

REVIEW ARTICLE

SMALL CITIES, DECENTRALIZATION
AND REGIONALIZATION

A Review of Recent Literature Published by the
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By the end of the 60s it had become evident among scholars and development experts that the primarily growth-oriented development strategy of the preceding decade, which was based on a philosophy of central planning, was barely able to meet the optimistic expectations placed thereon.

The impressive economic growth rates frequently cited by proponents of the growth-oriented approach had been achieved only in a few Asian and Latin American NICs. But even there economic growth was distributed in a highly inequitable way incapable of absorbing the swelling ranks of the unemployed and resulting in a widening of social and regional disparities, increasing poverty, excessive rural-to-urban migration and growing primacy rates.

Gradually it was realized that macro-economically biased top-down-programmes, designed and implemented by central government agencies, would not be able to meet the needs of the poor, if the spatial and institutional dimensions of development were not duly considered too. Without participation and feed-back from the target groups themselves - i.e. a bottom-up process of interaction - the hitherto prevailing patterns of paternalistic decision-

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- +) I G.Shabbir Cheema (ed.), Institutional Dimensions of Regional Development, Singapur: Maruzen Asia 1981
II G.Shabbir Cheema / Mitsuhiro Hosaka (eds.), Administration of Regional and Local Development, Nagoya: UNCRD 1983
III Om Prakash Mathur (ed.), Small Cities and National Development. Nagoya: UNCRD 1982
IV G.Shabbir Cheema / Dennis A.Rondinelli (eds.), Decentralization and Development. Policy Implementation in Developing Countries. Beverly Hills: Sage 1983

making with their inequitable distribution of government services and developmental benefits could not be overcome. So in order to reach more readily the rural poor and the peripheral regions which so far had been strongly neglected by central planning agencies, decentralization and regionalization policies have been proposed by academic institutions, individual scholars and international organizations, but at first they were adopted only hesitantly by the majority of Third World governments.

This was the background against which the United Nations Centre for Regional Development (UNCRD) was set up in Nagoya, Japan, in 1971. Subsequently it became the primary aim of UNCRD to enhance the capabilities of developing countries in subnational regional development planning. Toward this goal UNCRD conducts training courses, promotes collaborative research, extends technical advisory services and organizes international conferences.

The books reviewed here are the results of major research projects conducted and financed by the UNCRD since 1979 in cooperation with country experts and well-known scholars in the field of public administration, political science and regional planning.

I

"Institutional Dimensions of Regional Development", edited by G. Shabbir Cheema, a Malaysian development administration planner, concurrently working for the UNCRD, attempts to examine the performance of coordination in the interrelated processes of planning, budgeting and implementation management. While the authors of the first part of the reader (G. Shabbir Cheema, Milton J. Esman, A. P. Saxena, Gabriel U. Iglesias, Dennis A. Rondinelli and Marcus D. Ingle) deal exclusively with theoretical issues of regional development, part two presents case studies describing the institutional framework for regionalization and examining its effectiveness in six selected Asian countries, namely Bangladesh (Shaikh Maqsood Ali), India (T. N. Chaturvedi), Malaysia (Johari bin Mat), the Philippines (Armand V. Fabella), Sri Lanka (K. P. G. M. Perera / P. N. M. Fernando) and Thailand (Chakrit Noranitpadungkarn).

In his introduction Shabbir Cheema distinguishes institutional and non-institutional factors primarily contributing to the failure of central planning. The institutional problems can be summarized in the widespread tendency to technocratic planning and a bureaucracy that is characterized by political interventions, red tape, rigid rules and regulations, proliferation of agencies, interdepartmental rivalries, deficiencies in programme monitoring and evaluation and finally, lack of qualified personnel - especially at the lowest administrative levels. Non-institutional factors are the insecurities and fluctuations of the world market which seriously inhibit consistent planning

and continuous programme implementation, the overemphasis on industrialization and urbanization in the Asian countries' development strategies, the non-egalitarian patterns of wealth and political power, the alarmingly high population growth rate and a notorious political instability resulting in the discontinuity of operational goals.

Another major impediment to efficient development planning and implementation often ignored by development administration theorists as well as governments in the Third World, is the weakness of non-governmental organizations and their exclusion from planning and decision-making processes. Cheema concludes that as a result of this, meaningful participation of the people in the identification of local needs did not take place nor could the interests of the poor be safeguarded. Thus, bureaucratic responsiveness at the grass roots cannot be insured and planning takes place in a predominantly top-down pattern.

To have pointed out so clearly the importance of a vivid pluralist system of interest groups and civic organisations for a more equitable distribution of development benefits is a major merit of Cheema's analysis which places it well beyond the narrow analytical categories of traditional development administration theory.

Milton Esman also emphasizes the need for strong local governments and an organized public. According to Esman a useful antidote to the strength of the specialized departments and hierarchically structured bureaucratic organizations are vigorous local government authorities demanding the right to integrate services within their areas of jurisdiction and autonomous local pressure groups which have access to information, finance and other resources.

A. P. Saxena identifies four categories of blocks to coordination in regional development which are technical, procedural, structural and behavioral in nature. These blocks create dysfunctional administrative styles marked by an extreme concern for accountability instead of results, an adherence to rigid rules and regulations and a lack of cooperation which generates intra- and inter-institutional competition and conflict.

In their remarkable contribution Dennis A. Rondinelli and Marcus D. Ingle arrive at a critical assessment of traditional development administration theory. Much of the development administration theory of the 50s and 60s, they claim, focused on macro-economic planning and administrative reform. Conventional wisdom attributed the difficulties of Third World governments in pursuing development programmes primarily to ineffective administration procedures and managerial techniques, weak and inadequate development institutions and inappropriate or pre-modern governmental structures. A panacea for these deficiencies was seen in the transfer of administrative procedures and techniques from industrialized countries to the Third World.

Rondinelli and Ingle maintain however that the administrative and organizational problems obstructing the implementation of (regional) development programmes are much more complex in nature and are often caused by en-

vironmental factors extending far beyond deficiencies merely in administrative procedures and organizational structures. At least five factors constituting the context of programme implementation are identified by them: political will, bureaucratic attitudes and behavior, cultural traditions and practices, economic structures and spatial and physical systems.

The emphasis laid on these socio-political, economic and cultural variables as constituents of a more comprehensive development administration theory is by no means new. It corresponds largely to what Riggs has called the 'ecology of public administration'¹. But taking into account that Riggs' theoretical writings have experienced a rather limited reception in comparison to the conventional and at the same time, much more simplistic, functional-structural approaches of development administration theory, the concept outlined by Rondinelli and Ingle deserves particular attention. Especially in Germany academic institutions and governmental agencies involved in administrative assistance have a hard time learning the lesson that administrative shortcomings in Third World countries cannot be cured merely by the prescription of Western administrative technology and procedures.

From the following case studies it can be concluded that Malaysia has probably made the greatest progress in the implementation of decentralization policies. But despite the relatively good performance of coordination and implementation at the federal level, it shares a series of problems at the local level with other Asian countries; namely an enormous proliferation of agencies (especially public corporations) which contribute to an increase of inter-agency conflicts in the field, the predominance of line-agencies in planning and implementation, the weakness of local institutions, deficiencies in monitoring and programme evaluation and the delineation of development projects which do not pay sufficient attention to the poorer sections of society.

II

"Administration of Regional and Local Development" edited by G. Shabbir Cheema and Mitsuhiro Hosaka is the result of another UNCRD research project conducted in co-operation with research and training institutions from Bangladesh, India, Malaysia, Sri Lanka and Thailand.

This book discusses more or less the same themes as the study reviewed above - although in a more conventional and descriptive style and lacking a similarly outstanding theoretical framework - it might thus be sufficient to refer to the results summarized above. However, for those wanting to familiarize themselves with the complex organizational set-up and intra-bureaucratic structures of the selected countries at the district or provincial level, the case studies prove a useful help for initial orientation.

One important point made by Cheema and Hosaka should nevertheless be

mentioned explicitly: referring to the Sri Lankan experience they conclude that local needs could be, to a considerable extent, reflected in development programmes through the politicization of the planning process at the local level. This means that it should be tolerated or, even better, encouraged by the government when people organize at the grass-roots for the articulation of their needs and demands. In societies with a highly inegalitarian power structure, however, safeguards must be established that these peoples' organizations do not develop into instruments of the local elite for a further expansion of their material and political resources.

III

"Small Cities and National Development", edited by Om Prakash Mathur, is devoted to a subject that so far has received comparatively little attention in the already vast corpus of literature on urbanization. It is a theme which in the light of dysfunctional metropolitan growth and skewed settlement systems is of increasing importance for a socially and regionally more equitable development pattern.

The volume is divided into four parts. In part one the editor treats major issues of urbanization research with regard to small and intermediate cities. Part two contains a number of country studies including articles on the People's Republic of China, the Philippines, India, the Republic of Korea and Japan. Part three extends beyond country-specific experiences by identifying more general issues of small and intermediate city development in Africa, Asia and Latin America from a comparative view. This part is complemented by Dennis E. Rondinelli's comparative analysis on the socio-economic structure of small and intermediate cities. Part four finally deals with theoretical issues and policies for strengthening small city development in the Third World.

In his introductory chapter Mathur defines small cities by demographic criteria as settlements with 20 000 to 100 000 inhabitants. This definition is followed by the somewhat surprising claim that, contrary to general belief, the less developed countries show a "policy preference for small and intermediate cities and a decentralized pattern of spatial development" (p.3) today. Mathur therefore speaks of a "small city bias in development planning policies" (p.3). This conclusion, however, which is mainly based on UN sources and planning documents of developing countries is no longer tenable when the implementation record of these policy pronouncements is taken into consideration. The pleas of many Third World countries for greater decentralization often prove to be mere lip service as their spatial decentralization policies in reality do not go beyond the establishment of growth centers - a phenomenon that Douglass has termed "concentrated decentralization"². Moreover, despite growing "diseconomies of scale" in large urban agglomerations, both domestic

and foreign investors still expect greater economic returns from a metropolitan location and hence successfully exert pressure on the governments for compliance with their locational choice. For instance in the Philippines, despite the widely published industrial dispersion programmes 90 % of the country's new private investments are still concentrated in Metro Manila.

Pernia's study on the spatial structure and the impact of decentralization policies in the Philippines confirms the scepticism raised above against some of Mathur's rather optimistic assertions. Although he describes the 70s - somewhat euphemistically - as a "regional awareness period" (p.127) Pernia nevertheless concedes that the end of the 70's saw little departure from the metropolitan concentration that had been built up in the 50s and 60s. For instance, there has been no visible response on the part of the business sector to the government's avowed initiative in developing the backward regions. Well developed networks for migration and agglomeration economies benefiting individual firms and households still make Metro Manila the most favored destination of migrants.

Pernia also modifies the view long held that small towns had been bypassed by the economic gains achieved by developing countries and that the population growth rate of cities of the size group between 20 000 and 100 000 inhabitants had dropped sharply since the 50s. Against this Pernia argues that the key aspect for demographic and economic growth perspectives of cities is not so much size per se but the economic region in which they are located. Pernia who categorizes the Philippines into four broad regions, namely the National Capital Region (Metro Manila), the Central Industrial Region (Southern Tagalog, Central Luzon excluding Metro Manila), the Sluggish Region (Bicol, Ilocos, Visayas) and the Frontier Region (Cagayan Valley, Mindanao), demonstrates that in contrast to the Sluggish Region the small and intermediate cities in the Central Industrial Region (a somewhat inappropriate term to characterize the socio-economic structure of Central Luzon and Southern Tagalog) have grown rapidly over time due to a (comparatively) progressive economic environment, favorable economic policy and the proximity of the capital. Similar findings have been made for India by Bhalla and Kundu³.

Richardson argues against the hypothesis of the declining demographic importance of small and intermediate cities from a methodological point of view. He shows that the relative decline in the share of small and intermediate cities in total urban population was due to what he called "size-class jumping". In other words, the growth rate of the population of the large cities (100 000 and above) is not increasing because the growth is actually higher, but because of the upward shifting of towns and cities in the higher size category.

In the face of this methodological problem it has been proposed to hold the size-group constant in the base year. In fact, studies on urbanization in India authored by Rakesh Mohan and M.K.Jain which operate with constant size-groups, displayed no appreciable difference in the average growth rates between city-size categories⁴.

Unfortunately the article by Hackenberg deviates from the otherwise high

standard of analysis of the volume. His article on urbanization in Southern Mindanao is a crude reproduction of the "growth first, redistribution later" philosophy of the early modernization theorists. This assessment is well reflected by his undifferentiated use of the modernization concept which is determined only by demographic and economic criteria like urban population growth, increase in investments and growth of jobs in agro-industry. Social and, in particular, redistributive elements of development remain completely disregarded.

Hackenberg's hypothesis is that "most significant results (in modernization, J.R.) should be obtained from investments in Resource Frontier Areas (p. 144) like Southern Mindanao. The potential of the resource frontier could be realized if a sequential relationship between public investment in essential rural infrastructure and private investment in rural-based industries exists. According to Hackenberg, the rapid modernization process in small and intermediate cities of Southern Mindanao is attributable to such a relationship which has made the area "the recipient of significant development stimuli for two decades" (p. 144).

It is precisely the consequences of the rapid expansion of the agro-industry and the implementation of a green revolution guided merely by technocratic and economic considerations (as prescribed by Hackenberg) that has engulfed Southern Mindanao deeply into its present state of social disruption and political polarization. Although Hackenberg indicates that the agro-industrial growth may have increased the economic inequalities within the area (Gini-coefficient), he completely ignores the enormous human and social costs like the destruction of the basis of agricultural subsistence of rice and corn farmers, the strong dependence of many small holders on large, foreign-controlled agro-business companies and the uprooting of tribal minorities that accompanied the growth in agroindustrial jobs. In his concern for the growth of agro-based industries Hackenberg also fails to point out that most of these newly created jobs pay far below the legally fixed minimum wages, are seasonal in nature, insecure, with high turnover rates and do not even provide for satisfaction of the most basic needs⁵.

In consequence, this growth strategy - pushed ahead without any meaningful measures to cushion the disruptive effects of socio-economic change - resulted in rural impoverishment, the proletarianization of life styles and the destruction of cultural identity of the displaced cultural minorities. Not surprisingly, Southern Mindanao has in the meantime become a major stronghold of the leftist insurgency movement.

Against Hackenberg's thesis it may thus be argued that the growth of urban centers in Mindanao is not caused primarily by agro-industrial growth but rather the city-ward migratory "push" of evicted or marginalized peasants, the strategic hamlet programme which the Philippine Army has launched to separate the insurgent New People's Army from its rural support base and refugees caught in the crossfire between the guerrilleros and the government forces⁶.

IV

"Decentralization and Development", edited by G. Shabbir Cheema and Dennis A. Rondinelli reviews the variety of decentralization policies that have recently been introduced in developing nations. It is the goal of the articles collected in this reader to examine experiences with the implementation of these decentralization policies, their impact on development and to explore alternative approaches.

The two articles investigating decentralization policies in Asia, authored by Harry J. Friedman and Kuldeep Mathur mainly confirm the findings presented in the three volumes reviewed above; namely that the results of decentralization policies are more or less disappointing⁷. With regard to the four major forms of decentralization (deconcentration, delegation to semi-autonomous or parastatal agencies, devolution to local governments, transfer of functions from public to non-governmental institutions) which Cheema and Rondinelli distinguish in their introductory article, most emphasis seemed to have been placed on deconcentration of central administrative functions by Asian governments. The examples of India, Pakistan, Thailand, Malaysia and the Philippines show that in the majority of cases - especially in the rural areas - only limited additional functions, resources and decision-making powers have been devolved upon local governments. Rather have these become mere extensions of the central bureaucracy and a device to enhance the effectiveness of central government. Genuine decentralization has usually been viewed as a threat to the influence of the political center. As Friedman stresses, local governments at best may be permitted technical and administrative authority to implement but never the political authority to create ideas suited to the local environments. These political conditions inimical to decentralization are compounded by a notorious lack of financial resources of local governments and the centralist ideology of civil service systems.

Taking into account the - by and large - centralizing effects of deconcentration, implemented under the misleading heading of decentralization, the question must be posed as to whether the opinion of Cheema and Rondinelli who regard deconcentration as a sub-category of decentralization can still be maintained. In order to avoid conceptual confusion it may be reminded of Mawhood's argument for treating decentralization and deconcentration as mutually exclusive concepts⁸. Nor should the delegation of functions to "semi-autonomous" or para-statal agencies be regarded as a form of decentralization. Viewed from the local level, para-statal agencies - usually created by the central government - divest local governments of authority and functions, and, apart from this, are neither democratically legitimized, nor held accountable to the population they are designed to serve.

In an outstanding article Cheema systematically examines the role of voluntary organizations in rural development projects⁹. Cheema differentiates between standard (i.e. government-sponsored) organizations and community organizations and peasant groups (i.e. groups started by the people them-

selves). Cheema, who investigated the objectives and activities, the recruitment patterns, the management, leadership and membership and the organizational structure of both types of voluntary organizations, arrives at the conclusion that despite their proliferation their overall impact on rural development has been minimal. This holds particularly true for government-sponsored organizations which, in communities with inegalitarian power structures, tend to be dominated by the rural elite, and thus neither increase access to government services nor safeguard the interests of the rural poor. On the contrary, these groups often contribute to a further widening of income disparities. Autonomous community organizations and peasant groups, on the other hand, may play a vital role in creating awareness of their situation among the disadvantaged and improve their access to government services, but in many cases are met with suspicion and even repression by the government. The latter aspect also explains why this type of voluntary organization in some cases collapses or ceases to be active once the immediate objective has been achieved. Cheema's viewpoint that especially the autonomous type of voluntary organization needs increased attention and encouragement by governments seeking to promote decentralization must be underlined. It is hoped that this message is well understood by politicians and development planners in the Third World countries as well as their counterparts in the development bureaucracies of the industrial nations and the international organizations.

In conclusion it must be stated that the four volumes can claim the merit of having shifted the focus of development planning to a set of problems that has been tackled only reluctantly both by scholars and practitioners. Moreover, the theoretical and comparative parts have certainly enriched the debate on regionalization, decentralization and secondary urbanization by challenging a number of deep-rooted conventional assumptions of development administration theory. All four volumes are thus highly recommendable to both scholars interested in theoretical issues as well as those engaged in field work in Asian countries - but they are equally recommendable to practitioners in development planning and project implementing agencies.

Notes:

- 1) Fred W. Riggs, *The Ecology of Public Administration*, New Delhi 1961
- 2) Mike Douglass, Thailand: Territorial Dissolution and Alternative Regional Development for the Central Plains, in: Walter B. Stöhr / Fraser Taylor (eds.), *Development from Above or Below? The Dialectics of Regional Planning in Developing Countries*, Chichester 1981, p. 183
- 3) G.S. Bhalla / Amitabh Kundu, Small and Intermediate Towns in India's Regional Development, in: Om Prakash Mathur (ed.), *Small Cities and Na-*

- tional Development, Nagoya 1982, pp.51-70
- 4) M.K.Jain, Interstate Variations in the Trends of Urbanization in India 1951-71, Bombay 1977; Mohan Rakesh, Existing Urban Policies and Growth Trends of Urbanization, in: Urban India 1, No.1, 1981
 - 5) See The Third World Studies Center, University of the Philippines and Pacific Asia Resources Center Research Team, TNC Control of the Philippine Banana Industry, in: Japan-Asia Quarterly Review AMPO, Vol.13, No.3, 1981; Walden, Bello et al., Development Debacle: The World Bank in the Philippines, San Francisco 1982
 - 6) Hans U.Luther, Der Mindanao-Konflikt: Interner Kolonialismus und regionale Rebellion in den Südphilippinen, in: Kushi M.Khan/Volker Matthies (eds.), Regionalkonflikte in der Dritten Welt, München, Köln, London 1981, pp.183-282; Peter Tachau, Strategische Dörfer. Philippinen: Militär und Wirtschaft Hand in Hand, in: Der Überblick 1/1982, pp.32-36; Robert L. Youngblood, The Philippines in 1982: Marcos Gets Tough with Domestic Critics, in: Asian Survey, Vol.XXIII, No.2, February 1983, p.211
 - 7) See also Ann Schulz, Local Politics and Nation States. Case Studies in Politics and Policy, Santa Barbara 1979, p.195
 - 8) Philip Mawhood, Negotiating from Weakness: The Search for a Model of Local Government in Countries of the Third World, in: Planning and Administration, Vol.1, No.1, Winter 1974, p.18
 - 9) See also Rolf Hanisch (ed.), Soziale Bewegungen in Entwicklungsländern, Baden-Baden 1983