

Q) What is decentralization? Discuss the various forms of decentralization.

Ans) Introduction

Decentralization is a concept which can be defined as transfer or dispersal of decision making powers, accompanied by delegation of authority to individuals or units at all levels of an organization, even if any are located far away from the power centre. In the context of power and governance 'decentralization' signifies the devolution of power and authority of governance of central and state governments to the sub-state level organisations i.e., 'Panchayats and Municipal Corporation' in India.

Meaning

Decentralization denotes dispersal of authority among a number of individual or unit. The root of the English word decentralization can be traced back to a Latin word, which means 'away from the centre'. L.D. White defined decentralization as the process of transfer of administrative power from a higher to a lower level of organization. Henry Fayol states that "everything that goes to increase the role of subordinate is decentralization and everything that goes to reduce it is centralization". However, it is very difficult to pin down the exact meaning of the term decentralization as the concept is often confused with similar ideas like deconcentration, devolution, delegation, and privatization. In deconcentration, a superior officer lessens his workload by delegating some of his functions to his subordinate so that administration functions efficiently and effectively. Devolution, which also implies dispersal of authority, is a process wherein power is transferred from one organ of government to another by means of legislations or constitution. Decentralization is also different from delegation. Delegation means entrusting part of one's work to others. Decentralization, on the other hand, is much broader concept. It is "transfer of planning, decision making or administrative authority from the central government to its field organizations, local administrations units, semi-autonomous and parastatal organizations, local

governments or NGOs. The basic idea of decentralization is, therefore, sharing the decision-making authority with lower levels in organisations, thereby improving their efficiency, effectiveness, and responsiveness.

### Significance of decentralization

Participation and control of governance by the people of the country is the essence of democracy. Such participation is possible only when the powers of the state are decentralised to the districts, block, and village levels where all the sections of the people can sit together to discuss their problems, as well as monitor the implementation of the programmes. Decentralization is a prime mechanism through which democracy becomes truly representative and responsive. Mohit Bhattacharya argues that the latest thinking on decentralization veers around power equalization and participation. Organization theory and political science, which did not meet very often in the past, have now almost come together in explaining the concept of decentralization. G. Shabbir Cheema and Dennis A. Rondenilli have identified the following advantages of decentralization:

- (a) It provides relief to the higher officials by reducing their workload. Thus, the top executive can devote greater time and energy to important policy matters.
- (b) It provides opportunity for people's participation in administration which strengthens the democracy by making it realistic and comprehensive.
- (c) It increases the morale and motivations of employees particularly at lower and middle levels by assigning them authority and responsibility for different work.
- (d) Decentralization could allow better political and administrative 'penetration' of national government policies into the remote areas.

### Approaches to Decentralization

In Political science and Public Administration decentralization has been discussed basically from the view point of arrangement of Government. James W. Fessler has grouped the different approaches to decentralization into four categories. These are: the doctrinal, the political, the administrative and the dual role.

**1) Doctrinal approach-** This approach seeks to treat decentralization as an end in itself instead of treating it as a means to achieve organizational efficiency and effectiveness. This approach lays stress on the empowerment of local community – the city, town, or village. In India, the Panchayati Raj supposedly

embodies an ancient tradition of local autonomy. The essence of this approach is people empowerment by granting them decision making and functional authority. Thus, this approach instead of treating decentralization as a means to the achievement of some end-values, considers it as an end in itself.

**2) The political approach-** This approach believes that decentralization occurs in a political setting. The will to create decentralized units and granting them necessary authority for their autonomous functioning is politically decided. To create and maintain local government is, thus, a major political commitment. In the absence of such commitment, it will merely remain in law than in actual practice. Fesler pointed out "illusory decentralization. For example in India although devolution of power to local bodies have been granted formally but these bodies are not given funds, functions and functionaries essential to operate as an autonomous institution and are strongly controlled or influenced by respective state Governments.

**3) The administrative approach-** This approach is based on the Principle of efficiency and effectiveness. When field administrative units are set-up through a process of decentralization, the measure is suitable for field level decision making and for redressal of grievances. In this process, many administrative units might come up between the local administration and the Central Headquarters. Currently, district administration in India is faced with these problems of area function duality. To resolve this problem and to promote such operational principles conscious attempts are needed to readjust from time to time conflicting claims of area and function in deconcentrated field administration.

**4) The dual role Approach-** The dual approach seeks to highlight the conflict in field administration between tradition and change. The basic conflict, according to Fesler, is between the traditional function of maintenance of law and order, and advancement of socio - economic development. The main function of administration was to maintain law and order and collection of revenue. However, the changed concept of welfare state requires rapid socioeconomic development. It demands cooperation and participation of people in administration and increased coordination among different administrative units. Thus there is urgent need to change the system into decentralized, participative and innovative one. The resolution of conflict between two different orientations in the field administration calls for adaptations of decentralization to changing circumstances.

## Conclusion

Decentralization is favoured for access, citizen participation and political responsiveness. Therefore, decentralization depends on the situation and is not an absolute term. The four approaches of W. Fasler address different issues and challenges in the realization of decentralization. The doctrinal approach treats decentralization as an end in itself. The political approach highlights political character of decentralization. The administrative approach is based on efficiency, effectiveness and rationality. Finally, the reorientation of roles from status quo to change orientation is the crux of dual role approach.

## Types of Decentralization

Decentralization takes different form in different political setting and administrative conditions. There are four types of decentralization. These are: political, administrative, fiscal and functional decentralization.

**1) Political Decentralization**- Political decentralization refers to processes where the power of political decision making and central functions are transferred from higher level of government to lower one. The institutions which are assigned authority and functions for local governance are governed by local people. Thus, the people residing in the periphery of local institution have greater chances of participation in decision making. Greater participation of people leads to increased legitimacy and more political stability of governments. Also Mass participation makes for better policy making and effective utilization of resources. Seventy third and seventy fourth constitutional amendment is landmark piece of legislation for setting up three tiers rural and urban governance is extension of political decentralization.

**2) Administrative Decentralization**- Administrative decentralization occurs when a politically independent unit delegates some of its power and function to subordinate units within its organisation. Administrative decentralization may be territorial or functional. Territorial decentralization means creation of area administrative units such as Divisions, District, Zones, Circles etc., and vesting them with authority and responsibility in prescribed limits.

**3) Fiscal Decentralization**- Fiscal Decentralization means devolution of financial power to lower level of government. Unless the power to tax and generate revenue is granted, the political decentralization would merely

remain a dream. The local government cannot fulfil their responsibility in the absence of adequate financial power. For instance there is provision of state Finance Commission in the seventy third and seventy fourth constitutional amendment acts to review the financial position of local bodies and to suggest measure to strengthen their financial position. One of the reasons why Panchayati Raj could not succeed is inadequate financial power. The Status Report (2000) on the Autonomy of Panchayati Raj Institutions and Municipal Bodies reveals that none of the states in India, except Kerala, have tried to place requisites for financial decentralization, while operationalizing their respective acts.

**4) Functional Decentralization-** Functional decentralization refers to the transfer of functions from Central or state government to local bodies in order to enable them to discharge assigned functions and responsibilities. For instance seventy third constitutional amendment acts in India assigns 29 functions to Panchayati Raj Institutions in India listed in Eleventh Schedule of Constitution of India. However, these are suggestive not mandatory as under the Indian constitution local government is state subject. Subjects and activities assigned to local bodies under functional decentralization should be precise and clear or it can create more confusion and chaos rather than empowerment of local community as it happens in most of states in India. The same applies to urban local bodies which are assigned eighteen functions by 12th schedule of Constitution of India.

### **Conclusion**

In the foregoing analysis, an attempt has been made to situate the forms of decentralization. Decentralization is favoured for access, citizen participation and political responsiveness. Therefore, decentralization depends on the situation and is not an absolute term. These four types show how decentralization takes different form in different political setting and administrative conditions.