

# DECENTRALISATION

# CONCEPT

- ⦿ Decentralization refers to dispersion of authority.
- ⦿ According to Allen “Decentralization applies to the systematic delegation of authority in the organisation wide concept.”
- ⦿ In a decentralized structure, a manager enjoys autonomy but at the same time, he is held responsible for the contributions of total facilities put under his control.
- ⦿ Effective delegation of authority is a pre- requisite for the success of decentralisation.

# REASONS

- 1) Size of organisation
- 2) History of the organisation
- 3) Management philosophy
- 4) Availability of managers
- 5) Pattern of planning
- 6) Control techniques
- 7) Decentralized activities
- 8) Rate of change in organisation
- 9) Environmental influences

# TYPES

- Rodinelli (1981) distinguishes between four different categories of decentralization:
  - De-concentration - transfer of power to the local administrative offices of the central government.
  - Delegation – transfer of power to sub-national governments and/para-statuls, other government entities.
  - Devolution - transfer of power to sub-national political entities.
  - Privatization – transfer of power to the private sector.

- Apart from the Rodinelli terminology other types of decentralization are :

1. Political decentralization : involves transfer of policy and legislative powers from central governments to autonomous sub-national assemblies and local councils that have been democratically elected by their respective constituencies.

Benefits:

- Greater voice and choice
- Better allocative efficiency
- Empowerment of people at the grass roots

2. Fiscal decentralization : In order to perform the responsibilities devoted to them, decentralized institutions need appropriate level of fiscal resources to cover the costs of providing public goods and services.
  3. Institutional decentralization – concerned with which formal government institutions are involved in decentralization programme and the development of an appropriate legal framework governing inter- institutional relationships.
- Minis and Rondinelli (1989) proposed another 3 types of decentralization :

- a) Spatial decentralization : process of defusing urban population and activities geographically away from large agglomerations.
- b) Market decentralization : process of creating conditions in which goods and services are provided by market mechanisms rather than by government decisions.
- c) Administrative decentralization : transfer of responsibility for planning, managing and the raising and allocation of resources from the central government and its agencies to field units of government agencies, subordinate units or levels of government agencies, subordinate units or levels of government, semi autonomous public authorities or corporations etc.

# REFERENCES

- ① Principles and practices of management- L M Prasad, Sulthan Chand and Sons Educational publishers.
- ① Decentralization: Institutions, Justice and Social Development in India- P N Sankaran, Serials Publications.

**THANK YOU**