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DECENTRALIZATION THEORY AND PRACTICE: NIGERIA IN PERSPECTIVE

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Abstract: This study examines the theory and practice of decentralization and its effects on Nigeria's development and administrative policies. The main objective of this study is to examine the typologies of decentralization and how its practice has impacted developmental issues in Nigeria. The data for this study were obtained from secondary sources, such as textbooks, journals, magazines, and reports, which form the basis of the review and content analysis. This paper reveals that decentralization leads to more citizen participation in development, social justice, improved economic management, more political inclined and democratic accountability. On the negative side, if not properly monitored, decentralization can fall captive to local elites who may either circumvent the decentralized project or hijack it to satisfy their whims and caprices. This paper recommends, among other things, the mobilization of adequate financial and material resources to local units to enhance the success of decentralization.

Keywords: Decentralization, Development, Devolution, Deconcentration, Delegation

Introduction

Decentralization is a phenomenon actively studied and pursued worldwide. Both advanced and developing countries try to understand the importance of decentralization in their quest for rapid development (McCarney, 1996).Although there is no clear consensus among scholars on the absolute necessity for a decentralized government for a nation's prosperity, a carefully developed and implemented system for the transfer of public responsibilities and economic resources to sub-national governments creates conditions that allow for better provision of public goods and services in a country (McCarney, 1996).

According to Totemeyer (1999), decentralization entails dividing and distributing authority, power, and responsibility for programs and policy implementation to sub-units as well as reassigning decision-making responsibilities to lower governmental units on a geographical or functional basis. This paper's onus of proof is to ascertain the theoretical basis of decentralization and the practice of the concept as it affects a country's developmental strategies. An analysis of the concept, benefits, and problems of decentralization will be emphasized to understand why countries adopt decentralization.

Objectives of the study

This paper examines the theory and practice of decentralization to examine the benefits and problems of decentralization. The study also aims to strike a balance to determine the necessity of decentralization.

Methodology

This paper reviews and analyzes the content of secondary sources of data, such as textbooks, magazines, journals, and reports. This is an empirical review substantiated by information obtained from secondary materials.

Theoretical Framework

The theoretical framework of this paper on decentralization theory and practice is anchored on decision-making theory. The imperative for this theoretical framework lies in its identification of the significance of decision-making in institutions in areas of who to recruit, the procedure to adopt, and guidelines to follow in the transfer of duties to meet the aspirations of the citizens and ensure fairness. The decision-making theory is associated with scholars such as Herbert Simon (1945), Mintzberg (1973), Iyayi (2002), and Miller (2003) in their various studies on how decisions are made in institutions.

An assumption of the decision-making theory is that institutions are rational in making decisions to facilitate growth and effectiveness (Miller. 2003). According to Herbert Simon, a rational decision is a style of behavior appropriated to a given goal within the limit imposed on it. Thus, the decision on who to recruit and what procedure or method to apply to ensure appropriate design to be adapted to fit into the decentralization process remains a crucial decision that Nigeria and developing countries would have to make if they are to achieve their objective of even development. The application of decision-making theory in organizations shows that most decisions are based on some elements of egocentrism rather than altruism (Iyayi, 2002). Egocentric decisions have many political undertones with less rationality and tend to rely more on judgment and negotiation than altruistic decisions that guarantee equality and fairness in the country (Iyayi, 2002).

Decision-making theory is confronted with the fact that identifying and evaluating all possible alternatives before making a decision is almost impossible; hence, decisions are made on the basis of subjective views of a particular problem, time, and resources. Despite these weaknesses, it is imperative to note that the decision-making theory is adopted in this paper because it states the importance of decision-making in an organization as a catalyst in the desire to realize organizational goals, especially in the Decentralization Objective in ensuring equitable distribution of resources in a country. This is because it is right to posit that the success and failure of any institution lies on the decision taken by it.

Literature Review

Decentralization's Meaning, Theory, and Practice

Decentralization refers to the dispersal of the centers of authority and decision-making at various organizational levels. It is equally the systematic and consistent delegation of authority by senior officers to their junior officers in an important method. Merriam-Webster Dictionary (2013) defines decentralization as the process by which the activities of an organization, particularly those related to planning and decision-making are distributed or delegate away from the central, authoritative location or group and given to smaller factions within it. According to Hartzell (2006), decentralization could provide a good training ground for the top manager. It makes better use of the whole man and encourages active co-operation, even though effective top management control over the work done by the middle echelons must be possible. Hartzell (2006) argued that there are definite internal and external forces affecting the extent of decentralization. The internal factors include job size, need for competence, trust in subordinates, boss liberality, work pressure, and time. The most important external factors are government controls, national unionism, and tax policies. He also clarifies that no business of any size or government of any form is completely centralized, as some decisions have to be made on the spot rather than at the center. Thus, it is not a choice between centralization and decentralization but of how much decentralization there should be. The World Bank (2013) defines decentralization as a method of transferring authority and responsibility to major government functions from central to sub-national governments, including local governments, civil society, and the private sector. According to the World Bank Report, the community-driven development and decentralization nexus can empower communities to exert influence over local governance and services. The report further clarifies that the rationale for decentralization in the context of community-driven development includes economic efficiency, public accountability, and empowerment, all of which translate into giving citizens greater voice and choice to influence decisions that affect them, allowing the government to respond dynamically to communities and allocating efficiency by matching local needs and preferences with patterns of public expenditure.

McCarney (1996) asserts that decentralization allows for the re-consideration of local government as more than just a technical or administrative extension of the central government and/or bureaucratic structure but with new autonomous powers and functions. Rondinelli (1983) defined decentralization as the transfer of power, authority, or responsibility for decision-making, planning, management, or resource allocation from the central government to its field units, district administrative units, local governments, regional or functional authorities, semi-autonomous public authorities, parastatals, and private or voluntary organizations. Further, he explains that a government is not decentralized unless the country contains autonomous sub-national governments capable of taking binding decisions in some policy areas. Expo (2008) opines that decentralization is perceived as a means of improving the efficiency and responsiveness of the public sector.

Duncan (2007) provides a broader explanation of decentralization when he summarizes decentralization as a process in which the central government transfers political, fiscal, and administrative power to lower levels in an administrative and territorial hierarchy. Both Permana (2002) and Totemeyer (1999) agree that decentralization entails dividing and distributing authority, power, and responsibility for programs and policy implementation to sub – units as well as re-assigning decision – making responsibilities to lower governmental units. From the foregoing, one can aptly say that decentralization is the transfer of power, authority, and responsibilities (political and/or administrative) from the central government and its agencies to sub-national or subordinate units, field divisions, agencies, corporations, parastatals, private organizations, and governmental and voluntary organizations with the central body exercising some forms of control over the sub-ordinate bodies to enhance efficiency, participation, transparency, and accountability.

Decentralization forms

Rondinelli (1981) distinguished between functional decentralization and area decentralization. Functional Decentralization entails the transfer of authority to perform specific functions or activities to specialized organizations that have nationwide branches. Area Decentralization, on the other hand, involves the transfer of public functions to organizations within well-defined sub–national spatial or political boundaries, such as provinces, districts, municipalities, river basins, or geographical regions.

Another form of decentralization divides it into deconcentration, delegation, and devolution (Rondinelli 1981). Deconcentration refers to the passing down of selective administrative functions to lower levels or sub-national units within central government ministries, such as the transfer of administrative responsibilities and decision - making discretion from the central government or headquarters to the field and/or local administration. This is mostly used in unitary states. This type grants some freedom to field officers to plan, make routine decisions, and adjust to local conditions, although within the guidelines set by the Headquarters.

According to Silverman (1992) and Rondinelli (1981), delegation is the transfer of specific decision-making authority from a higher authority to mainly semi-independent agencies. It includes the transfer of specific authority to public corporations, regional development authorities, special project implementation units, etc. The delegating government has the power to overturn local decisions and can take these powers back at any time. This form of decentralization allows greater discretion in decision-making. Highlighting on Devolution, Silverman (1992) opines that it is the constitutional recognition of the transfer of political and administrative powers and responsibilities to independent sub-national governments. It differs from delegation in the sense that it grants decision-making powers to local authorities and allows them to take full responsibilities without instruction or reference from the central government. This includes financial powers and authority to design and execute local development projects and programs. The essence of devolution is to allow for discretionary authority to the extent that local bodies can decide to do what they want subject only to broad national policy guidelines, their own financial material and human capacities, and their physical environment. Devolution is mostly used in federal states, and it is the strongest form of decentralization because each level of government has its own constitutional powers and separate institutions for performing its functions and activities.

Decentralization Rationale

A synthesis of Fritzen and Lim (2006), Muller Ram (1996), Ozmen (2014), and Nganje (2002) clarifies the need for decentralization:

1. To find a relatively fair distribution of power between the local and central bodies of government and achieve administrative efficiency and optimum use of available financial resources and investments.
2. To enhance co-operative and objective administrative decision-making, leading to increased participation.
3. To bring decision-makers closer to the implementation site.
4. To ensure that investments and resources reach the state's regions and territories, thereby reducing economic and social disparity.
5. Enhance the level of local services and reduce the burden on the central government so that local bodies are considered in strategic political matters.
6. To activate the coordination and integration between different local projects and bodies.
7. To reduce the administrative inflation phenomenon in the central organs.
8. To increase the speed, capacity, and flexibility of decision-making and follow-up results.
9. To make marginalized regions actively exploit their resources to solve the problem of uneven development and disparity.

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Decentralization conditions

Expo (2008) identified the following conditions as necessities for effective decentralization.

1. There must be political will on the part of the central government to abandon part of its planning and development powers in favor of local planning institutions, which must be able to effectively perform their functions and responsibilities.
2. Decentralization must be applied in a comprehensive manner accompanied by financial decentralization to enhance the provision of revenue for local institutions to perform their developmental tasks.
3. The role of civil society and non-governmental institutions should be emphasized in conjunction with the local regional administration.
4. There is a need to build awareness and public culture about the contents and concepts of decentralization and its goals.
5. Local and regional bodies must be provided with qualified scientific cadres that can implement the general objectives of decentralization at the local level.

In addition to the aforementioned conditions, Anwer (2017) identified the ecological factor affecting decentralization in any country. According to him, the relationship between the nature of local administration and the environment and the ability of local units to achieve development goals cannot be overemphasized. For decentralization to work, a direct and positive relationship must exist between the local units and the subsystems, such as population size, cultural values, climatic nature, political factors, and perceived attitudes of the people. Other factors include socio-cultural, democratic, educational, and demographic factors. Anwer (2017) summarizes that all the above factors to a large extent will determine the success or failure of decentralization in the development effort of any country.

The Impact of Decentralization

The practice of decentralization has many benefits and disadvantages judging from its impact on many facets of a country.

On the positive side, Marttinez-Vasquez (2011) explains that fiscal decentralization increases investment in social sectors such as education, urban development, water and sanitation, and health care. This is corroborated by Arzedel Granado and MCNab (2005) and Shelton (2007), who asserted that “strong evidence from panel data shows that fiscal decentralization increases the share of education and health expenditure in total government spending, especially in developing countries".

Decentralization may encourage more collective actions, interactions, and social capital. Tarrow (1994) believes that those who have been exposed to decentralization tend to be more outspoken and trustworthy officials. They work collectively to achieve the overall objectives as they intend to ensure efficiency and performance.

According to Qates (1972), fiscal decentralization seems to increase welfare and government quality because sub-national governments are easier to adapt to satisfy citizens’ preferences. Fiscal decentralization also constrains government misbehavior because it opens up the possibility of inter-jurisdictional competition.

Huther and Shah (1998) found that decentralization is associated with greater citizen participation and improved economic management. From the foregoing, the following benefits of decentralization can be summarized:

1. Decentralization enhances the efficiency of the central government in the sense that field or local staff is given the powers to perform routine tasks that are best performed by them. It also helps to enhance efficiency as top management staff would have more time to plan more carefully and supervise the implementation of development policies and projects more effectively (Rondinelli, 1981).
2. According to Qates (1992), the decentralization of responsibilities to government officials at the local level provides the central government with opportunities to have closer contact with the local population and enhance their knowledge of the problems and needs of the people at the grassroots.
3. Decentralization is equally capable of enhancing political stability and national unity by providing opportunities for diverse groups in different parts of the country to participate more directly in decision-making for development, thereby increasing their stake and commitment to the unity of the country. Tarrow (1994).
4. According to Qates (1992), decentralization also promotes equity in the allocation of government resources and investment by allowing greater representation for various groups, including political, religious, and ethnic groups, in decision-making on development.
5. By transferring greater responsibilities to local governments, field staff, local officials, etc., they would facilitate greater "penetration" of national government policies and programs to remote and/or rural areas whose inhabitants are sometimes insensitive and ignorant of national government plans and where support for these plans is weak. Ngaje (2011).
6. Decentralization can provide “a structure through which activities of various central government, ministries and agencies involved in development could be co-ordinated more effectively with each other and with those of local leaders and non-governmental organizations within various regions” (Rondinelli, 1981).
7. Decentralization would also lead to greater mobilization of local resources for development as the people living at the local government will want to contribute financially and morally in support of developmental activities within their locality, Tarrow (1994).

   Decentralization is not an all-beneficial affair; it also has some negative aspects. The decentralization demerits include:

1. In decentralization, the beneficiaries of decentralized institutions, especially when endowed with significant resources and powers, can fall captive to local elites. Conyers (1983).
2. Another weakness of decentralization is in the areas of resource allocation, resource mobilization, and resource use. Critics of decentralization, such as Ngaje (2011), argue that the central or federal government in developing countries is better equipped to mobilize national resources and deliver results than sub-national governments due to the high caliber of man power that it has. It is also in a better position to tackle IJIs.
3. Nganje (2011) opines that decentralization without adequate monitoring and financial control could spur the tendency for corruption at the sub-national levels, especially when total responsibilities are given to those units to manage funds without emphasis on accountability.
4. Nganje (2017) argued that absolute power could promote the tendency for corruption and dictatorship that may undermine the authority of the higher institution.

Conclusion:

Decentralization refers to the transfer of political and administrative functions and powers from the central government and its agencies to the field divisions of central government agencies, state governments, local governments, public corporations, and private organizations for implementation within their locality. Decentralization can take the form of decentralization, delegation, or devolution. It helps to enhance the efficiency of the central government, enables the central government to have a good knowledge of the problems of the people at the sub-national levels, promotes equity in the allocation of government resources, and promotes effective coordination of the central government's functions or activities. Decentralization is not beneficial in the area of local resource mobilization and utilization because the sub-national governments, especially the local governments, may lack the needed skilled and experienced manpower to effectively handle resource mobilization and utilization. Essentially, despite some of these odds, if properly managed, decentralization could be a veritable tool for development.

Recommendations

1. Proper monitoring bodies should be established by the central government for local or sub-national bodies saddled with the responsibilities of monitoring local projects, especially on financial management. This will reduce the tendency for corruption to a large extent.
2. For sensitive projects and for the need for efficiency, the central government should assist local or sub-national bodies with capable and qualified personnel to handle local projects. This will curb the problems opined by Conyers (1993) that sub-national units lack qualified manpower.
3. To handle local elites who could circumvent the objectives of decentralization, a committee should be set up by the central government to monitor the implementation and raise alarm in case of elite negative intervention, thus, Negating Ngajes (2011) fear of corrupt tendencies among local and sub-national actors.
4. For decentralization to take place, there must be adequate mobilization of human, financial, and material resources to local levels, as opined and agreed by all scholars.
5. Finally, the emphasis must be geared toward the orientation and mobilization of citizens, civil societies, and NGOs to morally and financially support the execution of local projects.

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