Chapter I

DECENTRALISATION AND DEVELOPMENT: TOWARDS A THEORETICAL FRAMEWORK

Decentralization is the most popular concept in the contemporary period and is linked to development and democracy. In development process, scholars and experts consider decentralization as the most significant one because it can eradicate poverty, environmental concerns, spatial imbalances etc. Through the process of decentralization the people will effectively realize the extent of activities that are being conducted by the local institutions. On the whole, both academic community and civil society attaches considerable significance to the idea and concept of decentralization.

Meaning and definition

The term decentralization has originated from a Latin word ‘deconcentria’ which means ‘away from the Centre.’ According to Encyclopedia Americana, “Decentralisation in government is the distribution of authority among many organs of defined geographic or functional competence according to relatively permanent constitutional or legislative provisions.”\(^1\) Further this dictionary suggests some advantages of decentralization such as revealing the central government of a constantly increasing burden of expanding services, promoting citizen interest in government through wider popular participation, retarding conditions favourable to bureaucracy or dictatorship, more closely adopting legislative and administrative procedures to the needs of given area, enlarging the opportunity for experimentation etc.\(^2\)
The World Bank Thematic paper argues that decentralization is a multifaceted concept which transfers the authority from central government to sub-ordinate or quasi-independent government organization. Decentralization helps to alleviate the bottle necks in decision-making that are often caused by central government planning and control of important economic and social activities. Decentralization can also help to cut complex bureaucratic procedures and it can increase government officials sensitivity to local conditions and needs.3

The UNDP defines, “Decentralisation as a complex process that reaches beyond structural reforms proposed in institutional frameworks. Decentralization can address poverty, gender inequality, environmental concerns, the improvement of health care, education and access to technology. Moreover, decentralization does not only affect government and civil service, but as a condition on the involvement of community organization, stakeholders in the private sector, international, aids organizations and citizens. Decentralization brings decision-making close to the people and therefore deals programmes and services that better address local needs. For example USAID was sponsoring a programme in Nigeria which aimed at promoting greater participation of the people in democratic process and provides consciousness of the people about their rights, decision-making etc.4

The concept of decentralization has been defined by various writers. Danny Burns and Robin Hambleton defines, decentralization in two senses. “Firstly, it refers to the physical dispersal of operations to
local offices. Secondly, it refers to the delegation and devolution of authority to lower level of administration or government.”

According to Nageswar Prasad, “Decentralisation claims to solve the problems faced particularly in developing and under developing nations.” In his work *Decentralization in India and Yugoslavia* he opines that the motives of decentralization lies in its ability to enable people to have a feel for power that is, the sharing of power in matters relating to the multi-faceted development of their own area.

The Report of UNDP states that “Decentralized governance system can eradicate poverty and reduce spatial impatances in the spite of development and it acts as a reliable for shifting the power from top to bottom.”

UNDP report states that, “Decentralization aims to bring government closer to people. Decisions made on the local level will be more sensitive to local conditions, more responsive to local needs and will allow for higher accountability and transparency; thus raising the level of good governance and further improving human development. Decentralization also provides an opportunity for broader participation and representation of all ethnic groups in the political decision-making process at the local level.” This shows the shifting paradigms too shift from the “top down” to the “bottom up” approach in development as well as participation, ensuring the participation of larger number of marginalized social categories: shift from development without participation to development with participation.”
Rajni Kothari, suggest that “Decentralized governance can succeed only when the process of decentralization should be the continuum of the governing structure of the nation, a diagnostic bottom up structure of the local government set up is possible on a voluntaristic basis, decision-making power should be equitably shared by all the social and economic classes and the people are mobilized to continue them struggle for democratic right through their own organization.”

In the words of Nazrul Islam, “Decentralized governance is a wider process to local government which encompass and enables people, Community Based Organization (CBO) or Non-Governmental Organization (NGO), public and private agencies to work together and to participate in policy formulation and implementation for effective development.”

In the words of Fester Fesler, there are four distinct approaches to understand the concept of decentralization. These are,

1. The doctrinal approach, which is based on the distribution of political and economic power.
2. The political approach, refers to a shift of power away from centre.
3. The administrative approach, which takes us to understand the various levels of government and the related conflicting situation between area and function and,
4. The dual approach is based on the various needs of the people within the local area.

D.N. Gupta lays down certain prerequisite in order to success the concept of decentralization. These are:
1. Public behaviour and psychological factors.
2. Sufficient powers to exercise substantial influence within the political system and over significant development activities.
3. Sufficient financial resources to accomplish important task.
4. Adequate administrative capacity to accomplish the important tasks.
5. Reliable accountability mechanism etc.\textsuperscript{11}

According to Robert D. Putnam, “Effective decentralization will be possible only if there would be strong relationship with government and non-government organizations as well as abundance of social capital such as norms, values, trusts etc.”\textsuperscript{12}

From these definitions certain facts can be deduced. These are identified as follows:

1. decentralization involves dispersal of authority,
2. decentralization is power sharing,
3. decentralization can succeed through participation of civilized community,
4. Political, administrative, developmental and accountability mechanisms can be achieved through decentralization.
5. decentralization can be successful only when there exists adequate governing structure, equity sharing etc.
6. Decentralization is a powerful instrument for reducing hindrances in the path of developmental administration.
Types of Decentralization

Decentralization is a process through which authority and responsibilities for some substantial government functions are transferred from central government to intermediate and local governments and communities. It involves devolving political power, defining people’s role as the decision-making, transfer of functions, devolution of funds, making administrative arrangements for planning and implementation, taxation powers and financial autonomy upon panchayats and so on. There are four types of decentralization. These are:

1. Political Decentralization: It refers constitutional or statutory reforms, the development of pluralistic political party, strengthening of legislatures, creating of local political units and encouragement of public interest groups.

Under political decentralization people are drawn to decision-making through empowerment. It thus deals with the quest for participatory and community approach. It entails the transfer of authorities from Central government to autonomous and local tiers that have been democratically elected by their constituencies.

2. Administrative Decentralization: It refers placing, planning and policy implementation responsibilities with local units. It involves assigning the roles and responsibilities to functionaries and elected local units.

3. Fiscal Decentralization: It include several aspects, such as,
a. Self-financing or cost recovery through user charges.
b. Co-financing or co-production arrangement through the users participating services and monitory and labour contribution.
c. Expansion of local revenue through property or sale tax, indirect tax.
d. Inter governmental transfers.
e. Authorisation of municipal borrowing and mobilization of either national or local resources.

4. Functional Decentralization: It refers to dividing or distributing functions to lower level. Kerala Panchayati Raj Act and Kerala Municipalities Acts divides 18 and 29 functions to rural and urban local bodies. Under functional decentralization, the state government can devolve functions to local authorities. The 73rd and 74th Constitutional Amendments embodies rural and urban local bodies to perform social and economic functions such as, agriculture, sanitation, housing, health etc.

**Identification of Concepts**

There are four important variables of decentralization. These are, deconcentration, devolution, delegation and privatization. Deconcentration implies handing over limited government power, functions and resources to field unit. Devolution implies transfer of function and authority with greater autonomy in respect of certain defined functions including decision making. The authority handed over to local institutions can be taken back only after making amendments in the law. Delegation implies transferring of responsibilities of specially defined functions to lower organizations and Privatisation is a form of
decentralization which government may transfer functions to voluntary organizations for private enterprises and allow them to perform certain functions.

Towards defining decentralization, Cohen and Peterson notes that deconcentration is essentially the transfer of authority over specified decision-making financial and management functions by administrative means to different levels under the jurisdictional authority of the central government. This form of decentralization does not necessarily transfer any power to local authorities. For the most part, the central ministries retain power over key tasks while they transfer only the power to implement the decisions at the local level. An example of that form of deconcentrated decentralization is the French government through its “Prefect” based system.

Decentralization through devolution is the approach for encouraging citizen participation. According to Turner and Hume, the devolution of power to sub-national units of government is seen by many as the ideal form of decentralization as it combines the promise of the local democracy with technical efficiency.

William Tordoff notes that political decentralization in Africa, as understood by Philip Mawhood, is to denote the devolution of powers to representative local councils, each with its separate legal existence and its own budget, and with the authority to allocate resources and to carry multiple function. Decentralization through devolution, in essence, transfers power from the central authority to the local level through institutional structures that can guarantee effective citizen
participation. It creates formal channels for participation to occur, such as the creation of local councils and special committees that addressed specific gender, health or economic issues. As Cohen and Peterson argue devolution usually review that there will be national legislation and supporting regulations whose goals are to provide

1. grant specific local-level units corporate status,
2. establish clear jurisdiction and functional boundaries for such units,
3. transfer defined powers to plan, make decisions and manage specified public tasks to such units,
4. establish rules for the interaction of such units with other units of the governmental system of which they are a part,
5. permit such units to raise revenue, and
6. authorize the units to establish and manage their own budgets.

Jennic Litvak and Jessica Seddon also note that in a devolved system, local government have clear and legally recognized geographical boundaries over which they exercise authority and within they perform public functions.

The third aspect of decentralization is through delegation which refers primarily to the transfer of government decision-making and administrative authority for clearly defined tasks to organizations or firms that are either under its indirect control or are independent. Active citizen participation is not the primary goal of this form of decentralization. As Gittell points out that administrative decentralization is a technique for distributing functions among a
professional cadre and can be used to reduce citizen power in local or regional settings. For example, in 1987, the Haitian population voted overwhelmingly in favour of a constitution that allocated more power to local officials through decentralization. It also called for the creation of departmental assemblies in all of the countries' administrative regions and it mandated the election of representation at the local level.21

**Evolution of Decentralization**

The idea of decentralization is not a new concept but has evolved through several historical experiences. Decentralized governance has been conceived as an instrument of local self-government for promoting development in the sectors like health, education, infrastructure etc. It is expected to facilitate effective people’s participation, enhances degree of transparency and ensure greater accountability.22 Decentralised governance is assumed to provide more effective and competitive delivery of services at the grassroots level. Being closer to the people, decentralized governance is assumed to meet the needs and preferences of the people. The services provided by decentralized governance are considered to be cost effective besides helping in the mobilization of local resources in the form of labour and material.23

It is well documented that decentralization was a well thought and executed style of governance in the ancient world. Further, there are many sophisticated debates on decentralization in the political literature of 18th and 19th centuries. Decentralization emerged as a 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 conceptualized as a devolved local self-government with characteristics of a representative elected council and citizen’s participation while in Europe, parts of North and West Africa and South America, it is distinguished by deconcentration, executive dominance and rigid hierarchy. Decentralization is conceptualized as a deconcentrated administrative organ for relieving administrative congregation, since over centralized 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. In that period decentralization was considered as a means for achieving local development through town meetings, local accountability, welfare of the citizen and local representation.24

The decades of 1950s and 1960s saw the demands coming from the people and a number of civil society groups for a variety of development needs ranging from health, poverty, alleviation to marketing of agricultural product and civic amenities. The central government in several countries felt the presence of addressing these problems. Thus it was a period that was marked with the setting up of local governments in a number of countries.

The decades of 1970s saw the emergence of decentralization as the development alternative and focused the attention when the debates picked up momentum in 1980s. Many countries in Asia and Africa emphasized the role of decentralization as a means of natural development. They believed that the goals of development are peoples participation, political stability, planning and implementation, decision making etc. This period was a paradigm shift in the approach of
development and led to shift in orientation from structural development. From the planning to planning from below and from growth to redistribution of income.

In this age the ‘communitarian’ concept has come in the forefront of decentralization. Communitarians believed that under the new world order of market individualism, social and political power is concentrated even more in those in command of material wealth. According to them, human beings who are in control of more economic resources that others are able to set the agenda for everyone from a privileged bargaining position. Individuals are encouraged at every turn to put their own interests and to demand the freedom to make their own choices regardless of the implications for the civic order.

Currently, a new concept has also gained that is ‘good governance’. Different scholars look at good governance differently but in general, good governance means that ensures people’s 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. Earlier, many schools observed that decentralization could reduce the disparities in income and wealth between urban and rural areas and increase productivity and income. It remains significant for the realization of people-centered development and therefore, decentralization is a strategy for enjoying equal rights with the majority population. It is an ability to build the capacity for economic development. Moreover, decentralization is also seen as a way for reducing the power and size of bureaucracies and of improving
accountability for development planning and spending at a more local level. In this sense the success of decentralized governance lies in the fact that poorest of the poor, have to get the local needs through active participation, transparency, accountability and development.25

Decentralisation in Asian Countries – Evolution and Practice

In recent years there has been a dramatic flowering of decentralization initiatives among the developing countries of Asia. The range and diversity of these initiatives is quite impressive, reflecting the different historical, cultural and political conditions of the various countries. At the same time, there are many common threats and features running through the different systems that are beginning to emerge.26

A number of factors contributed for the emergence of decentralization in Asian countries like Bangladesh, India, Philippines, Nepal, China, Sri Lanka. The first factors for the evolution of decentralization in these countries was the political demand for democratic self rule in countries previously governed by authoritarian regime. This is the case of Philippines, Nepal and Bangladesh. Each of these countries has undergone the transition from autocratic to installation of representative form of democracy at national level. This is often seen as the first step towards returning power back to the people. The second factor in the movement towards the political devolution was the ethnic diversity of some of the countries in the region and growing demand of different groups within the Asian societies for greater political autonomy.27
A number of factors have contributed to the highly centralized state structures in the Third World, even among those nations like India that have a track record of representative democracy. Firstly, colonialism bequeathed a historical legacy of centralized government. Secondly, social and economic crisis in these countries during the post-colonial period have been powerful stimuli for centralization. Thirdly, powerful political and bureaucratic vested interest attempted to decentralize. Fourthly, successful decentralization requires certain preconditions such as an appropriate legal and administrative framework, a local information base, capacity-building programmes and civic culture. To make the fulfillment of these pre-conditions a requirement for introducing democratic decentralization can become an argument for postponing devolution of power to the lower levels.28

In Asian countries decentralization soon began to be seen as an alternative system of governance where a ‘people-centred’ approach to resolving local problems is followed to ensure economic and social justice. The entire process would be for locating people at the centre of power so that they become the basic engine of the development process and not, as hitherto, merely its beneficiaries.29

Decentralization in Bangladesh

To trace the lineage of local self-government in today’s Bangladesh, one has to look at its development in the Indian subcontinent for a number of centuries. In the ancient period, it is usually accepted that in the Indian subcontinent, the institution of village self-government (VSGs) is as old as villages themselves. These
were supposedly autonomous units responsible for their internal administration and socio-economic development. But VSGS took different forms and functions in different times and places.

In medieval period, the panchayati system disappeared in the Indian subcontinent. This happened due to the curtailment of the law and order functions of panchayats, the growing importance of the headman, and a taxation system which led to the creation of an intermediary class of people between the tax administration and tax payers.

The main objectives of British rule in India were to maximize land revenue collection and maintain law and order. During this period drastic changes occurred in scenario the local self-governments. There had been very little progress in local rural government’s of Bangladesh. The panchayats were not representative bodies.

After independence in 1947, Pakistan continued the local government system it inherited from the British. During this period as in the past, union boards and the district boards were kept on functioning.

In 1959 a new system of local government was introduced. The system, known as ‘Basic Democracy’ (BD), had a major objective. It was intended to achieve true democracy suited to the genius of the Pakistani people in place of western democracy.
The four-tier Basic Democracy system comprised of the union council, the thana council, the district council and the divisional council. The thana council, considered an innovation at the time, had very little to do except coordinate the activities of union councils and liaise between the union council and the district council. The district council, like the thana council, was dominated by officials. The district council was responsible for coordinating the activities of the union council and municipalities within its jurisdiction.

During Mujib period the government dissolved all local government bodies inherited from the days immediately after Pakistan’s independence. This radical decision was followed by two other decisions to fill the void created by the dissolution. Public officials were authorized to form committees at different tiers as an interim arrangement for the temporary performance of local functions. The names of different bodies were changed and the union council became the ‘union’ panchayat; the union committee became the ‘nagar’ panchayat and the town committee was known as Shahar committee. The thana council and the district council were respectively designated as the thana development committee and the zilla board. Though there was a system of nomination to involve local influential persons in various local bodies, the actual control on them was exercised by the deputy commissioners, sub-divisional officers and circle officers.33

In Zia period certain policies were formulated in rural areas. Through the Local Government Ordinance of 1976, Zia’s government clearly spelled out the structure and functions of local bodies in rural areas. During this period three-tier local systems were introduced
namely, the union parishad for a union, the thana parishad for a thana and a zilla parishad for a zilla.

The functions of union parishad were civic functions, police, defence, revenue and general administrative and development functions. The thana parishad had the responsibility to prepare development plans, to oversee their implementation and to provide assistance to the union parishad. The major functions of the zilla parishad were of a maintenance nature. The zilla parishad coordinated the activities of all other local parishads.

Ershad regime introduced significant changes in the era of local government. During this period the zilla parishad and upa-zilla parishad were introduced in Bangladesh. Administrative, financial and judicial powers at the zilla and upa-zilla levels were introduced. Both the union and zilla parishads depended heavily on government grants to maintain personnel, meet establishment cost and perform mandated functions.³⁴

The Government of 1991 has shown considerable interest in the local governance system. First, the union parishads were allowed to function. Second, the elective component of the upazilla system was abolished. All the functions of the upazilla parishad and the upazilla chairman are now performed by officials. Third, a Local Government Structural Review Commission (LGSRC) was formed to establish a local government system based on democratic principles.³⁵
The domination of successive national governments in Bangladesh has been motivated by political considerations. Both General Zia and General Ershad utilized local government bodies to mobilize public support for their regimes. This enabled General Ershad particularly to civilianize his military rule in the face of mounting political opposition in the urban areas. An almost total dependence of local bodies on national government grants and their unwillingness to mobilize resource from within have further emboldened the national government to interfere in the affairs of the former.36

Decentralisation in Nepal

Prior to the formation of the Nepal in 1770s, the country was made up of tiny states. With the unification of the country in 1772 the political and administrative power became centralized and further with the autocratic rule of the Rana family. Since 1846, it became highly concentrated. The country was divided into four regions and 35 districts. In 1951 some changes were recorded in the autocratic framework of administrations. The first effort was to promote rural development through the tribbbuvan village development programme. This was basically a community development approach designed on the Indian model with a hierarchy of institutions at village, block and district levels. In 1962, the district organization committee was constituted. On the basis of its recommendations, the district administration was reorganized and the country was divided into 14 zones and 75 districts. Later, in 1971, the post of local development officers was created with the main responsibilities of supervising and coordinating development programmes in the district.
The current structure of local governance in Nepal was put in place after the restoration of democracy in 1990 and the current functions, duties and powers of the local governance effected after promulgations of Local Self Governance Act in 1999.

Unlike in the past, the Decentralisation Act of 1982 and the By-laws of 1984 were implemented effectively, but there were some shortcomings. Currently Nepal has two tier system of local governance with village and municipal bodies as the lower tier and the District body as the higher. The village bodies are called Village Development Committees (VDCs) with Municipalities Serving the same functions in town areas. The district bodies are called District Development Committees (DDCs). These bodies have a weak resource base. In addition to fully exploiting existing sources of revenue, new sources need to be identified. The erosion of people’s confidence in the sincerity and capability of the district and local governments in the past has to be rectified with sincere commitment and exemplary development works.

Decentralisation in Sri Lanka

In Sri Lanka the first steps of decentralized initiatives were started 1871. There were village communities at the grassroots, and town, urban and municipal councils during this period.

In 1920s, the practice of political devolution and national autonomy were increased in Sri Lanka. Decentralisation of administration had been the main objective of administrative reforms in Sri Lanka since independence in 1948. Four types of local authorities namely, the District Development Councils (DDCs), the Municipal
Councils (MCs), Urban Councils (UCs) or Town Councils (TCs), and Village Councils (VCs) created by the national legislature were responsible for selected services and amenities in their respective areas. These authorities functioned through councils elected by the voters and delivered services through paid officials responsible for the execution of council policies.

The Pradeshiya Shabha Act 1988, brought some changes in local governance and decentralization process of Sri Lanka. Local government is a subject devolved on the provisional councils. The Gramodaya Mandakayas perform civic functions in village area and link the grassroots with the administration.

Decentralization in Philippines

The enactment of Local Government Code in 1991 in Philippines was a result of decades of struggle of local governments for more autonomy from the stranglehold of a highly centralized politico-administrative structure based in ‘imperial Manila’. Local governments in the Philippines are actually the territorial and political sub-divisions of the country that is divided into 76 provinces. The latter are divided into 60 chartered cities and over 1,500 municipalities which are further subdivided into over 42,000 barangays.

Historically, decentralization in Philippines was originated in 1898 under the Malolos Constitution. With the arrival of the Americans in the beginning of the 20th century, centralization of the politico-administrative system was elected in order to ensure the consolidation of powers of the colonialists. The period from 1935 to 1940 saw a shift
from ‘control’ over the local governments by the executive departments to ‘supervision’ towards the general direction of assuring some kind of autonomy for local governments.

The period from 1946 to 1972 marked the operationalisation of a supposedly independent Philippine Republic. In 1959, the first autonomy law for local government which vested municipal and fiscal, planning and regulatory powers was passed. Autonomy to the lowest levels of government was granted through the Barrio Charter Act in the same year. In 1967, Decentralisation Act was initiated which empowers the local government to do financial functions and broadened their decision-making latitude over administrative matters.\textsuperscript{41}

The Local Government Code of 1991 in Philippines ensures the following policies. These are,

1. devolves the responsibility for the delivery of basic services to the local governments;
2. increases the internal revenue allotment of local governments;
3. expands the taxing powers of local governments;
4. encourages the active participation of NGOs and people’s organization in local level governance etc. etc.\textsuperscript{42}

\textbf{Decentralization measures in China}

The economic, political and social relations in China are presently undergoing a profound transformation. Unquestionably this transformation in the foundation of rural society has produced far reaching changes in basic or grass root level organisational system. The
CCP’s assumption of power in 1949 became the process of national administration permeating down to the village level and strengthen rural autonomy. In 1979, political and economic power in China has dispersed after a reform. The central planning in China has largely being amended during this period.

China’s approach to decentralization relies on negotiation rather than rules to define the relation between the central government and sub-national tiers, provinces, prefectures, cities, countries and towns. The allocation of responsibilities across tiers of government remains unclear except for health and education which are controlled by provinces. On the revenue side until the early 1990s local governments were responsible for administering and collecting large proportions of central government taxes. But their loyalty shifted away from the national government to sub-national levels. Further, the sub-national governments in China has the power to pass extra-budgetary funds. But their funds combined with frequent provisional deficits confer substantial fixed, fiscal, independence on provincial administration.43

Decentralisation in Chinese styles does allow considerable subnational autonomy. It creates incentives of local officials to work towards national prosperity and has also been an effective tool for instituting market reform. But due to the absence of clear rules and absence of political devolution, the success of decentralization in China is not assured.44

A Brief note on Indian experience

If we analyse decentralization in India we can see that the local self government institutions in India has a historical experience. It is
widely recognized that village committees which were characteristic of agrarian economies have existed in India from the earliest times. These panchayats were the pivot of administration, the centre of social life, an important economic force and, above all, a focus of social solidarity.45

When the British came to India they established towns and cities and passed the resolution through various Acts. Lord Rippon’s Resolution, 1882, Royal Commission Resolution, 1907, Montegu Chemsford Resolution, 1917, were the main resolutions of local government during this period.

After independence several committees were appointed for studying the functioning of local self-governments in India. Balwantrai G. Mehta Committee (1959), Asok Mehta Committee (1977) and Singhvi Committee (1983) were the major committees. Following the initiatives taken by the former Prime Minister Rajiv Gandhi, the parliament finally passed 73rd and 74th constitution Amendment in 1992 which empowered the rural and urban local bodies to do social, economic and civic functions. More details of the decentralized experiments in India will be discussed in the next chapter.

Decentralization Process: The Global Scenario

The global world decentralization is seen as a way for ensuring accountability, transparency, responsiveness and governance at grass root level. But in order to attain this citizen consciousness, civil service reforms, peoples participation and financial stability etc are necessary. In this context the UNDP has conducted studies on the experience of
decentralization of 18 countries. The experience of these countries are following heads.

**Nepal**

Nepal has initiated decentralization policies to accommodate its heavily diverse population and in attempt to ameliorate service provision and reduce poverty. The Local Self Governance Act of 1999 is the main legal document guiding decentralization process in the country. Administratively, Nepal was divided into 5 development regions, 145 zones and 75 districts. Regional administration consist of regional level officers of sectorial ministeries. Fiscal decentralization in Nepal is very weak and while the LSGSA allots for revenue sharing, in practices its success is hampered by a lack of procedures to be followed.46

**Jordan**

Decentralization in Jordan results from a combination of deconcentration, devolution and deligation of authority and resources to a variety of structural forms of the government. The Civil Service Law of 1998 is one of the most promising initiatives in Jordan towards the decentralization of government service with sustainable human resource development. The two largest ministries, health and education, whose work force represent 87% of total civil service employment, have institutionalized the principle of regional directors.47
Morocco

A decentralization law was voted in 1973 and two constitutional reforms were introduced in 1986 and 1994. The process has taken on the form of moderate devolution while subnational authorities can exercise a number of legislative and administrative powers. The central government limits the resources allotted to subnational governments.48

Malawi

Decentralization in Malawi was undertaken to counter the deteriorating socio-economic situation in the country and it is still at the development stage. The major debate in Malawi process of decentralization has been whether the policy should focus on deconcentration policy or develop a district development fund. The new local government act provides for a united system of local governance and development management in the district including financial management.49

Tanzania

Tanzania has always seen decentralization as an ideal approach to rural and urban development. Since independence the government adopted several decentralization measures geared towards promoting rural and urban development. The local government reform programme aims to amend local government laws and increase resources available to local government authorities as well as improve the management of these resources.50
Uganda

Uganda’s reforms to decentralization to district level date from the early 1990’s. The new constitution adopted in 1995 devolved responsibilities and power to local government. The Government Act of 1997 defined reforms by giving authority to local councils at the sub country level to raise revenue and initiate development projects.51

Nigeria

Nigeria has remained a “formal” federation but there has been a significant shift in the content of its federal structure. The direction of change has been towards an ever strengthening federal centre by a powerful military central administration. The central government now has control over the main source of revenue in the country – petroleum rent and has become the major provider of finance to state governments.52

Ghana and Argentina

Ghana has deconcentrated a number of responsibilities to the districts, but the process has taken on a more administrative and operational character. The central government still maintains a great degree of control through directives and decrees. Similarly Argentina has three tiers of government and has the authority to set up and approve its own budget. But tax rate setting power remains in the centre and subnational governments depend on transfers from the federal government.53
Columbia, Brazil, Philippines and South Africa

Columbia, Brazil, Philippines and South Africa are considered politically decentralized. They all have elected local officials and councils. They approve their own budget and generally, with the exception of Columbia, have tax rate setting autonomy. In Columbia, the national government determines the tax rate and there are defined transfer formulas for local government transfers.\textsuperscript{54}

Lithuania, Estonia, Latvia

These are examples of transition economies that are embracing decentralization as part of their transition to market economies. In all three countries the local government are part of a two tier system. All three countries have elected local officials and councils, but all three also have some local government officials appointed by the central government, thereby ensuring some degree of central government control over regional affairs. Local governments in these countries do not have control over their own revenues. They are heavily dependent on transfers and grants. In addition, the centre controls local government taxes.\textsuperscript{55}

Kyrgyzstan

The pattern of decentralized administration in Kyrgyzstan operates in a deconcentrated manner. The national, regional, district, city and village levels of government are accountable to central agencies and have heads appointed directly by the president. Fiscally, the inter-governmental finance system operates on a conventional capacity and
ensure appropriate incentives for local tax collection. The local governments are responsible for providing primary and secondary health and education. The structure of the inter-governmental finance system actually inhibits the decentralization of decision making and provision of services.56

These international experience shows that in some countries the practice of decentralization devolution and delegation still exist. But fiscal imbalances, failure in resource mobilization and lack of political participation were the draw backs of decentralization in some countries. In order to ensure flexibility and strategic planning, new methods of monitoring and evaluation policies in decentralization need to be developed and applied. However, awareness of the people, participation of people in local affairs, better financial management, better civil services, co-ordination etc makes decentralization process a success.

Theories of Decentralization

Discourse on decentralization started in the early 19th century and gained an increasing scholarly attention during the 1970’s and 1980’s out of which evolved a variety of theoretical perspectives. Theories of decentralization can be classified into two. They are broadly Western Theories and Eastern Theories. The Liberal Theory, Developmentalist Theory, Marxist Theory etc. originated from the west. Gandhian Theory Ambedker’s Theory etc. emerged from India.

Liberal Theory

The first theoretical insights on decentralization came from the classical liberal democratic theorists. Their argument in favour of
decentralization can be grouped into two categories. Firstly, local government is good for national democracy. Secondly, local government is beneficial to the locality in which local democracy operates. They considered local government as the institutional vehicle for political education, training in leadership, political stability, equality, responsiveness and public accountability. In the words of De Tocqueville, inorder to strengthen local democracy town meetings with peoples participation are essential. They are the instruments which fosters the idea of citizen consciousness and local democratic virtues. Training in political leadership is another reason put forward in support of decentralization by the liberalists. Laski insists experience in local bodies for a particular period should be made compulsory for candidates contesting to national legislatures.

The Liberal theorists argued that the local democracy can succeed only if there exists accountability responsiveness and political equality. For example, J.S. Mill established the accountability of local government by asserting the right of the individuals grouped in local-communities to self regulation. Mill’s idea of liberty as an absence of restraint on self-regarding actions can be extended to local communities. Most actions of government are self-regarding from the locality’s point of view.

According to Larry Diamond, ‘local accountability is facilitated by smaller size of the ward or constituency whereas local legislatives typically represent a few hundred or thousand people, national legislatives can represent several hundred thousand. On the whole, the liberal theorists considered the local government as the instrument of deconcentration, delegation and devolution. According to Laski, the
activities of local government depend upon not rural and urban basis, but distribution of functions. The local government can impose efficient taxes. Moreover, through local government the citizens should develop local patriotism.

**Developmentalist Theories**

From the above classical liberal democratic version of decentralization, there emerged a more recent school of thought in the writings of Maddick, Cohen, Cheema, Rondinelli, Mawhood, Conyers, Nellis, Uphoff, Esman, Bryant White, Montegomery and agencies like united Nations. These theorists considered that development should be people oriented. According to them through decentralization there will be political, economic, and social development.

James Manor argues that their were five factors which led to the latest waves of decentralisation. These are,

i) Degeneration of patronage system and ruling parties
ii) Over centralization of power
iii) Influence of public choice approach
iv) Failure of government to increase resources.
v) The collapse of the Soviet Union and the end of Cold War.

According to him, thereafter it was easier to relax and devote power and resources.62

The developmentalist theory has emphasized on the following arguments: in favour of decentralization. There are improvement of planning and implementation, local participation in planning and
implementation, mobilisation of resources, co-ordination, accountability, equity and political stability etc.

According to this theory, decentralization is a necessary condition for improving planning and implementation of developmental activities. Decentralisation brings bureaucracy into closer contact with citizens, thereby to obtain better quality information about local needs and priorities than central government agencies. They regarded decentralization as a mechanism to promote local participation in the planning and implementation of development projects. The beneficial effects of participation are very high. Participation encourages people to maximize their own commitment and contribution towards the successful implementation of development projects and also towards making development enduring. Developmentalists argue that decentralization helps to mobilize local resources for developmental purposes. Local government allows the maximum utilization of local resources which has an efficiency value quite apart from the other benefits, such as political education, which it may bring to society. Decentralised local institution through their knowledge of local resource availability and the terms on which these resources can be secured are in a position to mobilize them for local development efforts.

Decentralisation, according to developmentalist theorists, promotes better co-ordination of development activities. Diana Coneyers observes that by employing decentralization scheme, it is easier to produce integrated plans for specific areas and increase the efficiency and flexibility. Decentralisation, according to developmentalists, undoubtedly leads to greater government accountability. People in decentralized systems have better access to
representatives and officials; they can seek clarification from the representatives for their omission and commission. Decentralisation, as per the developmentalist view, is a measure for meeting the needs of the poor. They argue that if development means the eradication of poverty, inequality and material deprivation, it must engage the involvement and mobilization of the poor.

Marxist Theories of Decentralisation

Marxist theories of decentralization can be classified into (1) Instrumentalist, (2) Structuralist and (3) Dual State theories. The writings of Miliband, Cockburn, Castells, Saunders, Fesler, Hyden, Slater and others have developed a new approach to the study of decentralization which owes its conceptual origins to the works of political economists like Marx and Gramsci. The major theoretical formulation of instrumentalist approach can be seen in the works of Miliband and Cockburn. The state, as Miliband states, is both agent and obstacle, and non-dominant classes may be able to win limited power in some of its levels. Miliband’s book, “The State in Capitalist Society” (1965) is an all round attack against pluralist theory and put forward a Marxist theoretical proposition for the institution of state and class under capitalist system.

The political structuralist approach owes its intellectual origin to Gramsci, Althusser and Poulantzas. Poulantzas developed an Althusserian structuralist model of the state and class. He also points out that the structures of society rather than influential people mainly determine the functions of the state. The state, according to them, has an autonomy from the capital. Local government is open to the influence of
locally dominant classes, not nationally dominant classes. Representative institutions at the local level are an important symbol of liberal democracy. Hence, local government is a site of conflict between nationally dominant classes and local class elements.\textsuperscript{70}

The writer associated with the neo-Marxist theory is Saunders. According to Saunders, in advanced capitalist societies, the means of consumption are increasingly socialized that is, provided collectively rather than through the market.\textsuperscript{71} This line of interpretation of state intervention in capitalist economy has culminated in Saunders’s Dual State theory. He argue that social investment expenditure by the state on such things which implies economic infrastructure are centralized, while social consumption designed to reduce the cost of capital of labour assigned to control local bodies. This neo-Marxist model has produced a number of empirical studies aided by scholars from developing countries. Some of the studies conclude that decentralization programmes introduced in Zambia, Ghana, Kenya and Nigeria were all intended to serve the unspecified goals of the regimes in power.

**The Theory of Public Choice**

Decentralisation is considered as a measure for increasing personal welfare by those who put forward the theory of public choice, thereby offering an economic interpretation for decentralization. The public choice theory argues that decentralized government is better able to reflect the needs and preferences of individuals and communities. The theory suggests that individuals can choose their place of residence by comparing packages of services and taxes offered by different local governments. An individual will locate himself where local public
goods coincide with his own preferences. The greater the number of local governments and the greater the variations between their service/tax package, the better the match between supply and preferences of the citizens consumer and the greater the resulting welfare.

**Neo-liberal Theory**

By the 1980s, neo-liberalism both as a political philosophy and policy mix has taken deep roots. During that decade many governments around the world supported the modernising reforms, thrust of neo-liberalism, particularly the exposure of the state sector of completion and the opportunity to payoff large and accumulating national debts. The collapse of the welfare state, the crisis faced by advanced western liberal democratic capitalist states in 1970s, led to the end of development as a project of the nation-state and the rise at the ‘ideological of past-development or anti-development, thinking’.

The developments of the state have been reordered to augment the role of agencies dealing with economic internationalization and subordinate those dealing with welfare labour policies. Neo-liberalism is an economic theory which emphasizes deregulations and reduction of state. Political regime has small influences as long as state satisfies the desires of economists. Attempts have also been made to redefine development as a participatory/people centred process linking, it to the cultural imperatives of the society. Here civil society has emerged as an autonomous expression capable of carrying out a whole set of development and welfare functions. Civil society activism and building-up individual capabilities have been projected as essential aspects of
developing an alternative to planned economic system. All these factors reveals that decentralisation is one of the main tools for reestablishing and redefining the role of the state, in the context of globalization. The neo-liberal state of course is replica of the laissez-faire state, advocated by classical economists like Adam Smith and others.75

The Theory of Civic Traditions and Reciprocity

This theory was developed by Robert D. Putnam. In his work, Making Democracy at Work: Civic Traditions in Modern Italy (1993), Putnam establishes social capital as a critical factor in democratic performance of the government. He draws his conclusion after a thorough empirical evaluation of the 20 regional governments in Italy. According to Putnam, government performance and socio-economic development in different parts of Italy varies because of variations in nature of civic engagement.76 The civic engagement is measured in terms of the extent and type of political participation, newspaper readership and density of volunteer associations of various kinds (including sports clubs, choirs, bird watching groups and so on) in different parts of the country.77 According to him, a civil society is historically determined. To substantiate this, he demonstrates that Northern Italy’s present socio-economic development and better governmental performance has its links to the inheritance of social capital right form the middle ages. According to him, social capital is understood in two dimensions – trust (cognitive) and network (structural or institutional). Trust means a spontaneous rational 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 the society at large.\textsuperscript{78}

**The Theory of Depoliticisation**

This theory was developed by John Harriss, Professor of London School of Economics in 2001. In his work, *Depoliticising Development: The World Bank and Social Capital*, he criticize Robert Putnam’s theory of social capital. According to John Harris, the concepts like ‘Social Capital’, ‘Participation’, ‘Trust’, ‘Civil Society’, ‘Empowerment’ and so on are new weapons in the armoury of anti-politics machine. They are directed in particular, against movements of the political left for progressive socio-political and economic change, that do identify the roots of change in class differences.\textsuperscript{79} According to Harris, there is a move to reduce poverty to a technical problem, and by providing technical solutions to the sufferings of powerless and oppressed people. The hegemonic problems of ‘development’ becomes the principal means through which the problem is depoliticized.\textsuperscript{80} Harris points out that the people’s planning programme in Kerala is a powerful statement against the currently fashionable ideas about ‘social capital’ and civil society. According to him, people’s planning process has consolidated civil society. The people’s campaign has involved public action and interplay between government and people’s organization in the context of a political process.\textsuperscript{81}

**Gandhian Theory of Decentralisation**

Mahatma Gandhi’s concept of decentralization was based on his realization of the drawbacks of parliamentary system of government.
He developed an integrated view of Indian polity from village to the union level. Decentralisation was not an independent concept of Gandhi, but was a by-product of the integration of his other concepts.82

Mahatma Gandhi’s concept of decentralization can be summarized into the following heads:

1) Village – The primary unit of government.
2) Organic linkage of autonomous units.
3) Political decentralization connected with economic decentralization.
4) Centralised industry to feed small scale technology.

Mahatma Gandhi builds up his theory of decentralization on self sufficiency and independent village republics. Gandhi is not in favour of pyramidal structuring of the polity. He pleaded for the organic linkage of autonomous units at different levels by an element of integration which according to him is an ‘Oceanic circle’. Decentralization of political power is an inevitable condition for the establishment of a truly non-violent society. He argues that the problems arising out of concentration of power can be best managed by the choice of a technology through which the society may be able to attain greater freedom and self-sufficiency.

Apart from this other leaders such as Dr. B. R. Ambedkar, Archarya Vinobha Bhava and Jayaprakash Narayanan etc made contribution in the theoretical interpretation of decentralization. Dr. B.R. Ambedkar pointed out that casteism and communalism are the major obstacles to local democracy and an efficient form of decentralization is
possible only when the participation of the marginalized sectors in the local assembly can be ensured. Similarly Acharya Vinobha Bhava and Jayaprakash Narayan stated that decentralized democracy depends through equality and promotion of effective land reforms.83

Decentralization and Development

Decentralised governance in theory promotes development. Subsequently, peoples participation, accountability and transparency as well as social capital become critical factors in effective, equitable and sustainable development. Development is a social process by which consistent improvement in the life style of the people is brought about. Thus the growth of primary, secondary and tertiary sectors becomes essential. But economic growth should not lead to the aggrandizement of a wealthy minority and pauperization of the majority. The benefits of growth should be enjoyed by all sections of society. So production of wealth go along with its equitable distribution of result in development. More than that it should be ensured that these developments are sustainable.84

The goal of these developments can be achieved through decentralization. Local bodies are more efficient with respect to allocation of resources. Local level planning is necessary not only to respond to the preference of the people but also in efficient utilization of natural resources of the areas within each body.85

Democratic decentralization can contribute to the improvement in the efficiency of implementation, in particular if the development process is made participatory and transparent. This help to prevent
misuse of resource and allows for better monitoring of programmes. Participation also helps to tapping dormant local resources in the form of monetary donation, material contributions and voluntary labour. Community participation can mobilize significant contributions of human resources to create social and physical infrastructure.86

**Decentralisation and Globalisation**

It is clear that globalization has brought about incredible strides in economic prosperity. The record of human development over the past fifty years is unprecedented; with developing countries setting a pace three times faster than the industrialized countries did a century ago. The wealth of nations has multiplied phenomenally. In the past fifty years the global gross domestic product has increased sevenfold.

Yet, globalization reaches beyond economies and trade policies. It enters into the spheres of health and education with the spread of the HIV/AIDS epidemic and the practice of “brain drain”, the exporting of experts from developing countries for technical work in developed countries. Globalization affects cultural policies as the dialogue and mix of world cultures is available virtually everywhere. It affects national security with the recent threat of global terrorism and environmental policies as the world addresses the problem of ozone depletion. Globalisation has also reached the political sphere, with dozens of nations taking significant steps toward introducing democratic principles and freedom. According to the British Department for International Development, the proportion of countries with forms of democratic governance has risen from 28% in 1974 to 61% in 1998. Moreover improved global communication has facilitated greater
international solidarity in support of democratic freedoms and human rights. With the rapid pace of ‘globalisation’ development activities such as education, public health, water supply were getting privatized.

Globalisation has resulted for ensuring governance in China, and in India. The immediate issue before India – perhaps all developing countries, which generally believe in the concepts of ‘liberty’ and ‘equality’–is: to what extent can we practice democratic decentralisation, and yet combine with that concept the essence of social justice and economic growth. Investment in human capital and institution building can address globalization. Well managed democratic local governments with transparency and accountability can position their countries to take better advantage of globalization and to protect their citizens and economies from its darker consequences.

Democratic decentralisation has been strengthened to promote inclusive governance in India in recent years. Third tier of local self government for rural and urban areas came into existence in ‘90s at the district and sub district levels by constitutional amendment. They are entrusted with independent powers, functions and resources to plan, implement and monitor welfare and development programmes. Women and disadvantage groups are empowered by reserving seats and position in these institutions to articulate their interests. However there is a disagreement among the policy makers and scholars regarding the implications of decentralization in promoting inclusive governance.
The new paradigm of governance has differential implications in developed and developing countries. In the developed countries of the west, the role of welfare state has been declining under the influence of the neo-liberal, Regan Thatcher ideology, which advocates a drastic cut in the public spending on welfare activities. In the developing countries, the state is being forced to give more scope for other actors in development with the introduction of globalization and structural adjustment programmes. As a result, there is a growing pluralisation of state with multiple actors or agencies spread over from local to global level trying to both supplement and supplant the conventional state in its basic role of development.\(^9\)

In the words of Rajni Kothari, decentralization should be viewed in the context of an emerging need to reconcile two contrary tendencies: globalization on the one hand and local self-governance on the other. The entire world is undergoing wide-ranging changes. A renewed North-South dialogue, democratic upsurges, decline of authoritarian regimes, experimentation with new institutions, problems of ethnicity, religiosity and basic social identities are significant developments. Some of these now need redefinition and a political orientation. This need is being felt everywhere but more particularly by Asian countries.\(^1\)

**Decentralization and Urbanization**

Decentralization, as in the case of rural areas, is important in urban areas. The focus is to get basic amenities and ensure better governance in urban areas. The role of urban local bodies is mainly to tackle gigantic problems faced by urbanization. Before explaining the
importance of decentralization in urban setting it is necessary to point out the concept of urbanization.

Urbanization is a product of various kinds of changes taking place in a society, especially in its economic sphere. But, it is essentially a process of population redistribution from the rural to the urban communities and from one region to another, and of a continual differentiation of the society, both in its rural and urban components. These aspects of population redistribution and social differentiation inherent in the process of urbanization, are also fraught with the possibilities of generating various kinds of social problems.92

In general, urbanization represents a process of growth. However, growth has both positive and negative sides. On the positive side, growth leads to an organically integrated form of development and on the negative side, it may degenerate into a cancerously alienated form of mal-development. Both these sides may be discerned in the process of urbanization in India. Many of the problems which the Indian society is confronting today may be attributed to rural-urban mal-development.93

Redfield and Singer argued that urbanization is an important aspect of the social organization of any civilization. In their opinion a city is looked upon as an area for the development of different dimensions of great tradition.94

Scholars like Wirth and others have given us incisive insights into some of the essential characteristics of the socio-cultural processes which
are considered to be the typical features of urbanization as a mode of life. Large aggregation, fairly high density of population, predominance of manufacturing and servicing function, monetization, large-scale segmental and diversified living, increasing dominance of formal regulation, atomization of the individual, shift from primary to secondary relations, intense mobility as a result of economic growth, growth of transport and communications as well as the emergence of numerous servicing agencies, relatively greater sophistication and the rise of upper cultural tradition are some of the features which have been noted as typical of urban life.

In the present context the urban local bodies requires effective governance and administration to a bright extent. The urban governance requires an efficient form of governance strategies planning and policy implementation, management of affairs, equity, accountability, performance, participation, law and order, strategic vision and commitment. The OECD 2000 emphasize the main tools and principles for the maintenance of urban governance. These are solidarity and subsidiarity. Solidarity refers to the cities more broadly shared values and priorities, common interest of citizens, sharing attitude, commitment of the people and mutual assistance. Subsidarity refers to local autonomy, decentralization and public policies.95

The international experience in urban governance shows that the cities such as Johennasburg, Greater London Authority etc. performs the urban governance through a strong Mayor council system and related structures with participatory governance.96
After the observation of urban governance in 4 metropolitan cities in India (Kolkata, Bangalore, Chennai, Mumbai), Ramakrishna Nallathika comes to the conclusion that most of the Indian cities are lacking urban administration due to failure in performing public policies, power frustration between political parties and the negligence of public interest. The interrelationship between the deliberative and executive wing is a new way for strengthening urban governance. The political elites must be accountable to the citizens and a commitment from the authorities towards the citizen will lead democratization and urban governance in a better manner. Effective decision making, management and planning, co-ordination, implementation of policies, peoples participation and involvement of the civil societies etc. are some of the tools that makes urban governance success.97

As we have mentioned decentralization is one of the unavoidable process in urban areas, because through this process, the participation of citizens in local affairs, the idea of public collectivity, strengthening civil society, financial viability are ensured. For example, the work Urban Environment and Management by Archana Ghosh (2003) points out the need for a suitable ecological management and the role of urban local bodies for an action plan. Decentralization in urban levels provides the promotion of better civic amenities such as water supply, sanitation, appropriate shelter, housing, drainage facilities etc.98

**Composition of Urban Local Government**

Urban government refers to a particular type of local government that serves urbanized areas. In Australia, Canada, and the United States, municipalities are usually organized as cities, but other terms may be
used, especially for smaller places. These may be called boroughs, villages or towns. In New England, many urban areas are governed as towns and are not to be confused with the “towns” of Iowa or some other states, which are actually villages. In the states of Michigan, Pennsylvania, and New Jersey, the township of rural origin, often serves as an urban government.99

In New-Zealand and Britain, the larger urban governments are called boroughs. In Britain, “city” is bestowed on cathedral towns and some others as an honorary, courtesy title. Most larger places are called county boroughs’ city and county functions are consolidated, as in some cities in the United States. Smaller places are called boroughs, and still smaller ones are called urban districts. British English, uses “town” in an informal, nonlegal sense as American English sometimes uses “city”.

In France, all local governments, urban and rural, are governed by the same type of unit, the commune, except for Paris. This is also the case in Italy, in much of the rest of Western Europe, except Germany, in much of the Latin America (the municipio), and in other countries. Cities are organized according to regional government laws - in Germany (the Land) and the former Soviet Union (the province or republic) etc. very often terminology changes with the size. Japan uses Shi (large city), machi (smaller city) and mura (village).100

Urban governments have existed since ancient times, but their greatest growth has occurred since the beginning of the Industrial Revolution in the late 18th century. The United States did not become more than one half urban until the census of 1920, but by the 1980’s
nearly three fourths of the population lived in metropolitan areas – that is, in urban areas with a central city of more than 50,000 people. Urban services have become more complex and more costly. Professional bureaucracies have performed these services, starting around the middle of the 19th century. The ‘bobbies’ of the London Metropolitan police date from 1829. The first full-time, paid fire department on the United States was established in Cincinnati, Ohio, in 1853. Public-health services grew rapidly from the 1840’s with the demand for pure water. Public utilities and other services grew as urban people became more dependent on local government than their rural ancestors had been. Before the middle of the 20th century, all the wealthy nations of the world were largely urban in population, and all of them dependent at least in part on municipal governments for commercial, industrial, and residential services.101

Urbanisation is an indicator of modernization and it is the sign of economic development. Urbanization is the result of more avenues of industrialization, but it is not matched by a commensurate degree of energy and transportation. Urbanization in India has shown its phenomenal growth during post independence years. Significance of urban local government has considerably increased with the proclamation of the constitution embodying the principles of democracy and a welfare state and emphasizing upon the government in urban areas to promote social and economic development. The 2011 Census, has recorded 285.35 million urban population, which accounts for 27.78 per cent of the million total population distributed over 5161 urban agglomerations/town.102
Decentralization and Civic Consciousness

In order to achieve substantive decentralization, civic consciousness is necessary. It allows the people to lead a democratic form of living in society. After the study of the civic administration of the two municipalities in England, Danny Burns and Robin Hambleton concludes that local government is a vehicle for empowering the people in the neighbourhoods. In their opinion the local government fosters a vigorous civic culture through the promotion of the democratic virtues. In order to improve this councilors and officers need to devote energy, time and resources. Moreover the local government contributes to political education and empowerment of the citizens. It is a setting in which democratic habits are acquired, practiced and advanced.

Civic consciousness provides citizen to participate in civic affairs. After the study of twenty regional governments Robert D. Putnam comes to the conclusion that economic, social, and political life can be realized in civic communities. Citizenship in a civic community is marked, first of all, by active participation in public affairs. Interest in public issues and devotion of public causes are the key signs of civic virtue. In a civic community, the people are acting and interacting with each other, sharing in decision-making, local prosperity etc. Citizenship in the civic community entails equal rights and obligations for all. Such a community is bound together by horizontal relations of reciprocity and cooperation, not by vertical relations of authority and dependency. Citizens in a civic community, on most accounts, are more than merely active, public-spirited, and equal. Virtuous citizens are helpful, respectful, and trustful toward one another, even when they differ on matters of substance. A review of community development in Latin
America highlights the social importance of grass-roots cooperative enterprises and of episodes of political mobilization – even if they are unsuccessful in immediate, instrumental terms – precisely because of their indirect effects of “dispelling isolation and mutual distrust”.\(^{104}\)

**Amnistien’s Theory of Citizen Participation**

Amnistien, in an effort “to encourage” a more enlightened dialogue’, set out a typology, or ladder, of citizen participation. Her typology identifies eight levels of participation, with each rung on the ladder corresponding to the extent of citizens’ power in determining the end product. At the bottom of the ladder are two rungs of non-participation. The objective here is not to enable people to participate in planning or conducting programmes, but to enable power holders to ‘educate’ or ‘cure’ the participants. The next three rungs involve dialogue with the public. Citizens, to varying degrees, have the right to be heard even if they do not take a crucial part in decision-making. In this zone of the ladder we find one way communication from the authority (announcements, pamphlets, posters, local authority, annual reports); two-way exchanges (attitude surveys, neighbourhood meetings and public hearings); and co-option (citizens sitting on committees but with power holders retaining the right to decide). Further up the ladder, are three rungs which give citizens interesting degrees of decision-making clout. In this top part of the ladder citizens share directly in the process of policy-making and service provision.\(^{105}\)

**Summing up**

In this chapter we have seen the major concepts of decentralization and development. The major concepts of
decentralization are deconcentration, delegation, devolution. To attain these objectives the state governments should delegate their responsibilities, allocate fund, provide financial stability and enhance public participation. Various countries performs this process in several ways. Different writers expressed their views of decentralization in different connotations. Decentralisation can be possible when political, administrative and financial powers were disbursed at lower level.

Various theories have evolved in decentralization through various phases. Decentralised governance has been practicing at a low profile from ancient times to fulfil local development, welfare of the people, administrative purpose etc. Decentralization and development goes hand-in-hand. Because through developmental activities, local accountability, transparency, good governance and citizen participation can be promoted. The objectives of development are establishing a balanced and welfare oriented society, equity sharing, economic prosperity, attitudinal changes etc. Decentralization and development are vital in urban areas because they provide citizens to lead social, economic and civic life in a better manner.
Notes and References


2. Ibid, p.587.


15. Ibid, p. 6.


23 Ibid.

24 Ibid, pp. 33-34.


29 Ibid, p. 35.


32 Ibid, p. 17.


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49 Ibid, p.11.

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