities that would be harmonized by the central Government. Lack of financial discipline was also cited as a key factor contributing to recentralisation of local Government functions, especially when central Government started releasing more funds to

finance priorities after scrapping off graduated tax that led to increased corruption among local leaders. This was also cited in the poor accountability for local revenue, which has since been recentralised, leading to increased financial constraints at the local level. Finally, the review found out that the fear of local autonomy, which compelled the central Government to recentralise KCCA in 2006 to weaken the opposition and threaten its power centre, while on the positive note has since then led to the provision of more resources to the capital city, leading to its growth and development overtime (Aili, 2010 and Nabaho, 2013).

This move to recentralise local Government recentralised functions has since weakened the decentralisation policy implementation, which has been seen as a viable system of local governance and as one of most strategic reforms implemented in Uganda since independence in 1962 (Saxena, et al, 2010). In my view, continuous recentralisation of local government functions without prior arrangement with local governments to a large extent has caused a down-turn in terms of reduced service delivery with regard to the quality and quantity at the local level. This needs to be reconsidered urgently so that a balance can again be struck to enhance improved service delivery at the local level. For example, the collection and control of local revenue should be returned under local control of local Governments as per the provision of the existing legal framework.

### Recommendations

The Ministry of Finance, Planning and Economic Development (MOPFED) should revisit the resolution passed by Parliament and convince the Government to reverse its decision on local revenue and allow local authorities to control and spend locally generated revenue in their localities.

The Government through the Ministry of Ministry of Local Government (MoLG) and Ministry of Finance, Planning and Economic Development should endeavour to address the challenges of local

revenue mobilization, leakages, and spending in local government structures (like corruption, lack of accountability and transparency, limited financial management capacity, among others) rather than taking the function to the centre.

Allow local councils reasonable powers to check powers given to Chief Administrative Officers and City/ Municipal Town Clerks so that they do not abuse their discretionary powers granted by the Central Government, like when it comes to disciplinary actions taken against errant staff to reduce loss of cases by local governments as an example.

Increase on the facilitation of Central Government staff in addition to increment of salaries for the Arts sections so that support supervision, monitoring, and evaluation of Local Government functions can be implemented to improve service delivery at the local level. Enhance the capacity of local leaders (both technical and political) to promote their management capacity so that service delivery can improve drastically.

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