

Conceptualizing Decentralization and its Dimensions

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Abstract: The subject of ‘decentralization’ has come to get the higher and especial attentions of several countries and many of them come to use this for their political, administrative, social and economic advancement in the recent past. Many institutions and agencies also recommend and advocate the application of decentralization for different reasons. However, different definitions and interpretations have been developed in conceptualizing decentralization by different scholars and organizations based on their different thematic motivations which make students, researchers and public difficult to understand it, its dimensions and forms in a comprehensive manner. Researches, reports and documents interchangeably use the term ‘decentralization’ with ‘devolution’ and ‘de-concentration’ without understanding the real meanings and differences. Therefore, conceptualizing decentralization and its dimensions gets importance for the better understanding of the subject and its usefulness. This study is developed with the objective of conceptualizing decentralization, its application dimensions and its usefulness by reviewing and analyzing the existing definitions and interpretations. The conceptualization is entirely developed based on secondary data but incorporated utmost fresh literatures collected from different angles and sources.

Key words: Conceptualization, decentralization, dimensions, devolution, delegation, de-concentration

INTRODUCTION

Decentralization has emerged as a high popular means for number of issues related to democracy, governance, administration, development, local participation, conflict resolution and peace building and so on. As Faguet (2013) emphasizes, decentralization has been one of the most widespread and influential policy trends of the present generation. Many governments not only in developing world but also in well-developed industrial world have been expressing their commitments to decentralize their development strategies, democratization process and administrative system for many reasons. In this way, supporting initiatives for sharing powers from the center to the local tiers of government and administration has been the priority of many governments for the last few decades. As Siegle and O’Mahony indicate, the supportive perspective towards decentralization is grounded on the belief that doing so will increase government responsiveness and accountability to citizens who established the

government, increase governmental flexibility to address the diverse needs of highly heterogeneous populations and reduce corruption through enhanced oversight among other attributes.

In countries in transition, different dimensions and forms of decentralization are increasingly attractive among academics, practitioners and international donors. As Linder (2009) indicates different types and forms of decentralization appeared to be helpful devices in bringing the state closer to the people and allowing development ownership among the local citizens and to express their needs more effectively and enable authorities to enhance local autonomy and deliver public services more efficiently. Further, decentralization also identified as mechanisms to resolve or manage conflict and claims advocating more power and authority. In the case of political administration, when decentralizing powers and authorities to smaller units, the chance of efficient administration, improving of service delivery, boosting local development initiatives and sanctioning of corruption seems to be high.

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REVIEW OF THE NATURE AND THE TRENDS OF EXISTING LITERATURES ON DECENTRALIZATION

Decentralization is a process by which central state power is transferred in varying degree into sub-national governance units to broaden access to political and administrative decision-making and localize provision of delivering public goods and services and strengthen local development initiatives. It has become one of the most popular terms in both the field of development administration and local governance. From 1950s onwards, decentralization has been popularized with different thematic emphasis such as political independence, regional and local development, good governance, service delivery, conflict management, ethnic accommodation and so on (Scott, 1996; Monteux, 2006; Brancati, 2006; Linder, 2009). It has been identified by scholars as a 'fashion in development administration' (Scott, 1996; Conyers, 1983, 1981). Since the beginning of new millennium, many countries around the world have been implementing or at least discussing at government level the reforms towards decentralization. As Grasa and Camps indicate, decentralization has quietly become a fashion from the last decade. According to their view, decentralization is being considered or attracted among developing, developers and transitional countries by solvent and insolvent regimes by democracies and autocracies by regimes making transition to democracies and by other regimes seeking to avoid that transition by regimes which varied by colonial inheritance and which attached to none.

There are bulks of literatures based on theoretical and empirical argument on different perspectives of decentralization. Among them, some focus mainly on its role in supporting and strengthening democratization and good governance, especially at local level. The researches by Ryan (2004), Hankla (2009), Linder (2009) and Rich and Gomez (2012) are some among the many recent works. This kind of researches have paid more concern on political perspectives of decentralization, especially of devolving powers from higher level of political system to elected government bodies at local levels. Some studies pay economic and development perspectives of decentralization (Conyers, 1981; Lalvani, 2002; Crook, 2003). These studies focus on the role of decentralization policies on local stage of development, poverty reduction or alleviation, local capacity to initiate or manage development projects and on the empowerment and participation of local groups (including women and minorities) in local governance and development initiative. These studies identify decentralization as the promise for reducing poverty and disparities in terms of development

which always arises from inequalities between regions or localities and between different groups because of the provisions included in decentralized policies to redistribute resources from the prosperous to poorest area and the system (mechanism) which enable poor people to gain maximum assistance from the higher level of government and administration.

Some studies focus on administrative perspective of decentralization (Tarigan, 2003; Ahmad *et al.*, 2005; Witesman and Wise, 2009; Faust and Harbers, 2012; Sosin, 2012). They either focus entirely on the administrative efficiency of local political and administrative units or their capacity to run or manage development projects and deliver public services to the people at the local level. These researches reveal that there is a general recognition that certain aspects are necessary for positive impact of decentralization. These include adequate financial resources, responsibility and accountability for resource utilization and the commitment and ownership of government. If decentralization takes place without these three conditions, diffused accountability and poor service delivery are likely to happen. Some researches pay concern on conflict mitigation and minority accommodative perspectives of decentralization (Esman, 1997; Brancati, 2006; Brinkerhoff, 2005; Duncan, 2007; Linder, 2009; Gjoni *et al.*, 2010; Lyon, 2013). These researches advocate that all dimensions of decentralization including administrative and decentralization have a conflict reduction and ethnic cohesion rule in multi-ethnic societies by allowing different groups to participate in the political decision making and administrative affairs of not only development process but also every aspect of local level political and administrative units. In this set-up, minorities and regionally concentrated groups also will be empowered and equally treated in political power-sharing, local administration and policy oriented development.

Based on the different objectives of the works on decentralization, researchers and institutions have tried to conceptualize and define decentralization in different ways. Definitions of institutions, researchers and advocates focus on democracy, good governance and local governance emphasizing on the political perspectives of decentralization and paying little attentions to the administrative and benefits of decentralization. The organizations and advocates involved in economic and development assistance, regional development and project implementation stress less on political aspects of decentralization initiatives. There are no more studies on conceptualizing decentralization in a generalist and broader perspectives. This study bridges this gap by conceptualizing with broader dimensions and benefits of decentralization.

DEFINING DECENTRALIZATION

In a system of conceptualization, definitions play a vital role in guiding the process. However, decentralization and its dimensions and forms, like many concepts in social sciences are more complicated to define. In general, decentralization can be defined as a mechanism or procedure or a tool to share power and divide responsibilities among the central and the local political and administrative units with the objectives of empowering locals and enhancing the living standards and conditions of all segment of public through providing better public service delivery and other supportive arrangements and to fulfill the interests and needs of different groups, living within the local political and administrative units or areas.

In general, the term ‘decentralization’ denotes the transfer of power and authority from the insitutions of central government to its local or sub-national governing units intending to meet the demands and needs of people at local level. Various scholars of public administration have also defined decentralization in different ways as delegation of decision making power; placement of authority with responsibility; transference of authority and responsibility from a higher level of government to lower tiers; allowing greater number of actions to be taken at loal level; removing functions from the center; a mode of operations involving wider participation of people in all levels of policy-making process (Brancati, 2006; Cheema and Rondinelli, 2007; Linder, 2009).

In their writings, Cheema and Rondinelli (2007) experts on decentralization studies, simply define ‘decentralization’ as the transfer of authority, responsibility and resources through de-concentration, delegation or devolution of power from the center to lower level of politics and administration. However, Rondinelli and others have also comprehensively defined decentralization as “the transfer or delegation of legal and political authority to plan, make decisions and manage public functions from central government and from its agencies to subordinate units of government, semi-autonomous public corporations, area wide or regional development authorities, functional authorities, autonomous local government or non-governmental organizations” (Rondinelli *et al.*, 1989). Bolleyers and Tharlakson (2012) use the term ‘decentralization’ to refer the removal of core resources from the center to lower levels of a multi-tiered system, whether these resources are , jurisdictional or administrative.

Another expert on decentralization studies, Conyers defines decentralization “as a process of change in which functions previously undertaken by government

institutions at national level become the responsibility of government or non-government institutions at sub-national level.” Her definition emphasizes two important points, namely: it includes not only local governments but to any institution, public or private at subnational level and it does not however, include the transfer of functions from government to non-governments institutions at national level. According to her, decentralization is specifically a spatial process that is to say, it involves a transfer of functions from national to subnational levels. Adamolekum (1991) defines decentralization “as the organization of government activities outside the headquarters of the central government, either as an administrative measure involving the transfer of resources and responsibilities to agents of central government, located outside the headquarters or as a political arrangement involving the devolution of specific powers, function and resources by the central government to sub-national level government units.” Lyon (2013) defines decentralization as “a process by which central-local relations are restructured in a unitary state, through the devolution of competences from the national to local levels of government. The process is understood to be an effort to share powers vertically between central and local governments in the following three dimensions: political, administrative and ..”

The above definitions of decentralization point out some important aspects/natures of decentralization as follows:

- It is a process of transfer or share or re-distributes powers and authorities wasted by the institutions or officers of central government to the regional or local levels of institutions and officers
- The nature of transferred powers or authority may be in different form (example: allocated, delegated, devolved, de-concentrated or shared)
- The nature of functions expected through decentralization also may vary (example: monitoring, controlling, administering, managing, planning, plan implementing)
- In the process of decentralization, it is important to form, create or establish regional or local level government institutions in order to strengthen the local capacity to fulfill the expected outcome through decentralization initiatives. These institutions may differ in terms of the nature of decentralized powers they gained and expected objectives of the functions and services they perform (example: regional councils or centers, districts, local government bodies, service center or units, supply centers and branches of central departments, etc.)

- Variety of subject area can expected to be improved through decentralization (example: public service delivery, democracy building, regional and local development, women and minority empowerment, good governance, local participation, etc.)
- The dimensions of decentralized powers and authorities also vary (example: political, administrative and)
- The success of fulfilling the expected objects and outcomes through decentralization depends on some conditional factors (example: clearly defined constitutional and legal framework, policy guidelines, institutional capacity, monitoring mechanisms, efficient, committed accountable staff, public participation and auditing, etc.)

In general, the process of empowering and improving sub-national governance systems involves the three major dimensions of decentralization of powers, i.e., political, administrative and financial powers from the central government through varying degrees and various institutional and implementing mechanisms. Therefore, decentralization is often depicted as a welcome governance reform in order to improve efficiency and equity in resource allocation and to enhance participation and involvement of locals in decision-making process. The success of decentralization processes highly depends, however, on country circumstances, the design of the decentralization process and the institutional arrangements governing its implementation. As Smoke (2003) argues, essentially, decentralization is not a positive or negative concept and therefore, any discussion about decentralization should start from a neutral standpoint. Therefore, it is important to review the dimensions and forms of decentralization in order to understand decentralization and its benefits clearly.

DIMENSIONS OF DECENTRALIZATION

Decentralization may take many different dimensions (or types) and there is a close relationship between the objectives of decentralization and the dimension which it takes. There are three more fundamental types of decentralization which have different objectives, degree and means of decentralization of power, namely political, and administrative.

Political (or democratic) decentralization: Political decentralization (also called as democratic decentralization) refers the alteration of power structure of central government to the lower levels of government institutions. It is also associated with power-sharing

through the recognition of federal principles, autonomous regions and the like. As Faust and Harbers (2012) indicate political decentralization reflects whether sub-national governments are directly elected and thus share in the political functions of governance. Cheema and Rondinelli (2007) identify the political decentralization as a mechanism to increase the participation of citizens and civil society in their selection of governmental representatives and in political decision-making, thereby, the lower levels of government administration become accountable to the public. Further, political decentralization changes the way policy responsibilities are shared between the levels of government. The most obvious manifestations of this type of decentralization are elected and empowered sub-governmental bodies ranging from village councils to state-level institutions. Devolution is considered by many theorists and experts as the best form of political decentralization. In contemporary discourse and practice, political decentralization is often perceived as the only true mode of decentralizing government, bringing with it such benefits as local democracy, participation in local affairs and accountability of local officers.

In political perspective, decentralization is not only an administrative value but also have a civic dimension as it increases the opportunities for citizens to take interest in public affairs and it makes them get accustomed to using freedom. Therefore, political decentralization allows the reorganizing of political authority which would bring a kind of system putting responsibility between institutions of governance at the central, regional and local levels and thus would increase the overall quality and effectiveness of the government while increasing the authority and capacity at sub-national levels. Political decentralization also contribute to key elements of 'good governance' such as increasing people's opportunities for participation in economic, social and political decision-making; assisting in developing people's capacities and enhancing government responsiveness, transparency and accountability. By allowing local communities and regional political entities to manage their own affairs through monitoring local governance bodies, it would ensure the responsibility and governmental intervention in order to hear and meet a variety of social needs (www.makingdecentralizationreal.org, 2014). The adoption and implementation of this dimension of decentralization will help to develop local participatory processes to identify and address the 'priority' objectives for many good things such as poverty reduction, employment creation, gender equity, environmental regeneration, etc. However, allocating responsibilities to the local governing bodies through this

kind of decentralization often requires improved planning, budgeting and management techniques while adopting new tools and improves human resources.

In modern system of governance, government activities are politically linked with the political representatives of the people. In order to keep close contact satisfactorily between the people and their political representatives, a kind of decentralized political mechanism is important. Activities of elected members of the central government have to be brought to the bottom level of government institutions or political units such as provinces, municipalities, district or villages. So, it is for this purpose, the powers and authorities of central government in the hands of ministries and central departments have to be decentralized through different kinds of ways to these institutions of governance in order to enhance more open, responsive and effective functioning as well as service delivery of government machinery and participation of local public in decision making for local development and capacity improvement.

Fiscal (or financial management) decentralization:

Fiscal decentralization is the most traceable type of decentralization as it is directly linked to budgetary practices. It necessitates the transfer of powers to raise and retain financial resources to fulfill assigned responsibilities to local level political and administrative organizations. It comprises the assignment of functions and responsibilities regarding revenue collections and spending to sub-national government institutions. Further, it allows allocate resources, including the delegation of funds within sector ministries to sub-national level of government. Under fiscal decentralization, arrangements for resource allocations are often negotiated between central and local authorities based on several factors including inter-governmental equity, availability of resources at all levels of government and local fiscal management capacity. In fact as Smoke (2003) indicates inter-governmental financial transfers play critical role in closing fiscal gap as well as in alleviating interregional resource disparities. Further, fiscal decentralization forces the localities to rely less on financial transfers from the central or provincial governments and more on extra budgetary funds and creative accounting to fill the gaps in local budgets. Further, as Guess (2005) argues fiscal decentralization allows decentralized institutions (mainly local government bodies) to finance capital investments of their own through responsible long-term borrowing in private markets. This strengthen the autonomy of decentralized institutions and the fiscal condition of central government by reducing the needs for grants from the state budget or loan from international financial institutions.

The World Bank Decentralization Thematic Team has listed five forms of fiscal decentralization, namely: self-financing or cost recovery through user charger, co-financing or co-production arrangements through which the users participate in providing services and infrastructure through monetary or labor contributions, expansion of local revenues through property or sales taxes or indirect charges, authorization of municipal borrowing and the mobilization of either national or local government resources through loan guarantees and inter-governmental transfers that shift general revenues from taxes collected by the central government to local governments for general or specific uses (www.ciesin.org). In this way, fiscal decentralization taps into the share of total government resources managed by the sub-national governments (Faust and Harbers, 2012).

European Commission has identified some key ingredients that need to be considered in designing fiscal decentralization policies, namely: assessing the impacts of decentralization, allocation of responsibilities among different levels of government, introduction of planning and budgetary cycle at decentralized level, allocation of various taxes among levels of government, fiscal transfer system among levels of government and central government control. Ultimately, fiscal decentralization transfers the two important rights to institutions at sub-national levels of government: right to fund utilization to deliver decentralized functions and the right to revenue generating power in order to decide on expenditures, both are important instruments in strengthening fiscal autonomy to any sub-national level of political and administrative machinery.

In general, fiscal decentralization denotes the transfer of power by the central government to local level political and administrative institutions handling financial matters under the preview of its authorities. This transferred power can empower these institutions to rising of funds and collecting taxes and spend them for local level development and other needs. However, in order to perform these activities, the local level institutions must be accountable not only to the central government but also to the local public closer to them.

Administrative (or institutional) decentralization:

Administrative decentralization (sometimes referred as institutional decentralization) involves the full or partial transfer of any array of functional responsibilities to the local level institutions such as health care service, the operation of schools, the management service personnel, the buildings and maintenance of roads and garbage collection. Administrative decentralization has been defined by various scholars as transfer of authority from

a higher level of government to a lower; delegation of decision-making; placement of authority; allowing greatest number of actions to be taken where most of the people reside; removal of functions from center to the periphery; a mode of operations involving wider participation of people in the whole range of decision-making process. This type of decentralization involves in sharing the responsibilities and authorities between the headquarters and the field offices. The functions and authority are centrally delegated as a matter of administrative expediency and can be revoked by the center when circumstances warrant with the objective of efficiency in government through centralized allocation of resources including manpower and finance. Administrative decentralization enables citizens to monitor and evaluate local government performance and constrains the ability of sub-national governments to engage in decretory politics (Faust and Herbers, 2012). As Banyai indicates, this kind of decentralization includes de-concentration of central government authority and responsibility to semi-autonomous agents of the state and decentralized cooperation of government agencies performing similar functions through 'twinning' arrangements across national borders.

Administrative decentralization is often seen as part of civil service reform and is generally perceived as the narrowest form of decentralization because local institutions to which tasks are transferred are not based on political representation controlled from below. On the other hand, it involves the de-concentration of bureaucratic structures away from the central government to lower levels of structure without removing their accountability to the central government. In this way as Smoke (2003) reveals, administrative decentralization requires the establishment of administrative bodies, systems and mechanisms at local and regional levels to manage and support the decentralization process while maintaining links between the formal government bodies and other key local actors. The effective decentralization of government administration requires local and regional governments the ability to establish ordinance, regulations or by laws which they consider to be appropriate within their jurisdiction. Therefore, administrative decentralization focuses on hierarchical and functional redistribution of central government's and its local agencies' authority, function and financial resources among non-central governmental unit field level governmental agencies, subordinate government units, semi-autonomous institutions or co-operative or area-wide, regional or functional authorities to shaping public policy to provide better public services and goods.

Based on the above dimensions, decentralization usually eliminates the direct subordination of the local branches of political and administrative agencies to the central level of the same agency. It is worth noting here that government intent to implement decentralization initiatives need not to be implemented all the above mentioned dimensions of decentralization initiatives. They may introduce one or more of them as suitable to the context of the country's needs and willingness of the parties involved. Even though, there are different dimension of decentralization as reviewed above; however, it is need to be remembered that as European Commission insists, there can be no effective decentralization without concerning or addressing all three dimensions as they are complementary and inter-dependence. They need one another as the division of power across different level of government and society needs to correspond with fiscal responsibilities; administrative systems and procedures need to be in line with execution of power and fiscal tasks and fiscal arrangements need to prevent a clashing of political and administrative powers. Furthermore, it might be opportune to address certain dimensions of the decentralization process at particular point of time, depending on local conditions.

FORMS OF DECENTRALIZATION

Many governments have attempted to introduce and implement variety of decentralization policies which have varied in terms of scope and designed to transfer development planning and management responsibilities into local level governance units. The existing literatures have categorized decentralization generally in three forms, most commonly termed as de-concentration, delegation and devolution. De-concentration involves a bureaucratic, hierarchical relationship; delegation involves a contractual relationship while devolution involves an arm's-length relationship (Schneider, 2003). A review of these forms helps us to understand the concept clearly.

De-concentration: De-concentration sometimes referred as 'bureaucratic decentralization' involves the transfer of administrative responsibilities or functions to subordinate units of government administration, often on some geographical basis. It is a process whereby the central government disperses responsibilities of delivering certain services to regional and division branches of government administration without transferring of considerable amount of authority. This process necessitates the mere relocation of execution to the local

level with decision-making power remaining at the center. In public administration, it is a process in which a field office or officials or a branch of central department or ministry acquires some degree of delegated authority to make decisions in the process of regulating their operations. Under this system, the offices or officials are accountable to the central departments or line-ministries for their decisions. European Commission identifies the major objectives of this de-concentration as: to improve administrative efficiency, to enhance service delivery and to ensure adequate central government representation and supervision at provincial, regional and local (district) levels.

Thereby, de-concentration is often considered as the weak form of decentralization and is used most frequently in unitary states to enhance the public administrative machinery. Therefore, many scholars do not consider this as true form of decentralization but many central governments intending to decentralize administration simply establishes field offices for this purpose. It refers a central government that spreads the responsibilities for a policy matter to its field offices. Here, the central government retains authority over field office and exercises that authority through the hierarchical channels of the central government bureaucracy. This may mean shifting of workload from one ministry to the other or from ministry to its field or local unit of administration. This kind of decentralization involves the transfer of authority for specific decision-making, financial and management functions by administrative means to different levels under the same jurisdictional authority of the central government. Generally, de-concentration occurs to the extent that a variety of tasks are de-concentrated to a horizontally integrated administrative system. Through de-concentration, the central government can merely shift responsibilities from central officials in the capital city to those working in regions, provinces or districts or it can create strong field administration under the supervision of central government ministries and departments.

Delegation: Delegation is a more extensive form of decentralization. It involves transfer of responsibilities for decision-making and administration of public functions from the central government to local government or semi-autonomous organizations that are not wholly controlled by the central government, however are ultimately accountable to it. Since, these delegated local organizations usually have a great deal of choice in decision-making, therefore, many developing countries attempt to initiate this kind of decentralization practice in the creation of boards, authorities, corporations, special service districts, semi-autonomous school

districts, regional development corporations or special project implementation units for carrying out specific functions. The main difference between de-concentration and delegation is the extent of the exercise of central government's control over these local institutions through a contractual relation that enforces accountability of local level bodies. This form of decentralization represents a slightly high level of administrative autonomy for local entities than under de-concentration (Schneider, 2003).

Devolution: Devolution is a more extreme form of decentralization which refers to a situation in which the central government transfers authority and responsibilities for decision-making, finance and management to quasi-autonomous units of governance at lower level, largely outside the direct control of the central government. However, this process often happens through an electoral process which would make local level institutions or units directly accountable to local people. Under devolution, the central government allows quasi-autonomous local government units to exercise power and control over the transferred policy matters. Compared to the other two forms of decentralization, devolution provides the greatest degree of autonomy for the local governance units which are only accountable to the central government insofar as the central government can impose its will by threatening to withhold resources or responsibility to the local unit (Schneider, 2003). In this arrangement, distinct bodies are created by law, separate from central administration in which local representatives are given powers to make decisions on variety of public matters and they gain access to resources which can be utilized at their discretion. The main objectives of devolution are reshaping the political landscape by redistributing power and doing so deepening democratization and local participation. However, devolution is a long-term institutional transition process. But, it also seeks to improve overall governmental performance in delivery of key services and functions by bringing government closer to people.

There is a set of five fundamental characteristics in explaining the purest form of devolution, identified by Cheema and Rondinelli (1983): powers are transferred to autonomous units governed independently and separately without the direct control of central government, the units enjoy corporate status and powers to secure their own resources to perform their functions, the units maintain control over a recognized geographical area, devolution implies the need to develop local government institutions and it is an arrangement of reciprocal, mutually beneficial and coordinate relationship between central and local government.

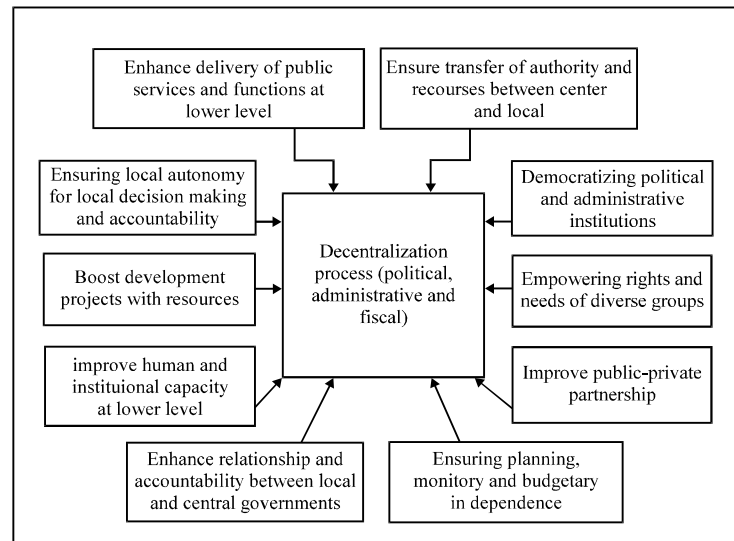


Fig. 1: Outcomes of decentralization

In many countries, decentralization has added the above dimensions and forms owing to the gaining importance by institutions which emphasize the creation of politico-administrative organizations, especially at the sub-national level. The major objective of decentralization is to clarify responsibilities of decentralized institutions so that accountability is fixed and political interference from the center is minimized (Chikulo, 1998). Finally, decentralization has number of outcomes (objectives) in different perspectives. Figure 1 sets out the major of these outcomes. Each of these outcomes entails major strategic and operational challenges. Particularly in the poorest countries, the lack of physical existence of basic infrastructure that local administrative and political units need to function is obvious. This would really challenge any form of decentralization initiative. The effective functioning of decentralization process depends to a larger extent on the negotiation of and adherence to a clear set of rules and regulating inter-governmental and inter-official relations. In addition, the willingness of parties involve in the implementation of decentralization policies also important in this regard.

As viewed above, decentralization, its dimensions and forms seems to be a very good means to strengthen democracy and good governance, development process, service delivery and mechanism to accommodate diverse groups, especially of ethno-regional and religious minorities within plural societies. However, it is worth noting here that as European Commission insists in designing, implementing and evaluating decentralization process, it is vital to consider the linkages between the three core dimensions of decentralization (political,

administrative and fiscal). Although, dimensions of decentralization are related but in many cases, it is difficult to measure the level of autonomy and capacity of a local entity and to make comparisons about its political, administrative and fiscal status because, empirically decentralization rarely exists in pure form. For example, a local entity may have fully devolved administrative authority without commensurate fiscal authority, leading to a mismatch of its decentralized capabilities. As Smoke clearly emphasizes without properly defined, fiscal decentralization, political and institutional decentralization would have little impact. Poorly articulated roles and resource efficiencies can cripple local governance units and undermine incentives for local officials and elected representatives to perform effectively. Similarly, if local people participate in public decision-making processes and see no concrete result because local officials have inadequate power and resources to deliver services, they may become disillusioned and cynical about local government (Smoke, 2003). Moreover, different local entities can be attempted to decentralize in different ways in different degrees.

CONCLUSION

Decentralization has been widely considered and launched as a key component of political, administrative, economic reforms in many parts of the world. Promoting decentralization has become a key element of political and administrative reforms since 1980s for many reasons. In general, decentralization can be conceptualized as a process of transforming powers,

authorizes and responsibilities on governmental (public) functions from central level institutions to subordinate, sub-governmental or quasi-independent institutions or bodies legally formed by the central government. This process emphasizes the responsibility and accountability of officers at local level governmental institutions to the central government as well as to the local public. Administrative rationale of decentralization of power is that it facilitates better service delivery and improves the quality of services at local level. A primary economic rationale for decentralization is to improve competitiveness of government that is decentralization will make local government try to satisfy wishes of citizens. The major political rationale of decentralization is that it would bring the state closer to the public. Therefore, people can better express their preference for public goods and that local administration can provide these goods for local community more efficient than central authorities. Another political rationale for decentralization is to accommodate pressure for regional and local autonomy and hence, perhaps increase the legitimacy and sustainability of heterogeneous national states.

Decentralization is seen as mechanism to strengthen democracy, empower autonomy, increase participation, enhance development and improve service delivery and so on at local level. In this way, conceptually, decentralization has many positive outcomes in governance and administration process. At local or sub-national level, decentralization can help to redistribute resources in order to reduce poverty and disparity in terms of unequal resource distribution which would empower people of local and diverse group and to develop local areas equal to main towns by using local resources and granted assistance. Decentralization strengthens the local capacity to take decision on local affairs which would facilitate the daily lives of local people. Further, it ensures the protection of rights of different groups, often minorities and can widen the participation of groups in decision-making and development process. As most of the states in the world are lacking for necessary resources therefore, in many states, especially in developing world, decentralization has been identified and implemented as one of the boosting channels to governance, administration, development, service delivery and empowerment processes.

However, in many developing countries, the decentralization experiences have been a series of disappointed stories due to number of issues, especially due to the failure of proper understanding of the different dimensions and forms of decentralization in a

comprehensive manner. The mis-conceptualization of the concept and its application dimensions and forms also challenges the implementation of the decentralization initiatives. As reviewed throughout this paper, any kind of decentralization initiatives need proper understanding of the concept and its dimensions and forms along with the supports from different actors within the political system.

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