Building Institutional-Based Trust in Regulated Local Government Systems: The Uganda Perspective

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Abstract

Autonomy and trust are essential ingredients for local government performance. The trust generated at local level is further essential in enabling intra- and inter-organisational relationships, rational decision-making processes and co-creation. Understanding of centre-local relations within a local government system reveals ways in which the autonomy that resides with local government administrative units may be compromised if attention is restricted from institutional-based trust, a vital ingredient for effective administration. The study interrogates specific questions on how a regulated 1) political autonomy, 2) financial autonomy and 3) administrative autonomy in the local governments affects building institutional based trust and undermines good governance. Based on Uganda’s case, the study suggests a key remedy of increasing central government institutions trust through, the formalisation of administrative structures and systems, duty-load and local revenue orchestration, and local capacity building. These are tenable through effective trust assurances and situational normality in a regulated local government system environment.

Keywords

Institutional-Based Trust, Local Government, Autonomy, Regulation, Power of Initiation, Power of Immunity

1. Introduction

Autonomy and trust in government is more crucial today than ever before. Geoffrey Hosking (2019) in an article entitled Why We Need a History of Trust
on Niklas Luhmann’s 1979 book on Trust and Power, emphasizes the necessity of systematic study of trust and social cohesion partly because trust is one of the most pervasive aspects of social life and that human beings tend to face the world with an attitude of trust. He claims that trust is an essential feature of a society that is necessary in order to face the unknown, whether that unknown is another human being, or simply the future and its contingent events. It is a way of reducing uncertainty and is a great potential for bridging the gap where rational decision-making fails due to justifiable reasons such as insufficient information. Hosking argues that cognitively, trust forms a constitutive part of the way in which we conceive the world beginning with our parents and those we interact with gradually including relatives, colleagues and partners. He suggests that trust is natural, intuitive and personal in nature.

In other perspectives, trust is conceived as a necessary goal as well as a means of effective administration (Fukuyama, 1995; Kim, 2005; Choudhury, 2008). It depicts the level of confidence in incumbents of public officers based on how they perform their task according to institutional rules, norms and regulations (Jamil & Askvik, 2013). The opinions of this nature advocate trust as an input and an output in administrative processes that influence institutional behaviour and action. Although individuals are constituents of the institutions, whereas at micro level trust between individuals is an essential element that has attracted several behavioural studies for measuring organisational performance, institution-based trust plays a very crucial role in contemporary organisational undertakings. It is not only a measure of organisational performance but also a yardstick for sustained individuals and organisations relationships. Central and local government relation is an area worth exploring to establish an explanation as to why and how institutional-based trust matters in governance.

A report of the National Governance Peace and Security Survey (Uganda Bureau of Statistics, 2017) summarised the levels of trust in public institutions. The report that covers a time scope between 2013-2017 shows an overall decrease of people trust in public services. Respondents reportedly decreased their trust of the Uganda Police Force (UPF) from 57 to 46 percent; tax/customs authorities trust from 39 to 29 percent; public service from 61 to 54 percent; and state media from 57 to 40 percent. Courts of judicature indicate a decrease from 62 to 47 percent. The biggest decrease was registered in the social security system by almost half dropping from 44 to 23 percent. A few areas of social services indicate a small margin in the decrease of trust with public health facilities dropping from 75 to 69 percent and public schools from 73 to 68 percent. The only exception was on public trust in mayors/Chairpersons for Local Council III (subcounties) that increased from 50 percent in 2013 to 62 percent in 2017. The decline in trust is attributed to lack of responsive and reliable and timely delivery of services, due to lack of accountability, inefficient systems, weak coordination between national and local levels of government, and low levels of citizen participation among other factors.
Having a focus on the local government, this study puts a specific emphasis on the relational factor of the centre and the local level governments. The choice of this factor is also intrigued by the fact that lower local council Mayors and Chairmen for Local Council III are found to have a substantial increase of trust from the people in the five-year period under the cited study. We consider Mayors and Chairmen for Local Council III as representative of the public trust in the local institutions. We hold the assumption that the local institutions under a decentralised system exhibits autonomy but we note that the centre local relations permit a level of central government regulatory powers on the local governments. Our overall research question then is: how can trust be built and sustained in local institutions that are regulated by less trustable central government institutions? Specifically we interrogate how a regulated 1) political autonomy, 2) financial autonomy and 3) administrative autonomy in the local governments affects building institutional based trust and undermines good governance.

2. Understanding Trust

Trust as a main theme for public organisation has been prominent in the recent decades (Oomsels & Bouckkaert, 2012). Influenced by a wide range of studies in the domain of social science, trust has remained complex in conceptualisation and classification with a multitude of meanings (Hosmer, 1995; McKnight & Chervany, 2001). The conceptual complexity renders trust as one of the problematic virtues in many organisations. In spite of the complexity of this terminology, organisations can perform much better if they inculcate trust both at individual level and at organisational level (McKnight & Chervany, 2001).

Therefore, to understand the nexus of institutionalised trust among local governments, public administrators ponder with trust matters, namely, how trust is created; whether trust is felt [as existing or not] what drives it; whether public service providers are able to look again and see themselves in the context of a broader network of which they are part. In addition, more questions rise on whether organisations understand whether trust exists for different people so as to map this against strategic goals. Lastly, the issue of whether the trust of people in an organisation can fundamentally shape their future behaviour and actions towards that organisation.

Beshi & Kaur (2020) study establishes that public trust is a function of good governance measured through perceived transparency, accountability and responsiveness. Hallett (2015) argues that if a public entity is trusted, willingness to interact with providers of public services and regulators by citizens is likely to be improved. On the contrary, the lack of trust may result into resentment of public services and associated infrastructure. In consideration of the value of trust in the performance of institutions and the perceived decline in institutional trust in public institutions in Uganda, we interrogate how trust can be built.

Discourses relating to trust tend to define this concept as a noun, a verb, a personality trait, a belief, and as both a social structure and a behavioural inten-
tion (Rotter, 1971; Barber, 1983; Shapiro, 1987; Currall & Judge, 1995). Fukuyama (1995) defines trust in economic terms referring to trust as an efficient means for lowering transaction costs in any social, economic and political relationship. Other scholars think that trust is, to willingly and securely become vulnerable to the trustee—another person, institution, or people generally (Zand, 1972; Mishra, 1996; Rousseau et al., 1998). Yet other schools of thought consider trust as personal virtues in the form of integrity (Gabarro, 1978), predictability (Barber, 1983), benevolence (Holmes, 1991), and competence (Bromiley & Cummings, 1995). These definitions explain trust as a term associated with individuals in organisations.

A more complex meaning of trust is provided by McKnight & Chervany (2001), in which they classify trust into three broader typologies under the interdiscipli-
nary model of trust constructs. These include 1) Dispositional trust that focuses on exchanges and dependency on others which is associated with the fields of psychology and economics, 2) Institutional-Based trust that focuses on the nature conditions for performance and success; and 3) Interpersonal trust dependent on their behaviour, beliefs and intentions. The highlight of these conceptual substantiations of the term trust indicates classifications and definitions divisible into broader categories: individual and institutional trust. It also indicates the multiplicity and multidimensional nature of the meanings attached to trust. Considering that the three typologies are quite broad and expansive, this paper opts to focus on only one, the institutional-based trust to explain veracities in a Uganda decentralised local government system.

3. Institutional-Based Trust: The Trust in the Structures and Situations

Institution-based trust refers to the perception of security in a trust relationship that the expected outcomes and the remedies for violations are guaranteed by the structural assurances and situational normality built into the relationship (McKnight & Chervany, 2001). Here we proceed to explore these perspectives in detail.

**Structural Assurances** are the institutional guarantee structures built into the relationship. They include formal contracts, guarantees, and legal recourse, processes, or procedures that are available to the trusting party to ensure success of a transactional exchange (Shapiro, 1987; McKnight & Chervany, 2001). A transactional exchange becomes paramount in the current public sector where a customer focus is presumably a central feature in administration as suggested in the New Public Management paradigm (Hood, 1991, 1995) which borrows lessons from private sector management foundations. Social exchange and reciprocity in Seligman’s (1997) view are highly governed by codified rules and organisational practices resulting in common orientations and regular patterns between two (or more) actors. These are confounders that generate ultimate trustable or non-trustable organisational behaviour and performance. Paillé et al. (2012) believe that this will result in durable and relational quality anticipated outcomes so long as the
exchange is perceived to have an expected utility value. The meaningful structural assurances are helpful to situational success. For instance a public servant from individual level would feel confident of his job safety with the appointment letter which often specifies the terms and conditions of work whether the job is contractual or permanent and pensionable. In this sense, the employee feels the job guarantee and safety while the employer, the government is assured that the employee will serve diligently within the given terms and conditions. At institutional level, trust of this nature may be seen in relationships among government ministries, departments, agencies and local governments that work closely with each other in execution of government programs. We may for instance talk of institutional trust between the central government ministry of local government and district local governments. We may also consider the trust between a set of ministries executing a specific government program. In either of these institutional cases we see a relationship that is built on the operational legal or policy frameworks that bind these institutions together with each of them knowing their duties and obligations

**Situational Normality** as conceived by McKnight & Chervany (2001) is a perception that the relationship is similar to other similar trust exchanges, and that favourable conditions exist in the relationship for successful outcomes. This form of trust relates to those specific situations where the institutions’ trust behavioural determinants or the patterns of interaction between the trustor and trustee can be particularly conducive to efficiently build trust in organisational or business relationships. It is believed for instance that a new employee may not doubt the organisation and its structures if resources or appropriate technology as those in similar organisations are in place to facilitate efficient and effective administrative transactions. This view suggests a level of relativeness or comparisons of one situation for instance in government department A with another department B. The belief that what works in department A will work in department B may perhaps answer any possible question as to why government procedures and processes tend to be standardised irrespective of contextual differences amongst the Ministries, Departments, agencies and local governments

Importantly, it is critical to note that in situational normality trust relies on the structural assurances, that is the assumptions that things in the given situation are normal, proper, customary fitting, or in proper order (Garfinkel, 1963; Barber, 1983; Lewis & Weigert, 1985). With this view, it is reasonable to find organisational members not trusting the system when they face incomprehensible, abnormal situations as a result of failure in the structural assurances such as unfulfilled contracts and false guarantees which might be answered by the argument of contextual differences explained above.

In summary, the question of institutional-based trust would be whether there are firm structures for social exchange and reciprocity between the trustor and the trustee. Trust also occurs whether the trustee has a feeling of confidence (security) that favourable conditions are put in place by the trustee and that those conditions are capable of ensuring successes (meeting expected outcomes) from
the trustor. Looking at a decentralised governance system, whereby authority and responsibility for public functions is transferred from the national to the local government, the relationship between the national and the local governments must demonstrate a level of trust. Central government (the trustee) should instil confidence in the Local governments (trustor) by establishing assurances and situations capable of building a cohesive centre-local relation. The assurances and situations put in place should instill enough trust to keep the two as independent government units while maintaining that special institutional linkage within a broader national governance framework. This relationship is assumed to be real for decentralisation and local governance which unfortunately sometimes is imbued with substantial inconsistencies. We shall present the theory and practice of decentralisation and local governance both in general and in the Ugandan context. In the practice of local governance in Uganda, we endeavour to explain ways in which the central local relations affect local autonomy and erodes public trust in the government institutions at national and local levels.

4. Decentralisation in Theory and Practice

The practice of decentralised systems of governance is defended for a number of reasons. The practice of decentralisation is derived from orthodox values of democracy, efficiency, participation, responsiveness, accountability, and pluralism which influence demand for self-governance (Smith, 1851; Mill, 1862; Oates, 1972; King, 1984). Joshua Toulmin Smith (1851) liberal ideas on individual freedom for person’s rights to manage their own affairs have a subsequent influence on the claims for local governments seeking freedom from arbitrary state control. Defence of self-governance in this sense becomes an ethical validation for fulfilling a morally desirable purpose regardless of the functional values of decentralised units as advanced in the modern decentralisation theory and philosophy. Mill (1862) and his followers strongly support the value of local efficiency, local knowledge and participation of the populace to increase democracy and create a morally cultured society. Conventionally, local governments are believed to be arenas for efficient functioning of public services that are managed by their own technical administrative apparatus which makes it easier to tailor local needs and preferences. There exist avenues for citizen’s participation and for ensuring inclusion of each segment of the population to enable expression and fight for individual preferences. Devolution of power to local people at the grass root enhances the legitimacy of government and its programmes, enables government to distribute local public goods and services according to the local needs, and encourages healthy competition between the various sub-national and local governments which results in innovative social and regulatory policies, and increases participation of local minorities (Amah, 2018). Local governments play a social and environmental role in the provision of such services as health, education, and security and a competitive function of the local economy regarding capital land and labour and are valued for their competent and transparent management of their budgets (Lindert, 2008; Lindert & Verkoren, 2010).
Increasingly, claims for democracy, strengthening the rule of law, respect of international human rights and fundamental freedoms together with the impetus for development are dominant views on the value for decentralisation and local governance some of the conventional as well as contemporary perspectives (Kauzya, 2005; Grindle, 2009). Broadly decentralisation is meant to promote good governance by increasing political, financial, and administrative autonomy from the centre, and aims at ensuring functional efficiency (Vakkala, Jäntti, & Sinervo, 2021; Franzke & Schaap, 2021; Kettunen, 2021; Person & Geissler, 2021).

Largely this view is anchored in the principle of subsidiarity which accordingly suggests that “government functions should be performed at lower levels unless local government fails to cope with them and the performance of the said function at a higher level would be more efficient” (Føllesdal, 2013; LFMI, 2016). In practice therefore, the subsidiarity principle aims at ensuring a certain degree of independence of lower tier government institutions from higher level. Following this principle and the arguments for decentralisation and local government, we detect the need for independence of the local administrative units from the control of the central government. Underlying the decentralisation philosophy therefore is a sign of trust for those relinquishing power and giving authority to subnational actors driven by the assumption of their willingness and capacity to carry out such functions in a similar way or even better than the central government actors. The quest for independency and cessation by the local citizens on the other hand denote a trust that central bureaucracy is willing to institute supportive institutional frameworks (structural assurances) and to let loose control over decisions and local resources with an assumption that they are managed better by the local actors who are closer, knowledgeable and with vested interests.

5. Local Governance in Uganda

Local governments in Uganda are products of the decentralisation process undertaken since the time of independence. Decentralisation has been historically pronounced in Uganda politics since 1986 when the National Resistance Movement (NRM) came into power. Beginning with the Resistance councils (RCs) system in 1987 created by Resistance Councils Committees Statute, the subsequent legal and frameworks including Local Government (Resistance Councils) Statute 1993, the 1995 Constitution and the Local Governments Act 1997 created firm foundations of the current local government system in Uganda (Kyohairwe, 2010; Bashaasha et al., 2011). Initially, experiences of Uganda decentralised system was largely administrative decentralisation in nature characterised dominantly by administrative units responsible for operational functions to ease the decentralised services delivery.

The cement of events in local governance is attributed to the 1995 Uganda Constitution and the Uganda Local governments Act 1997 (also known as Chapter 243 of the laws of Uganda). Chapter 11 of the Uganda Constitution
1995 presents principles and structures of local governments with Article 176 (1) specifying that “the system of government in Uganda shall be based on the districts as a Unit under which there shall be such lower governments and administrative Units”. Under the same article, the decentralisation process is grounded in key principles of:

1) Devolution and transfer of powers and responsibilities from the central government to local government units in a coordinated manner;

2) Ensuring people’s participation and democratic control in decision making at all levels of local government;

3) Ensuring realisation of democratic governance at all;

4) Establishing a sound financial base with reliable sources of revenue;

5) Putting in place appropriate measures to enable local government units to plan, initiate and execute policies, on matters of people within their jurisdiction;

6) Powers for local governments to employ persons in their service; and

7) The local governments to oversee the performance of persons employed by the central government to provide services in their areas, and to monitor government services and projects implementation within those areas.

These principles (1) - (7) are expected to be realised in the realm of democratically elected local government council’s structures on the basis of universal suffrage in accordance with the law. The local government structures consist of district councils and sub county councils in the rural setting, city councils and city division councils in the city, a municipal council and a municipal division council in the municipality, and a town council in a town area (article 176 of the constitution; Section 3 of the Local Government Act, 1997).

To ensure that principles and structures are executed, political and executive powers, functions and services of local governments and central governments are specified in section 30 of the Local Governments Act and clearly delimited under the second schedule of the Act. The services that are transferred to district councils, urban councils and other lower local government councils subject to Article 176(2) of the constitution and sections 96 and 97 of the Local Governments Act include among others education services (nursery, primary, secondary, special education and tertiary education); health services, water, roads community development and other specific decentralised services. Urban and rural councils decentralised responsibilities are similar but context specific, relating to the nature of activities respective to each of the two local settings. Under the same provision of law, local governments are also entrusted with a responsibility to protect the constitution and other laws and to promote democratic governance. They are mandated to ensure implementation and compliance with government policy. At the centre remains functions relating to national policy frameworks; national standards; natural resources and environment management; banking, currency exchange and control; and defence and security among others.

Services that are retained as responsibilities of the central government are
largely of common good. They include security, natural resources, banking and currency regulation, national policies, citizens cross-border movements, foreign relations and trade. As a matter of harmony, public holidays, national elections, national standards and public services preserve areas of central government control.

The distinction of powers, functions and services between central government and local government councils is with intent to create autonomy in execution of decentralised roles and responsibilities. Critically examined, each component of the powers, function and services devolved from the central government to the local governments suggest a level of trust that the central government has in the local government to carry out the devolved responsibilities. Similarly, the acceptance of local governments to carry out the functions and responsibilities of the central government is in the trustable spirit that the centre will relinquish power and offer necessary support to sustain such functions. As such, sound and clear structural assurances are expected to regulate and guide the centre-local relationship. Also, socio-political and economic conditions suitable for such a relationship to thrive are assumed to be a given. The expected structural assurances and the assumed situational normality constitute a strong base for the central-local relations in such a local government system. They form a foundation for local government autonomy in effectively exercising powers to carry out the decentralised functions.

6. The Autonomy of Local Governments

When power is decentralised to local governments, the lower units experience (or rather ought to encounter) that level of autonomy. Autonomy as a concept differs widely, conceptually categorised as: the capacity to govern oneself, the actual condition of self-government, a personal ideal, and a set of rights expressive of one’s sovereignty over oneself (Feinberg, 1989). Although much of the literature extends the concept of local autonomy to political moral and political philosophy, this debate borrows the relational meaning of autonomy in Feinberg’s second theorised context of self-local governance. The concept of self-government among local governments in many instances is used synonymously with local autonomy. Local autonomy is described by the Council of Europe (1985) as “the right and ability of local authorities, within the limits of the law, to regulate and manage a substantial share of public affairs under their own responsibility and the interests of local population” (Beer-Toth, 2009: p. 36).

Page (1982) views autonomy as the decision-making ability of local governments for services such that governance units deliver, without interference from the centre. This phrase denotes a level of independence exercised by local government’s administration to carry out decentralised functions that involve implementation of central government decisions. Decentralisation in this context is meant to create lower government units that are capable of exercising power, autonomy and able to use their own authority to make decisions for their local
communities (Erlingsson & Ödalen, 2017).

These exists variations surrounding the concept of local autonomy with some academic arguments from the lens of jurisdictional responsibilities championing autonomy on the grounds of providing efficient and effective public goods and services based on geographical location. Other perspectives interpret local autonomy from the local democracy stance with particular emphasis on local participation and electoral politics (Clark, 1984). Arising out of these conceptions, Clark proposes a theory of local autonomy concerning relations between different tiers of the state and signifying a discernible centre-local relationship within which local governments are goal oriented with rational actors who strive to maximise their power. He provides a conceptualisation of local autonomy based on two principles: power of initiation and power of immunity. The power of initiation is a power of local governments to regulate and legislate their own interests or the power to act in carrying out rightful duties. The power of immunity on the other hand is the power to act without fear of oversight (Clark, 1984; Beer-Toth, 2009).

Clark’s dichotomy of power of initiation and power of immunity seems to assume a situation where local governments act in total detachment from a national government influence or even the other societal or international effect. It occurs however that local governments are open systems that act and interact with a wider environment and a range of actors outside local governments’ physical boundaries. The process of interaction of actors across these boundaries is one potential source of mistrust between the units of the local governments and those from its surrounding. In the power of initiation, local government self-regulation and legislation of own interests may therefore be assumed than real due to circumstances that hinder such level of autonomy. Similarly, the assumptions of power of immunity may be challenged by the fact that an imagination of a self-oversight for local government units might be falsely inflated. Thus the possibility of limited power of initiation and limited power of immunity in local governments is a potential trust constraint between the local government, the national government and units of intersectionality outside local government boundaries. Moreover, Clark was also quick to note that “where both initiation and immunity are limited, local discretion is doubly constrained and autonomy hardly exist” (Clark, 1984: p. 199). This view suggests that whereas there may be many gains from the local governance system, in real sense local autonomy especially for developing democracies like Uganda may appear to be largely in abstraction.

7. Power of Initiation and Power of Immunity in Uganda’s Local Government

As earlier stated, the power of initiation is a power of local governments to regulate and legislate their own interests or the power to act in carrying out rightful duties. This resonates with structural assurances which are the institutional guarantee structures built into the relationship. Within the foci of local
governance, they include the practices related to exercising political powers, financial powers, administrative powers, planning powers, legislative powers, and judicial powers, as enshrined the Ugandan constitution and Local Government Act to ensure success of a transactional exchange.

The power of immunity on the other hand is the power to act without fear of oversight which simulates situational normality. Considering that situational Normality is a perception that the relationship is similar to other similar trust exchanges, and that favourable conditions exist in the relationship for successful outcomes, this could be seen in good governance practices, i.e. perceived practices of transparency, accountability, consensus-oriented practices, responsiveness, effectiveness and efficiency, equitableness, inclusiveness and following the rule of law. According to Armstrong (2005) and Cheema (2010) good governance practices in local government are a prerequisite to strengthen public trust. The extent to which Uganda local governments exercise the power of initiation reflects the deepening of structural assurances. This in turn reflects how trust is experienced between the central and the local governments while operating within the constraints of the law, as institutions of regulated autonomy.

8. Uganda Local Governments as Institutions of Regulated Autonomy

It has been argued by Classical theorists like Gurr and King (1987: p. 62) that a local state is autonomous. The autonomy is derived from the extent that the state can pursue its interests without substantial interference from the national state. It is also claimed by Wolman and Goldsmith (1990) that local autonomy involves the ability of local governments to impact on well-being of their citizens, it is assumed that local governments work independent of the control from the centre. Perhaps this could be explained by the geographical proximity of administrators in understanding local needs and designing solutions to serve the exact needs of the local community. From the lens of Wolman and Goldsmith (1990), the notion and practice of local autonomy provides local governments the opportunity to ensure that the welfare of the local residents is delivered while taking into account preferences of the local community.

While political, administrative and financial autonomy at the grassroots (local government), is advocated for and desired by local governments it resides with some limits. For example, local autonomy tends to operate in a highly regulated environment. Regulation involves several functions such as goal formulation, rulemaking, information gathering, monitoring, audit, reward and sanctions (Selznick, 1985; Baldwin, Scott, & Hood 1998; Lægreid & Christensen, 2005). Additionally, the environment is usually characterised by constitutional provisions, acts of state interventions, sets of rules, and use of agencies and mechanisms to enforce the rules that limit the extent of autonomy since coercive mechanisms and instruments for influencing decision and behaviour like persuasion, material inducement, acculturation and informal contacts (Verschuere et al., 2006; Goodman & Jinks, 2013) still remain. For instance, in Uganda, Local
Government was given autonomy to procure for their own needs (Government of Uganda, 2006). This mandate is enshrined in PPDA Local Government Regulations of 2006. According Part 1 subsection 2(1) of the regulations, reads,

These [in reference to local government] regulations shall guide and regulate Local Government Councils, Administrative Units and other entities using public funds in functions and operations relating to procurement of goods, services, works and disposal of public assets under the Local Governments Act, as read with the Public Procurement and Disposal of Public Assets Act, 2003. In part (2), it reads that,” Where there is a conflict between these Regulations and any regulations, guidelines or circulars, relating to procurement and disposal for local governments, and in existence before these Regulations, these Regulations shall prevail.

This implies that Local government units have been given local autonomy to procure for their own needs under the Public Procurement and Disposal Act PPDA (2003) and Regulations 2006 (Government of Uganda, 2003; Government of Uganda, 2006). However recent regulatory updates on public procurement confirm the existence of limitations of local autonomy. For example, section 58 of the Public Procurement and Disposal of Public Assets Act 1 of 2003 as amended in 2021 reads in part:

2a) For the purposes of aggregation of procurement requirements as provided for under subsection (2), the Secretary to the Treasury shall for each financial year, using the procurement plans submitted by the procuring and disposing entities, determine the procuring and disposing entities with procurement requirements that qualify to be aggregated. 2b) The Secretary to the Treasury shall communicate to the concerned procuring and disposing entities giving instructions on how the requirements that are aggregated are to be reflected in the procurement plan of the procuring and disposing entity. 2c) The procurement of aggregated requirements shall be in accordance with guidelines issued for that purpose.

The regulation therefore indicates that local autonomy is characterised by dynamism with the centre exercising a considerable level of regulation on the “autonomous” local government procurement function.

Since autonomy has to do with the powers to take action that may be discretionary in nature (Clark’s view, 1984), regulated autonomy poses a substantial constraint for use of administrative discretionary power for an individual or agency in making a judgement or a decision irrespective of legal structures that there may be to legitimate the use of such powers. A regulated autonomy of local governments therefore is a controlled decentralised power by the central government. This is a common characteristic expressed in intergovernmental relations encompassing the processes and institutions through which governments within a political system interact (Phillimore, 2013).
9. The Regulated Political Autonomy of Local Governments

Decentralisation is generally deemed to transfer financial administrative and political powers to local authorities (Smoke, 1987: p. 1993) with the central government retaining oversight function, regulatory and policy framework guidance (Blom-Hansen, 1999). Once the frameworks are developed, the central government remains with the role of congruence of action from the grassroots in form of local strategy and bylaws. A review of the works of Blom-Hansen (1999), Boyne (1993), Pratchett (2004), Fleurke and Willems (2004) suggests that while political, administrative and financial autonomy should be transferred to the grassroots, central government must remain with the regulatory function. Specifically, Blom-Hansen (1999) indicates that the regulatory role must focus on balancing local autonomy, macroeconomic control and sector policy goals. However, it is opined that political autonomy remains an important aspect of decentralisation, literally anchoring the decentralisation process, calling for the need to explore its assumptions.

Assumptions of political autonomy more often are associated with self-governance giving local units less control from higher levels of governments (Foldvary, 2011). Territorial classifications may differ but commonly include states, regions, provinces, districts, and municipalities. Political autonomy stems from the distinctive majority of the population within such a given locality having a significant identity like language, norms and other cultural values that are preserved by the residents binding them together to ease political and social integration. This commonality of the populace is a trust-base for self-governance of autonomous groups. It presumably increases political cohesion in the decision making and in electoral processes.

In Uganda, Article 176 of the constitution and Section 30 of the Local Governments Act 1997 stipulate political and executive powers and functions that local government should exercise within the area of its jurisdiction. Local governments are given powers to provide services for the decentralised functions as deemed fit. With political power, local councils should protect the constitution and other laws of Uganda, promote democratic governance. And ensure the implementation and compliance with government policy. The law devolves planning powers within the confines of the National Planning authority frameworks, and gives legislative powers for enactment of district Laws (ordinances) and byelaws at lower local councils consistent with the constitution or any other laws made by Parliament. They are mandated to exercise any delegated powers by the Minister responsible for Local government within the area of jurisdiction as provided under section 32-33 of the Uganda Local Governments Act, 1997. The councils accordingly are given decision making autonomy to provide services responsive to their local needs, and powers to regulate, guide and monitor the provision of such services in line with central government policies, plans and programs.

Existing literature presents views consistent with political decentralisation and
autonomous local self-governance assumed value. For a successful implementation of decentralised service delivery programs, there should be political commitment and support from national leaders to transfer authority and responsibility to lower levels, and effective channels of political participation of representation for interested publics, clientele groups and intended beneficiaries. Political leaders should be accommodative and able to accept the involvement of other groups and organisations outside their direct control. There should also exist definite laws, regulations and directives for clear allocation of functions, and efforts to elicit support of local elites and traditional leaders in service delivery. There should be minimum trust and respect between government officials and citizens as well as creation and maintenance of strong leadership in local administrative units and non-governmental organisations for a sustainable service delivery (Rondinelli & Nellis, 1986).

The Uganda local government system demonstrates the existence of some of the conditions through the relevant legal and policy frameworks. While some of these conditions are hard to measure, the local “elitism” view features as a strong argument worth noting. In his earlier works, Mill (1862) depicted a danger of local autonomy unleashing tyranny of the uneducated masses over the minority at the local level. This in Uganda is demonstrated in local council’s elections where the qualified counsellor is a citizen of Uganda and a registered voter (LGA Sec 116). The only exception for this requirement is for the chairperson of the district council or city council who in addition to being a citizen and a registered voter are required to be from 30 years to 75 years of age and with a minimum of Advanced Level education standard (LGA Section 111). The district council or city council chairpersons form a small percentage of the total councillors and the publics that are instrumental in the local government decision making process.

Also, by raising the elite argument in local politics, Mills similar to Rondinelli suggested the challenge of low capacity in the leadership of local administration where there is a dominance of the semi-elites carrying out the decentralised functions. Even where there are elites, local self-governance is an evolving practice that requires continuous capacity building to cope up with national and global governance trends and exigencies. This, as in the case of Uganda, normally calls for regular interventions of the central government agencies to institute close supervision, regular monitoring and guidance of local government’s political and administrative duties for legislation, elections, and political decision-making. A tendency of misinterpreting this as political interference and as a threat to power of immunity arises resulting in mistrust among the centre and local actors in this process thereby raising tension within the central government and local government relationship.

10. Regulated Local Government Financial Autonomy

Local financial autonomy, widely conceived as it may be, has components of revenue, budgetary and expenditure autonomy exercised by local governments
(Beer-Toth, 2009). Ideally, it should encompass freedoms for generation of revenues, allocation, utilisation, control of the collected financial resources without external influence. Comparing different views to make a common understanding of local financial autonomy, it is noted that autonomy of local revenue involves the rights and ability to determine financial resources and their sources, and the expenditure autonomy as rights and abilities to determine spending on public goods and services as per the needs of the local constituencies.

True, decentralisation policy in Uganda offers a leverage to local governments to make strategic and operational plans, budget, mobilise financial resources for their local expenditure priorities. As a matter of financial autonomy, structural assurances for budgetary powers and procedures are guaranteed by the provisions of Local Government Act Chap 243 (Sections 77 and 79) and Articles 190-197 of the Uganda constitution. The law stipulates rights and obligations of local governments to formulate, approve, and execute budgets and plans. It is expected that the budgets reflect all revenues locally collected or received from the central government to be appropriated yearly following national priority program areas. Local government councils are required to keep proper books of accounts and other records and to produce statements of final accounts at the end of each financial year.

To facilitate the execution of decentralised financial duties, these financial powers and procedures as well as several organs and structures are well documented in the Local Governments Act (LGA) as summarised in Table 1 below.

Whereas procedures for local revenues and central government financial transfers are well laid out in the decentralisation policy and legal frameworks, and while there exists a fiscal decentralisation strategy, many local governments continue operating below optimal functionality due to inadequate funding. There is a limited local revenue base, a high dependence on central government transfers, and inconsistency in allocation of both conditional and unconditional grants from prescribed formulas between local governments and the Local Governments Finance Commission and in accordance with the law. The planning processes for financing local governments is less determined by local needs assessment but rather on the guidance of Indicative Planning figures (IPFs) and sector budget ceilings from the Ministry of Finance, Planning and Economic Development without local government input in determining these estimates. The decision on conditional grants usage by local governments in the changing economic environment is with limited flexibility. This situation is aggravated by the recentralisation of collection and control for most viable revenue bases to the Uganda Revenue Authority (Mushemeza, 2019; MoFPED, 2019).

Moreover, critics of fiscal decentralisation and local financial autonomy view a possibility of increased opportunities of corruption and minimal accountability from local elites who access public resources (Fisman & Gatti, 2000). Such corruption tendencies may be attributed to the poor institutional frameworks to hold subnational governments and the officials accountable. As an essential element for institutional-based trust, accountability necessitates distinctive,
Table 1. Decentralised organs and their financial mandates in Uganda.

<table>
<thead>
<tr>
<th>Organ/structure</th>
<th>Functions</th>
<th>Statutory Provision</th>
</tr>
</thead>
<tbody>
<tr>
<td>Local Government Finance Commission (LGFC)</td>
<td>Advising to the president on:</td>
<td>LGA Section 74 &amp; 76</td>
</tr>
<tr>
<td></td>
<td>- Potential revenue sources for local governments;</td>
<td></td>
</tr>
<tr>
<td></td>
<td>- matters of revenue distribution between central government and local government;</td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Equalisation and conditional grants for each local government</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Advising local governments on appropriate tax levels levied by local governments</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Dealing with disputes of local governments over financial matters in liaison with the Minister responsible for finance</td>
<td></td>
</tr>
<tr>
<td>Revenue and accounting regulations</td>
<td>Specifies local government taxes, rates and central government grants and other revenue sources given in the Fifth schedule of the Act</td>
<td>LGA Section 78</td>
</tr>
<tr>
<td></td>
<td>Gives Ministerial powers to make financial and accounting regulations prescribing financial and accountability measures for local government compliance</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Surcharge for any councillor or local government staff responsible for loss of money</td>
<td></td>
</tr>
<tr>
<td>Central government</td>
<td>Provides conditional, unconditional and equalisation grants to local government</td>
<td>LGA Section 83</td>
</tr>
<tr>
<td>Local governments</td>
<td>Powers to borrow, accept or use grants or assistance</td>
<td>LGA Section 84</td>
</tr>
<tr>
<td>Auditor General</td>
<td>Audit local government accounts and report to parliament, minister for Finance, Minister for local governments, the respective local government, Local government Finance commission, Inspector general of government, Resident district commissioner, local government Public Accounts committee</td>
<td>LGA Section 87</td>
</tr>
<tr>
<td>Local Government Public Accounts Committee</td>
<td>Examines the reports of Auditor General, Chief Internal Auditor, and any other reports of commissions of inquiry. Submits its reports to the LG council and to the Minister for Local government who lays the report before the parliament</td>
<td>LGA Section 88</td>
</tr>
<tr>
<td>Internal audit</td>
<td>Prepares quarterly audit reports for the council and giving a copy to Local Government Public Accounts committee</td>
<td>LGA Section 90</td>
</tr>
</tbody>
</table>

Source: Local Governments Act (LGA-CAP 243).

reasonable, unambiguous guidelines and assignments that match devolved functions to subnational units. There should be a proper estimation of the transferred duty load to the local revenues if the revenue, budgetary and expenditure
autonomy is to be meaningful. The effect of macroeconomic factors like inflation, employment levels, tax and interest rates, and national income should be predicted and appropriate interventions put in place to support autonomous local governments. In circumstances where such a prediction fails, local governments’ financial independence levels are compromised. Consequently, drastic measures of recentralisation of some powers, functions and services as witnessed in the Uganda Local government system lately defeat the objectives of decentralisation and generate tension and mistrust amongst the two levels of government.

11. The Regulation of Administrative Autonomy

The level of local autonomy and the emerging trust or mistrust concerns the clarity of the roles and responsibilities between different levels of government. Administratively, local governments obtain powers and responsibilities for: delivering public services and functions at lower levels, ensuring good intergovernmental relations, building institutional capacities at lower level, execution of central government’s policies and programs, and managing lower government agencies and field offices (EuropeAid, 2007). Administrative autonomy as a formal autonomy, involves delegated decision-making powers, and creation of governing structures to appoint and oversee the administrative executive and to interrupt the chain of command from the higher authorities (Christensen, 2001; Yesilkagit & Christensen, 2010; Bach, 2014). Appropriate allocation of functions between centre and decentralised units and putting in place definitive decentralisation laws, regulations and directives to clarify the allocated functions are some of the organisational conditions necessary for effective administrative decentralisation. Further, simple planning and management procedures, strong communication linkages between the centre and decentralised units, and performance-based allocation of functions to decentralised units and persons are cornerstones for effective decentralisation processes (Rondinelli & Nellis, 1986).

To ensure effective administrative decentralisation in Uganda, the Uganda 1996 constitution (Article 176) and the Local Governments Act 1997 (Part IV-VII) give powers to local governments to employ persons in their service; and to oversee the performance of persons employed by the central government, to provide services in their areas, and to monitor government services and projects implementation within those areas. The local governments are also given powers to plan, and to implement central government policies and programs.

Whereas administrative powers and duties have been decentralised in Uganda, making of independent administrative decisions and implementing policy actions challenged by political interference and a feeble rule of law. In short we view this as an effect of formalisation of formal government structures which encompass moving away from explicit and visible structure of relationships, roles, processes and principles for objective and rational decisions. For instance, in Uganda, rates have been in most cases determined for securing non tax reve-
nue from the locals.

For example, through public procurement, the outsourcing of public markets, abattoirs, parking spaces, cattle markets have provided revenue that has enabled the reduction of financing gaps at local level, arising from dim central transfers. However, directives from the Executive requiring in some cases abrupt orders to seize collections has caused not only financial distress but loss of trust on the will by central government to allow decentralisation to work. This compromises the benefit of local autonomy, as such decisions may be in the interests of the center but not interests of the local government that continues to be critiqued for failure to deliver public services such as roads, waste management and in some cases decentralised healthcare. In addition, actions of such nature may fail the realisation of revenue that is necessary supporting local budgets for paying allowances for council meetings. By failing to meet to decide on matters affecting the local population due to lack of finances, local leaders deny their constituents the benefits of local democracy. Rather, informal norms and behavioural patterns witnessed in power systems, communication networks, sociometric dynamics and working arrangements dominate the local governments administrative scenes.

Severally, we have witnessed role-conflicts, in fights amongst political leadership and technical civil servants, and disagreements in work methods of the central government delegated staff such as the personnel in the office of Resident District commissioners and those employees that were recruited and managed by the local governments. Gradually, the regulation of administrative autonomy is becoming more pronounced with the recentralisation of the top administrative executives that include Chief Administrative officers and Town Clerks. This move compromises the power of initiation and power of immunity for the local governments as key technical decision makers of local governments become subjected to competing royalties of the central and local governments. In outlook, the recentralisation of top local government executives may also signify minimal trust the central government has in local governments, implying that they are incapable of managing their own affairs. Similarly, loopholes existing in the central and local decision-making processes, especially approvals of local government structures and budget priority areas. One typical example is the approval of new administrative units and organising for elections of political leadership by the electoral commission without required financial support to establish and run the decentralised functions in the newly created local government units (Mubiru & Sanya, 2020).

We believe that success of administrative autonomy may thrive when formalisation of the structures and systems of local governments as granted by the formal legal status, and the rule-based approaches are used and followed to take authoritative decisions (Scott, 2013, Bach, 2018). We argue that even within their delegated powers that may be discretionary, central government administrative decision makers should be able to follow the existing institutional legal and pol-
icy frameworks that would give structural assurances for the local governments. Where some inconsistencies emerge in implementing administrative decisions, a gradual process of institutionalisation of informal views that are divergent from the formal rules and procedures should be followed. This, which in Selznick (1957) view is a process through which the organisation acquires a distinct identity and coherent organisational mission that may diverge from its original mandate through evolutionary process, will create a situational normality that local governments may admissively conceive as workable overtime.

**12. Conclusion**

This paper examines institutional-based trust in a local government system. Trust conceives an essential component of good administration and governance, because it improves provision of public services and strengthens government institutions. Institutional-based trust can be in form of structural assurances-laws, guidelines, policies and procedures or may feature in form of institutional normality, being built on favourable conditions as those in other similar trustable relationships.

By decentralising powers, functions and services, the centre is creating that relationship with the local governments units. The relationship hopes that permitting local autonomy would translate into benefits of good governance and functional efficiency as suggested in the foundational assumptions of local governance by Joshua Toulmin Smith (1851), John Stuart Mill (1862) and their followers. From the local government practice in Uganda, it is evident that local government autonomy in a decentralised system is hard to attain. The local governments are found to be financially, politically and administratively regulated leading to limitations of outcomes assumed in the decentralisation theory. The regulated autonomy of local governments by the central government stemming from inadequate structural assurances generates relational mistrust between the central and local government agencies. Trust in centre-local relations weakens further when the social, economic and political environment (presumed in situational normality) becomes less conducive to support the execution of the duties and functions entrusted to local governments. Insufficient human and financial resources, limited capacity of technical and political human resources, technology complexity in the e-governance era, political interference in administrative technical matters, and other institutional-based challenges constrain the local government’s power of initiation and power of immunity as theorised in Clark (1984) and Beer-Toth (2009). These factors comprise the local governments’ power to regulate and legislate their own interests, carry out rightful duties and act without fear of oversight. The central government oversight function is also jeopardised. Ultimately, building institutional based trust in regulated local government systems, in developing countries like Uganda, is a prerequisite for local autonomy, subsidiarity, power of initiation, and power of immunity to flourish and hence functional local governance.
Conflicts of Interest

The authors declare no conflicts of interest regarding the publication of this paper.

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