

THE IMPACT OF DECENTRALIZATION OR DELEGATION OF AUTHORITY ON THE REGIONAL DISPARITY

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Abstract — this research aims to identify the correlation between decentralization and regional disparity and assess the possible effect of decentralizing governance for reducing the level of regional disparity in Uzbekistan.

Index terms: Decentralization, delegation, authority, governance, regional disparity, administration.

Влияние децентрализации или делегирования полномочий на региональное неравенство

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Аннотация-данное исследование направлено на выявление корреляции между децентрализацией и региональным неравенством и оценку возможного эффекта децентрализации управления для снижения уровня регионального неравенства в Узбекистане.

Термины индекса: децентрализация, делегирование полномочий, управление, региональное неравенство, администрация.

Recently, the decentralization process has become one of the most be discussed political and economic issues. A lot of developing countries have initiated or considered to initiate, on some shapes of transfer of political power to local authorities (Dillinger, 1994). Not coincidentally, almost simultaneous

transformations were defined as “management revolution”. The search for new approaches to the organization of the public administration system led to the abandonment of the traditional type of managerial rationality (in its classical, Weberian interpretation) and the actualization of the processes of self-organization and self-management of social systems, and also increase the social efficiency of public administration. Modern concepts of new public management (‘new public management’) and management (‘governance’) focus on high effectiveness of public administration, political pluralism in the decision-making process, delegation of authority to lower levels of the management hierarchy, more balanced distribution of power, responsibility and accountability, development and expansion of civic participation (Trofimova, 2011).

In decentralization the main task of the government is to provide local communities with the opportunity to independently solve their problems and control the quality of public services provided. This approach is consistent with the core values of the local self-governance - autonomy (decentralized governance), democracy (civic participation) and efficiency (proximity of power to the population). State transfers public service functions non-governmental (commercial and public) organizations, reserving the functions of control and development of a common strategy.

According to Armstrong & Taylor (2000) there are plenty of reasons which might describe the augmenting interest in decentralization. The belief that decentralization can effectively increase efficiency of public finance is the first reason. The second one is against reaction to the centralized bureaucratic processes not only developing countries, but also in OECD countries. The third is the demand for democratic reforms which might encourage public participation in social-economic policy and administration.

Nevertheless, there are many contradictions in explanation of outcomes of decentralization, because the assessment itself relies on political, social and economic factors. For instance, some authors (Zhang & Zou (1997), Freinkman & Yossifov (1999), Lin & Liu (2000)), who had made national research about the correlation of decentralization and regional growth, came to conclusion that decentralization had a positive effect on economic development in India, China and Russia, whereas Zhang & Zou (1998) and Xie, Zou, & Davoodi (1999) have concluded the opposite for the USA and China. But all the scholars have come to one agreement that the initial factor of the decentralization is a good “quality” of the local government and elaborated implementation steps. As Olum (2014) stated, “Decentralization cannot be successful in developing countries if it is implemented without the establishment of proper planning and accountability mechanisms. Short of these measures, decentralization can reallocate power and resources in a way that leads to power struggles and renewed conflict, an occurrence that is counterproductive to the very essence of decentralization”.

Torissi et al. (2015) described how devolutionary process operates and its impact to the regional disparity in Italy, but the scheme can be considered as a general description (Figure 6). Decentralization, by vicinity to the citizens and strengthened accountability of local administrations, accompanied by a developed social structure and civil society, obliquely promotes socioeconomic progress and spawn aggregate and self-reinforcing appearance, in which economic dynamism raises its validity and thus feeds back into the devolutionary push (Calamai, 2009).

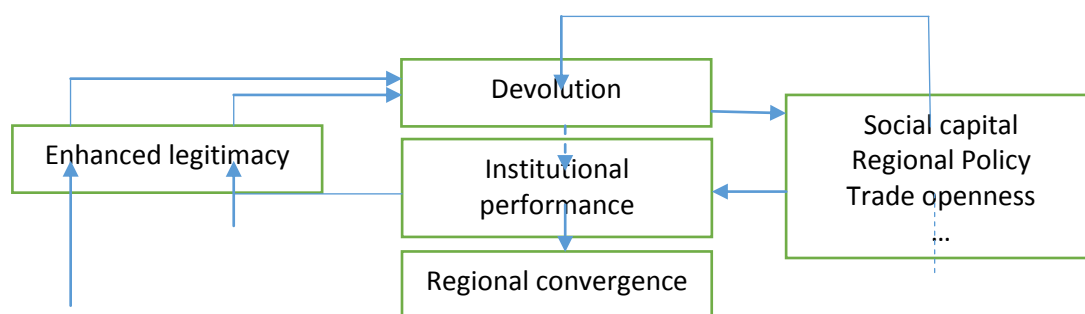


Figure 1. Link between devolution and regional disparities in Italy.

In addition, the relationship between the level of economic development and the degree of fiscal decentralization of its fiscal system, as a essential part of whole decentralization process, is obvious. It is expressed in the following trend: the higher the degree of fiscal decentralization in the region and the municipality, the higher their level of economic development. A positive correlation has also been established between the degree of fiscal decentralization in the region, per capita tax revenues and the level of economic development.

The government of Uzbekistan and state administrative bodies are characterized by a high degree of centralization. Main problems about government accountability and transparency remain in spite of gradual changes. The President and the Cabinet of Ministers possess powers, and the system which empowers ministries and local authorities is limited.

Today Uzbekistan is actively discussing plans to introduce the practice of developing regional development strategies using the tools of integrated planning and active involvement in the planning process of representatives of local authorities and the private sector.

According to UNDP, the integrated programs and projects would subsequently allow to combine the most important tasks for socio-economic and environmental development in one systematic document, namely in the development strategy of the region. On the one hand, it will make it possible to reduce existing sectoral programs developed at the central level, on the other, it will increase the role of local authorities in planning the development of regions taking into account the interests and needs of each region.

Such an integrated approach in local development will further allow achieving rational distribution and efficient use of resources, creating new jobs and

increasing incomes of the population, providing affordable and high-quality social services for health care, education, etc. The regional development strategy provides an opportunity to link a comprehensive picture of the available human, material and production resources with the most important socio-economic tasks at the local level, and to determine the development priorities of the region for the medium and long term.

Thus, mutually beneficial cooperation of local government bodies, business entities, NGOs and other civil society institutions aimed at achieving the goals and solving specific tasks of a specific region of an economic, social or environmental nature will enhance the legitimacy of the adopted policy measures and which means national prosperity.

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