

# LOCAL DEMOCRACY

## What is local democracy?

Local self-government outlines the right and the ability of local authorities, within the limits of the law, to regulate and manage a substantial share of public affairs. In a local democracy this right is conferred to councils or assemblies composed of members freely elected by secret ballot and directly accountable to their own local constituency. This adheres to the principle of subsidiarity, which ensures that problems are addressed by those institutions and civil society groups that are most competent and closest to citizens.

Local democracy cannot be understood as a mere subdivision of the powers of the state or state institutions at the local and regional level. Appointed representatives of the central government (without accountability to local communities) - such as prefects and regional/local commissions of the state - do not enhance the possibility of *local democracy* as accountability runs upwards to central government.

The [European Charter on Local Self Government of the Council of Europe](#) sets a useful list of the core principles of local government, which include:

- **Full and exclusive exercise of power:** in accordance with the law, local authorities' prerogatives should not be undermined by the central or regional level;
- **Appropriate financial compensation:** local authorities should receive adequate financial resources, proportional to the exercise of the office - alongside **budgetary autonomy** - local authorities should control their own financial resources, which should partly derive from local taxes and charges;
- **Self-determined administrative supervision:** any administrative supervision of the local authorities' activities by other bodies may be exercised only if in compliance with the law;
- **Legal protection:** local authorities may have recourse to a judicial remedy in order to secure free exercise of their powers and respect for principles of local self-government.

The legal and structural profile of local democracy should be embedded in a broader community approach to be successful. This implies a **participative approach** to local decision-making, involving different people in the community through practices such as participatory budgeting at the local level or citizens' panels.

## FACTS & FIGURES



The number of local governments in the world's least developed countries has increased 7% in the last ten years\*

The EU committed EUR 32m to Local Authorities (LAs) for the 2014-17 period, equalling the funding of LAs for the entire 2007-13 period \*\*



The European Association for Local Democracy (ALDA) represents more than 250 LAs, associations of LAs, and CSOs from 40 countries \*\*\*

\* V-Dem Variable graphs - Local governments index, [www.v-dem.net](http://www.v-dem.net)  
 \*\* EU Commission, [TP-CSO-LA](http://TP-CSO-LA)  
 \*\*\* [www.alda-europe.eu](http://www.alda-europe.eu)

## Local Development

Local democracy and sustainable local development are two sides of the same coin. Socio-economic development at the local level is a crucial and essential part of the overall economic development of a country, much as local democratic governance feeds into the democratic culture of a society. In order for local democracy to be truly effective it is important for citizens to have power over the distribution of locally owned resources within a given community.

Recent evaluation research has shown that the promotion of decentralisation can be associated with development success, particularly in fragile contexts (DIE, 2016). Indeed, decentralised governments positively affect the performance of the state and the quality of public services. In the scenario of a fragile state that provides only insufficient services, it is assumed that local structures are in a better position to counterbalance these shortcomings and to respond to the needs of the population.

## How can local democracy be promoted, in practice?

The section below describes some key means with which local democratic governance can be promoted.

### Assigning clear-cut responsibilities to local government

Central and local governments should be assigned precise responsibilities and financial resources on the basis of subsidiarity and autonomy, proportional to their duties. The responsibilities of central and local governments should be clearly delineated in order to give local government a clear sphere of operational freedom.

### Ensuring the accountability of local government

Several features of politics and governance can contribute to ensuring democratic and accountable government. Organised community-based political party representation, anti-corruption bodies, transparent systems of public procurement, participatory budgeting and auditing are examples of effective accountability mechanisms, which can battle various forms of corruption and make local governments more democratic.

For instance, since 1974, *Hong Kong's* Independent Commission Against Corruption (ICAC) has been following a multi-directional approach to deal with corruption, including prevention and education.

### Engaging civil society in local decision-making

The creation of a permanent dialogue with citizens – through consultation, partnership processes, and participatory programming – generates better solutions within the community as far as the fight against opacity of power and corruption is concerned. It also facilitates the inclusion of minorities and marginalised groups. Civil society organisations can be actively involved in a wide range of activities from community development to skills training for sustainable livelihoods and to access to social services.

To that effect, the Congress of the Council of Europe has recently worked to support leadership among mayors, alongside elected officials and citizens' involvement in *Eastern Partnership* countries.

### Fostering local participation

Mechanisms for participation and accountability at the local level can help ensure a local democracy that is efficient and more accountable to citizens. There are several instruments that raise responsibility, activism, and direct participation: local elections, consultations and referendums give voters a direct say on important policy issues, overcome the sense of distrust, and can bring government closer to citizens.

For example, after the 1999 conflict with Yugoslavia, local elections were held in *Kosovo* as a first-step in recreating internal governance. Similarly, the *South African local elections* in 2000 defined for the first time the composition of municipal structures, unifying previously segregated areas.

**Decentralisation** is often viewed as a technical exercise but has wide-ranging political impact and comes in different forms:

- **Administrative** decentralisation, including deconcentration of central government structures, delegation of central government authority, decentralised cooperation of government agencies;
- **Political** decentralisation, including devolution of powers to local units of government, power-sharing institutions through federalism, constitutional federations or autonomous regions;
- **Fiscal** decentralisation, including fiscal cooperation in sharing public revenues among all levels of government, fiscal delegation in public revenue, and fiscal autonomy for state, regional or local governments;
- **Economic** decentralisation, including market liberalisation, deregulation, and the privatisation of state enterprises.

## Further Reading

- [Democracy at the local level](#), International IDEA, 2001
- [Decentralisation and Community Empowerment: Does community empowerment deepen democracy and improve service delivery?](#) RTI International, 2006
- [Local Authorities: Actors for Development](#), European Commission, 2008
- [The Promotion of Decentralisation and Local Governance in Fragile Contexts](#), DIE, 2016
- [Strengthening of local and regional democracy](#), European Association for Local Democracy, 2016