The global organisation United Cities and Local Governments has been carrying out an important job defending local democracy and self-government and the principles of decentralisation and subsidiarity in the interests of improving local governance and quality of life for the citizens of all the regions of the world. The UCLG Decentralisation and Local Self-Government Committee is contributing to the work of the global organisation in this matter.

Decentralisation has prevailed as a political and institutional phenomenon in most countries in the world over the past twenty years, as observed in UCLG’s First Global Report on Decentralisation and Local Democracy. Going beyond the significant differences between countries, this global phenomenon is manifested in the generalisation of legislative and constitutional reforms that recognise the role of local governments in the sustainable development of territories and advocate the strengthening of decentralisation processes in the world.

It has been shown that local governments can contribute to promoting favourable solutions for sustainable development across the whole territory. UN-Habitat guidelines on decentralisation and the strengthening of local authorities maintain that effective decentralisation is an element of good governance and an expression of democratic practice and an efficient public administration. Although there seems to be a certain consensus on the advisability of promoting decentralisation, recently some criticism has begun to arise detecting, in some countries, a certain predisposition towards recentralisation. Faced with these trends, it is important to bear in mind that decentralisation should be understood as a process and not as a goal in itself; it is a fundamental means for achieving a reduction in poverty, democratic governance and human development. There are no magic formulae or universal recipes that can guarantee the success of a decentralisation process. However, it is important to bear in mind that implementing decentralisation processes brings with it advantages and potential risks.

Potential advantages:

• **ADMINISTRATIVE EFFICIENCY.** Try and assign each level of government the tasks that it can carry out most efficiently (subsidiarity principle). In spite of the fact that it may not be easy to identify the ideal scale for providing each public service.

• **CONTROL, BALANCE AND TRANSPARENCY.** The existence of more public powers promotes stability, given that when policies are being drawn up there are a greater number of participants involved with the right to express their opinion, increasing therefore transparency.

• **PARTICIPATION AND DEMOCRACY.** The creation of new political spaces allows new groups to be included in the political arena, which in turn increases democracy and reinforces the state’s legitimacy.

• **MATCHING PREFERENCES AND SOCIAL COHESION.** Local and regional governments have more information about the needs of their citizens, which means that they are able to identify those needs and decide on the order of priority that should be implemented. The provision of public services at a level closer to citizens favours social cohesion.

• **COMPETITION, DYNAMISM AND DEVELOPMENT.** Well managed territories are more dynamic and attract the population promoting balanced territorial development owing to autonomous management. Local and regional governments’ flexibility and dynamism allow them to design their own territorial development strategies.

• **LABORATORIES OF INNOVATION AND THE CREATION OF LEADERS.** Local level is a laboratory for political experimentation and it encourages innovation. It is much simpler to apply new formulas on a small scale and, once their success has been confirmed, go on to apply them to larger territories. Furthermore, local and regional politics are valuable arenas for giving rise to talented individuals in the area of territorial management.
Is there a relationship between decentralisation and development?

Most indications point to a direct relationship between decentralisation and human development. Decentralisation, if it is effective and real, can clearly contribute to expanding people’s decision-making spheres, as it strengthens and extends the powers of local governments as public administration bodies that are in closer proximity to citizens.

Does decentralisation bring increased democracy?

An effective decentralisation process involves greater participation by civil society and non-governmental institutions in the definition and creation of local public policies and, therefore, means an increase in democracy. However, there can only be increased democracy if the local authority involved in the process genuinely represents the interests of the local population and permits all its citizens to participate in public matters, without excluding certain people for ethnic, linguistic or other reasons.

In situations of economic crisis, is it wise to decentralise?

Local governments can contribute to the gradual solution of an economic crisis using their own sectorial policies and strategies, coordinating local powers with regards to production and management, drawing up economic policies that create employment, better and more efficient use of resources and generating a climate of social stability which attracts private investment. Thus, in situations of economic crisis it is not advisable to stop decentralisation processes in order that local governments can have the capacity and, above all, the resources necessary to face the effects of the crisis with autonomy and thereby contribute, from a local position, to resolving it on a general level.