

ADDRESS BY SMT. D. PURANDESWARI, MOS-HRD AS CHIEF GUEST AT THE SYMPOSIUM OF “ENTERPRISE AND BUSINESS DEVELOPMENT IN THE WORLD” ON POTENTIAL AND STRATEGIES FOR DECENTRALISED ECONOMIC ACTIVITIES AND PROSPERITIES ORGANIZED BY WORLD TELUGU FEDERATION (WTF) AT SIDDHARTHA ENGINEERING COLLEGE, VIJAYAWADA ON 10-1-2009.

A

Decentralization can be defined as the transfer for planning management and resource raising and allocation from central government and its agencies to the lower levels of government. Decentralization is closely linked to the concept of subsidiarity. Which proposes that functions (or tasks) be devolved to the lowest level of social order that is capable of completing them. Decentralizing governance is the restructuring of authority so that there is system of co responsibility between institutions of governance at the central, regional and local levels according to the principle of subsidiarity effectiveness of system of governance, while increasing the authority and capabilities of sub national levels.

B

Political decentralization normally refers to situation where political power and authority has been transferred to sub-national levels of government. The most obvious manifestation of this type of decentralization are elected and empowered sub-national forms of government ranging from village councils to state levels bodies. Devolution is considered a form of political decentralization. Political decentralization requires a constitutional, legal and regulatory framework to ensure accountability and transparency. It also necessitates the restructuring of institution and developing linkage with civil society and the private sector. Simultaneously, political decentralization necessitates universal participation and new approaches to community institution and social capital.

C

Administration decentralization aims at transferring decisionmaking authority, resources and responsibilities for the delivery of select number of public services from the central government to other levels of government, agencies, field offices of central government

line agencies. Administration decentralization is often simultaneous with civil service reform. There are two major forms of administrative decentralization: - Deconcentration, Delegation.

Deconcentration refers to the transfer of authority and responsibility from one level of the central government to another while maintaining the same hierarchical level of accountability from the local units to the central government ministry or agency, which has been decentralized. Deconcentration can be seen as the first step in a newly decentralizing government to improve service delivery.

Delegation redistributes authority and responsibilities to local units of government and agencies that are not always necessarily branches or local offices of delegating authority. While some transfer of accountability to the sub-national level unity to which power is being delegated takes place, the bulk of accountability is still vertical and to the delegating central unit.

D

Fiscal decentralization refers to the resource reallocation to sub-national levels of government. Arrangement for resources allocation are often negotiated between the central and local authorities based on several factors including inter regional equity, availability, resources of all levels of government and local fiscal management capacity. Experience in fiscal decentralization has led to capacity building in expenditure and revenue assignment as well as the design of fiscal transfer formulas and sub-national borrowing.

Divestment is when planning and administrative responsibility and other public functions are transferred from government to all voluntary, private or non-governmental institutions with clear benefits to and involvement of the public. This often involves contracting out partial service privatization or administrative functions, deregulation or full privatization.

E

The term attracted attention in the days of the Raj when the British colonial administrations prepared colonies for independence by

devolving responsibilities for certain programmers to local authorities. In the 1980s decentralization came to the forefront of the development agenda alongside the renewed global emphasis on governance and human centered approaches to human development. E

F

Today, academics, Practitioners and development Stakeholders Universally recognize the importance of good governance practices for alleviating chronic poverty and injustice. Simultaneously, the world has increasingly turned towards the practice of decentralisation to assure democratic governance for human development. Decentralisation can enhance the transparency, responsiveness and accountability of government for people at the local level. It makes government far more open to their influence, and it greatly enhances the flow of information between government and ordinary folk- in both directions. it can greatly ease political alienation and foster a belief in legitimacy of government and its development programmes. Decentralization enhances the uptake on and thus the impact of health, education and environmental programmes. It does so partly by making it possible to adopt such programmes to local conditions and preferences. It also provides a framework that facilitates 'scaling up' that is replicating developmental successes from one local arena in many others, by opening the policy and political processes to ordinary people, it can do much to enhance their well being and to make their livelihoods and development more sustainable. F

What are the constituents of Sustainable Human Development.

There are four aspects of Human development- all affecting the lives of poor and vulnerable, these are as follows.

- a) **Empowerment:- This refers to** the expansion of men and women's options and capabilities to increase their ability to exercise their choices free of hunger, want and deprivation in or any restriction or hazards.

b) **Cooperation:-** This connotes a sense of belonging among all citizens for personal fulfillment, well-being and development in a spirit of common enterprises and togetherness.

c) **Sustainability:-** Ensuring that the need of present generation should be met without compromising the right of the future generation. and to exercise their basic capabilities.

e) **Security:-** Particularly the security of livelihood. People need to be freed from threats such as disease or repression and from sudden harmful disruption in their life.

The four critical elements of Sustainable Human Development eliminating poverty, creating jobs and Sustainable livelihood, protecting and regenerating the environment and promoting advancement of women. Developing the capacities of good governance underpins all these objective

4) Sustainable Human Development and Governance

Good Governance is perhaps the single most important factor in eradicating poverty and promoting development. The goal of governance initiatives should be to develop capacities that are needed

to realize development that gives priority to the poor advances women

sustain the environment and create needed opportunities for employment and livelihood.

To fulfill development goals, practitioners have sought a new paradigm of sustainable human development that seeks to bring humanity together through a more quotable sharing of economic opportunities and responsibility. The United Nations development programme defines sustainable human development as expanding the

choices of all people in society. it has become increasingly clear that the achievement of these development criteria hinges largely on the society's quality of governance.

Governance is broadly defined as the system of values policies and institutions by which a society organizes collective decision making and action related to policies, economic and socio-cultural and environment affairs through the interaction of the state, civil society and the private sector. Governance comprises the complex

mechanism, processes and institutions through which citizens and groups articulate their interests, mediate their differences and exercise

their legal rights and obligations.

The fundamental principles of good governance include respect for human rights, political openness, participation tolerance administrative and bureaucratic capacity and efficiency. It also generally accepted that good governance entails the creation of effective partnership to ensure that political social and economic priorities are based on broad consensus in society and that the voices

of the poorest and most vulnerable are heard in the decision making process. Good Governance and sustainable human development are indivisible. And we believe that developing the capacity for good governance can be and should be the primary way to eliminate poverty. Notions of good governance and the link between governance and sustainable human development vary greatly.

Ultimately only a nation's government civil society and private sector can facilitate this "enabling environment" and the challenge is to create system of governance that promotes these fundamental principles for this reason democratic and decentralized governance is increasingly considered a requisite component of development initiatives.

5) Decentralization and Human Development

Decentralization brings decision making closer to the people and therefore yields programmes and services that better address local needs. The challenge is to ensure that all stakeholders can and will voice their opinions. As part of decentralization process, policy makers and politicians are integrating programmes to address citizen participation , promote advocacy groups incorporate women and the poor in policy decisions, aid in poverty reduction and environmental initiatives at local level, and encourage sub national autonomy and creativity in addressing local needs.

Decentralization can allow local governments to better formulate and implement policies that support local developmental needs. As a policy instrument, decentralization can help to improve the quality and accessibility of basic services for poor, such as education, healthcare and infrastructure. A well functioning network of local administration may improve the sustainability of human development policies.

Community participation and boosting grassroots development plays a key role in the sustainability of programmes increases interest and sense of ownership, which in turn promotes sustainability.

Supporting open dialogue and participation between the local government and civil society can ensure improved self-reliance.

The local initiative facility for urban environment (life) programme in Tanzania has helped strengthen the link between civil society and local Governance institution there by improving local capacity to solve key development problems.

Encouraging a culture of participatory democracy assists in ensuring the accountability of elected local government officials. In turn increased responsiveness of local authorities and improved service provision assist in better revenue and local tax collection.

Empowering and supporting women and the under privileged helps to improve their economic conditions and make progress in alleviating widespread poverty, simply by increasing representation for these groups by mandating that a certain proportion of representatives belonging to a certain group helps to achieve these goals.

Decentralization enhancing the impact of health, education and environmental programmes. It alleviating poverty and contributing to the sustainable livelihood outcomes, promoting economic growth, not make development more sustainable.

6) Donor Support to Decentralisation

The recent resurgence in decentralization has been accompanied, or perhaps, by an increase in donor support of various decentralization initiatives addressing the needs of all of the stakeholders. Various United Nations agencies including the United Nations Development Programme and the United Nations Capital Development Fund, the world bank, USAID and numerous other international donors and bilateral

agencies have invested significant resources towards decentralization programme in efforts to improve governance practices and strengthen democracy worldwide. These programs assist

central government in designing and implementing decentralization plans, reforming legal, political and fiscal systems and carrying out sectoral programs. Other programs address local government capacity

building (resources mobilization and management), social services planning and delivery, popular participation gender equity, natural

recourse management

The matrix below illustrate the diversity of current decentralization programs and areas of support being carried out by various donors and

national government.

Africa Arab States Asia and Pacific

Europe

and

CIS

Latin and the

Caribbean

Political & legal reform

Cote d'Ivoire,

Zimbabwe

Fiscal

Administrative & Civil Service

Reform

South Africa Jordan,

Yemen

Mongolia,

Malaysia,

Papua New

Guinea,

Philippines,

Sri Lanka

Kazakhstan Guatemala,

Honduras,

Venezuela

Popular

Participation

Mali Tunisia Indonesia,

Nepal

Romania Argentina,

Paraguay

Local Governance

Strengthening

Eritrea,

Malawi,

Nigeria,

Tanzania

Uganda,

Zambia

Colombia,

Ecuador

Gender equity Kenya India

Recourse

Mobilization

And

Management

South Africa,

Uganda,

Zimbabwe

Pakistan Brazil

Natural

Resource

Management

Mali Egypt Poland

Social

Services

Planning and

Delivery

Philippines,

Vietnam

Brazil, Bolivia,

Chile,

Ecuador,

Nicaragua

Capacity

Building

Burkina

Faso,

Ethiopia,

Uganda

Poland,

Romania

Conclusion:

While there are many successful case studies of decentralization and sustainable human development, there is much room for improvement. More needs to be learned from these individual experiences and they need to be translated into practical actions. Further analysis is necessary in order to better understand which forms and under what circumstances decentralization can have a productive role in supporting sustainable human development and how governments and stakeholders should approach these processes.

Currently, new initiatives are expanding the role of local governments – these include poverty reduction strategies, which highlight an

important role for local governments in poverty alleviation, but do not define how this role should be implemented. Also, there is an increased interest in the responsibility of sub-national governments in

local governments can help support business development.

Capacity building, both in terms of human resources and financial support, has often been quoted as the principle obstacle in furthering decentralization processes. There is an ongoing need for capacity building and technical assistance, as well as practical lesson sharing and while there has been progress in this area, more needs to be done.

Finally, improved donor coordination is fundamental to avoid conflicting advice, duplication and waste. Donors are integral partners in the decentralization process and measures need to be taken by developing countries to improve the coordination of efforts to provide efficient and effective assistance.

As has been mentioned previously, decentralization is a challenging complex process, that requires patience and dedication on the part of all stakeholders, but it also promises to be development.

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In India the concept of decentralization is not new. As I am already mentioned that during the days of the colonial rule the British Government have been resorting to decentralization process of the

administration by devolving responsibilities for certain programmes to regional and local authorities, with this tradition the founding fathers of our constitution and envisaged a systems of government which will with three tier, the Central Government is top of the pyramid the state governments in middle of the ladder and the district and village administration at the base. The constitution accordingly set up three tiers of government with powers enumerated of the central and state governments as included the constitution itself. The 73 and 74th Constitutions amendments further liberalized the element of decentralization in our sustenance by setting up Panchayat Raj Institutions.