
UNIT 1 DECENTRALISATION: AN OVERVIEW

Structure

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1.1 INTRODUCTION

Decentralisation has gained currency and prominence in governance discourse since 1990. Contextually a new venture which alters the institutional landscape of governance at grassroots. Majority of the countries and almost 80% of the third countries involved in decentralisation either by compulsion of external pressures or by their own choice. It is being done by the countries with varying levels of commitment and success. A new set of institutional structure has been created at the grassroots very near to citizens. The new institutional mechanism was created by different ways from Constitutionalization to mere passing of executive order. It is mandated to deliver public goods and services effectively to the level of the expectations of the people. At present enormous amount of literature has been prepared on decentralisation by the scholars all over the world. Institutions like World Bank, UNDP, European Commission and a number of others apart from universities have involved in studying the new phenomenon in the World in a comparative perspective. They are not only studying the on going process of decentralisation but also supporting the process of decentralisation with funding heavily. The newly created literature on decentralisation has brought different set of experiences both of positives and negatives and yet to conclude the overall experience of decentralisation in the world. Methodologically also it is incorrect to make quick judgment on the institutions within a short span of time since their inception. Hence the mixed experiences of decentralisation are viewed with difference from varied perspectives.

This unit will give you knowledge about the context, the reasons, the promises and expected risks involved in decentralisation. Further it will make you aware about the difference between the new wave of decentralisation with the old one. It will provide you the scenario of decentralisation in the world very broadly.

After studying this unit you should be able to understand

- Explain the meaning of Decentralization
- the diverse meaning of the concept ‘decentralisation’ and its dimensions

- the promises and hopes with which it is promoted and pushed
- the risks involved in decentralisation
- the difference between the new wave of decentralisation and the old one

1.2 DECENTRALISATION: MEANING AND CONCEPT

Decentralisation has been defined differently by the scholars and institutions. There is no unanimity in definitions. Basically, notions and explanations on decentralisation originate from the basic discipline Public Administration. Some of the definitions and explanations look similar but in reality they are different. So proper understanding is necessary otherwise you will be getting lost in the jungle of expressions and explanations. There are some push factors working in decentralisation. Hence some of the definitions offered by the institutions which are pushing decentralisation have to be understood. World Bank has defined the concept decentralization in following ways. “decentralisation is the transfer of authority and responsibility for public functions from the central government to intermediate and local governments or quasi – independent government organizations and / or the private sector”. It is a complex multifaceted concept. There are different types of decentralisation which should be distinguished from one another, because they have different characteristics, policy implications and conditions for success. Types of decentralisation include political, administrative, fiscal and market decentralisation. But the core element remains intact.

Subsequently the UNDP has also defined it. Decentralisation according to UNDP refers to a restructuring of authority so that there is a system of co-responsibility between institutions of governance at the central, regional and local levels according to the principle of subsidiarity. Based on this principle, functions (or tasks) are transferred to the lowest institutional or social level that is capable (or potentially capable) of completing them. Decentralisation relates to the role of and the relationship between central and sub-national institutions, whether they are public, private or civic.

1.3 TYPES OF DECENTRALIZATION

Decentralization is a process of transferring responsibilities to sub-national levels. There are six types of decentralisation in practice. First, decentralisation by default. When government institutions become so ineffective that they fail almost entirely to make the influence of central authorities penetrate down to lower level arenas and people at the grassroots become negative about government institutions. As government fails, the civil society step into development domain and make development projects. So it is not considered as decentralisation. Second, handing over of tasks and responsibilities previously performed and looked after by the government agencies to private agencies in the event of the failures of government agencies. Hence, this is also not considered as decentralisation. Third, delegation of certain responsibilities of development projects to parasitical agencies. It also happens rarely and hence it need not be considered. It is a school of thought which argues that decentralisation happens outside the purview of public

institutions cannot be considered as decentralisation. There is yet another school of thought which broadly includes all types of decentralisation. But there are other three types of decentralisation which are to be defined as the activities of the institutions which are well within the domain of public institutions. And these definitions will reflect a model of democracy, accountability and legitimacy largely promised on western liberal tradition. But in practice in many of the developing countries you find variations in terms of definitions. Broadly accepted categories of decentralization are explained here.

1.3.1 Democratic Decentralisation

First we will take up democratic decentralisation. It is otherwise called political decentralisation. It refers to the transfer of political power and authority to sub-national levels of government. Elected bodies are in position from the village council to state level bodies. Devolution is also considered as a form of political or democratic decentralisation. It is being widely recognized that political decentralisation is the true mode of decentralizing government by bringing benefits like participation of people in local affairs and accountability of office holders. Democratic decentralization inculcates democratic values at the grassroots to the common citizen. The figure-1.1 explains the bases of political or democratic decentralisation.

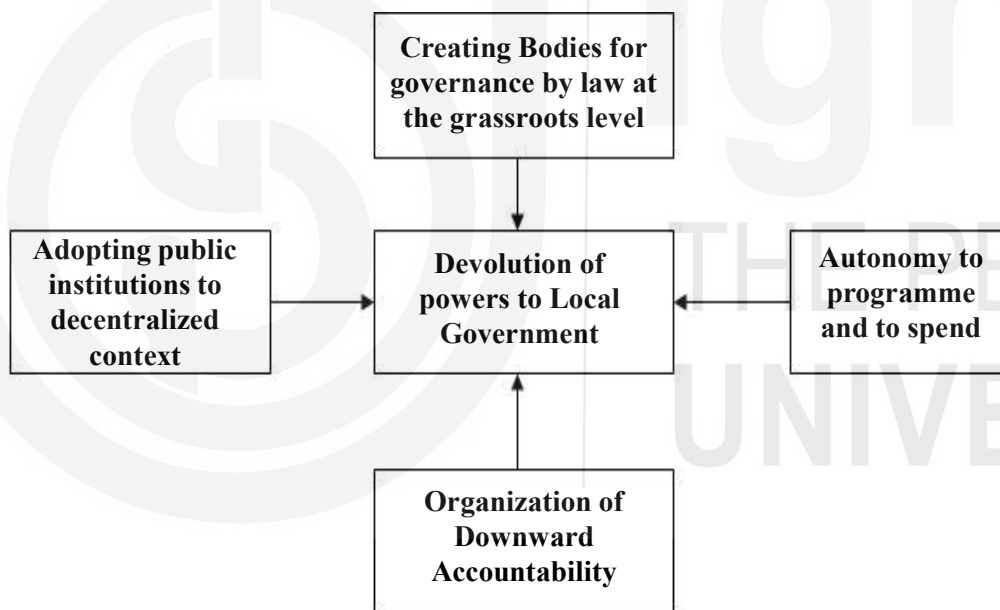


Fig.1.1: Democratic Decentralisation

1.3.2 Administrative Decentralisation

Second, administrative decentralisation which refers to the transfer of decision making authority, resources and responsibilities for the delivery of services and functions from the central government to other decentralized levels of governments. It has got three variants and each having different characteristics: (i) de-concentration (ii) delegation and (iii) divestment. You need to have clear understanding of the above three concepts of Administrative Decentralisation. The key elements of administrative decentralisation are given in the following figure-1.2.

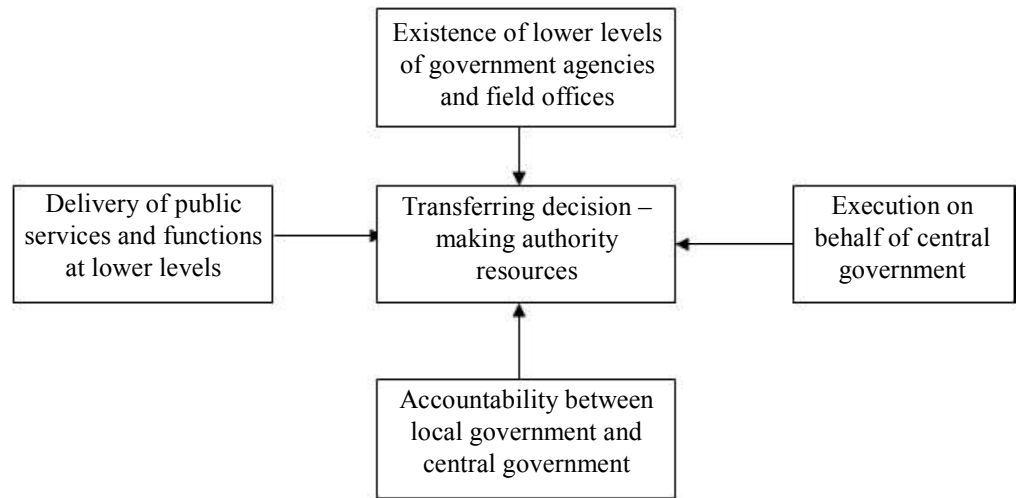


Fig.1.2: Administrative Decentralization

De-concentration is a process in public administration in which a field office or official or a central government department wants some degree of delegated authority to make decisions or to modify regulations to deliver services effectively and efficiently. The main objectives of de-concentration are: (i) to improve administrative efficiency, (ii) to enhance service delivery and (iii) to ensure adequate central government representation and supervision at provincial and local levels. De-concentration happens when the local entities act as agent of central government and it remains accountable to higher levels in the hierarchy. Delegation is a mere extensive form of administrative decentralisation. It redistributes authority and responsibility to local units of government or agencies that are not always necessarily branches of local offices of delegating authority.

Divestment takes place when planning and administrative responsibility or other public functions are transferred from government to voluntary, private or non governmental institutions. It is more contracting out the services and administrative functions partially to units of private agencies.

1.3.3 Fiscal Decentralization

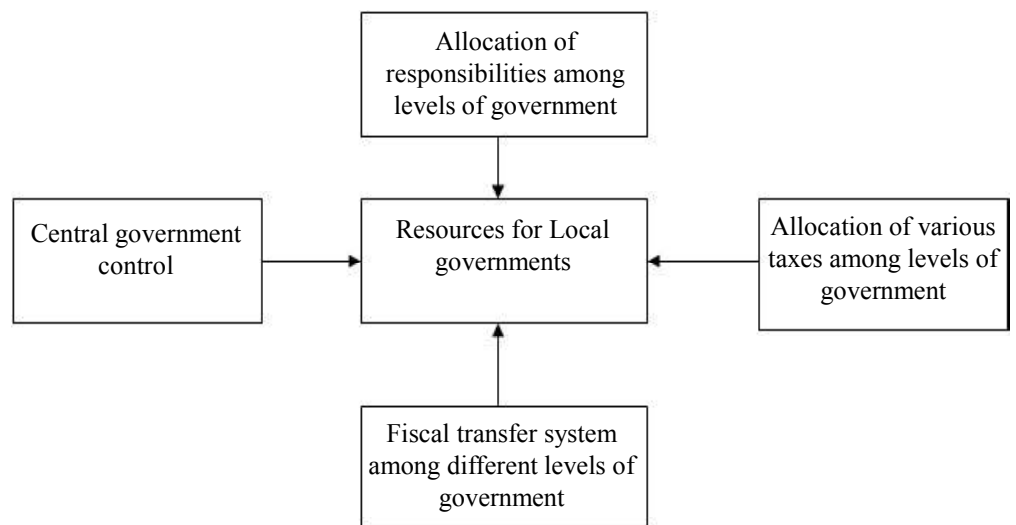


Fig.1.3: Fiscal Decentralisation

Third, fiscal decentralisation refers to resource allocation to sub-national levels of government including the delegation of funds within Sector Ministries to the de-concentrated levels. Fiscal Decentralisation transfers two rights to local governments: a, funds (to deliver decentralized functions) and b, revenue generating power and authority (to decide on expenditure). The essential characteristics of fiscal decentralisation are captured in the following figure-1.3:

There are five major forms of fiscal decentralisation:

- i) Cost recovery of public services through user charges
- ii) Co-financing through which users participate in providing services and infrastructure through monetary or labour contributions
- iii) Expansion of local revenue through prosperity or sales taxes and indirect charges
- iv) Inter-governmental transfers that shift general revenues from taxes collected by the central government to local government
- v) Authorization of local government borrowing and the mobilization of either national or local government resources through loan guarantees

Now that you have read about the meaning and concept of decentralization along with the types of decentralization. Now try to answer the following question in the *Check your progress 1*.

Check Your Progress 1

Note: a) Write your answer in about 50 words

b) Check your answer with possible answers given at the end of the unit

1) Analyse the need for democratic decentralization of power.

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2) Enumerate the types of Decentralization.

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1.4 MERITS OF DECENTRALISATION

Decentralisation is being attempted with different motives hopes and promises. It has got rich potentials. Some of the merits of decentralization are as follows:

- to deepen democracy
- to enlarge opportunities for citizens to participate in decision making process
- to draw and use local knowledge for development
- to use informal local mechanisms for the management of resources
- to promote effective partnership between state and society
- to give greater sense of ownership to the stakeholders on the development projects for their sustainability
- to enhance associational activities at the lower level
- to facilitate cooperation between government and lower level associations and NGOs
- to enhance the accountability of the officials and the elected representatives and political institutions
- to enhance the responsiveness of government
- to enhance the transparency of government
- to ease the frustration of people with political ambition to enable them to play officials roles
- to equip people with skill of negotiation and bargaining
- to improve the collective action potential
- to promote planning, evaluation and monitoring from below
- to undermine authoritarian enclaves
- to build the capacity of the people
- to rediscover the local dimension of development
- to recognize the potentials of the local governments
- to improve the efficiency of service delivery
- to adhere to the global demand of democratization
- to convert the noise of the poor into voice of the poor
- to promote equity
- to alleviate poverty
- to empower women.

i) Deepening of Democracy

Democracy and its practices have to percolate in to the larger society as a culture. It goes beyond national parliament and state legislatures. At every dwelling unit, there will be an unit meant for governance. There will be a process of mutual discussion and deliberation and based on the above, consensus decision will be taken. It is a way of living, respecting each other and treating all equally. From the grassroots to national parliament all

institutions involve in practicing democracy in taking decision collectively through a process of dialogue. Thus decentralisation is a process by which democracy is being widened and deepened.

ii) Ensuring People's Participation

Hitherto beneficiaries and petitioners are made as proud citizens and stakeholders to participate in the decision making process and by which they feel that they decide their destiny on the issues affecting their life. Depending on the opportunity, skill and capacity of the stakeholders, participation will take place in the decision making process. Each and every social segment will get an opportunity to be in the decision making bodies when the powers are decentralized.

iii) Using Local Skills and Knowledge

Through decentralization development becomes local and left in the hands of local people. Considering this the knowledge and skill of the local people will be harnessed through community participation. To make use of the local skills and knowledge for the market, skill up gradation will take place. To produce marketable goods and articles by making use of the skills and knowledge of the people, appropriate technologies are also utilized. Thus local skills and knowledge will be used by adopting newer technologies to global market. Local skills and knowledge will be used by adopting newer technologies to global market also.

iv) Using Informal Local Mechanism

Communities have developed practices and procedures over a period of time to manage resources in the absence of formal institutions which are being used in the process of development and governance at grassroots. To settle many of the problems in resource management at grassroots, the informal local mechanism can be used. While they are being used equity is also achieved in terms of utilization of resources by the communities. Local mechanism evolved, refined and used over a period of time is much more useful and rational manner for adoption even to-day for managing the local resources. Local informal mechanism has got required vibrancy and utility.

v) Promoting Partnership between State and Society

by involving the people in the development activities and service delivery activities not only as participants but also as contributors and partners in the process of implementation of schemes and programmes of the governments. The partnership is established between the society and the state. User groups and stakeholders take responsibility of managing services and government departments mainly act as catalyst. The user groups take full charge of the programmes schemes and service delivery. As a result, people come to the front and government departments remains in the backdrop.

vi) Ownership of Development

Since citizens are made as development participants to participate in the development projects, people have adequate information and understanding about the projects and thereby they take responsibility for the project to deliver the goods. Having got the sense about the whole benefits, they

establish their grip over the project activities and develop a sense of ownership. The beneficiaries are not in a mood or perception of being in the receiving end and feel that they are the owners and guardians of the programmes. Thus the success rate of the schemes and programmes is very high. Greater sense of ownership is built on development schemes and programmes by people or stakeholders for whom the schemes and programmes are actually meant.

vii) Enhancing Associational Activities

Having brought the people closer to the formal institutions at grassroots, people become conscious of what institutions have to deliver and thereby they organize themselves to claim their entitlements and services not as charity but as entitlements and rights. People will organize themselves in to different kind of associations. At the grassroots women, youth, marginalized and others form groups to claim their entitlements. Through the above associations, they resort to settle all the problems. Decentralisation will enable people to form and organize associations. Thus people are mobilized for development activities continuously.

viii) Alliance Building for Development

In order to ensure efficient delivery of services, the local institutions will make partnership with the organizations and associations functioning at the grassroots. The Local Body institutions will collaboration and contact with other civil society organizations with the purpose of efficient delivery of services.

ix) Enhancing Accountability

Since people are provided with opportunity for participation at grassroots for decision making, people can question and make observation about the functioning of the institutions and representatives and thereby accountability is ensured and enhanced. The accountability system mostly is built up internally and upward and not downward. However, through decentralisation accountability is built up downward and towards the people. The existing accountability arrangement is being looked at from the perspective of output. But decentralisation brings a new perspective that it is to be looked at from the perspective of outcome. By turning the process of accountability from internal to external, transparency is ensured.

x) Responsiveness of Government

Regular conduct of meetings of the governing institutions are convened at the grassroots level, people are participating in the institutions not as an on looker but as an assertive stakeholders with necessary information regarding the functioning of the institutions. This makes the government responsiveness towards demands of the people. The practice of entitlement claim by the people made the governing institutions responsive and responsible.

xi) Enhancing Transparency

Hitherto maintained secrecy of the governing institutions has been opened through the participation of the people in all the activities at the local level for development and thereby development activities and functioning of the

institutions are made transparent. Having established grip over the institutions, people make the institutions transparent in all their activities.

xii) Easing Frustrations

The heavy competition for public offices at the National and Regional levels made many aspired individuals for public space frustrated as official positions available in the institutions are limited. But this new institutional mechanism at grassroots provides opportunity for such frustrated individuals to perform functions in the public office and thereby frustrations of the people are eased. In the same way people who are all frustrated over the performance of the government institutions will be given responsibilities for the same task and thereby the frustrations are eased.

xiii) Increasing Negotiating and Bargaining Skills

People of different social segments with different kinds of disabilities and disadvantages will participate in the decision making process and thereby they learn the art of negotiation and bargain through their continued practice of taking part in deliberation. At the local level marginalized groups will bargain and negotiate with the dominant groups, elected representatives will negotiate with officials, representatives of higher level governing institutions like provincial legislatures and national parliament will negotiate with the local governments. By continuing this practice of engagement, negotiating skill of the people at lower segments will be increased.

xiv) Increased Collective Action Potential

Benefits are being distributed not based on external drive but on the efficiency of the participation of the people in the decision making process. In order to get the benefits collective identities are formed and based on the identity arguments are projected and institutions are compelled to make decisions. In such a way collective action potential is enhanced. Water user groups and self help groups are a few best examples.

xv) Planning from Below

So far, planning exercise had been done at the central level which resulted in large scale demands of the people unmet. In the six decade governance, the centralized planning has achieved tremendous results in macro economics of the countries and yet the rural realities have not been changed drastically towards achieving development as expected. In the centralized planning diversity is not accommodated. The development outcome is being captured by only a few groups in the society. In order to provide basic facilities, to make use of the facilities to growth and to bring economic activities, planning exercise has to be done at the micro level. This exercise had been thought of many times. Whether planning institutions could be created at the bottom either at the block level or at the district level. Now this concept gained currency and planning exercise has to be initiated at different levels starting from the lowest unit. By doing so, the needs and aspirations of the people will be met through this planning from below.

xvi) Undermining the Authoritarian Enclave

By giving opportunity at the ground to all the social groups, questions raised

against the ruling elites and the bureaucracy and thereby authoritarian enclave is undermined. In a society like India authorities tendency is always active as the social structure is such that hierarchy is established because of the caste system. A feudal culture is maintained because of its being agriculture based. Since colonial administration continue to dominate, a culture of ruling and dominating has been perpetuated. The new dispensation of decentralisation of powers has opened the gates for access to power and make the people to break the authoritarian enclave.

xvii) Building the Capacity of People

It is an imperative in decentralisation of power that people should take more responsibilities and discharge the same effectively and efficiently to deliver the services to the people. To perform the new responsibilities, capacities of the people have to be increased. Till date, people have developed an attitude that the government would provide everything and people have to receive the same. Now the role has been reversed. People have to manage their affairs on their own. People are involved in the affairs of governance and thereby their capacity will be enhanced. Therefore the new system envisages a new task of building the capacity of the leaders and the people. In a market driven economy for every act people require skill and efficiency. People with skills are to be updated and upgraded to match the requirement of the market. Against this background capacity building assumes significance.

xviii) Local Dimension of Development

Development has dimensions and of which local dimension was missed for decades together. Now it has been realized that local dimension has to play a role in achieving larger macro development goals. In the absence of local development, we have witnessed the imbalance among the regions, blocks and districts. Now because of the initiatives from below, the imbalances will be settled through micro planning for local economic development. Economic development is being the focus of local development. To achieve economic development all initiatives have to be taken from infrastructural development to skill up gradation.

xix) Recognizing the Potentials of Local Government

Though steps had been taken to activate local governments in 1950's, it could not succeed and ultimately failed. Instead of realizing the potentials, the threats were being focused. As a result it failed. Now looking at potentials are being looked. The law of subsidiary brings the arrangement that at every level the unit of governance is capable of delivering the services provided the opportunities are given to the units. Law of subsidiary argues that things that are to be done at the lowest level should be allowed to be done things that could not be done at that level to be shifted to the next higher level. In that way activities have to be carried out from the lowest unit to highest unit of governance.

xx) Improving Efficiency in Service Delivery

Service delivery is a critical issue for many governments. Public institutions have lost their credibility and efficiency and as a result governments have started privatizing such services to increase efficiency and to satisfy the needs of the people. Local body serves as a powerful instrument in delivering

quality service at affordable cost to the requirements of the citizens. Further these responsibilities are with them, through peoples participation efficiency is achieved.

xxi) Responding to Democratization

Decentralisation process responds to the growing demand for democratization. Decentralisation not only democratizes the political institutions but also the society. Many of the societies freed from the colonial yoke have adopted representative form of governance with the intension of democratizing the society. But even political institutions are not democratized. Hence the society is affected with inequality, authoritarian practices. Decentralisation deepens the democracy by democratizing the institutions both in political and social realms.

xxii) Noise to Voice

In democracy, many of the public grievances are expressed through popular and public demonstrations. But decentralisation creates structures at all levels up to the grassroots and thereby the noise of the people is converted into voice as their demands are placed before the institutions for decision making. Even the lowest unit of governance at the grassroots, there is an institutional structure to listen to the voice of the citizens. Thus channels have been opened through decentralisation to channelise the grievance of the people.

xxiii) Equity Promotion

Equity is the casualty in centralized governance and administration. While distributing resources and benefits, in the absence of claim by the stakeholders as entitlements, equity is not maintained. But now the decentralisation process enables the stakeholders to claim their entitlements, as rights, as a result equity is achieved.

xxiv) Poverty Reduction

Macro strategies and approaches have not reduced poverty beyond certain levels. Hence micro and local approach had been tried. Since it has got the potentials, poverty can be reduced further with the active participation of the poverty stricken and the community.

xxv) Empowering Women and other Marginalized

Since decentralisation has enabled all segments to participate in the process of governance and development, it accommodates women and other marginalized in the whole process and thereby the women and other marginalized are empowered. Further, women and other marginalized are given exclusive reservation of seats. After 73rd constitutional amendment, they are coming in large number to Local Bodies and thereby they form a critical mass and they perform critical functions also. Hence, in the whole process women and other marginalized are oriented in governance, political and development process.

What we have seen from the above are the potentials of decentralisation. These potentials are derived from the experience of many countries while decentralizing powers. It does not mean all potentials will be realized in all the societies while decentralizing the powers. Realization of potentials

depends on many factors and of which how the whole process of decentralisation takes place is crucial and important.

1.5 LIMITATIONS OF DECENTRALISATION

Though there are promises and hopes, there are cynicisms and threats in decentralisation. These threats and cynicisms are also on the basis of experience gained in the societies. They are

- To democratize lower levels of the political institutions as a substitute for democratization of the apex
- To draw the elites and dominant figures at the lower level into official positions of power. So that the central government can cultivate them as allies
- To give away the tasks which the central government finds either costly or inconvenient
- To mobilize local resources through tax increases, the blame for which will be borne by people at lower levels
- To make use of local resources which the ruling party can exploit for partisan advantage
- To strengthen the federal government by giving power to the local bodies without strengthening the state governments
- To please the donor agencies who favour decentralisation
- To build the party at the grassroots
- To decentralize the state inefficiency and corruption at grassroots
- To increase the cost of governance
- To create more conflict at grassroots

i) **Substitute Creation**

It is perceived that decentralisation is nothing but substitute creation at the grassroots as political institutions at apex failed to live up to the expected standard. Instead of reorienting the delivery mechanism, the federal government creates institutional mechanism with an investment of huge cost.

ii) **Enabling Elites to Capture Power**

By decentralisation, central government enables the elites at the grassroots to capture power and work as its allies. People who are not able to be accommodated in the apex bodies find opportunity at the grassroots and thereby they serve the ruling elites at the apex as allies.

iii) **Shifting the tasks**

Central government shifts its tasks and responsibilities which it finds costly and difficult to carryout at the grassroots. By doing so, it shifts the blame. Now it escapes from the balance of the people when services are not delivered properly.

iv) Mobilise Resources at the cost of Local Bodies

Local resources are being mobilized through taxes without taking the balance as the duties have been assigned to the grassroots institutions. There are enough potentials at the grassroots to mobilize resources but is not being utilized. But now through decentralisation of powers, these responsibilities have been given to local bodies and thereby the governments at the apex escape from the blame of the public.

v) Local Resources can be used for Partisan Advantage

Ruling party at apex can make use of the local institutions for its own advantages. Election is being fought on poverty line; necessarily responsibilities with political affiliation come to local bodies. The ruling party at the apex can make use of their opportunity to expand the party.

vi) Strengthening the Central Government

It is believed that the decentralization process weaken the strength of the central government and the state government. It is being perceived by many state governments as a ploy to weaken the state governments.

vii) Pleasing the Donor Agencies

Donor agencies have affirmed their faith in decentralisation. Many of the countries which are depending heavily on the funding of the donor agencies for development adhere to the directives of the donor agencies. As a result it becomes a pleasing mechanism to acquire funding.

viii) Party Building at the Grassroots

Ruling political parties are using this decentralisation as a strategy to build the party at the grassroots. This sometimes promotes social conflicts at the grassroots.

ix) Decentralisation of Corruption

Inefficient state has decentralized the inefficiency to the grassroots institution. In the same way the centralized corrupt practices will be decentralized while decentralisation is on.

x) Increasing Cost of Governance

By creating institutionalized structures at the grassroots for governance and administration cost of governance will be increased.

xi) Poor Capacity of the Leaders and Officials

Officials and leaders at the grassroots do not have the needed capacity to handle the powers and responsibilities thrust on them. Without systematic capacity building most of them are working as a puppet in the hands of the functionaries of the government.

xii) Conflict at Grassroots

There are many sources of power at the grassroots and they compete with each other and clash with each other to handle power at the grassroots legitimately as powers are decentralized constitutionally and other means.

Any new venture has its own merits and demerits. Looking at merits one has to handle it. As industrialization, modernization and globalisation, decentralisation has also got some demerits. Humanity by its ability has to make use of the opportunities and to avoid threats.

Now that you have read about the merits, threats and limitations of decentralization. Now try to answer the following question in the *Check your progress 2*.

Check Your Progress 2

Note: a) Write your answer in about 50 words

b) Check your answer with possible answers given at the end of the unit

1) Give few merits of decentralization

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2) Give few limitations of decentralization

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1.6 NEW WAVE OF DECENTRALISATION

Decentralisation is not a new to the world. It was introduced in 1950’s with different set of objectives. It was practiced and experimented in many post colonial societies more particularly Afro Asian Countries and also in Scandinavian countries of the Europe. But those attempts failed to live up to the expectations. In many of the authoritarian countries this decentralisation helped to strengthen the authoritarian regime at the higher level government by tightening the grassroots societies. The new initiative of decentralisation now is different from the earlier attempts qualitatively. At the core decentralisation moved from the basic argument that it is a public sector phenomenon.

This decentralisation is part of democratization, and it devolves powers resources and functionaries to the elected local governments as a distinct set of state actors with an own identity, legitimacy and added value in the process of development. This new wave of decentralisation is linked to the emergence of a new paradigm

of local economic development. It aims to activate the local economy through the process of evolving regional plan. Further this new wave of decentralisation is embedded with the broader reforms of the state.

The wave of decentralization is gradually spreading from country to country. Its fruits have been encashed in many of the European Countries those have effectively implemented decentralization of functions, funds and functionaries to the local bodies. However, the success of decentralization depends on the acceptability and attitude of the executives and legislatives.

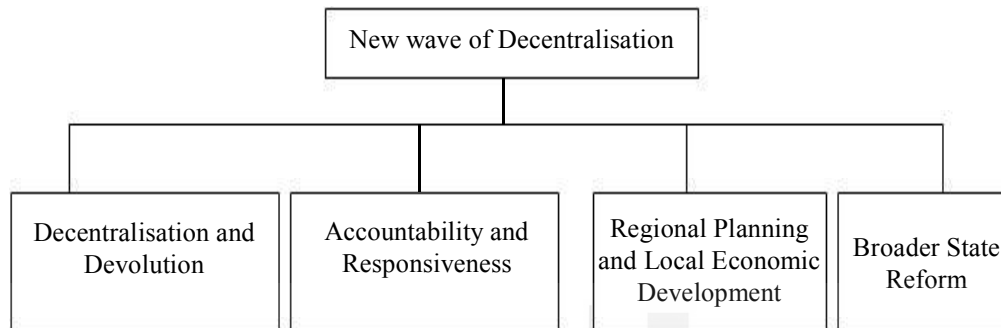


Fig.1.4

1.7 LET US SUM UP

In this unit, we have discussed about the meaning and concept of decentralization. We have also discussed the merits and limitations involved in the process of decentralization. We also emphasized on the new wave of decentralization.

1.8 FURTHER SUGGESTED READINGS/ REFERENCES

European Commission, 2007, *Supporting Decentralisation and Local Governance in Third Countries*, European Commission, Brussels.

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1.9 CHECK YOUR PROGRESS-POSSIBLE ANSWERS

Check Your Progress 1

1) Analyse the need for democratic decentralization of power.

Ans. Democratic decentralisation is otherwise called political decentralisation. It refers to the transfer of political power and authority to sub-national levels of

government. Elected bodies are in position from the village council to state level bodies. Devolution is also considered as a form of political or democratic decentralisation. It is being widely recognized that political decentralisation is the true mode of decentralizing government by bringing benefits like participation of people in local affairs and accountability of office holders. Democratic decentralization inculcates democratic values at the grassroots to the common citizen.

2) Enumerate the types of Decentralization.

Ans. The broad categories of decentralization are:

- (i) Democratic Decentralisation
- (ii) Administrative Decentralisation
- (iii) Fiscal Decentralisation

Check Your Progress 2

1) Give few merits of decentralization

Ans. Some of the merits of decentralization are as follows:

- to deepen democracy
- to enlarge opportunities for citizens to participate in decision making process
- to draw and use local knowledge for development
- to use informal local mechanisms for the management of resources
- to promote effective partnership between state and society
- to give greater sense of ownership to the stakeholders on the development projects for their sustainability
- to enhance associational activities at the lower level
- to facilitate cooperation between government and lower level associations and NGOs
- to enhance the accountability of the officials and the elected representatives and political institutions
- to enhance the responsiveness of government
- to enhance the transparency of government
- to ease the frustration of people with political ambition to enable them to play officials roles
- to equip people with skill of negotiation and bargaining
- to improve the collective action potential
- to promote planning, evaluation and monitoring from below
- to undermine authoritarian enclave
- to build the capacity of the people
- to rediscover the local dimension of development
- to recognize the potentials of the local governments
- to improve the efficiency of service delivery

- to adhere to the global demand of democratization
- to convert the noise of the poor into voice of the poor
- to promote equity
- to alleviate poverty
- to empower women.

2) What are the threats associated with decentralization?

Ans. The threats associated with decentralization are:

- To democratize lower levels of the political institutions as a substitute for democratization of the apex
- To draw the elites and dominant figures at the lower level into official positions of power. So that the central government can cultivate them as allies
- To give away the tasks which the central government finds either costly or inconvenient
- To mobilize local resources through tax increases, the blame for which will be borne by people at lower levels
- To make use of local resources which the ruling party can exploit for partisan advantage
- To strengthen the federal government by giving power to the local bodies without strengthening the state governments
- To please the donor agencies who favour decentralisation
- To build the party at the grassroots
- To decentralize the state inefficiency and corruption at grassroots
- To increase the cost of governance
- To create more conflict at grassroots