Centralization and Decentralization

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ABSTRACT: In this article, the two concepts, namely, centralization and decentralisation, are defined and explained in order to give differences and similarities between these two terms.

Keywords: centralization and decentralization, definition and explanation, differences and similarities.

I. INTRODUCTION

The term centralization means concentration of authority at the top of the administrative system. On the one hand, and, on the other hand, decentralization means dispersal of authority among the lower levels of the administrative system.

II. PURPOSE OF THE ARTICLE

To define and explain the concept of centralization and decentralization.

III. CENTRALIZATION AND DECENTRALIZATION

3.1. Meanings:

Centralization means concentration of authority at the top level of the administrative system. Decentralization, on the other hand, means dispersal of authority among the lower levels of the administrative system. Thus, the issue of centralization versus decentralization revolves around the location of the decision making power in the administrative system.

In a centralized system of administration, the lower levels (called field offices) cannot act on their own initiative. They have to refer most of their problems to the higher level (called headquarters) for decision-making. They act as only implementing agencies.

In a centralized system of administration, the field offices can act on their own initiative in specified matters. They are given authority to take decisions without reference to the headquarters. Thus, the essence of decentralization is the vesting of decision-making power in the field offices. Centralization is the opposite of decentralization. It means centralization of authority once decentralized. The word decentralization is derived from Latin.

3.2. Definitions

The following definitions can be noted in this regard:

L.D. White: “The process of transfer of administrative authority from a lower to a higher level of government is called centralization; the converse, decentralization.”

Henry Fayol: “Everything that goes to increase the importance of the subordinate’s role is decentralization; everything which goes to decrease it is centralization.”

3.3. Typologies of decentralization

Broadly, decentralization is of the two types – political and administrative. The decentralization is further subdivided into territorial (vertical) decentralization and functional (horizontal) decentralization. A brief discussion of the typologies of decentralization is as follows:
a) **Political Decentralisation:**
It stands for the establishment of new levels of government like the autonomous states in India or provinces in Canada. In the federal systems, political authority is divided between central government and the regional governments (State governments in India or Provincial governments in Canada). The creation of autonomous local governments in Federal States like USA or India and in Unitary States like Britain or Japan also implies political decentralization. Thus the establishment of City Governments in USA, Panchayati Raj and Municipal Corporations in India, County Governments in Britain and Prefectural Governments in Japan are good examples of political decentralization.

b) **Territorial Decentralisation:**
It stands for the establishments of area administrative units (field offices) by the higher authority (headquarters). For example, the creation of divisions, districts, talukas, circles, and so on in India. These are vested with decision-making powers within specified limits and thus function in an independent manner.

c) **Functional Decentralisation:**
It implies the vesting of decision-making authority in the specialized units by the central agency. For example, the creation of technical or professional bodies in India like the University Grants Commission, Flood Control Board, Central Social Welfare Board, and so forth.

3.4. **Approaches to decentralization**
*James W. Fesler* classified the different approaches to the concept of decentralization in the following four categories:

a) **Doctrinal Approach:**
It conceives decentralization as an end in itself and not as a means to the realization of some goal. It views decentralization in terms of idealization, that is, a theory which holds that things exist only as ideas in the mind.

b) **Political Approach:**
It says that the creation of decentralized units with a set of operational autonomy is governed by political factor. For example, the creation of Panchayati Raj as a rural local self-governing body in our country is politically determined.

c) **Administrative Approach:**
It says that the establishment of autonomous decentralized units in the fields is determined by the factor of administrative efficiency, that is, better decision-making and faster problem-solving. For example, the creation of regions, divisions, districts, sub-divisions, talukas and circles between the state headquarters and the field.

d) **Dual-role Approach:**
It conceives decentralization as a method of resolving conflicts in field administration between tradition and change. The usage of status-quo oriented colonial field administration to bring about speedy socio-economic change is leading to area-function dichotomy in district administration in our country.

3.5. **Merits of Centralisation**
These are briefly discussed as follows:

a) It provides for maximum control over the entire organization.

b) It ensures that all the work is performed in the same manner and in accordance with the same general policies and principles.

c) It makes administrative abuses more difficult in matters like employment and handling of personnel, purchase and use of supplies and so on.

d) It ensures economy in administration by avoiding duplication of work.

e) It facilitates the introduction of dynamism in the organization through the active role of personnel leadership.

f) It is suitable for dealing with emergencies and unanticipated matters.

g) It enables the maximum utilization of the human and material resources in the organization and thus develops a corporate personality.

3.6. **Demerits of Centralisation**
These are provided as follows:

a) It leads to delay in securing action as the field officials have to refer the matter to the higher authorities.

b) It makes the head-office overburdened due to “apoplexy at the top and anemia at the extremities.”

c) It leads to autocratic control over subordinates and thus results in lack of flexibility in administration.

d) It makes administration irresponsible as the head office acts without the knowledge of local conditions and requirements.
e) It does not facilitate people’s participation in administrative process.
f) It does not allow the development of second line of executives.
g) It is not conducive for the expansion and diversification of the organization.

3.7. **Merits of Decentralisation**

These are stated as follows:

a) It increases administrative efficiency by reducing delays, curbing red-tapism and encouraging faster action.
b) It reduces the workload of the head office and thus enables the top echelons to concentrate on vital issues like policy formulation, examining major problems and so forth.
c) It develops resourcefulness and self-respect among the subordinates by making them to take decisions with a sense of responsibility.
d) It makes administration more responsive as the field units act with the knowledge of local conditions and requirements.
e) It facilitates people’s participation in administrative process and thus strengthens democracy at the grassroots level.
f) It allows the development of second line of executives due to adequate delegation of authority to the lower levels.
g) It encourages the expansion and diversification of the organization for effective goal-achievement.
h) It facilitates the adoption of national policies and programmes to the varying conditions of different regions.
i) It alleviates the problem of communication overload in the organization by reducing paper work at both higher and lower levels.
j) It encourages competition and comparative standards of evaluation among several competing field units.
k) It makes possible the experimentations in decision-making and implementation by several units without committing the whole enterprise to an untried course of action.

According to **J.C. Charlesworth**, “Decentralization has a more important justification than mere administrative efficiency. It bears upon the development of a sense of personal adequacy in the individual citizen; it has spiritual connotations.”

3.7.1. **Demerits of decentralisation**

a) It complicates coordination and integration of the activities of various units due to decrease in the degree of central control over the total organization.
b) It makes communication among various levels difficult and thereby reduces its effectiveness and authenticity.
c) It makes administration expensive due to duplication of work and lack of centralized housekeeping services.
d) It is not suitable for dealing with emergencies and unanticipated matters.
e) It encourages divisive forces in the organization and thus threatens the organizational integration.
f) It weakens the national perspective in administration by breeding localism and parochialism.
g) It increases administrative abuses like corruption, maladministration, nepotism, and so on. These things can be seen in the working of Panchayati Raj in our country.

3.7.2. **Effective Decentralization**

**J.C. Charlesworth** suggested the following safeguards to make the decentralization effective:

a) Field offices should report to one central agency only.
b) Jurisdictional lines should be meticulously drawn.
c) Procedures in the several field offices should be of a common standard, although they need not be uniform.
d) Field office should have a sufficient flexible physical and psychological structure to permit it to adjust to the emergent local conditions.
e) Field office should not make decisions affecting overall policy, although it should be encouraged to make its own decisions to a point approaching that situation.
f) A system of ready appeals should be present.
g) Suggestions from the field to the centre should be freely channeled.
h) Adequate reporting and inspection methods should provide the centre-head with full and current knowledge of field operations.
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3.7.3. Factors Governing
According to James W. Fesler, the issue of centralization versus decentralization is governed by four factors which are examined as follows:

a) **Factor of Responsibility**: Since the Central agency is held responsible for everything in the organization, it does not easily delegate wide discretionary authority to the field offices and prefers to direct and control all their operations. Thus the factor of responsibility acts as a deterrent to decentralization and favours centralization.

b) **Administrative Factors**: These include age of the agency, stability of its policies and methods, competence of its field personnel, pressure for speed and economy and administrative sophistication. An old agency with well-established procedures and precedents finds it easier to decentralize than newer one where frequent reference to the higher level is inevitable. Stability of organizational policies and methods facilitates decentralization while frequent changes in them favour centralization. The more competent the field staff, the greater the propensity to decentralization. The pressure for speed and economy in administration inclines toward decentralization. Finally, the administrative sophistication, that is, a professional approach to the problem of delegation also influences decentralization.

c) **Functional Factors**: These include the variety of functions performed by the agency, the technical nature of functions, and the need for countrywide uniformity. The scope for decentralization is greater in a multi-functional organization than in a uni-functional organization. Similarly, the technical nature of functions performed by the agency necessitates decentralization as the head cannot have the technical competence to manage all of them directly. The need for uniformity throughout the country in functions like defence, communications, transport, planning and so forth favours centralization.

d) **External Factors**: These include the demand for people’s participation in the administration of development programmes, the pressure of political parties and interest groups, the need to strengthen grass-roots democracy and the demand for “Planning from below.” All these factors favour decentralized system and work against the centralizing tendencies in administration.

3.8. Patterns of Field Organization
W.F. Willoughby: He distinguished between two patterns of field organisations, namely, unitary and multiple. These are also known as territorial and functional respectively. In the unitary or territorial system, all the field offices of an area are placed under the supervision and control of a chief administrator who in turn is responsible to the headquarters for their working. This is found in France where all the officials of the central government working in the department (the largest unit/area of local administration) are placed under the supervision and control of the prefect. In the multiple or functional system, the different divisions of the headquarters deal with their respective field offices directly. There is no intervention of the supervising and controlling authority in between them at the area level.

**Luther Gulick**: He distinguished between three types of field organisations, namely: (a) All Fingers, (b) Short Arms, Long Fingers, Fingers, and (c) Long Arms, Short Fingers. The word ‘arms’ denote the regional offices, while ‘fingers’ indicate the lines of communication reaching to the lowest offices at the firing line. In the ‘All Fingers’ type, the headquarters control the field offices directly; there being no regional sub-divisions. In the ‘Short Arms, Long Fingers’ type, the regional sub-divisions are physically located in the headquarters itself. They control the field offices in their respective spheres. In the ‘Long Arms, Short Fingers’ type, the regional sub-divisions are physically located in the field itself. Far away from the headquarters, and control the respective field offices.

IV. SUMMARY AND CONCLUSION
The concepts centralization and decentralization are necessary in the maintenance of authority and direction, and at the same time decentralization, on the other hand is absolutely essential. In the dispersal of authority among lower levels of the administrative system in democratic countries as it helps in the exercise of authority by various persons and institutions. However, the two concepts must used in the most judicious manner in the organisation of governmental activities in any country, both developed and developing societies.

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1. Profiles of contributors and photographs

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