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DECENTRALISED GOVERNANCE: A REVIEW OF THE IDEA AND ISSUES

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DECENTRALISED GOVERNANCE:
A REVIEW OF THE IDEA AND ISSUES*

Md. Nazrul Islam and Amitayush Vyas**

Abstract

Decentralisation is a dominant debate in development. The enormous and growing discussions on Decentralisation are well underway all over the world by prominent scholars and policy makers. Further, Decentralisation is not a new concept, but a well-formulated and structured view of an old idea. The present paper seeks to understand the basic idea of decentralised governance against the backdrop of democratic theory and contemporary public administration, and reviews some of the glaring mundane issues facing decentralised governance.

Introduction

Decentralisation in today's world has become one of the most politically correct ideals to be espoused. In the developing world, it is seen as a magical elixir to bring about development involving the local citizenry. The present paper attempts to break up the ingredients of this elixir to understand its nuances and cruxes. The paper's sole objective is to understand the concept of Decentralisation at a theoretical level. To do this, the paper begins with a brief discussion of the classical concerns on citizens' empowerment and ability to govern themselves. Second, it deals with the evolution of the idea of decentralisation and outlines the contemporary global concerns of decentralisation. Further, it attempts to highlight the emerging perspectives on Decentralisation. Finally it describes various enabling factors in the success of decentralised governance, and discusses the importance and relevance of decentralised governance for a modern society.

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* The views expressed here are those of the authors and not necessarily those of Institute for Social and Economic Change. However, the usual disclaimer applies.

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Decentralised Governance: Bases

The need and desirability of mass participation in the political processes of society have been widely proclaimed by different writers and philosophers, as divergent in their views as Aristotle and Marx. The entire theory and practice of democratic politics rest on the workability of the notion of an active citizen involvement in the holding and sharing of power and responsibilities of government and public office. The idea of public participation was first operational in ancient Greece, where democracy as a form of government originated. In the direct democracies of ancient Greece, popular assemblies took all important decisions and citizens were active participants in the affairs of the state. Since then the meaning and content of democracy have both widened and narrowed with the changing nature and role of the state. The connotation of democracy has now widened to include the political, social, and economic content as well.

Liberty and equality are now the twin goals of a democratic state. Increase in the size and population of modern states has made the operation of direct democracies impossible. Modern democracies now operate on the principle of indirect public participation through representative institutions.

At the same time, true democracy indeed functions on the bases of horizontality of individual interests, and participation and functional administrative responsibility in the governance structures. People's participation ensures that the administrative officials ought to exercise ethical judgment in the discharge of their various tasks and duties, by providing information needed for informed political choice and encouraging fairness necessary to its deliberations.

A large part of literature on democratic theory talks about the issues of the quality of citizen participation and broader questions of democratic control. The critical democratic theorists have noted that the predominant mode of social organisations is not a vertical relationship of authority between selfish individuals and the supra state, but a series of horizontal associations embodying groups of individuals who are capable of regulating and expressing themselves as members of a community, rather than as self-promoting individuals (RoyChowdhury, 1996).

John Stuart Mill (1958) articulates chiefly the issues relating to democratic control over the entire state apparatus, albeit within the framework of a more republican and institutionally structured - but still participatory - conception of government. Carole Pateman (1979) views administration as largely subject to the dictates of popular control. She states, "No government can continue good but under the control of the peoples". She offers the classical solution of rotation in office and popular participation in administrative matters, which can be traced to the practices of the Athenian polis.

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Decentralised Governance:
Modern Emergence of the Idea

First Generation Strategies — Genesis

It is well documented that Decentralisation was a well thought and executed style of governance in ancient worlds. Further, there are many sophisticated debates on Decentralisation in the political literature of the 18th and 19th century. Further, self-rule became an issue in moral theory with the rise of modern liberal individualism and the scientific view of the world as devoid of inherent ends and normative laws. The issue was not only how one could be free and subject to political authority, but, more fundamentally, how one could be free and subject to moral obligation. From this backdrop, if we look at Decentralised governance we may see the crux of human existence, if we equate political authority to state control and moral obligation to local collective endeavour. This is to say that Decentralised governance at the humane and mundane levels makes man free and moral, which a 'state' may not.

Decentralisation emerged as the concept of devolution of power to the people when there was no adult franchise in the western world. The British system of local government found in South Asia, Africa, Australia and North America was conceptualised as a devolved local self-government with characteristics of a representative elected council and citizens' participation, while in Europe, in parts of North and West Africa and South America, it is distinguished by deconcentration, executive dominance and rigid hierarchy. Decentralisation is conceptualised as a deconcentrated administrative organ for relieving administrative congregation, since overcentralised governance did not have a way to find out what needs to be done for different places, and what needs and desires of the people are to be met. From this close association with the people of a particular area arose a detailed understanding not only of their needs, but also of the long-term potentialities of that area. The planning of this potential development can be carried out in far greater detail and with a great deal of more understanding by the people of the area who are particularly and primarily concerned with its welfare.

Second Generation Strategies — Middle Era

In 1962, one UN study phrased the problem: 'Decentralisation of government ... relieves members of the legislature and of the national executive from involvement in many purely local issues, frees key officials from onerous and detailed tasks and increases the speed and effectiveness of the administration at all levels; Decentralisation is especially important in developing countries where rapid expansion of public services greatly increases the number of government transactions and consequently the hindrances and wasted efforts resulting from overcentralisation of controls.'

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Nevertheless, with time and population growth, the state increasingly faced varied problems like widespread unemployment, poverty, and disease, leaving the administration crippled and ineffective because of its inherent maladies. From this backdrop, the scholars of classical public administration sought answers to the following questions:

1. How can the administration offer more or better services with available resources (effectiveness, efficiency)?

2. How can administrators maintain their level of services while spending less money (economy)?

3. How can traditional public administration reorient itself to be relevant to its time?

This new thinking was called New Public Administration as it sought 'to enhance change and change for increasing social equity' which would augment its objectives - relevance, topicality, good management, efficiency, economy, cultivation of virtues, and promotion of social equity. The New Public Administration in its search for a changeable structure tends therefore to modify centralised administration or bureaucratic organisational form with Decentralisation, devolution, projects, contracts, sensitivity training, reorganisation, confrontation, and client involvement.

Contemporarily, the New Development Administration literature talked about ensuring and institutionalising people's participation through the process of Decentralisation. Decentralisation, thus results in political elasticity by means of devolution: legal establishment of locally elected political authorities; and deconcentration: transfer of allocative and implementative decisions to local authorities. The erstwhile Development Administration is understood as the management of development and administrative development. It connotes planned institutional capacity to accomplish the specific goals of development through the formulation of appropriate policies, programs and projects and their successful implementation. Participative, responsive, and accountable management constitutes the essence of Development Administration. However, here popular participation is merely asymmetric partnership with development agencies, and in Development Administration was not linked with local area politics, thus preventing allocative decision-making. Development should also mean creating institutional opportunities for power distribution. What kind of development, and for whom and how, are all questions of politics. Development policy formulation and its implementation are vitally connected with the political processes of a society. Hence, to divorce Development Administration from politics was shortsighted and incomplete.

This new avatar of Development Administration was based on the experiences of such welfare-oriented governments whose development strategies failed miserably. These experiences are:

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1. Governments have limited capacity.

2. Governments have limited capabilities too. Therefore, people and civil society should be brought in as alternative and complementary institutions/mechanisms for development processes.

3. Development agencies must capitalise on the pluralistic properties of public administration in particular and political science in general.

4. Ecological and hermeneutic considerations are vital, when formulating development strategies.

5. Crisis management should be an integral part of development strategies.

6. Popular participation must be politically sanctioned; to ensure allocative and implementative decision-making.

In brief, New Development Administration meant, first, improving the planning and implementation of national development in general and local development in particular and, second, facilitating effective popular participation in the process of development. Therefore, New Development Administration as a decentralisation dust-up implies giving every citizen an opportunity to actively participate in constructive public work, besides the franchise in a democracy. It also refers to participation in specific action by which the citizen registers her/his involvement in public affairs to achieve a particular objective.

In its initial stage, the reinvented concept of decentralisation was most significant for activating a variety of development functions, ranging from peoples' involvement to better management of grass-roots development. The trends, which dominated the thinking and the application aspects, were very crucial in this stage as they were to be the guiding posts for the concerted development of the idea of 'Decentralised governance'. The trends were:

1. Shift from 'top down' to 'bottom up' approach in development.

2. Encouraging and ensuring stakeholders' participation in development process.

3. Institutionalising 'self-reliance' in development strategies.

Third Generation Strategies — Modern Way

In this modern era of the 'administrative state', many writers have voiced concern over the problem of responsiveness of the administrative state to the norms of democratic procedures. To safeguard individual and

liberties against bureaucratic or arbitrary abuse, an increase in people's vigilance and participation in politics is necessary. Modern states should show 'concern for individual people in the criteria used in making decisions; as an effort to assign each person's needs equal weight in policy deliberations and as an effort to make as broad as feasible the opportunities for people to participate in the decisions that affect them' (Sharkansky, 1991).

Political scientists unanimously agree on the fact that the main utility of extensive public participation in politics is to ensure that the stakes of the privileged do not prevail over the interests of the majority. To guard against such possibilities, adequate measures of public accountability and ventilation of public grievances should exist besides avenues of citizens' participation in governance.

Moreover, the contemporary 'communitarian' concerns are also similar. There is an increasing demand to bring in people and local communities for more participatory and direct action-oriented democracy. Communitarians believe that under the new world order of market individualism, social and political power is concentrated even more in those in command of material wealth. What lies at the heart of the communitarian objection to market individualism is the latter's alleged cancerous effect on community life. Human beings who are in control of more economic resources than others are able to set the agenda for everyone from a privileged bargaining position. They can make substantial private 'donations' to those in the government; they can distort public opinion by buying control of the media; they can subdue all those who are dependent on the employment, investment or purchases they offer, by threatening to withdraw them. Selfishness becomes a moral creed. Individuals are encouraged at every turn to put their own interests first, and to demand the freedom to make their own choices regardless of the implications for the civic order.

In order to provide an alternative to individualism and authoritarianism, communitarianism sets out the way in which social and political practices are to be reformed in relation to their contributions to the development of sustainable forms of community life. Such life is fundamentally based upon reformed power relations at every level in society so that all those affected by them can participate as equal citizens in determining how the power in question is to be exercised. This means that questions about the collective action to be taken for the common good are considered through informed community discussions and are not to be left to the political elite, who are rarely answerable to their fellow citizens, (Tam, 1998).

Currently, a new rhetoric has also found ground and that is 'Good Governance'. Different scholars look at good governance differently but in general, good governance means that which ensures people's

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participation enhances accountability and transparency for effectiveness, efficiency, equity, and capacity building. Decentralisation has become a mechanism through which public goods and services can be distributed effectively and efficiently. In its heyday, many schools observed that decentralisation could reduce the disparities in income and wealth between urban and rural areas and increase productivity and income. Decentralisation is thus a process, which allows peoples' involvement in administration and development programmes. Decentralisation is an instrument to reduce costs, improve outputs, and more effectively utilise human resources to improve efficiency with which demands are locally met. It remains significant for the realisation of people-centred development and therefore decentralisation is a strategy for enjoying equal rights with the majority population and it is an ability to build the capacity for economic development.

Decentralisation is also seen as a way of reducing the power and size of swollen state bureaucracies and of improving accountability for development planning and spending at a more local level. It will require a responsible, responsive, sensitive and caring public bureaucracy, which is accountable to the community it serves. Decentralisation is more relevant to the issue of accountability because it has contact, which is more direct with the people and is thus more suitable for maintaining public accountability (Joseph, 1997).

Further, Lipton (1983) states that decentralisation is an ideological principle associated with objectives of self-reliance, democratic decision-making, popular participation in government and accountability of public officials to citizens. Decentralisation offers opportunities to neutralise some of the commonly accepted problems of centralised structures. For example, it encourages competition, accountability to clients rather than to superiors, learning, local adoption, and simplicity and allows utilisation of command norms of organisation such as reciprocity (Wunsch, 1991).

Decentralised Governance: Concerns

The idea of decentralised governance is based on the rationale of the known drawbacks of centralised decision-making at the macro governmental level. Being away from the basic spatial units such as hamlets and villages, and with power concentrated at the top of the space in a pyramidic power base, the state and the union government power structures draw representatives from well-endowed sub-regions and weaker sections of the community, leaving the backward regions and backward communities under-represented. This gives rise to the emergence of enclave-type power bases and unequal distribution of power among people. Second, in the centralised system, where there is not much scope for people's participation, the implementation of decisions taken at top government levels becomes weak as it does not inspire or

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motivate people to extend their cooperation. Therefore, democratic decentralisation has been repeatedly seen as a panacea to ensure grass-roots level participation in the nation's development process.

Further, the problem of corruption and leakages are other major areas of concern. It is accepted that corruption builds on the foundation of lack of accountability and procedural opaqueness. The more centralised and concentrated the nature of governance, the more scope for corruption. Democratic decentralisation is the way out for such a state of affairs because access to decision-making by all affected, political as well as financial autonomy for local institutions; and accountability of both elected representatives as well as administrative officials are among the key parameters of decentralised governance. Further, it has been argued that decentralised governance is more cost effective because of its participatory character. The participation of the people in the planning and implementation process will substantially reduce costs normally incurred under the elaborate, perk-galore State machinery. More importantly, people will be careful not to allow mismanagement of funds, and will ensure greater utilisation of resources, technology and wisdom (Sivanna, 1998).

Therefore, direct participation of the people through various democratic decentralised means in the affairs of the governance seem to be the most palatable panacea for controlling corruption, promoting development, and strengthening democracy. The point is to minimise the centralised power accumulation, which alienates people from the state affairs. Much can be said in support of the instrumental values of participatory governance arrangements for both the individual and the organisation. For example, participatory planning arrangements which involve unorganised clientele groups in making decisions about goals, practices, and policies are likely to act as a healthy check on the careerist dimension of professionalism by introducing another perspective into the planning process and by focusing attention on the human consequences of some decisions heretofore regarded as strictly technical (Miller & Rein, 1969).

The prime need to ensure the success of decentralised governance is to bring people, including the poorest of the poor, through active participation into governance institutions to promote transparency and direct accountability and thus ensure visible development. This not only will strengthen democracy but guarantee scrapping of elite-domination in governmental procedures. Further, such participation should include the notions of contributing, influencing, sharing, or redistributing power and of control, resources, benefits, knowledge, and skills to be gained through beneficiary involvement in decision-making. To bring in this type of participation; politicians and administrators have to sacrifice their powers for the general good. The entire state-structure has to be rebuilt. The

tragic irony of the modern era is that the institutions like the 'state', which were originally designed to help men master their world, have instead created obstacles to man's endless quest for self-expression, personal efficacy, and human fellowship (Smith, 1971). These three values form the basis of what people have traditionally sought from their social and political institutions—an opportunity for creative development, a means to control their environment, and a sense of community.

It seems to have returned full circle to the philosophy of Aristotle. Effective participation in the life of community institutions is once again believed to be essential to the realisation of a good life, fully lived (Smith, 1971).

Decentralised Governance: Emerging Perspectives

Different schools of thought understand decentralisation in different perspectives. However, the general view is that it is a means of improving the planning and implementation of national development strategies. It is also a way of increasing the effectiveness of development programs by making them more relevant and responsive to local needs and conditions, allowing greater flexibility in their implementation and proving idle means of coordinating the various agencies involved at the regional or local level. (Rondinelli, 1981; Conyers, 1983; Smith, 1985).

Decentralised Governance as a Model of Development

The inversion of European colonial empires and birth of new nation states in Asia, Africa, and Latin America ended in a search for a model of development to change social, political, and economic conditions of those new nations.

During the 1970s and 1980s, many of the new nations fell in serious economic and political crises. Since then, many eminent schools have seen decentralisation as an instrument to achieve a wide range of development. Alongside, it has been widely advocated by bilateral and international agencies, for instance, US Aid, and many UN agencies. It was justified that decentralisation is a way of managing national, economic, and political development more effectively or efficiently. Decentralisation can provide better services to local preferences, strengthening local accountability and supporting local economic development (Baker, 1997).

Another argument raised by Gerry Stoker (1988) is that a decentralised government has the capacity to win public loyalty. It can better meet local needs and win support for public service provision because it allows choice. It facilitates a matching of local resources and

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local needs. By making the government less remote and more manageable, makes it more comprehensible, enabling a clear and balanced choice to be made over the extent to which people wish to promote community values.

Decentralised Governance as an Instrument for Peoples' Participation

Decentralisation encourages greater political participation and increased responsiveness on the part of government institutions and in the part of development. It has been emphasised that peoples' active participation in the process of development brings fast socio-economic progress and change. Decentralised governance as a mechanism provides training, ensures people's participation in planning and implementation, therefore, state becomes more participatory more accountable and more effective and efficient. (Conyers, 1983; Friedman, 1983; Manor, 1995; Haque, 1997; Sundaram, 1997).

It facilitates the involvement of people in the formulation and implementation of development plans and promotes self-help (Rondinelli & Cheema, 1984). Unless people's involvement in plan formulation and implementation is ensured, it is difficult to say that development achievement will be a progress. Gandhi once stated, "empowerment of people at the grass-roots level will go a long way in the development of self-sufficient villages. Decentralised governance is the only way for empowering the grass-roots people". Decentralised governance also empowers women and their development; in many a developing country, women constitute nearly forty-eight per cent of country's population and unless their involvement and preferences are explicated in development, it is difficult to foster social change. It is a vehicle for political reform or a way to full democracy. By decentralising, the state apparatus opens new channels for popular participation inside the political system. The idea of decentralisation is closely identified with the creation of democratic units as well as effective and efficient administrative structures at the grass-roots levels (Friedman, 1983; Smith, 1985; Haque, 1997; Schonwalder, 1997).

Decentralised Governance as a Process for Innovation

Decentralised governance can lead to more flexible, innovative, and creative administrative set-up. Regional, provincial, district or local level administration units may have greater opportunities to test innovations and to experiment with new policies and programmes in selected areas, without having to justify them to the whole country. If the experiments fail, their impacts are limited to small jurisdictions; if they succeed, they can be replicated in other areas of the country. The ability of a local

government to generate innovation, maximise public choice, and promote pluralism and participation is central to development of the locale. Decentralised governance is also an innovation in the field of institution building, perhaps an 'experiment' in institutional building. Fiszbein (1997) stated that decentralisation is an ability to make responsible and innovative leadership.

Decentralised Governance as a Means for Nation Building, National Integration, Political Stability, and Global Cooperation

In different nations or regions of the world, national governments are following decentralised governance as a strategy to strengthen accountability, political skills, and national integration and bringing government closer to the people. This is because of the increased threats from secessionist movements and demand for regional autonomy to reduce socio-economic disparities between places and people, and the pluralistic and multi-ethnic societies laden with particularistic and ascriptive values of the hierarchical class system (Mass, 1959; Smith, 1985).

To Conyers (1983), 'decentralisation is harmonising the interests of both national and local development through both the improved management of rural development which is essential for the well-being of the nation as a whole, as well as the inhabitants of individual rural areas and the achievement of popular participation combined with national unity'. Whereas Smith (1985) looks at decentralisation as unifying force in the consolidation of new national identities, or a remedy for the ponderous centralised of peripheral states, or a policy that will soften resistance to the inevitable and potentially destabilising social change that 'development' will bring about.

Decentralised governance is an effective media and instrument for meeting peoples' demands and needs. It is working with peoples and priorities, their direct involvement in policy formulation and implementation. It becomes a centre for competition. It is also a pivot for exchanging better experiences with neighbouring governance institutions. UN and other international organisations are also trying to strengthen their capacity to make themselves more responsible to the demands and needs of the global civil society. Recently an international scholar suggested creation of a genuine global secretariat, with loyalties to the embryonic world community, socially sensitive and at the same time teaching competence. The secretariats of existing international organisations of the United Nations are not perceived as truly global in their loyalties and commitments. Reforms in recruitment, training and promotion would be needed, and perhaps in the governance and location of these institutions.

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Decentralised Governance: Necessary Inputs

Decentralisation of governance and development has become a major public policy discourse. Decentralisation has been recognised as a progressive strategy to promote development in many developing countries. Decentralisation helps to identify the needs and preferences of people through their direct participation in plan formulation and implementation. It empowers weaker sections and overcomes the domination of the elite to a certain extent (Lieten, 1988; Das, 1999). Decentralisation ensures accountability on the part of the leaders and administrators to the people (Crook & Manor, 1998). Further, Decentralisation tends to produce greater transparency. However, some scholars have expressed their doubts about the effective functioning of these institutions (Prud'home, 1995; Tanzi, 1995). According to these scholars, Decentralisation promotes corruption and inefficiency because of low incomes and a parochial democratic set-up. It is also argued that with the involvement of more people in the planning and implementing process, it contributes more to corruption and wastage. On the contrary, one must not forget that the whole idea of Decentralisation is based upon two key concepts of participation and accountability. Prud'home's critique of Decentralisation is valid in those regions of the world where poverty and a dysfunctional democracy are rampant for various reasons. Nevertheless, in such societies, civil society groups are assuming far greater roles educating people and ultimately people themselves seek greater fairness from elected and permanent officials to meet their immediate needs. The Decentralisation may not be that effective in some parts of the world, but it has indeed paved the way for local citizenry that there is light at the end of the tunnel, if they are active, vigilant, and participative. Some countries in the developing world have brought in underprivileged groups into decentralised set-up through positive discrimination. Further, these criticisms may be brushed aside if the following of the basic metaphysical and physical inputs are rightly provided:

- Socio-Economic
- Socio-Political
- Social Capital
- Structural
- Functional

Socio-Economic

A good economic situation makes decentralised governance work better. Economic constraints disable decentralised governance in delivering of public services. Further, people's control on economic resources makes the entire system more accountable and thus better performing.

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Wealth is at the core of decentralised governance condition. The decentralised governance in many developing countries is ineffective due to wealth. More wealth creates a conducive environment for the effective emergence of decentralised governance. According to FAO, the local mobilisation process in a community is not generated spontaneously but a catalytic intervention of some sort is often a crucial initial step. One of the ways of motivating the community is to incorporate an incentive element in the resource transfer formula itself, such as performance and efficiency criteria. Alternatively, a small part of the transfer could be earmarked for a matching contribution by the subnational community (i.e. incentive grant)(FAO, 1990).

Further, it is common observation that the more educated feel more efficacious; for education represents social status, personal skills and connects. A study in Italy by Robert Putnam stated that the community context has an even sharper effect on efficiency among the less educated than among the more educated. Education is one of the most powerful weapons that may influence the political behaviour, institutional performance, etc. According to Putnam, education may have played an important role to strengthen the foundations for civic community (Putnam, 1993).

Knowledge is the light for development. It can easily change society's backwardness. Developing countries are poor not only for capital but also for poor knowledge. Education promotes knowledge. According to the World Bank, forty years ago, Ghana and the Republic of Korea had virtually the same income per capita. By early 1990s, Korea's income per capita was six times higher than Ghana's. Some reckon that half of the difference is due to Korea's greater success in acquiring and using knowledge (Ravillion, 1998). Education and knowledge provide more opportunities for employment and improve the quality of a democracy because people have capability of making the right choices.

Thirdly, infrastructure is an important variable for development, like buildings, roads, bridges, irrigation facilities, energy generation, etc.; these facilities promote development by increasing productivity and capabilities. For example, agriculture in an area depends on complementary development in irrigation, rural electricity, road transport, banks service provision, agro-industries, etc. The infrastructure brings the local community closer to the outside world. This exposure gives insights to the groups. Further, the citizenry demands better amenities and facilities from the government.

Socio-Political

The political system is a frequently cited condition for the success of decentralised governance. The process of building a modern and effective local government is however, immensely complex. A successful effort to

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build a local capacity requires the local government to have the autonomy and security needed to make long-term commitments. In that sense, clear and stable rules of the game are key contributing factors (Fiszbein, 1997).

A frequently cited factor in the effective decentralised governance is the willingness of the central bureaucracy to support decentralised administrative units and facilitate the coordination of development activities at the local level. Structural, planning, personnel, procedural, and managerial issues are all administrative in nature. However, a hierarchical administrative structure is the obstacle for successful decentralised governance in developing countries. The setting up of an administrative institution should be closer to the people and designated functions for each of the spatial levels with adequate powers, smoothens and tightens the administrative haystack.

Secondly, responsible leadership leads to an increase in demands for better governments and consequently, for capacity enhancements. Brinkerhoff and Goldsmith (1992) suggested that sustainability of institutions require the adherence of a sufficient body of people to, at least, maintain a stable volume of activity. From the Colombia experience, Fiszbein (1997) stated that competition for political office opened the doors to responsible and innovative leadership that became the driving force behind capacity building.

According to Rondinelli (1981), effectiveness in implementing decentralised programs depends in every country on behavioural, attitudinal and cultural factors, among the most important of which are the commitment of local officials to decentralised development, the quality of local leadership, the attitude of rural people towards the government and the degree to which traditional customs and behavioural mores are compatible with decentralised administrative arrangements. In the case of developing countries, centrist attitudes and the behaviour of national government officials and the government reveal in their unwillingness to give local administrators and local bodies discretion to carry out local development functions.

Decentralised governance will be more fine-grained or total when all sections of population are able to participate in the local affairs of a community. Therefore, political commitment to decentralised governance is necessary. In most countries, what we find is an extended deconcentration of some administrative functions and powers with limited local participation. There is hesitation to extend local autonomy for fear that the nation may break up.

Finally, any country's political system depends on the citizen's attitudes and their behaviour. The bedrock of American local democratic theory is that the role of the local government is to reflect the will of the

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people and that direct individual participation in the local government is the best means of achieving this end. Jefferson's 'sovereignty of the individual' is the animating force behind early American Municipal governance. His concern for direct democracy and individual participation as primary values led him to advocate a system of 'little republics' (which he termed ward system) or wards that are small enough so that every citizen could attend ward meetings and 'act in person' (Syed, 1966)

Social Capital

Honesty, Trust, and Law-abidingness can improve the efficiency of decentralised governance by facilitating coordinated actions. One lesson gleaned from Putnam's research is that effective and responsive institutions depend on the language of civic humanism, on republican virtues and practices (Putnam, 1993). When Honesty, Trust, and Law-abidingness are lacking, the outlook for collective action appears bleak. For political stability, for government effectiveness, and even for economic progress social capital may even be more important than physical or human capital. It is true that building social capital will not be easy but it is the key to effective decentralised governance. It is the civic virtue; the people of civic society deal fairly with one another and expect fair dealing in return. They intend their government to follow high standards in terms of all development work and willingly obey and communicate with the government.

Further, Social capital is an effective means of achieving objectives of the development vision like improved high performance of services, increased broader participation in both the exchange of information needed for effective plan making and the legitimacy (effective implementation encourages further participation), and enhanced governance responsibility through promoting accountability (functioning according to rule of law) and transparency. It is argued that social capital enhances well-being by making government institutions more democratic and efficient to deliver public goods and services. Thus, it is the most important explanatory of the differential institutional performances in any development field.

There are two dimensions of social capital namely, trust and network. Trust means a spontaneous relational tie between different actors in society, and network means a channel of relationship between different actors involved in different actions. Trust and network enable people to overcome the limits of informal and personal links, and participate in society at large. They provide citizens with confidence and ability to deal with government officials and put pressure on government actions. Trust and network affect an individual or official to act sincerely, directly, and candidly. These are the crucial qualities of human society, which help in fulfilling the goal of any institution. They ensure relationship between people, people's leaders and officials for concerted action to avoid overlapping and cross-connections, thus saving on precious resources.

Structural

Structures are pivotal to the success of decentralised governance. There is a close relationship between success and structure of organisation. The real structure expresses the formal status of an organisation. The state or central institutions (viz. constitution) empower the structure of decentralised governance. A well-structured governance mechanism must have clarity, conciseness, simplicity, and procedural fluidity to influence the higher degree of outcome.

Harold Wolman (1995) in his assessment while reviewing the empirical literature on US and UK on the issue stated that the traditional debate over structure appears to have reached somewhat of a dead end in both countries, although for different reasons. In the United States, the debate has been interesting and productive; it has been concerned both with normative theory such as what values should the local government promote and empirical theory that to what extent do various local government institutional forms and structures promote these values? With respect to the latter, there is widespread agreement that the local government institutional structure does make a difference in terms of some important values that, in particular, reform structures are more likely to promote efficiency values, and unreformed structures are more likely to promote values of participation and pluralist democracy. In Britain, the debate has traditionally been overwhelming about means rather than ends. The concern has been with structural characteristics that will best promote the goal of efficiency; the question of whether efficiency should be the predominant value local government should promote has not been seriously contested. The terms of the debate have been highly technocratic, although the recent concern with more fundamental structural changes has been invigorating.

The debate over institutional structure in the United States continues to be also much more explicitly a debate over values, while the debate in Britain continues to take place mostly within the presumed accepted value structure of the local governments' role as an efficient and effective provider of service. Mixed administrative systems, which define institutional arrangements that produce incentive/disincentive structures, appropriate to completion of the task at hand (Wunsch, 1991).

Secondly, the concept of autonomy is an important component of Decentralisation and for autonomy to be meaningful, it should take place along three dimensions which are administration, finance, and the delivery system (Sundaram, 1997). Local government autonomy is important; this is because each local unit can tailor its tax and services package to the preference of its citizenry. High levels of local level autonomy might enhance local responsiveness and accountability therefore the local bodies will be closer to their citizens and will be responsible to the citizens demands (Goldsmith, 1995).

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To Rondinelli (1981), 'an equally important factor influencing programme implementation was the availability of skilled staff at the local level; many programmes were plagued with shortage of trained technicians and managers'. Further, Fiszbein (1997) states, "a key dimension of local government capacity is the quality of its staff, which we view as a function of their skill and knowledge as well as of the way such skills are utilised within the local bureaucratic structure, to which we refer as staff professionalisation. It is the combination of skills and professionalisation that determine staff quality". Better technicians and skill staff can make the decentralised governance more capable to expand service provision.

Functional

Functional variables are often mentioned with a strong consensus to make effective decentralised governance. The functions have to be matched with the capabilities available and the powers proposed to be delegated by the higher level. The higher level does not give up powers easily to the lower level. Many developing countries reveal that the lack of adequate capability at the lower levels to take on all new functions and responsibilities in one go is a serious constraint (Sundaram, 1997).

Fiszbein (1997) states, "local government does not attempt to do everything by itself". Successful implementation was always associated with the involvement of someone outside the local administration like the community, an NGO, the private sector or a neighbouring village, or another local government. Participation by the community, individual or collectively, through formal and informal channels - voicing demands, making choices and being involved in projects proved to be as important to sustain capacity, as leadership was in launching it. The presence of an active community increased demands for effective local governments. The individual participation celebrated by Jefferson and De Tocqueville is justified by the fundamental tenet of the republican government that all authority resides in the people; the people should rule (Wolman, 1995). Edmund Burke once suggested that, the well-ordered society must be considered a partnership 'a partnership in all science, a partnership in all art, a partnership in every virtue, and in all perfection'.

Popular movements have been able to increase their own room to maneuver. Arguing that their democratic potential may be best realised not by withdrawing from the institutional space altogether, but by taking advantage of existing possibilities to participate, while maximizing their influence and minimizing the risk of co-optation by striking alliances with a variety of other actors (Schonwalder, 1997).

Further, there is a need for more information for effective decentralised governance (Sen, 1998). Today, the flow of information in public affairs and services management has become an element of good governance. To access information in decentralised process ensures

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effective planning and implementation. It helps to invoke knowledge, promoting ideas, strengthening society and societies' lives. It controls misuse and leakages of funds and brings efficiency in the development process.

Transparency can be classified in two ways: external and internal. External transparency helps in knowing locality, local needs, profile of the poor, and the prospective beneficiaries. Internal transparency provides information about the schemes and budget to the people. When both the information is available, then there is less chance for corruption, wastages and leakages (Litvack et al, 1998).

Accountability is another crucial caveat for development programmes. It is a system of checks and balances of functioning on the part of leaders and administrators to the people. It can be defined as an explanation of one's actions or responsibility. Accountability can be inter-organisational, as between sub-branches of the government; intra-organisational, as between the supervisor and subordinates; and extra-organisational, as when an organisation and its functionaries answer directly to customers or stakeholders (UNDP, 1990).

Finally, in management literature, from a psychological viewpoint competition involves a goal, which being scarce cannot be shared by or appears unsharable to the individuals concerned. Competition is nothing but it is a self-quality to perform some functions that makes a man a competitor. It is a quality, which make a person trustee, and challenges him/her to do a better job. It is a struggle to achieve the goal.

Conclusion

Decentralised governance is not a new phenomenon. The developing world has undergone or undergoing some form of decentralised governance in line to meet peoples' demands. It is not merely a moral or rational appeal, but also a demand from the people. It has now been concluded, that bureaucratic administration has failed to meet people's demands (Cheema & Rondinelli, 1984; Wunsch, 1991).

The Cuban experience has however shown that a highly centralised state has carried through policies of income and land redistribution as well as effect important reduction in the degree of regional inequality (Slater, 1989). But the argument that it was the question of revolutionary change, remains fundamental, since societies of the capitalist periphery are unable to develop a strategy of socio-economic transformation, where transnational companies control many of their key resources.

The process of decentralised governance is a panacea of the society and that could be known from the real cases of Korea, Philippines,

and China. Korea is one of the fastest growing economics in the world along with the Philippines due to governmental commitment to work closely with civil society organisations (Carino, 1996). China is one of the non-democratic countries where the local communist party officials have been quite responsible or accountable to local needs through their local organisation (Bardhan, 1996).

It is very much worthwhile for a country to adopt decentralisation as its development policy. Because a decentralised institution remains significant for the realisation of people-centered development of any nation (Haque, 1997). It is an ideological principle associated with objectives of self-reliance, democratic decision-making, popular participation in government and accountability of public officials to citizens. As such, it has been paused as a desirable development mechanism in itself.

A conclusion that emerges from the discussion is that the goal of realising a modern state and a modern society is greatly dependent upon the establishment of both a stable and cohesive polity and the strengthening of the authoritative structures of the government. For example, in India, it would appear that there has been a decline in the functional capability of both the political and the administrative sectors of the system. A fundamental feature of political development in India is the ineffectiveness of the political system to deal with increasing demands in the shape of providing basic services, maintaining law and order and formulating and executing right policies. Therefore, decentralised governance with its merger feature of politics and administration should accelerate and effect aforesaid requirements and development strategies of modern pluralistic states by way of fostering, nurturing and institutionalising people's participation through efficient and effective decentralisation processes.

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