

Fiscal Challenges of Decentralization in The Gambia

Modou Jonga¹

¹Post Graduate Student, The Department Of Public Policy & Management, Universitas Gadjah Mada
modou.jonga@mail.ugm.ac.id

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Abstract: This research attempts to explore the documented fiscal challenges that constrain the process of decentralization) in The Gambia. Thorough analysis of the fiscal shortcomings within the context of decentralization set the basis for the paper. The Paper used primary and secondary sources to gather information relevant to the thematic area. The secondary data sources included journal articles, books, Government Reports and Local Government Act and legal instruments on decentralization in The Gambia. Observation method was also used based on the author's background and experience in the thematic area. The paper found that the Councils are not adequately funded and that has seriously limit the ability of the Local Government Areas to provide basic amenities to local communities. However the paper noted that the fiscal challenges of decentralization are multi-dimensional in character. The paper strongly recommends a critical institutional review and re-design of the fiscal decentralization in order to realize the benefits of decentralization process. With the required central government financial support as stipulated in section 127 (3) of the Principal Local Government Act, 2002, vigorous sensitization to improve the level of tax compliance, and finally political and leadership will remain critical to ensure that initiatives and policies are monitored and coordinated to meet the demands of decentralization within the Local Government sector.

1 INTRODUCTION

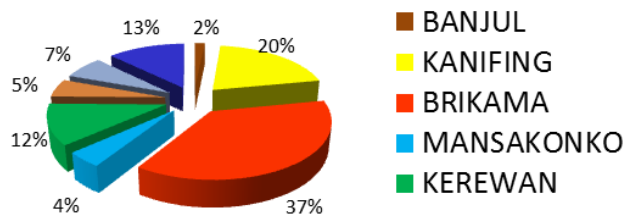
In recent years, The Gambia's decentralization process has faced a lot of challenges such as structural and policy implementation. These challenges have undoubtedly impacted on local governance in the west coast region. Previous studies predominantly examined the reasons why decentralization has not fulfill its expectations (Sowe, et al., 2018; Fye, 2015). This study will argue that weak fiscal decentralization leading to limited sources of revenue have impeded the effective implementation of decentralization in The Gambia. This research intends to critically assess the multiple fiscal challenges in the decentralization policy in The Gambia.

The traditional revenue sources of the Municipalities and Area Councils are insufficient and inadequate to enable them ensure service delivery to the communities under their jurisdictions. The Central Government pursued a multi-pronged approach to mobilized financial resources for the implementation of the decentralization. The fiscal transfer formulae are not consistent and is drawn

without inputs from the Councils. Equally the revenue basis of each of the LGAs are not equal. The major revenue sources of the Councils precisely that of Brikama Area Council are unilaterally transferred to newly established government agencies during the regime of the previous government of Yahya AJJ Jammeh (1994-2016).

Formerly a colony of the British Government, The Gambia gained its independence on February 18, 1965. For the purpose of local administration The Gambia is divided into eight local government areas. Each region is headed by a governor who is appointed by the president of the republic. It is significant to note that local government in The Gambia is adequately supported by institutional and legal frameworks. Munawar Alam (2009) in his work entitled 'Decentralization in The Gambia' observed that local government in The Gambia is based on the 1997 constitution, sections 193-194 and 214 (3); the Local Government Act (2002); the Local Government Finance and Audit Act (2004) amongst others.

Figure 1. Population distribution by LGA



Source: Gambia Bureau of Statistics Census, (2013)

This study intends to provide relevant data or information on the multiple fiscal challenges of decentralization in the LGAs in The Gambia. The study amongst others, would influence the government to act on the dictates on the legal instruments in adhering to its fiscal obligation and increase public awareness on the importance of adequate fiscal decentralization towards the provisions of basic social services.

To address the above objectives, the paper answered the following questions: What are the Political, Fiscal and Administrative challenges faced by Brikama Local Government Area (WCR) in the Implementation process of Decentralization?

2 THEORETICAL

Bilouseac (2009) observed that decentralization refers to the transfer of administrative and financial powers from the central government to the local government or private sector required to meet local interests. Decentralization becomes necessary when the central power finds it increasingly difficult to fully and properly administer a country and respond efficiently to the aspirations of its peoples. Among the many reasons for decentralization, economic efficiency is at the heart of the debate between supporters and opponents of decentralization policies. The efficiency argument constitutes the core of the “first generation theory” of decentralization that started to emerge around the 1950s and 1960s, and culminated in a highly original and influential Fiscal Federalism by Wallace Oates, (1972).

3 METHOD

It is the 1997 Constitution of the second republic that provided the cardinal pillar for the formulation of policy objectives and action plans on the implementation of decentralization in The Gambia. This study is focused on the fiscal (financial) challenges of the decentralization process in The Gambia from 2002 to date which was the period when the Local Government Act (2002) as the Principal Act and other laws and legal instruments were enacted to enhance the smooth implementation of the decentralization process.

4 RESULT AND DISCUSSION

This section discussed the research questions outlined earlier. This section is devoted to present all the statistical findings on the factors related to the fiscal challenges of decentralization. It also further discusses the findings on fiscal factors perceived to impede the effective implementation and attainment of the desired goals of decentralization. The discussion of the findings is presented beneath.

4.1. Inconsistencies and Low Executions of the legal instruments on Decentralization

Section 128 of the Local Government, 2002 stipulated that “The Central Government shall provide twenty-five per cent of the Councils’ development budget”, however, finding indicated that the central government has not adhering to that section. This non adherence to provide that twenty-five per cent development budget support according to findings has created a fiscal gap and thus affected the service delivery levels of the Local Governments Authorities.

4.2. Weak Fiscal Decentralization and Erosion of Revenue

Councils also are not well funded. Findings indicated that the traditional revenue sources of the LGAs are insufficient to fund development projects in the communities. In addition, specific to Brikama LGA findings disclosed that major sources of the revenues of the council has been taken away by the central government and allocated to newly established agencies. The eroded revenue sources according to findings include cattle tax, billboard tax, tourism related tax, sand mining royalty. These finding also show that the Inter-Ministerial Coordination Committee on Decentralization (IMCC) which is expected to take a leading role to

coordinate a financing mechanism for transferring resources from the central government to councils is yet to be operational and functional as dictated by the Gambia's National Policy for Decentralization and Local Development (2015: 35). Similarly, findings indicated the ability of Councils to mobilize local revenues is limited, thus leading to poor revenue mobilization.

5. CONCLUSION

If decentralization is anything achievable, the Central Government should commit adequate resources towards decentralization totally devolution powers to the councils to gain their financial autonomy. By adhering to the dictates of legal instruments on decentralization the government will engineer the process of bringing development to the local communities and ensure the proper utilization of local resources. Future research may focus on exploring nationwide challenges in the implementation of decentralization by involving key national actors, such as the Ministry of Local Governments, Members of the National Assembly and the Inter-Ministerial Committee on Decentralization.

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