

The Regional Forum on Reinventing Government in Asia

**Building Trust in Government: Innovations to
Improve Governance**



**6 - 8 September 2006
Seoul**



Session IV

Decentralisation and Local Governance: *Bringing Governance Closer to People*

Presentation by

Siripurapu K. Rao
Director-General

Administrative Staff College of India
Hyderabad, INDIA

What do we mean by Decentralisation?

Several Dimensions. Examples:

- **Administrative: de-concentration, delegation.**
Principle of Subsidiarity
- **Political: regional, local elected bodies**
- **Fiscal: power to levy taxes, and incur expenditure**
- **Economic and Social: infrastructure, education, health, water**
- **Juridical: settlement of disputes at the local level**

Why is Decentralisation Important in Building Trust in Governance?

- **In a Globalising Market Economy Oriented World, many feel that public sector is taking the back seat, and authority is slipping away from the citizen. The poor feel marginalised. Decentralisation could help reverse that sense of helplessness.**
- **Poor public sector delivery of services affecting the poor – e.g. health, education, water. Decentralisation can help improve design of programmes and local ownership of delivery.**

Why is Decentralisation Important in Building Trust in Governance? (contd)

- **Accountability and transparency in government critical for building trust – but the further the governance agents are, the more difficult it is to know what is happening. Monitoring and evaluation of projects/services easier under decentralised governance.**
- **Decentralisation can help build local assets, critical for attracting entrepreneurship and the spread of economic growth. Spread of benefits builds trust.**

Why is Decentralisation Important in Building Trust in Governance? (contd)

- **Building partnerships with Private Sector and Civil Society can prove easier under decentralized governance.**
- **Decentralisation helps to build local democracy, and adopt inclusive political processes – women, the socially excluded (e.g. tribals, Harijans). Good for conflict resolution, and for making freedoms more sustainable.**

But what are the Risks?

- **Decentralisation could accentuate regional inequalities, as better endowed areas can exploit opportunities better. Need to strike a balance.**
- **Capture of power by elites. Checks are needed.**
- **Loss of synergy that might be inherent in coordinated programmes of action.**
- **Increased complexity of government.**

Decentralisation: What is the Experience?

- **Mixed results but some Good Examples (Kerala in India)**
- **Lack of Political Commitment (e.g. unwillingness to transfer human and financial resources corresponding to transfer of functions), lack of institutional capacities, among others, constraining decentralization.**
- **Relationship between decentralisation and poverty reduction, empowerment of the poor, greater gender equality, etc needs to be studied more closely.**
- **Country specific studies are of great importance.**