

The Causes of Failure of Decentralization in the Implementation of Local Government

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Abstract: *This article discusses the factors that cause the failure of decentralization in local governance. The assumptions built are based on empirical facts on the experiences of several countries that have failed to implement decentralization in their local government. This article uses a qualitative approach. The data collection technique is to collect data from previous research whose focus and context is quite relevant to the practice of decentralization in the administration of local government in several countries, so that it can be drawn to a general assumption on the factors that cause failure. The results show that what hinders the success of decentralization, among others, comes from the relatively large central government interference with regional governments or organizations under it (partial decentralization), then the weak structure and capacity of local governments (institutional capacity under it) in carrying out their authority. given, and so on. Several alternatives related to supporting success in decentralization include the government must be supported by a strong and systematic administrative system, oriented to training on administrative decentralization structures and performance - based distribution of resources and dynamic administrative leadership because it is considered more effective in local governance.*

Keywords: Decentralization, Local/Regional Autonomy, Local Government

1. Introduction

The need for decentralization seems universal, even small countries have local governments with a certain degree of autonomy. Premdas (1982) cited by [1] states that countries with small populations geographically and ethnically require decentralization such as the Solomon Islands with a population of 180 thousand people spread over islands with a land area of 29 thousand square kilometers and an ocean area of 803 square kilometers and has 74 different languages. In the formation of autonomous regions, the community aspect appears to be a fairly strategic determinant. The analogy is that decentralization is the autonomy of society in certain areas within the scope of the State. In the formation of an autonomous region, community factors are determined by the level of cohesion. Community cohesion is identical to the formation of community communities in a local government area [2]. It is equally important to note that effectiveness and efficiency are the goals to be achieved in decentralization/regional autonomy,

as well as in the administration of affairs must be able to (1) develop the region in various fields, (2) improve services to the community. (2) Growing regional independence. (3) Increasing regional competitiveness in the growth process [3].

Governance Decentralization, which is defined as a change in power in regulating and managing both the budget and local - scale decision - making, which is given by the central government to regional to local (regional) government units, began in Latin America before the 1980s. The decentralization policy was carried out so that there would be a 'quiet revolution' (peaceful revolution) and in fact he was pessimistic that the rapid changes in the intended quiet revolution would be able to create a new governance model characterized by fresh leadership, broad participation, and new will. to mobilize revenue [4]. However, behind his pessimism, it shows that there has been a change in the subnational finances of Latin American countries in the period 1974 - 1994 as shown in table 1 below;

Table 1: Changes in the Subnational Finances of Selected Latin American Countries, 1974 – 94 (percentage of expenditure or income for all levels of government)

Negara	Pengeluaran Subnasional			Pemasukan Subnasional		
	1974	1994	Trend	1974	1994	Trend
Argentina	25	45	↗	25	37	↗
Brazil	30	38	↗	23	25	?
Chile	2	9	↗	2	5	?
Colombia	25	33	↗	16	18	?
Mexico	19	29	↗	9	17	↗

Source: [4]

Table 1 above shows all levels of government other than the central government. Data includes transfers from central government to subnational governments. The arrow indicates a change of 5 percentage points or more. Where

data for 1974 or 1994 are not available (indicated by italics), data for the nearest year available are used. Data for Mexico for 1974 are estimated. From the explanation in table 1, it

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can be interpreted that the institutional capacity of local governments requires support from the central government.

In this regard, the Index of Seven Asian Economies 1996 – 2012 is described as follows;

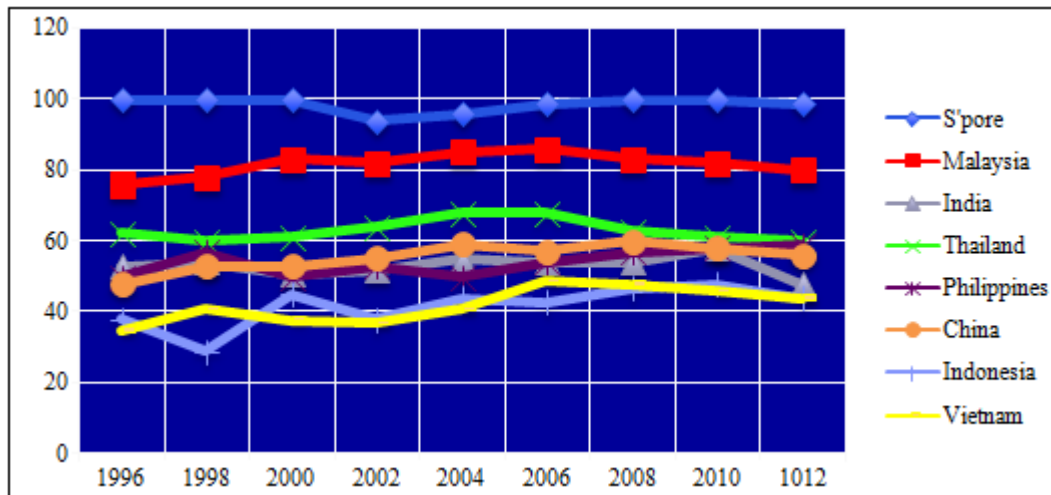


Figure 1: Governance Effectiveness Index of Seven Asian Economies 1996 – 2012

Source: [5]

Based on the Index of Seven Asian Economies 1996 – 2012 it can be seen that Singapore was stable in the period 1996 to 2012 at 100 and had slightly decreased at 90 in 2000 to 2002. Then Malaysia was in second place stable at around 80, then Thailand at 60, the Philippines and China tend to be the same in the range of 45 and in 2012 reached 50, For Indonesia and Vietnam in the bottom position in early 1996 it was less than 40 and fluctuated between 40 to 45 at its peak in 2005, then in 2012 it fell to 40.

Referring to research compilations such as [6], [7], [8], [9], [10], [11], [12], not a few countries have failed in realizing the goals of decentralization. Some of the factors that influence it include the relatively large central government interference with local governments, then the weak structure and capacity of local governments (institutional capacity under them) in carrying out the given authority and so on.

Related to that, in this article it would be very interesting to discuss the empirical facts of local governance practices and the factors that influence the failure to realize the goals of decentralization based on research findings in various countries, so that at the end a generic assumption can be built. failures and recommendations to minimize failure to achieve the goals of decentralization.

2. Literature Review

Decentralization

"... In Europe, local government has been historically cohesion derived from close contact between inhabitants of towns and villages, the religious and cultural aspects of community life, and the social, commercial and economic characteristics of towns" (Smith, 1985) cited [2]. Ozmen, (2014: 419) cited from [13] decentralization is "Divert authority in planning, decision making, and mastery of public functions from a higher level to individuals, organizations or other organizations at a lower level. transferring authority in planning, measuring and implementing the managerial functions of the public from organizations that have a higher level to lower level

organizations". Mawhood, (1983) cited from [14] "the creation of bodies separated by law from the center, in which local representatives are given formal power to decide on a range of public matters. Their political base is locality. . . Their area of authority is limited, but within that area their right to make decisions is entrenched by law and can only be altered by new legislation. They have resources which, subject to the stated limits, are spent and invested at their own discretion". Rondinelli and Cheema, (1983: 18) cited by [15] "Decentralization is the transfer of planning, decision making, or administrative authority from the central government to its field organization, local administrative units, semi autonomous and parastatal organizations, local government organization" Decentralization is the transfer or planning, policy making or administrative authority from the central government to organizations in its territory, local units/sections, semi - autonomous and dependent organizations, local governments and non - governmental organizations (NGOs).

Decentralization Goals

Prasojo et al. (2006: 1) quoted from [16] decentralization has various purposes. In general, these objectives can be classified into two important variables, namely the approach to the effectiveness and efficiency of government administration (structural efficiency model) and increasing public participation in government and development (local democracy model). In general, each country has a different emphasis on the goals of decentralization.

The purpose of implementing decentralization/ regional autonomy is to achieve efficiency and effectiveness in the administration of affairs [3] which include: (1) developing regions in various fields, (2) improving services to the community. (2) Growing regional independence. (3) Increasing regional competitiveness in the growth process.

3. Method

This article uses a qualitative approach. The data collection technique is to collect data from previous research whose focus and context is quite relevant to the practice of

decentralization in the administration of local government in several countries, so that it can be drawn to a general assumption on the factors that cause the failure of decentralized local government. The data analysis technique in this study uses an interactive data analysis model from Miles, Huberman and Saldana (2014) [17]. The description of the data analysis model is carried out with the following steps: (1) Data condensation (data condensation); (2) data display (data display); (3) Conclusions drawing

4. Results and Discussion

Below are presented research findings sourced from scientific articles that are considered relevant to the problems of implementing local government autonomy as a result of decentralization:

Zuhro [18] explained that the problems of decentralization/regional autonomy, namely the consistency of the government in the field of law, regional perceptions of authority, elite collaboration in regional management, and regional revenue sharing, the implementation of good regional autonomy cannot be separated from the role of the bureaucracy. If the bureaucracy has not been reformed, decentralization and regional autonomy will not be able to be implemented optimally. An unprofessional and non-neutral bureaucracy makes services to the community hampered. The solutions offered are bureaucratic reform and policing at the central to regional levels. This is because the policies made in the form of regulations are often not in favor of the people. Making a grand design for regional autonomy, grand regional structuring strategies, rethinking bureaucratic reform, arranging election regulations, supervising many problematic regional regulations, and arranging village regulations so that regional revenue sharing is evenly distributed.

Kaur, et al [6] in India, the process of decentralizing health services began in the mid - 1990s. His systemic reforms involved the delegation of administrative and financial responsibilities at the local government level in the management of health institutions in 23 Indian states in 1999. These reforms were part of the National Village Health Mission (NRHM) launched in 2005. His research aimed to document the decentralization process in health services by referring specifically to the barriers and factors that facilitated them during the formulation and implementation of reform policies. Political and bureaucratic commitment to reform is the most important facilitating factor. The orientation of the training to a decentralized administrative structure and performance - based distribution of resources is another important facilitator. Structural changes in administrative procedures led to improvements in the financial management system. Significant improvements in public health infrastructure were also observed. From 2004 to 2008, the state government increased the health sector budget by nearly 60%. In addition, changes in the frequency of top - level administration in the country have hindered the decentralization process. Dynamic administrative leadership in the District was found to be more effective than others.

The study conducted [7] examined the impact of decentralization and local government capacity on health service efficiency in Uganda by applying a qualitative analysis in 44 districts during the period 2008/09 and 2009/10. The results of the study show that local government in Uganda has problems with weak institutional capacity which is specifically related to the lack of adequate staff which is indeed a major challenge for the implementation of effective and efficient health services. The results also show that effective and accountable decentralization of the health sector in Uganda is usually constrained by weak levels of staffing capacity, both in district offices and within health units.

Smet, et. al [8] explained, his research aims to examine whether the failure to design policies that respect human rights is due to a reluctance to political representation or because it is not feasible to do so. In answering this question, we will pay particular attention to the input - side model of delegated authority, referring to individuals delegating their responsibilities to the collective level when those responsibilities are difficult to "abandon" at the individual level. Hiding behind the delegated model of authority should be characterized as a mechanism for relinquishing moral responsibility so that people can deny their respective responsibilities in a justified manner. We will seek to resolve this issue and explore how this affects our responsibility to address climate change. Because we fail to delegate our responsibilities to the collective level in a consistent way, we can no longer argue that delegation of authority is the reason. In order to make a convincing claim that it is the duty of government and supranational agencies to tackle climate change, we at least have an obligation to vote for parties that explicitly support strong policies to tackle climate change. If we fail to fulfill this minimalist task, calling for the delegation of responsibility is tantamount to giving up morals, namely through the diffusion and transfer of responsibility. If we don't vote for the party most likely to make a difference, we can no longer hide behind the delegated authority argument and must accept our complicity in the massive human rights abuses caused by the failure to successfully tackle climate change.

Osavelyuk, et al. [6] In his research, he focuses on a local government investment institution that is separated from the state (power) as a form of interaction between state power agencies and local governments. The relationship of the authorities presented from different levels received special actualization in the autonomous bodies of local government. Therefore, investment institutions with separate state powers demand further theory and legal reform. Local government investment institutions are a form of interaction between public authorities and local governments. The institution demanded improvement because of two problems, namely theoretical and legal problems, as well as practical problems. The purpose of building this institution is not only so that the implementation of the state and local management runs effectively, but also becomes maximally useful for the community and the state. The separation of state power transferred to the regional government must be based on rationality, discretion and efficiency reasons, the implementation of which is for the benefit of the citizens without violating the regional government's constitutional

principles. Investment institutions must be “mutually beneficial” for both public and local authorities.

Abbot et al. [10] In his research, he introduced the concept of orchestration as an intermediary for orchestral mobilization (which was carried out by the government) voluntarily in achieving the goals of joint government. The Intermediary - Orchestra theory provides an indirect model of governance whose supplementary delegation model is based on the principal - agent theory. Governors increase their government capacity according to the capabilities of third parties. Meanwhile, delegation is based on hard 'contract' control over agents. His research discusses the circumstances in which each model turns out to be more suitable to be applied to real - world problems, as well as the key limitations of each model. Among other things, orchestration is relatively more likely to be applied to democratic systems than to authoritarian systems. Orchestration is not always more desirable than delegation, but it does provide an important alternative in some circumstances. In short, the attractiveness of orchestration depends on the circumstances and perspectives of both parties. Government actors who do not have the capacity to delegate, or lack strong monitoring and enforcement capacity, will turn into orchestra players to achieve their goals (if suitable intermediaries are available).

Landwehr and Böhm [19] In his research, he explained, the delegation of power for decision - making to non - majoritarian (non - mainstream), independent institutions has become a significant phenomenon in many policy areas. One of them is the health sector, where decisions on various services are closed in the government system, in most developed countries, these decisions have been delegated to specialized agencies. His research seeks to explore ways in which governments in various countries address the challenges of regulating allotments in designated agencies. Further, it concerns the institutional design of strategic bodies and the extent to which the set of options is available to politicians who are constrained by existing structures and become part of the health care system. What are the relevant things that distinguish procedures and institutions in different countries, and what are the explanations for their choices. Given that governments have incentives and opportunities to manipulate the institutional design of designated bodies according to partisan preferences in order to achieve strategic objectives, an important focus in future research on delegation is the distributive effect of institutional design choices. Decision - making procedures and institutions, especially those concerning the allocation of essential goods such as health care, are never completely neutral but always promote the values and interests of groups rather than individuals. In this case, the choice of institutional design, at least becomes part of the distributive decision. This is why the choices that lie ahead must be carefully observed, in light of the motives and effects that follow behind them, not only by researchers but also critically informative by democratic societies.

Murthy and Mahin [11] decentralization is often advocated as a means of enhancing local democracy and increasing what economists call allocative efficiency. In federal states, where power is already shared between the national and

state governments, decentralization involves the devolution of power from the state to local governments. The world's largest federal state, India, took an unusual step to advance decentralization: it passed 74 Constitutional Amendments to the Act to grant the city constitutional status. Decentralization has not been successful in India for three key reasons. First, decentralization has been implemented only partially: the language in the constitutional amendments has been effectively hampered. Political decentralization, the comparative advantage of parastatal institutions have made administrative decentralization difficult, and the devolution of responsibility – but not revenue – to municipal governments has hampered fiscal decentralization. Second, the analysis has revealed an irony; the centralized policy. This top - down approach has reduced the importance of local decision - making, thereby reducing the efficiency gains of decentralization. The third factor has been the relatively weak local governance structure. Without the need for administrative capacity and financial resources, the state would not transfer political power to cities. Investments in cities may require a slow decentralization process by providing city managers with the necessary skills and training to be involved in the planning process. Improving local government capacity is a key step towards ensuring greater political, administrative and fiscal decentralization.

Kemmochi et al. [12] Decentralization within the city is increasingly being introduced because it is considered to be able to enlarge the scale of the city. "decentralization within the city" means that the city government entrusts its powers to be delegated to the smaller organizations established by the part of the city. In particular, in the context of decentralization for government councils, local residents themselves are often the recipients, and they are expected to play a central role in consolidating the various opinions of citizens in the urban planning stage. This study first touches on the categories of councils for self - governing residents classified by legal basis and analyzes the state of decentralization within the city based on a questionnaire survey. Then, by examining the efforts of Toyota City, Izumo City, Tochigi City and Musashino City, he reveals the importance and problems of decentralization within cities in the area of urban planning.

Emericket. al [20] in his article describes the early results of the decentralization of services in the central district council (CDC or District) in Botswana that began in January 1998. The CDC's decision to decentralize services from its district headquarters in Serowe to the five existing sub - districts, is the first of its kind in Botswana and other major Districts such as North West, South, Kweneng and Ghanzi also established sub - districts but have not received service delegations. Currently, there is very little comparative data on the effects of decentralization in terms of productivity or efficiency. In order to obtain more information, the authors conducted interviews with senior officials and staff in their offices in five sub- districts in July and August 2002. Smoke (2003) states, much of the decentralization literature focuses on anecdotal cases of success or enthusiastic rhetorical benefits. While the interviews may be considered anecdotal evidence, it is these individuals' perceptions that shed light on the unique socio - economic structure and

political history of Botswana in order to interpret the effects of the process.

5. Conclusions and Recommendations

Based on the description of the results above, most of the problems that arise or hinder the success of decentralization stem from

- 1) Central government intervention is relatively large to local governments or organizations under it (partial decentralization),
- 2) The weak structure and capacity of local government (institutional capacity under it) in carrying out the authority given to them is another problem that must also receive attention.
- 3) Conditions in the field are relatively dynamic which are relatively different from one region to another,
- 4) Government actors who do not have the ability to delegate, or lack strong monitoring and enforcement capacity will turn into orchestra players to achieve their goals,
- 5) The top - down approach reduces the importance of local decision - making, thereby reducing the efficiency gains of decentralization,
- 6) Decentralization is not managed optimally due to office politics taking place in the government's domain

Several alternatives are related to supporting success in decentralization, namely the government must be supported by a strong and systematic administrative system, oriented to training in administrative decentralization structures and performance - based distribution of resources and dynamic administrative leadership in local government is more effective and citizens at least have obligations to elect members of the legislature who explicitly support this, so that there is no longer any political argument for the failure to implement the delegation of authority (decentralization) in the field.

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