

Decentralization and Local Autonomy: A Framework for Assessing Progress

ROMEO B. OCAMPO*

In light of the dangers posed by centralism, decentralization was initiated with the hope of furthering development especially in the local units. Decentralization aims to bring decisionmaking closer to the people and to deconcentrate benefits from the elite to the masses among others. Local autonomy has currently become the focal point in the decentralization process. However, there is still a need to further clarify the concept to reap more satisfying results. This article provides a framework to assess and evaluate the progress of and problems concomitant with decentralization and local autonomy.

Introduction

This paper outlines a conceptual and theoretical framework for describing and evaluating processes and policies of decentralization and local autonomy. The frameworks existing in Philippine literature and policy documents have been piecemeal and partial, overlooking important normative and empirical elements and aspects of the processes involved and resulting in misconceptions of policies.

For example, while the typical modes of decentralization are well known, the concept of "local autonomy" has remained unclear. We need to analyze this concept in behavioral terms to generate operational criteria and standards by which to evaluate the degree of decentralization achieved. Similarly, beyond or corollary to greater local autonomy, the broader objectives and values of decentralization — such as those of efficiency, democracy, and equity — have not been adequately spelled out, although they are often implicit in existing and proposed policies.

Consequently, views about the intermediate goals and end-results of decentralization may be hazy, short-sighted, or even distorted. For example, there seems to be the notion that the national government's responsibility for the process ends with the achievement of local autonomy and that, in the name of decentralization, it may sacrifice certain hard-won national policies and standards that should apply nationwide, such as those of the minimum wage and agrarian reform.

*Professor and Dean, College of Public Administration, University of the Philippines.

There is more to be said about decentralization and local autonomy to provide sound guides to both national and local policies. But as long as the central government wishes to maintain a national political framework, it should retain its responsibility and authority to pursue national objectives, including those associated with local autonomy.

Basic Processes of Organization

Decentralization and local autonomy may be better understood against the opposite tendency of centralization. Excessive centralization—"centralism" for short—is by definition bad for any organism or organization. But centralization is normal and advantageous up to a point as explained later on.

According to general systems theory (Bertalanffy 1968; Capra 1982:265-304), there is a natural and strong tendency toward progressive centralization in complex open systems, i.e., living entities that draw sustenance from and interact with their environment. Centralization is an integral feature of the process of organization itself. The more energy, information, and other inputs are taken in by an entity over time, the higher its level of organization in terms of specialization of functions, differentiation of structure, and interdependence of parts; and therefore, the greater its need as well as capacity for hierarchical order, central coordination, "planning intelligence," and decisionmaking.

These evolutionary developments enable an organization to sustain itself, grow, and adapt to changing environmental conditions. Although individual organizations may mature and die, the processes of growth in size, complexity, and centrality enable them to perpetuate their kind through reproduction at increasingly higher levels of organization. In systems terms, dying is merely "super repair" to replace aging individual members of the species.

Decentralization is also a natural tendency that may occur with centralization, simultaneously or alternately. Decentralization may be regenerative, as when it occurs internally in order to sort out the functions and parts of an organization to form a better-performing whole. Or it may be degenerative, when an organization simply breaks down into dead (or dying) parts; according to the second law of thermodynamics, an isolated and closed system eventually tends toward entropy or disorder (i.e., completely random order).

Over longer evolutionary periods, however, death may merely give way to birth (or rebirth) in a sustained cycle. Whether or not this is a regenerative "super repair," however, is an unsettled question among humans. When a nation-state spawns smaller copies of itself (i.e., through federalization), this degree and form of decentralization may be tolerable to the central authorities and the nation. But

when the offspring are born at the expense of the mother (secession, independence), it may be something else again.

Among human organizations, the tendency toward centralization may have been so reinforced by cultural factors (e.g., greed for power and wealth) as well as rational considerations (advantages of large size) that it takes equally value-oriented and willful effort to bring about the opposite process. While centralization has its advantages, however, it can go to "dysfunctional" extremes, while decentralization may be brought about or helped along by other centrifugal forces in the environment.

In the following sections, we will discuss centralization and decentralization in terms of human institutions, particularly governmental institutions in the Philippines, so that concepts applicable to them, such as "authority" and "responsibility," will be used.

Meaning of Centralization

More precisely, centralization means that the authority, responsibility, and ability to perform the basic functions of an organization are concentrated in a central governing unit, i.e., the functions to represent the organization; determine its goals; make decisions and take actions in its behalf; generate, allocate, and use resources to implement its choices; evaluate the organization's performance; and appropriate its benefits or results.

Operationally, these elements may be sufficiently concentrated in, say, the central government of a country so that it can command and control the behavior of its field units and local governments by setting limits on or dictating their goals, directing or otherwise guiding their decisions and actions, substituting its own judgment for theirs through prior or post-hoc approval or by its own direct action, monitoring and evaluating their performance, instituting corrective measures, and imposing sanctions for local deviations from central guidelines.

The responsibility, authority, and ability to perform certain functions, however, may be shared with local units along with the necessary resources. The latter may be given the role of serving as implementors of central decisions, providers of certain products and services, collectors of local taxes and fees, and defenders of their parts of the national border. But the central government may retain the final authority at crucial points.

Centralization may be justified as necessary for defining a comprehensive and coherent framework of goals and norms for the government and nation as a whole and ensuring the consistency or compatibility of local activities with that

framework. It may be needed not only to coordinate local decisions and actions, but also to aggregate and distribute resources and capacities and to focus them according to national standards and priorities that transcend those of local units. Foreign relations, environmental standards, human rights, and social justice may thus be considered typically beyond the competence of local units to undertake without central guidance and assistance.

Decentralization itself may require a certain degree of centralization to be put into effect, because the former usually entails a redistribution of powers, responsibilities, and resources that is likely to be resisted by those who lose in the process.

Centralism

Centralization may be said to have exceeded its functional or "working" limits when it leaves local units very few degrees of freedom. In this case, goals, targets, and priorities are promulgated by the central or national government (CG) in a "top-down" fashion, with little opportunity for local contribution to their formulation, let alone their determination. The CG puts a premium on strict instead of liberal interpretation of local powers, requires prior clearance of local decisions, closely supervises local performance, and penalizes departures from central norms. In order to ensure goal-achievement, it may even preempt implementation as well as policymaking and planning roles and corner the resources necessary to perform them.

Under a centralist regime, of course, there is hardly, if any, local autonomy. Central control stifles any initiative, discretion, or self-reliance that local units (LUs) may want to exercise. LUs may not be aware of their "selves" to begin with, their identity having been suppressed by the dominance or primacy of the CG. Most of the powers and resources as well as responsibilities may be concentrated at the center and top, physically as well as organizationally speaking. Although there may be local governments and field units of national agencies, they are underendowed in many vital respects, and look to the CG for sustenance and support.

Eventually, these conditions will work against the whole system. Centralism will overload the CG with unessential tasks, hierarchical overgrowth, and unnecessary resources. Staff and line units are likely to proliferate near the top. By the sheer volume and complexity of the functions that they have to perform or direct, the central authorities' ability to make sound decisions and to command and control LU actions will be impaired. The information they get may be fragmented and distorted by crowded and convoluted communication channels, their decisions delayed or derailed by confused lines of command, and implementing

actions may lag far behind and become incongruent with changing environmental conditions.

By its own centripetal force, the CG may experience a process of "involution," curling into a shell and losing touch with its environment and critical changes in it. Since the LUs are highly dependent on the CG, they would also become vulnerable to ecological disasters—unless they are somehow able to assume some measure of *de facto* autonomy by default of the CG.

Related to these considerations are the infractions of certain values, such as those discussed below, through the overconcentration of powers.

Motives and Objectives of Decentralization

In view of the dangers of centralism, the central government itself may seriously consider decentralization measures. These will be taken if only to relieve the CG of tasks unessential to its functions, distorted information, and other obstacles to its effective performance. More positively, functions and structures will be systematically rearranged, so that local as well as higher-level units are strengthened to enable them to perform their assigned functions better in terms of the whole system's sustenance, goal-achievement, and maintenance of existing norms or development of new ones.

Decentralization may thus be directed at a range of values and goals, of which local autonomy is a crucial but only intermediate one. As suggested earlier, efficiency (i.e., effectiveness in goal-achievement plus economy in the use of resources) is a common aim of both public and private institutions. Decentralization contributes to efficiency by locating decisions closer to the scene of action, where standard national policies can be better suited to potentially peculiar and changing conditions. Decentralization takes advantage of more precise, case-wise, and current knowledge, adaptive skills, and the smaller, human scale of local institutions and communities in dealing with their problems. On the other hand, centralization contributes to efficiency by taking advantage of larger scale and external economies, more system-wide knowledge, and highly specialized innovations for dealing with problems that transcend the capacities or boundaries of individual local units.

Political and social values such as democracy, liberty, and equality (or "equity") are also important—and indeed, may be overarching—aims of decentralization, and may apply to private as well as public institutions and communities. Decentralization contributes to such norms by taking local opinions as well as information into better account in decisionmaking, giving more authority and freedom as well as "voice" to local institutions and communities, and extending to

their members the opportunities to participate in or "exit" from governance, development, and their benefits (Hirschman 1963).

For its part, centralization contributes to the same values by affirming the supremacy of larger, national majorities; establishing minimum nationwide standards for power-sharing, freedom, and well-being; and, in pursuance of such standards, using central authority to ensure equitable distribution of resources and benefits within and across local units.

For each claim of decentralization, therefore, there may be a valid counterclaim for some degree of centralization. The two processes would have to be balanced in some optimum combination. As already suggested, however, the CG would have to retain and even strengthen its central functions if only to direct and guide the decentralization process toward its deeper and broader values and goals.

Local Autonomy: New Roles

Local autonomy, however, remains a focal point in the decentralization process. Viewed generally as the enhanced freedom of the peripheral units of an organization or system, local autonomy entails interrelated processes that need to be more precisely or operationally defined. Decentralization itself, whether initiated by the CG or forced upon it by centrifugal tendencies, is one precedent or correlative condition of local autonomy.

Another requisite condition is the shifting roles of the local units themselves from passive objects to active subjects of decentralization. To start with, their identities may need to be developed and expressed from the obscurity that a centralist regime may have imposed. Where the CG had only vestigial administrative extensions into the field, it may have to set up new ones and build them up into microcosmic copies of themselves, such as the "department model" regional offices which national agencies have developed. Local government units and communities, like government corporations, may have no formal identity problems; yet theirs may be merely place-names under an overbearing centralist regime. Increasing their self-awareness may remain a crucial first step.

Then, the roles of LUs may be reshaped or may evolve from being merely followers, supporters, or implementors of central mandates, to participants, partners, leaders, or self-propelling local institutions and communities. That is, they may be required, encouraged, or allowed to shift gears in terms of the following functions:

Direction of greater local autonomy ———>

- | | |
|---|--|
| 1) Serve more actively as agents of the CG | Assert and serve their own identities and interests |
| 2) Perform more functions for the CG | Determine and perform their own functions, including CG-like functions |
| 3) Help articulate the CG's goals; translate them into local ones | Ratify the CG's goals; adopt and implement their own |
| 4) Get more resources from the CG; untied grants | Generate, allocate, and use more of their own resources |
| 5) Get more technical aid from the CG for local problem-solving | Develop their own strategies for solving both common and unique problems |

With increased autonomy, field units and local government serve more actively as extensions of the CG. Better still, they assert their own identities and interests as individuals which are unique and diverse in important respects such as location, natural endowments and culture. They are then given or assume more "frontline" functions for the central government or new functions of their own choosing, including the production of new goods and services and the performance of central-like functions at their levels (e.g., planning, evaluation, and control). The latter could extend to the policymaking functions of formulating, ratifying, and adopting goals, not only of the CG, but also of their own.

Crucially, local autonomy would also mean that they can immediately implement what they can adopt. By the same token, they can get more resources from the CG, preferably untied block grants, and/or create and directly use resources of their own. Likewise, rather than depending mostly on training and technical assistance from the CG, they develop their own repertoire of solutions, not only to peculiar local problems, but also to problems common to local institutions and communities which are normally subject to centrally prescribed, standard solutions.

Autonomous Behavior

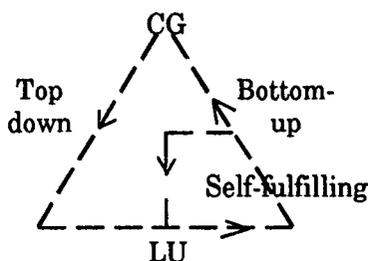
So far, local autonomy has been described in the usual way, as the result of decentralization from the top. Local autonomy is "given or granted," and LUs are

“required, encouraged, or allowed” by the CG to be or to do something. Once set in motion, however, LUs may become increasingly assertive, self-serving, and self-propelling. In order to provide operational criteria and standards by which local autonomy may be “indicated” and measured, it may be meaningful to summarize and characterize autonomous attributes and attitudes in behavioral terms, as follows:

- 1) Self-determining in terms of goals and functions;
- 2) Exercising initiative, leadership, and discretion in decisionmaking and action;
- 3) Self-reliant in resources and strategies;
- 4) Open to local participants; and
- 5) Responsive and accountable to local constituents.

To begin with, rather than being exclusively or primarily oriented to the interests of the CG or the nation as a whole, autonomous LUs at least attend as well to their own concerns. These are expressed in the goals and priorities set by the LUs themselves. They may still plan within a framework set by the CG, but planning is no longer exclusively “top-down;” nor does it end up being merely “bottom-up” to contribute to or satisfy higher-level plans and planners. Rather, local planning is oriented primarily to local adoption and implementation, though perhaps still part of a larger top-down and bottom-up cycle, as depicted below.

Figure 1. Decentralized Planning Cycles



Perhaps the most telling indicators of autonomous behavior are the initiative, leadership, and discretion exercised by the LUs in taking their decisions and actions. These express greater freedom from central control, but they may be asserted in spite of central controls and sanctions. Instead of waiting for central directives, playing subordinate or minor roles, and huing closely to central norms, local governments, for example, may take the lead in defining and solving their own problems and even venture to depart from central goals and priorities at the risk of being found *ultra vires*. This freedom may be tolerated in exchange for

greater local self-reliance in creating, tapping, and paying for resources and in devising solutions to local problems.

On the other hand, where it may have been an impervious tentacle of the CG before, the autonomous local institution is more open to participation by the local community and its members and more sensitive to its immediate environment. Likewise, where it is used to dance attendance to the wishes of the CG, it is now more attentive and responsive to local community demands and needs. Finally, it feels more accountable to its local constituents and responsible for promoting their welfare, according to their criteria and standards, then to the central authorities and their norms.

**Elements of Decentralization:
Discontinuities and Gaps**

Decentralization may begin with broad political and social movements aiming to wrest power from the center. More usually, as shown in earlier sections, it is conceived as being a top-down, center-periphery process initiated by the center itself, and there are good reasons for maintaining some central guidance for decentralization. Other factors external to the governmental and social system, however, may help determine its effectiveness in achieving local autonomy and other goals.

Decentralization entails the diffusion of authority, responsibility, and ability along with the resources needed to realize and effect the process. Authority is crucial, being applicable to other elements, but responsibility helps justify the diffusion (or concentration) of authority, while ability when enhanced helps realize and effectuate both, and resources fuel the transformations involved.

Ideally, therefore, these elements should go together in the same direction, but they are separable and in practice may be given separately and piecemeal. They may be summarized in the form of a matrix, as follows:

Table 1. Elements of Decentralization

<i>Basic Elements</i>	<i>Domains</i>		
	<i>Goals</i>	<i>Functions</i>	<i>Resources</i>
Responsibility	x	x	
Authority		x	x
Ability	x		

The fuller the matrix cells, the better for decentralization and local autonomy. As shown by the x's, a local unit may be given responsibility for goal-determination and the performance of more functions. It may be given authority over function-performance and resources. But it may have no commensurate authority for goal-determination, and no responsibility commensurate to its authority over resources. It may have some ability to perform its assigned functions, but its authority over resources may not extend to allocations that it needs to enhance its ability (e.g., allocations for securing technical aid and training).

Alternatively, local governments may have broad *responsibilities* and *powers* over all three domains. Yet these may remain empty paper provisions without the training, technical assistance, and real resource endowments needed to boost local *abilities* for autonomous behavior.

Aside from the possible occurrence of such gaps, the process of decentralization may bring with it some traps, as shown in the following section.

Modes and Pitfalls

Decentralization in a governmental context may proceed in this logical sequence:

- 1) Organizational and physical deconcentration—i.e., creation of field units for central agencies; deployment of more personnel to field stations; the elaboration and integration of their functions and structures into multifunctional microcosms of their parent agencies (department model vs. bureau model field organization);
- 2) Administrative delegation—i.e., the lending of central authority, responsibility, and resources for exercising administrative and substantive functions to subordinate units in the center and in the field; delegation farther down, more permanent transfers, inclusion of central-type functions; consultations with, representation, and participation of client sectors;
- 3) Political devolution—more permanent and intergovernmental transfers, from national to local governments, of political as well as administrative and technical functions, particularly leader-selection, policymaking, and resource-generation; rounding out of local governments into multipurpose, multifunctional institutions answerable to the local community as a whole and not just to sectors or segments of it; devolution down to the grassroots;
- 4) Popular privatization—delegation and transfers of governmental production and provision functions and resources to private business,

nongovernmental organizations (NGOs), and people organizations (POs), progressively down the line to beneficiaries and citizens.

These modalities are fairly well known and will not be further defined here, though their component variables and indicators deserve specification (e.g., with respect to the types and relative weights of "administrative" and "substantive" delegations). Instead, we proceed to point out some of the problems that could arise.

As in the case of the basic elements and domains of decentralization, these modes and stages may be combined in cumulative packages, but they are also separable and may be incremental in actual application and progress. Rather than follow the progressive sequence above, they may also occur in fits and false starts and need not complement each other.

The progress of mode A may be halted by the simultaneous proliferation of line and staff units and offices in the center, and by B-type delegations that get bottled up only in subordinate but still central units or positions. The multiplication of the number of undersecretaries and assistant secretaries in the national departments, for example, may have deterred their ostensible push for administrative decentralization to their regional, provincial, and municipal (not to mention barangay) units. The fact that no standard patterns of organization have been adopted for the departments has not helped the decentralization process because their structures and procedures have been confusing to those in the field.

Eventually, if such bottlenecks are removed, modes A and B may be complementary, but this pair may replace and compete with, rather than complement, modes C and D. National field units may become so deeply rooted and powerful in their jurisdictions that they can effectively resist devolution and privatization. Similarly, devolution (C) may so strengthen local institutions that they may resist privatization (D). Within D itself, organized businesses and NGOs may refuse to share power and resources with people-oriented associations in the local community and PO leaders may dominate their members.

The greatest danger is when decentralization does bring more local autonomy but this falls into the hands of leaders and groups who are not committed to their basic values and goals. For example, local, regional, and even national oligarchs, plutocrats, and private armies may simply take over local institutions and groups to advance their sectional interests and maintain their local hegemony. Then one cannot expect local autonomy to contribute to liberty, democracy, or equity within the community or in the nation, and local institutions may become more efficient only for promoting dubious purposes and values. Indeed, they may use autonomy only to defeat national policies which should be observed by all, such as those

pertaining to human rights, agrarian reform, and others that require a central government to institute and enforce on a nationwide basis.

Central Remedies

In order to avoid such pitfalls, the central government would have to adopt complementary measures. These include:

- 1) Determining which kinds of national policies and standards should be observed as a minimum requirement by all local as well as national institutions and communities. These may include those policies amenable to minimum political and economic standards, i.e., for which a "floor" can be set for the entire nation, while allowing for as much social variations and cultural diversity as are compatible with those standards.
- 2) Defining the criteria and standards by which the basic values and goals of decentralization and local autonomy can be specified, evaluated, and if possible measured. Much of this paper has been devoted to outlining such criteria. Ideally, in these definitions, local autonomy should not only be compatible or consistent with, but also promotive of, those values.
- 3) Instituting other policy reforms that would support decentralization and local autonomy objectives, especially in the enforcement of accountability to local communities. These would include the systems of referendum, initiative, and recall, and the ban against political dynasties, already enconced in the Constitution. The reforms should also provide for mechanisms by which local communities can regularly monitor and evaluate the performance of local institutions and groups—and effectively act on their results.
- 4) Coordinating national policies, programs, and institutional frameworks, particularly those that bear directly on decentralization and local autonomy, so that they would facilitate rather than impede these processes. To the extent possible, national systems of delegation, aid programs, leadership structures, and contact points with field units and local governments should be standardized. There should also be continuing reviews of the relations of type A, B, C, and D decentralization and the consequences of local autonomy against policy objectives.
- 5) Strengthening national programs of technical and financial assistance to local governments, communities, and other field institutions. There

should not be the illusion that the need for central aid would or should decline with decentralization and local autonomy. The central government should retain responsibility for continually upgrading the abilities as well as resources, powers, and responsibilities of local units. Levels of financial, technical, and administrative capabilities vary widely among local units; amounts of assistance should be scaled according to need, rather than present capabilities, although rewards for improvement in performance may be built in.

- 6) Periodic reviews of the progress and problems of decentralization and local autonomy, and institution of corrective measures as suggested above. Both basic studies and policy researches should support such reviews. Another illusion that should be dispelled is that we have talked about these subjects for decades and therefore already understand them thoroughly. Much remains to be known, theoretically as well as empirically.

Conclusion: Nonpolicy Variables

In this paper, we have outlined a framework for assessing the progress and problems of decentralization and local autonomy so that we can develop the necessary conceptual tools for designing and evaluating policy and institutional measures. We have not ventured an actual assessment, though occasionally some evaluative remarks have been made. More needs to be done to refine and apply such a framework.

We conclude with a cautionary note: Policies are just one, albeit an important one, of the kinds of variables we should consider in actual evaluation efforts. While giving appropriate attention to government policy as "the" independent variable in the workings of decentralization and local autonomy, we have also suggested that nonpolicy-type factors and actors would influence the actual course of these processes and their consequences. Indeed, they may bring very difficult cross-pressures to bear.

International development and relations of both inspiring and threatening kinds (e.g., growing IMF control of national policies), the growing range of national responsibilities, and sheer bureaucratic inertia could keep the national government very much in the saddle. At the local level, values, attitudes, and even competencies that have been inured to centralized politics and government are likely to impede meaningful decentralization. Limited resources, as always, could sustain local dependency. On the other hand, our country's natural and cultural diversity, differing levels of economic development, and the desire of local communities to prove their untapped potential for self-government and

development should provide a congenial ground for decentralization and local autonomy. The bind, of course, is that these variables have also helped fuel the centrifugal forces in our politics and society. While supplying some of the compelling arguments for centralism, these forces could also throw local autonomy into the backwaters of tradition—and push decentralization to anarchy.

References

- Bertalanffy, Ludwig von
1968 *General Systems Theory: Foundations, Development, Applications*. New York: G. Braziller.
- Capra, Fritjof
1982 *The Systems View of Life. The Turning Point: Science, Society, and the Rising Culture*. New York: Simon and Schuster.
- Hirschman, Albert O.
1963 *Journeys Toward Progress: Studies of Economic Policymaking in Latin America*. New York: Twentieth Century Fund.