

State-Building, Leadership, and Local Democracy

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Reference:

"Breaking the countercyclical pattern of local democracy in Pakistan," by Ali Cheema, Adnan Q. Khan, and Roger Myerson
<http://home.uchicago.edu/~rmyerson/research/pakdemoc.pdf>

Mechanism design theory and governments?

Powerful government officials must expect greater long-run rewards (moral-hazard rents) from good service than from abuse of power.

A political leader needs a reputation for reliably paying such rewards.

A leader with a sure position has no incentive to reveal information about the smallest rents for he could deliver good public service.

Competition among experienced rivals for office can motivate them to reveal more rent-reducing information.

Hence democracy should increase public welfare.

But democratic competition could fail to reduce political profits if there are no alternative candidates with reputations for good governance (my *QJPS* '06).

Successful democracy depends on a plentiful supply of politicians who have good reputations for responsible democratic leadership.

Local democracy creates more opportunities to build such reputations, lowers barriers to entry in politics...

The countercyclical history of local democracy in Pakistan

Three times in Pakistan's history, institutions of local democracy have been created by military regimes, under Generals Ayub Khan (1959), Zia ul-Haq (1979), Pervez Musharraf (2001).

Each time, these local institutions were later suspended by civilian governments after democracy was restored at the national and provincial levels.

Most recently, Musharraf's elected local councils were dissolved and replaced by provincial bureaucrats in 2009 (just before the disastrous floods of Jan 2010).

In the military-sponsored local-government reforms, political parties were excluded from any role in sponsoring candidates for local elections.

Civilian rulers failed to maintain any democratic local government system.

This disconnection between political parties and local democracy has weakened the foundations of democracy in Pakistan.

Local democracy and the supply of reputations for public service

A simple count of the number of elected officials illustrates the importance of local government in strengthening the national democratic system.

Voters in Pakistan elect about 1100 representatives to national and provincial assemblies. Local councils added over 70,000 popularly elected representatives.

In a strong democratic system, outstanding achievements in local government can open a path for local leaders to compete for higher political offices.

Such paths are closed when democratic local government is suspended, which thus raises barriers against new entry into provincial and federal politics.

Under democracy, representatives in the national and provincial assemblies see elected officials of local government as competitors for power and patronage.

Thus, institutions of elected local democracy have withered when civilian democratic governments were restored at the provincial and federal levels.

Disconnection from local politics has weakened democracy

The democratic parties' disconnection from local government has created local political vacuums that have been repeatedly exploited by nondemocratic forces. To counter popular support of democratic parties, military regimes could build an alternative base of support by patronizing new locally elected politicians. As later military rulers confronted more developed party politics, elected local officials were given progressively greater authority under the later rounds.

The detachment of democratic parties from local politics has had particularly disastrous consequences in the Tribal Areas, where local democracy has never been introduced and colonial modes of governance have continued till now. The long neglect of democratic and legal rights in the Tribal Areas has set the stage for militant insurgency, with profound regional consequences. Military gains against insurgents in Tribal Areas can be consolidated only by building responsible local government there. But it is hard to see how this can happen when local democracy has been suspended in the rest of the country.

Will local democracy be allowed in Egypt?

Egypt's Constitution from 1971 included a promise of local democracy:

Article 162: Local People's Councils shall be gradually formed, on the level of administrative units by direct election half the members of whom must be farmers or workers. The law shall provide for the gradual transfer of authority to the local People's Councils. Presidents and Vice-Presidents of the Councils shall be elected from among their members.

The 2011 Provisional Constitution contains no such promise.

Designing local institutions for a flexible party structure and a broad-based ladder of democratic political advancement

Proportional representation can flexibly accommodate multiple parties.

To measure approval of individual candidates, use an "open list" PR system.

Well-designed local governments should serve as a primary source of candidates who can advance democratically to higher offices after showing ability to earn popular approval at the local level

A proposed reformed structure for Pakistan's multilevel local governments:

Lower level unions average 20,000 to 50,000 population.

Higher level districts (tehsils) include 10+ local unions or a municipality.

Union councils have members from single-member districts, plus 5 members elected at large by approval-voting open-list proportional representation.

(A voter chooses one party list, then approves any number of candidates on this list.

Each party wins seats in proportion to the number of voters choosing it, and then these seats are assigned to its most-approved candidates.)

A union council selects one at-large member to be its head, who then represents the local union in the district council.

District councils also include 5 at-large members, popularly elected by the same open-list PR system.

A district council chooses its mayor (nazim) from among its at-large members.

Summary: what are essentials for democratic development?

Under any political system, leaders need support to gain power, and supporters are mobilized by hopes of patronage and promotions.

Leaders must maintain reputations for reliable patronage (*1st law*: my APSR '08).

Democracy has many forms. What is essential for its success is not just elections, but competition in the public interest.

The key to democratic development is to increase the supply of leaders with reputations for using public funds to provide public services, and not just to give jobs to their active supporters.

Strong foundations for democracy should be both national and local:

Local democracy strengthens national democratic competition:

Successful local leaders can become candidates for higher offices.

National democracy strengthens local democratic competition:

National parties can support alternatives to established local bosses.

A *finance ministry* that distributes funds accountably across levels of government can be vital for decentralization (Ghani-Lockhart, '08).

Pillars of democratic state-building: ***multi-party national assembly, elected local councils, and an effective finance ministry.***

Policy implications for foreign financial assistance

For political development, the essential measure of a project's success is how it enhances reputations of the political leaders who direct it.

Outputs of public goods count toward this political end.

All public services should be directed by indigenous leaders, but they should include both national and autonomous local leaders.

To cultivate leadership at all levels, assistance should be distributed to national and local governments (perhaps also to minority parties).

Largest share of assistance funds should go to national government, but conditioned on some decentralization also to local public service agencies (Collier, 2007).

Foreign donors should require transparent public accounting for all funds, both by the donors and by the national finance ministry.

This accounting should be to the local population, so they can learn what their leaders have spent, and what this spending has achieved.

References:

"Breaking the countercyclical pattern of local democracy in Pakistan," by Ali Cheema, Adnan Q. Khan, and Roger Myerson

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These notes:

<http://home.uchicago.edu/~rmyerson/research/paklocal2012.pdf>

More information from United Cities and Local Governments:

<http://www.cities-localgovernments.org/gold/>