Decentralization of Public Services and the Role of Local Government in Rural Development: Findings From Bangladesh

Manila Khisa (Corresponding author)
Lecturer, Department of Development Studies, Bangladesh University of Professionals
Mirpur Cantonment, Dhaka- 1216, Bangladesh
E-mail: khisa.manila@yahoo.com

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Abstract
Over the past few decades, decentralizing public services and rendering administrative power to the local government institutions has become a popularly followed strategy to accelerate development in the rural areas. Since its independence till date, Bangladesh has taken quite a number of decentralization initiatives in the areas of health, education, agriculture and small industry promotional activities. This study has adopted secondary data analysis method to examine the degree of rural development made through decentralized public service delivery by the local government institutions of Bangladesh. The study suggests that, despite some improvement, the local governments in Bangladesh have not managed to bring significant changes at the rural level due to political supremacy, administrative and financial incapacity. The study concluded with identifying the changes that are necessary in the areas of resource accumulation and management, financial and administrative decision making system, political and bureaucratic capacity.

Keywords: decentralization, local government, Bangladesh, public services, development

1. Introduction
The concept of decentralization came into practice when the traditional top down approaches of governance did not yield positive results in rural development. It is due to macroeconomic distortion, unequal distribution of income, mismanagement and irregularities in the public sectors, impaired financial management and economic system at the central level, lengthy bureaucratic procedure and corruption throughout the whole service delivery process. As a result, the necessity of reforming the structures and responsibilities of the states through
redefining the roles of government was realized by many. Strengthening the administrative and financial capacities of the local governments has become an important strategy in the reform agenda (Sarker, 2003). Especially in the developing countries, where services in terms of quality and quantity often fail to cater the rural poor population, decentralization is said to be one of the major tools for poverty reduction and rural development, as it ensures efficiency, accountability and transparency in the service delivery processes through direct response of the local governments towards the peoples’ needs (Bardhan, & Mookherjee, 2006; Johnson, 2001). Bangladesh, a developing country situated in the South-East Part of Asia, has undergone various reform process through transfer of roles and responsibilities to the local governments ever since its independence from Pakistan in 1971. This study aims to examine to what extent decentralization of public services has been successful with regard to accelerating rural development.

2. Methodology

This study adopts a qualitative approach to analyze the degree of rural development made through decentralized public service delivery by the local government institutions of Bangladesh. In doing so, secondary data consisting of literary information and records on existing degree of decentralization and development in the rural areas of Bangladesh have been explored. This data and information have been gathered through rigorous review of relevant scientific and academic sources such as journal articles and books along with national and international reports and policy papers.

3. Decentralization and the Necessity of Rendering Power to the Local Government Institutions

Decentralization is one of the frequently applied strategies in the administrative processes of the developing countries to deal with newly emerging political challenges and rapidly changing global economy. According to Johnson (2001, p. 522),

‘Decentralization involves both deconcentration, in which local bodies are asked (or, more appropriately, instructed) to assume responsibilities that have traditionally been carried out by central line agencies; and devolution, in which local bodies are granted the political and financial authority to undertake these duties’.

Since the significance of decentralization was realized in the domain of public sector reform, it was described through different approaches over the years. Due to growing inefficiency in the public sector, decentralization through reforming the management practices in order to achieve sound financial management, fair and effective revenue administration and efficient public sector became central to the public administration system even since the structural reform strategy was introduced by the World Bank (The World Bank, 2003). It was proposed that decentralization of administrative and fiscal responsibilities will reduce the workload of the central government, and at the same time bring down the real operative costs of the services by providing the services locally. Later on, New Public Management (NPM), the concept developed during the 1980s, emphasized on decentralization of the public service delivery adopting market oriented, performance and outcome driven management in order to
increase efficiency of public sector (Christensen, & Laegreid, 2011; Hood, 1991). The concept of good governance emerged in early 2000 that addressed poverty reduction as the main aspects of public sector and promoted equitable participatory governance system that is transparent, accountable and responsive towards people’s needs (Grindle, 2007). All these approaches have theoretically and pragmatically more or less similar aim to strengthen the local level governance systems. Decentralization can take place in many forms at different levels of the local governments, namely:

1. Devolution or political decentralization, that entails rendering authority for local functions including law and order, budgetary planning, revenue collection and service provision to the autonomous local bodies who maintain mutual and coordinated relationship with the central government

2. Deconcentration or administrative decentralization, that refers to distribution of authoritarian, financial and management responsibilities to various levels of the central government and placement of central government representatives at the levels of the local governance systems to carry out the public sector functions

3. Delegation or handing over of certain functions to the semi-autonomous organizations at the local level with limited or minimal control of the central government (Crawford, 2008, p. 235; Islam, & Fujita, 2012, p. 5; Rondinelli, 1981, p. 137; Sarker, 2003, p. 527). While all the forms of decentralization have the similar goals of transferring responsibilities towards the bottom level, the first two forms are widely referred in the public sector reform arena.

Besides these three, there is another form of decentralization namely fiscal or market decentralization which mainly entails transferring financial responsibilities to the autonomous bodies or private sector to carry out (Mollah, 2007, p. 5).

Researchers suggest that, local natural and infrastructural resources can be managed better and financial resources can be mobilized easily when the authority to do so is given to the local groups who are resource users themselves and possess better knowledge and information regarding maintenance of the resources. Hence decentralization of public services is necessary to ease the overall administrative processes that can benefit the local people through better mobilization of local resources, provision of appropriate information, better utilization and maintenance of the services, usage of local expertise and local coordination (Litvack et al., 1998; Sarker, 2003). On the other hand, it is often the urban elites who are in charge of ‘organizing, controlling and centralizing political and economic power’ (Parker, 1995, p. 2), that can result into urban bias and rural deprivation, making it necessary to transfer some power to the local level. Another assertion demonstrating the need of decentralization of public services to the local government it that, the coordination and harmony between the national central government and the local government in various development activities brings improved outcomes which the central government alone cannot do. For example, ‘Spatial dispersion, heterogeneity, and lack of enforcement reduce the efficiency of production in rural areas in developing countries’ (Parker, 1995, p. 9) which can be improved through decentralization. The third assertion is the level of local participation in the decision making, planning and implementing process, which increases tremendously
through decentralization (Sarker, 2003), abridging inequality and under representation of the poor throughout the whole process.

4. Linkage between Decentralization and Rural Development: A Brief Literature Review

While the criteria for rural development can vary from place to place, context to context; in general terms, it is entailed by increased financial resources such as income, savings in the conventional economic aspect, fulfillment of social indicators such as health and education in the social aspect, environmental sustainability in the environmental aspect and increased people’s participation in various decision making processes in the political aspect (Crawford, 2008; Johnson, 2001; Mollah, 2007; Sarker, 2003); which are the key indicators of rural development. When administrative and financial power of the local level is transferred to the local governments, it is expected to establish democratic practices within the institutions, provide increased number of quality public services to increased number of people, reduce corruption through direct service provision and be more responsive towards local needs (Crawford, 2008; Rondinelli, 1981; Sarker, 2003) and hence, be able to meet the indicators of rural development.

The fact that, decentralization generates benefit for the rural areas and that there is a positive relationship between decentralized local government and development, remains inconsistent and untested till date (Crawford, 2008; Johnson, 2001). Poverty is one of the factors to be addressed through decentralization and is an issue for a large proportion of rural population. However, decentralization does not always necessarily reflect the choice of the poor, rather it’s a crude instrument of popular control where broadest issues are addressed along with rich and elite bias (Blair, 2000, p. 27; Sarker, 2003, p. 530). Scholars have pointed out that, rural areas are where a large proportion of people depend on a small number of powerful local authorities which creates monopoly of services provision and can trigger further financial inequalities and increase chances of corruption due to the powerful quantile’s influences over human and financial capitals and decision making (Bardhan, & Mookherjee, 2006; Johnson, 2001).

Moreover, it is often difficult to address all the needs and demands of the poor as they constitute the bigger proportion of the population. Another argument about the uncertainty of rural development through decentralization is that, economic surplus and thereby taxable revenues in the rural areas are often scarce hindering economic advancement (Johnson, 2001, p. 525). Due to having less or no manipulative power over macroeconomic, monetary and fiscal policies, local governments can hardly provide enough economic stabilization at the rural level (Prud'homme, 1995, p. 205).

Moore and Putzel state in (Johnson, 2001, p. 525) that, devolution of power to the local bodies is often threatening to the central authorities and hence, there is an unwillingness with regard to transfer of service delivery activities amongst the higher level public officials and national elites. Thus, the nature of the policy subsystems often remains closed for the local governments giving them limited power to work for the local needs. The next argument about the effectiveness of devolution of authoritative power to the local bodies in enhancing rural
development is that, the local government personnel, especially in the developing countries often lack proper training, experience, capacity, skills and professionalism to carry out technical and administrative functions and thereby, perfunctory and limited results can be yielded from the decentralization processes (Howlett et al., 2009, p. 193). Lack of clear division of responsibilities and functions, lack of financial resources, knowledge and proper information about development factors shape the ability and capacity of the local governments which may be reflected upon the services delivered.

It is assumed that decentralization of public services to the local government increases efficiency as direct service provision cuts the waiting time of the people. However, the number of consumers receiving services increases drastically through decentralization of public services, making it difficult to do so. Moreover, due to having less experience and expertise in market oriented approach of decentralization, a lot of developing countries fail to generate efficient outcomes in the service delivery processes, especially in the rural areas.

5. Structures and Functions of Local Governments in Rural Bangladesh

Bangladesh inherited a highly centralized and traditional bureaucratic nature from its British colonial administrative heritage (Fox, & Menon, 2008; Mollah, 2007; Parnini, 2009). Over the years, however, numerous attempts have been taken by the governments to transfer power to some degrees to the local government institutions. The first formal approach of decentralization in Bangladesh after its independence from Pakistan was undertaken in 1976 through introduction of Local Governance Ordnance 1976 through which the 3 tiers of rural local governments (districts, sub-districts and Unions) were created along with a political base at the village level (informal local tier under Unions), named Self Reliant Village Government consisting of the local elites (Mollah, 2007, p. 13). Later in 1991, the Sub-district tier system of the local government was discontinued and was again brought back to legacy in 1997. However, democratic decentralization and the system to elect the local government representatives by the local communities did not happen until 2007-8. Later on, the Local Government Act 2009 and its further amendment in 2011 making the Members of Parliaments (MPs) “Advisors” in the respective local governments paved the way for further central dominance and interference at the local level (Khan, 2016, p. 10; Sarker, 2003, p. 537). Through all the forms of decentralization till date, ‘the degree of local community participation and actual benefits to the disadvantaged sections of the communities has been clearly low – with most of the benefits going to the rural elites’ (Khan, 2016, p. 9; Mollah, 2007, p. 10).

At present, the local governance administration in Bangladesh is divided into two layers. The first layer consists of the urban tiers- City corporations and municipalities and the second layer includes the rural tiers- district council, sub- district council and union council. Even though, all the representatives of the local governments are supposed to be elected by democratic processes, at present, only the Union level local government members are chosen by the local people through elections (Saker, 2003, p. 531) which are also characterized by ‘widespread fraudulent practices and manipulations’ (Khan, 2016, p. 10) and are barely the representation of the local opinion.
Even though, the legacy renders a number of functions to the local government bodies, the roles and responsibilities of the local government bodies at the rural level in Bangladesh are limited to social, health, education, agriculture and small industry promotional activities whereas, important elements of development such as taxation, revenue and financial resource management, land administration, policies’ and development activities’ planning and budgeting etc. are still under the responsibilities of the central government authorities. The main responsibilities of the local government (District Council) at the district level are, ‘Construction and maintenance of government infrastructures, waste management and management of technical and vocational education institutions, provision of grants for social-religious, education, sports institutions and development reliefs, promotion of social safety nets and organization and celebration of national festivals; the Sub-District Councils perform formulation and implementation of local development plans, promotion of vocational education, health and family planning, socio-cultural and cooperative activities management of agriculture, live-stocks and fisheries coordination with the district councils and provision of technical support to the Union council; and the Union Councils perform the maintenance of law and order and local disputes, death and birth registration, Issuance of various license and certificates, construction and maintenance of small infrastructures, promotion of family
planning and cottage industry activities and maintenance of Union information data and logistics’, (Khan, 2016, p. 6). It is apparent that, the complete form of decentralized government in terms of deconcentration, devolution and delegation is still absent in the rural areas of Bangladesh.

6. The Elusive Nature of Decentralized Public Services in Bangladesh and Its Impact on Rural Development

According to Khan (1986, p. 116), the success and failures of decentralization can be estimated through the following aspects:

1. The level and types of functions transferred to the local governments

2. The approaches applied for such transfer

3. The extent to which these transfers have been implemented

4. The quality of the implemented functions and the satisfaction level of the consumers (local people).

The nature of the local governments in the rural areas in Bangladesh is characterized mainly by limited resources, capacities and limited power and authority over decision making and planning. The tendency of the authoritarian regimes to abuse and manipulate policies and regulations in order to perpetuate power is highly common in Bangladesh and local governments are the one affected the most. Despite experiencing a historical background and legacy of numerous decentralization efforts, the local governments in Bangladesh failed to preserve the interest of the local people, especially in the rural areas. This is because, instead of having steady improvement through practical and stable plans, the local governments in Bangladesh have been more of an area of policy experimentation by the central government, and hence continued to demonstrate poor performances in being ‘an efficient, accountable and responsive provider of services at the local level’ (Fox, & Menon, 2008, p. 2).

The major barriers towards rural development through local government service delivery are explained below:

6.1 Administrative Barriers

Crawford states that (2008, p. 235), the notion of ‘decentralization from above’ is paradoxical to the idea of transfer of authority to the local level. However, the extensive bureaucratic control and resistance of the central government in important stages of governance such as planning and resource allocation is one of the major impediments on the way to rural development in Bangladesh. The bureaucracy of Bangladesh always remained ‘resistant to substantive jurisdictional and functional concessions to local government’ (Sarker, 2003, p. 536) and continued to control the power and activities of the local governments. As a result, the local government institutions could not flourish under the excessive control of the central administration.

Majority of the functions of the local governments at the rural level are mainly limited to technical issues. While social and infrastructural development can happen to some extent
through the technical functions; in terms of economic development, the local government bodies are still dependent on the central government. Moreover, the public sector of Bangladesh is still suffering from multidimensional problems such as lack of financial resources, infrastructural incapacity, the presence of nepotism, clientelism and corruption in the bureaucratic culture both at the central and local level of governance, which are also major impediments towards development through better service delivery. The local governments also do not have the authority to hire employees, which entirely lies upon the responsibility of the central government ‘significantly inhibiting local government’s ability’ to provide better services (Fox, & Menon, 2008, p. 24; Sarker, 2003, p. 542).

Due to the public sector officials’ denial to acknowledge political leaders’ opinions as ‘technically efficient’ and the political leaders’ unwillingness to share supremacy with the public sector representatives, there is a lack of coordination amongst them. This affects the development at the rural level, especially at the district and sub-district level, where public sector officials work parallelly along with the local government bodies. This parallel placement of public service officials and the local governments at the district and sub-district levels, also creates confusions amongst the citizens in terms of who to approach regarding service delivery.

‘The ambiguous pattern of leadership’ is another barrier to achieve overall development in the rural level through decentralized public service delivery (Mollah, 2007). For example, as noted in the previous sections of the paper, there is a lack of systematic procedure to appoint the local government bodies. Some of them are elected through democratic processes and some of them are chosen or hand-picked by the central governments. As a result, confusions are created at the local level affecting the development processes and activities.

The local government bodies often lack capacity, skills and sometimes good innovative leadership qualities to deliver services. Due to lack of expertise and financial resources, modern information technology is barely used at the rural level governance processes. Furthermore, there is insufficient quality control management, accountability mechanism and monitoring to maintain better quality of services at the rural level. Problems regarding corruption exist in the local governments. There is a tendency of the local government bodies to use the financial supports provided for development schemes and activities for personal interest. It is one of the main reasons behind governmental and non-governmental initiatives’ being unsuccessful at the rural level. Furthermore, quite often, ‘public services are delivered to one geographical area of the local government excluding the others, though taxes are levied across the entire local government eroding the ‘tenuous linkage between payment of taxes and fees and the recipient of services’ (Fox, & Menon, 2008, p. 23).

Moreover, the gaps between pragmatic and theoretical aspects of the rural areas are often not studied before generating reform policies of the local governments, hence the needs and demands of the local people are often not met. The participation of the local communities in the planning and implementation of development activities remains minimal in the rural areas till date. The participation usually occurs in forms of waged input or informal labor and target group specific activities. Thus, substantial level of empowerment and participation of the
6.2 Political Barriers

The local governments and the decentralization policies in Bangladesh have mainly been used as the mechanism to perpetuate power and authority of the existing ruling political regime that resulted into foundation and flourish of local elite groups (Khan, 2016; Mollah, 2007; Sarker, 2003). Moreover, lack of political will and commitment, political supremacy over decentralization policies, including formation of the local governance is one of the main constraints of local governments to achieve development at the rural level. The public sector of Bangladesh is highly politicized and there is a lack of political support for devolution of power at the local level. Even though transfer of responsibilities occurs to some extent, it is done in such way so that, the political interest of the respective central regime is preserved. For example, the chairmen of the District and Sub-district councils are supposed to be elected by the local. However, they are hand-picked by the government and a result they are inclined to serve the interest of the central government.

On the other hand, the inconsistency in the political processes of Bangladesh hinders the development activities both at the urban and local level. Due to the hostile relationship amongst the political parties in Bangladesh, the change of ruling parties every five years makes it difficult the sustain and continue the development activities for longer period of time. Every five years, there is a change of parties in the ruling regime and the central administrative bodies tend to form and plan the local government reform policies from scratch every time. For example, the reform policies such as formation of independent local government commission, sub-district laws and acts have been amended, seized and reenacted numerous times during the regime of various political parties.

6.3 Financial Barriers

Feeble Condition of the financial base at the local level is one of the most difficult barriers for the local government institutions towards providing quality services. The local government institutions at the rural level in Bangladesh is dependent on central financial support in forms of block grants and various developmental project and programme support. The other forms of financing are local revenues and funding from donor agencies or NGOs. The rural population’s being the important voter groups within the country, the fear of losing the support of this big quantile results into lack of policy and government enforcement in tax and revenue collection (Khan, 2016). On the other hand, only 1 percent of the total tax collection is allocated for the local government whereas, the rest goes to the central government (Sarker, 2003, p. 542). The allocation or block grants of the central government to the local governments are extremely insufficient and irregular, with the amount (which is irrelevant to economic condition of the local governments) decided through ad hoc decisions by the Ministry of Finance (Fox, & Memon, 2008, p. 25; Mollah, 2007, p.23). As a result, the local government bodies face difficulties in collecting adequate funds and hence, economic development at the rural level through decentralized local governments has remained elusive. Based on the decentralization legacy, the local government bodies in the sub-district and union levels are supposed to have autonomous power over ‘accumulating and managing
citizens in the local government activities is very low.
funds to deliver decentralized functions, revenue generating power and authority to decide on expenditures’ (Mollah, 2007, p. 7). However, like many other decentralized policies in Bangladesh, they are not carried out in reality.

The remuneration of the local government bodies is extremely low in Bangladesh. On the other hand, the local government authorities are not allowed receive user fees for the services provided by them. Hence, the quality of the services become extremely low and there is a high possibility of corruption from the block grants and non-governmental funds amongst the local government bodies (Bardhan, & Mukherjee, 2006).

Besides these main constraints, there are other contributing factors which are responsible for inadequate development at the rural level through decentralized public service delivery. For example, lack of adequate and efficient infrastructures, transportation, information and technology and communication linkages etc. can be mentioned which are eventually responsible for monitoring and auditing deficiency from the central authority.

7. Future Prospects of Rural Development through Accountable Local Governments

Efficient governance does not only require collaboration of peoples’ needs and government’s interest but also needs to take into account the perspectives and opinions of various external actors such as non-governmental organizations. Over the few years, the number of development activities in the rural areas undertaken by the local governments has increased to a large extent opening the door of employment and empowerment of the local people and financial resource accumulation at the local level. For example, Local Government Support Project, Local Government Capacity Building Project etc. can be mentioned. Moreover, more and more donor agencies, international organizations and non-governmental organizations are increasingly being involved in various developmental and capacity building activities of the local governments. While all these supports are very important for the rural level local governments, the main support needs to come from the central government and political parties.

Political commitment and bureaucratic support are two most necessary elements to make successful decentralization of local government happen. In order to achieve rural development through fruitful service delivery of the local government, it is important to plan decentralization processes in such ways so that it progresses by default, not by design- where the central government shapes and determines how it should progress (Crawford, 2008, p. 236). Besides emphasizing on political and administrative barriers, it is also crucial to focus on solving the structural barriers so that deliveries of public services become easier and efficient.

Major changes are needed in the financial and administrative decision making processes and greater autonomy through policies should be given to the local governments with regard to resource accumulation and management. Coherence within the policies are another important element in achieving rural development. National policies must reflect the need of the rural population and the principles of equitable development. The local government institutions should be treated as local governing bodies, not just mere local agents of technical
development and vote banks. At the same time, the local activists, think tanks and development agencies should come forward to fill the local spaces with regards to politics and administration so that their genuine commitment towards the local development can bring positive outcome. All the financial and development opportunities created by the decentralized reform policies need to be utilized by the local communities and to do so, proper training and capacity building activities should be provided to them. Roles, functions and services of local governments need to be clearly defined so that the local people know where to seek services. The local government bodies should be motivated and inspired to provide better quality of services to the citizens by increasing their remuneration, providing them training and other facilities.

Furthermore, it is important to consider that, local governance reforms are not adequate to continue achieving successful rural development. Maintaining the reform initiatives is the most crucial factor to keep the positive outcomes coming. Another crucial factor to take into account is that, cultural changes in the bureaucratic and administrative practices in developing countries like Bangladesh will not come overnight. With the influences of globalization, the rural areas in Bangladesh are gradually becoming more spatial and keeping this on mind, the policies, programmes and projects regarding decentralization of public service delivery at the local level need to be initiated.

8. Conclusion

Despite Bangladesh’s achievement of notable development in the rural level since its independence from Pakistan in 1971, decentralization has not been the root cause of the development. However, it can be said that, it has, in lot of ways, strengthened the conditions of livelihoods of the people living in the rural areas through its services in the sector of health, education and agriculture. A significant finding of the paper is that decentralization has not yet initiated in its full form in the rural areas of Bangladesh. Administrative decentralization has started to be practiced to some extent in terms of providing public services to the rural population. With technical and financial support from the government as well as the donor agencies, the capacities of the local governments have increased largely since their initiation. In order to achieve rural development through decentralized local government, the first and foremost necessary step is to overcome the administrative, political and fiscal constraints so that the services delivered to the local people are efficient and the people regardless of their financial condition are benefitted from them. Furthermore, it is important to remember that, countries differ from each other and therefore, strategies to achieve rural development through decentralized local governments should be different based their socio-economic, political and cultural background, while maintaining the similar objectives.

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