

# **Administrative Decentralisation: Theory and Bangladesh Case**

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**Abstract :** Decentralisation is a familiar term. There are a number of justifications as to why decentralisation is preferred over centralisation. A decentralized system provides better service to the customers and enables capacity building at the local level. Participation is also enhanced in the decentralized set-up. There are four major forms of decentralisation. These are deconcentration, delegation, devolution and privatization. Deconcentration and delegation are included within the purview of administrative decentralisation. Evaluating the quality of decentralisation has been a key concern of policy makers and academics alike for quite sometime. Two practitioners have come up with a schema that judges the quality of decentralisation in a country as a function of three crucial variables, i.e., scope, intensity and commitment. The state of administrative decentralisation in Bangladesh is not satisfactory. Departments/directorates/corporations have little operational freedom. Ministries/divisions control functional activities of departments/directorates. Administrative and financial powers of departments/directorates/corporations are severely circumscribed leaving them under the mercy of concerned ministries/divisions.

## **Introduction**

Decentralisation is a widely used concept. The utility of the concept can be understood for its importance to both scholars and practitioners alike. Decentralisation is considered to be closely linked with such concepts as democracy and development. It is widely held that decentralisation facilitates democratic governance system specially at the local level and creates avenues for participation of the masses in the process of development. Participation is one of the key themes that runs through decentralisation.

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In this paper the intention is to review the concept of administrative decentralisation and to analyze the experiences of Bangladesh in this regard. Additionally, some new ideas are introduced as to how one measures the quality of decentralisation.

### **Why Decentralisation?**

A question may be raised as to why a country will opt for a decentralized system. What benefits can be obtained from such a system? From experiences worldwide the following justifications of decentralisation is provided.

First, failure of centralized planning and management in achieving desired national goals in many countries compelled them to look for a different kind of alternative (Rondinelli 1992: 100).

Second, in highly stratified societies meeting the needs of the poorest of the poor is a difficult task. Decentralisation provides an avenue through which benefits of development can reach the poor. In the long run with the institutionalization of a decentralized system disparities between the poor and the rich in terms of wealth and income may decrease.

Third, it is usually argued that a decentralized system provides better service to the clientele and improves access to administrative bodies at reduced costs (Smith 1993:8).

Fourth, a decentralized system frees the central government and agencies from undertaking tasks and responsibilities, which could be performed efficiently and effectively at local level (Smith 1993:8).

Fifth, participation is a key ingredient of a decentralized system. Participation among other things raises

consciousness about society and people and enhances political maturity (Smith 1993:8).

### **Types of Decentralisation**

There is a broad agreement about four basic types of decentralisation. These are: deconcentration, delegation, devolution and privatization.

Deconcentration denotes transfer or handing over of some administrative authority or responsibility to the lower levels within central agencies. It entails shifting of workload from central government ministry or agency headquarters to its own field staff located in offices outside the national capital, without transferring to them the authority to make decision or to exercise discretion in carrying them out (Rondinelli and Cheema 1983).

Delegation involves transfer of broad authority to plan and implement decisions concerning a specific function or a variety of functions to organizations that are not under the direct control of central government ministries. Usually functions and responsibilities are delegated by the central government ministry to such organizations as public corporations, regional planning and development authorities.

Devolution by universal acclaim is the most important form of decentralisation. Devolution involves transfer of power from the central government to legally incorporated local governments. In this form a broad range of powers-political, administrative and financial-are legally conferred to local government institutions.

Privatization involves transfer or responsibility for public services and utilities from the state to private and voluntary organizations (Siddiquee 1997:30).

Of the four forms of decentralisation, deconcentration and delegation fall within the ambit of administrative decentralisation with central government retaining ultimate authority. The focus of the paper is on administrative decentralisation. On the other hand, the other two forms of decentralisation devolution and privatization involve significant and strategic decision at top political level and shedding of considerable authority and power by the central government and hence included within the purview of political decentralisation. But we shall not further elaborate upon this discussion.

For the purpose of the paper a widely accepted definition of decentralisation is adopted.

Decentralisation can be defined as the transfer of responsibility for planning, management and resource raising and allocation from the central government and its agencies to: (a) field units of central government ministries or agencies, (b) subordinate units or levels of government, (c) semi-autonomous public corporations or corporations, (d) area wide, regional or functional authorities, or (e) non-governmental private or voluntary organizations (Rondinelli, Nellis, Cheema 1984:9)

### **Quality of Decentralisation**

Results of evaluation of decentralisation in many developing countries are at best mixed. One of the major reasons for such a situation is that there is low correlation between "formal" decentralisation and successfully implemented decentralisation (Vengroff and Salem 1992:475). Decentralisation programmes in most of the countries primarily involve deconcentration and delegation.

It needs to be admitted at the outset that there are no universally agreed criteria for evaluating the quality of decentralisation. Vengroff and Salem, on the basis of exhaustive review of relevant literature and many years' experience working in decentralisation programmes in many parts of the world, have come up with a scheme to judge the relative quality of decentralisation of a country (D) can be judged as a function of three important factors: (1) scope (S); (2) intensity (I); and (3) commitment (C).

So the formula is  $D = f(S, I, C)$

**Scope** refers to the coverage of the programme of decentralisation. A question may be raised in this regard. Does the programme have truly national implication or is it very limited/localized in terms of intended application?

Scope can be measured keeping in view three variables. These are geographical coverage, population and substantive areas of concern.

- (i) **Geographical** coverage seeks to find out whether the decentralisation programme applies to the entire territory of the country or to a particular area.
- (ii) **Population** variable attempts to discuss whether all population of a particular country is involved in the decentralisation programme or it is restricted to particular groups. Extent of popular participation by all adult population is also considered.
- (iii) **Substantive Areas of Concern** looks at breadth of the subject matter that can be addressed by decentralized levels or units. Issues important here are whether central government strictly defines services and activities of decentralized units and the nature of issues; i.e. narrow

or broad the latter can address. In cases of all three variables, the greater the level, the more significant the degree of decentralisation.

**Intensity** refers to levels of the civil service and the country's finance, which are formally involved. What levels of the civil service have been successfully penetrated by some form of decentralisation or are directly involved in the decentralisation design and implementation of policy? This can be measured by the following variables:

(i) **Type of Decentralisation.** What is obvious is that the less direct state control exercised and the greater the independence of the localities, the greater the intensity.

(ii) **Personnel Coverage.** What percentage of the civil service falls under the programme of decentralisation and what is the relative size of the group that remains under total centralized administration and control?

(iii) **Budgetary Implications.** What percentage of the nation's budgetary allocations is for lower (decentralized) levels of government/administration?

It is assumed that as budgetary implications, personnel coverage and profoundness (size) of decentralisation increase, the level of accountability is enhanced and quality of governance increases.

**Commitment** refers to the level and quality of support for decentralisation by the central government and its top policy makers and the degree to which that support manifests itself at various levels of administration/government. Commitment can be operationalized with reference to a number of variables as indicated below:

(i) **Legal Structure** means formal specification of authority through the creation of appropriate legal mechanisms that establish and define local units and permit decentralized management to be implemented.

(ii) **Endurance** implies longevity of decentralized management.

(iii) **Personnel Quality** refers to the quality and level of personnel in the civil service seconded or posted to the lower levels of government.

(iv) **Finance** means whether adequate means for local finance been set aside for levels of administration/ government either at the national level or through responsibility and control over local taxes.

(v) **Elected Officials** include assessment of the quality officials at the local level, their level of experience and education.

(vi) **Official Endorsement** means top officials of the government both elected and appreciated/career formally endorsed decentralisation in terms of how often, in what contexts and at what levels.

(vii) **Participation** implies that there are regular opportunities for popular participation in the process of local policy making, implementation and evaluation.

### **Administrative Decentralisation: The Bangladesh Case**

A number of public organizations in Bangladesh are involved in policy guidance, policy formulation, policy implementation and developmental activities. All these affect one way or another the lives of citizens. These organizations

include ministries/divisions, departments/directorates, autonomous bodies/semi-autonomous bodies/corporations. Compared to Pakistan days the size of departments/directorates/corporations has grown as well as new departments/directorates/corporations have come into being. According to one estimate there were 230 departments/directorates/subordinate offices and 154 autonomous bodies/corporations in 1994 (Ministry of Establishment 1994). Another estimate of 1992 shows that in 224 departments/directorates 6,49,341 individuals were working against the number of sanctioned posts of 7,12,412. At the same time in 145 autonomous bodies/corporations 2,89,007 worked against 3,33,927 sanctioned posts. Also at the sametime in 48 ministries/ divisions 8,401 were employed against 9,169 sanctioned posts (Ministry of Establishment 1992).

The importance of departments/directorates/corporations can be gauged from the fact that these bodies are implementing government-initiated programmes in such areas as poverty alleviation, population control, achieving self-reliance in food production, maintaining law and order. Every year through 150 departments/directorates/corporations Taka 10,000 to Taka 12,000 crores are being spent in the public sector in implementing developmental activities. These bodies are also ensuring physical and financial progress of these developmental projects.

At present there are 35 ministries, 50 divisions, 221 departments, 131 directorates and autonomous bodies and 153 state-owned enterprise (World Bank 1996). There is no division between a ministry and a division except a ministry may be constituted with one or more divisions and headed by a cabinet minister. Structurally, a ministry/division is



divided into wings, branches and sections in order to ensure disposal of its business (Ahmed and Khan 1990:23).

Department and directorates provide executive direction in the implementation of policies laid down by ministries/divisions, act as repository of technical information and advise ministries/divisions on technical matters. Compared to a directorate a department is a bigger unit and headed by a director-general. A directorate, on the other hand, is headed by a director. A subordinate office is a territorial unit of a department and acts as its field establishment. Public corporations/autonomous/ semi-autonomous bodies are set up under law to perform certain specialized public functions or to implement specific development projects and tasks (Ahmed and Khan 1990:24)

**Roles and Responsibilities of Ministries/ Divisions.** Roles and responsibilities of a ministry/division are: (I) policy formulation, (ii) planning, (iii) evaluation of execution of plans, (iv) legislative measures, (v) assisting the minister in the discharge of his/her responsibilities to the parliament, (vi) personnel management at the top level, i.e. officers not below the rank of member/director in cases of public corporations and officers not below the level of NPS-V in cases of departments and subordinate offices, and (vii) any other matter as may be determined by the prime minister from time to time (Rules of Business 1996:3).

**Responsibilities of Departments / Directorates.** A letter issued by the Establishment Division directed all concerned to adhere to a memo dated 5 January 1960 of the Establishment Division of the then Pakistan government. The memo delineated powers to be enjoyed by heads of departments. In that memo heads of department have been

given specific authority over class 1 officers working in the departments (excepting first appointment and discipline), classes, II, III and IV officers and employees appointment, posting, transfer, increment, disciplinary and appeal matters (Ministry of Establishment 1976).

**Functions and Responsibilities of Corporations.** Corporations have the authority to smoothly perform their day-to-day responsibilities. Once the budget is approved, corporations are free to manage their finance. The operational freedom of corporations is supposed to be respected by the ministries (Report of PAES, Vol. 4, 1989:15).

## **Realities of Administrative Decentralisation**

### *Ministry-Department Relationship*

The discussion that follows will indicate that extent of power and responsibilities transferred from the ministry / division to department/directorate and autonomous bodies / corporation is rather limited.

Two reform/reorganization bodies-one appointed by the government and the other approved by it and funded by the USAID undertook extensive research and came up with some interesting observations about the realities of ministry/division and department/directorate and corporation relationship.

One of the four working groups of the Public Administration Efficiency Study (PAES) on Ministry-Department Relationship studied six ministries, i.e., Agriculture, Commerce, Establishment, Finance, Industries and Planning and eighteen departments/directorates under them. The PAES working group found: (a) major constraint

on effective departmental operations and the most important reason for delays in departmental activities was due to a lack of adequate delegation of authority over personnel and financial matters; (b) in many cases departments had to put up cases to the ministries for decisions when these involved routine, non-policy decisions which they should have been able to decide (Report of PAES, Vol. 3, 1989:8).

The Administrative Reorganization Committee (ARC) composed of senior will civil servants and headed by a distinguished civil servant submitted its report in 1996. The Committee utilized a number of variables like the activities of ministries/divisions, departments and corporations, method of decision making and decision making power, mutual relationship, accountability and transparency in surveys it conducted to discern actual activities of three departments and one corporation. Also ARC reviewed the activities of 224 public organizations for rationalization. The findings of the Committee in regard to administrative decentralisation is as follows (Report of ARC: Letter of Transmittal 1996):

- (a) Very little policy direction/guidance is received from ministries /divisions. Rather all functional or implementational activities of departments/directorates are controlled by concerned ministries/divisions resulting in centralization of power in the latter and adverse impact of it on the former.
- (b) Everything including small matters is sent by departments/directorates to ministries/divisions as proposals for decisions. This allows, on the one hand, departments/directorates to avoid their responsibilities and the heads of those bodies cannot be held accountable as they are not given powers of decision making and implementation on the other.

- (c) Officials in ministries/divisions who are neither experts nor possess technical knowledge examine technical proposals received from departments/directorates.
- (d) Proposals from departments/directorates are received at lower levels ministries/divisions and then pass on to successive higher levels for decisions. This practice allows opening of files at both ends at lower levels and contributes to recruitment of additional staff.
- (e) Proposals of heads departments/directorates are examined by officials two levels junior than them in the ministries/divisions. This practice is widely disliked by officials in departments/directorates.
- (f) The practice of lower level officials in ministries / divisions to send directives and issue repeated reminders continues. This unnecessary interference results in the extra work for departments/directorates. Another consequence of this practice is that officials/staff of these bodies remain preoccupied with less important matters and spend more energy and resources on these rather than concentrate on more important matters.
- (g) In reality most heads of departments/directorates have no authority to post class 1 officers, issue order relating their crossing of efficiency to bar and approval of their earned leave. The heads power of transfer is limited to officials of the 9th grade. Officials of departments/directorates are very much dependent on concerned ministry/division for their posting, transfer and leave and compelled to spend lot of time pursuing these matters.
- (h) Though scope of developmental activities has increased compared to the past the financial powers of departments/directorates have decreased to a considerable

extent. An order of the Ministry of Finance of 12 April 1994 reduced the financial powers of heads of departments/directorates in area of works and goods from taka 5 crore to taka 2 crore.

- (i) The power of appointment of all project-related class 1 officials including those of the project directors is with the ministry/division while the responsibility of the project lies with the department/directorates. The adverse impact of this situation on the quality of the project and the project personnel is substantial.
- (j) For purchase of equipment and vehicles heads of departments/directorates have to seek prior approval of the concerned minister even if these are in line with existing rules and included in approved organization table and in spite of their inclusion in the budget.

### *Ministry-Corporation Relationship*

Corporations do not enjoy significant degree of transferred power. In this regard the comments of ARC is pertinent. According to ARC, review of administrative and financial powers of corporations show that in cases of purchase of vehicles and equipments and acquisition of land like departments/directorates, they have also to seek approval of the concerned ministry/division (Report of ARC: Transmittal Letter 1996). The ARC further observes that power of approval of budget, structure and list of equipments, bonus of companies within corporations is vested with relevant ministry/division (Report of ARC: Letter of Transmittal 1996). Also power of the chairman and that of the board of a corporation is minimal in terms of works and goods and appointment of foreign and local consultants.

## Conclusion

The state of administrative decentralisation in Bangladesh is fraught with problems. It would appear from theoretical exposition made earlier that departments/directorates and corporations have been denied of the authority and responsibility given to them through appropriate legal mechanisms. Consequently, administrative and financial powers exercised by them are inadequate compared to the tasks that they have to perform. At the same time they are held accountable for their failures when they have little opportunity to be successful.

Judging by the schema introduced earlier in the paper it is difficult to be optimistic about the prospect of administrative decentralisation in the country. This is indeed a sad commentary in view of the present government's sincere effort to institutionalize local governance system promised on devolution from grassroots to subnational levels.

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