

# Decentralization and Democratic Governance



**D**ecentralization is often part of a number of related policy reforms, in which central government agencies transfer rights and responsibilities to more localized institutions. Although there are a number of different types of reforms that are sometimes referred to as “decentralization,” most call for some kind of greater organized involvement of local people.

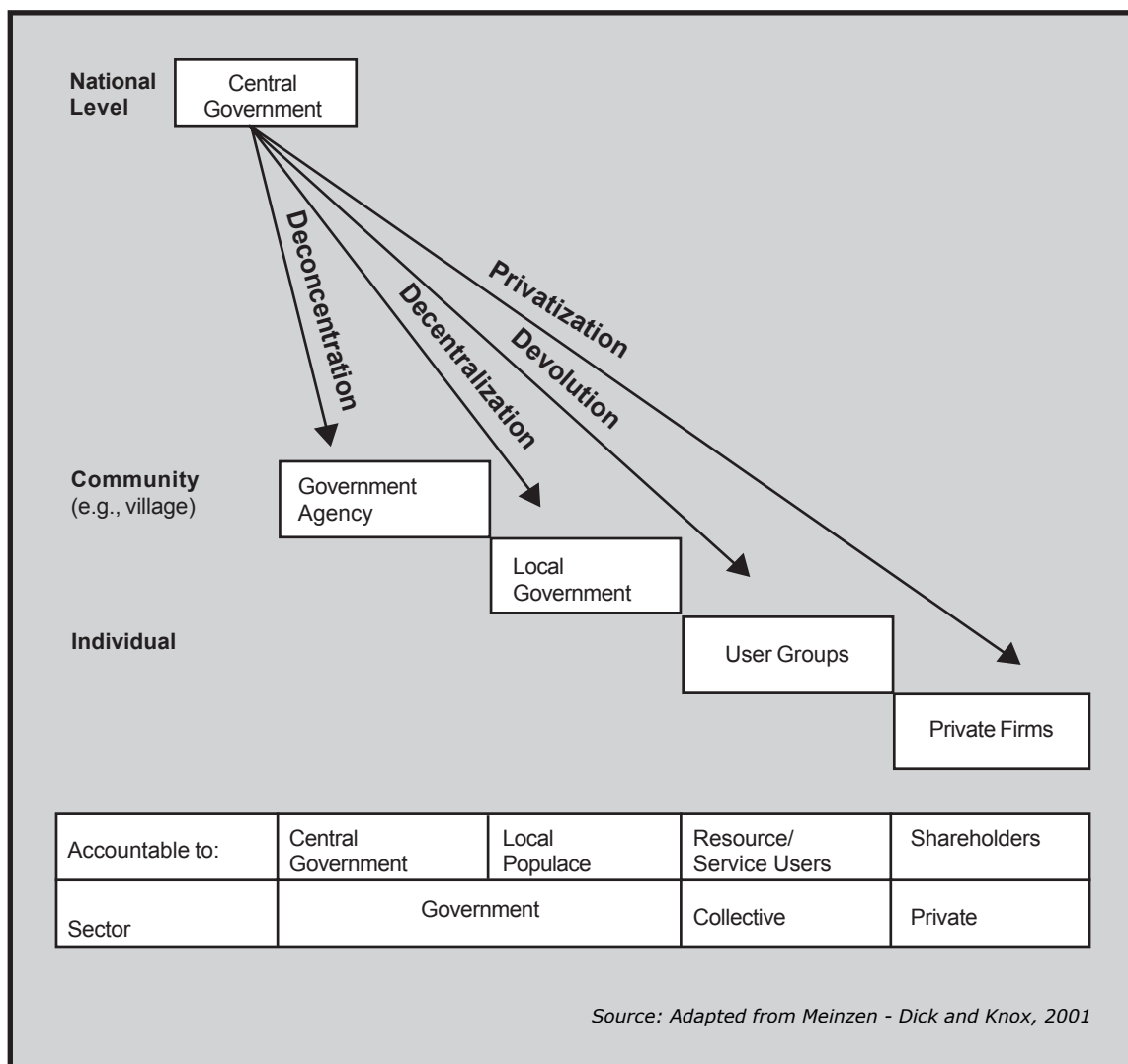
#### SOURCE:

Meinzen-Dick, R., M. Di Gregorio and S. Dohrn. 2008. *Decentralization, Pro-Poor Land Policies, and Democratic Governance*. CAPRI Working Paper No. 80. International Food Policy Research Institute, Washington, D.C.

## Types of Decentralization

One useful way of sorting through the various types of reform that are sometimes referred to as “decentralization” is to examine the accountability structures of each. While particular programs may combine these in different combinations, in practice there are several broad patterns:

- **Deconcentration** or **delegation** refers to administrative decentralization in which functions are transferred to lower-level units of a government agency. This represents the least change, because authority remains with the same type of (government) institution, and accountability is ultimately still upward to the central government.



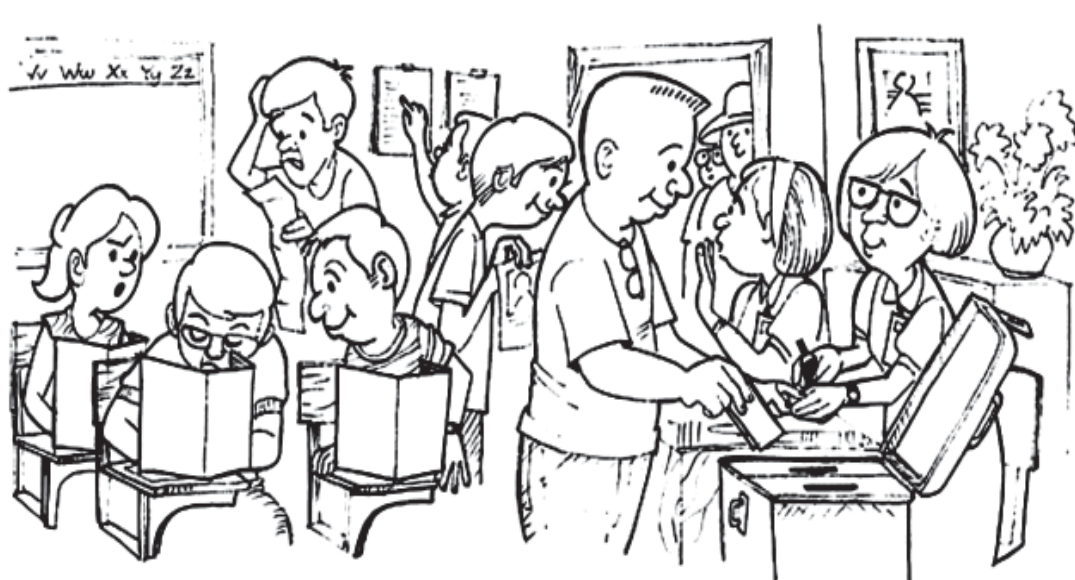
**Figure 1: Types of Decentralization Reforms.**

- **Political decentralization** transfers authority and functions to local government. Where local government is elected (as in the *panchayts* in India or *municipios* in Mexico), such reforms are referred to as “democratic decentralization”, and may be assumed to be responsible to all local citizens. However, for this to hold in practice requires effective local democratic representation and accountability of local authorities to the local populace.
- **Devolution** of natural resources to user groups at the local level creates accountability to their membership, usually those who depend on the resource, but these members do not necessarily represent others in the local community, nor society at large. The extent to which these groups (like local governments) are, in practice, accountable to their members or are dominated by the elites will depend on the degree of checks and balances within these groups, and their extent of democratic decision-making.
- **Privatization** reforms are also seen where state resources are transferred to private groups or individuals rather than to some form of public body. Privatization therefore reduces accountability to the public at large.

## Understanding Decentralization Objectives

There has been a wide range of programs related to the forms of decentralization. The objectives are also varied, but include the following:

- delegating administrative functions of the central state to local state agencies, as a means to increase efficiency of government functions including containing central expenditures;
- strengthening participation, rural development, and the maintenance of national unity;
- introduction of direct election at the local level and increased local legislative powers vis-à-vis executive and bureaucratic apparatus as vehicles to strengthen people's participation and empowerment; and
- overcoming the limitations of state capacity to manage natural resources, including reducing the fiscal costs of the state, improving resource management by tapping into users' greater local knowledge of the resource, and empowering local resource users.



**One way to strengthen people's participation is to conduct a direct election at the local level.**

## Decentralization Outcomes

Although decentralization can foster democracy and participation, there are many limits. For example, the limits of financial decentralization in countries affected by regional inequalities, the limits of political decentralization when old political coalitions live on, and the limits of decentralization on policy results when there is a lack of social consensus.

There are many political and economic factors influencing the outcome of decentralization. "Instilling democracy" from the top or from external actors is likely to work only where the preconditions for real democracy are in place, with strong civil society or customary mechanisms for checks and balances. Strong local organizations are needed to take on the additional responsibilities implied in any form of decentralization.

The technical capacity of the body ultimately delivering various services and regulation also plays a key role in shaping the outcomes. The degree of economic and social inequality in each location will also shape whether decentralization will lead to equitable outcomes or a capture of the benefits by local elites.

Decentralization has the potential to empower local people and improve resource management as well as delivery of other poverty reduction programs. However, the outcomes are not always as expected. Attention to the structure and accountability of the local bodies that receive authority, as well as the capacity of the state agencies and local forms of collective action, provides a starting point for more effective local governance.

## **Suggested Readings**

Conyers, D. 1983. *Decentralization and Development: A Review of Literature*. Public Administration and Development 4:187-197.

Meinzen-Dick, R. S. and A. Knox. 2001. *Collective Action, Property Rights, and Devolution of Natural Resource Management: A Conceptual Framework*. In: Meinzen-Dick, R.S., A. Knox and M. Di Gregorio, (eds). 2001. *Collective Action, Property Rights and Devolution of Natural Resource Management: Exchange of Knowledge and Implications for Policy*. Feldafing, Germany: DSE/ZEL.

Ribot, J.C. and A. Larson (eds). 2005. *Decentralization through a Natural Resource Lens: Experience in Africa, Asia and Latin America*. London: Frank Cass.