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***Public Policy & Administration in India***

**TOPIC: Meaning, definitions & characteristics of decentralisation**

**Meaning:** Decentralization means diffusion of authority. It means dispersal authority of decision-making to the lower level is termed as decentralization. Decentralization extends to the lowest level of the organization. In other words, the transfer of authorities, functions, rights, duties, powers and accountability of the top level to the lower level of hierarchy is known as decentralization. It is nothing but the delegation of authority, in the entire organisation or it can be said that decentralization is an improvement over delegation. When there is decentralization, the considerable authority, responsibility and accountability are vested to the lower levels of the organizational hierarchy.

**Definitions**: A few definitions of decentralization are given below:

1. **Henry Fayol**, “*everything that goes to increase the importance of the subordinate’s role is called decentralization*.”
2. **Louis A. Allen**, “*decentralization refers to tire systematic effort to delegate to the lowest levels all authority except that which can only be exercised at central points*.”
3. **Earl. P. Strong,** “*decentralization means the division of a group of functions and activities into relatively autonomous units with overall authority and responsibility for their operation*”.
4. **L. D. White,** “*the process of transfer of administrative authority from a lower to a higher level of government is called centralization; converse is decentralization*”.

Thus, decentralization is concerned with the decentralization of decision-making authority to the lower levels in the hierarchy. It increases the role and responsibilities of subordinates at the lower level.

**Characteristics of Decentralization:** Mr. Lilienthal has stated the following essential characteristics of decentralized administration:

1. Large numbers of decisions are made in the field, and with this in view the field officers must be selected and trained as to develop the capacity to decide the questions on the spot.
2. A decentralized administration must develop maximum active participation of the people themselves.
3. In decentralization, the subordinates get a chance to decide and act independently which develops skills and capabilities.
4. Diversification and horizontal can be easily implanted in decentralization. Diversification of activities can place effectively since there is more scope for creating new departments.
5. In decentralization structure, operations can be coordinated at divisional level which is not possible in the centralization set up.
6. In the case of decentralization structure, there is greater motivation and morale of the employees since they get more independence to act and decide.
7. In a decentralization structure, co-ordination to some extent is difficult to maintain as there are lots of departmental divisions and authority is delegated to maximum possible extent
8. In the field the co-ordination of work of various agencies should be made itself because central co-ordination means delays, jurisdictional disputes etc,.
9. The degree of decentralization can be affected by many factors like nature of operation, volume of profits, number of departments, size of a concern, etc.

**Differences between Delegation and Decentralization:** The key points of differences between delegation and decentralization may be stated as follows:

1. When an authority or responsibility is entrusted to the subordinate by a superior is known as delegation. But decentralization refers to the final result which is attained when the authority is delegated to the lowest level, in an organised and consistent manner.
2. Delegation is the technique of management. On the contrary, decentralisation is the philosophy of management.
3. In delegation merely the authority and responsibility are transferred but not the accountability. But in decentralization, all these three are transferred.
4. In delegation, there is less liberty of work to the subordinates whereas, in the decentralization, a substantial amount of liberty can be seen.
5. Delegation of authority creates superior-subordinate relationship in the organization. Conversely, decentralization is a step towards creation of semi-autonomous units.
6. Delegation of authority is a must for every organization, as no person can alone do each and every task. Conversely, Decentralization is discretionary, in the sense that top management may or may not disperse authority.

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