Stefan Hartmann: Gentlemen, in your work you have broad practical insight into decentralization efforts in Asian, African and Latin American countries, as well as in the Balkan States and the Near East. What are the essential prerequisites for the successful implementation of decentralization in these countries?

Kälin: I see three main conditions: A coherent decentralization concept, the political will and sufficient financial resources. In many countries decentralization structures are available but the concept is not consistent. For example, many responsibilities were transferred to the level of local government where neither sufficient sources of revenue nor access to procurement from the central government are available. Or, on the other hand, local administrative authorities have the financial means but are so overly controlled by the central government and blocked by strong bureaucratic practices that it leads to a conflict in responsibilities.

SH: Mr. Chauvie, can you add any additional elements or observations in the case of Burkina Faso?

Chauvie: I share Mr. Kälin’s opinion, especially with respect to
politicd determination. However, I would like to add that for several reasons the West African countries are in an extremely unstable condition. Most of them want to decentralize but are blocked by power struggles, or they cannot sufficiently foresee the consequences of decentralization. Another important element is the question of education: Decentralization efforts are made in areas with poorly trained human resources.

SH: At the beginning of the 1990s, marking the end of the cold war, a “new wind of democracy” arose and in many areas this partially triggered decentralization efforts in favor of rural regions. Do you believe this new wind has now disappeared?

Chauvie: Much thought is being given to decentralization on the government level in West Africa. Although in actual practice the process is much slower because it requires enormous time, my observations show that it has begun and is irreversible, apart from several countries which are experiencing serious political repercussions.

Fleiner: They cannot decentralize as long as they lack the experts needed to handle lower-echelon tasks. The World Bank, for example, likes to focus its attention on Ghana. When we look at the situation there in more detail, we can recognize exactly those mistakes which Walter Kälin mentioned at the beginning of our discussion: For example, one third of the lower parliaments and executive bodies are controlled from the top. Or, the competencies are available but the necessary money is missing. This shows that any preconditions for decentralization are strongly tied to the

"The process of decentralization is irreversible in West Africa!"

(Ph. Chauvie)
question of democracy, the constitutional state and the separation of powers.

SH: Decentralization is a relatively recent phenomenon and only a few experiences are available as examples. Mr. Rey, considering your insight into the Bolivian model of decentralization, do you feel they have any chances for success?

Rey: In Bolivia we see a very strong centralized government venturing decentralization. In less than ten years, 311 municipal districts with communal authorities were created and 20 percent of the national budget was transferred to the communities. This is an impressive feat which reflects a strong political will. The problems encountered with the administration of these resources are closely connected to questions of personal competencies.

SH: What measures are taken to prepare the people responsible to assume these community tasks? Are training programs available?

Fleiner: In South Africa a whole series of such training programs are available for this qualified personnel! Of course it is extremely important that countries such as Switzerland support such projects.

Kälin: One must view decentralization as a process. Governments who do not wish to decentralize prefer to argue that “People on the lower echelons are not sufficiently educated and will not receive the respective competencies before they are trained”. Obviously this is the wrong attitude. On the contrary, the process should begin through “on-the-job training” - in other words, training and practice must go hand-in-hand in the decentralization process to ensure that lower administrative levels can handle easy tasks right from the start. Even in such poor countries as Nepal with its large illiterate population you will always find some people in the rural areas who are capable of handling a simple budget.
SH: Do you find that businessmen and -women are willing to use their abilities for the benefit of the community?

*Kälin:* Why not? As soon as the local elite assume control functions, the pressure automatically increases on communal authorities. They will obtain the necessary knowledge when they run into difficulties or are not reelected because they do not pay attention to the most rudimentary fundamentals of accounting. That is the meaning of “process”.

SH: How was the concept of decentralization passed on to the lower echelons of Nepalese society?

*Kälin:* The concept did not emerge from Kathmandu, or it would not have worked. The strengthening of the local level was accomplished mostly through the unbloody revolution in 1991. The people took over power themselves by forcing the king to accept a constitutional monarchy, thus eliminating the so-called Panchayat system of randomly determined council members. This shows that the process of democratization and decentralization is intricately interwoven.

SH: What can Switzerland offer these countries in the way of practical know-how for their decentralization process? As an extremely decentralized federation dating back to the 18th century and which developed into a centralized confederation in 1848, do we even have the appropriate and required knowledge?

*Fleiner:* Napoleon colonized that decentralized federation in 1798 and transformed it into a centralized state. This, as we all know, did not work. Napoleon found that the Swiss could not be governed so he had to redecentralize our country with the “mediative constitution”. Even today many countries in the South still maintain such colonial, centralized structures! Remember the absolute majority principle in the former Anglo-Saxon colonial states, or the
centralized national principle of the former French colonies. Switzerland is a good example of a multicultural nation colonized as a centralized state which did not function and thus had to be decentralized. We do not have the know-how on decentralization methods, as opposed to the Belgians or Canadians. However, Switzerland is one of a small number of very decentralized federal states, and this is where our knowledge lies, as opposed to the question of how to decentralize.

SH: Mr. Chauvie, you are an advisor to Swiss mountain regions on decentralization. Can such experiences be applied to the South?

Chauvie: For obvious reasons such know-how transfer is problematical because the background conditions are quite different. However, it could be valuable to exchange knowledge in the form of sponsorships with communities in the South or East. For example, in Western Switzerland several villages established sponsorships with Rumanian communities. Within Switzerland we also have sponsorships between developed cities and less developed mountain areas!

We have been able to preserve the multicultural identity of Switzerland for such a long time because foreign interests almost never meddled in internal Swiss affairs.

(T. Fleiner)

Fleiner: How would the Swiss react if the Americans insisted that we take over their model one-to-one? Although we let ourselves be inspired during the establishment of the new federal constitution in 1874, the Federal Council did not send a delegation to the U.S. to
find out more about the U.S. federal state system! And in 1970 during the Jura conflict, who thought about going abroad to seek solutions? No one. We are so self-content it appears almost arrogant! So we certainly cannot present the South with our model and call it the philosopher’s stone! Nevertheless: The Swiss model certainly has some interesting ideas from which to start from.

**Rey:** Actually, we should invite the person responsible for decentralization in Bolivia to Switzerland. He could give us an interesting presentation on how a poorly organized country such as Bolivia, confronted with the problem of drug cultivation, managed to decentralize more than 300 communities in only ten years – and this based on their own efforts and in accordance with their own culture and needs. So I must ask myself: What can I bring the Bolivians when I visit them? I can give them methods to simplify decision-making in the decentralization process – a process which by its very nature is a collective and conflicting one.

**SH:** Mr. Fleiner, could the method of solving the Jura problem not serve as a model in drafting a constitution for ex-Yugoslavia? The Jura conflict is a remarkable example of how problems can be solved peacefully.

**Fleiner:** This was actually done. The delicate question is: Did this attempt come too soon or too late? And there is one substantial difference: In the Jura debate, Switzerland was able to find the solution by itself, without the influence of any neighboring states. Had De Gaulle shouted “Long live the free Jura” in Pruntrut as he shouted “Long live free Quebec” in Quebec, it would have triggered a revolution and the Canton Jura would still not exist today. In ex-Yugoslavia, however, the situation is extremely tense because intensive foreign interventions are in progress. One reason why a multicultural society such as Switzerland has survived this long is because foreign interests almost never interfered in internal Swiss affairs.
SH: Mr. Kälin, in view of Switzerland’s extremely federalistic model and the decentralized components on the municipal level, do we possess something like a “Swiss secret”. Are we not some sort of exceptional, practically “endemic” case which cannot be applied elsewhere?

Kälin: Actually, every nation is a special case. The one thing we all share are problems. Constitutional solutions are, however, never an export product. Discussions with third parties can, however, help in finding individual solutions. For example, we took over certain American or French elements. However, when such elements are combined with a country’s peculiarities it always results in an independent model.

SH: What political risks may emerge from the implementation of decentralization in the South?

Rey: That is a question which disturbs me. Obviously such risks are inevitable. One must find the balance between a centralized state and a decentralized administration. If you put 300 communities on the same level, as was done in Bolivia, there will always be some among them who behave a little more “equal” than others. In the course of decentralization local potentates, clans and influential families suddenly found themselves cut down to size by elected authorities. However, tell me of anyone who would be willing to give up their privileges?! Such a process may result in certain dynamics which can be very destabilizing. Ways must therefore be found to guarantee balance and legal remedies must be defined to limit the risks. In Bolivia, for example, the laws have not yet been adapted to the new circumstances. This too is part of the learning process.

Chauvie: There are a variety of factors and crises which complicate and weaken the start of the decentralization process, including internal, ethnical and environmental problems. We will also encounter external factors, including the not to be ignored pres-
sure from financial backers (countries, World Bank, etc.), who make “good governance” and democracy a prerequisite for ongoing help in the decentralization process. In the meantime, the countries in the South also have a younger generation of creative people who are perfectly capable of developing coherent ideas.

SH: Mr. Fleiner, you have repeatedly been occupied with the question of federalism in multiethnic nations such as ex-Yugoslavia. What are the risks involved in the decentralization process in such countries?

Fleiner: As concerns Kosovo, the Serbians immediately feared the great risk of secession. The international community has not acted coherently in this conflict and it delegated the task of giving Bosnia, Croatia or Slovenia rights of self-determination to the International Military Court of Justice in The Haag. The Court said “yes” because Yugoslavia is a federalistic state being dissolved. The Serbians argued that federalism and decentralization are the first step to secession.

SH: How problematic is federalism in multiethnic societies?

Fleiner: I believe the greatest problem in today’s nations is the lack of a model for a federalistic state within a traditional multicultural nation. The states are either monocultural or they tend to integrate themselves into a melting pot. Switzerland is one of the few nations which does not integrate the multicultural but instead wishes to preserve it as an independent value of its variety. This contradicts the “modern” state as defined by liberalism. Only Switzerland has been able to maintain the unique solution of a multicultural nation forming a state without violent conflicts for more than a century.

SH: The role which the national elite play for the unity of a nation appears to be extremely important. In Switzerland we had a number of sensible people such as General Dufour in the Swiss Civil War of
In Jordan I received an impressive description of how the country's elite have unceasingly tried to convey the message to the people living in the most remote areas that their country has been a state since World War I. The same holds true for many other states in the South. The role of these elite was to create a national identity for a somewhat artificial structure, based on a strong central government, and make it accessible to the people. Today, this attempt is limited everywhere because the central government can no longer provide its citizens efficiently with the services they rightfully expect. Whoever in Jordan can afford it goes to private hospitals and attends private schools, while the state is suddenly confronted with only the poorest sections of society.

SH: Are you saying that a centralized government has lost its legitimacy?

Kälin: How can you convince the people that a state government has a greater meaning when the latter can no longer repair burst water pipes or ensure that teachers are actually present during school hours? In such a situation where legitimacy is slowly lost, the concept of decentralization becomes attractive, providing an opportunity for grass-roots politics and a more efficient administration. The trend towards decentralization will continue worldwide, even though in places a certain basic democratic euphoria has disappeared.

SH: Mr. Chauvie, do you believe that the North can give additional impetus to decentralization efforts by supporting nongovernmental organizations (NGO) in West Africa?

Chauvie: No, I don’t believe so. The local NGOs were already very autonomous prior to the wave of decentralization. Some are
not so happy about decentralization efforts because their existence is challenged due to the stronger competencies delegated to the local municipalities.

**Rey:** Even in Bolivia the NGOs are suddenly confronted with an elected local authority. Previously, they could almost pick out “their” poor, or “their” region, since no local political authorities were available. Today an NGO can no longer simply appear in a valley to present a project; they must negotiate clearly with political contacts. Decentralization has thus also initiated a new set of rules for the NGOs.

“**Decentralization in the South also changed the set of rules for the nongovernmental organizations (NGOs).**”

(M. Rey)

**SH:** Coming back to Switzerland, Mr. Fleiner, you yourself write that Switzerland is surrounded by a faint “Halo of Success.” Neoliberal critics go much further and barely leave one good thread on the federal government system. They interpret the 26 cantons and 3,015 communities on the smallest amount of space next to each other as being a mortgage, and that we can barely solve today’s big problems - commuter traffic, streets, economic zones, drinking water, waste water, etc. - with these small entities. The critics demand an efficient administration and more power on the highest level.

**Fleiner:** Switzerland is basically the model of an antiliberal country! It contradicts the English model of the Westminster Parliament, including its centralized position and far-reaching power. But according to Swiss ideas a national state allows the separation of
politics between the Federal Government and the cantons. As I see it, efficiency is only partially important; more important is legitimacy. This establishes the foundation for peaceful coexistence between the various people and cantons of our country. The goal of a nation is not freedom from a liberal point of view, but rather peace between the various multicultural associations.

SH: Would it not be possible in the near future for the cantons to solve the problems surrounding large infrastructure buildings, the merger of hospitals, etc. together in a regionally interconnected system? After all, there is an idea to merge the cantons of Waadt and Geneva.

Rey: A variety of solutions are possible. Apart from the strong financial pressure, I feel it is important that the various levels – politics, finance and citizens – are reconciled with each other. How should structures, processes and solutions be formed in order to achieve decision processes, financial solutions and address local citizens at the same time?

Kälin: The cantons will not be fused so quickly. Actually, they have proven to be too small in some areas to achieve the efficient and proper handling of their responsibilities. Understandably, certain cantonal governments in the French-speaking part of Switzerland are thus trying to establish a new arrangement which would enable the merger of entire administrative branches. In a total revision of the Swiss Federal Constitution, a regulation is foreseen which would allow the cantons to merge their highest courts. This is not intended to be a system change, but rather a further differentiation of Swiss decentralization forms and levels.

SH: The Federal Council is, however, using the old federalistic model, for example in the NEAT debate: In order for western Switzerland to receive its tunnel, it approved both the Lötschberg and the Gotthard versions. Can Switzerland even afford this?
Fleiner: The question is more what price do we want to pay for it? In the last century the subject of trains was a cardinal question, or why do you think we have three different train lines into the French-speaking part of Switzerland? The reason is we had to ensure a certain balance between the various parts of the country. We could have settled for only one line - with the serious, national political disadvantage that an entire region would have been left out. However, any such omission could soon have become very expensive had it resulted in a conflict. By constructing more than one line we ensured more peaceful development with less potential for conflict. I believe it is crucial to build a model based on the consensus of various population segments and not strictly on the majority principle in which minorities are always the losers.

SH: Is your viewpoint based on the idea of proportional representation?

Fleiner: That is one way, but it need not be the only one. However, it is for example impossible for the major parties to reach solutions on important issues without strong consensus. Our neighbors in Germany with their so-called majority rule have still not had the big meeting at the round table (beginning April 1998, SH) concerning the two billion budget cuts. Consensus is based on the idea that one is prepared to make compromises, in other words that it is acceptable from a multicultural viewpoint. That is basically our “secret”.

Kälin: In this connection it is interesting to see how things are developing in Nepal with its constitutional monarchy and its classical parliamentary system. One would assume that on the national level the majority system would lead to clear majorities and working governments, but the opposite is true. In the past three years five different governments were in power. Nepal has no tradition of strong political parties. The fight for power thus becomes vitally important and those who are in the minority end
up with nothing. There is a tendency that only those regions who voted for the majority party profit from governmental development projects. On the other hand, when the division of power is anchored in the proportional representation system, it can bring about a substantial stabilizing effect with less conflict.

SH: Decentralization also causes additional costs. Is it absolutely necessary for donor countries to support this expensive process in the South or East in order for it to continue?

Chauvie: Obviously our system with 3,000 communities is more expensive than one with only 300. It is also evident that a decentralized system in the South will – especially in its initial phases – result in costs. However, one must measure the invested money and efforts against the output, in other words, the quality of services which the citizen receives. The subsidiary principle also aims at achieving optimal local services.

Rey: I have the impression that Switzerland is somewhat too restrained in this question. Decentralization is a process which involves great risks and at the same time also holds enormous potentials for democracy. I am not sure if the political support for such processes exists in our technical development cooperation. We may selectively support precisely defined areas such as education or health. That is certainly very important, but not enough! Apart from requiring courage to assist in establishing a law such as that for decentralization, it also means providing financial assistance and being willing to share any risks connected with the process of democratization.

Fleiner: Mr. Chauvie, you said there are costs involved. However, I have never seen a cost comparison between a centralized and decentralized system, for example in the educational or health sector. On a local community level we have many militia commissions who work almost for nothing in the educational, control or
civil engineering sectors. The bureaucratic organization is much smaller and less expensive. Besides, smaller communities are not familiar with "Parkinson's Law", according to which a bureaucracy always expands as a result of structural pressures so that ultimately it occupies itself with homemade personnel problems. In small communities citizens may work in commissions having an unprofessional militia character but with a high level of motivation.

"Decentralization is not an export product. The analysis of other experiences can lead to individual solutions."  
(W. Kälin)

Kälin: I believe that a coherent decentralization concept also requires a strong reduction of the often inflated central administration, a demand which, by the way, was also made by the World Bank. Costs are also incurred in the decentralization process – for example in the establishment of local infrastructures for the administration and for training local authorities. Of course, substantial profits must also be realized; services provided at local levels are usually much cheaper. I recall a bridge in a Nepal village which was built with village funding – it cost only a fraction of the quotation made by the involved governmental department!

(translation from German)

1 The discussion took place on April 23, 1998, in Berne. Interview and Summary: Stefan Hartmann, Journalist, Zurich