

# FROM CENTRALIZATION TO CRISIS DECENTRALIZATION IN PUBLIC ADMINISTRATION MANAGEMENT - AN EPISTEMOLOGICAL APPROACH

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**Abstract:**

*The transition from centralization to decentralization has emerged as a necessity in managing the administrative system. Not a few are those who have focused to study this issue, investigating the main ideas expressed thus giving us the opportunity to shape an epistemological vision. We are strongly assured by the opinions expressed in this paper that the centralized model of organization does not meet the reformatory requirements of public administration. Following the same idea, the implementation of the decentralization process finds its full justification, specialists' positions being unanimous.*

**Key words:** public administration management, centralization, decentralization, local autonomy, local public administration, local communities

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## INTRODUCTION

Showing a real interest among those with expertise, addressing such issue seems a laborious approach. This is because currently, the subject generates extensive and lively debate, and the contemporary economic and political processes have no way to get around it.

This is not surprising given that, without doubt, today we are witnessing significant events that occur in economic, social and political life, which decisively influence the organizational and functional management of the entire society. Society, state, and especially public administration are subject to an essential and the same time difficult reform. And in the context of this reform, the issue of implementation and completion of public administration management decentralization process is raised more and more acutely.

It is notable and worthy of consideration, in order to clarify the problems and ambiguities that such a process generates, the book entitled "La Décentralisation" whose author is Frege Xavier, professor of economics, public finance specialist, who works in the French administration. Starting from the complications arising from centralization, this book claims to make known as the author himself confesses, "the records of decentralization" [4, p. 9], showing the failure of various attempts to reform which haven't been negligible and also emphasizing the need to complete the process of decentralization. Multiple solutions and undesirable effects that so many centuries of centralism has brought justify this need.

## CENTRALIZATION VERSUS DECENTRALIZATION IN PUBLIC ADMINISTRATION MANAGEMENT

After so much time of centralism, state reform has emerged as a necessity and has become, in relatively short time, a field of scientific preoccupations for researchers. Thus, a fair position in connection with this subject matter is possible by investigating various materials, articles, studies published in the field. This allows us to identify the main views, ideas and judgments issued with respect to the issue under discussion.

About the issue of decentralization a lot has been said and a lot has been written, but ... from theory to reality ... is a long way to go if not impossible, especially in the current economic and political context.

Notable and worthy of note is the mention made by Elinor Ostrom in an interview with Foreign Policy Magazine Romania in October 2010. When asked “Is decentralization a solution for a more efficient administration?” the Nobel Prize winner for Economics answered: “When people come from a highly centralized system, top-down decentralization is rarely successful. Citizens come to wonder why after all this time when the national government had time to create infrastructure, to efficiently use the money collected, are now asked to govern and manage themselves.”[9] What Elinor Ostrom seems to suggest, by her remark, is that such an administrative organization, although desirable, cannot be achieved easily. Nothing really true than this we think! Politicians may try to decentralize in vain if a local community is unable to assume new responsibilities. A transfer of powers that does not take into account the potential of community cannot succeed.

If we were to justify the decentralized model of organization, we would allow quoting Frège Xavier, who in his “La Décentralisation” says that “the goal of decentralization is to show that the centralized system had also shortcomings” [4, p. 13]. In this respect, the French author states that “centralization impoverishes social dialogue; imposing economic and social partners to organize and be represented as a priority at national level, it underestimates the essential problems of everyday life” [4, p. 22].

It is well known that the centralized system has systematically neglected any form of cooperation. An “impoverished” social dialogue or even its absence does not allow moving from a culture of... conflict to one based on partnership ... and does not allow taking into consideration of common interests of social partners, reason for which the French author sees in local social dialogue the best means of manifestation of decentralization.

Trying to capture the essence of decentralization in his work “Decentralization and local autonomy for participatory democracy”, presented at the 6th Global Forum on Reinventing Government Towards Participatory and Transparent Governance, Professor James Katorobo thinks that “decentralization involves the transfer of political, administrative and fiscal authority from the central government to the authorities and the subnational governments” [5, p. 240]. It is therefore in the nature of any decentralized system to experience a transfer of power from a high level of government to a lower one.

The purpose of decentralization seems to be clearly fixed in the work entitled “Financial inconveniences of decentralization”, where we are told clearly as possible that decentralization is “a way to provide more efficient public services, primarily related to the requirements and preferences of the beneficiaries”. So, we fully agree that the main purpose of decentralization, in fact a noble one, is to provide better public services to meet the needs of taxpayers. And to legitimize the decentralized system, in the same work we are told: “no centralized system can meet an infinite variety of needs of the local community as well as the elected local authorities who are responsible in front of those who elected them” [11, p. 341]. So, in the achievement of decentralization, it is assumed that the best to meet the needs of communities are none other than local authorities. The explanation is simple. They know better local problems and therefore can find and identify the most appropriate solutions to solve them.

In addition, letting us know about the risks of centralization, the author clearly states that “a community that is growing is a community which is more and more dependent on its own decisions and resources which it manages and less dependent on external aid. If decisions and resource management decisions and are not taken within the community, it will become dependent on institutions and bodies that it, the community, controls more or less directly” [11, p. 341].

Given that “many pleas for decentralization are now organized around the metaphor of local development” [4, p. 70], it is fair to mention here this idea of “local development” too, which in Professor Xavier Frege’s terms, is “the aim of economic and cultural of decentralization”. As the French author says, “being economic, social and cultural at the same time, local development diversifies and enriches activities on a given territory by mobilizing existing resources and energies in the region” [4, p. 57].

In summary, those who must deal with affairs concerning them and manage their resources, values and mechanisms are local communities through the local authorities they have designated to represent their interests. The need for decentralization is fully justified by this argument.

## **THE DECENTRALIZATION PROCESS - POSSIBLE SOLUTION IN OVERCOMING THE CRISIS**

We dared above to put together the most important ideas expressed by specialists in the field in order to proceed now to an analysis that such a topic requires.

We have to mention one thing to clear the reason why we have chosen this topic. We find that the wording "From centralization to crisis decentralization..." speaks for itself, especially since currently we star in such a phenomenon called crisis decentralization.

The explanation is simple. No government would have started such a wide decentralization if the economic crisis had not happened. Moreover, we think that decentralization in crisis... is, and if we may so express ourselves, ineptitude. Why? Because the purpose of this process must be to better the "eternally-under-reform" administrative system which, in our opinion, cannot be done in crisis conditions.

To give coherence to the formula ... from centralization to crisis decentralization... we consider necessary a brief statement on the progress of decentralization. Thus, until 1990, Romania had one of the most centralized forms of administrative organization; the decisions aimed at local communities were fully made by the central government.

After this time, once the democratic changes took place, local communities began to be entrusted with new tasks and new responsibilities. Moreover, the Constitution adopted in 1991 speaks for the first time about decentralization and the changes brought in 2003 specifically lists decentralization among the basic principles of organization and improvement of local government stating that "public administration in territorial-administrative units is based on the principles of decentralization, local autonomy and deconcentration of public services".

The process of decentralization took place under these conditions. This, on one hand, due to the need to carry out the provisions of the *acquis communautaire*, particularly those in the chapter on regional development and justice, administration and interior, and several other chapters such as those on social protection, environment, etc.

On the other hand, local communities but also the central authorities were seen under pressure to take measures because of the need for compatibility with the existing situation in the European management and administration. The Romanian local authorities could not be partners in different European funded projects if they were not owners of the schools' or hospitals' heritage, if they did not entirely manage child protection issues, etc.; in a similar way they could not be co-participants in the development of national projects such as for example, the ANL Housing Scheme. [3].

In such conditions, a series of regulations aimed at decentralization and transfer of powers to the local management but also regarding financial help for their support was developed. Thus, one by one powers regarding pre-school and university system (first the property, then the payment of teaching and non-teaching staff), health, child protection, social protection (including MIG), computerized individual records, community police, etc. have been given to the local public administration.

Obviously, there arose a number of problems along the way, most of which were being generated by the fact that central government always failed to complete decentralization in one area or another.

Thus, most of the process was started in all areas but has not been finished in any area. [3]

That is why we are witnessing today decentralization actions in the health and education areas in an attempt to make administration more efficient or, why not, to try to seek out response to the crisis.

At this point, it would be unnatural not to ask why decentralization is needed. Who serves it? Could it provide solutions to overcome the crisis? Nothing guarantees that decentralization will solve all problems or that it will not give rise to others, but we are sure of one thing: it can serve as leverage for the formulation of solutions.

Therefore, an essential step in this direction is the decentralization of public health by transferring to local authorities the powers regarding the management of communal, town, municipal and county health units.

In an interview given to Capital magazine at the beginning of year 2011, our health minister says: "When it comes to the health system, 2010 was marked by decentralization, by the return to the patient and the local authorities who know best the needs of the community they belong to." [8]

It could not be more logical than that that the decentralization of this service is justified by the fact that local authorities are able to better understand the basic needs of their community regarding health, paying more attention to their satisfaction. By decentralizing health, autonomous authorities can be involved in developing the health system and decide for the community they represent. Nothing more equitable. Practically responsibilities fall on the shoulders of those who came before the members of the community, asked for their vote and got it....

But this measure must be accompanied by financial resources, as these units cannot operate without funding. Thus, decentralization is good, but only if there is money... And that is why we are in a crisis situation in health ... by decentralization ... but it's also true that decentralization in this sector makes the system more flexible, which allows it to cope with the economic crisis.

A priority in overcoming the crisis is also the implementation of the decentralization measures of powers towards the local authorities in the pre-university public education. In achieving this goal, local communities receive more rights and responsibilities in the administration of schools. Who can make the best decisions on school than its representatives? An important role in decision-making belongs to the civil society and the non-administrative factors (parents, business representatives, social partners). And all these ultimately lead to an increase in quality of school management, teaching... and finally we can talk about increasing the quality of education. It seems simple enough when we write all this, but its implementation is certainly not that simple.

But Professor Xavier Frege thinks that the decentralization problem of services is simple; this action involves, he says, "a certain nearness to beneficiaries to take account of their characteristics and lead to greater effectiveness" [4, p. 91]. Hence the French author believes the "need to leave to the territorial units the services that can be managed better at local level". Without being concerned to find greater legitimacy to decentralization, we fully admit this point of view.

Much more problematic is another issue. The real difficulty of decentralization regards less the transfer of administrative power and more the financial one. The explanation is not difficult to give. Any transfer of power - the most visible element of decentralization [4, p. 88], must be accompanied by an appropriate transfer of funds. That nothing guarantees that the transfer of responsibility is accompanied by an appropriate transfer of resources is one of the most pressing issues regarding the implementation of decentralization. We are thus forced to pay the necessary attention to this circumstance.

From this direction we have only to point out that without allocating the necessary or not sufficient funds compared with the powers transferred to comply with new tasks has determined the tense situation at local government level, a permanent dissatisfaction to community needs, and to the services that local authorities should offer to communities. [3]

In fact, there are not few works that focus on the financial dimension of decentralization. We will focus on some of them.

Thus, we find out from the paper "The municipal bonds – the cause and the effect of local financial decentralisation growth. Romanian case" that decentralization is conditioned by the transfer of financial resources simultaneously and proportionately to provide material support and at the same time enables the organization, provision and adaptation of local public services to the specific demands and needs in terms of efficiency and effectiveness. Thus, the specific problems

faced by community members, especially the economic and social ones, can be better identified and the most appropriate solutions can be taken. [6, p. 52]

That financial support is absolutely imperative we are assured in the paper "Study regarding the local financial autonomy in Romania". Here we are told clearly that "the lack of financial resources would make local authorities unable to meet the needs of its members, which could cause the failure of administrative decentralization" [2, p. 66].

Enlightening and meaningful are also the ideas given in the paper "Financial autonomy of local communities in Romania - a prerequisite for the success of decentralization", in which we read: "Local authorities should be able to fulfill their obligations they have as public power holders without being hampered by financial constraints which are not attributable to them. Thus, any transfer of responsibilities from the state to local communities must be accompanied by equivalent and simultaneous transfer of financial resources. Therefore, this transfer of resources must meet the actual cost of the exercise of the new powers transferred. Communities must have a sufficient scope, so a real financial autonomy for these expenses, which becomes a real stake for a successful decentralization" [7, p. 80].

Everything leads us to believe that the success or failure of the decentralization process is, especially in its financial side, the positions on this circumstance being, as seen, unanimous. So what deserves to be noted, due to the above, is that without the fulfillment of the financial dimension there cannot be a real decentralization. That the implementation of decentralization in local management implies the existence of financial resources is undeniable, so one thing is certain: financial decentralization is a must, self-government otherwise would not be possible, and local authorities, representatives of communities, would be unable to complete their duties.

## CONCLUSIONS

Taking the above ideas into account and without claiming to have exhausted the subject, we now would like to bring out the conclusive, enlightening, issued on the subject. To convince us that this is how things are it is enough to invoke them.

As Professor Xavier Frege concludes in his "La Décentralisation", "decentralization is not necessarily doomed to be stuck in crisis; it may be the means by which local units can better control the development and can effectively mobilize those who contribute to it" [4, p. 149]. We can only fully agree to the French author.

Also worth as a conclusion of value is Elinor Ostrom's opinion. In the Nobel laureate's terms, "decentralization has sometimes been sold as a panacea, a desirable alternative to the hyper centralized model that has survived in its deep aspect, to a revolution and continuing reforms". And she goes on to say that "decentralization involves the transition from a central nervous center to many centers, able to react more quickly and more effectively to the problems observed, to a form of self-management" [9].

But for decentralization to lead to a true self-governance, the reformation that has been talked about so much needs to achieve its essential objective – the transfer of skills and "to integrate the economic, social, political, and administrative elements much better than before" [4, p. 150]. In Frege's terms, the purpose of any reformation cannot be other than building a "more efficient administration reported to the growing complexity of the economy to better coordinate services" [4, p. 25].

But more than telling we consider Professor Frege's position expressed at the end of his book. He concludes that decentralization is "the interface of different perspectives - economic, social, political, administrative, which explains its richness, its ambiguities and even frustrations" [4, p. 152]. Before such a conclusion we can only be fully satisfied.

Admitting all this and in light of the already mentioned ideas we now consider ourselves entitled to give a number of personal opinions. We cannot deny the fact that decentralization is at the center of political debate and economic crisis. Concerned about finding a legitimation to the decentralized model, we see as justified the following question: What is the point of

decentralization? The answer is simple. A generous one, we think. Why? Because it increases economic efficiency and the transparency of the democratic process. And how does it do that? In that it facilitates the connection between the resource provider - the taxpayer - and the service provider – the public institution. On one hand, decentralization of public institutions makes them more responsible in front of the local communities, reducing the “democratic deficit” and bringing near the customer - the taxpayer - to the public service provider. On the other hand, service providers find it easier to discover the real needs of community members by getting faster feedback from them.

We have also thought of another explanation. Could it be that decentralization places on the shoulders of local authorities the responsibility for the crisis? Such a question is more legitimate in the context of the current “efforts” for decentralization. The answer cannot be otherwise. Although local authorities can be put in an awkward situation and not fully meet the expectations of communities things can be seen differently and solutions can be found more easily from a closer position... even in times of crisis.

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