



**CRISE CONFERENCE ON DECENTRALIZATION,
FEDERALISM AND CONFLICT**

Department of International Development, University of Oxford
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PANEL II: DECENTRALIZATION, POVERTY AND CONFLICT

**1. Decentralisation, poverty reduction and human security in Ghana
Gordon Crawford, University of Leeds**

Abstract

Decentralisation has been widely implemented throughout the developing world. Its proponents, notably international donor agencies, claim that democratic local government is more responsive to local citizens' needs, inclusive of the majority poor, resulting in poverty reduction. Yet evidence remains far from conclusive and this paper challenges such claims. After reviewing recent surveys of the linkage between decentralisation and poverty reduction, this paper undertakes a case-study of Ghana. Findings from primary data indicate that the impact of the District Assembly system on local poverty has been limited, at best. In explaining such findings, shortcomings are initially highlighted at local level. These do not provide a full explanation, however, and attention is refocused on the national context where structural constraints are identified. Decentralisation advocates ubiquitously point to 'political commitment' and decentralisation 'by design' as conditions for successful, pro-poor outcomes. Yet the structural obstacles highlighted in the Ghana case exist precisely by design, intended to maintain central government control. It is concluded that the notion of 'decentralisation from above' is paradoxical, with genuine devolution of power likely to require political struggles from below.

**2. Passing on the problem or prescribing a solution in diverse regions? Power sharing, decentralisation and conflict dynamics in Central Sulawesi, Indonesia
Rachael Diprose, CRISE**

Abstract

In 1999, following the end of the 32-year rule of Suharto's New Order administration, Indonesia embarked on an ambitious decentralization program. Decentralization and greater regional autonomy emerged in response to demands for the vast and diverse regions of the country to self-manage as well as to bring government services closer to beneficiaries. It can also be seen as a response to the long-standing grievances existing in the regions against 54 years of centralized government administration.

The implementation of the decentralization laws finally began in 2001, devolving power from the central government to the district (*kabupaten*) level. Apart from providing greater autonomy over district government policy formulation, district- and village-level regulation creation and budgetary control, the laws allowed for the recognition of the diverse local identities in Indonesia. The laws (and the revisions to the laws in 2004) have allowed for new regions to be carved out of pre-existing administrative areas (*pemekaran*), and for the popular election of Governors, District Heads, Mayors and Village Heads, amongst others.

The changes have, on the one hand, achieved the initial aims of the legislation and to some extent addressed existing grievances in the regions. On the other hand, however, structural and institutional change has opened up spaces for new forms of local-level elite competition and grassroots mobilisation around a variety of local identities and interests. It has also led to a proliferation of district-splitting and changes to local level demographics. All of these aspects have the potential to interact with local-level conflict dynamics, to ameliorate tensions or potentially to trigger new locations of conflict.

This paper uses the cases of Poso and Donggala districts in Central Sulawesi to examine these dynamics. Poso is an area which has experienced communal violence as well as conflicts involving the state, whereas Donggala has not experienced violence on the same scale. Both regions have multi-ethnic and religious populations.

This paper argues that decentralization has had both positive and negative indirect impacts on conflict dynamics in both areas. Firstly, it has allowed for the direct election of regional heads. This has changed the nature of local politics, which of course heightens local tensions through competition for power, but at the same time involves the populace in decision making, to some extent alleviating the grievances they may have had. Secondly, it has changed population demographics by redrawing administrative boundaries. In both districts this is resulting in greater ethno-religious segregation. It has also changed the boundaries around the voting populace, which can play into conflict tensions if such boundaries reinforce sensitive identity cleavages. Carving out new regions creates new district legislatures and executives, which can fuel competition for these fiercely sought-after positions and the associated political power. At the same time it reduces such pressures in the 'mother' region, as was the case in Poso. It also changes the boundaries around resources and the groups laying claims to these resources.

This is not to say that the demographic, structural, and institutional changes stimulated by the laws and demanded by the populace will necessarily lead to violent conflict but rather they do interact with or potentially stimulate local tensions. Felt grievances, perceptions of inequalities, and claims to minority rights are just some of the contentious issues which can interact with decentralization policies. Effective interventions, awareness and forethought, and conflict management strategies which channel these tensions into productive outcomes rather than destructive violence, will ensure that diversity flourishes in multi-ethnic and religious states such as Indonesia, while adversity is curbed. This will also ensure that what is a potentially a temporary phenomenon resulting from transition does not solidify into long-term grievances and potentially violent conflict.

3. Decentralisation as response to conflict: The Case of Macedonia Risto Karajkov, University of Bologna

The confined conflict in the Republic of Macedonia between the majority Macedonian and minority Albanian community in 2001 ended with the signing of the Ohrid Framework Agreement (OFA), a peace accord which laid down the new principles of multiculturalism in the country.

There are opposed points of view as to whether the conflict in Macedonia was inevitable, or whether the country could have produced OFA type constitutional arrangements, for better organization of its multiculturalism, by itself and without the foreign intervention and mediation. If according to some, that could have been possible over a midterm, through a constructive Macedonian - Albanian dialogue,

others insist that it was the conflict, followed by the resolute international "arm-twisting" that produced the result.

On one hand, violence in the early days of the conflict was condemned by the political leaders (in office) of the Albanians in the country; available statistics on the propensity and readiness for radicalism for achievement of political goals display low rates of approval; and the conflict stayed largely contained in Macedonia.

On the other hand, it is questionable what would have been the rate of progress in the accommodation of the Albanian demands in Macedonia over a "regular" course of events. Although Albanian political parties have been a partners in government ever since the independence of the country and its first parliamentary elections, there hadn't been much advance in some of the major issues such as the use of language, extensive right to education in mother tongue, unlimited use of national symbols, and the constitutional status of the Albanian community in the country.

By exploring the causes of the Macedonian conflict, through comparing and contrasting the socio-economic vs. symbolic/psychological paradigms on causes of ethnic conflict, the paper will try to answer the question - could have the ethnic conflict in Macedonia been avoided?

In answering this question, the paper will also try to elaborate its argument in favor of the OFA peace agreement as a constructive response to the conflict, and claim that it substantially reduces the possibility of a future ethnic violence in Macedonia.