

## NOTES TO THE CONCEPT OF DECENTRALIZATION

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### Abstract

The concept of decentralization refers to decentralized, directed from center to periphery, organized around and such. This concept, expressed as the transfer of authority from the center to subordinate ends, is important both for more effective and productive management of the areas outside the center organization in public administration and for strengthening these areas in terms of democracy conception. Because of the increasing interest all over the world in issues such as ensuring service–need compliance, the importance of decisions made by the closest unit to the public and the reduction of bureaucratization have made implementation of decentralized systems a necessity in local regions. In this study, conceptual definitions regarding decentralization and information about its aspects as well as the effects of political and administrative decentralization on unitary structures will be presented.

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**Keywords:** Administrative decentralization, political decentralization, unitary state

### Introduction

Decentralization can be defined as the transfer of authority and responsibility for public functions from the central government to subordinate or quasi-independent government organizations or the private sector (Rondinelli, 1999: 2). In the classical sense, this concept, which refers to the transfer of authority, responsibility and resources from central government to local governments, has a decisive role in central government-local government relations (Eryilmaz, 2011: 103).

Several definitions have been offered for decentralization. One of the most general defines it as the transfer of responsibilities and authority from higher to lower levels of government. Decentralization seeks to create relationships of accountability among citizens, service providers, and subnational governments and between the local and central governments.

This characteristic counteract the perception that decentralization is simply shifting resources to local governments (World Bank, 2008: xiv).

Decentralization, in the modern sense, can be expressed as transferring administrative authority such as planning, decision making and the collection of public revenues from the central government to provincial institutions, local governments, federal units, semi-autonomous public institutions, professional organizations and voluntary organizations outside of the administration (Eryılmaz, 2011: 103). Researchers have ignored the many dimensions of decentralization and have instead given the term multiple definitions. Centralization which is decentralization's antonym, has a much more precise and accepted usage as the concentration of power, resources, and authority in a single center (Schneider, 2003: 34).

Decentralization is a process, a set of state reforms. It is a series of political reforms aiming for the transfer of responsibilities, resources and authority from higher level to lower levels of state. Decentralization does not include the transfer of authority among non-state actors. However, decentralization reforms may take place both in authoritarian and democratic environments, as decentralization and democratization do not have the same meaning (Falleti, 2004: 3). Even the political systems described as centralized and authoritarian can rearrange their structures and functions within the framework of decentralization.

Decentralization has political, administrative and financial dimensions. The political dimension includes the transfer of state administration, legislative authority and judicial autonomy to local governments.

The administrative dimension refers to the transferring of some classical functions of the state to autonomous public institutions (Köse, 2004: 6). The fiscal dimension includes intergovernmental fiscal relations in countries where, constitutional and statutory powers of taxation, budget and expenditure rights are given to federal units within the federal state.

### **Political Decentralization**

Political decentralization aims to give more authority to citizens and their elected representatives in decision making and public administration. This concept is usually associated with pluralist democracy and representative governance. Political decentralization has also tended to support democratization by providing more opportunity for citizens and their elected representatives to affect the creation and implementation of policies. Political decentralization, in this sense, implies that the selection of representatives from local electoral jurisdictions allows citizens to better know their political representatives and allows elected officials to better know the needs and desires of their constituents. However, political

decentralization also requires constitutional or statutory reforms, development of pluralistic political parties, strengthening of legislatures, creation of local political units, and encouragement of effective public interest groups (Rondinelli, 1999:2). Political decentralization aims to give more power to citizens and their local elected representatives in public decision-making by distributing policy and law-making power at the local level (worldbank.org, 2014; Topal, 2005: 26).

Political decentralization can also mean a set of constitutional amendments and electoral reforms designed to open new spaces for the representation of subnational policies. These policies are designed to devolve electoral capacities to subnational actors. The popular election of mayors and governors, the creation of subnational legislative assemblies, and constitutional reforms that strengthen the political autonomy of subnational governments prepare the ground for the success of such structures (Falleti, 2004: 4).

The legal and regulatory framework should also be designed to recognize differences in management capacity. Assignment of functional responsibilities – for example provincial capital, designated growth center, etc. often implicitly recognizes varying capabilities of municipalities, but a more dynamic framework which recognized "capacity" based on performance over time would be more desirable in the long run. Matching degree of autonomy and privileges to a set of performance indicators – which might include total expenditure, degree of self-sufficiency (i.e., proportion of own revenues to total), budget management performance (i.e., absence of deficits), and service delivery performance (i.e., client surveys) – would allow the legal and regulatory framework to adjust for changes in local capacity. The appropriate time period for reassessments and indicators would need to be linked to country circumstances as well as the specific details of the decentralization framework (worldbank.org, 2014).

Political decentralization is a system of government in which there is a vertical division of power among multiple levels of government that each has independent decision-making power. Decentralized systems have three different levels of government. These are the national, regional, and local levels. Independent decision-making power refers to the fact that different levels of government can legislate on certain matters (Brancati, 2006: 654). Local government units such as provinces, republics, cantons and states can each have a share of power. These organizations, because of their partial independence on executive and legislative issues, are second only to the national government. These local management units are still regulated by the federal constitution.

## **Administrative Decentralization**

Administrative decentralization seeks to redistribute authority, responsibility, and financial resources for providing public services between different levels of government. It is the transfer of responsibility for planning, financing, and managing certain public functions from the central government to subordinate units or levels of government, semi-autonomous public authorities or corporations, or area-wide, regional, or functional authorities (Rondinelli, 1999: 2). Administrative decentralization has three major forms—deconcentration, delegation, and devolution—each with different characteristics.

**Deconcentration**, refers to a central government that distributes the responsibility to provincial organization within the scope of a particular policy. This transfer function affects the geographical distribution of authority, but does not significantly change the autonomy of the entity that receives the authority. The central government retains authority over the field office, and exercises that authority through the hierarchical channels of the central government bureaucracy. Under deconcentration arrangements, deconcentration allows only moderately more autonomy than centralized systems (Schneider, 2003: 38). In this system, the central government transfers some of its authority relating to decision-making and execution to the administrators that are head of the subunits in its hierarchy (Eryilmaz, 2001: 93). In this context, the redistribution of decision making authority and financial and management responsibilities among different levels of the central government, is usually considered the weakest form of decentralization and is mostly used in unitary states. Within this category, however, policies and opportunities for local input vary. Deconcentration can shift responsibilities from central government officials in the capital city to those working in regions, provinces, or districts, or it can create strong field administration or local administrative capacity under the supervision of central government ministries (Rondinelli, 1999: 2).

**Delegation** is a more extensive form of decentralization. It transfers political responsibility to local governments or to semi-autonomous organizations that are not controlled by the central government but are accountable to it (Schneider, 2003: 38). Through delegation central governments transfer responsibility for decision making and administration of public functions to semi-autonomous organizations accountable to it. Governments delegate responsibilities when they create public enterprises or corporations, housing authorities, transportation authorities, special service districts, semiautonomous school districts, regional development corporations, or special project implementation units. These organizations usually have wide discretion in decision making. They may be able to charge users directly for services (Rondinelli, 1999: 3). The main difference between deconcentration

and delegation is that the central government exercises its control through a contractual relation that enforces the accountability of local government (Schneider, 2003: 38).

**Devolution** is the transfer of authority for decision making, finance, and management to quasi-autonomous units of local government with corporate status. Devolution usually transfers responsibilities for services to municipalities that elect their own mayors and councils, raise their own revenues, and have independent authority to make investment decisions. In this system, local governments have clear and legally recognized geographical boundaries over which they exercise authority and within which they perform public functions. It is this type of administrative decentralization that underlies political decentralization (Rondinelli, 1999: 3). When compared with the other two types of administrative decentralization, devolution provides the greatest degree of autonomy for the local unit. The local unit is only accountable to the central government insofar as the central government can impose its will by threatening to withhold resources or responsibility from the local unit. Local units are only accountable to the central government as long as the central government to impose its will (Schneider, 2003: 38). However, devolution enhances the power of local governments in that central government cannot be in direct relation.

**Privatizing** is described as the transfer of a certain degree of the control of public functions by retaining voluntary organizations and private profit or non-profit organizations (Tatar, 1993: 141). It requires the state's control and supervision functions to be undertaken by the private sector.

### **Fiscal Decentralization:**

Fiscal decentralization refers to a series of policies designed to increase the financial autonomy of sub-national governments (Falleti, 2004: 4). If local governments and private organizations are to carry out decentralized functions effectively, they must have adequate revenues transferred from the central government as well as the authority to make expenditure decisions (Rondinelli, 1999: 3). Fiscal decentralization can be carried out under the conditions stated below (worldbank.org, 2013):

- Self-financing or cost recovery through user charges,
- Co-financing or coproduction, in which users participate in providing services and infrastructure through monetary or labor contributions,
- Expansion of local revenues through property or sales taxes or indirect charges,
- Intergovernmental transfers of general revenues from taxes collected by the central government to local governments for general or specific uses,

- Authorization of municipal borrowing and mobilization of national or local government resources through loan guarantees.

In a fiscally decentralized system, more effective and productive use is possible when resources are provided by local actors and the costs and benefits of goods and services provided by local governments are limited to the region in question. Local governments can determine consumer preferences more easily and offer goods and services more suitable to these preferences; whereas central governments' provision of these goods and services is more time consuming and costly. Furthermore, local governments are more easily held accountable than central governments. These are just a few facets of fiscal decentralization that emphasize the aspects of its political and economic rationality (Durmuş, 2006: 74). In this context, it has been argued that productivity will increase and local initiative and entrepreneurship will develop because the fiscal authorization right is transferred by the central government to local or regional administrations.

### **Decentralization With Its Political And Administrative Dimensions And Its Applicability In Unitary Structures**

Local governments and off-center administrative units in many developing countries have limited opportunities to produce services. A local management approach that is powerless and dependent on central government subsidies has been identified as the root of the problem in these countries.

Local public services extensively controlled by the central authority, and the desire of the center to be active in local management, also has a negative impact on citizen participation. In this context, developing countries have put a power increase formula into practice for local authorities by reducing the power of the central government. While some have decentralized the management structure politically, others have chosen to decentralize their systems in administrative aspects, especially when their population has a variety of ethnicities.

Political decentralization refers to a federal-state system where a state government has greater power between the national government and the local people. It has been observed that prior to decentralization most of the activities of the state government were carried out by the federal government.

Political thinkers who advocate decentralization state that making decisions relevant to the local unit with the participation of the broader society will be more effective, conscious and optimal than the policies of national government will in determining the interests of the public. Federal

structures emerging within political decentralization recognize a certain degree of autonomy to communities that differ based on religion, language and ethnicity. States with complex cultural aspects and an increase in identity politics may encounter separation problems from time to time. This situation suggests that a political decentralized system, while having the advantage of a formula for various local problems and needs, will lead to geographical separation.

One of the possible crises is the ethnic conflict phenomenon. Ethnic conflict encompasses all forms of small and large-scale violence acts. An ethnic group is a group of people who belong to a certain ascriptive category, such as race, ethnicity, language, tribe, religion, and so forth. Secessionism is distinct from ethnic conflict. It refers to the desire of groups for an independent state. Secessionism is usually associated with violence and often accompanied by ethnic conflict, but it may not be right to associate it with either violence or ethnic conflict (Brancati, 2006: 654). However, the realization of political decentralization in regions where ethnic divisions are present can lead to the idea of establishing new statelets by threatening national peace.

Administrative decentralization, however, does not carry a similar risk. It is a fact that developing countries have centralized for political, economic, administrative and social reasons. A major portion of public services are planned in the capitals of these countries and by conducting them from there, there is a strong centralism in administrative and financial areas. In this context, the functions carried out by the central administration become increasingly complex. The increase in workload, and the difficulty in adapting the general policy to local needs may lead to transferring decision-making responsibility to subordinate units (Eryılmaz, 2011: 104). This situation, expressed as administrative decentralization, emerges in the form of policies that transfer municipal services, education, social welfare, housing, the administration and delivery of social services to subnational governments (Falleti, 2004: 3).

Civil service reform is usually a supporting strategy for more general decentralization in government operations or service delivery. One does not decentralize the civil service as an end in itself -- one does so in order to provide services better, manage resources more efficiently, or support other general outcome goals. The civil service as a whole can be seen as one of the main instruments with which the government fulfills its obligations. In the context of decentralization, this tool must often be reshaped in order to perform a new set of duties efficiently, equitably, and effectively. Reform of the civil service, therefore, is the process of modifying rules and incentives to obtain a more efficient,

dedicated and performing government labor-force in newly decentralized environment (worldbank.org, 2014).

It is observed that administrative decentralization, which is the distributing of responsibility for decision-making and administration to local communities, has recently become widespread in the developing world. This has especially drawn attention as a mechanism in which responsibilities of tender, the selection of local projects and identification of beneficiaries are devolved from the central ministries to local governments or community representatives. Such trials were initially implemented in the 1980s in various countries including: Armenia, Albania, Bosnia and Herzegovina, Brazil, China, El Salvador, Georgia, India, Mexico, South Africa, Uganda and Uzbekistan (Bashaasha, 2011: 1).

Administrative decentralization is intended to eliminate the drawbacks of excessive centralization, to ensure public participation in management, to establish a balance between local services and local needs and to improve productivity or effectiveness in public services (Eryilmaz, 2011: 97). It has been observed that freedom of status such as self -decision making, implementation, and financial autonomy have expanded local units' influence areas. However, this authorization is not the same thing as constitutional sovereignty in federalism but is a partial autonomy. In this context, the benefit from active participation in decisions is that administration units maximize their functional qualities such as decision -making, implementation, spending their own resources, and being elected to serve, while being enabled to establish an effective service management with administrative decentralization in the unitary structures.

## **Conclusion**

The management styles which give positive results, existing in literature and accepted or implemented in developed or underdeveloped countries, cannot be installed in every structure. There is always a possibility that geographical, cultural and historical conditions in a country shaped by disabling administrative formulas will cause decentralization to fail. This reality gave prominence to the importance of the implementation of management techniques formulated with the perspective of historical and cultural background for every society from time to time. Political decentralization is the transferring of some part of the political authority of the central government to the local governments and federal units.

This understanding, of giving partial independence in executive and legislative areas in countries with a federal structure to local governments or switching to provincial governments, in unitary states, seeks to find application. It has been observed that the exercise of political decentralization with the demands of mostly culturally non-homogeneous



societies has brought about ethnic divisions in many countries. To be successful in these cases, it means establishing a new separate autonomous state which is semi-independent from the federal government. Thus, implementation of political decentralization in countries with ethnic fragmentation has not been very significant. It is clear that the most appropriate system for administrative decentralization is in countries that have a unitary structure with multi-part ethnicity. In this situation, decision-making bodies can be determined by elections, which provides autonomy in making decisions, the creation of their own income sources and expenditures, the public's influence on policies related to local services through direct or indirect means, the mobilization of public interests and the organizational capacity of local governments will be increased, bringing a more effective and productive management approach to local administration units. Thus, it will be possible to take steps for the level of the country's development and the maximization of democratic performance.

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