

REVIEW ARTICLE

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DECENTRALISATION FOR DEVELOPMENT : A CONCEPTUAL ANALYSIS

1. INTRODUCTION

There is a growing consensus in the development literature that grass-roots participation is crucial for the successful implementation of development projects and also for their sustainability. Decentralisation of administration and development has come to be accepted as one of the best means of promoting the participation of the people at lower levels. It is argued that decentralisation allows the people to get involved in the planning and implementation of development programmes, mobilises grass-roots support for development programmes and promotes a feeling of 'local ownership' increasing the commitment and contributions that people make to such programmes. This led the governments in developing countries to show an increasing interest in decentralisation since the 1970s. While the international donors have played a vital role in this regard, the main impetus came from the theorists who deployed a catalogue of arguments in favour of decentralisation. Their arguments have become so persuasive and apparently convincing that during the last two decades most developing countries have adopted decentralisation policies as a part of their development strategy.

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This paper seeks to contribute to the understanding of the conceptual issues relating to decentralisation within the government. It begins with the meaning and definition of the term, followed by a brief review the various forms that decentralisation can take, and their implications for the governments. The final section of the paper explains the reasons for the increasing adoption of decentralisation as a major policy initiative in the Third World during the past decades.

2. DECENTRALISATION : THE CONCEPT

The term 'decentralisation' is the antonym of 'centralisation'. 'Centralisation' refers to the situation when all power and authority are concentrated at the centre. Conversely, when power and authority are transferred to lower levels of administration or government 'decentralisation' takes place. Thus, in its etymological sense 'decentralisation' means reversing the concentration of administration at the centre and conferring power and authority to lower units of the government. But now-a-days the term 'decentralisation' has a wide variety of connotations to different people. It is used to refer to a variety of different processes and organisational structures. Most often the term is used interchangeably with deconcentration, delegation and devolution, even though each of these forms has distinct features in terms of the way in which power and authority are modified.

In academic circles there has been a marked difference among the scholars about the meaning of the term. Scholars such as Maddick (1963) and Smith (1985) use 'decentralisation' to mean the geographical dimension of the state apparatus encompassing both deconcentration of the administrative apparatus and devolution of political apparatus of the state. Others, such as Mawhood (1983) use the term in a narrower and more specific sense to mean only the devolution of authority to sub-national

levels of government. However, a clear understanding of the meaning of decentralisation requires an examination of a few broad definitions that cover the whole range of organisation structures and processes which are generally labelled as 'decentralisation'. From a wide number of definitions that exist, the following two seem to be representative:

Decentralisation is ... a plan of administration which will permit the greatest possible number of actions to be taken in the areas, provinces, districts, towns and villages where people reside' (United Nations, 1961: 64).

Fondinelli and Cheema, the two most prolific writers on decentralisation use the term to mean:

...the transfer of planning, decision making or administrative authority from the central government to its field organisations, local administrative units, semi-autonomous and parastatal organisations, local government or non-governmental organisations' (Fondinelli and Cheema, 1983: 18).

A close examination of these definitions reveals that the overriding theme in both cases is the same, i.e., the transfer of authority for planning, decision making and management of public functions from a higher level of the government to local or lower level organisations. Such transfer of responsibilities vary from the deconcentration of workload to field units of the administration to the devolution to local government units or the delegation to statutory bodies. 'Decentralisation', according to this view, is clearly a 'blanket' term covering all sorts of transfer of authority and power from the central government to its field officers, legally constituted units of local government or delegation of certain specific function to parastatals or non-governmental organisations (NGOs).

Such a broad interpretation of decentralisation has been rejected by Mawhood (1983) who views decentralisation as structures of government created at local levels which are

...separated by law from the national centre, in which local representatives are given formal power to decide on a range of public matters... Their area of authority is limited, but within that area their right to make decisions is entrenched by the law and can only be altered by new legislation. They have resources, which subject to the stated limits, are spent and invested at their own discretion (Mawhood, 1983: 2)

Evidently, the idea of decentralisation as Mawhood uses is a very specific form of governmental arrangement at local level which is created and separated by law and is characterised by local representation with a considerable autonomy in the discharge of specific functions. This is basically what came to be known as 'devolution' in the writings of others such as Maddick, Fesler and Rondinelli.

Thus, the concept of 'decentralisation' is used differently by different writers to refer to a variety of governmental structures depending on the context in which it is used.

3. DECENTRALISATION: VARIOUS FORMS

Decentralisation can take a variety of forms depending upon the way in which the authority to plan, make decisions and manage public functions is transferred from the central government to local government or agencies at regional or local levels. The degree of responsibility for and discretion over decision making, transferred by the central government can vary a great deal. It ranges from simply shifting work-load to field agents of a central ministry to the ultimate transfer of administrative and political authority to legally constituted local government bodies. On the basis of the nature of the agencies to whom the government of a sovereign state transfers some of its functions or shares with at different levels, four broad categories of decentralisation have been identified: deconcentration, delegation, devolution and privatisation.

a) *Deconcentration*

'Deconcentration' has been the most frequently used form of decentralisation in the Third World. Many Asian and African countries (e.g., Indonesia, Pakistan, the Philippines, Thailand, Tunisia, Algeria, Morocco, Kenya and Tanzania) have adopted this form of decentralisation during recent decades (Hyden, 1983; Rondinelli and Nellis, 1986).

The term 'deconcentration' is used to denote the transfer or handing over of some administrative authority or responsibility to the lower levels within central agencies. 'It entails the shifting of work-load from a central government ministry or agency headquarters to its own field staff located in offices outside the national capital, without also transferring to them the authority to make decision or to exercise discretion in carrying them out' (Rondinelli and Cheema, 1983: 18). It also involves the appointment and outposting of regional, district and local officials representing the central ministries which delegate to these area officials specified functions in their respective fields, and give them necessary authority to discharge these functions (United Nations, 1961: 64).

Deconcentrated units are primarily extensions of the centre's administrative units and they are usually created by executive orders. The powers given to these units can be withdrawn through another executive order. Deconcentrated units of the government commonly enjoy only limited discretion. When the central government gives some discretion to field agents to plan and implement programmes or projects or to adjust central directives to local conditions, they are to discharge such responsibility within the guidelines set by the central ministry or agency headquarters (Rondinelli and Nellis, 1986).

b) *Delegation*

Another form of decentralisation is delegation of decision making and management authority for specifically defined functions to organisations outside the regular bureaucratic structure. It refers to the transfer of broad authority to plan and implement decisions concerning a specific function or a variety of functions within specific spatial boundaries to an organisation that can discharge this authority without direct supervision by the delegating unit (Rondinelli, 1981).

The classic example of delegation in Western public administration was the creation of the Tennessee Valley Authority (TVA) in the USA. This subsequently inspired the Third World to create public corporations, boards and authorities during the 1950s and 1960s. Now delegation from the central government to such organisations as public corporations, regional development agencies and a variety of special authorities represent a common form of decentralisation in many developing countries. Such organisations have been used to finance, construct and manage physical infrastructural projects such as highways, irrigation systems, dams, hydro-electric facilities and public transportation systems in many African countries (Rondinelli and Nellis, 1986). Hyden (1983) describes the expansion of parastatals in post-independence Africa, and holds the view that the combination of a strong desire to gain control of the national economy and the absence of strong pressures from an indigenous capitalist class for extension of the private sector paved the way for an inordinate expansion of parastatals particularly in the commercial and manufacturing sectors of many African countries. Although the major aid donors now deplore the establishment of such agencies, and whenever possible are seeking to privatise them, in the 1950s and 1960s these same donors encouraged their creation.

c) Devolution

For most writers (e.g., Rondinelli, Conyers, Mawhood and Smith) devolution is the most important form of decentralisation. It signifies the greatest commitment to reducing central authority and involves the legal conferment of powers upon the formally constituted local authorities to discharge specified or residual functions (United Nations, 1961; Maddick, 1963; Hyden, 1983). In this form of decentralisation the central government may retain residual controls but the authority for decision making and operations in a number of functional areas is rooted in a local body run by local representatives. Under devolution local units of government enjoy considerable autonomy and have a clear and legally recognised geographical area within which they exercise exclusive authority for certain functions without any interference of the central government.

In explaining the ideal form of devolution Rondinelli (1981: 138) has identified its five fundamental characteristics:

1. Local government units are autonomous, independent and clearly perceived as separate levels over which central government exercises little or no direct control;

2. The local units have clear and legally recognised geographical boundaries over which they exercise authority and within which they perform public functions;

3. The local governments have corporate status and the power to raise sufficient resources to carry out specified functions;

4. It implies the need 'to develop local governments as institutions' perceived by local people as belonging to them working to satisfy their needs and remain subject to their control and influence;

5. It establishes a reciprocal, mutually beneficial and coordinative relationship between the central and local governments.

d) *Privatisation*

'Privatisation' involves the transfer of responsibility for public services and utilities from the state or parastatal enterprises to private or voluntary organisations. In recent years this has emerged as a major policy prescription of international aid agencies (e.g. the World Bank and the IMF) for Third World countries to facilitate economic growth and overall development.

There is a variety of ways through which this type of decentralisation takes place. In some cases such functions have been transferred to parallel organisations such as national, industrial or trade associations, political parties or cooperatives with powers to license, regulate or supervise their members in performing functions that were previously controlled by the government (Rondinelli and Nellis, 1986; Leonard and Marshall, 1982). In some cases the responsibility for producing goods and supplying services has been shifted from the government to privately owned businesses. Also there are cases where governments transfer responsibility to organisations that represent various interests in the society and that are established and operative, credit associations, mutual aid societies, village development organisations, trade unions or women or youth clubs (Cheema and Rondinelli, 1983).

It can be argued that the perception of privatisation as a form of decentralisation is misleading. For many 'privatisation' does not designate decentralisation which is viewed as a modification of power and authority within the state. Rather it signifies a redefinition and a narrowing of the role of the state by allowing

more and more functions to be performed by private agencies. After the transfer of activities to such organisations, the government exercises only a limited regulatory role or no control at all.

It is evident from the above discussions that each of the different forms of decentralisation has very different implications. Deconcentration and devolution emphasize the territorial dimensions, while delegation and privatisation highlight the functional aspect of decentralisation. It must be noted that although these four forms of decentralisation differ in their characteristics and implications they are not mutually exclusive. In practice most governments use some combination of these four forms of decentralisation (Rondinelli and Cheema, 1983). Thus though it is analytically convenient to distinguish each type of decentralisation from the other, in specific situation it may not be possible to distinguish exactly what 'mix' of decentralisation a country pursues. For example, Conyers (1986) finds it difficult to identify whether the decentralisation policies introduced in Ghana in 1971, Tanzania in 1972 and Zambia in 1980 should be regarded as 'devolution' or 'deconcentration' since they incorporate elements of both. With a view to provide a basis for analysis and comparison of the different types of decentralisation Conyers has suggested an approach, which involves a detailed examination of the main characteristics of a decentralisation initiative. She has proposed five basic criteria that should be utilised when specific decentralisation policies are examined:

- i) the functional activities over which authority is transferred;
 - ii) the type of authority or powers which are transferred with respect of each functional activity
 - iii) the level(s) or area(s) to which authority is transferred
 - iv) the individual, organisation or agency to which authority is transferred at each level; and
 - v) the legal or administrative means by which authority is transferred.
- (Conyers, 1986: 89).

These criteria have much value and significance because they provide a basis for more accurately describing the degree of decentralisation.

4. CHANGING APPROACHES TO DEVELOPMENT: DECENTRALISATION AS A COMPONENT OF DEVELOPMENT STRATEGY

Since World War II development has been identified as the main task of the Third World states. Following decolonisation, these new states felt a compelling need to bring about the socio-economic development of their population. It was increasingly realised that without an accelerated pace of development the rising hopes and expectations of the population can not be met and the political independence had little significance unless a sound socio-economic base was created. Thus, the changed circumstances led these states to assume a greater role in the social and economic spheres in order to promote an acceleration in economic growth and to improve the overall wellbeing of their population.

At independence these new states inherited a highly centralised system of administration. It was believed that central planning would allow '... to initiate, spur and steer economic development' (Myrdal, 1970). During this period centralised planning was also implicit in the requirements of the major international and donor agencies who advocated and endorsed it as a way of promoting modernisation, accelerating social and political change. The Marshall Plan had reconstructed Europe through centralised decision-making. Development was seen as a similar task and would require a similar approach.

As a result, throughout the 1950s and 1960s control over development activities was concentrated in the hands of national government ministries and agencies. There was hardly any

provision for involving local people in planning and designing development projects. Most of these programmes were selected, planned, controlled and directed by government officials and the people were expected to reap the benefits. In other words, the *modus operandi* of development during the 1950s and 1960s was essentially 'top-down' in which the intended beneficiaries had very little say in decision making in terms of the formulation of development projects or their subsequent implementation.

By the 1970s there was an increasing concern throughout the Third World countries that the emphasis of the government policy should be directed towards promoting more equitable distribution of the benefits of growth, reducing income disparities between the rich and the poor and between regions and increasing the productivity and income of the poor. It was also realised that involvement of the rural people in the development processes is an essential pre-requisite for the achievement of these goals. Consequently, development initiatives came to be conceived as a process of 'co-production' rather than solely governmental responsibility, necessitating some form of public participation in all phases of planning, implementation and evaluation (Esman, 1988).

Today there has been a resurgence of interest in decentralisation and many governments in the Third World are proclaiming it as a major policy instrument for stimulating development. It is supported in terms of the managerialist arguments of efficiency and the political arguments of 'good governance'. Among the developing countries in Asia decentralisation policies have been initiated in India, Sri Lanka, Nepal, Bangladesh, Thailand, the Philippines, and Pakistan in recent years. In Africa decentralisation has been proclaimed in the Sudan, Tanzania, Zambia, Ghana, Nigeria, Uganda, Ethiopia and Kenya. Decentralisation has been introduced in the Pacific islands e.g. Papua New Guinea, Solomon

Islands, Vanuatu and Fiji. Rondinelli (1983) identified the following factors for the popularity of decentralisation in Asian countries:

- i. the failure of centralised planning and management in bringing about meaningful changes and its inflexibility and unresponsiveness;
- ii) the growing concern for an equitable distribution and removal of inequalities in the society
- iii) the realisation of the importance of local organisations and participation of the local people for plan effectiveness and improved service delivery in rural areas;
- iv) the interest of donor countries/agencies to take egalitarian distributive approaches (Rondinelli, 1983: 182-185)

Rondinelli's identification of the reasons for the popularity of decentralisation in Asia is important and they are of equal relevance to other countries outside the continent.

5. CONCLUSION

This paper has provided an overview of the definitional and conceptual issues relating to decentralisation. Decentralisation has been defined here in its broader sense which includes all the possible dimensions i.e. deconcentration, delegation, devolution and privatisation. It has also reviewed the reasons for increasing popularity of decentralisation as a tool for development. It is clear from the analysis that although 'development' has been proclaimed as the main task of the Third World state, the achievement of development objectives has suffered in the past from excessive centralist tendencies. With the expansions of programmes for the development of the poor in the Third World, the limitations of the centralised approaches became more and more apparent resulting in a significant shift in development policy and practice. During the 1970s and 1980s most of these state attempted to reverse the earlier trend of development through

introducing policies of decentralisation. These were expected to provide an effective means for promoting rural development by involving the rural poor in the development process. While there were often domestic pressures for policy reforms, the main impetus for widespread adoption of decentralisation came from donor agencies and a host of theorists who advocated it as a mechanism that can promote and sustain development.

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