

Features of Decentralization Processes of Developed Countries in the Post-Pandemic Society

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Abstract: Globalization and rapid information processes that are inherent in today's post-pandemic society contribute to the reorganization of the authorities of many countries and their contacts with regions, local territorial units or civil society. Such changes, first of all, provide for the delegation of authority at the level of regional and local authorities.

However, many developing societies that today position their own society as a postmodern one, continue to be in a state of disunity within the branches of government, with a high level of corruption and abuse of official position, improper distribution of resources, inappropriate tax system and incompetent provision of services by relevant authorities. This affects the relevance of studying foreign experience in building a rational, effective, balanced public administration system, among which a leading place is occupied in almost all developed countries by the decentralization of the state and, above all, of the executive branch. The foreign experience of the successful implementation of decentralization reforms is investigated in this article. The main characteristics inherent in the decentralization of power in European countries are given, taking into account the context of the pandemic. The features of the decentralization of power in France, the UK, Germany and other countries are highlighted. It is substantiated that the experience of decentralization reforms in each country is unique and reflects the specifics of the development of a particular country, and therefore it is impractical to introduce foreign experience without taking into account the particular economic and political development of a particular country.

Keywords: *decentralization, political will to make decisions, civil society, crisis of governance, crisis of power, post-pandemic society.*

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1. Introduction

Decentralization is a process that arose at the end of the 16th century, according to which sovereigns should not be the monarchs, but the people. The thinker Arnstein (1969) demanded that local and regional political entities be given legal powers, as well as the right to self-government, to the greatest extent possible.

Thus, in the 20th century, the prevailing opinion was that the centralized state was a rational one. At the beginning of the 20th century, the idea of subsidiarity, which was directed against the centralized state of a Nazi and socialist type, was finally accepted. The sources of this idea are the social teachings of the Roman Catholic Church, put forward by Pope Leo XIII in 1891. Later, Pope Pius XI put forward the benefits of subsidiarity as the third possible way between the dictatorship of the state and the non-interference of the state in the economy (Panizza, 1999).

According to scientific sources (Santagati et al., 2020) there are five types of regionalization in Europe: regionalization through federal entities (Austria, Belgium, Bosnia and Herzegovina, Russia, Germany, Switzerland), regional autonomy (Spain, Italy, the United Kingdom of Great Britain and Northern Ireland), regional decentralization (France, Hungary, Netherlands, Norway, Poland, Slovakia, Czech Republic, Sweden), quasi-regionalization through existing local authorities (Finland, France), administrative regionalization (Albania, Armenia, Belarus, Bulgaria, Greece, Georgia, Denmark, Lithuania, Portugal, Romania, Ukraine, Turkey etc.).

At the same time, the choice of one or another regionalization model is determined by the history of the country's territorial and political structure, the territorial consolidation of the societies living within these countries and the specifics of political practice. Also, the models of European regionalization differ from each other according to the principles of forming regional entities, based either on the dominance of nationality foundations (Belgium, Bosnia and Herzegovina), of historical and cultural facts (Austria, Germany, Spain, Italy, Switzerland), or of economic and territorial facts (Hungary, Norway, Poland, Bulgaria, Greece and others). Thus, during the 20th century, a form of government has been established that ensures the existence of local and regional autonomies (Lago-Peñas & García, 2017).

Also, at the end of the 20th century, one could observe trends either towards centralism or decentralization in Eastern Europe (in the mid-1990s), which were brought on by the following factors (Oates, 1999):

- 1) the need for the central government to maintain control over economic and political development in a transitional period;
- 2) the need to implement policies aimed at supporting national unity in the general atmosphere of social fragmentation due to transformation;
- 3) the need for monitoring economic and social imbalances in the development of regions;
- 4) the need to control the distribution of limited resources.

The idea of ensuring regional development is mandatory to be implemented at subnational levels in the postmodern society. The new economic paradigm of previous decades has had a significant impact on the development of regional policy, has acquired innovation-oriented characteristics and is considered as an important component in the context of increased investment activity, the creation of regional networks of interaction between enterprises, the provision of technology transfer and, ultimately, should lead to a transformation of the life space.

The changes that have taken place in recent decades in the economic and social and humanistic- spheres of life, in their global dimension and under the influence of the postmodern society, significantly modify the environment and conditions in which regional and local development, an the factors and patterns of this development take place. Under the influence of globalization trends, the significance of national economic systems is eroded and transnational networks of cooperation develop, while international components of a postmodern society and economy are implanted in national and regional practices, which lead to significant institutional gaps between the spheres of public life, the economic sector, social groups, territories etc. Economic processes often acquire the properties of "extraterritoriality", since they are much more dependent on material and financial exchange and on human and intellectual resources provided by transnational partners, than on local communication. The resource potential of territories in the context of globalization is no longer an overwhelming absolute (the technical and organizational capabilities of "pumping out" resources are growing) or an obstacle (the possibilities of attracting resources from the outside are increasing) for the development of the territory. Accordingly, the concept of competition for resources takes on new dimensions and acuity precisely for local communities. The shifts taking place in the processes of social production, as well as in the process of the development of a digital and network economy within the framework of the Fourth Industrial Revolution modify the very understanding of the essence and correlation of the value of local development resources. The functional autonomy of production entities sharply increases. New resources appear, due to the

spread sharing information even in the creation of traditional goods and services, while their value is significantly changing. So, the principles of competition are changing, which in the "traditional" economies plays the role of the main regulator of intersectoral and inter-territorial resource flows.

Under such conditions, the decisive task of the institutional development and the system of decentralization reforms in a postmodern society becomes the formation of a system of institutions that provide a direct link between the development of the territorial community as a whole and the entities operating in this territory. Since the basic value for any subject is its preservation and constant updating through development, it is logical to conclude that in the economic dimension, this value is manifested in the basic long-term need to ensure the economic conditions for the continuity and integrity of the subject, or its expanded self-reproduction, which occurs within the framework of a specific institutional environment.

2. Experience and historical origins of implementing decentralization processes within the developed countries of the world in the conditions of the post-pandemic society

2.1. The historical origins of implementing decentralization reforms around the world

The decentralization of the power of decision-making towards the lower levels of government is increasingly attracting the attention of countries around the world. The experience of each country is unique. Countries such as Australia, Canada and the United States have been developing systems for decades, through which certain powers of decision-making are transferred towards various levels of the government, who thus become responsible (Arzaghi & Henderson, 2005).

Today, Canada can be called one of the most decentralized countries in the world. The Canadian Constitution distributes power between the federal government and ten provincial governments, according to their respective functions. Provinces determine the structure and powers of municipalities enshrined in municipal acts. Municipalities are granted general powers, but the formal responsibilities for various services are not specified. In addition, the practice of transferring state functions on a contractual basis to the private sector became widespread at the provincial level, and the management of contractual relations has become one of the highest priority areas of administrative activity, which is especially important in the context of a pandemic situation that is associated with COVID-19.

Unlike Canada, the mechanism for the distribution of powers between the different levels of government in the United States is enshrined in the Constitution, based on which a federal system is created, that distributes powers between central and state governments. Each government is vested with exclusive powers that cannot be usurped by another government. Issues that can be resolved entirely at state level are the exclusive responsibility of the state government. The district authorities are vested with broad powers, including the implementation of environmental and social programs, while specific districts solve specific problems, for example, the issue of water supply or schooling.

In the mid-1990s, China launched a series of reforms to decentralize the financial system at various levels. The “Chinese decentralization path” does not give significant independence to regions, but it creates incentives for local politicians to work towards local development and is an effective mechanism for institutional market transformations (Bardhan, 2002).

Central Asia (Indonesia and Pakistan) have the goal of implementing “rapid decentralization”. Countries in other regions, such as South Asia and West Africa, have chosen a more gradual path of reform. Decentralization processes did not bypass the countries of Central and Eastern Europe after a series of “velvet” revolutions and the collapse of the Soviet Union. The political transition took place very quickly: in Poland this process took almost ten years; Hungary had ten months, East Germany, ten weeks, and Czechoslovakia ten days. The main contextual determining factor in this was the weakening of the influence of the Soviet Union. After the political upheavals of 1989 and 1990, in all countries going through transition period, transformations of various intensity of the administrative, economic and other systems began.

The results of studies conducted over several years by World Bank experts have shown that the progress of decentralization reforms in most countries is different. Although the central authorities delegated their powers to lower levels of government in many areas, real decision-making powers were delegated only in individual cases. Obviously, effective decentralization involves the functioning of a wide range of institutional structures that did not exist in the old system.

Given the above, it can be concluded that in many countries of the world, including China, the countries of the former USSR and the communist bloc, reforms on the decentralization of power are widely introduced as a factor during the implementation of administrative reforms. In the countries facing transition, the reasons for decentralization were mainly as follows: a decrease in the dominance exerted by the “center”,

along with the simultaneous establishment of independent local self-government, a transition from a rigid planned economy to market relations and the provision of quality services to the population.

Thus, having examined the historical concepts of decentralized governance in different countries, we affirm that the decentralization of state power and governance, the separation of powers between central, regional and local governments, partnership and subsidiarity are principles to be recognized for the implementation of administrative reforms.

2.2. The experience of implementing decentralization reforms in the developed countries of the world and their change in the conditions of the COVID-19 epidemic

Over the past few decades, in many countries of the world, large-scale reforms aimed at improving the efficiency of public administration have been carried out. It is no accident that, almost at the same time, these universal transformations have been defined as a "managerial revolution." Global socio-political and economic, socio-cultural and technological changes, as well as the COVID-19 epidemic have become a challenge for modern administrative and public administration systems (Martinez-Vazquez et al., 2017).

The concept of new public management involves the decentralization of management by expanding the powers and responsibilities of local authorities. The main task of the government is to provide local communities with the opportunity to independently solve their problems and control the quality of their public services. This approach is close to the basic values of local self-government - autonomy (decentralized governance), democracy (civic participation) and efficiency (the proximity between the population and power entities). At the same time, the state transfers the function of providing public services to non-governmental (commercial and public) organizations, retaining the functions of control and development of a common strategy (Dardanelli, 2014).

The main idea of the leadership concept is to transform the internal and external relationships of the traditional government in order to optimize the provision of services, as well as to expand the level of civic participation within public and private structures in the processes of making socially significant decisions. Within the framework of this management concept, this means a constant and active interaction between the state and the non-state sector, which ensures adapted management mechanisms in the context of a growing complexity and dynamics of the modern society, and the diversity of social problems. The interaction is compiled on the basis of the

idea of using the most rational solution to problems. Civil society is well infused with diversity, is a market with dynamic aspects, and the public sector (the state) must comply with the complexity of modern social development.

One of the key concepts of modern management is decentralization, which involves the transfer of authority and responsibility from the central government to the lower levels of government and the private sector. At the same time, the process of making socially significant decisions and monitoring their implementation are becoming more and more accessible to the majority of citizens (Fan et al., 2009).

Decentralization has significantly affected the relationship between the central government and the local government, but this does not mean that the changes that have occurred are arbitrary. The boundaries of decentralization depend on the weight of the political component, and on the human and financial resources at the disposal of local authorities. In addition, the decentralization of management does not exist outside the state, it is carried out starting from the initiative and under the control of the central government. But decentralization is not possible if local authorities are nothing more than an executor of the policy of a higher authority. These extreme positions limit the space of local self-government, determine its “range of possibilities”. Political systems strive for the necessary balance in accordance with the conditions in each country (Alesina & Zhuravskaya, 2011).

Several types of decentralization are distinguished in the literature: administrative decentralization, in which case the local government is accountable to the higher authorities; political decentralization, in which case local authorities are theoretically independent of the state and benefit from authority and responsibility; budget decentralization, which is associated with the transfer of necessary resources to fulfill the transferred power and responsibility; finally, market decentralization, which transfers functions to the private sector, including planning and administration, that were previously in the jurisdiction of state institutions. However, all types of decentralization are interconnected, therefore complement each other and reinforce the general trend. Effective decentralization is impossible without the real self-government of the lower levels of power and democracy as a way of exercising power (Sorens, 2009).

However, information about the beginning of public administration reform at different time periods and under different circumstances made it possible to identify three main models of decentralization, conceptually

implemented in individual countries: “devolution” in England, “deconcentration” in France and “delegation” in Germany.

Deconcentration provides for a system of administrative responsibility for the management of jurisdictional territories, developed and implemented on behalf of the central government. Deconcentration, unlike devolution, governs relations in the administrative hierarchy, while devolution excludes any hierarchical relationship between the state and local authorities. This difference gives reason not to consider deconcentration at all as one of the options for decentralization (Blair, 2000).

Thus, in its strict definition, not related to above mentioned concepts, decentralization is the existence of a locally elected authority that is different from the administrative authority of the state, that exercises its own powers and duties under the law, therefore having a status of self-government under state control. And in this sense, decentralization is inseparable from the idea of local self-government and democratic principles.

For a long time, the UK has been a model of decentralized political governance based on a culture of civil society and the representation of local interests in national government. And this, despite the fact that the position of the local government in the British Constitution is both ambiguous and ambivalent. In the “partnership” model, local authorities, having significant independence in determining and implementing their own local policy, are equal to the central institutions, that are placed under the control of the parliament. In the “agency” model, the local government implements national policies under the control of central departments, without any (or having little) independence. The transfer of power from the central to the lower level (devolution) has become an important socio-political event in recent years and in the conditions of the COVID-19 pandemic (Enikolopov & Zhuravskaya, 2007).

Unlike Great Britain, public administration reforms in Germany were conceived “from below”. The beginning of the reforms was laid by the functional reforms of local self-government during the 1960s. Their content and goals were to create small and fragmented communities and districts capable of fulfilling most state tasks and powers. In the 1980s, Germany, like other developed European countries, was confronted with the legacy of a welfare state. The solution to the problem of social dependency, lack of pensions and social benefits was the decentralization of management. And, therefore, further reforms of local self-government turned out to be associated with a wide range of socio-economic problems. (Bird et al., 1995, pp. 12-18).

Decentralization has become the basis for the country's modernization program, by reducing the influence of the state and strengthening civil society institutions. At the same time, the forces represented, as a rule, by the opposing political parties, strive not only to develop new views on local self-government, but also to “fit” them into their political program, which is supported by certain social strata and categories of the population. Innovations in the field of local self-government look less like a technical managerial decision, but more like a fundamental issue affecting the interests of both the main political forces and the general population. Decentralization redistributes functions and responsibilities not strictly vertically, down the power line, but in a variety of directions and configurations (Bahl, 2000, p. 69).

Unlike local governance reforms in the UK, German reforms are gradually and oriented more towards public participation than towards introducing market principles into the public service delivery process. However, both in Germany and in Great Britain, the state is exempted from unnecessary social responsibility, transferring most social functions to the level of local communities (Griffin, 1981).

The decentralization of government in France has its own specifics. Despite the fact that France is a unitary state, its political and administrative system is one of the most complex in Europe and consists of four levels: commune, department, region and state. Since 1982, a reform of the local government is underway, designed to expand the degree of local autonomy and to reduce administrative control by the state. Unlike the Anglo-Saxon countries, administrative reforms did not differ in their desire to introduce market-oriented mechanisms, with less costs for the state and an increase in the efficiency of bureaucracy. Reform priorities were strengthening democratic principles in public administration and activating local self-government, and only then introducing management principles. This, it seems, reflected the basic values of the French society, social justice, equality of citizens before the law, the priority of public interest over the private, which in a specific way broke in strong paternalistic sentiments among citizens.

During today's epidemic of COVID-19, European countries demonstrate different approaches to public administration reform, and with a certain degree of conditionality, they can be contrasting with each other as centralization and decentralization ascribe, for example, to England and France, two extreme opposite situations. As well as saying that Germany's interests gravitate towards France. Indeed, as a result of the reforms in England, there is a tendency to centralize and control local interests; in

France, local politicians influence the center in order to defend the interests of the communes. But as the researchers Kyriacou and Roca-Sagalés (2011) note, a comparison of the “before” and “after” reforms leads to mixed conclusions. If we compare the results of the management reforms in England, then in England there were more profound changes, while in France, little has changed (Kyriacou & Roca-Sagalés, 2011).

The differences in approaches to decentralization are largely determined by the content of relations between central and local authorities and the potential of local self-government. An analysis of the reforms and the current state of local government can also lead to different conclusions. If our basis for discussion is the current state of the budget, the number of employees, the territory of municipalities etc., then Britain has a strong local government. If we use the criteria of formal local autonomy and freedom from central authority, the conclusions turn out to be the opposite. Reforms in England led to the fact that local authorities began to have limited freedom from the central government precisely because its size and capabilities meant a significant freedom in expressing and implementing their initiatives (Fisman & Gatti, 2002).

Relations between central and local authorities in individual countries have evolved in different ways. But it is also necessary to distinguish the stages of genesis and reproduction for these outcomes. Depending on the emphasis placed on history or, instead, on the present, research may produce directly opposite results. In modern conditions, these relations are acquiring new features. Management reforms showed opposite trends, including with respect to their own traditions of political culture, as was the case in England and France. The problems faced by most European countries turned out to be similar. According to the researchers Ivanyna and Shah (2014), the general meaning of the reforms is to eliminate the circumstances that limit local self-government and other administrative structures within each political system.

3. Conclusions

The experience of public administration reforms in European countries in the face of the consequences of the COVID-19 epidemic showed that the boundaries of decentralization are determined by the constant specificity of the relations between the central and local authorities and the potential of local self-government. The political decentralization and commercialization of public services in England, the role of communes and the gradual transition to market relations in Germany, the administrative

reforms and the activation of local communities in France, all reflect the particular decentralization that the European countries are targeting.

The experience of reforms in foreign countries indicates that decentralization plays an important role in the democratization and transformation of society, and the transition to institutions based on the initiative and responsibility of the individual and society. The trend towards its widespread implementation is observed in the administrative, political, budgetary, financial, social spheres, contributes to the development of human potential, responsibility of the authorities, improving the quality of the provision of state and public services, consolidating society, solving economic, legal, political, social, ethnic problems. Thus, the result of successful decentralization in a post-pandemic society should be the construction of a developed, strong, democratic state, with a self-sufficient local self-government, able to effectively solve local problems and better provide the population with a wide range of public services.

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