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Political Decentralization and Governance in Hargaisa Local Government, Somaliland

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Abstract:

This research aimed to reveal, through practical observation, the extent to which political decentralization can be considered a factor contributing to transparent governance in the local government of Hargaisa, Somaliland. The authors adopted the convergent parallel mixed-methods design in which data from 269 officials constituted the quantitative part, while 35 in-depth interviews supplied the qualitative part. The first major statistical analysis, namely Pearson correlation analysis, revealed a very strong, albeit imperfect, positive relationship between political decentralization and transparency ($r = 0.259$, $p = 0.000$), thereby rejecting the null hypothesis. The correlation was, however, weak to moderate. The second analysis through simple linear regression concluded that fiscal decentralization was a significant predictor of transparency ($p = 0.001$), but current that it explained only 6.3% of its variance (Adjusted $R^2 = 0.063$). Descriptive statistics also pointed to a gap between the declared and actual transparency; not only did a high overall perception of transparency get reflected in the mean score of 2.88, but also an extremely low score of 2.49 indicated that the public access to information was the critical area. Qualitative data made it clear that the implementation gap was mainly due to powerful informal institutions that were keeping formal decentralization reforms apart from practice. Political decentralization was viewed as a factor contributing to but not sufficient for transparency in Hargaisa by the study, where its impact was strongly controlled by informal power structures and poor fiscal autonomy.

Keywords: Political Decentralization, Transparency, Local Governance, Principal-Agent Theory, Institutional Theory, Somaliland.

JEL: H70, H83, O55

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INTRODUCTION

The Theoretical reasoning has linked political decentralization and transparent governance closely, based on the democratic principles of power allocation to local authorities by the people. Such a change would make the government more open by cutting down on the accountability chain between the people and their officials (Berliner, 2014, p. 480). It is said that this closeness could force local

governments to be more open regarding information demand by the citizens, as their authority would be completely determined by the local electoral performance (Berliner and Erlich, 2015). The main reason for this connection is political competition. In places where local elections are truly competitive, incumbents have a strong reason to push through transparency reforms as their strategy to show good governance, differentiate themselves from their opponents, and earn the trust of the public (Berliner, 2014). This rivalry is likely to make it harder for the government to keep secrets, since local officials will be under constant public scrutiny and their actions and funds will be transparent to the citizens who have elected them (Michener, 2022).

Nevertheless, although during the past decade, empirical studies tell of a very intricate and sensitive relationship between the two aspects, that is, political decentralization and transparency, hence, political decentralization does not necessarily result in Transparency. Research done across different countries has shown that in the local context, the existence of multiple and rival political parties is an indication of a system of checks and balances. In such circumstances, the ruling party has to bear the criticism of the minorities against it, who are the opposition groups (Hollyer et al., 2024). The contingent nature of this relationship is further illustrated by research on fiscal decentralization, which suggests that the transparency benefits of political decentralization are most pronounced when local governments also possess meaningful fiscal autonomy and capacity, thereby completing the accountability loop (Falleti and QuispeAgnoli, 2021). In such situations, transparency is considered a political asset, and not providing it may result in a considerable loss of votes for the local administration.

The strength of local civil society and independent media is the main factor that determines the effectiveness of these transparency mechanisms. Peisakhin's (2019) research in India concluded that the Right to Information (RTI) Act was most beneficial for the purposes of reducing corruption and improving service delivery in areas with higher literacy and more vigorous non-governmental organizations. A similar conclusion was reached by Larreguy, Marshall, and Snyder (2020), who found that the dissemination of monitoring by a satellite-based corruption detection system through local newspapers correlated with a significant improvement in local government performance and accountability in Mexico. This interaction brings out the fact that political decentralization leads to the greatest transparency when the 'fourth estate' is present to quickly and efficiently process, analyze, and disseminate government data to a larger audience, thus activating the accountability potential of the people.

The study aimed at evaluating the relationship between political decentralization and transparent governance in the case of Hargaisa local government, Somaliland. The hypothesis was tested that: There is no major relationship between political decentralization and transparent governance in Hargaisa local government, Somaliland.

This research goes beyond the simple establishment of a relationship by examining the nature and limits of such a relationship in a context of hybrid governance. It heralds the principal-agent theory as the main argument for why decentralization should lead to more transparent administration. At the same time, it applies institutional theory as a supporting lens to account for the usual dilution or complete separation of the anticipated results from the official structures. This conflict has been explored in Somaliland. In a setting where strong informal clan systems coexist alongside formal state institutions, this study aspires to provide an intricate and delicate comprehension that connects these two theoretical standpoints, surpassing shallow applications of either theory.

1. THEORETICAL REVIEW

The theoretical basis for the connection between political decentralization and transparency was first and foremost related to principal-agent theory and institutional theory. According to the principal-agent

viewpoint, political decentralization altered the delegation hierarchy in such a way that the 'agents' (local officials) were placed right next to their 'principals' (local citizens). This nearness, in theory, made it difficult for one party to know more than the other, and thus the cost for the citizens to oversee the government's performance was lowered, resulting in agents being able to act more openly with the public and thus getting their legitimacy and re-election secured (Hollyer et al., 2024). The theory believed that in an ideal decentralized system, the fear of losing elections would force local governments to be the first ones to present their side of the story, i.e., the decisions they made, the budgets they controlled, and the progress made.

On the other hand, institutional theory was the major opposite, giving reasons why the formal political decentralization adoption hardly ever led to transparency and accountability in the real sense. This view led to the conclusion that organizations, including local administrations, sometimes internalized the inefficiency of their technical processes and structures merely to obtain legitimacy from their institutional environment (Meyer & Rowan, 1977). In many areas in the developing world, this meant that the political decentralization of formal institutions, such as elected councils were often only established as a formality in response to coercive international donor pressures or mimetic global 'good governance' model pressures. The rules set out in these documents were often 'decoupled' from the reality of the situation and were constantly kept under the control of notorious, informal institutions such as clan-based loyalties and traditional authority structures (Eggen & Basedau, 2021). The result was a situation whereby the requirement of the formal rules was met with a camouflage of transparency, while the location of the actual power and decision-making was still hidden.

Moreover, the intergovernmental fiscal relations design was a crucial factor in determining this relationship. During the times when local governments enjoyed financial autonomy and were mainly supported by their coupled revenues, they usually acted with more transparency and were able to justify the imposition of taxes and build a local 'fiscal contract' (Falleti & Quispe-Agnoli, 2021). This gave rise to a loop where taxpayers were the citizens themselves and demanded more accountability for their support. On the other hand, if a government relied heavily on unconditional central grants, it might create an illusion of taxes and local services being unconnected, which could in turn reduce the citizens' incentive to demand transparency (Liu & Martinez-Vazquez, 2024). Under such circumstances, local officials often believed themselves to be more accountable to the central government providing funds than to the local electorate, which greatly restricted the political decentralization's ability to promote transparency.

Elite capture was a significant challenge that faced many decentralized systems, particularly in developing and post-conflict states. It occurred when local powerful groups co-opted the institutions of local government. Political decentralization could thus incorrectly reduce transparency since the local elites had very strong incentives to obscure resource allocation and decision-making to safeguard their rents (Platteau & Gaspart, 2020). The situation in Africa's resource-rich regions has shown that decentralization is capable of simply transferring the opportunity for rent-seeking from the national government to the local level, with local elites controlling the revenues through non-transparent means (Ajayi et al., 2022). In these cases, formal political decentralization co-existed with informal and opaque power structures, and the theoretical gains in accountability were wiped out by the reality of institutions being captured.

One of the main obstacles that many decentralized systems face, especially in developing and post-conflict states, is the situation of elite capture, which is characterized by large local power groups taking over local government institutions. In this context, political decentralization can even reduce transparency in a paradoxical way since local elites would be very interested in hiding the allocation of resources and the whole decision-making process to secure their rents (Platteau & Gaspart, 2020). Decentralization in Africa's resource-rich areas has been indicated to merely shift the rent-seeking opportunities from the national level to the subnational level, where local elites would employ non-transparent methods to get hold of the revenues (Ajayi et al., 2022). Thus, the political decentralization

granted by law is accompanied by the actual use of informal and non-transparent power structures in these cases, creating a situation where the purported accountability gains are completely offset by the existence of bureaucracies that are effectively controlled.

2. METHODOLOGY

The research was based on a pragmatic research philosophy, which merges the ontological positions of objective and subjective. This signifies that the inquiry recognized an external reality that could be measured (objectivism) and the various, constructed realities of human experience (subjectivism) at the same time. With regards to epistemology, this meant a mixed-methods approach, where positivist and interpretive stances were combined, and the principle that methodological choices should be dictated by the research problem was adhered to (Johnson & Onwuegbuzie, 2004). The positivist viewpoint provided the theoretical foundation for the empirical analysis and quantification of fiscal, political, administrative, and market decentralization as well as their relation to governance. Moreover, the interpretive epistemology made it easier to collect qualitative data from the participants' subjective experiences, which opened up the possibility of a detailed, contextual analysis of the phenomena being studied (Tashakkori & Teddlie, 2010). This study's philosophical outcome was polarization, which facilitated the creation of a broader understanding than what could be obtained through either method in isolation.

This research implemented a convergent parallel mixed-methods design. Thus, during one phase of the research, quantitative and qualitative data were acquired at the same time but in a different way (Creswell & Plano Clark, 2018). The adoption of this design was justified through triangulation, complementarity, and development. Triangulation made it possible to compare the broad generalizable patterns from the quantitative survey with the in-depth, detailed insights from the qualitative interviews so that the findings could be corroborated (Fetters et al., 2013). The qualitative narratives explaining the statistical trends identified in the quantitative data were meant to support and reinforce the findings, e.g., why certain governance scores were low. Besides, the design carried a development element where the primary qualitative results from a pilot study were used to guide and improve the following quantitative survey being drawn up, thus achieving methodological coherence and relevance to the local context.

The research was carried out in Hargeisa District, the present-day capital and most populous city of the Republic of Somaliland, which is a de facto independent state located in the Horn of Africa. The study particularly focused on the nine sub-districts of Hargeisa—Mohamed Moge, Ibrahim Kodbuur, Mohamoud Haybe, Gacan Libaax, Ahmed Dhagah, Mohamoud Haruun, 31 May, 26 June, and Gacmadhere, as well as the Hargeisa Local Government main office. The selection of this geographic area was made because it is the largest administrative division in which the decentralization measures and practices are applied in Somaliland, and therefore, it provides a more relevant context for the research that is directed at understanding and evaluating the effects on local governance.

The research population for the study consisted of the officials and stakeholders of the Hargeisa Local Government, with the coverage of its nine districts and the central office. A stratified sampling method was used to ensure that all administrative units were represented. Structured questionnaire data were collected from the stratified sample of 287 respondents, yielding a very high response rate of 94 percent from a quantitative perspective. On the qualitative side, 35 officials' in-depth interviews were conducted, who were purposively selected from Hargeisa's nine districts and the central office, aimed at seeking an in-depth understanding of the implementation and experience of decentralization across the borders.

Data were collected from both primary and secondary sources. The primary quantitative data for this research were mainly collected through the use of a structured questionnaire designed specifically for

the project. Primary qualitative data extraction was done using in-depth interviews and a semi-structured interview guide. The secondary data that provided context and support for the primary findings were literature, government reports, and policy documents. To ensure the highest quality of data collection instruments, both validity and reliability were checked. The Content Validity Index (CVI) was calculated with expert input, and the results confirmed the instrument's validity. Reliability was demonstrated through a pilot test, and Cronbach's Alpha scores were calculated, all of which were above the acceptable threshold of 0.7, thus indicating high internal consistency (Nunnally & Bernstein, 1994).

The data analysis was carried out following the convergent parallel approach, which was in line with the data collection design. The quantitative data were processed through the use of descriptive statistics (mean, standard deviation) and inferential statistics (correlation and regression) in conjunction with statistical software for hypothesis testing and relationship evaluation among variables. On the other hand, qualitative data was analyzed through interviews, transcribing the interviews, systematic coding, and linking the quantitative results by giving meaning to the themes (Braun & Clarke, 2006). Then, the two sets of findings were combined during the interpretation phase for more exhaustive answers to the research questions.

The whole research process had to meet very high ethical standards. In the first place, the Research Ethics Committee (REC) of the University gave ethical approval before data collection began. Moreover, approval was officially received from the Somaliland Higher Education Council and the Local Government of Hargeisa. An informed consent form containing information on the study's aims, the procedures involved, and the participants' right to withdraw at any time without any penalties was provided to each participant. The secrecy and confidentiality of the participants and the data they provided were assured and kept confidential during all phases of the research process.

3. RESULTS

Response rate

The researcher expected to get 287 respondents for the survey, but 269 took part finally, which gave a participation rate of 94 per cent. No interviews were missed, and all 35 planned in-depth interviews were conducted, thus achieving a 100 per cent completion rate for the qualitative part of the study. In survey research, a participation rate higher than 50 per cent is usually accepted for analysis, with higher rates greatly reducing the effect of non-response bias (Fincham, 2008). As has been described before, the data was gathered from the Hargeisa local government offices in Somaliland by taking samples from top, middle, and lower-level staff. The offices included: the Central Office, M-Moge Office, M-Haybe Office, 26 June Office, Koodbuur Office, M-Haarun Office, Ahmeddhagah Office, Gacmadhere Office, Gacanlibah Office, and 31 May Office.

Demographic characteristics of respondents in Hargaisa local government, Somaliland

Table 1. Demographic characteristics of respondents

Demographic Variable	Category	Frequency	Percentage (%)
Gender	Male	162	60.20%
	Female	107	39.80%
Age	25 years	27	10.00%
	25-35 years old	54	20.10%
	35-45 years old	108	40.10%

Demographic Variable	Category	Frequency	Percentage (%)
	45-55 years old	54	20.10%
	55 and above	26	9.70%
Marital Status	Single	81	30.10%
	Married	134	49.80%
	Divorced	27	10.00%
	Separated	27	10.00%
Length of Service	Less than 1 year	27	10.00%
	One – four years	108	40.10%
	Over four years	134	49.80%
Educational Level	Certificate	27	10.00%
	Diploma	54	20.10%
	Bachelor	135	50.20%
	Masters	53	19.70%
Management Level	Top Level	54	20.10%
	Middle Level	108	40.10%
	Lower Level	107	39.80%

Source: Primary data (2025)

A demographic profile of the 269 survey respondents has shown a sample of very different characteristics. Most of the participants were males, who made up 60.2 percent (n=162) of the sample; thus, female responses were 39.8 percent (n=107) only.

The age spread indicated that the biggest group consisted of people between 35 and 45 years, who accounted for 40.1 percent (n=108) of the total. Next came the 25-35 and 45-55 age brackets, which were each 20.1 percent (n=54) large, while those aged 25 and 55 and over made-up 10.0 percent (n=27) and 9.7 percent (n=26), respectively. Therefore, the workforce is mostly composed of middle-aged people.

Talking about marital status, nearly half of the respondents were married (49.8 percent, n=134), while 30.1 percent (n=81) were single. The divorced and separated respondents each accounted for 10.0 percent (n=27) of the population.

Analysis of the length of service pointed out a highly skilled and experienced labor force, with nearly half (49.8 per cent, n=134) of the employees having more than four years of service. The workers with experience of one to four years made up 40.1 per cent (n=108), while the rest only accounted for 10.0 per cent (n=27) who had been with the organization for less than a year.

The educational level was remarkably high, with half of the respondents (50.2 per cent, n=135) being bachelor's degree holders. The group of master's degree holders was 19.7 per cent (n=53), while the percentages of diploma and certificate holders were 20.1 per cent (n=54) and 10.0 per cent (n=27) respectively.

The breakdown of management levels revealed a strong support throughout the entire hierarchy, with middle-level managers comprising the largest section at 40.1 per cent (n=108), followed closely by lower-level management at 39.8 per cent (n=107), and top management at 20.1 per cent (n=54). This distribution made sure that inputs were obtained from all the different levels of operation of the organization.

Descriptive statistics of political decentralization and transparency in Hargaisa local government, Somaliland

The descriptive statistics are shown through means and standard deviations. The values of the means were interpreted through the following scale: 4.00 - 3.26 was 'Very High', 3.25 - 2.51 was 'High', 2.50 - 1.76 was 'Low', and 1.75 - 1.00 was 'Very Low'.

Table 2. Descriptive statistics of political decentralization constructs

Item code	Statement	N	Mean	Std. deviation	SD (%)	Dis (%)	Ag (%)	SA (%)	Rank	Interpretation
PD1	A series of changes in Law no 23 does not create new avenues for the representation of subnational policies	269	2.9	0.531	2	18	60	20	1	High
PD2	Local government in Hargeisa is required by legislation to promote and protect human rights	269	2.77	0.659	5	30	50	15	2	High
PD3	Hargaisa's local government faced challenges related to legislative powers	269	2.87	0.492	3	22	60	15	3	High
PD4	Political decentralization provides citizens with more influence over public decision-making through their elected officials	269	2.55	0.876	10	40	40	10	4	High
PD5	A distrusted and power-hungry relationship between politicians and bureaucracy can result in the collapse of local governance	269	2.69	1.324	8	32	40	20	5	High
PD6	An increase in private or civil society players may result in decisions being made beyond the public eye	269	2.4	0.776	15	45	35	5	6	Low
PD7	Public involvement issues are not limited to the Hargaisa Local government	269	2.36	0.839	18	47	30	5	7	Low
PD8	Political decentralization does not seek to grant people greater power in public management	269	2.48	0.898	12	43	38	7	8	Low
PD9	Giving greater authority to citizens in public administration is the goal of political decentralization	269	2.55	0.821	10	40	42	8	9	High

Item code	Statement	N	Mean	Std. deviation	SD (%)	Dis (%)	Ag (%)	SA (%)	Rank	Interpretation
PD10	Political decentralization doesn't support democratization	269	2.63	0.747	8	37	45	10	10	High
	Average	269	2.62							High

Source: Primary data (2025)

The descriptive statistics about the political decentralization constructs showed a very positive perception from the 269 respondents about the application and problems of political decentralization in the Hargeisa local government. The overall average mean score of 2.62 signified a slight leaning toward agreeing with the statements assessing this variable. It implied that the idea of political decentralization was known, yet its practical forms were receiving both acknowledgment and concern, a mix.

The most highly rated constructs pointed out certain specific areas of agreement. Item PD1 – ‘A series of changes in Law no 23 does not create new avenues for the representation of subnational policies’ – got the highest average rating ($M=2.9$, $SD=0.531$) with 80 per cent of the people accepting or strongly accepting it. Such a strong agreement revealed a common opinion that the recent changes in laws were not able to open up new ways for representing subnational politics. In the same way, the item PD3, which said that ‘Hargaisa local government encountered difficulties regarding legislative powers’ also obtained a high rating ($M=2.87$, $SD=0.492$) with the support of 75 per cent of the people. Hence, it was confirmed that the limitations to local legislative power were an important issue and recognized by many. The stronghold of opinion with PD2 ($M=2.77$) also suggested that the legal instrument for the protection of human rights was recognized, although the implementation may be difficult.

On the other hand, the constructs that had the lowest mean scores embodied perceived deficits in major democratic concepts of decentralization. The lowest mean ($M=2.36$, $SD=0.839$) was associated with the item PD7, ‘Public involvement issues are not limited to the Hargaisa Local government,’ with a total of 65 percent of the survey participants either disagreeing or strongly disagreeing with it. This indicates that the survey participants saw public involvement as a problem, which was particularly severe in Hargeisa. Moreover, PD6, ‘An increase in private or civil society players may result in decisions being made unfairly,’ also obtained low scores ($M=2.4$, $SD=0.776$), with 60 percent of respondents in disagreement. This finding was somewhat counterintuitive but of great importance: respondents did not view non-state actors necessarily as an obstacle to transparency; rather, they might have viewed them as partners or neutral players.

There was a critical tension reflected in the responses to the items PD8 and PD9, which were related to the main purpose of political decentralization. On one hand, there was a super consensus with PD9, ‘Giving greater authority to citizens in public administration is the goal of political decentralization’ ($M=2.55$), and on the other hand, there was also considerable agreement on the inversely phrased PD8, ‘Political decentralization does not seek to grant people greater power’ ($M=2.48$). This contradiction brought up a possibility of questionable or unclear understanding among the respondents. Some might have thought of the theoretical goal of empowering the citizens, but at the same time, they perceived that the system implemented in Hargeisa was not really aimed at achieving it. This was in line with the high agreement on PD10, which showed that the majority opinion was that political decentralization was not really a means of supporting democratization; the gap between the ideal and the reality of devolved governance in the study area was pointed out as a significant one.

This is further confirmed by the qualitative data responses from the key informants, where Respondents 3, 5, Deputy Directors, and 6 – Local council, asserted that

"The Government of Somaliland passed Law No. 23 to promote political decentralization and enhance the representation of subnational policies, thereby intending to rectify past marginalization and empower local populations. Nonetheless, the law's execution has not managed to open the new pathways for the representation that were envisioned".

Respondents 1 and 2, Directors, Respondents 6 and 7, District chairman, asserted that,

"Even if genuine political decentralization is achieved and the local policies in Somaliland are legally represented through reforms like Law No. 23, it would not be enough. There would still be significant challenges to address, primarily the local condition being too fragile and the government retaining a lot of power".

Descriptive statistics of transparency in Hargaisa local government, Somaliland

The descriptive statistics for the transparency constructs displayed a difficult and somewhat inconsistent impression among the participants about governance in Hargeisa. Although the mean score of 2.88 overall showed a great degree of perceived transparency, a closer look at the single items revealed a considerable disparity between theoretical concepts and real-world application.

Table 3. Descriptive statistics of transparency

Item code	Statement	N	Mean	Std. Deviation	SD (%)	Dis (%)	Ag (%)	SA (%)	Rank	Interpretation
T1	Transparency implies that an organization's actions should be scrupulous enough to bear public scrutiny.	269	3.21	1.197	10.0	15.0	40.0	35.0	1	High
T2	Hargaisa Municipal leaders largely follow the sentiment that transparency is crucial in keeping with freedom and democracy.	269	3.21	1.197	10.0	15.0	40.0	35.0	2	High
T3	Developing public transparency also means delivering on accountability expectations.	269	2.62	0.657	7.0	40.0	45.0	8.0	3	High
T4	Hargaisa Municipal leaders largely understand that citizens desire information and easy access to that information.	269	2.49	0.834	20.0	45.0	30.0	5.0	4	Low
	Overall mean		2.88							High

Source: primary data (2025)

The highest-ranked items, T1 and T2, gained the same position with a mean score of 3.21. There was indeed a strong agreement that transparency is understood as the conduct being so meticulous as to withstand public scrutiny (T1) and that local government heads mostly share the view that transparency is the base of freedom and democracy (T2). The majority of the respondents, as much as 75 per cent, concurred or were very strong in their agreement for both items. This, in turn, pointed

to a widespread and positive acknowledgment of the theoretical importance of transparency among both the public and their leaders.

Nevertheless, this consensus at the top was not at all times mirrored by the items relating to practical application. The item T3 titled 'Developing public transparency also means delivering on accountability expectations' got the lower mean score of 2.62. Even though this was still regarded as 'High', the total of 47 per cent who either disagreed or strongly disagreed indicated that a notable number of respondents saw a gap between the talk of transparency and the reality of being responsible for actions. This brought up the issue of the insufficiency of the very mechanisms that ensure the enforcement of transparency as a concept.

Most importantly, the data pointed out a very big and perceived failure in one of the main aspects that make up the so-called transparency: information access. The item T4, 'Hargaisa Municipal leaders mostly perceive that the citizens demand information and the information to be easily accessible' got the lowest score of 2.49, which is considered to be in the 'Low' interpretation category. The dauntless 65% of respondents said they disagreed or strongly disagreed with the given statement. This finding was an eye-opener to the existence of a serious communication gap, implying that the people thought that their need for information was either not comprehended or not given any importance by the municipal leaders. Therefore, the transparency principle was generally accepted, but its application, especially concerning giving the citizens easy access to information, was criticized as a major deficiency of the local governance in Hargeisa.

This was supported by respondents from the qualitative data collected in this study, where respondents like Respondents 2, 3, District Directors, and 9 Local Councilors, and especially Respondent 2,3 District Directors, asserted that,

"In our opinion, transparency is the main pillar of sustainable development, and the public sector is one of the areas where it has to be applied the most and we are speaking about full transparency here when we say that every single move made by the government should be visible to the public thus accountability can be always maintained, and this prevents the power of government from being abused and the need for corruption in Africa, Somalia being one of the most corrupt countries in the world in recent years and the poor transparency and accountability have been the major factors that contributed to our country being ranked as such".

However, Respondent 8 Local Consular differs by declaring that,

"Transparency is not only the only thing that can lead to government offices becoming more cautious in the development steps planned for municipalities, but transparency in good governance activities is also very little, and the principles that I strongly support and should be protected are the rule of law, responsiveness, effectiveness, and efficiency".

The relationship between political decentralization and transparency in Hargaisa local government, Somaliland.

Table 4. The relationship between political decentralization and transparency

Variables		Political decentralization	Transparency
Political decentralization	Pearson Correlation	1	.259**
	Sig. (2-tailed)		.000
	N	269	269
Transparency	Pearson Correlation	.259**	1

	Sig. (2-tailed)	.000	
	N	269	269
**. Correlation is significant at the 0.01 level (2-tailed).			

Source: Primary data (2025)

The study found a positive correlation that was statistically significant between political decentralization and transparency (Pearson's $r = 0.259$, $p = 0.000$). This leads to the rejection of the null hypothesis and confirms that the higher levels of political decentralization are associated with the higher levels of transparency in Hargaisa. Though the relationship is weak, it is still of high statistical significance. It implies that the formal structures of decentralization are not trivial; they create a basic structure that is positively linked with transparency. Still, the coefficient indicates clearly that political decentralization is just one of the many factors that are influencing the situation. Its failure to account for a large part of the variance gives room for the qualitative data to highlight the other important and probably more influential mediating factors affecting the transparency of governance.

Simple linear regression of political decentralization and transparency in Hargaisa local government

Table 5. Simple regression of political decentralization and transparency

Variables	Unstandardized Beta	Standardized Beta	t-values	Adjusted R ²	F-Value	p-values
Constant	1.404		4.882			0.001
Fiscal Decentralization	.472	.259	4.373	.063	19.122	0.001

Source: Primary data (2025)

A straightforward linear regression analysis was performed to find out if fiscal decentralization could be a significant predictor of transparency levels in the Hargaisa local government. The model obtained was statistically significant, and its F-value was 19.122 with a corresponding p-value of 0.001. The Adjusted R-squared value was 0.063 which indicates that the fiscal decentralization factor accounted for about 6.3 per cent of the total variance in the transparency variable observed.

The analysis disclosed a positive relationship that was statistically significant between fiscal decentralization and transparency. The unstandardized Beta coefficient for fiscal decentralization was equal to 0.472. This figure meant that the transparency increased by 0.472 units for every one-unit increase in fiscal decentralization, provided that other factors were kept constant. The standardized Beta coefficient equaled 0.259, which indicated that this relationship had a moderate strength.

The importance of this predictor was validated by the t-value of 4.373 and the p-value of 0.001. Since this p-value is lower than the 0.05 alpha level, the null hypothesis has been rejected, and it has been established that fiscal decentralization was a significant predictor of transparency in the Hargaisa local government. In addition, the constant term of 1.404 with a p-value of 0.001 was significantly different from zero, which implies that there was a minimum level of transparency even when there was no fiscal decentralization.

4. DISCUSSIONS

The results of this research established a statistically significant and positive connection between political decentralization and transparent governance in the local government of Hargeisa, which led

to the null hypothesis being rejected. This outcome gave empirical support for the principal-agent theoretical framework; according to this framework, government proximity to the people leads to less information asymmetry and offers officials the temptation to act transparently to get the public's approval (Hollyer et al., 2024). The correlation was, however, weak-to-moderate in strength ($r = 0.259$), which pointed out the fact that this relationship was not deterministic. The situation also indicated that although the formal structures of decentralization were in place, the effectiveness of these structures in the promotion of deep transparency was influenced by the existence of other contextual factors, this being a nuance that is consistent with the institutional theory perspective of decoupling between formal rules and informal practices (Eggen & Basedau, 2021).

The recognition of a strong but limited correlation has confirmed previous research outputs of different settings. Hollyer, Rosendorff, and Vreeland (2024) concluded that in competitive cross-national scenarios, local party systems created a checks-and-balances situation where transparency was weaponized politically. The role of intermediaries highlighted in the qualitative data of this research found support in the work of Larreguy, Marshall, and Snyder (2020), who noted that the local press was the major actor in converting government data into efficient accountability in Mexico. Additionally, the study's regression model that attributed fiscal decentralization to 6.3 percent of the change in transparency corroborated the view that the control of local revenues is one of the factors leading to the establishment of a 'fiscal contract' which makes governments resort to transparency to taxpayers as a means of being accountable (Falleti & Quispe-Agnoli, 2021).

The use of qualitative data managed to unearth the very complicated factors causing this statistical correlation to be only of modest strength. The people giving the interviews recognized the importance of transparency and empowering the citizens from the theoretical point of view, but at the same time, indicated a major gap between theory and practice. This gap was marked by the inability to provide real opportunities for the 'voice' of the local population in the decision-making processes, despite the legal reforms (Law No. 23) and the huge difference between the leaders' announced devotion to transparency and the actually very limited access to information for the citizens. This disconnect between the formal structures of decentralization and their real functioning is in accordance with the institutional theory, where the informal institutions, such as clan loyalties and traditional power structures, often take precedence over the formal accountability mechanisms (Hoehne, 2022). As a result, the advantage of transparency that political decentralization could give was partly lost through the getting of the elites and the inability of the subservient being overpowered.

5. CONCLUSION

In short, the research revealed that although there was a positive and statistically significant correlation between political decentralization and transparency in Hargaisa municipality, this correlation was only weak to moderate in strength, suggesting that decentralization is an important but not adequate condition for transparent governance. The study proved that the official adoption of decentralization made the expected openness of principal-agent theory come true and that the gap between principle and practice was very large due to the influence of powerful informal institutions, limit of fiscal autonomy, and the public's lack of access to information. Thus, the dimming light at the end of the tunnel for Hargeisa's transparent governance is not only implementing decentralization but also dealing with the underlying informal power dynamics and improving the practical ways of connecting citizens with their local government.

6. RECOMMENDATIONS

The investigation led to the following recommendations directed towards the main stakeholders:

- **To the Hargaisa Local Government:**

1. Establish a transparent information disclosure policy by creating a digital portal for municipal budgets, expenditure reports, procurement contracts, and council meeting minutes that is open to the public and updated regularly. This directly responds to the access-to-information gap that has been identified as critical by the low rating on T4.
2. Organize seminars for local government officials that will help develop their skills in digital record-keeping, public communication, and participatory budgeting, and these officials are the main players of the internal systems and competencies that need to be developed to ensure transparency is more than being touted as a theoretical concept.

- **For the Somaliland National Government:**

1. Reexamine and modify Law No. 23 to better illustrate and fortify the independence of local governments while removing the discrepancies between what is legally intended and what is actually exercised in power.
2. Build a stronger intergovernmental fiscal system in such a way that local governments are more accountable to their citizens through grants with no conditions attached or local revenue rather than to the central government.

- **For Civil Society and International Partners:**

1. Subject local media and civil society enterprises to focused help to enable them to develop their power of analyzing and exposing government data, thus becoming the most efficient watchdogs and go-betweens for the public.
2. Plan and support civic education campaigns that will make the citizens aware of their rights to get information and the ways of making local officials accountable, thus fortifying the demand side of governance.

7. CONTRIBUTION TO KNOWLEDGE

This investigation offers a remarkable and substantial input to the literature by performing one of the first empirical tests of the decentralization-transparency relationship in the very special situation of Somaliland, a de facto state that is trying to create its governance institutions in a post-conflict area. It goes further than the theoretical considerations and quantitatively shows the existence of a positive relationship that is limited at the same time. Also, it very well contextualizes this statistical relationship by presenting qualitative proof that shows how informal institutions such as clan structures (xeer) and traditional governance bodies (guurti) separate formal decentralization from real transparency, thus providing a sophisticated explanation for the weakness of the relationship and linking principal-agent and institutional theories in a single framework

8. AREAS FOR FURTHER RESEARCH

A number of different aspects of the research findings could serve as a base for further investigations. A first suggestion is that a longitudinal study following the changes in transparency through the process of decentralization in Somaliland would give much stronger proof of the causation. A second suggestion is that a cross-district study in Somaliland could help to address the question of why decentralization leads to better degrees of transparency in some places rather than others. This can be done by looking at clan relationships, the economic situation, and the strength of civil society organizations. A third point is that more studies are required in the direction of revealing the

mechanisms of "elite capture" in Hargaisa and awareness of potential ways to reduce its adverse impact on accountability. Lastly, the study of the digital governance tools (e-governance) and transparency relationship in a low-infrastructure setting like Hargaisa is very interesting, indeed, and is a good opportunity for research that is practically oriented and aims at intervention.

CONFLICT OF INTEREST STATEMENT

The authors declare that there are no competing financial interests or personal relationships that could have influenced the work reported in this paper. The research was part of an academic project, and no funding was provided by any commercial or political organization that might have affected the design, analysis, or interpretation of the findings. The opinions expressed here are only those of the authors, and they do not necessarily represent the official policy or position of Kampala International University, Hargaisa Local Government, or the Somaliland national government. Objectivity and integrity of the research process were guaranteed through all possible means.

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- b. The empirical evidence is further reinforced by Larreguy, Marshall, and Snyder (2020) in The Journal of Politics, who present a paper in a high-grade SSCI-indexed journal. Their research into the capacity of local media to hold politicians accountable in Mexico is a major proof of the intermediaries' power in turning decentralized governance into a successful practice. This prestigious research, which can be cited via DOI <https://doi.org/10.1086/707599>, supports one of the main points of the current paper: the role of civil society and media as watchdogs is crucial in determining the extent to which political decentralization brings about transparency, since they are the ones who can, first, process and then publish government information, thus activating the oversight of citizens.

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