

Decentralization - "The Conceptual and Institutional Dimensions"

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● Abstract

Decentralization is currently being advocated by most international donor agencies for a variety of reasons such as people's 'empowerment', democratization of the local space, and authentic, people-centric and people-driven development. The present article highlights the salience of contemporary 'decentralization' movement, clarifies the distinction between decentralization and deconcentration, and explains three 'modes' of decentralization thinking - classical liberalism, developmentalism, and neo-liberalism - that have been shaping and influencing the 'design' aspect of decentralization in different countries.

'Decentralization' or 'decentralized governance' is globally a rage now. Divestment of state authority, and decentralized participative governance are being advocated almost universally as an indispensable means to socio-economic development. Robert Ebel, in his overview of decentralization worldwide, has observed: "The western world sees decentralization as an alternative to provide public services in a more cost-effective way. Developing countries are pursuing decentralization reforms to counter economic inefficiencies, macroeconomic instability, and ineffective governance. Post-communist transition countries are embracing decentralization as a natural step in the shift to market economies and democracy. Latin America is decentralizing as a result of political pressure to democratize. African states view decentralization as a path to national unity". It is estimated that nearly 80 percent of the developing countries including the transitional economies of Eastern and Central Europe are experimenting with some form of decentralization. The reasons for decentralization and the forms it has taken, however, differ from country to country and situation to situation.

The same theme is being discussed in this paper in the context of the contemporary problems of 'governance' in the 'developing' countries. Today's increasingly globalizing and interdependent world is characterized by a strange dichotomous reality of spectacular techno-economic achievements and affluence on the one hand and deep human distress on the other. Despite decades of sectoral and 'planned' development investment, poverty and inequity continue to characterize the socio-economic conditions of most of the developing countries. The questions being raised now are: can decentralized governance be the solution (assuming that earlier development efforts have been highly centralized and 'top-down')? How can the people be 'empowered' in order that development can be 'people driven' and not, as in the past, 'bureaucracy' or 'expert' driven? Some of the major issues, in this context, being discussed in contemporary development literature are put together in this paper in a coherent form, by way of reopening the old development dialogue. Initially, we seek to clarify the conceptual aspects of 'decentralization', and then an attempt is made to present serially 'three generations' of decentralization discourse.

● Sustainable Human Development

Human development and decentralization are almost like twins. One is concerned with 'humanizing' development discourse beyond conventional economism; the other relates to the location and institutionalization of development. In recent times, as we will have occasion to discuss later, the 'human' dimension of development has come to hold the

center stage in development thinking. Along with this trend, decentralization or decentralized governance has gained considerable prominence in terms of institutionalization of 'governance' of human development-related activities. The United Nations Millennium Development Goals have, against this background, set time-bound targets focusing on the key elements of human development to guide the progress of sustainable solutions. These targets (to be achieved by 2015, from their level in 1990) are:

1. Halving income-poverty and hunger
2. Achieving universal education and gender equality
3. Reducing under-5 mortality by two-thirds and maternal mortality by three-quarters
4. Reversing the spread of HIV/AIDS, and
5. Halving the proportion of people without access to safe water

Sustainable human development has been defined as 'expanding the choices of all people in society'. This means bringing men and women and particularly the poor and vulnerable at the center of the development process, and protection of life opportunities for future generations and the natural systems on which life depends. The central purpose of development has thus been sharply defined as 'the creation of an enabling environment in which all can enjoy long, healthy and creative lives'.

● Governance Concept

It is the quality of 'governance' in a society that alone can ensure achievement of these development goals. "Good governance", said Kofi Annan, the UN Secretary General, "is perhaps the single most important factor in eradicating poverty and promoting development". The 'governance' or 'good governance' issue, conceptually speaking, is of recent origin. The World Bank and other international donor agencies have been suggesting that the state has so far taken almost the entire burden of 'development' which has affected adversely its own resource position, and more crucially, overstatization has led to overdependence on the state's bureaucratic apparatus and a gradual atrophy of traditional societal involvement in local collective problem-solving. Governance, in this context, stands for a new institutional visioning beyond formally constituted 'government'. Robertson Work of the UNDP has explained governance comprehensively as 'the system of values, policies and institutions by which a society organizes collective decision-making and action related to political, economic and socio-cultural and environmental affairs through the interaction of the state, civil society and the private sector'. Elaborating it further, Work views governance in terms of 'the complex mechanisms, processes and institutions through which citizens and groups articulate their interests, mediate their differences and exercise their legal rights and obligations'. In the vocabulary of conventional development administration, the governance concept is a salutary new entrant, as it helps enlarge the ambit of administrative function by bringing about a convergence of multiple actors: the state (government), the private sector and the civil society. The contemporary decentralization discourse has drawn sustenance from the concept of governance. In practice decentralization has been looked at as facilitative of community participation including participation of women and the poor, creative people's response to local problem-solving and participative and accountable local government .

● **Anti-bureaucracy Trend**

Looking back for a while, in the post-Second World War era, the newly independent countries in Asia and Africa embarked upon radical socio-economic reconstruction that was basically a state-led enterprise. Centralized bureaucratic planning and development was soon discovered to be more status quo oriented rather than 'change' oriented, and the general experience in most country situations had been that people in general, and the poor in particular, had been deprived of the benefits of 'development'. Among the many causes behind this phenomenon, non-participative, centralized and bureaucratic management of development was considered to be of prime importance. Three forceful arguments (there are many other also) in this context have been:

1. Centralized bureaucracies lack the 'time and place' knowledge, and in consequence their plans and programmes fail to reflect people's felt needs.
2. States are qualitatively different from 'markets' and voluntary organizations. Command and control characterize state action; whereas markets function on the basis of competition and exchange, and some measure of altruistic motivation underlies voluntary action. States 'lack the flexibility and reach to provide certain types of goods and services, particularly ones with large informational requirements'.
3. 'Rent-seeking' behaviour has been common among government officials with poor work incentives, especially when they function anonymously and in an unchecked fashion.

Field studies by noted researchers have also pointed out a consistent pattern of cornering of benefits by the elite (urban or rural), unrealistic planning not reflecting the felt needs of the general masses, and more importantly, lack of institutionalization of the development enterprise from the point of view of democratic people's participation in development decision-making (the voice aspect of development) and longer term sustainability of development.

Pranab Bardhan has, in a seminal paper, pointed out that in the context of fast-dwindling legitimacy of the centralized state almost everywhere, there have been diverse responses from different quarters in terms of (a) reducing the power of the overextended or predatory state, (b) advocacy of privatization and the free play of the market forces, and (c) devolving powers on local government institutions. The last contrivance - local level decentralization - has found favour with 'a vast array of social thinkers, post-modernists, multicultural advocates, grassroots environmental activities and supporters of the cause of indigenous peoples and technologies'. Bardhan calls this group 'anarcho-communitarians' who are usually both anti-market and anti-centralized state and are supportive of local self-governing communities. The first expression - 'anarcho' - may not be quite appropriate though, since grassroot people's movements in India (eg. Chipko or Narmada Bachao Andolan) have exhibited an essentially decentralist tenor within the ambit of the state system.

● **Decentralized Governance**

Advocates of decentralized governance have been arguing that this system is much more exposed and responsive to local needs and aspirations; hence, it is more likely to produce an administrative arrangement that would be more effective and accountable to the local people. Also, at the level of local government, transaction costs are relatively low and the information problems (relating to local functions and activities) that stand in the way of

efficient handling by central government are much less acute. In the context of poverty amelioration programme, decentralized governance has been favoured on the ground that it can

1. contribute to combat poverty by ensuring that service packages match the needs of the poverty group more closely,
2. open up possibilities for wider political participation, especially of the poor and women (who are normally marginalized) and in the process help prevent democracy from remaining a narrow middle class project,
3. facilitate structured conflict management or promotion of peace by providing rules and procedures for amicable conflict resolution, and more importantly
4. offer opportunities to promote local self-help initiatives and entrepreneurial capacity of the poor.

As earlier stated, in course of time the credibility of the state as 'developer' had been in question. Failure to deliver the goods and services in larger public interest, and especially in the interest of the poor and the marginalized, coincided with the phenomenon of the state's acute financial crisis. This was the moment of a 'paradigm' shift in development engineering. As the search had been going on for alternatives to state-led development in most developing countries, people-centric decentralized governance, because of its advantages as described above, emerged as a solution. Its institutional form and design, however, remained somewhat fuzzy. If the central state had failed, development should then be 'decentered'; what should in that event be the institutional form or design to realize the ideal of decentricity ?

● **Decentralization: What does it mean?**

Scholars and administrators differ, however, on the meaning of 'decentralization' or 'decentralized governance' (as some would like to name it). Diana Conyers has pointed out in her extensive review of the literature on decentralization how confusion and imprecision surround the term, because of different country contexts, donor-supported programmes and varying academic interest in the theme.

We owe to Rondinelli and Cheema (1983) the most familiar elucidation of decentralization. Four main forms of decentralization identified by them are: (i) deconcentration involving redistribution of administrative responsibilities only within the central government; (ii) delegation to semi-autonomous or para-statal organizations which are under the control of the central government; (iii) devolution through creation or strengthening of independent levels or units of government, outside the control of central government; and (iv) transfer of functions from government to non-government organizations. The problem with this scheme is that delegation and deconcentration have been defined as discrete categories, whereas deconcentration may well have an element of delegation in it, when, for instance, central government can create its field agencies by 'delegating' powers to the field officers. Also, within a large central government establishment powers and functions can be passed on to subordinate officers by way of delegation.

● World Bank's Formulation

The World Bank's Decentralization Thematic Team has defined decentralization as 'the transfer of authority and responsibility for public functions from the central government to subordinate or quasi-independent government organizations and/or the private sector'. Types of decentralization, according to them, include political, administrative, fiscal, and market decentralization. It is admitted that 'there is clearly overlap in defining any of these terms and the precise definitions are not as important as the need for a comprehensive approach. Political, administrative, fiscal and market decentralization can also appear in different forms and combinations across countries, within countries and even within sectors'.

Political decentralization is aimed at the democratization of the local space and associated with pluralistic politics and representative and participative local government.

Administrative decentralization 'seeks to redistribute authority, responsibility and financial resources for providing public services among different levels of government'. Its three different forms are: (a) deconcentration which is within-government redistribution of decision-making authority, and financial and management responsibilities; (b) delegation that takes the form of transfer of responsibility for decision-making and administration of public functions to semi-autonomous organizations; and (c) devolution which involves 'transfer of authority for decision-making, finance and management to quasi-autonomous units of local government' such as municipalities 'that elect their own mayors and councils, raise their own revenues, and have independent authority to make investment decisions'. Most political decentralizations take this form of administrative decentralization.

Fiscal decentralization is supportive of any form of decentralization to ensure adequate levels of revenues to the decentralized entities - either raised locally or transferred from the central government - to enable them to carry out decentralized functions effectively.

Economic or market decentralization takes the forms of privatization and deregulation as responsibility for specific functions (eg. transport, electricity, solid waste management etc.) is shifted from the public to the private sector. Functions that have been primarily or exclusively the responsibility of government may be handed over to 'businesses, community groups, cooperatives, private voluntary associations, and other non-government organizations'.

All of these forms of decentralization can broaden participation in political, economic and social activities, under appropriate conditions. No special weightage is given to any one of these forms by the World Bank Team. The advantages of all of them are lumped together as under:

1. Removing bottlenecks in decision-making that are often caused by central planning and control of important economic and social activities;
2. Getting rid of complex bureaucratic procedures and increasing government officials' sensitivity to local conditions and needs;
3. Helping central government to extend services to larger number of local areas;
4. Allowing greater political representation for diverse political, ethnic, religious, and cultural groups in decision-making;
5. Relieving central ministries of routine tasks to enable them to concentrate on major policy issues;

6. Creating a geographical focus at the local level for coordinating national, state, provincial, district, and local programmes more effectively, and providing better opportunities for local people's participation in decision-making;
7. Allowing local 'experimentation' through more creative, innovative and responsive programmes; and
8. Ensuring political stability and national unity by enabling citizens to better control public programmes at the local level.

Potential disadvantages of decentralization need also to be taken into account, as the World Bank Team cautions. Especially for standardized, routine, network-based services decentralization may not work well. It can result in the loss of economies of scale and central control of scarce financial resources. At the local level efficient and effective delivery of services may suffer due to weak administrative and technical capacity. There may be a mismatch between locally devolved functions and responsibilities and availability of adequate back-up resources which might render equitable distribution of services difficult. Functions and benefits are liable to be captured by the powerful local elite. Coordination of national policies assumes much more complexity under conditions of decentralization.

The World Bank Team rightly suggests that programme planners should carefully analyze the already existing types of decentralization in a country before recommending any new form. Also decentralization does not mean withering away of the center. Rather the center's supervisory and policy role becomes much more important and it has to create proper enabling conditions for decentralization to work effectively. Legislative support including framing of rules and regulations, adequate financial provision, training of local and national leaders and officials, and technical assistance are of paramount importance in making decentralization a success. To quote the Team's balanced view in this regard, "Centralization and decentralization are not 'either-or' conditions. In most countries an appropriate balance of centralization and decentralization is essential to the effective and efficient functioning of government".

● **Decentralization-Deconcentration Mix-up**

The World Bank's formulation makes no value judgement about any of the different forms, as mentioned above. Deconcentration, delegation, privatization are all treated at par with 'decentralization'. Privatization or passing on some functions to NGOs are, properly speaking, not instances of decentralization. The use of these modalities, though currently fashionable, raises the question of proper 'domain' of the state. The decentralization issue is different from the state's domain question. The former essentially relates to spatial redistribution of state's functions, or, in other words, how to reposition state's functions at different levels, which is a within-government policy issue. Also, decentralization's major objective is to deepen and widen democracy by empowering the local communities. Hence a slight reopening of the decentralization-deconcentration issue, at this point, may be in order

Decentralization, it needs to be pointed out, begs a concept of the CENTER. There is, at the background, the notion of an overloaded center that is facing problems of proper management of its activities because of an over-concentration of activities. Hence it is looking for alternative ways of organizing them for their more efficient discharge. From available evidence of actual governmental practices, one can detect various ways of dealing with this problem of how to unburden the overburdened center. More personnel could be deployed; work could be so subdivided that there wouldn't be pressure at discrete points;

sub-offices could be opened at different locations to decongest the center. The responses could be both within-government and without-government organizational forms. Within-government organizational form is more familiar as deconcentration, as government chooses to set up its field offices for more convenient transaction of its business or government 'delegates' specific functions to subordinate officers within the central office itself. The dispersal to field offices is spatial deconcentration; whereas dispersal to subordinate officers within the same office is 'delegation'. Both deconcentration and delegation reflect the center's attempt to decongest discrete central administrative nodes. The field office and the subordinate officer are both recipients of delegated power. The former is spatial, while the latter is positional. In any event, it is the center that has to design appropriate mechanisms for work-decentering. The conventional approach to decentralization has been to view it in the context of how the 'center' chooses to grapple with its problem of work-concentration. The other aspect, namely, decentralization as a democratization project, is often glossed over in this kind of 'value-free' discussion.

Discussions on 'decentralization', as earlier stated, are often made without much of an agreement on its meaning. Two terms are conventionally used in this context: 'decentralization' and 'deconcentration'. The basic issue here is how to achieve the goal of better performance of government activities in a situation marked by perceived work overload of the center. If giving relief to the center will be the chief purpose, the remedy would clearly lie in deconcentration. The basic objective of deconcentration is to decongest the center. But deconcentration as an administrative mode is nothing but the representation of the center in a different location for more convenient transaction of its own business with or without some form of local people's participation on ad hoc basis. Field administration headed by the Collector, devised during colonial times in India and other British Colonies, exemplified deconcentration in clear terms. In this sense, deconcentration is designed to ensure center's continuity (not discontinuity) even under conditions of spatial dispersion of governmental business .

To dispel confusion, it needs to be pointed out that the 'deconcentration' form of decentralization within a large government establishment involves several issues basically relating to 'delegation' rules regulating technical, financial and administrative aspects of work. At the heart of it is the core issue of proper structuring of superior-subordinate relationship that would be facilitative of efficient functioning of the subordinate office, where some of the functions of the head office are transferred, within the regulatory framework set by the formal supervisory authority of the hierarchic superior. Deconcentration is thus a within-organisation arrangement to decongest or decrease the workload of a central position in a large, unwieldy organization. It is a matter of administrative convenience aimed at improving organizational efficiency by rectifying the defects of 'concentration' within a single large enterprise. Two types of deconcentration are common in this context: horizontal and vertical. Horizontal deconcentration takes the form of division of work in a large office. New units are created in the same office to distribute work for more efficient functioning. By contrast, vertical deconcentration can take two forms: one, creation of a within-office position lower down in the hierarchy; another, creation of a spatially dispersed office at a different location away from the head office. As such, deconcentration is a mode of work facilitation in a large enterprise by way of delegation to some other newly created unit within the enterprise in the same location or in geographically dispersed locations away from the physical site of the mother enterprise. These and similar other aspects of deconcentration can be a separate theme for detailed treatment.

The purpose of the present discussion is, however, to focus on and analyze the major issues centred around 'decentralization' proper. To quote a World Bank document (which is slightly

different from the Thematic Team's elaboration, earlier cited) entitled 'Beyond the Center: Decentralizing the State', has clearly explained that decentralization stands for 'the process of devolving political, fiscal and administrative powers to subnational units of government. a country is not considered to have decentralized unless it has a locally elected subnational government'. As the document further clarifies, 'decentralization shifts the structure of local accountability from central government to local constituents. Deconcentration, in contrast, preserves the hierarchical relationship between central government and field staff'. Thus, decentralization involves creating discontinuity in governance by deliberately introducing the institution of elected local government. The pure form of decentralization exhibits itself in a constitutionally designed two-level Federal System. The Center or the Federal Government and the constituent States are both deriving powers from the same source - the Constitution. The Governments of the States are different from the Federal Government, representing thereby a discontinuity in the country's overall governing system (despite, of course, a lot of interdependence either constitutionally provided or evolved through practice).

● **Decentralization as Democratization**

When decentralization is comprehensively defined as everything from deconcentration to delegation and devolution, such all-embracing conceptualization (as has been done by the World Bank's Thematic Team) tends to underrate the importance of 'decentralization' proper which is basically a democracy project (as distinguished from a managerial one). This has been clearly brought out in the World Bank's other publication entitled 'Beyond the Center: Decentralizing the State'. Also, the USAID Programming Handbook unambiguously observes that 'decentralization is about power and is, therefore, a fundamentally political process' and again, 'decentralization opens avenues for the development of democratic local governance, local governments gain the authority, resources and skills; make responsive choices with citizen input, and operate effectively and accountably'.

Arun Agrawal and Jesse Ribot (well known for their extensive work in this field) have succinctly explained the essence of 'decentralization' in the following words:

"Most justifications of decentralization are built around the assumption that greater participation in public decision-making is a positive good in itself or that it can improve efficiency, equity, development and resource management. By bringing government decision-making closer to citizens, decentralization is widely believed to increase public-sector accountability and therefore effectiveness. At its most basic, decentralization aims to achieve one of the central goals of just political governance - democratization, or the desire that humans should have a say in their own affairs. In this sense, decentralization is a strategy of governance to facilitate the transfer of power closer to those who are most affected by the exercise of power".

This is an apt expression of the basic intent or 'philosophy' of decentralization that animates most local development management efforts in almost all the developing countries today. Agrawal and Ribot have worked out, in this context, an innovative framework for analyzing decentralization on the basis of actors, powers, and accountability. As they observe, " We suggest that three distinct dimensions underlie all acts of decentralization: actors, powers, and accountability. Without an understanding of the powers of various actors, the domains in which they exercise their powers, and to whom and how they are accountable, it is impossible to learn the extent to which meaningful decentralization has taken place."

Agrawal-Ribot monograph breaks new ground in terms of an innovative and refreshing approach to the analysis of decentralized governance.

● Local Government's Past

As concrete instances of decentralization, 'local government' institutions were planted in many of the erstwhile colonies of the Western Imperial powers for a variety of reasons. The post-colonial developing countries, in South Asia, thus, inherited a system of 'guided' local government that bore the imprint of Imperial Rule. Local government as an institution had in those times fallen between two stools: administrative deconcentration and decentralization proper. The center being the designer of decentralization chose to introduce a local government system that used to be strictly controlled and supervised even after according a 'decentralized' status. It was more an 'attached' system than a 'detached' one - a façade of decentralization in real term, serving the purpose of the center without being anchored in the local political will. The center-sponsored (as distinguished from Constitutionally created) status of local government tends ipso facto to foreclose the prospect of its autonomous institutional identity based on 'discontinuity' principle. Separate local government legislations in most countries have no doubt provided for the institution of local government, but the Acts, for historical reasons, are more 'control' oriented than 'local discretion' oriented. Inadequate financial resources have also been a major handicap. Countries like India with colonial administrative background were endowed with local government institutions during colonial rule for a variety of reasons such as political accommodation of the neo-elite class, providing relief to the Imperial exchequer, and creating an illusion of democratic life space. The local government Acts were crafted by the center - the colonial administration - in such a way that decentralization in the form of local government represented clear subsidiarity under the sovereign presence of the center. In practice, the 'free' decision space of the local self-governing bodies was delineated under conditions of close surveillance by the center and its field agencies. Field Administration during colonial times was characterized by a pernicious duality. The center's own agencies - both general and functional (or Line) - held sway in the Field, and local government had been an add-on kind of institution, functioning alongside the center's own field agencies in a sort of dependency relationship with them. Local government was allowed to exist and operate on the center's own terms. Its representative character was, at least initially, nomination-based or based on restricted franchise. Fully representative, elective local government, for obvious reasons, ran counter to the governing principle of Imperial Rule. An additional handicap for local government, as already mentioned, had been resource scarcity. The assigned financial domain of local government had often been too limited to allow for the exercise of relatively free choice in local functional decision fields.

Keith Miller, writing in the context of the Caribbean Region, has clearly explained the dilemma of local government in a highly centralist political system. As he has observed, "Local Government is often portrayed as representing the highest form of decentralization, i.e. the devolution model, but that is not always so. Where local governments operate essentially as agents of central government rather than as instruments of local self-expression, this in reality constitutes deconcentration rather than devolution. This distinction is very important in the Caribbean, as most local governments in the region operate as agents of central government, in that they have limited scope for locally influenced decision-making, and are very strongly controlled from the center in respect of financing, staffing and exercise of their legal powers...The notion that local government ought not to be a subordinate level but rather a distinct sphere of government, with its clearly defined range of functions over which it exercises full autonomy (subject only to clearly defined procedures for invoking national interest), is not widely accepted."

This background or pedigree of local government, in most 'developing' countries, has significance for any new attempt to 'redecentralize' through a fresh programme of local 'empowerment', as is currently being advocated by many donor agencies including the World Bank, UNDP, DFID and others. There is, so to say, a veritable resurgence of 'decentralization' idea, in recent days, both as a 'democracy' project and a 'developmental' one. The democracy aspect pins faith in 'participation' and 'empowerment', while the developmental aspect focuses on the authenticity (real need-based) of projects grounded in people's life process (as distinguished from 'expert'-determined 'development').

● **Three Generations' of Decentralization Idea**

It will be in order at this stage to go into the etiology of the decentralization' idea and its subsequent mutations. Contextually, the decentralization' idea belongs to three distinct phases or generations. We can name them after the dominant ideologies' within which they are nested:

1. Liberal
2. Modernization or Developmental, and
3. Neo-Liberal

Each brand' of decentralization is briefly touched upon just to explain its relevance in our context i.e. establishing the logic of decentralization as a governing principle, while pursuing the goals of development'.

● **The Liberal Mode**

The Liberal Mode (LM) can be traced to Mill, Bryce, and Tocqueville. They posited decentralization in terms of institutionalization of democracy. At the core of LM one can decipher basically a 'democracy' project - creating opportunity for governmental literacy through citizen's active participation in local governance, and nurturing of local bonds and trust (building social capital, as it were, as in Tocqueville in particular). Applying the principle of division of labour, Mill suggested that 'the supreme power of the state' need not be employed 'in cutting the small knots which there ought to be other and better means of untying'. Local government, from this perspective of co-sharing of government functions, falls under the 'deconcentration' principle. Mill's two basic concerns were: 'how local business can be best done and how its transaction can be made most instrumental to the nourishment of public spirit and the development of intelligence'. Local government would look after local municipal functions and ensure popular control over local executive officers. But its 'great object', in Mill's vision, 'is the social and political education of the citizens, and for this purpose 'they should be left to manage these (local) affairs by their own, however imperfect, lights'. This is Mill's clear advocacy of 'decentralization' which is not so much for functional efficiency as for creating conditions for democratic citizenship.

By advocating multiple, local will-based governmental units and enlarging choice-making opportunities of individuals and communities, the decentralization principle of governance underlying LM, thus, celebrates dispersal of power and, by implication, enhancement of

liberty and deepening of democracy. As a representative sample, we can quote Tocqueville in this context: "Town meetings are to liberty what primary schools are to science; they bring it within the people's reach, they teach men how to use and how to enjoy it. A nation may establish a free government, but without municipal institutions it can not have the spirit of liberty". Liberty, in this formulation, is a function of democratic institutions and dispersal of power both of which are represented in decentralized local governance.

● **The Modernization or Developmental Mode**

The Modernization or Developmental Mode (DM, for brevity), so clearly reflected in the extensive literature on Political Development and Development Administration (e.g., Weiner, Almond, Riggs and a large band of development analysts) had essentially been functionally oriented, because of their central focus on the 'development' of the underdeveloped regions and people. A basic tenet of the policy of state-led development was that government should areally 'penetrate', and reach out to the problem areas and the target groups. Initially, the developmentalists did not care much about the distinction between decentralization and deconcentration as instruments of penetration and service delivery. Speedy amelioration and immediate succour prompted the choice of instrument. Established and expanded bureaucracy became the first preference, as 'development' came to be conceived more in terms of materials and goods than people and institutions. Bureaucracy as rational technology was preferred on the assumption that the goals of development were beyond debate. In other words, development was conceived essentially in 'technical', and not 'political' terms. Later on, this misplaced emphasis on the 'bureaucracy' as engine of development was amended by writers like Eisenstadt and Riggs on the ground that the Third World inherited a regime of strong bureaucratic domination. Its further continuation and reinforcement would lead to institutional imbalance by impeding the emergence and flowering of 'political' institutions as countervailing forces. 'Development', they argued, is both a process and a goal. The vision of future society that would be born out of the developmental process has to grow out of political visioning. Bureaucracy is trained and competent to suggest policy options and to work out ways and means to implement them. Visioning of a future society, strictly speaking, does not fall within its competence.

It is now familiar story that the first phase of DM, characterized by bureaucracy-led, centralized planning and implementation failed to produce desired results. Rather it tended to perpetuate concentration of power and socio-economic and regional inequity. The expected 'trickle down' effect in terms of widespread distribution of the benefits of development was not to be actually seen on the ground. Development, it came to be acknowledged, could not make much of a dent on poverty and has in reality produced among large sections of the people 'powerlessness' and 'voicelessness'.

● **A Paradigm Shift**

There was at this point of time a major breakthrough in development thinking - a chorus of a paradigm shift, so to say, toward what came to be christened as people-centric', participative', local resource-based', decentralized' development. From the new point of view, development is not what is centrally determined and distributed preempting people's own choice of projects to improve quality of life. By contrast, genuine development would

spring from people's authentic life-experience, and be eco-friendly and sustainable. To cut the long story short, four streams of thought can be identified that seem to converge at this stage to bolster up the claims of this alternative development' idea (repositioning development on the decentralization principle):

1. Field-studies and evidence-based researches of scholars like Robert Chambers and David Korten have been forcefully arguing in favour of a reversal in development thinking to put the last first', looking at development from the eyes of the people, as against those of the experts' what they perceive as their development and how (local knowledge and skill-wise) they would like to achieve it. Participative, people-centric bottom-up development in all its aspects from problem identification and prioritization to implementation, monitoring and evaluation (through Chambers's PRA/PLA technique, for instance) thus entered the development vocabulary and came to be recognized as accepted practice in development planning.
2. People's movements in different sites (eg. Chipko, Narmada Bachao Andolan etc.) have been confronting and challenging centralist, state-led development projects, and exposing their real nature as destruction' rather than development', serving narrow class interest (interests of the elite and the urban sector rather than those of the rural deprived and marginalized masses), and oblivious of environment' including the life, living environment and culture of the indigenous population. The Brundtland Commission Report and the subsequent Rio Earth Summit (1992) lent international support to ecologically oriented, people's knowledge-based and culture sensitive sustainable local development.
3. As earlier stated, at the international level sustainable human development' operationalized through the Millennium Development Goals forms the core of contemporary development thinking. In recent times, the emergence of the forceful Human Development Discourse and human rights' based development thinking led by Mahbub-ul-Haq, Amartya Sen and others, have redefined development in terms of human development', human rights and enlargement of people's choices. The contemporary Rights Based Approach has its primary focus on advancing the capabilities of people to assert, exercise and claim their rights to development. To quote Mahbub-ul-Haq, one of the main protagonists of the Human Development approach, The basic purpose of development is to enlarge people's choices. In principle, these choices can be infinite and can change overtime. People often value achievements that do not show up at all, or not immediately, in income or growth figures: greater access to knowledge, better nutrition and health services, more secure livelihoods, security against crime and physical violence, satisfying leisure hours, political and cultural freedoms and sense of participation in community activities. The objective of development is to create an enabling environment for people to enjoy long, healthy and creative lives. In a much similar vein, Amartya Sen, the Nobel Prize-winning economist-philosopher has argued that development is not the acquisition of more goods and services but the enhanced freedom to choose, to lead the kind of life one values. These choices are called capabilities, and in Sen's view poverty is the deprivation of basic capabilities. He draws attention to aspects of life other than income to understand what poverty is and how to respond to it. Three focal features of deprivation of basic capabilities, according to Sen, are premature mortality, undernourishment, and illiteracy.

A separate and more detailed discussion is needed to adequately present the newly emergent theme of the Rights Based Approach to Development'(RBA). Following the statement of the Office of the United Nations High Commissioner for Human Rights, the RBA approach can be briefly explained as under:

A rights-based approach to development is a conceptual framework for the process of human development that is normatively based on international human rights standards and operationally directed to promoting and protecting human rights. Essentially, a rights-based approach integrates the norms, standards and principles of the international human rights system into the plans, policies and processes of development.

Successive Human Development Reports have been harping on this theme of making human development' as the central or core issue of development, and sensitizing governments all over the world to orient public policies toward this goal. Almost as a corollary, the advocacy has been toward participation, decentralization, empowerment, and non-discrimination and attention to the needs of vulnerable groups such as children, women, and indigenous people.

4. Almost iconoclastic in temper, the Post-Developmentalist' social thinkers like Wolfgang Sachs, Arturo Escobar, Gustavo Esteva and others have been stridently questioning the Western Powers' hegemonic motivation behind the original coinage of the expression development', and demanding its rejection altogether and substitution by a local culture and tradition-based, home-grown and sustainable change idea. Escobar sees in development politics the mechanisms of control reminiscent of the old colonial times, and comes out with an alternative vision of a post-development era' whose architects would be the poor' and the underdeveloped' themselves in course of their autonomous efforts to liberate themselves and reshape their future destiny. Esteva relies on the intrinsic capacity of the poor' to rebuild their future in their own ways without being misguided by the false promise of externally induced development'. Writing in the Mexican context, Esteva writes, Mexico's poor seek neither charity nor affluence. They ask only for the restoration of that which development has sought to deny them, an opportunity to create their own livelihood, establish and regulate their own community, and live in dignity. Wolfgang Sachs went to the extent of denouncing the model of development' based on the assistance' and massive transfer of capital that was imposed on the world for more than four decades. It invented the poor' to make development the handmaiden of Western hegemony. Today, as Sachs puts it, the idea of development stands like a ruin in the intellectual landscape'. It is relevant in this context to refer to Sachs's sharp distinction between Nehru and Gandhi as polar opposites in conceiving development in the Indian context. Nehru had gone for modernization which was another name for Westernization, whereas Gandhi wanted autonomous village and small-scale enterprise-based indigenous decentralized development rooted in local genius. The Post-Developmentalists are not interested in modifying development'; instead they want to reject it altogether to clear the path for blooming of the people' and moving toward a self-managed progress with dignity'.

Each one of these four strands, despite its idiosyncratic approach to development, converges on one common point: people cannot be developed, they themselves develop, and there is the imperative need to understand what they think as development' and how, in their vision, such development can be brought about. For fuller expose of each strand, the substantive core thought of each needs to be carefully probed and expanded as discrete ways of reexamining development'. All the four strands contain a built-in decentralization principle, as they conceive a bottom-up, people-centric development. Interestingly, civil society' emerges in this kind of conceptualization as a strong, collective problem-solving co-partner alongside formal government, interrogating the latter's role and supplementing conventional public' administration.

● The Neo-Liberal Mode

The Neo-Liberal Mode (NLM), so far as our special field of inquiry is concerned (instituting decentralization as the governing principle in the domain of 'development'), can be conceived as producing almost an unintended spill-over effect from its macro-social philosophy of state down-sizing and market-centricity. As a critique of 'governmental overload', NLM positively contributed to the idea of societal capacity-building opening up thereby newer possibilities of designing 'governance'. Three kinds of reaction followed as a consequence:

1. Emergence of the earlier mentioned 'good governance' concept (a la World Bank) connoting multiple social actors, with particular emphasis on civil society organizations - NGOs and CBOs, beyond formal Government (more governance and less government), and underscoring the salience of governmental ethics in terms of observance of accountability, openness and transparency.
2. Resurrection of 'decentralization', in terms of dispersal of power to subnational units of government, as a widely accepted governing principle in recognition of the 'autonomous', 'participative' and 'communal' life process in the localities that is being hived off, in the interest of better governance, from the standardized rule of the central state which is passing through a critical phase of declining credibility.
3. Recognition of the value of 'social capital' concept (a la Robert Putnam) reinventing the practical worth of, to quote Putnam, 'not just warm and cuddly feelings, but a wide variety of quite specific benefits that flow from the trust, reciprocity, information, and cooperation associated with social networks' that 'help translate an "I" mentality into a "We" mentality. Social capital is being recognized as the bedrock on which to build and sustain the edifice of successful institutions of decentralization and there is increasing evidence now available that social cohesion - social capital - is critical for poverty alleviation and sustainable human and economic development. As Cohen and Peterson have pointed out, " the propositions on civil society generated by Putnam has led a number of aid agency professionals to use decentralization strategies as a way to promote the 'civil associations' Putnam found to be so central to explaining politics and development in Northern Italy".

A thumbnail sketch has been presented here of the three reigning concepts in the world of development around each of which a considerable body of literature has since grown up. Extensive, critical and incisive discussion would be necessary to probe deeper into each concept with special reference to the relevance of each to the facilitation of reinvention of 'decentralization' as a governing principle in contemporary development management.

● Post-modernist View of Decentralization

A passing reference will be in order at this concluding stage to the impact of post-modernist' social thought on the conceptualization of decentralization. Post-modernists' rejection of meta-narratives' (such as liberalism', Marxism' etc.) also includes rejection of conventional conceptualization of power' in centralist and sovereign term. It is their contention that power structures emerge out of social dynamics and those social dynamics are exercised through multiple information channels. Decentralization puts the power' in the hands of information. It is necessary and beneficial to those who are affected by a problem to have clean and effective information channels. Communication with other related organizations is also beneficial in this context. Decentralization rests on the belief that the interdependencies of organizations and free flow of information cannot be simplified into a center-dominated

hierarchical structure, or solved through a top-down' approach. To put it briefly, centralization and fixed hierarchical structure, according to the post-modernist view, inhibits the healthy dynamics of a social system. By contrast, decentralization pins faith in non-hierarchical structures fed by shorter and more accessible informational channels that are fluid and adaptive, and have shorter feedback loops. Thus the post-modernists think of decentralization in terms of sociological dynamics of information channels and cybernetics. They reject the assumption that hierarchies are as such optimal for any purpose, and consider them, on the contrary, as arbitrary structures. The post-modernist version of decentralization has important implications for the designing of information system in an actual decentralized set-up.