



WHERE CHANGE HAPPENS

LOCAL GOVERNANCE
TO TACKLE MULTIDIMENSIONAL
POVERTY AND INEQUALITY

POSITION PAPER | EXECUTIVE SUMMARY



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arco

ACTION RESEARCH
FOR CO-DEVELOPMENT



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WHERE CHANGE HAPPENS

Local governance to tackle multidimensional poverty and inequality

The **2030 Agenda for Sustainable Development** has now been set and provides a clear framework for the vast majority of development initiatives and actions that will follow over the next 15 years in any country in the world. The effectiveness of development strategies for achieving such goals and reducing multidimensional forms of poverty and inequality is not just about deploying resources; it is also about improving governance processes and mechanisms. Although it is clear that development effectiveness plays an important role at the national and international levels, the role it plays at the local level is less well recognised and typically lost in debates on sustainable development. More space needs to be devoted to **action at the local level for tackling poverty and inequality**. Once the multifaceted and multidimensional nature of poverty and inequality are recognised, we believe it becomes self-evident that it is necessary to move beyond their characterisation as global or national phenomena by focusing also on their distinctive local features within the primary context in which people live and interact.

The general objective of this paper is to describe the position of Oxfam and ARCO on how local governance processes can play an important role in the implementation of the 2030 Agenda for Sustainable Development. In particular, we emphasise the importance of enabling local actors to lead and influence policy action and practices within a system of multilevel relations, in order to address multidimensional poverty and inequality. It is important **to have a common understanding and framework on local governance to ensure it gains a central position within the development debate** and can more effectively influence social change for human flourishing.

The starting point is to recognise each “**territory**” or “**local space**” as a distinctive eco-system with a complex array of history, culture, geography, resources, knowledge and institutions.

Four broad arguments call for renewed attention to local governance in order to tackle poverty and inequality:

- 1) The presence of wide spaces of influence and action at the local level;
- 2) The existence of policy areas directly related to the citizens' well-being, where central governments often have limited (or indirect) incidence;
- 3) The diversified territorial impact of national policies (e.g. macroeconomic policies);
- 4) The need for tailored implementation of development strategies according to local contexts and for institutional coherence, which depends on synergies amongst governance levels.

In other words, **governance mechanisms at the local level matter, because it is where the interaction among authorities, institutions, citizens – and thus society as a whole – is most immediate**, as well as where inequality, exclusion, and vulnerability are most immediately experienced by people. In line with these arguments, empirical evidence on demographic, employment, income and poverty indicators points to clear sub-national disparities that cannot be overlooked in designing and implementing development initiatives. Moreover, the extent to which several key actors in the field of international development (from supranational organizations and development banks to philanthropic foundations and international NGOs) are increasingly devoting attention – and resources – to local governance processes is nowadays undeniable. However, focusing on the local level does not imply lessening the fundamental role of national governance, nor looking at territories or local communities as self-sufficient and/or isolated from the national and international context. Rather, it implies emphasising and building on the **complementarities among mechanisms at different levels of governance**, notwithstanding that territorial development processes depend crucially on policies, norms and coordination rules at the national and international levels.

Positioning local governance at centre stage with regard to development effectiveness requires a **consistent and coherent development perspective with a solid theoretical basis**. In this respect, we draw on the perspective of **Sustainable Human Development** and its connections with the **human-rights approach**, to describe a theoretical framework that links local governance to the sustainable expansion of people's entitlements, capabilities and rights to lead the kind of life they have reason to value. Within this perspective, different key questions emerge: How can we make local governance operational in different contexts? How can we promote and influence policy changes that tackle multidimensional poverty and inequality by engaging with local communities?

Oxfam's Theory of Change permeates all of its global activities: namely, that efforts to tackle poverty and inequality are best capitalised through a combination of active citizens and effective states. Here, we stress that

the local forms of active citizenship and effective states inevitably play a crucial role within Oxfam's Theory of Change, in order to increase the sustainability and effectiveness of social change for Sustainable Human Development. This perspective is clearly aligned with broader debates on the **implementation and monitoring of the 2030 Agenda for Sustainable Development**.

As the level of government closest to citizens, **effective local authorities** can actively manage local development processes and play a crucial role in tackling multidimensional poverty and inequality within their communities. On the one hand, local authorities can engage in a dialogue with national governments based on clearly expressed needs and priorities, as raised and identified by citizens themselves. On the other hand, exercising influence on the national and global governance structures is only likely to have real impact on local communities if the role and effectiveness of local authorities is improved.

In particular:

1) BASIC NEEDS. Effective local authorities can provide an immediate response to local communities' primary needs, especially for the most vulnerable groups. For instance, the municipalities of **South Beirut in Lebanon** play a crucial role in dealing with the Syrian crises. Between 2014 and 2015, they ensured humanitarian initiatives benefiting 15,000 refugees hosted in their local communities. Another example concerns the provision of local innovative services to prevent the transmission of mother-to-child HIV in rural areas of the **Tanzania, South Africa and the Democratic Republic of Congo**. These initiatives involved fostering the role and capacities of local authorities in planning and monitoring local health services and in properly managing rural clinics. In South Africa, the Anti-retroviral Treatment coverage for pregnant mothers increased from 34.2% in 2011 to 90.4% in 2014.

2) DIALOGUE. Effective local authorities can set-up and maintain permanent mechanisms of dialogue and promote citizens' participation in decision and policy-making processes on topics that affect their lives. In this regard, the dialogue between local authorities and civil society in the municipalities of **Ouanaminthe-Dajabon, Balladere-Comendador, Malpasse-Jimandi** in the boundary regions between the Dominican Republic and Haiti has been reinforced to improve the transparency and accountability of local authorities. Similarly, in the **Provinces of Bokeo, Savannakhet and Khammoune in Laos** local authorities, civil society organizations and communities engage with each other for the co-development of community projects, promoting the role of development facilitators for a constructive and inclusive dialogue at community level on the design and implementation of small projects. These projects have benefited around 16,500 local people.

3) COORDINATION. Effective local authorities can initiate and coordinate the efforts of different actors whose activities shape local development.

For instance, in the **Province of Sien Reap in Cambodia** working simultaneously with local authorities and civil society organisations has led to the design and implementation of four community forestry initiatives. This initiative has also managed to integrate natural resources protection measures with income generating activities. Another example of public engagement with the private sector can be found in **Cotacachi Canton in Ecuador** where the promotion of food sovereignty and local development has supported traditional indigenous identity through the restoration of Andean grains. This process increased the income of 800 small farmers by 22% and raised their productivity by 30%.

At the same time, the role played by **active citizens at the local level** is critical for achieving real and tangible improvements in people's well-being. Women, men and youth can shape their own society if they are sufficiently informed and their voices can be heard within their territories. Such participation simultaneously enhances both local authorities' accountability and citizens' accountability towards their own community. Indeed, active citizenship is something more than political participation at administrative and political elections, but rather concerns decision-making processes related to development objectives, strategies, resources and efforts. The local dimension is also frequently a setting where innovative ideas emerge and are promoted by individuals and groups who seek to address specific issues.

In particular:

1) LOCAL PRIORITIES. Active citizens can join efforts and work together in formal and informal groups by gathering around specific local issues that are perceived as close to everyday life, in order to identify common problems and shared solutions. For instance, the experiences fostered in **Bosnia Herzegovina** by the Local Economic Development Network (which increased the voice of small and medium enterprises) created a permanent dialogue among governments, businesses and citizens in the country, leading to the allocation of resources to develop micro, small and medium sized enterprises.

2) CONTINUITY. Active participation can guarantee continuity (and help avoid political volatility), given that a community's collective interests and commitment to development issues typically lasts longer than political ones. This has been strengthened, for instance, in **Tuscany (Italy)** to increasing awareness and understanding amongst a large constituent of students (numbering around 10,000) on an annual basis regarding how to use their voice and agency to promote human rights at the local and global levels.

3) JOINT PARTICIPATION. An active private sector embedded in a specific territory, which is endowed with resources (human, natural, financial, physical and social forms of capital), can play a key role in tackling poverty and inequality. An interesting example is the Social Business City Program implemented in **Pistoia in (Italy)** and **Barcelona (Spain)** that seeks

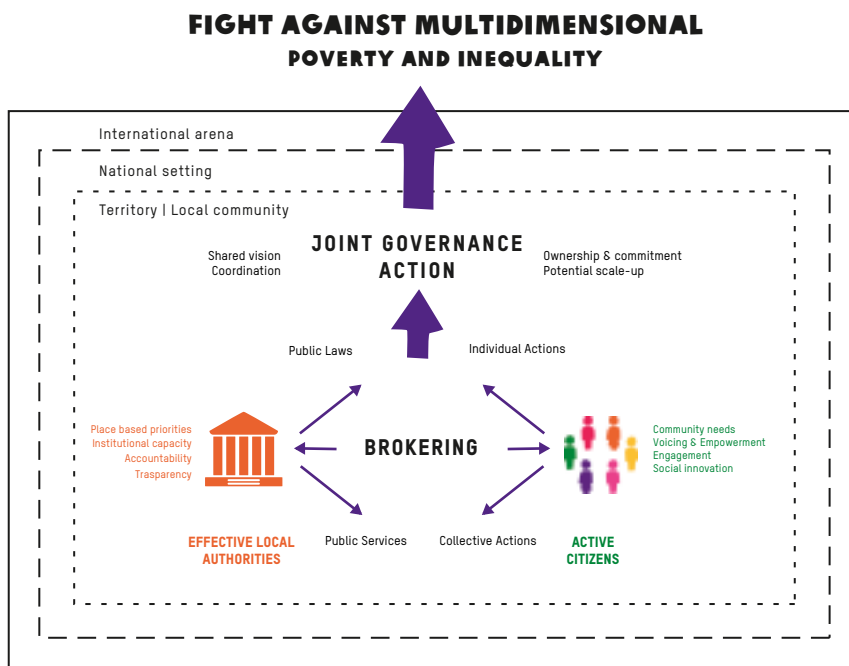
to create an enabling eco-system for social business and social innovation.

Many of these experiences have been promoted and implemented through **dynamic territorial partnerships**, which are able to mobilize financial resources and technical expertise for the implementation of the different projects.

To recap, as the development process counts primarily at local level by directly shaping the capabilities and rights of people, it becomes **fundamental to simultaneously foster the role of local authorities and citizens** in order to improve well-being and tackle multidimensional forms of poverty and inequality. Both of these actors engage for social and economic goals: local authorities can implement public services and laws, and citizens can pursue individual and collective actions. However, working on the dialogue and interaction between local authorities, citizens and other stakeholders within a community paves the way for (i) the **identification of strategic solutions for Sustainable Human Development at the local level**, and (ii) the **design of innovative policies feeding into national and international policy change**. This kind of relationship has been summarized in the following figure that highlights the brokering role and corresponding joint governance actions as critical levers for development. Together they can increase ownership, commitment, shared vision and partnerships to tackle multidimensional poverty and inequality. They can also contribute to scaling up processes from the local territory to the international arena.

Nonetheless, it is important to stress that the contribution of local governance to effective policy change for Sustainable Human Development at the local level has strong multilevel synergies with influencing and advocacy initiatives on national and international actors. In other words, **local governance is significant and indispensable part of a larger more complex system**.

FIGURE. THE CONTRIBUTION FROM LOCAL GOVERNANCE TO OXFAM'S THEORY OF CHANGE



Source: Authors

At this point, it is important to recognise that discussions of local governance and territorial processes of development do not imply a technical or neutral fix, as these processes do not take place in a political vacuum. Rather, it requires dealing with formal and informal power structures, and it involves asking how local power is exercised, whether or not it is oriented towards territorial development, and to what extent such power struggles reinforce horizontal inequalities amongst social groups, classes and communities. Indeed, **the kind of local development pursued by various agents is shaped by principles and values reflecting relations and the balances of power**, which are socially and politically determined within localities. Similarly, spaces for participation are socially constructed and not neutral in terms of visible or invisible power relations, which can lead to either the deliberate and/or structural exclusion of certain groups (e.g. women, children and youth, and ethnic or religious minorities). Overall, multidimensional poverty and inequality are fundamentally shaped by the polity and contextual politics in terms of state structures, power relations, institutional architecture and development visions that have emerged over time through social and political processes.

Finally, the effectiveness of local governance processes in tackling multidimensional poverty and inequality cannot be taken for granted. It is important to develop models and approaches to systematically monitor and evaluate (M&E) those initiatives fostering – and depending upon – the interactions amongst authorities, institutions and citizens at the local level. In this regard, we believe that **standard M&E indicators for each policy area should be complemented with a set of transversal dimensions that are directly related to key pillars of local governance processes:** ownership, commitment, dialogue spaces, accountability, place-based policy design, conscious governance, pro-poor targeting, multilevel governance alignment, and community resilience (amongst others). However, these governance dimensions need to be monitored and evaluated with different time horizons due to the dynamic nature of development processes that affect local societies and people's well-being, which extends well beyond the time horizon of a single project or program.

All in all, these arguments represent a starting point in the search for more powerful and practical responses for tackling multidimensional poverty and inequality at the local level. This process is likely to involve at least three distinct stages:

- 1) The development of operational toolkits** that can flexibly guide policy-makers, practitioners and activists in order to strengthen local governance mechanisms;
- 2) The advancement of monitoring and evaluation frameworks and tools** on local governance to encourage evidence-based learning and decision-making processes;
- 3) Further theoretical and empirical work** to advance the role of local governance and a territorial approach to development, which requires a stronger dialogue among scholars and practitioners from different disciplines and perspectives.

The perspective raised in this paper leaves many reasons for believing that success in terms of equality, freedom from the injustice of poverty and sustainability will emerge from partnerships that link local and national actions with global changes, by **enhancing stronger place- and people-based governance processes**. Despite the magnitude and complexity of the challenges the world is facing, and the turbulent and volatile dynamics of social change and development, the combination of effective and accountable local authorities with the mobilisation of capacities and resources by active citizens, civil society organisations and enterprises will be central in triggering an ever-more sustainable expansion of people's human capabilities and rights in order to fight multidimensional poverty and inequality.

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South Sudan. Voluntary members of the Oxfam water and sanitation committee head into Jamam refugee camp to speak to young women about the vital importance of good hygiene practices.

Photo credits: John Ferguson/Oxfam