



*DE-BUREAUCRATIZATION AND  
THE ROLE OF THE STATE*

**By**

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## ***A. Definition of De-bureaucratization***

- It is a form of decentralization which involves the transfer of powers and functions from the **government** to **non-government organizations (NGO's)** and people's organization (PO's), including the private sector, all of which are sometimes referred to collectively as the **“civil society”**.
- More recently, the concept has been broadened to include harnessing the activities of various organizations in the voluntary sector. This concept recognizes that **development is not the job of the government alone.**



***De-bureaucratization*** may be distinguished from two other concepts of decentralization.

***Devolution*** which involves the transfer of power and authority to a lower level political or local government unit. The concept is thus political in nature, and it is related to the notion of local autonomy.

***Deconcentration*** which involves the transfer of powers and functions to lower level administrative units designated by a national or a central office or agency. It is thus largely administrative in nature and takes place **within** an office or agency of government.



## ***B. Rationale for De-bureaucratization***

- 1. It allows for the greater involvement and participation of various stakeholders and sectors of society in the affairs of the State. It is thus consistent with the concept of **participatory governance**.**
- 2. Civil society and the private sector could be the source of additional resources that enable governments to meet increasing demand for services and infrastructure,. The civil society and the private sector are “**complements**” that extend the government’s service delivery system.**

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- 3. It promotes better coordination of actions and activities of the government and non-government organizations. Separate action by the two sectors often create redundancies and missed opportunities for optimizing the use of scarce resources; collaboration could greatly improve the situation.**



## ***C. De-bureaucratization Modalities***

***Cooperatives.*** Cooperatives can position themselves to be the service providers for certain (often poorer, informal) areas of a locality and manage facilities in these areas. Often used in rural areas, in conjunction with NGOs.

***Service Contracts.*** Public authority retains overall responsibility for the operation and maintenance (O&M) of the system, and contracts out specific components. Service contracts last 1-3 years and include services such as billing and maintenance of facilities.



***Management Contracts.*** Public authority transfers responsibility for the management of a full range of activities within a specific field, such as O&M. Remuneration is based on key performance indicators. Public authority typically finances working and investment capital and determines cost recovery policy. Usually contracts last between three to five years.

***Lease Contracts.*** Private operator rents the facilities from a public authority and is responsible for O&M of the complete system and tariff collection. Lessor effectively buys the right to the revenue stream and thus shares significant commercial risks. Usually 5-15 years.



***B O T (Build-Operate-Transfer)*** Usually used to procure large discrete items of infrastructure that require significant finance. The private operator is required to finance, construct, O&M the facility for a specific period of time (usually more than 20 years) before transferring the facility back to the public authority. Variations: BOT (Build, Own, Operate, Transfer) and BOO (Build, Own Operate).

***Joint Venture Agreements.*** Usually a joint business venture between the government and the private sector. Both sectors contribute equity, agree on a management structure and subsequently share in the revenues generated. The equity contribution of government usually takes the form of a public asset or property.



***Concessions.*** Private operator takes responsibility for O&M and investment; ownership of assets still rests with the public authority. Concessions are substantial in scope (usually a whole city or region) and tenders are usually bid on the tariff for 25-30 years.

***Privatization/Divestiture.*** Full private ownership and responsibility under a regulatory regime.



## ***D. Roles of the State***

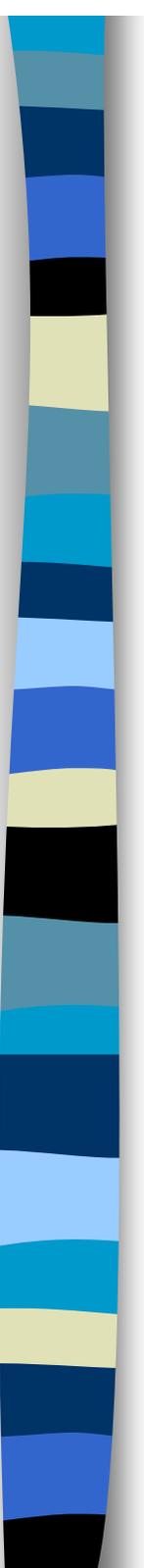
**De-bureaucratization does not connote a state or government in retreat. Rather:**

- **It is a government that has a palpable presence in the economy and society without dominating it.**
- **It is a strong entity that recognizes the sectors but does not overwhelm them.**
- **It is a reinvented government that “steers but does not row.”**



In the context of de-bureaucratization, the following roles of the State become prominent:

1. ***As Enabler.*** The State provides the regulatory framework and political order with which civil society and the private sector can plan and act. Enabling mechanisms include just laws, a fair judicial system, politically accountable lawmaking and an effective, reform-minded public bureaucracy.
2. ***As Facilitator.*** In this role, the State renders easier the performance of (an action), the attainment of (a result), to afford facilities for, and help forward (a process). As facilitator, the State provides resources to assist markets and communities.

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3. ***As Regulator.*** In this role, the government or the State sets out the rules and the performance standards under which the civil society and the private sector should operate. It is exercised to maximize welfare, and to protect the interests of the public, especially of the disadvantaged sectors of society.
  4. ***As Collaborator.*** In this role, the government becomes a partner of the private sector. Partnership does not only come in the delivery process, but in phases of community organization, including planning, fund-raising, social preparation and other processes. As partners, both sides may agree to contribute toward a common program or project, based on comparative advantages of each.



## ***CONCLUDING REMARKS***

The role of governments in pursuing **decentralized, participatory** and **people-centered** development has through the years shifted from being the main player to that of enabler, facilitator, partner, and regulator. To attain its positive promise, countries in the Pacific rim and beyond must move towards development that uplifts the human beings of this generation and others.

The emerging consensus is that all sectors of the society -- the State, the market, the citizenry -- must find their appropriate places in this challenging adventure. The role of the State is crucial as it is being called upon to provide an enabling and facilitating environment for the attainment of such people-centered development.

