





ASIA-PACIFIC

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I. Introduction

The Asia-Pacific region comprises an enormous variety in the size of nation states. This ranges from the two demographic giants of the world, China and India, which together account for one-third of global population, to the many island states of the Pacific that have less than 100,000 inhabitants. The region also displays a great variety in living standards, ranging from the high-income OECD countries of Australia, Japan, Republic of Korea and New Zealand to a number of the least-developed countries of the world, including Bangladesh and Nepal. It also includes some of the currently fastest growing economies in the world, notably China, India and Vietnam, as well as the country – Korea – that has experienced the most dramatic growth in

living standards in the world during the period 1950-2000.

The Asia-Pacific region also embodies great diversity of historical experience. Many of the countries incorporated colonial models of governance to a greater or lesser extent - British, in the case of Australia, New Zealand, India, Pakistan, Sri Lanka, Malaysia and some of the Pacific islands, French in the case of Vietnam, Cambodia and Laos (but largely superseded by communist models in these countries), Dutch in the case of Indonesia and US in the case of the Philippines. Recent laws in Pakistan also reflect US, German and Japanese influences. The single-party communist system adopted by China, Laos, North Korea and Vietnam owes much to the Marxist-Leninist ideology of the former Soviet Union.

Table 1

Basic Development Indicators in the Asia-Pacific Region, 2004

Country	Population (millions)	Density People per sq. km	% Urban Population*	GNP per head (US\$)	HDI Ranking
Australia	20.1	3	88.2	26,900	3
China	1,296.5	139	40.4	1,290	81
India	1,079.7	363	28.7	620	126
Indonesia	217.6	120	48.1	1,140	108
Japan	127.8	351	65.8	37,180	7
Malaysia	25.2	77	67.3	4,650	61
New Zealand	4.1	15	86.2	20,310	20
Pakistan	152.1	197	34.9	600	134
Philippines	83.0	278	62.7	1,170	84
Korea, Rep. of	48.1	488	80.8	13,980	26
Thailand	62.4	122	32.3	2,540	74
Vietnam	82.2	252	26.4	550	109

Source: World Bank 2006; UNDESA 2006; UNDP 2006a.

* Data is for 2005.

The term 'local government' is generically used in all countries to refer to sub-state/ sub-provincial units

This chapter reviews the results of twelve country case studies of decentralization and local democracy from the region: Australia, China, India, Indonesia, Japan, Malaysia, New Zealand, Pakistan, Philippines, Korea, Thailand and Vietnam (Table 1). The sample reflects the more developed and faster growing nations of the region but also those where there is a more active program of decentralization, albeit of widely varying patterns. The chapter draws on other published material on these countries as well as the authors' own knowledge of the region.

The Asia-Pacific region embraces the most highly developed features of global urbanization and already contains 23 of the 40 largest metropolitan areas in the world (Table 2). Of the top 100 metropolitan areas, China has 15 (with a combined population of 96.2m), India has 9 (with a combined population of 80.1m) and Japan has 3 (with a combined population of 49.1m).

With such a diversity of population size, per capita income, historical experience and political system, it is not surprising that models of decentralization and sub-national governance should also vary considerably. As a result of this lack of homogeneity, it is both difficult and questionable to make sweeping generalizations about the Asia-Pacific region as a whole. In fact, the recent experience of decentralization and local democracy in the region has been quite diverse. Nevertheless, there are some common themes and issues across the region, which are addressed in this chapter. Four of the sample countries – Australia, India, Malaysia and Pakistan – have federal systems of government that accord states a greater or lesser degree of autonomy. Since, within a federal system, local government is generally a state matter, this can produce a wide diversity of practice within a country with regard to local governance. This is certainly true in Australia and India but less so in Malaysia

and Pakistan. The enormous size of China means that, although it is a unitary state, there is a considerable diversity of practice among provinces. To a lesser extent, this is also true in Indonesia.

II. Territorial organization

II.1. Delineating Local Governments

While local governments are generally understood as units of government responsible for providing direct services to inhabitants in a given territorial jurisdiction, their classification and location in the sub-national government vary across the Asia-Pacific countries. The term 'local government' is generically used in all countries to refer to these sub-state/sub-provincial units. In a few countries, other terms are used such as 'councils' in Australia and New Zealand, and district administration in Malaysia. In Japan, the preferred term is 'local autonomy' to indicate freedom from central control in making decisions and self-responsibility in managing local affairs. Depending on population size, income and location, local governments in the region are variously categorized as wards, districts, communes, shires, counties, municipalities, cities, prefectures and provinces. And although all these forms are generally considered local governments, their classification also varies such that a municipal unit in one country (Indonesia) may be much bigger than an intermediate local government unit in another one (for example a province in the Philippines or Vietnam).

In federal countries like Australia, India, Malaysia and Pakistan, local governments in general comprise the lowest level of government. In these countries, local governments are a function of the intermediate level of government such as the states in Australia, India and Malaysia and provinces in Pakistan. While there may be some general provisions in federal constitutions concerning local governments, as

Table 2 Global Ranking of Metropolitan Areas in the Asia-Pacific Region

Rank	Name	English Name	Country	Population	Remarks
1	Tokyo	Tokyo	Japan	33,600,000	(Greater Tokyo Area) incl. Yokohama, Kawasaki, Saitama
2	Seoul (Soul)	Seoul	Korea	23,400,000	incl. Bucheon, Goyang, Incheon, Seongnam, Suweon
5	Mumbai	Bombay	India	21,600,000	incl. Bhiwandi, Kalyan, Thane, Ulhasnagar
6	Delhi	Delhi	India	21,500,000	(National Capital Territory) incl. Faridabad, Ghaziabad
9	Shanghai	Shanghai	China	17,500,000	
10	Osaka	Osaka	Japan	16,700,000	(Osaka Metropolitan Area) incl. Kobe, Kyoto
12	Kolkata	Calcutta	India	15,700,000	(Kolkata Metropolitan Area) incl. Haora
13	Manila	Manila	Philippines	15,600,000	(Metro Manila) incl. Kalookan, Quezon City
14	Jakarta	Jakarta	Indonesia	15,100,000	(Jabotabek Metropolitan Area) incl. Tangerang
15	Karachi	Karachi	Pakistan	15,100,000	
16	Guangzhou	Canton	China	14,700,000	incl. Foshan
19	Beijing	Beijing	China	12,800,000	
20	Dhaka	Dacca	Bangladesh	12,600,000	
28	Shenzhen	Shenzhen	China	9,150,000	
29	Krung Thep	Bangkok	Thailand	8,650,000	
30	Wuhan	Wuhan	China	8,650,000	
33	Nagoya	Nagoya	Japan	8,250,000	
36	Tianjin	Tiensi	China	8,000,000	
37	Lahore	Lahore	Pakistan	7,950,000	
38	Chennai	Madras	India	7,850,000	(Chennai Metropolitan Area)
40	Bangalore	Bangalore	India	7,350,000	(BMRDA)
41	Hyderabad	Hyderabad	India	7,150,000	
43	Hong Kong (Xianggang)	Hong Kong	China	7,100,000	(S.A.R.) incl. Kowloon, Victoria
44	Taipei (T'ai-pei)	Taipei	Taiwan	6,700,000	(Taipei-Keelung Metropolitan Area)
46	Chongqing	Chungking	China	6,200,000	

Source: *The principal agglomerations of the World* (2007-09-03).
City population, <http://citypopulation.de/World.html>.

Each country of the region has made significant strides over the past several decades in the creation of a strengthened institutional framework in support of decentralization

in the case of India and Malaysia, it is generally left to the state or provincial government to determine the scope of local government in these countries. Thus, it is not surprising that perceptible differences in local government practices exist across the federated states within the same country. The system of election for local councils in Australia, for example, varies from state to state. In India, fiscal and administrative decentralization is unevenly implemented across the states compared with political decentralization, while local democracy is also at varying levels of development across the Indian states. In contrast, local government variation in Malaysia and Pakistan is slight.

Local governments in unitary states comprise the only sub-national layers of government, thus putting local government directly under central government oversight. Theoretically speaking, unitary governments may incline towards centralism and constrain local autonomy. The experience in the region shows that this is not necessarily so. Robust local governments and local democracy exist in unitary systems like Japan, New Zealand and Philippines, as is also the case in federal Australia. China, though unitary, exhibits a variety of local government practices between provinces owing to the sheer size of the country. This is true to a lesser extent in Indonesia.

Local governments in all countries exercise powers by virtue of *ultra vires*. The powers, roles and responsibilities are set out in specific legislation or acts promulgated by national or state level government, with some countries having more or fewer local powers and functions assigned to them. Japan is markedly different on this as local governments in this country operate on the basis of the general competence principle. But as reforms continue to characterize intergovernmental relations in the Asia-Pacific countries, the political and functional bases of local government continue to be redefined. Australia, for instance, is

moving to a less prescriptive approach in regard to the councils' roles and functions, albeit subject to greater public accountability and stricter requirements for corporate planning and reporting. The recent local government reforms, particularly the Local Government Act 2002, undertaken by New Zealand have broadened the responsibilities of local councils practically giving them the power of general competence. Philippine local governments have their powers and responsibilities specifically defined in the Local Government Code. Significantly, the general welfare clause in the Code allows local governments to do practically whatever they think will promote the well-being of people and community, limited only by expressed prohibition of law. In any case, the scope of powers and functions assumed by local governments in the region varies from country to country, and even among local governments within the same country. These practices had been shaped by the respective country's historical traditions, and increasingly by political, economic and fiscal considerations as evidenced by the decentralization programs being implemented by countries in the region. In most countries, local governments perform wide-ranging functions to address local needs and promote economic and social well-being of citizens and local areas. The functions of local governments in the region will be discussed at length in Section III.1.

II.2. Legal Framework for Local Government

The legal framework for local government in the Asia-Pacific region is contained either in national constitutions or in separate laws. Major local government legislation in the selected countries is shown in Annex 1. Most countries recognize local government in their constitutions as well as having separate laws for local government. However, local government in Australia is recognized not in the Commonwealth Constitution but in comprehensive Local Government Acts passed by individual state parliaments and

in a few cases, references are also made in state constitutions. In New Zealand, which has no consolidated constitution, local government was greatly strengthened by national legislation in 2002 granting it general competence power in marked contrast to previous restrictions imposed by ultra vires. Despite not offering constitutional protection, local governments in both countries enjoy substantial powers and responsibilities that are not observed in several countries in the region that do provide constitutionally for local government autonomy.

Each country of the region has made significant strides over the past several decades in the creation of a strengthened institutional framework in support of decentralization. The framework is established variously in the basic law of the land and in separate national and state statutes and laws. This is the case whether a nation is a multi-party democracy, socialist country or military regime. Even when local self-governance is promoted as a national objective, central government still intervenes to introduce and sustain these reforms. Such was the case in India where the 1950 Constitution (Article 40) requires that "...states shall take steps to organize village panchayats and endow them with such powers and authority as may be necessary to enable them to function as units of local self-government," but left the legislation of local self-government to the states. Because the implementation of panchayats was uneven across the states, decentralization reforms were promoted by the 73rd and 74th constitutional amendments in 1992. These require states to hold elections for local bodies and to transfer fiscal and administrative responsibility for certain services and functions to local government in both rural and urban areas. As a result there has been a dramatic improvement in local democracy in many parts of India but the constitutional requirements for administrative and fiscal decentralization are still not complied with to the same extent by all states. This is also the case in Japan

with article 92 of the constitution of 1946, followed by several instances of legislation to decentralize (namely 1947, 1995-1999).

Recent constitutions in the Philippines (1987, Article 10), the Republic of Korea (1987, Articles 117 and 118) and Thailand (1997, Article 78) all provide for local government autonomy, but the constitutions of China and Vietnam (see on the contrary: China, art.110; Vietnam: art.6). In the Philippines, the 1991 Republic Act (Law 7160)—also known as the Local Government Code—fleshed out the constitutional provisions concerning the principle of decentralization and local autonomy, transferring responsibility for the delivery of many basic services to local government and thereby fundamentally altering central-local relations. In Korea the 1987 constitution (Article 117) states that local governments "shall deal with matters pertaining to the well-being of local residents, shall manage properties, and may establish their own rules and regulations regarding local autonomy as delegated by national laws and decrees." However, this constitutional provision remained unfulfilled until July 1995 when the nation elected local government mayors for the first time in more than 30 years. Until then local governments were no more than local administrative districts of the central government. The heads of local governments (in effect, solely administrative authorities) were appointed by the central government, and their capacity for autonomous decision-making was virtually non-existent. In Thailand the 1997 constitution requires the promotion of decentralization as a basic policy of the government and this was followed by basic legislation in 1999 in the form of the Decentralization Plan and Procedures Act. As of June 2003, eight enabling laws had been proposed in support of decentralization goals, four of which had been promulgated. More generally, more tasks does not mean more responsibility; in India the two higher tiers of local government are considered to be "implementing agencies of state government", also after the 1994 constitutional amendments².

2. G. Rao / N. Singh (2000), *How to think about local government reform in India? Incentives and institutions*, Berkeley, p.9; add: G. Sethi (ed.) (2004), *Fiscal decentralization to rural governments in India*, World Bank, p.19

Within the Asia-Pacific region, there has been a wide range of drivers of decentralization and of obstacles to such changes, but decentralization has generally been driven from the top

Indonesia provides the most dramatic example of major legislative reform for enhanced local government autonomy. The 'big bang' decentralization took place on the basis of Regional Government Law 22 of 1999, which eliminated the hierarchical relationship between provincial and municipal governments. This significantly shifted resources and responsibilities from the central and provincial levels to urban (kotamadya) and rural (kabupaten) municipalities. Under Regional Autonomy Law 32 of 2004 these district governments were assigned 11 obligatory functions while provincial governments were given a secondary role. In line with these expanded responsibilities a major shift of staff resources (about 2.5 million civil servants, of whom about three-quarters were teachers or health workers) took place from the central and provincial governments to the districts during a short transition period (2000-2001). Law 33 on Fiscal Balance between Central and Regional Government in 1999 (later amended by Law 25 of 2004) provided a new intergovernmental fiscal framework for general allocation grants (DAU), which represent block grants to finance the administrative and other costs associated with newly decentralized functions (rather than the earmarked grants of the past). Under the previous centralized system, social and public service indicators of some major resource-producing regions were weak, and to redress this imbalance, these regions were now provided with a share of the revenues generated. Local governments were also granted the power to levy their own taxes supported by regulations on the type of taxes and service charges permissible and maximum tariffs (ADB 2006b). However, to date the legal framework and division of responsibilities among levels of government remains unclear.

II.3. Evolution of Local Government Structures

A great variety of historical experience has influenced the evolution of local government structures in the Asia-Pacific region, ranging from the intermarriage of longstanding local

traditions of self-governance to organizational forms imported through the colonial experience and Marxist-Leninism. Traditions of community or grassroots self-governance have long existed in the region, though not necessarily in the more sophisticated organizational forms of local government that exist today. For example, in Korea, local government was founded on the basis of informal, voluntary organizations for the purpose of promoting mutual assistance among citizens as well as the strengthening of community ethics (Sproats 2003). In Japan traditional customary institutions are still functioning today in the form of an extensive network of voluntary neighborhood associations that in practice operate as subcontractors of local government. In those countries that came under foreign rule, these old systems underwent a process of colonization that subsequently shaped the forms of local administration that are in operation today. However, national independence encouraged countries such as India and the Philippines to restore their traditional systems of governance, respectively known as panchayats and barangays, and to integrate them into the formal system of local government. During the immediate post-independence period in many countries, centralization was considered to be the most efficient way of achieving the goals of rebuilding national identity and attaining rapid economic growth. Notwithstanding, most of these countries subsequently initiated local government reforms as part of wider processes of improving public sector efficiency and democratization (Sproats 2003).

Within the Asia-Pacific region, there has been a wide range of drivers of decentralization and of obstacles to such changes. In some parts of the world, notably in Latin America during the 1980s and 1990s and in Central and Eastern Europe following the collapse of the Soviet Union, there was a widespread demand from citizens for local democracy and for greater citizen control over local affairs. This has not generally been the case in Asia, where decentralization has more often been driven from the

top. In the case of China, decentralization has primarily been about economic reform, as part of the shift towards a market-based economy, and liberating the economic potential of regions and localities, rather than political engagement and local accountability. In Vietnam, the massive Doi Moi (renovation) process initiated in the late 1990s was also primarily about economic and administrative reform, including the devolution of management responsibilities. One feature of Doi Moi was to encourage and legitimize citizen participation in local decision-making as well as to strengthen transparency and accountability mechanisms at the commune level. In this sense, the creation of decentralized structures and processes is a manifestation of a wider movement towards democratization in the region as it provides the enabling context for broader citizen participation in local governance.

By contrast, the recent and quite radical programs of decentralization in the Philippines and Indonesia have been more overtly linked to 'bottom-up' processes of democratization. In the Philippines, the substantial devolution of responsibilities and resources to elected local governments was part of the radical reform agenda of deepening political participation and bringing political decision-making closer to citizens following the 1986 overthrow of the Marcos regime. Indonesia experienced one of the most radical decentralization programs in the world from 1999, shifting major functional responsibilities, resources and staff to local governments. This was partly a response to the highly centralized state under Suharto, which was blamed for many of the ills of the country. Whilst this program built on an existing structure of local government, the reforms devolved substantial decision-making powers to what had previously been little more than a system of deconcentrated local administration (albeit referred to in earlier legislation as 'local autonomy'). Nevertheless, the 'big-bang' decentralization was also strongly driven by the urgent need to satisfy the interests of the resource-rich outer islands of Indone-

sia, which had long felt marginalized and were threatening to secede.

In some countries of the region there has been a noticeable cyclical movement to and fro between periods of centralization and decentralization. This has especially been the case in Pakistan, where local government reforms were introduced in 1960, 1979 and 2001. The main objective of the 2001 reform was an attempt by the military government at the center to reinforce its legitimacy and gain popularity across the country. But the institutionalization of local (non-party) political accountability has been thwarted to a significant degree by the continuing provincial control over local government and the difficulty of implementing the provisions for recall of officials (Cheema et al 2006). This was also, to some extent, the case with earlier failed attempts at decentralization in Bangladesh. In Thailand, communist insurgency during the 1970s and 1980s reinforced commitment to strong central control. Only since the 1990s, and despite strong opposition from the Ministry of Interior, have governments supported decentralization. By contrast, in Bangladesh and Malaysia there has been resistance from the center to any substantial decentralization that would strengthen the political role of local government. Thus local government in these countries may be regarded as more akin to local administration.

Decentralization is never a smooth process as there are many competing interests at play, some of which resist decentralization. Strong resistance can come from a central ministry that perceives that decentralization erodes its powers and resources. For similar reasons, central civil servants may resist decentralization, especially when it involves their reassignment to a sub-national level of government, as was the case for large numbers of civil servants in Indonesia and Thailand. Party political rivalry can also be a major obstacle, where parties position themselves by opposing proposals for decen-

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tralization. This is compounded by political competition at sub-national levels: ruling parties at the national level may get cold feet about decentralization if they perceive that the opposition may gain control of large numbers of the decentralized units. Three-way political conflicts among union, state and local governments in India were one of the main reasons for the 1992 constitutional amendments designed to protect the interests of local governments from excessive state interference. Such political conflicts continue to hamper effective decentralization in some Indian states.

Finally, the OECD countries in the region, Australia, Japan, the Republic of Korea and New Zealand, also emphasize decentralization as part of their ongoing administrative reform process. Australia, Japan and New Zealand have a long history of local government; so, recent experience here has been of relatively modest reform to deal with particular problems or changed circumstances. A series of reforms to local government acts in all the states of Australia expanded the general powers of local government during the 1990s. An Inter-Governmental Agreement in 2006 expanded local government responsibilities in the fields of planning, health, environmental protection and cultural activities. In New Zealand, the Local Government Act of 2002 granted local and regional government broad general powers.

In Japan, House and Diet Resolutions on decentralization were passed in 1993 based on the premise that the centralized administrative system was unable to cope with rapid developments at the local level. In 1995 a Law for the Promotion of Decentralization was passed, in 1998 a Decentralization Promotion Plan was initiated and in 2004 the Local Government Law of 1947 was amended to strengthen the administrative authority of cities.

In the Republic of Korea, a series of decentralization laws and policies were intro-

duced in the 1990s that increasingly recognized the importance of local autonomy, including the introduction of direct election for local government executives. As in Japan, they were largely driven from the center. One writer has described the actual practice of decentralization in Korea as a "curious mixture of deconcentration and devolution" (Seong 1998:13). A unique feature of the process was the Saemaul Undong, a community-based movement established during the rule of President Park Chung Lee in the 1970s. Although these were mobilized 'top-down' by central government, they eventually laid the foundation for a variant of 'citizen participation' that made a significant contribution to Korean rural development.

II.4. Tiers and size of local governments

There is a considerable variation in the Asia-Pacific region in both the number of tiers of local government and in the average population size covered by local government. The territorial organization of local government in selected countries is presented in Table 3. Two of the four federal nations in the case study countries have a single tier of local government below the state level (Australia and Malaysia) while Pakistan has a triple tier and India has a single tier in urban areas and a single, double or triple tier in rural areas, depending on the state. Of the eight unitary nations in the sample, four have a two tier system of local government (Indonesia, Japan, Thailand and New Zealand), while three others have a three tier system (Philippines, Korea and Vietnam) and China has four sub-national government layers. Furthermore, what is a local government tier is not always clear, especially when there is a combination of modern local government structures and of traditional or customary institutions, as is usual in a lot of countries of the region at the village level. Even the material evidence of such basic criteria as the exercise of public and budgetary power may be uncertain.

Table 3

Territorial Organization of Local Government in the Asia-Pacific Region

Country	Type of Government	Type of State	Federated units, regions or territories with special rights	Regional / provincial level	Upper level of local government	Lower level of local government
Australia	Constitutional and parliamentary democracy (Governor general representing the Queen as head of State, Prime Minister as chief of government)	Federal	6 states and 2 territories		Single Tier: 703 councils variously described as cities, municipalities, shires or districts with 7 different local authority systems. The Australian Capital Territory (ACT) of Canberra has its own local government system	
China (2006) ²	Communist state (President as chief of state, Premier as head of government)	Unitary	Not applicable	1) Provincial level: 34 units -23 Provinces, -4 large cities directly under central government -5 autonomous* regions: Inner Mongolia, Guangxi Zhuang, Tibet, Ningxia Hui, Xinjiang Uygur -2 special administrative regions: Hong-Kong, Macao 2) Regional level: 333 units: -283 cities of regional level -17 regions (di qu) -30 autonomous prefectures (zi zhi zhou) -3 unions (meng)	District level: 2,860 units -1,463 districts (xian) -369 cities with district right -856 inner city districts in larger cities -117 autonomous* districts (zi zhi xian) -49 ethnic banners (qi) -3 autonomous* banners (zi zhi qi) -2 special zones -1 forest zone	Township level: 41,040 units -14,119 townships (xiang) -19,369 boroughs (zhen) -10 joint township boards (qu gong suo) -6,355 inner city wards (min zu xiang) -98 tribes (sumu) -1 ethnic tribe -644,000 village committees (85% of villages) and 71,375 urban neighborhood committees (70% of neighborhood communities - 2004) are not local authorities
India	Parliamentary Democracy (President as chief of state, Prime Minister as head of government)	Federal	28 states and 7 union territories	*Urban areas: Single Tier: 3,694 urban municipalities *Rural areas: Single, dual, or triple tiers depending on state, 246,977 rural councils comprising of: -459 zilla panchayats (district: third tier), -5,930 panchayat samitis (block: second tier) -240,588 gram panchayats (village: first tier)		
Indonesia	Republic, presidential government (President is both the chief of state and head of government)	Unitary	2 special districts: Aceh, Papua	33 provinces (including special districts) Capital district Jakarta	Single Tier: 450 units (2006) - municipalities (urban): Kotamadya (2004:91) - regencies (rural): Kabupaten (2004:349) - Villages (Desa): (pop. approx. 70,000). Their organization and functioning are the responsibility of the provincial authorities (law n° 22/1999).	
Japan	Constitutional Monarchy with a Parliamentary Government (Emperor as chief of state, Prime Minister as head of government)	Unitary	Not applicable	47 prefectures	1,820 municipalities. 779 city councils, 844 town councils and 197 village councils	
Malaysia	Constitutional Monarchy (Paramount Ruler as chief of state, Prime Minister as head of government)	Federal	13 states 3 federal territories		144 local government units (depending on population): - 10 city councils, - 36 municipal councils for large towns - 98 district councils (areas with small urban centers)	

2. Data on China from: Quio Jing (2005). *La réforme de l'administration chinoise face aux rites confucéens*, Thesis, University Paris 1, Panthéon-Sorbonne. (P. 125) (unpublished). Updated by Dr. Qiao.

Table 3

Territorial Organization of Local Government in the Asia-Pacific Region (cont.)

Country	Type of Government	Type of State	Federated units, regions or territories with special rights	Regional / provincial level	Upper level of local government	Lower level of local government
New Zealand	Constitutional and parliamentary democracy (Governor general representing the Queen as head of State, Prime Minister as chief head of government)	Unitary	Not applicable	12 Regional Councils 4 unitary district councils	74 Territorial Local Authorities (TLA) including among which: - 4 unitary district councils, - 15 city councils, - 54 district councils, Chatham Islands Council Community boards: created by TLA at their discretion: 150 in 2006 in 50% of TLA	
Pakistan	Republic, presidential government (President as chief of state, Prime Minister as head of government)	Federal	4 provinces	111 district units including: - City districts: - Large metropolitan areas - Federal capital district (no self-government)	396 sub-district units: - Tehsil in districts - Town Municipal Administration (TMA) in city districts	6,125 union administrations
Philippines	Republic, presidential government, (President is both the chief of state and head of government)	Unitary	Autonomous region of Mindanao	83 provinces	120 cities 1501 municipalities	41,982 villages (barangays)
Korea, Rep. of	Republic, presidential government (President is both the chief of state and head of government)	Unitary	Special autonomous province of Jeju	9 provinces 6 metropolitan cities Seoul (special metropolitan city)	230 municipal units: Seoul: 25 Metropolitan cities: 49 Provinces: 75 cities 81 rural districts	Lower municipal units (wards): Dong (urban), Eup/Myeon (rural) differentiated according to population: Eup = larger unit in rural areas (over 50,000, Eup may become a city) Seoul: 522 Dong Metropolitan cities: 689 Dong; 10 Eup / 36 Myeon Provinces (incl. Jeju): 942 Dong, 213 Eup, 1,112 Myeon
Thailand	Constitutional monarchy (King as chief of state, Prime Minister as head of government, at present provisional military government)	Unitary		75 Provincial Administrative organizations Bangkok Metropolitan Administration	1,129 municipalities (cities and boroughs) Pattaya City Council 6,744 Sub-district (tambon) Administrative Organizations (rural)	
Vietnam	Communist government (President as chief of state, Prime Minister as head of government)	Unitary	Not applicable	59 provinces 5 centrally controlled cities (including the capital city)	662 district units, among which: 25 provincial towns, 42 urban districts (in centrally controlled cities),	10,776 municipalities: 1,181 wards (urban areas) 583 district towns (rural district centres) 9,012 communes (lower units in urban and rural areas)

Source: UCLG Country Profiles (2007).

* Autonomous areas means a special administrative regime based on the recognition of special rights for ethnic groups.

The average population size of local governments in the region is shown in Table 4. The relevance of this ratio depends very much on whether the lower tier is devised as a rather large jurisdiction adequate to perform a number of functions, or whether it is closer to settlements and has to maintain a link with the people. Both may exist in the same countries; then, the significance of the ratio depends on the distribution of functions. We have indeed to take in to account that some countries have a two tier local level (most Indian states, Pakistan, Philippines, Korea, Vietnam), whereas others have only a single tier local level (Australia, Indonesia, Japan, Malaysia), and exceptionally three tiers in some Indian states and in China. To make a comparison, we have to take in to account the functions of these levels. Indeed, major local government functions are usually exercised at the

upper local level in countries with a two tier local level. Therefore, the upper level has to be taken for the comparison with countries having a single tier local level. Conventionally, we call it a district whatever its name in the respective countries.

This table is probably misleading in some respects. It overlooks the role of the provincial state administration, with its local branches in Thailand, which allows a higher degree of fragmentation. It underestimates the role for the people of lower level municipal administrations, and its value in terms of local democracy (for example in India or the Philippines). However, the high ranking of the ratio suggests decentralization at the meso level rather than at the local level (for example in Indonesia, Pakistan and Korea), and a low profile at the municipal level.

Table 4

Average population size of local governments in the Asia-Pacific Region

Country	Population (m)	Number of local governments	Average size of local government
Australia	20.1	703	28,592
China	1,296.5	2,860	453,147
India	1,079.7	9,624	112,115
Indonesia	217.6	450	483,556
Japan	127.8	1,820	70,220
Malaysia	25.2	144	175,000
New Zealand	4.1	73	54,931
Pakistan	152.1	396	384,091
Philippines	83.0	1,621	51,300
Korea, Rep. of	48.1	230	209,010
Thailand	62.4	7,874	7,924
Vietnam	82.2	662	124,169

Source: Table 1 and Table 3.

The changing 'shape' of territorial organization in the region reflects two very dissimilar processes under way. In the high-income OECD case study countries, the number of local governments has fallen in recent years as a result of amalgamation promoted by central government in pursuit of economies of scale in service delivery. In Australia, as a result of state policies, the number of local authorities diminished by 200 in the last 30 years. In Japan, an amalgamation policy from 2001, encouraged by the central government to capture these scale economies, reduced the number of local governments from 3,229 to 1,820. In New Zealand, a major territorial reform in 1989 dramatically reduced the number of local governments from 830 by creating an upper tier of 12 regions in addition to 74 lower-tier local governments. In Korea, the central government's efforts to consolidate local governments in

major functions have been devolved upon the intermediate level. This is typical for Chinese reforms: village committees are directly elected in more than 644,000 Chinese villages every three years. The committees deal with the lease of land and the management of local affairs; however, main responsibilities are carried out at the province and county levels. The same movement can be seen in Vietnam. The number of communes has increased by 265 units between 2000 and 2004. The vitality of traditional village institutions is supported by the government and some administrative tasks can be delegated to them by the people's committee of the commune. Even so, the key levels of local government are provinces and districts. Similar trends can be observed in the non-communist countries. For example, the Indonesian reform of 1999 resulted in the transfer of important responsibilities to local governments, but in the form of very large municipal units (on average near 450,000 inhabitants), whereas villages are the framework of citizen participation. In the Philippines, there is less concentration of local government functions at the upper level; nevertheless, the municipal governments are still relatively large, with more than 50,000 inhabitants on average. The barangays, communities of pre-colonial origin reshuffled by law at the time of the Spanish colonization, constitute an avenue of participation and of access to some administrative service rather than a government level.

In several other lower income countries, there has been a process of municipalization with more tasks transferred to a local level closer to the inhabitants while nevertheless endowed with some administrative capacity. The major example is India, although the situation may vary considerably from one state to another: the lowest level, the gram panchayat, has to manage pre-school and primary education, provide some local services (libraries) and amenities (sport, leisure) and support local agricultural and economic develop-

In lower income countries, in order to support the development of democracy and the legitimacy of political leaders, local councils or authorities elected by the residents have been restored, but at the same time major functions have been devolved upon the intermediate level

1994 and 1995 was undertaken not only to realize economies of scale but also to correct the much-criticized manner of demarcating the boundaries of local governments. As a result of this reform, the number of local governments was reduced from 265 to 241 (including autonomous districts and rural districts in Seoul and metropolitan cities). The boundaries of rural districts and secondary cities were redefined to form urban-rural integrated cities separated from newly created urban districts.

In lower income countries, the picture is much more contrasted. In order to support the development of democracy and the legitimacy of political leaders, local councils or authorities elected by the residents have been restored, but at the same time

ment. In Pakistan, too, although the sub-district level is crucial, union administrations are local government units of a fair size and some capacity. In Thailand, the reforms of 1999 and 2003 resulted in municipal-level consolidation in cities and boroughs and in the upgrading of sub-district administrative organizations into units of local self government. These units subsumed the headmen that until that time had been elected by the people but subordinated to the provincial administration. These reforms represent an important step towards the generalization of municipal government in Thailand – although the government system as a whole remains rather centralized.

The very rapid pace of urbanization in Asia – a seven-fold increase in urban population since 1950 (ADB 2006a) – presents huge challenges for urban governance. At the same time, decentralization policies in many countries are increasingly putting these challenges into the hands of local governments (ibid. p.4). Although city and urban municipal governments are often some of the longest-established local governments in these countries (some going back over a century) they have generally been unable to keep pace with the demands of urbanization. A city or municipal government often covers only the historic core that spawned a vast metropolitan area. Although its boundaries may, in some cases, have been enlarged, this has very rarely been sufficient to keep pace with the rapid urban expansion.

As a result, the urban periphery is often governed by a multiplicity of smaller municipalities, town and village councils, without any overall system of metropolitan-wide management. The available fiscal resources are often concentrated in the core city, while the poorly served periphery (where many of the poorest live) is governed by various municipal and village councils that have access to minimal resources. This fragmentation of urban governance presents huge problems in the financing

and management of infrastructure and services across the city.

A few metropolitan areas (Metro Manila, Bangkok, Tokyo) have a functioning metropolitan level of government and in China strong municipal governments that encompass large rural hinterlands have always governed the largest cities. In Australia, most of the metropolitan populations live outside central cities and informal cooperation about planning has served as a means of metropolitan governance. Uniquely, the city government of Brisbane encompasses the whole metropolitan area (ADB 2006a). In New Zealand, 12 local governments representing the largest cities and peripheral districts in the six biggest metropolitan regions have joined with local government associations to develop joint strategies to address governance issues.

Elsewhere, there may only be some form of coordinating mechanism between the various municipal governments. But it rarely has the power or resources to tackle metropolitan-wide infrastructure and service needs. For example, in Jakarta, the remit of the city government (DKI) covers only what was the metropolitan area until around the 1970s. In recent years four additional city governments have been created in the adjoining areas where most new development has taken place. Although there is a planning framework for the whole metropolitan region (Jabodetabek), this has to operate on the basis of consensus among the constituent authorities.

A further complication is the multiplicity of agencies involved in urban development, infrastructure and service provision. This has been a particular issue in India where there has been a long tradition of special purpose agencies (SPAs). Thus, in a city such as Bangalore, there is a plethora of SPAs in addition to the state government, the municipal government and the municipal and village governments in the sur-

rounding area. The SPAs include the Bangalore Development Authority, the Bangalore Water and Sewerage Board and the Karnataka Slum Clearance Board (Devas 2005). This leads to overlaps, gaps and the lack of a coordinated response to the needs of the rapidly growing population. In many large cities of the region, endemic political conflict between the various levels of government –municipal, state and central– make metropolitan coordination even more problematic.

III. Powers and responsibilities, management and finances

III.1. Functions of local government

As in other parts of the world, local governments in the selected countries of the Asia-Pacific region have multiple roles

Education is the most notable service delivered by local government in the region. The only exceptions are Australia, New Zealand and Malaysia, where basic education remains a state or central government responsibility

to perform: service delivery, governance, planning and community development, and regulation and supervision. Table 5 provides a profile of the functions that are the responsibility of local government. Generally speaking, all countries have decentralized some basic services to this level, including planning, education, provision of social and health services, water supply, public transport and business development support. In Indonesia, the 2004 decentralization legislation (Law 32) devolved a comprehensive list of 16 obligatory functions to local government.

Education is the most notable service delivered by local government in the region. Local governments in China, Japan, India, Indonesia, Pakistan, Vietnam and the Philippines are involved in the delivery of basic

education, ranging from pre-school to secondary school. The only exceptions are Australia, New Zealand and Malaysia, where basic education remains a state or central government responsibility. Some aspects of health and welfare services are delivered by local government in most countries in the region except for Australia and New Zealand, where these functions remain with the state and central government respectively. In Korea, health and social welfare accounted for 31% of total local expenditure in the consolidated local government budget for 2007. In the Philippines, health and welfare services have been fully devolved since 1992. Water supply is primarily a local government responsibility in several countries of the region (e.g. Australia, Japan, Indonesia, Pakistan and Vietnam). By contrast, electricity supply remains a central government responsibility throughout the region except in China where it is a municipal responsibility.

In New Zealand, under the influence of New Public Management (NPM), there has been a dramatic increase in private sector participation in local service delivery. The 1989 Local Government Act requires local authorities to “give due consideration to the advantages and disadvantages of different delivery options” in the provision of local services. This led to a large increase in contracting out and by the mid-1990s 75% of all services were delivered by private contractors (Boston 1996). In India, the pressure on recruitment, together with the spread of NPM initiatives at the state level, has also encouraged many local governments take up new activities and service provision arrangements through public-private partnerships, but corresponding systems of contract supervision and ‘public service comparators’ are still not very well developed.

In addition to the functions listed in Table 5, many local governments in the region also perform some public works functions such as road construction (e.g. Australia,

Table 5

Services delivered by the local governments in the Asia-Pacific Region

Country	Planning	Basic education	Basic social welfare	Basic health services	Water supply	Electricity supply	Public transport	Business development support
Australia	Yes	No	No	No	Yes	No	Yes	Yes
China	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes
India	Yes	Yes	No	Yes	Yes	No	Yes	Yes
Indonesia	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes
Japan	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes
Malaysia	Yes	No	No	No	Yes	No	Yes	Yes
New Zealand	Yes	No	No	No	Yes	No	Yes	Yes
Pakistan	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes
Philippines	Yes	No	Yes	Yes	Yes	No	No	Yes
Korea, Rep. of	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes
Thailand	Yes	Yes	Yes	No	Yes	No	Yes	Yes
Vietnam	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes

Source: UCLG Country Profiles (2007).

India, Pakistan and Philippines) and even airports (Australia). In most countries of the region local government also has a responsibility for environmental protection although its powers of enforcement tend to be severely limited. China is the only country where local governments in autonomous regions perform functions normally reserved for central government (e.g. judicial administration, scientific research, unemployment benefits and pensions).

A number of local governments in the region engage directly in business activities. This is especially so in China and Vietnam, where local governments are major producers of industrial goods. In New Zealand, the 2002 Local Government Act enabled local governments to create a

Local Authority Trading Enterprise (LATE). These companies, in which the local governments may hold 50% or more of the equity, employ their own staff and are subject to company taxation. They operate in activities such as public transport, shopping malls, cinemas and car parks as well as water utilities, property management and quarrying. Some provinces in the Philippines own major facilities such as convention centers and shopping centers that are managed as 'profit centers' to provide additional sources of local revenue. Elsewhere, at the very least, local governments provide support services for business development activities. The most common commercial activity of municipalities is the operation of local public enterprises such as markets, slaughterhouses, bus terminals and car parks.

Table 6

Relative Size of Local Government Expenditure and Income in the Asia-Pacific Region

Country	Total public expenditure a) as % of GDP b) € per capita	Local public expenditure (local and meso level only) a) % GDP b) € per capita	Ratio Local Public Expenses/Total Public Expenses	Ratio local public investment exp/ total civil public investment expenditure	Tax shares + general grants as % of the total LG Income	Local tax revenues (= tax revenues subject to a local tax power) as % of total LG income
Australia	a) 37%	a) 2%	7%	6%	52%	38%
(2005)	b) €11,486	b) €276				
China	a) 27%	a) 22%	81%	n/a	32%	29%
(2004)	b) €291	b) €235				
India	a) 19.1%	a) Karnataka: 2.9%	Karnataka: 18.5%	n/a	Rural panchayat: 90% (all India average)	Urban local bodies: 60% of revenues from property tax (all India average)
(2002)	b) n/a	b) n/a				
Indonesia	a) 19%	a) 6%	33%	36%	70%	<10%
(2006)	b) €189	b) €62				
Japan	a) 22.9%	a) 12.3%	53.6%	n/a	69%	34%
(2004)	b) €7,243	b) €3,903				
Malaysia	a) 27%	a) 4%	13%	11%	35%	26%
(2003)	b) €1,152	b) €155				
New Zealand	a) 42%	a) 3.9%	9.4%	16%	68%	56%
(2005)	b) €9,693	b) €380				
Pakistan* (2005)	a) 18.5%	a) 2.6%	14%	n/a	90%	10%**
Korea, Rep. of	a) 36%	a) 16%	44%	n/a	53%	34%
(2005)	b) n/a	b) n/a				
Thailand	a) 21%	a) 2%	9%	15%	45%	12%
(2002)	b) €376	b) €34				
Vietnam	a) 24%	a) 11%	48%	51%	44%	24%
(2002)	b) n/a	b) n/a				

Sources: IMF 2006; OECD 2005; World Bank 2004, 2006; and country profiles; + Add. Sethi (2004); Weist (2004). UCLG Country Profiles (2007)

* Estimates based on own calculations [sources: Cyan, M. (2006); ADB/DfID/WB (2004)].

** Estimate including all own revenues.

III.2. Local Government Finances

The relative economic size of local government varies widely across the region, as shown in Table 6. In China, the different tiers of local government play a major role in service provision and local economic development. Local governments manage some 80% of state-owned enterprises. As a result, they account for 81% of public expenditure and 22% of GDP. In Japan, local governments have wide functional responsibilities and account for over half of total public expenditure and 10% of GDP. In Indonesia, as a result of the recent 'big bang' decentralization, local governments now account for one-third of total public expenditure. By contrast, despite their long-established traditions, local governments in Australia and New Zealand have quite limited responsibilities

and account for less than 10% of public expenditure and around 2-4% of GDP. The size of local government in Vietnam has risen rapidly in recent years – more than doubling in absolute size and increasing from 40% to 48% as a share of total public expenditure from 1997-2002. Nevertheless, until it implemented the 2004 State Budget Law, Vietnam was formally one of the least decentralized countries in the world, with local governments essentially carrying out deconcentrated functions at the behest of the central government (World Bank 2005:87). For the biggest countries of the region, global data hide enormous disparities between regions and between local governments.

Local governments of the selected countries in the Asia-Pacific region are all equipped with powers of taxation, as shown in Table 7.

Table 7 The Scope of Local Tax Powers in the Asia-Pacific Region

Country	Major local taxes
Australia	Property
China	Collective enterprise, agricultural and real estate
India	Property, octroi (tax on goods entering the municipality)
Indonesia	Hotel and restaurant, entertainment, advertisement, electricity (street lighting), non-strategic and non-vital mining, parking, groundwater and environment. In addition, proceeds from taxes on land and property, motorized vehicles, vehicle transfer and fuel are shared with provinces.
Japan	Individual inhabitant, business, local consumption and automobile, property tax, city planning tax, local tobacco tax
Malaysia	Property
New Zealand	Property
Pakistan	District/city: education, health, vehicles (excluding motor vehicles) Tehsil: services, property and sale of property
Philippines	Property, business, amusement, sand and gravel, printing and publication, franchise and community
Korea, Rep. of	Property, business, acquisition, registration, license, inhabitant, farmland, butchery, leisure, tobacco consumption, urban planning, regional development, motor fuel and local education
Thailand	Property, land and building, land development, signboard, slaughter duties, swallow nest duties, tobacco, petroleum and hotel
Vietnam	Land and house, natural resources (excluding those on petroleum activities), license, land use rights transfer and land rent.

Sources: UCLG Country Profiles (2007).
National Tax Service of the Republic of Korea (2006).
Weist (2001).

Property taxation is by far the major source of local taxation; in Japan it accounts for 46.2% of own tax revenues (before the “Trinity Reform”); in Australia this accounts for 100% of own-revenue and in New Zealand for 91% of own-revenue. In both countries, as well as in China, local governments also have discretion over the rate of property taxation whereas elsewhere this tends to be determined by central or state government. In some countries, business (or enterprise) taxation is also a major source of own-revenue. Municipalities throughout the region also collect taxes on hotels, restaurants and places of entertainment. Some local taxes are peculiar to a specific country. For example, city governments in Japan impose an urban planning tax, Pakistani municipalities impose health and education taxes and Chinese municipalities

from VAT, corporate income tax, income tax on high-income earners, special consumption tax on domestic goods and services, and gasoline and oil tax. Other tax revenues are exclusively assigned to them, namely land and housing taxes, natural resource taxes (excluding petroleum), license tax and land use rights transfer tax. In Indonesia, local governments share the proceeds of taxes on land and property, and on motorized vehicles and fuel with provincial government. Many municipalities also levy user fees and charges that comprise a minor part, typically less than 10%, of their total own-source revenues.

While local governments all have their own tax sources, the degree of fiscal autonomy also varies considerably between countries. The more developed countries, such as New Zealand and Australia generate a substantial share of their revenues locally and are hence less reliant on intergovernmental fiscal transfers. The share of grants in total local government revenue has fallen in both Australia and New Zealand in recent years - from 23% in the 1980s to 16% in the late 1990s in Australia and from 18% to 10% over the same period in New Zealand (OECD 2001). In Japan the local finance reform (“Trinity Reform”) 2005-2007 replaces targeted subsidies by tax revenues (transfer from the national personal income tax upon the individual inhabitant tax, however for a lower expected yield) and the global tax grant, until now a major equalizing transfer from central budget, is being reduced drastically. By contrast, in lower-income countries of the region such as India, Indonesia, Pakistan and Thailand, local governments (outside the major urban centers) generate a much smaller share of their total revenues from local tax sources (typically 10-30%) and hence are heavily reliant on central transfers and grants. In Thailand, according to the 1999 Decentralization Plan and Procedures Act, local governments were to be allocated at least 20% of the national government budget by fiscal year 2001

Ideally, the financial resources at the disposal of a local government – whether from its own sources³ or from grants and transfers– should be sufficient to cover all services that it is mandated to deliver

impose collective enterprise and agricultural taxes. In Indonesia since 2004, municipalities may impose a tax on surface water. Together with the existing local tax on groundwater, this authority is part of the government’s effort to curb environmental damage from over-exploitation of water resources.

In China, Indonesia and Vietnam, the proceeds of some locally collected taxes are shared with higher tiers of government. In China, revenue from personal income tax, product tax, business tax and joint enterprise tax are all shared between central and local government. In Vietnam, local governments have no taxing powers at all. Instead, they share with central government the proceeds

and at least 35% by fiscal year 2006. The latter goal has not yet been reached and these targets have been the subject of heated debate. However, the degree of local fiscal autonomy is not necessarily a function of the overall income level of the country. For example, Japanese local government only raises 34,4% of its total income from own-taxes while local governments in China receive only 32% of their incomes from grants and shared taxes of central government. This disparity reflects the very strong role that local government in Japan plays as an 'agent' of central government in the delivery of services, especially education and social welfare, which are financed by earmarked inter-governmental fiscal transfers. In contrast, the much stronger practice of fiscal decentralization in China through the mechanism of revenue sharing is counterbalanced by extreme political centralization.

Ideally, the financial resources at the disposal of a local government –whether from its own sources³ or from grants and transfers- should be sufficient to cover all services that it is mandated to deliver. This is not the case in India, Pakistan and the Philippines. In these countries own-source revenues of local governments plus transfers received are together insufficient to fund the delivery of local services, suggesting the need for the devolution of extra tax powers in order to correct this imbalance. By contrast, the strength of municipal associations in the OECD countries of the region has ensured that the corresponding extra revenues required to comply with new mandates have accompanied the devolution of new responsibilities to local government. In Australia, such 'cost shifting' to local government was a central point of a 2006 Inter-Governmental Agreement between the Local Government Association and the federal government. In New Zealand, it has been one of the major issues that contributed to successive waves of local government reform from 1989 onwards. Complicating this problem is the issue of 'unfunded mandates,'

namely the predilection of central government to legislate further responsibilities that involve an additional fiscal burden on local government. This is so in the Philippines, where local government is required to pay additional incentives and allowances to devolved health sector employees and allowances to national government public servants (e.g. judges and police) whose offices lie within its jurisdiction. These unfunded mandates have put a strain on the finances of local government and are a burning issue in the discourse on central-local relations in many other countries in the region.

Borrowing is another source of local government funding. In the past, central governments in most countries of the region have limited the access by local government to capital markets because of the inherent risk that over-borrowing may lead to macro-economic instability. In Korea the size of local government outstanding debts from bond issues hardly changed during 2000-2006 because of the strong control exercised over local borrowing by central government. In China, the central government placed strict limits on the power of local governments to borrow, but the latter often found ways to avoid these controls by obtaining loans through their municipally owned enterprises. Today some central governments in the region are increasingly encouraging larger municipalities to borrow. In Japan, loans are no longer subject to authorization, but only an understanding with central government, since April 2006. In India, several of the larger cities have issued municipal bonds and in the state of Tamil Nadu arrangements have been made for smaller municipalities to join together to issue bonds. Of course, municipal borrowing depends on a functioning capital market as well as the repayment capacity of municipalities. In the Philippines local governments are legally enabled and encouraged to tap financial markets and other non-traditional sources of finance in order to make

3. *Own sources: resources levied directly by local authorities.*

The degree of influence by higher tiers of government in the selection of local government staff remains considerable in the region

them less reliant on central grants. However, very few have yet attempted to tap private capital markets. Some local governments have used variants of the build-operate-transfer (BOT) schemes and other forms of private sector participation in order to fund major investment projects, although interest in these has waned somewhat following the East Asian financial crisis.

Borrowing from commercial banks has been minimal because of the lack of collateral or guarantees. Loans from government financial institutions (GFIs) have been far more common because these GFIs serve as the depository banks for the local governments for their intergovernmental transfers. Hence GFIs can always withhold these central transfers in the event of default on loan repayment by the local governments. A drawback, though, is that such arrangements can encourage irresponsible lending. In Indonesia, most borrowing by local governments has been from the central government, often involving on-lending of donor funds. In New Zealand, a 1996 reform eased the process of loan approval but also placed new legal restrictions on it. In place of central government approval, localities were required to specify explicitly the purpose and beneficiaries of a borrowing measure and to budget accordingly so as to cover operating expenses. In Australia, local government borrowing is coordinated by a national Loan Council that allocates and regulates debt among the states. In Korea, the size of outstanding local government debt from bond issues hardly changed during 2000-2006 because of the strong control exercised over local borrowing by the central government.

III.3. Administrative Capacity of Local Government

Data on the share of local level personnel in total public sector employment for selected Asia-Pacific countries is shown in Table 8. The share ranges from highs of

92% and 77% in China and Indonesia respectively to lows of only 7% and 10% in Malaysia and New Zealand. Most local government personnel in the region have permanent positions with tenure protected by law although chief executive officers in New Zealand are recruited on seven-year renewable contracts.

The institutional and policy frameworks for recruitment, as well as the organizational responsibilities in undertaking recruitment processes at the local level, are shown in Table 9. Specific laws govern local public service in most countries of the region. In Japan, the Local Public Service Law defines the criteria for recruitment of local government personnel as well as a position classification system, remuneration and benefits, hours of work, disciplinary matters and training. In the Philippines, local government personnel are covered by civil service laws and by the rules and regulations of the Civil Service Commission (CSC), the central agency for public sector personnel. In addition, the 1991 Local Government Code has provisions regarding personnel administration. The Code mandates all local governments to design and implement their own organizational structure and staffing pattern, taking into account their service requirements and financial capacity. It also provides for the mandatory appointment of certain posts at every tier of local government and the creation of a Personnel Selection Board in each local government unit to assist the local chief executive in the fair selection of personnel for employment and promotion. Notwithstanding these safeguards, problems such as nepotism and associated non-compliance with the merit principle in recruitment and promotion are endemic in the local public service system in many countries of the region.

The degree of influence by higher tiers of government in the selection of local government staff remains considerable in the region. In China, the committees of the Chinese Communist Party choose,

Table 8

Size of Local Government Personnel in the Asia-Pacific Region

Country	Local government personnel	Total public sector personnel	Share of local government personnel in total public sector employment
Australia	147,500	1,357,600	11%
China	5,000,000 (est.)	n/a	92%
India	n/a	n/a	n/a
Indonesia (2006)	2,781,476	3,635,816	77%
Japan	1,432,494	2,311,920	62%
Malaysia	58,000	829,000	7%
New Zealand	21,680	227,220	10%
Pakistan	n/a	n/a	n/a
Philippines (1999)	390,561	1,445,498	27%
Korea, Rep. of (2006)	345,989	611,219	56%
Thailand	n/a	n/a	20%
Vietnam	n/a	n/a	60%

Source: UCLG Country Profiles (2007): Figure 7.1.

manage, discipline and dismiss civil servants, including those in local government. The recruiting body is likewise responsible for the discipline and dismissal of appointees. At the other end of the spectrum, in Australia and New Zealand, local councils appoint the Chief Executive Officer (CEO) but all other staff are employees of the CEO. In Pakistan, provincial authorities largely determine the appointment of senior local government personnel, with district and city establishments composed basically of seconded federal and provincial civil servants. In Indonesia, despite a radical decentralization reform, the central government still exercises substantial control over local government staff appointments. In India, selection and recruitment of local government staff is done by either the local authorities themselves or by a state level body concerned with recruitment. Local government in Malaysia can recruit, train,

promote and discipline their personnel and even manage pensions but all these actions require approval by state government. Local budgets are also subject to state supervision.

In Thailand, the strong vertical connections between local officials and officials of the central government (especially in the Department of Local Administration of the Ministry of Interior), who handed out jobs, have been dismantled and personnel decisions are now largely under the power of the local executives. Bureaucrats resident in Bangkok often resist transfer to the provinces, which involves moving and possibly less authority and lower pay. However, transfers to local governments are more attractive for provincial officials given that provincial offices and district offices have lost authority as a result of decentralization and the transfer does not require a change in residence.

Table 9

Institutional and Policy Frameworks for Recruitment Processes and Human Resource Development at the Local Level in the Asia-Pacific Region

Country	Staffing regime (public or private law, career or job positions)	Recruitment procedure, especially for high-level positions	Institutional arrangements for training of local government staff
Australia	Public law	Recruitment by individual local government unit	Organized and funded by individual local government units
China	Civil servant law	Annual competitive exam at national and local levels	Organized and funded by local government
India	Largely by public law	Central and state level staff, selected by examination, are assigned to senior LG posts.	Not mandated by law but organized by central and state governments
Indonesia	Public law with career positions	Central government still exercises control over recruitment, which is generally by competitive exam with senior LG posts filled by promotion of career-based officers.	Implicitly mandated by law and organized by central and local government
Japan	Local public service law for full-time positions, career positions	Competitive exams for all local governments	Regulated by local public service law and implemented by each local government
Malaysia	Local councils have recruitment boards, supervised by Public Service Commission.	By local government subject to approval of state level government	National Institute for Public Administration (INTAN) acts as training arm of the Public Service Commission.
New Zealand	Fixed-term seven year contracts for Chief Executive Officer (CEO) and tenure for other personnel	Staffing levels determined by each CEO who recruits and acts as legal employer of all other staff	Local Government New Zealand provides limited professional training
Pakistan	Federal, provincial and local civil service cadres under civil service acts	Centralized recruitment by merit through Public Service Commission with provincial cadres assigned to senior posts in local government	Various public sector training institutions
Philippines	Civil service law and rules, 1991 local government code and civil service rules and regulations	By individual local government	Local Government Academy, Dept of Interior and Local Government and Centre for Local and Regional Governance, UP-NCPAG
Korea, Rep. of	Local public service law for full-time positions	Central government staff assigned to local government. Other staff recruited by competitive examination or on contract basis	Local Administrator Formation Institutes (LATI); Other public sector training institutions
Thailand	Strong central government control relaxed with recent rapid devolution of personnel responsibility to local government	Central government sets broad national standards for hiring, firing, recruiting, and setting salaries and benefits in local governments. Personnel decisions are now largely under the power of local executives.	Central government and provincial responsibility
Vietnam	Regulated by 2003 Ordinance on Cadres and Civil Servants	Central government staff assigned to local government. Other staff recruited by competitive examination or on contract basis	National Academy of Public Administration and Provincial and District-level Political Schools

Source: UCLG Country Profiles (2007) and Brillantes 2006.

The most far-reaching management reforms affecting local government in the region have been in New Zealand where the 2002 Local Government Act requires both annual and long-term plans as well as systematic consideration of outcomes for local communities. It also prescribes principles for public consultation including transparent presentation of proposals, options and procedures. Most Australian states have introduced systems of performance management for local government, including performance indicators and other benchmarking strategies. In particular, the introduction of accrual accounting has had a major impact on local government management because of the requirement to value assets and make adequate provision for depreciation. Elsewhere in some countries of the region, significant decentralization programs have created severe strains on the management capacity of local governments as they try to cope with the administrative challenges caused by the rapid transfer of central government responsibilities and personnel.

The challenges of limited capacity and resources that all local governments face are amplified in urban areas. The problems of urban management are more complex and the potential for disaster (natural and man-made) is greater. Environmental problems are particularly severe, with inadequate capacity to treat human and industrial waste, severe contamination of water sources and serious air pollution from both industrial activity and the rapid growth of motor vehicles. Although city governments may be better able to recruit qualified staff compared to rural local governments, their capacity to regulate development and to effectively control environmental risks remains quite limited. Similarly, although city governments may have access to much greater fiscal resources than rural governments, their need for resources is also much

greater, since infrastructure and services are likely to be much more expensive. In turn, inadequate physical infrastructure is often a major impediment to industrial development and urban economic growth, on which national economic development depends.

In its report on urbanization and sustainability in Asia (ADB 2006a), the Asian Development Bank identified a number of examples of good urban governance in 12 countries in the region. These include: innovative approaches to revenue mobilization and capital financing; improved administration and performance-oriented management; increased availability of information and transparency of decision-making; greater citizen participation in decision-making; collaboration between municipalities within the metropolitan area or economic sub-region; serious attempts to tackle environmental problems and effectively enforce pollution controls; significant programs to address urban poverty, and support to community-based service improvements. However, such initiatives have been the exception. In all such cases, local leadership has been the critical factor: leadership that is committed to reform and to improving municipal conditions, is effective in mobilizing support for such initiatives and is responsive and accountable to local citizens. Developing such civic leadership across the region remains a major challenge.

Decentralization reforms and associated greater local level autonomy require major capacity building and training interventions for local government personnel in the Asia-Pacific region (Brillantes 2006). As shown in Table 9, such training and capacity-building programs in the selected countries of the region often form part of each country's overall civil service and policy frameworks. It is noteworthy that Korea, a country that has emphasized knowledge management as a core element of the development process, is pursuing capa-

Decentralization reforms and associated greater local level autonomy require major capacity building and training interventions for local government personnel in the Asia-Pacific region

Corruption in the public sector, including local government, is a global concern

city building in the public sector through the establishment of separate specialized training institutes for central and local government personnel, respectively the Central Officials Training Institute (OTI) and the Local Administrators Training Institute (LATI).

In the context of the current decentralization reforms in the region, attitudinal change among central government officials is necessary to mitigate the new challenges and difficulties faced by local government personnel. In Japan, this process is encouraged by inter-governmental personnel exchanges, whereby central government personnel from the Ministry of Home Affairs are regularly seconded to local government, a practice that is not at all common in New Zealand. Apart from enabling these officials to appreciate the perspectives of the 'locals' and hence decentralize their own ways of thinking, this is also a way of building the capacity of local government through the expertise that is shared with them. In this respect, there is growing interest in encouraging joint training institutes of public administration for both local and central government personnel in order to promote cross fertilization and collaboration between the different tiers of government. Given the continued thrust towards decentralization in the region, the relative merits of separate training institutions for national and local government employees (as in the case of Korea and the Philippines) and joint training institutions deserve attention.

III.4. Integrity and Corruption

Corruption in the public sector, including local government, is a global concern. Developed and developing countries alike are bedeviled with corruption issues. The annual Corruption Perception Index (CPI) published by Transparency International reveals that some of the case study countries in the region (Indonesia, Pakistan, Philippines and Vietnam) are near the bottom of the ladder and strongly suggest that corruption in these countries is perceived as a major problem. On the other hand, New Zealand is ranked as the least corrupt country

in the world while Australia is ranked ninth (Transparency International 2006). Although the CPI does not directly pertain to corruption at the local level, local governments are not exempted from this negative perception. In fact, there is a widespread perception in both China and Indonesia that decentralization has increased corruption. Indeed decentralization can increase the problem of corruption, or at least spread it around much more widely, making it more difficult to manage. On the other hand, democratization and the strengthening of civil society may simply expose corruption to more public view, so that citizens perceive that the problem has increased even when it has not.

Many developing countries of the Asia-Pacific region have serious problems with corruption. This is much less significant in the richer countries such as Japan, Australia and New Zealand, because of both the much higher rates of staff remuneration and the well established arrangements for public scrutiny and control in these countries. In New Zealand, the State Services Commission has since 1988 elaborated and monitored a Code of Conduct for public ethics and conflicts of interest in local as well as central government. The national Auditor-General enforces these rules and criminal charges can be brought in the event of breaches. Elsewhere, corruption can seriously erode the availability of resources for local service delivery and can prevent citizens, particularly the poor, from gaining access to these services.

Several countries in the region have introduced new mechanisms to curb corruption, including greater transparency of decision making. In Malaysia, improvements in local government recruitment procedures and remuneration, together with e-governance initiatives, have been designed to improve ethical standards and the transparency of local service delivery. In the Philippines, the Transparent Accountable Governance Project involves a 'conduct of lifestyle' check on public officials and procedural reforms in local government transactions (procurement, administration of local public enterprises, pro-

perty tax administration and business permitting and licensing). In India, many states have appointed a Lokayukta (ombudsman) to combat corruption and malpractice in government, including local government. In Japan, there were a reported 92 cases of corruption in 2004 at the municipal level. Measures to combat corruption include strengthening the external audit system and check up and reform of the accounting process. But elsewhere (e.g. Pakistan, Philippines and Indonesia) the capacity of central government to monitor and audit local governments remains a major concern. For example, reports from the Philippine Center for Investigative Journalism point out that up to 70% of local health funds disappear as a result of corruption.

III.5. Central-Local Relations

Local governments in the selected countries operate under a legal framework that is defined by higher levels of government. In unitary nations such as China, Indonesia, Japan, Korea, New Zealand, Philippines, Thailand and Vietnam, central governments prescribe the powers and functions of local government. In federal systems such as Australia, India, Malaysia and Pakistan local governments are answerable to the state or provincial government. In Australia, state and territory ministers for local government may dissolve local councils and appoint administrators to carry out all local government functions. When this happens, the ministers usually have to hold public inquiries into the alleged failings of the concerned council that justified the intervention. Even state constitutional provisions that restrict these powers can be amended relatively easily (CLGF 2005:29). In New Zealand the 2002 Local Government Act gives the minister for local government the power to initiate review of local governments for mismanagement or deficiencies in council decision making. In India there are no special avenues for intergovernmental relations and there is no formal representation of local government in the state structures (CLGF 2005:106).

Generally speaking, local governments as self-governing institutions are both accountable to their citizens and to the higher levels of government of which they are agents. In Pakistan, local political accountability remains problematic because of the control functions that the provincial government continues to exercise over local government on matters such as local personnel management and local finances. Local governments are also helpless in influencing grant-aided programs in their jurisdiction because these are usually determined by provincial and national legislators. By contrast, in Indonesia, decentralization fundamentally altered the direction of accountability. Prior to the 1999 reforms, local government was answerable primarily to the central government, but after the introduction of direct elections of provincial and local government executives and legislatures, the direction of accountability shifted markedly towards the local electorates.

In most of the selected countries, national or state level agencies perform general oversight of local government with regard to audit and probity. Nevertheless, the extent of this 'upward' accountability of local government to higher levels of government differs markedly among countries in the region. In China and Vietnam, local governments have a dual subordination, both sectorally (to central government ministries and agencies) and territorially (to the people's councils). The people's councils are themselves subject both to supervision and operational guidance from the national level and to guidance and inspection from sector ministries and agencies of central government. In India, state sectoral agencies often perform functions that overlap with local government functions and preempt local government responsibility⁴.

In contrast to many countries in the region, central government ministries and agencies in Japan do not have direct control or supervision over local governments but may only provide information and suggestions. However, the Ministry of Home Affairs exercises *de facto* central fiscal supervision and control by way of the model budget that it presents to the local

Local governments in the selected countries operate under a legal framework that is defined by higher levels of government

4. Sethi (ed.), 2004, (pp.15-16.)

Even when major decentralization reforms have taken place, the power of central government may still prevail over local government

governments every year. When the central government disapproves of their decisions or policies, local governments can appeal to the Dispute Settlement Commission; however, authorities almost always prefer further discussions. A similar situation exists in Korea, where, despite their significant size, local governments have far less autonomy in practice than suggested by legislation. The lack of clarity over the division of responsibilities with central and provincial governments –two-thirds of enacted local government responsibilities are exercised jointly with provincial government– is especially true in the case of education, where local governments deliver services as agencies of central government. Provinces and metropolitan city governments enjoy considerable supervisory authority over local government (cities, rural districts and autonomous urban districts).

Even when major decentralization reforms have taken place, the power of central government may still prevail over local government. In India the state-level Local Government Minister may dissolve elected bodies and govern them directly for up to six months. However elections must be held within six months in order to reconstitute the municipality. By contrast, in the case of the Philippines the dissolution of local elected bodies is prohibited, even by the highest level of government. Such a process can only be carried out 'from below,' either through regular elections or through the recall process, whereby the voters themselves decide on the fate of the elected officials. The principle here is that elected officials are solely accountable to the citizens who elected them.

In Thailand, the Ministry of the Interior is perceived as the strongest opponent of decentralization. By pointing to local weaknesses in administrative capacity and personnel, the ministry has attempted to stem the loss of its authority. The ministry argues that it needs to retain the extensive supervisory powers that it exercises over local governments through the provincial administration under its control. Local governments are subjected to auditing by the ministry once a year. The ministry can also intervene to terminate or modify local policies

if it believes they contradict or threaten national policies or interests. As a result, provincial governors and district officers still retain considerable authority over local government.

III.6. Local Government Associations

The development of local governments undoubtedly depends to a large extent on the "local hands" that mind these communities. Yet there are situations when local governments need to look beyond their parochial concerns and be more forward-looking and pro-active in their orientation. Oftentimes, local governments would need some kind of mechanism that can work for their mutual interests and more significantly, to represent their collective interest in dealing with higher levels of government and external institutions such as donor agencies. In this respect, local government associations have become the instrument that local governments in the region adopt to advance their mutual interests. These associations perform diverse functions for local governments.

One significant role that these associations perform is to act as representative and advocate of local government interests in higher levels of government. Australia has perhaps one of the longest existing national local government associations in the region. Established in 1947, the Australian Local Government Association (ALGA) sits as member in the Premiers Conference⁵ and Council of Australian Government and various ministerial councils, intergovernmental committees⁶ and specialist advisory bodies. The association has helped shape the reform agenda in 1990s such as National Competition Policy and reviews of intergovernmental relations. At the state level are also found local government associations that link the councils in intergovernmental forums, negotiations, and cooperative efforts in general and specific areas of activity. As in Australia, local governments in New Zealand have formed the Local Government Association of New Zealand representing the interests of 86 member local authorities. Since 2000 when the central government-local government forum was initiated, the association has

5. Member states of the Federation

(Translator's note).

6. Gathering together the different levels of local representatives (Translator's note).

consistently represented local government in discussing common issues and coordination of public services. Membership in Australian and New Zealand local government associations is voluntary but councils in the two countries have chosen to be members because of the actual and potential contributions that the associations give to the councils. The senior local authority officers in this country have also formed themselves into a national professional body called Society of Local Government Managers. Other associations in the sub-region, recently created, are the Fiji Local Government Association and the Papuasias New Guinea Urban Local Level Association.

In the Philippines, the Union of Local Authorities in the Philippines (ULAP) is a national body, established in 1997, that is composed of various leagues at the provincial, city, municipal and barangay (village) levels. These leagues represent their respective interests and serve as mechanisms to articulate issues that directly concern them and to secure solutions. The ULAP seeks to unite members to pursue genuine autonomy for all local government units. Various groups of elected local officials (such as vice mayors, women mayors and young legislators) and professional local government staff (such as treasurers, assessors and planners) also have their respective national associations. In Indonesia, six independent associations representing specific levels of local government were created in 2001, following the Local Government Law 1999/22: the Association of Indonesian Municipal Councils (ADEKSI), the Association of All Indonesian Regency Legislative Councils (ADKASI), the Association of Indonesian Provincial Councils (ADPSI), the Association of Indonesian Municipalities (APEKSI), the Association of Indonesian District Governments

(formerly APKASI – now BKKSI) and the Association of Indonesian Provincial Governments (APPSI). They lobby the National Parliament and the central government to advocate local issues and interests. The associations also serve as a forum for discussing common interests and forging partnerships among local governments. Local government associations are more closely linked with the central government in Malaysia, (the Malaysian Association of Local Authorities or MALA), Vietnam (the Association of Provincial Cities of Vietnam, renamed the Association of Cities of Vietnam or ACVN) and Thailand (the National Municipal League of Thailand or NMLT). The youngest associations are the Provincial Association of Commune/Sangkat Council (PAC/S) and the National League of Communes and Sangkat (NLC/S) established in August 2006 in Cambodia.

India has several local government associations including the All India Council of Mayors, representing the municipal corporations, and the Nagar Palik Pramukh Sangthen, representing the other urban municipalities. Unlike Australia, New Zealand and the Philippines, these associations are not recognized in law. Many Indian states have City Manager Associations for urban local government officials. Despite the existence of these associations, local governments have no formal representation in state government structures; meetings and dialogues with state level institutions happen on an ad hoc basis and by specific local government. After several years of effort, an Association of Local Governments was established in India in 2006. In Bangladesh, Nepal and Sri Lanka national associations of local governments were created in the mid-1990s⁷. By contrast, there is no local government association in Pakistan.

Local government associations work for the mutual interests of local governments and represent their interests in dealing with higher levels of government as well as external institutions such as donor agencies

7. There is ADDC/N, the Nepalese Association of District Development Committees (founded in 1995); MuAN, the Municipal Association of Nepal (established in 1995) and NAVIN, the National Association of Village Development Committees. Following the establishment of ADDC/N, a new impetus was given to the collective strength of DDCs and decentralization supporters for speeding up the process toward decentralization. After four years of hard struggle, a new Local Self-Government Act was enacted in 1999, which can be regarded as a milestone in the gradual but steady movement toward decentralization. Sri Lanka has the National Chapter of Mayors (NCM) created in 1997, the United Urban Councils Association (UCA) and the Pradeshiya Sabhas Association (PSA) created in 2002. Bangladesh gained local government associations in 2003 when both the Municipal Association of Bangladesh (MAB) and the National Union Parishad Forum (NUPF) were established.

Beyond representation to higher levels of government, local government associations advance their respective concerns and interests internationally

In Japan, there are no formal associations of local governments that represent local government interests. But there exist a number of elective position-based associations such as Japan Association of City Mayors, Association of Town and Village Mayors, National Association of Chairpersons of City Councils and the National Association of Chairmen of Town and Village Assemblies. These organizations cooperate with the National Governors' Association and the National Association of Chairpersons of Prefectural Assemblies in presenting and negotiating policy alternatives with central government. In China, local governments are represented by the China Association of Mayors, created in 1991. In the Republic of Korea, the new course in favor of decentralization has been accompanied by the creation of national associations: the National Association of Mayors (1996) and the Governors Association of Korea, based on article 154, paragraph 2 of the Local Government Act (1999).

Another area where associations have played an important role is training and capacity-building for councils and local staff. In Australia, the state associations also act as employer bodies for councils in industrial relations. They also provide training and capacity-building projects for councils and deliver a number of specialist services such as general insurance, workers' compensation insurance and retirement income schemes for their member councils. The documentation and dissemination of local government best practices are increasingly becoming an important function that these associations fulfill for their members.

Beyond representation to higher levels of government, local government associations advance their respective concerns and interests internationally. This is especially true in Australia and New Zealand. Local government associations in these countries are members of regional and international organizations such as the Com-

monwealth Local Government Forum and the Asia-Pacific Regional Section of United Cities and Local Government Organizations. Additionally, several countries have developed local government organizations aimed at developing international cooperation with local governments abroad: in China, the Chinese International Friendship Cities Association; in Japan, the Council of Local Authorities for International Relations (CLAIR) and in the Republic of Korea the Korean Local Authorities Foundation for International Relations.

IV. Local democracy

Throughout much of the Asia-Pacific region, multi-party democracy is thriving at the local level. The mayor-council system is the norm across the region although local electoral practices vary considerably, including whether mayors are directly or indirectly elected (UNDP 2006b). In most countries citizens directly elect their local government legislatures (councils) as well as their executives (mayors), as shown in Tables 10 and 11 below. The major exception is Malaysia, where the state government appoints local councils and executives –although those appointed are intended to act as representatives of the local community. In Pakistan, an electoral college of lower tier council members selects the higher tier of local administration. In China and Vietnam, local communities elect their respective congresses or councils but the candidates are subjected to a prior screening process. These local councils in turn nominate representatives to higher level bodies at the town, county, city and provincial levels. In Vietnam, although candidates for council elections are usually members of the ruling Communist Party, there have been recent efforts to attract non-party members or self-nominated candidates to stand in local elections. In the 2004 local elections, non-party candidates won 312 seats compared to 25 in previous elections, spread among more than 10,000 municipalities.

IV.1. Electoral Systems for Local Councils

It is generally believed that proportional representation (PR) electoral systems are the most representative because they tend to produce electoral results that are more reflective of actual voting patterns, whereas plurality-majority or 'First Past The Post' (FPTP) systems are thought to

enhance accountability because they give voters a specific representative with whom to identify. However, this may not always be true. PR systems can concentrate power in parties rather than voters' hands, and having an identifiable representative in a FPTP system may not necessarily translate into greater accountability from this person to the electorate (UNDP 2006b).

Table 10 Electoral Systems for Local Councils in the Asia-Pacific Region

Country	Electoral system for directly elected lower tier LG councils	Electoral system for directly elected upper tier LG councils	Terms of mandate and number of terms	Electoral turnout and trend
Australia	Mixed system – PR and FPTP		2 years (2 states), three years (3 states), 4 years (1 state) and 1-4 years in Northern Territory	Compulsory voting in 4 states. Elsewhere turnout is generally low, except where there is postal voting
China	Mixed system throughout.	Mixed system	5 years	Declining
India	All LG councils (rural and urban, all tiers) have FPTP, single-member ward constituencies		5 years	Figures unavailable
Indonesia	All LG councils have PR 'open List' system		5 years with no limit on number of terms	Complete figures unavailable.
Japan	All LG councils have PR list system		4 years with no limit on number of terms	Declining, 56.23% (2003)
Malaysia*	Not applicable			
New Zealand	Mostly FPTP but STV in a few cases		3 years	2001 – 50% 2004 – 52%
Pakistan	Union councils have FPTP + multi-member constituencies	Not applicable	4 years	Figures unavailable
Philippines	Barangay councils have FPTP with block vote arrangement	Municipal and city councils, and provincial boards have FPTP.	3 years and maximum 3 terms	Approx. 80%
Korea, Rep. of	Korea: Direct council election by single round majority vote in the electoral districts, and by PR lists in local authority territories with unitary wards.		4 years	
Thailand	All LG councils have FPTP system.		4 years	35.39% (Bangkok Met. Admin. Council) District (Council elections)
Vietnam	People's councils (commune, district and province) have FPTP and multi-member constituencies		5 years	98.7% (2004)

Source: UCLG Country Profiles (2007) and UNDP (2006b).

Note: FPTP = First-Past-The-Post; PR = Proportional Representation; STV = Single Transferable Vote.

* There is no electoral system for local government in Malaysia.

The major features of the electoral system for local councils in selected Asia-Pacific countries are presented in Table 10. In most countries council members are directly elected according to the FPTP system via single-member constituencies, i.e. geographical areas at the sub-municipal level, known as 'wards' in Australia and Pakistan and as 'districts' in the Philippines. The only exceptions are Pakistan and Vietnam where the FPTP system is applied to multi-member constituencies. The Block Vote system is used for local elections in the case of barangays in the Philippines under which electoral districts are multi-member and voters are given as many votes as there are open seats in a legislative chamber. They can cast the full number of votes or as few votes as they like and the candidates with the most votes overall win the election. Uniquely, New Zealand conducts local elections exclusively by mail and in four states of Australia voting in local government elections is compulsory.

Only Indonesia and Japan rely exclusively on PR for local elections, a system that has tended to strengthen the power of national political parties over local political life. In 2004, Indonesia moved from a 'closed' to an 'open' list PR system, in order to reduce the power of national party executives to select local candidates. This electoral reform sought to provide voters with more 'voice' in deciding which individuals (as opposed to which parties) represent them in local government. New Zealand and Australia have a mixture of systems for electing council members, which includes FPTP, PR and single transferable voting.

IV.2. Electoral systems for local executives

The method of election of the local executive also varies from country to country within the region, but in many cases it also varies between the different tiers of local government within a country. The major features of the electoral system for the local executive in selected Asia-Pacific countries are presented in Table 11. Typically the local

executive (or mayor) is directly elected (e.g. Japan, New Zealand and Philippines). Indonesia's two-round electoral system (ballotage) for local executives is designed to ensure that they have at least received a majority (i.e. more than 50%) of the votes. This aims to overcome one of the disadvantages of the FPTP electoral system, namely the likelihood of 'wasted' votes. In Indonesia and Pakistan, the heads and deputy heads of lower tier councils are directly elected, but on the basis of a joint ticket. In Indonesia this is on a party basis, while in Pakistan it is on a non-party basis. In India, the form of election of panchayat and municipal leaders varies from state to state, depending on state legislation. Hence, in a few states council members belonging to the party with an elected majority, indirectly elect the local executive. Australia has a mixed system –in three states the local executive is directly elected, in three states the council chooses between direct and indirect election and in one state citizens choose.

Where upper tier councils are themselves directly elected by voters (and not by electoral colleges), their local executives are invariably also directly elected by voters (e.g. India, Indonesia, Philippines and Vietnam). Similarly, where upper tier councils are indirectly elected, local executives are generally also indirectly elected. This is the case in Pakistan, which has a hybrid system of indirect elections for local executives. The leader (nazim) of any town (tehsil), district or city is indirectly elected by an electoral college consisting of all the union councilors⁸ in their respective constituencies. They are thus indirectly elected by all union councilors (including the union council leaders (nazims) and deputy leaders (naib nazims) in their respective jurisdictions. However, naib nazims at the tehsil or district tiers are indirectly elected by their respective councils (from amongst themselves) and not by a wider electoral college.

The term of office of the local executive varies within the region –from a minimum of three years (e.g. New Zealand and Phi-

8. The union administrations council is the institution which brings together villages or neighborhoods which have their own elected organs. In Pakistan there are 6,125 union administrations that each form the basic municipal administration for an average population of 15,000.

ippines) to a maximum of five years (e.g. Australia, China, India, Indonesia and Vietnam). Several countries place restrictions

on the number of executive office terms – two in Indonesia and Thailand and three in the Philippines.

Table 11 Electoral system for local executives in the Asia-Pacific Region

Country	Directly elected Mayors	Mayors elected by council	Mayor appointed by higher tier	Term of office of mayor	Maximum number of terms	Provision for citizen recall of mayor
Australia	In 3 states	In 3 states	No	4 years	No limit	In some states
China	No	No	Yes	5 years	No limit	No
India	In most cases	In case of samiti and zilla chairpersons	No	5 years	No limit	No
Indonesia	Yes	No	No	5 years	2 terms	No
Japan	Yes	No	No	5 years	No limit	Yes
Malaysia	No	No	Yes	n/a	n/a	No
New Zealand	In all cases	Only in cases of regional chairpersons	No	3 years	No limit	No
Pakistan	Union nazim and naib nazim - on a joint ticket	Tehsil/district nazims elected by all UC members in their respective jurisdictions. Naib nazims at tehsil and district tiers chosen by their respective councils	No	4 years	No limit	No
Philippines	Yes	No	No	3 years	3 terms	Yes
Korea, Rep. of	Yes	No	No	4 years	3 terms	Yes, with effect from July 2007
Thailand	Yes	No	No	4 years	2 terms	Yes
Vietnam	No	Chair of People's Councils' Standing Committees indirectly elected by People's Councils. Chairs of People's Committees (Commune, District and Provincial) elected by People's Councils	No	5 years	No limit	No

Source: UCLG Country Profiles (2007).

IV.3. The role of political parties

Partisan local elections are the norm in the Asia-Pacific region. The only significant exceptions are New Zealand and Australia where non-partisan or independent affiliation is the norm except in large cities. Attempts to 'de-politicize' local government have occurred in Pakistan and the Philippines, two countries where political parties are a vital part of political life at the national level. In Pakistan, political parties are banned from contesting local elections and in the Philippines they are banned from barangay elections but are allowed at all other tiers of local government. However, in practice political parties play a major role in local government elections in Pakistan by supporting candidates who are closely identified with one party or another.

In China and Vietnam, the only political party allowed to contest local elections is the ruling Communist Party. Independent candidates may stand for election in Vietnam but all candidates (whether Party or non-Party) must initially be screened by a range of institutions, such as the Fatherland Front, that are closely linked to the Communist Party of Vietnam. This effectively ensures that all candidates speak more or less the same 'political language' (that of the Party) and thus implies a limitation on any variation in the political programs of candidates. In China, free and direct elections of village committees have been introduced since 1987, and have become compulsory nation wide since 1997 (15th Communist Party Congress); in 2004 there were committees elected in 85% of villages and 75% of neighborhood communities in urban areas. From 1995 (first experience), township leading positions (governor, deputy-governor and sometimes the Party secretary) have been subject to a semi-competitive election procedure in the province of Sichuan and in some counties elsewhere. This semi-competitive procedure includes as a rule a kind of primary election among self-nominated candidates by a broad selectorate

(150 – 300 people), before approval by the party leadership at county level, and final direct election by the citizens among selected candidates. Although under Party control, these elections have already changed the relationships between villages and lower local government levels in favour of villages⁹.

Local government elections throughout the region are hotly contested but are often marred by manipulation and cheating by competing parties. In most countries, local political parties are branches of national political parties. Independent candidates are prohibited in Indonesia but are allowed in the Philippines. Local and national elections are often synchronized, with local party branches receiving funds from their national headquarters to promote the electoral campaigns of candidates for national office. Throughout the region, politicians view local government as a stepping stone to national political office. However, as a result of decentralization reforms, issue-based local elections are increasingly transforming local politics.

IV.4. Citizen Participation in Local Governance

Local government is the closest tier of government to the citizens. As such it is the first entry point for people to gain access to and influence decision-making in government. In all the selected countries, citizen participation in local governance is increasingly gaining importance. The most common form of participation is through the electoral system. All countries allow local citizens to select to varying degrees the leaders who manage the affairs of the community, ranging from the consultative people's congress in Vietnam and China to the directly elected councils and mayors of Australia, India, Indonesia, Japan, Korea, New Zealand, Pakistan, Philippines and Thailand. The level of participation in local government elections varies considerably throughout the selected countries. The

9. Gunter Schubert (2003), «Democracy under one-party rule?», *China perspectives* n°46, March-April; Lai Hairong (2004), "Semi-competitive elections at township level in Sichuan province", *China Perspectives* n°51, January-February.

turnout is extremely high under the one-party communist government in Vietnam (98.7% in 2004) and China (80% in village elections in rural areas). Voting is compulsory in four states of Australia but in the rest of the country turnout in local government elections is generally low at around 30-40%, even where postal voting has been introduced. Elsewhere in the region the turnout ranges from a high of around 80% in the Philippines to 56% (2003), 52% (2004) and 47% (2005) in Japan, New Zealand and Pakistan respectively, and a low of 35% in Thailand's Bangkok Metropolitan Administration.

However, citizen participation in local governance is not merely confined to voting in local government elections. The presence of decentralized structures and processes has been considered one manifestation of a wider movement in the region towards democratization because it provides the enabling context for broader citizen participation and active civil society engagement in the democratic discourse. Ensuring the participation of civil society groups (NGOs and non-profit organizations), and business and the private sector in the local governance process is a continuing concern in the region. Such participation is a sine-qua-non for successful decentralization. How to overcome the so-called 'psychological divide' between government and civil society is a challenge that is being addressed in various ways by the selected countries of the region.

Japanese citizens have extensive powers to demand a local referendum – for example, on important issues such as US military relocation, nuclear sites and construction of industrial waste disposal facilities. They can demand formulation, improvement or elimination of ordinances, audits and even dissolution of the local assembly, as well as the dismissal of the mayor, council members or officials. In Korea, citizen participation has been greatly strengthened by three legislative reforms in the very recent past: the 2005 Local Referendum Act, confirming the

power of councils to hold referendums; the 2006 Act on the Local Ombudsman Regime and Local Petition against the abuse of local finance, and the 2007 Local Recall system, by which elected mayors and councilors may be removed from office by a local vote. In New Zealand around half of all municipalities have introduced some form of community board structure as a strategy for linking communities with the local council. Although these structures are authorized in the 2002 Local Government Act, the boards lack formal government authority or independent financial resources.

In the Philippines there has been a noticeable increase in citizen participation in local governance in recent years. The 1991 Local Government Code established new mechanisms of consultation and participation. Local referendums and recall of officials have been introduced and there were 29 recorded local recall elections between 1993 and 1997 (Teehankee 2002). The Code requires all municipalities to establish a local development council (LDC), with at least one-quarter of its members being representatives of non-governmental and civil society organizations. The LDC draws up a comprehensive development plan for approval by the council.

Attempts at promoting citizen participation often challenge powerful vested interests and are not always successful. The Gram Sabha (or assembly of all registered voters in a panchayat) is a key feature of rural local government in India, and it is mandatory for rural local bodies to hold Gram Sabha meetings where important decisions have to be approved. There is also an increasing emphasis on setting up user groups to take decisions and to participate in the management of public services. This is more controversial as it is often seen as a dilution of the institutional role of elected local bodies. Currently, urban local government in India does not have a corresponding institution to the Gram Sabha and does not offer any institutionalized role for citizens beyond voting at election time

The presence of decentralized structures and processes has been considered one manifestation of a wider movement in the region towards democratization

In several countries much attention has been given to the villages, because of their roots in traditional patterns of social relations and as a legitimate basis, owned by the local people, for local development

—although there are calls to build a ward-level platform for citizen engagement. As a step towards greater public accountability, India has recently enacted a Right to Information law, overriding earlier laws that protected government policies and decision-making from public scrutiny. Local government laws in some states contain their own Right to Information provisions, mandating what information must be placed in the public domain.

In Pakistan, a major objective of the 2001 decentralization reform was to institutionalize community participation in local governance. To support this objective, one-quarter of the local development budget is mandated for community organizations. Despite this, neither community organizations nor participation has increased significantly. Resource allocation for community organizations has become highly politicized within the local councils. Local government laws have also enshrined traditional dispute resolution within the formal system to facilitate citizen participation. But these mechanisms have proved ineffective in defending the interests of weaker and poorer members in the community.

In several countries much attention has been given to the villages, because of their roots in traditional patterns of social relations and as a legitimate basis, owned by the local people, for local development. Therefore barangays are promoted in the local government system of the Philippines. In Indonesia, the military government reorganized the villages in 1979 in order to integrate them in its ruling system. The decentralization reform of 1999 reversed this decision in order to revive villages in rural areas as a social structure, based on customary institutions and rules, that can help to integrate local people in the management of local government affairs. Surveys have shown that the village can play a role in local dispute settlement instead of official police and justice – unless formal authorities are involved in the conflict

(World Bank: 2004). However, other surveys show that, despite reforms, local people do not see much opportunity to participate in decision-making or even offer input in the decision-making process. (Alatas, Pritchett, Wetterberg: 2002). Perhaps better results will come in time.

Large city governments face particular challenges of representation and accountability. Their large size can mean remoteness from citizens and voters. In terms of responsiveness, much depends on the prevailing institutional and electoral arrangements. (Rakodi 2004). One way in which cities can retain a degree of responsiveness, particularly to the poor, is through a lower tier of government at the community level, such as the barangays in the Philippines, which have access to resources for local service and infrastructure needs (Devas et al 2004). However, with the exception of the OECD countries Australia, Japan, Korea and New Zealand, which have much greater resources and longer established traditions of local democracy, the cities of Asia-Pacific demonstrate huge problems of lack of responsiveness to the needs of their citizens, particularly the poor, and a woeful lack of accountability. Their lack of responsiveness can in large part be attributed to their inadequate resources, both human and financial. But it can also be attributed to weak, unaccountable and opaque administrative systems, political systems that are unrepresentative and repressive, and high levels of corruption. In addressing these problems, demands from civil society are increasingly forcing municipal governments to practice greater transparency and accountability (ibid).

IV.5. The political representation of disadvantaged and minority groups

Elite representation has tended to dominate the electoral systems in the Asia-Pacific region, even where PR has been the norm, and especially where upper tier local governments are indirectly elected.

For this reason, many countries have taken affirmative action in order to promote the political representation of disadvantaged and minority groups at the local level. In principle, the democratic election of local government representatives gives all citizens a voice. But in practice, some electoral arrangements are more inclusive – particularly of women but also of minority groups and the poor – and so can produce outcomes that are more representative. To date there is no legislation in any of the selected countries in the region requiring that political parties ensure that a given percentage of their candidates for local election are representative of minority or disadvantaged groups. However, in Vietnam, the law states that the Communist Party should, when selecting candidates to stand for election, ensure that an appropriate number of women and ethnic minority people are elected to the People's Councils.

India, Pakistan and the Philippines have adopted electoral arrangements with quota systems and reserved seats for women and for disadvantaged and minority groups. India offers the most striking example in terms of the positive outcome of affirmative action in favor of women's and minority representation. Not less than one-third (including seats reserved for Scheduled Castes (SC) and Scheduled Tribes (ST), of seats and chairs on all local government councils in all states are reserved for women. As a result, over one million women are serving as local government councilors in India. SCs and STs also have reserved council seats – in the same proportion as the population of SCs and STs bear to the total population. The requirement that a proportion of senior positions must be reserved for women and minority groups has also had an empowering effect although the evidence of the impact is mixed, with states such as Kerala and West Bengal making much greater strides on this front than others (Blair 2000).

In Pakistan on directly elected village or neighborhood councils one seat is reserved for women and one seat is reserved for peasants and workers, while on directly elected union councils four seats are reserved for Muslim women, six seats (of which two are for women) for workers and peasants, and one seat for minority communities. For the indirectly elected zilla, tehsil and town councils, women must represent 33% of all members while peasants and workers must represent 5% and members of minority communities in the respective local government unions must represent a further 5%. The electoral college for filling these seats consists of the members of the union councils in each local government. However, a large number of the reserved seats remain unfilled or are simply not contested. Following the 2000-2001 elections, 17% of councilors at the union council level were women, 15% at the tehsil level and 11% at the district and city level (CLGF 2005:1183).

Strong traditions of local elite domination in many of the countries in the region mean that the achievement of more inclusive representation is a long-term process, although the growth of the civil society movement and its engagement with local government is helping. This has been particularly the case in the Philippines, where NGOs and civil society organizations enjoy quite a high degree of legal protection and rights within the local government system. The 1991 Local Government Code states that there must be three sectoral representatives in local councils at all tiers, i.e. one woman, one agricultural or industrial worker and one representative for the urban poor, indigenous cultural communities, disabled persons, or any other sector as may be determined by the council concerned. In addition, the Philippines has one of the most overtly 'pro-youth' local representational systems in the world. The Local Government Code provides for the establishment of youth councils, whose members are elected by persons between 15 and 21 years of age, in every barangay. The pre-

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sidents of these youth councils and of their federations represent the youth as ex-officio members at every tier of the local government system.

In Australia and New Zealand the rights of indigenous peoples to local self-government is a political issue, and one that is more about self-determination than about inclusion (Sproats 2003). In Australia, there is a long-standing difficulty in incorporating the aboriginal population within the formal governmental structures. In some regions, there are special local government areas to serve the needs of the aboriginal population in order to achieve a greater degree of representation for them. Although the Maori popula-

tion in New Zealand makes up 15% of the total population, it accounted for only 6% of council members in 1998-2001. Despite the absence of affirmative action in both countries, female representation at the local political level is considerable. In 2000, 26% of council members in Australia were women and only 10% of councils had no women councilors. Some 15% of councils had a woman mayor, more in metropolitan areas (21%) than in rural councils (11%) (UNESCAP 2005a). In New Zealand, women accounted for 34% of city council members and 28% of district council members in 2004. In the same year four of the 16 city mayors and 12% of district mayors were women (UNESCAP 2005b).

V. Conclusion

In considering the impact of decentralization and democratic local governance on service delivery, citizen voice, accountability and poverty reduction, it is important to bear in mind that, while some countries in the Asia-Pacific region have undergone significant decentralization of government functions (notably Indonesia, Philippines and some states in India, as well as some sectors in China, and to a lesser extent, Korea, Thailand and Vietnam), in other countries there have been more modest reforms to the existing system of local government (Australia, Japan – but significant on local finance system – and New Zealand). Decentralization and local governance also show widely differing degrees of local democratic control and accountability across the region. As such, it is difficult to make generalizations about such a wide range of experience, especially where decentralization is a comparatively recent phenomenon in comparison to other parts of the world. Nevertheless, two broad conclusions can be made about the impact of decentralization and local democratic reform in the region.

First, in terms of the impact of democratic decentralization on service delivery, there is a degree of support from within the region (e.g. Indonesia, Korea, Philippines and some Indian states) for the positive view that service performance improves when elections are introduced for local decision-makers, who are then obliged to become more responsive and accountable to local citizens. Decentralization should in principle open up political space for citizen participation and voice, and so create the potential for greater accountability of decision makers. In India, Indonesia, Pakistan and the Philippines, decentralization has indeed greatly increased the number of elected positions, thereby increasing the scope for democratic accountability. But traditions of patron-client relationships between local elites and citizens, which are strong in many countries in the region, can seriously undermine local democratic accountability.

Decentralization can open the door for 'money politics,' as is the case in Indonesia, where it is often money rather than accountability that counts (Hofman and Kaiser 2006). In China and Vietnam, local democratic choice of community leaders is beginning to be implemented at the village level, and citizens are increasingly willing to challenge and demand accountability from local officials. In Malaysia, where there is no direct line of accountability because local government councilors are appointed not elected, nevertheless striking innovations in terms of greater public access to information are under way that are intended to enhance local accountability. In many countries, particularly in the Philippines and some Indian states, local civil society organizations are increasingly ready to use that information to demand accountability. Meanwhile, in countries with well-established local administrative systems, such as Australia, Japan and New Zealand, much effort over the past two decades has gone into improving the management and efficiency of local service delivery, including the adoption of performance management and facilitation of citizen access to information through e-governance initiatives. These should have had a positive impact on local service delivery outcomes.

Second, the available data is insufficient to draw any firm conclusions yet with regard to the impact of decentralization on poverty reduction. In principle, in combination with an effective and equitable resource distribution system, decentralization should spread the benefits of growth around more widely and so help to reduce poverty. On the other hand, without such an equitable system for resource distribution decentralization can lead to an increase in inter-regional inequality. This is typified by China where economic reform generally, including economic decentralization, has greatly increased living standards and substantially reduced the numbers living in absolute poverty but at the same time has substantially increased inter-personal and inter-

Decentralization and local governance also show widely differing degrees of local democratic control and accountability across the region



regional inequality. In Indonesia, decentralization has increased the resources going to the local level, but this increase has been much greater in the resource-rich regions than elsewhere. While this may help to redress historic differences in the levels of development between regions, it may not do so in a manner that systematically addresses either poverty or inter-regional inequality.

In conclusion, it is clear that decentralization has become a major theme of governance reform throughout the Asia-Pacific region over the past decade and that decentralization has for the most part been accompanied by enhanced

local democracy. But the forms and patterns of local governance have varied widely, as have the outcomes, reflecting the diversity of country contexts. While there are clearly a great many weaknesses in the current arrangements for decentralized governance in the case study countries, and further reforms will undoubtedly be required, it is hard to imagine that any wholesale return to a centralized system of governance would be either appropriate or politically acceptable.

Annex 1

Major Local Government Legislation in Selected Asia-Pacific Countries

Country	Year	
Australia	1989	Victoria: Local Government Act
	1993	New South Wales: Local Government Act
	1993	Northern Territory: Local Government Act
	1993	Queensland: Local Government Act
	1993	Tasmania: Local Government Act
	1995	Local Government (Financial Assistance) Act
	1995	Western Australia: Local Government Act
	1999	South Australia: Local Government Act
China		No constitutional or dedicated legal basis exists for local government. The following laws are relevant for the role of sub-national governments: Comprehensive Fiscal Reform (1994), Budget Law (1995) and Tax Sharing System (1994)
India	1950	Constitution (Article 40)
	1992	73rd and 74th Constitutional Amendments
Indonesia	1974	Law 5 on Local Autonomy
	1975	Law on Decentralization (decentralisatiewet) that established autonomous regions
	1999	Law 22 on Regional Government and Law 25 on Fiscal Balance between Central and Regional Government
	2000	Constitutional Amendment strengthening basis for decentralization
	2004	Law 32 on Regional Government (amended Law 22) and Law 33 on Fiscal Balance between Central and Regional Government (amended Law 25)
Japan	1947	Local Government Law
	1993	House and Diet Resolutions on Decentralization
	1995	Law for the Promotion of Decentralization
	1999	Global Decentralization Law
	2004	Revision of 1947 Local Government Law
	2005-2007	"Trinity Reform" of local finance
Korea, Rep. of	1949	Local Autonomy Act, amended in 1956, 1958, 1960 and 1961
	1986	Local Autonomy Law
	1987	Constitution: Title V111 (Articles 117 and 118) on Local Autonomy
	1990	Revised Local Autonomy Law

Annex 1

Major Local Government Legislation in Selected Asia-Pacific Countries (Cont.)

Country	Year	
Malaysia	1950	Local Authorities Elections Ordinance
	1952	Local Councils Ordinance
	1976	Local Government Act
	2003	Smart Local Government Governance Agenda
New Zealand	1989	Local Government Amendment Acts No. 1 and No. 2
	1991	Resource Management Act
	2001	Local Electoral Act
	2002	Local Government Act
	2002	Local Government (Rating) Act
Pakistan	1959	Basic Democracies Order
	1960	Municipal Administration Ordinance
	1972	Local Government Ordinance
	1979	Local Government Ordinances passed in each Province
	2001	Local Government Ordinances passed in each Province
	2005	Amendment to 2001 Local Government Ordinances
Philippines	1959	Local Autonomy Act
	1960	Barrio Charter Act
	1963	Revised Barrio Charter Act
	1967	Decentralization Act
	1983	Local Government Code (Batas Pambansa)
	1987	Constitution: Article 10 provides for local autonomy
	1991	Republic Act (known as Local Government Code)
Thailand	1933	Municipal Administration Act
	1985	Bangkok Metropolitan Administration Act
	1991	National Administrative Organization Act
	1997	Constitution: Article 78 provides for local autonomy
	1997	Provincial Administration Organization Act
	1999	Decentralization Plan and Procedures Act

Annex 1

Major Local Government Legislation in Selected Asia-Pacific Countries (Cont.)

Country	Year	
Vietnam	1958	Law on Local Governments
	1994	Law on Organization of the People's Council and the Administrative Committees at All Levels of government
	1996	Ordinance on Concrete Tasks
	1998	Budget Law
	2004	Revised State Budget Law

Source: UCLG Country Profiles (2007) and Brillantes 2006; CLGF 2005; World Bank 2005.