

# The political economy of democratic decentralization politics essay



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Decentralization involves the diffusion of powers, as the term itself suggests that it refers to the distribution or devolution of powers, other than the State holding all of the decision making powers, decision making is distributed among the regional and local levels. This refers to the idea of local self-government and also to the idea of democratization. Democracy, gives out the idea of participation and through decentralization such participation can be increased, since it provides not only the State making all the decisions but gives the people at the lower levels to make decisions as well. In India, the idea of decentralization came into force with the passing of the 73rd and 74th Constitutional Amendment Act, provisioning the establishment of the Panchayati Raj Institutions and the latter for the establishment of urban municipal bodies.

In the book “ Decentralization: Institutions and Politics in Rural India”, Satyajit Singh and Pradeep K. Sharma mention the two Constitutional Amendments are the starting point to the movement towards decentralization. Along with this they acknowledge that the villages in India are characterised by caste oppression, unequal distribution of power, resources and opportunities and others leading to poverty, they fail in providing what could be the best form that could accommodate these characteristics, since democratic functioning of any institution cannot function well without the participation of the whole; and exclusion based on these terms may not provide a good form of decentralised governance.

Decentralization basically relates to the shifting of power away from the State,

since both Manor, Singh and Sharma's book presents the corrupt nature of the state, which are involved in rent-seeking, both deal with the diffusion and devolution of powers as providing for the deepening of democracy and taking powers away from the State, instead in this book the importance of the State is emphasised and focused on the failure of the local governments, mentioning that the personnel in the local levels are less qualified, they lack access to the resources.

Out of seventy-five developing countries, sixty-three have opted for decentralization, India which have adopted decentralization Singh and Sharma point out that the decentralization which requires political, fiscal and administrative autonomy are lacking or underdeveloped. The article "Kerala's Decentralization: the idea in practice" by Rashmi Sharma, mentions the adoption of PPC "Peoples' Plan Campaign" in Kerala devised to increase participation of the people in local governments in civic and development duties and responsibilities for revenue administration and number of regulatory functions. However she points out that decentralized bodies were weak organisations and that panchayats faced personnel problem with their limited qualification, departmental hierarchy still in charge.

The different levels of the local government were not allowed to help each other out, like in Kerala the district panchayats which were better staffed were not allowed to help the gram panchayat at times when it could not do on its own. Thus she provides that cooperation is missing among the local governments. Kerala's decentralization was mainly characterised by politics.

Though it was the most successful State in terms of the decentralization

process, it failed mostly in providing for a separation of politics and  
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administration, failure to do this created blocks. Politics played an important part in minimising the role of the decentralised bodies. Rashmi Sharma mentions that the plan could not be materialised due to the political holding then, however the plan was considered to be meaningful with the help of voluntary organisations like the KSSP “ Kerala Shastra Sahitya Parishad”.

Decentralization involves State governments too, they still act as the key factor in facilitating decentralization. As already mentioned, decentralization does not work free of politics and so the inability of the local governments to cope with the

politics, States’ role is always recognised. Therefore, leading us to say that some form of centralisation is necessary for decentralisation. 1

Singh and Sharma, as well as Manor while focussing on decentralization refers to a top-down process of political, administrative and fiscal governance, whereby there is diffusion of such powers to the lower level organisations. While Singh and Sharma presents the idea of decentralization as a tool for some specific purpose of the State. The example they cite is of Pakistan where military leaders threatened by resurgence of national and provincial level democracy and also Nepal in order to counter Maoists decentralization or distribution of powers to local levels were adopted. Where Manor mentions from a political economic perspective that decentralization stands for fiscal transfers from top-down, where top position holders have control over the transfers, therefore mentioning the State. So, they do not really see decentralization as a successful form of governance, but Manor also goes to the extent saying that decentralization is likely to fail.

Decentralization is to work at three levels: National, State and the local level, and in each level the institutions are further tiered. Satyajit Singh mentions democratic decentralization is best said to work through active citizenry and not representative democracy, this he mentions at the beginning of the book with his reference to the Athenian form of democracy, but later he contradicts himself saying that a representative form of democracy is important as higher levels usually the State determines the framework of the local participation i. e. people at the local and the representatives at the State or national level, this shows that in spite of having a decentralised form of government still what seems to be important is the role of the state, this just shows that though via 73rd and 74th amendments, decentralization has been asserted in India, still the power of the state prevails which is a centralised entity. Though the centralised state has been hailed as important, and the corrupt nature of the state has been exposed still decentralisation lacks that ability to gain full confidence and power of decision making.

As in Kerala, even in West Bengal, political parties have hold over most of the

village level panchayats, the LF (Left Front) has about sixty to seventy percent of the

seats in the village councils. 2 In West Bengal. Participation was required and recorded regarding budgets, accounts and when it was not recorded it was considered illegal. Villagers' participation brought down costs of public projects, even though peoples' participation compared to Kerala was less.

Maitreesh Ghatak and Maitreya Ghatak provides that though such participation empowers the public to participate in the formulation and implementation of plan, still there exists a risk of the officials at the low level of lacking the expertise and the qualification to do that. Relating to the allocation of funds, the lower tiers have no say in it, this is done by the State Governments or the bureaucracy. They also mention the problems associated with decentralization that is of the lack of coordination between village level panchayat plans and also the plan prepared by the state government bureaucracy.

The arguments that are presented in Singh and Sharma's book as well as that of Manor is not really inclined towards the success of decentralization, they have however provided how even when decentralization is sought still no complete decentralization can be brought about, certain centralising tendencies do exist.

As Singh had mentioned decentralization being a tool for controlling insurgencies etc, so does Merilee Grindle mention that decisions for decentralization were driven by a pre-existing interests to which leaders were beholden (Manor).

Referring to the developing countries, centralization were more preferred even though it led to the rural disempowerment, the reason was that the developing countries were mainly the newly independent countries and so a centralised rule was needed to prevent internal diversity from fragmenting the new nations. The rulers held the idea of local governments or decentralization in low esteem, for them national consolidation through

centralized leadership was their main emphasis. He cited various examples; one was of India, where post independence period there was a clash of the Gandhian idea of local level self sufficiency and then Nehruvian idea of centralised State, however the food shortages of that time led to the adoption of a centralised rule, therefore local level bodies were deemphasised.

More than focussing on what the advantages of decentralization could be they all have emphasised the disadvantages, like Manor through his political economy perspective provides that democratic decentralization is an arena of free market,

having ' buyers' i. e. the citizens and the ' sellers'- the centralised authority, saying that the local governments increases the expenditure of the government and also in a course of time leads to system failure. In case where there exists a lack of State funds, the tasks are simply off loaded with the hope that the local governments would deal with it, which at times lead to systems failure.

Decentralization is seen to have an economic edge, some countries who are dependent on taxes paid by their domestic population, or who depend on a certain domestic source of fund like Oil, they do not accept decentralization, whereas Marxists provide that decentralization is seen by few to further their own economic interests, in order to cultivate political support for enhancing regime legitimacy.

They all provide a very negative connotation to the idea of decentralization, adding to this Manor provides an idea of Cote d'Ivoire that decentralization is <https://assignbuster.com/the-political-economy-of-democratic-decentralization-politics-essay/>

directed to draw up local groups into the system of governance “ to let the electors do some of the government’s dirty work”. 3

Decentralization is seen to promote political realism, and also a politically stable and a stronger state. In terms of developmental tasks, decentralised bodies Manor says is not really effective since with the increase in participation because of democratic decentralization, expectations and demands of the people also increase.

In the latter part of Manor’s book “ The Political Economy of Democratic Decentralization”, he provides various details about local governments and what it provides, however on the idea of empowerment and reservation; he mentions that women in developing countries have still not received the participatory role. However he fails to acknowledge that in India which is one of the developing countries have provided for empowerment of women via thirty-three per cent reservation.

Regarding the poverty reduction rule, he mentions that the this task should be given to the higher levels, since they would be more enthusiastic about redistribution, however again fails to acknowledge that the higher levels refers to the government authorities, and if the main cause of decentralization is thought of, then it is because of these authorities only that decentralization was brought about, since these authorities engaged in rent seeking and other corrupt practices. As such if poverty reduction programmes and its funds were to be given to the higher levels, then the level of corruption would be higher.



Decentralization which is expected to facilitate “community participation in development” is said to increase voting, contracting etc but participation and the reason Manor gives are:

Firstly, the authorities that are created through decentralization stand above the local level, and so they would not really be able to mobilise the masses.

Secondly, the government authorities who are really the ones at the top levels of such programs find it difficult to gain the trust of the community. Such decentralised authorities instead create divisions instead of facilitating communal solidarity.

Therefore in explaining decentralization and the devolution of power to local government, Satyajit Singh has basically provided local governments as being a weak institution, and Manor has the same view. Singh has provided that by devolution of powers decision making is given to illiterate and inexperienced persons, and though it stands for diffusion of power still States hold important decision making powers, and corruption by the state officials still persists. Therefore Manor in his book has given various reasons as to why developing countries have preferred centralised regimes more than decentralised ones, and the decentralised ones have been branded as weak organisations, lacking skills and the personnel lacking education and qualification. Both Singh and Manor held a negative view of the local governments, more focussing on the failures and weakness of the institutions with their weakness enhanced by the political parties functioning and their hold over sixty to seventy percent of the seats in the local governments.

Thus, they present a weak version of the decentralised form of governance.