Decentralization and its Impact on Improving Public Services

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Abstract---Decentralization is the process of transferring decision-making power, authority and responsibility from the central government to regional governments or local entities. The process aims to bring government closer to the people, with the hope of improving the efficiency, accountability and responsiveness of public services to the specific needs of local communities. Decentralization is often regarded as a strategy to optimize resources, strengthen local democracy, and encourage active community participation in the policy-making process and its implementation. This study uses the literature research method. The results show that decentralization tends to improve the effectiveness and relevance of public services by empowering local governments to manage the specific needs of local communities. It creates a platform for wider public participation and increased government accountability and transparency. However, the findings also confirm that the negative elements of decentralization cannot be ignored. In particular, decentralization can result in inequalities in services between regions due to differences in resources, as well as pose policy coordination challenges. Lack of local capacity and the potential for increased corruption are significant obstacles to optimizing the benefits of decentralization.

Keywords---accountability, decentralization, effectiveness, local capacity, public services.

Introduction

Decentralization is a process in which the central government hands over some authority to local governments to enable more effective and efficient decision-making at the local level (Minakova, 2023). It aims to improve public services by speeding up the decision-making process, increasing citizen participation in governance, and reducing the central administrative burden (Madhavan et al., 2023).

Decentralization is the process of transferring power, authority, and responsibility from the central government to local governments or local entities. This process allows decision-making to be made closer to the people they represent, which is expected to improve efficiency, responsiveness, and accountability in public service delivery and resource management (Golyk, 2022). Decentralization covers various aspects, including policymaking, fiscal planning, and administration, with the main objective of promoting sustainable local development and increasing citizen participation in the democratic process. Despite its many positive potentials, the implementation of decentralization and its impact on improving the quality of public services remains a topic of wide and important debate (Piña & Avellaneda, 2023).

The quality of public services plays a crucial role in providing people's basic needs and ensuring social welfare and economic development. Quality public services, such as education, health, infrastructure, and security, are key pillars that support a country's growth and stability (Tkachova & Kazanska, 2021). This is because effective public services can improve people's access to education and healthcare, facilitate the mobility of goods and services through good infrastructure, and ensure security, which is a prerequisite for economic and social prosperity. An educated and healthy society tends to be more productive, contributing to inclusive and sustainable economic growth (Khodary, 2022).

In addition, quality public services are also important in strengthening people's trust in the government. High-quality services signal the government's commitment to carrying out its functions and responsibilities, promote transparency and reduce corruption. Increased accountability and public participation in the service delivery process also indirectly promote good governance and democracy. When governments succeed in providing sufficient and equitable public services, social inequality can be minimized, creating a more egalitarian and just society (Liu,
Therefore, improving the quality of public services can strengthen the socio-economic structure and foundation of democracy, which in turn affects the political stability and progress of a country.

Lack of efficiency and effectiveness in public services often results in a decline in a country's quality of life and economic growth. The inability to manage and provide services properly can lead to social problems such as limited access to quality education and healthcare, inadequate infrastructure, and weak social protection (Dekhtyar et al., 2020). These inefficiencies can also lead to significant wastage of resources, ineffective budget management and corruption in the public administration system. The impact is not only limited to service degradation but also reduces public trust in government, weakens democratic institutions and encourages public discontent (Sadat & Andika, 2022). This, in turn, can trigger social tensions and hamper efforts for sustainable development. Therefore, there is an urgency to understand how decentralization can contribute to or hinder the improvement of public services (Botirovich, 2021).

This research aims to examine in depth the impact of decentralization on various aspects of public services and to make an important contribution to the theory and practice of local government management and the overall improvement of public service quality.

**Method**

The study conducted in this research uses the literature research method. The literature research method is an approach used to collect, analyze, and synthesize data from written sources that are relevant to the topic or research problem. This method is widely used in disciplines such as the humanities, social sciences, and education to produce a deep understanding of various issues (Alaslan, 2022; Suyitno, 2018).

**Results and Discussion**

**Decentralization**

Decentralization is a concept in government and organization that involves the transfer of power, responsibility, and resources from the central government to local governments or regional entities. This process is intended to improve effectiveness and efficiency by bringing decision-making closer to the people affected by those decisions (Go, 2023). By implementing the concept of decentralization, local governments are given the authority to manage various aspects of local people's lives, such as education, health, and infrastructure, according to their specific conditions and needs. This allows for faster and more appropriate responses to local issues as well as increased community participation in development (Arkorful et al., 2022).

Decentralization can be defined in several dimensions, namely political, administrative, and fiscal decentralization. Political decentralization involves the delegation of political power to democratically elected local governments, allowing local citizens to have a greater say in policy and decision-making. Administrative decentralization relates to the transfer of administrative authority to local governments to carry out certain functions and services (Charbonneau & Anderson, 2021). Meanwhile, fiscal decentralization involves the transfer of financial management authority, including tax collection and budget expenditure, to local authorities. The concept aims to promote transparency, accountability and more equitable development across regions (Stohova, 2022).

Decentralization can be implemented through various models, depending on a country's objectives, context, and governance structure. One common model is administrative decentralization, in which the central government transfers responsibility for managing certain functions to local governments or local agencies (Mariwah, 2022). This model involves the establishment of local government units that have the authority to make decisions related to resource allocation and service provision at the local level. This administrative decentralization model is considered to improve efficiency and equity in public service delivery because local governments better understand local needs and conditions (Munko, 2020).

Another model is fiscal decentralization, which focuses on the financial aspect by giving local governments the authority to collect and manage their revenues and determine expenditures based on local priorities and needs. In the fiscal decentralization model, local governments have the responsibility to prepare their budgets and are accountable for the receipt and expenditure of funds. This includes setting local tax rates, managing revenues from local assets, and receiving transfers from the central government. This model aims to enhance local autonomy and optimize the utilization of local resources for more equitable and sustainable development in different regions (Dusenbinov, 2020).
In addition to administrative and fiscal decentralization, there is also a political decentralization model that allows citizens to have more control over their representatives through direct elections at the local level. Political decentralization aims to give local governments the authority to make policies that reflect the wants and needs of local people (Ehsan, 2021). It can also be an instrument to increase community participation in the democratic process, by providing greater opportunities to be involved in planning, decision-making and monitoring the performance of elected officials. It can foster a sense of communal ownership over the political process and increase transparency and accountability in governance (Nadarsyah & Priyanto, 2022).

The final model is deconcentration decentralization, which refers to the dispersal of the functions and tasks of central government administration to its representatives or branches in the regions. This model does not fully grant autonomy to local governments but rather facilitates the central government in improving the efficiency of public services by spreading certain tasks to the local level (Trimurni & Mansor, 2020). Deconcentration places local officials as an extension of the central government, tasked with managing resources and implementing policies set by the central government. Although it provides less independence compared to other decentralization models, deconcentration can be the first step in a broader decentralization process, preparing structures and mechanisms for more significant delegations of authority in the future (Khisa, 2020).

The main objective of decentralization is to improve the effectiveness and efficiency of governance and public service management by bringing decisions closer to the level of the people directly affected by the policies. Decentralization aims to increase public participation in the policy-making process, strengthen local democracy, and increase government transparency and accountability (Bashtannyk & Kudriavtseva, 2020). By giving authority and responsibility to local governments, decentralization is expected to create a government that is more responsive to local needs and preferences, and more adaptive to changes and challenges unique to each region. It also helps in improving resource management by optimizing their use according to local priorities and conditions, ultimately aiming to foster more equitable and inclusive development across the country (Hémet et al., 2023).

The benefits of decentralization also include increased innovation and policy experimentation at the local level, where local governments can act as “policy laboratories” to test new approaches to addressing social, economic and environmental issues. Direct community involvement in decision-making can strengthen the sense of ownership and concern for local development, thereby increasing the chances of success and sustainability of development initiatives and programs (Ayenagbo, 2023). Other advantages include a decrease in the workload of the central government, allowing more focus on strategic planning and coordination of national policies, while local governments focus more on implementation. Thus, decentralization not only provides a framework for more effective and responsive development but also strengthens the foundation for good governance and stronger democracy (Foa, 2022).

Public service

Public services are defined as a set of activities or services provided by the government or public institutions to fulfill basic needs and improve the overall quality of life of society. These services cover various sectors such as education, health, security, public transportation, and utilities such as clean water and sanitation (Minakova, 2023). The main objective of public service provision is to ensure the accessibility and availability of basic facilities to all segments of society, especially those that cannot be reached or effectively provided by the private sector for reasons of affordability or market inability to meet certain needs. Public services also aim to reduce social inequalities and support sustainable socioeconomic development (Madhavan et al., 2023).

Key characteristics of public services include the principle of non-exclusivity, where services should be available to everyone without discrimination. This means that public services should be provided with the same quality standards across the region, regardless of an individual’s socioeconomic status (Golyk, 2022). In addition, public services are also universal, ensuring availability and accessibility for the entire population, reflecting the principles of justice and equal rights. Moreover, in many cases, public services are operated on a cross-subsidized basis, where the cost of providing the service is not fully borne by service users, but is also supported by budget allocations from the government to ensure that those most in need can access it (Tkachova & Kazanska, 2021). As such, public services play an important role in ensuring social justice and inclusiveness in society.

Public service standards are criteria set to assess and ensure the quality of services provided by governments or public institutions to the public. These standards cover various aspects such as response time, quality, accessibility and reliability of services. The aim is to measure how effectively the service meets the needs of the public and to ensure that the service is performing according to the expectations of the public (Khodary, 2022). For example, in healthcare, standards may include maximum waiting time for treatment, treatment success rate, or patient satisfaction.
with the service received. These standards serve not only as guidelines for service providers but also as a guarantee for the public that the services they receive meet certain criteria (Liu, 2023).

Public service indicators are concrete and specific measurement tools, used to evaluate service performance against established standards (Speer, 2012; Bertot et al., 2016). These indicators can be both quantitative and qualitative, providing an objective picture of whether the public service is successfully meeting the specified targets (Dekhtyar et al., 2020). For example, in education services, indicators may include student graduation rates, enrollment rates in primary school education, or the results of evaluations of parental satisfaction with teaching quality. Effective use of indicators assists public institutions in conducting regular monitoring and evaluation, allowing for continuous improvement in service delivery. Indicators also act as an important tool in the process of transparency and accountability, ensuring that the public can access information about the performance of the services they rely on (Sadat & Andika, 2022).

In the context of improving and enhancing the quality of public services, feedback from the public is a very important component. This feedback allows public service providers to understand user satisfaction, identify areas that require improvement, and identify the needs and expectations of the community for the services provided (Botirovich, 2021). Thus, public institutions can make adjustments and develop services based on the feedback received. To support this process, a complaints and suggestions system that is easily accessible to the public can be implemented, making it easier for them to express their opinions and experiences in using public services (Pita et al., 2021).

On the other hand, the application of information and communication technology (ICT) in public service management also plays an important role in improving public service standards and indicators (Sylvester & Ade, 2018). The use of effective management information systems can assist in data collection, analysis of service performance, and delivery of information to the public about the service standards they should expect. In addition, digitizing public services can increase efficiency, expand service coverage, and provide easy access for the public (Mergele & Weber, 2020). Thus, the integration of ICT in public service delivery is a strategic step that can accelerate the achievement of quality public service goals and targets, while responding to the needs and challenges of changing times.

Public service policies in different countries show wide variations based on the social, economic and political context of each country. In Nordic countries such as Denmark and Sweden, public service policy is known for its extensive welfare system, where the state plays a central role in providing health, education and social protection services to all its citizens (Grace & Thorogood, 2021). This approach is based on the principles of social solidarity and wealth redistribution, which allows for equal access to quality services. Funding for these public services comes from relatively high taxes but is offset by high levels of public services and low social inequality. This welfare model emphasizes reducing inequality and promoting social inclusion, making it an example of a public service policy that aims to ensure general welfare (Arkorful et al., 2022).

In contrast, countries such as the United States adopt a model that gives a greater role to the private sector in the provision of certain services, such as healthcare. While there are government programs such as Medicare and Medicaid that aim to help the vulnerable and elderly, most health services are organized by the private sector and funded through insurance (Munko, 2020). This approach results in a highly variable system in terms of accessibility and quality of services, with significant differences depending on the insurance status and ability to pay individuals. In the context of globalization and socioeconomic change, countries are seeking to adapt their public service policies to meet new challenges, such as increased population mobility, demographic change, and technological pressures, while maintaining a commitment to social justice and universal access to essential services (Dusenbinov, 2020).

In the face of global challenges, there is an increasing trend in countries to integrate innovation and technology in the development and delivery of public services (Ehsan, 2021). In addition, there are also efforts to bring public services closer to the people through decentralization and increased community involvement in service planning and evaluation. Such initiatives aim to improve the responsiveness of public services to local needs and strengthen the accountability and transparency of government.

On the one hand, countries are looking for ways to improve efficiency through the digitization of public services. The utilization of digital technologies in healthcare, education and other public administration services not only speeds up processes and makes them more accessible to the public, but also opens up opportunities for service innovation (Nadarsyah & Priyanto, 2022). Examples include the implementation of an e-health system in Estonia that enables efficient exchange of health data between service providers, or the e-government initiative in South Korea that has introduced various mobile applications to enhance public participation in government decision-making (Trimurni & Mansor, 2020).
On the other hand, strengthening public participation and decentralizing services bring new hope for democratizing public services. Initiatives such as participatory planning in municipal management in Brazil, where communities have a say in budget allocations for local projects, show how direct community involvement can shape services that better suit local needs and priorities (Almqist et al., 2013; Kilby, 2006; Messner, 2009). The emphasis on community participation also strengthens the principles of accountability and transparency, as there are more opportunities for the public to monitor and provide feedback on the performance of public services (Khisa, 2020).

Through this approach, public service policies seek to improve citizens' well-being, reduce inequality, and adapt to dynamic socioeconomic changes. Commitment to innovation, inclusion and participation are key to building a resilient and sustainable public service system in the future (Bashtannyk & Kudriavtseva, 2020).

The Relationship between decentralization and public services

Decentralization is often seen as a way to improve the quality and effectiveness of public services. Through the process of transferring decision-making authority from the central government to local governments, decentralization aims to bring services closer to the people who need them (Ayenagbo, 2023). With this policy, local governments are given the freedom to organize and manage various aspects of public services according to local needs and priorities. This can result in services that are more responsive to the specific needs of communities, as local governments usually have a better understanding of the unique conditions and challenges faced by their communities than the central government (Foa, 2022).

In addition, decentralization can increase community participation in the process of developing and managing public services. Community involvement in planning, implementing and monitoring public services brings a variety of perspectives into the policy process, which can help in creating more innovative and effective solutions (Liashov, 2020). By empowering local communities and local government agencies, decentralization promotes transparency and accountability, as citizens have better access to voice their concerns and have more opportunities to be directly involved in decisions that affect their lives (Durmuş, 2024).

However, challenges also arise with the implementation of decentralization. Adequate institutional capacity and resources are required at the local level for decentralization to function effectively. This includes the need to ensure that local governments have sufficient technical expertise and financial resources to manage and provide public services (Kabir & Islam, 2023). In addition, there is a need for strong mechanisms for monitoring and evaluation, to ensure that services are delivered fairly and efficiently, and to avoid the risk of corruption or disparities in service quality between regions. Therefore, although decentralization offers many potential benefits, its success largely depends on how these challenges are addressed (Chaltseva, 2023).

In the context of decentralization, the ability of local governments to adapt public service policies and programs to local conditions is an important aspect that can improve the efficiency and effectiveness of services. This allows for quick and appropriate problem identification and handling, as local governments have a deep understanding of the challenges and needs of their communities. Furthermore, decentralization opens up space for local innovation and experimentation in service delivery, which can serve as a laboratory for developing best practices that can then be extended to other regions (Waugh & Hodkinson, 2021).

From a sustainable development perspective, decentralization of public services supports the improvement of people's quality of life in a more integrated and sustainable way. Local governments can work together with various stakeholders, including the private sector, civil society organizations and local citizens, to develop solutions that are innovative and in line with local development priorities. This integration also strengthens local socioeconomic systems and promotes inclusive growth, where the benefits of development are felt by most if not all, members of society (Zhang & Zehra, 2024).

Finally, the success of decentralization in improving public services also depends on the joint efforts of local and central governments in creating supportive legal, policy and financial frameworks. Balanced division of responsibilities, equitable distribution of resources, and capacity building at each level of government will ensure that decentralization truly fosters innovation and improved public services. It is also important to foster a culture of cooperation and coordination among local governments and with the central government to address broader challenges that require collective action (Siryk, 2020).

Positive and negative impacts of decentralization on public services

Decentralization has significant impacts on public service delivery, both positive and negative, which can directly affect people's quality of life. In terms of positive impacts, decentralization enables decision-making closer to the people served, thereby increasing the relevance and responsiveness of public services (Otoo & Danquah, 2021).
Local governments, which better understand their unique needs and local conditions, have the flexibility to customize services according to local priorities. This can create an environment where public services more quickly adapt to changing community needs and conditions, thereby increasing efficiency and community satisfaction with the services provided (Rangkuti et al., 2023).

In addition, decentralization often increases community participation and involvement in policy-making processes and oversight of public services. This creates opportunities for greater transparency and accountability, allowing communities to have a stronger voice in determining how resources are used and services delivered. Community involvement can strengthen a sense of ownership and commitment to local initiatives, promoting more efficient use of resources and innovation in providing public services (Park, 2022).

However, negative impacts are also possible, especially if decentralization is not supported by adequate administrative and financial capacity at the local level. In some cases, local governments may not have the resources or technical expertise to manage public services effectively, which can lead to a decline in the quality or unavailability of services to the public (Laba, 2023). This can create inequalities in service quality between regions, with wealthier or better-organized regions enjoying better services compared to less well-off regions (Seryogina, 2020).

On the other hand, without a strong monitoring and evaluation system, the risk of corruption and abuse of power may increase. The freedom given to local governments can be abused if not matched by effective accountability and transparency mechanisms. This can erode public trust in government and undermine the main objective of decentralization, which is to improve the efficient and equitable management and delivery of public services to all citizens (Liu, 2023).

Furthermore, there is a risk of disparities in the quality of public services between regions due to differences in fiscal and human resource capabilities among various local governments. These disparities can create a “postcode lottery”, where the quality of a person's service is highly dependent on the region in which they live. This can lead to disparities in healthcare, education, security, and broader infrastructure (Treshchov, 2021). It can also lead to migration from underserved areas to better-served areas, further exacerbating inequalities and putting additional pressure on already well-served areas (Mamatova & Hladka, 2020).

In addition, policy integration and coordination between different levels of government are sometimes more complex and difficult to achieve in a decentralized system. Problems such as service redundancy, policy conflicts, and shortcomings in comprehensive planning can arise, challenging the effectiveness of multipurpose governance. Without strong coordination, decentralization efforts can result in policy fragmentation and inefficient programs (Park, 2022; Ferry & Murphy, 2022).

Decentralization as a strategy in public service delivery thus brings a range of potential benefits and challenges. Positive impacts include improved quality and relevance of public services, higher public participation, and increased transparency and accountability. However, this must be coupled with a prudent approach to deal with negative impacts such as disparities between regions, low local administrative capacity, corruption risks, and challenges in policy coordination. To ensure that decentralization of public services achieves the desired results, significant investments in local government capacity building, improved accountability and transparency mechanisms, and close cooperation between local governments, the central government, and other stakeholders are required. If the implementation of decentralization is carefully designed and managed, it can bring substantial improvements in the effectiveness and efficiency of public services delivered to the public (Isufaj, 2014; Faguet, 2014; Fisman & Gatti, 2002).

Conclusion

Decentralization as an approach to public administration has the potential to improve public service performance by bringing decision-making closer to local communities. Many studies show that decentralization can facilitate the tailoring of public services to specific local needs, thereby improving the efficiency and effectiveness of service delivery. Research in the literature also indicates that decentralization often leads to increased transparency and accountability, as well as strengthened public participation in governance processes, all of which can contribute to higher levels of satisfaction and better outcomes from public services.

However, findings in the literature also warn about potential risks and challenges that arise from the implementation of decentralization. These include the risk of deterioration in service standards due to resource inequalities between regions, lack of administrative and technical capacity at the local level, and coordination challenges between different levels of government. The findings emphasize the importance of addressing these barriers with strategies that include improving local government capacity, developing accountability mechanisms,
and stronger collaboration between local governments and the central government, to ensure that decentralization yields optimal benefits while mitigating its negative side effects.

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