

Decentralization: Civil Service Reforms to improve the Delivery of Health Care Services

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ABSTRACT:

Health systems decentralization involves moving decision making away from centralised control and closer to the users of health services. Many countries have embarked on a process to decentralize their health systems as a means to improve their responsiveness and performance. The paper attempts to study the delivery of public health care services in India, in the broader context of decentralization and the Civil Service reforms. The Civil Service Reforms may help to implement the administrative decentralization improving the health care delivery which involves redistributing the authority, responsibility and financial resources for providing public services from the national government to local units of government agencies, sub national government or semi-autonomous public authorities or corporation. Decentralization strengthens the principle of transparency and accountability. Further, the principle of accountability works best at local level, devolution of power makes government more accountable for the implementation of its tasks. Decentralization also increases the level of citizen participation in making major decisions and directly affecting the community. Autonomy induced with decentralization brings responsibility, which means that the local government unit decides to carry the costs for citizens, takes responsibility over the quality and quantity of the services offered leads to improve the public health care delivery.

Keywords: Decentralization, Health Systems, Health Care Delivery Systems, Civil Service Reforms

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1. Introduction

India spends about 1.28 percent of its gross domestic product (GDP) on health care in 2019. India's neighbours, such as Sri Lanka (1.68%), Indonesia (1.40%) are spending far more than India on healthcare, which could have an impact on its efforts to achieve Universal Health Coverage (UHC). Of course, the ultimate test is in terms of outcomes. Here, also, India does poorly; it has failed to do as well in health care outcomes as might be predicted by its average income level. Policymakers have naturally been concerned by India's relative failure in achieving good health outcomes, and spending more on health has been one solution that has been explored. Another issue is the quality of the spending that already takes place. The lack of proper incentives for delivery of public health services is widely recognized as a factor in spending quality, and changes in delivery mechanisms have been proposed to tackle that problem. In 2001, India's Planning Commission directly linked solving the major incentive problems in public delivery of health care to the process of decentralization. (Singh,2008)

Civil service reform is usually a supporting strategy for more general decentralization in government operations or service delivery. One does not decentralize the civil service as an end in itself -- one does so in order to provide services better, manage resources more efficiently, or support other general outcome goals. The civil service as a whole can be seen as one of the main instruments with which the government fulfills its obligations. In the context of decentralization, this tool must often be reshaped in order to perform a new set of duties efficiently, equitably, and effectively. Reform of the civil service, therefore, is the process of modifying rules and incentives to obtain a more efficient, dedicated and performing government labor-force in newly decentralized environment.

2. Decentralization in Health Care

The term 'decentralization' is used to describe a wide variety of power transfer arrangements and accountability systems. Policies range from the transfer of limited powers to lower management levels within current health management structures and financing mechanisms to extensive sectoral reform efforts which reconfigure the provision of even the most basic services. In the first case, decentralization may later become the driving force for health sector reform; in the latter, it is driven by the wider sectoral reform efforts. The parameters for decentralization; the speed, the pressures, and the scope of issues to consider vary considerably. (Singh, 2006)

The Promise of Decentralization

Health sector decentralization has become appealing to many because of it has several theoretical advantages. (Mills et al. 1990) These include the potential for:

- a more rational and unified health service that caters to local preferences improved implementation of health programs
- decrease in duplication of services as the target populations are more specifically defined
- reduction of inequalities between rural and urban areas
- cost containment from moving to streamlined targeted programs
- greater community financing and involvement of local communities

- greater integration of activities of different public and private agencies
- Improved inter-sectoral coordination, particularly in local government and rural development activities.

Framework of Decentralization in Health Care

Past experience shows that achieving the benefits of decentralization depends heavily on policy design. In general, careful attention must be given to health service needs and priorities in deciding which functions and programs to transfer and which to retain under central control. If a function is critical to the attainment of central-level goals and its sustainability at the local level cannot be guaranteed, it should not be decentralized. With this in mind, the following table summarizes a general framework for assigning responsibilities to central and local levels, while the rest of the note outlines a series of issues to consider.

| Function | Assignment/Rationale | |
|---|---|--|
| | Central | Local/ Sub-national |
| Program Design | Information dissemination and parameters for priority national programs with externalities that reach beyond individual communities –e.g. Family planning or vaccination programs. | Details of service delivery mechanisms. |
| Financing | Transferring resources to ensure local government's ability to carry out responsibilities, setting minimum requirements for expenditure on maintenance and training in order to assure consistent quality and sustainability. | Setting user charges/cost-recovery mechanisms, planning expenditure allocations within parameters set by national standards. |
| Standard-Setting | Central government should carry out functions such as licensing health professionals, registration and quality -control of drugs. The capacity for licensure rarely exists at the local level and in countries (such as India) where this function has been decentralized, pharmaceuticals of questionable quality and safety freely cross from states with a poorly managed drug registration system to other better managed states. | |
| <i>The complex linkages between different services require more planning of appropriate organizational roles,</i> | | |

relationships and organizational structures. Serious distortions and hindrances to health service delivery are created, if functional roles and organizational structures are devised without full participation of health managers. In the Philippines, the integrated district health office concept that had taken years to develop was destroyed, when provinces were handed the responsibility for managing hospitals, and municipalities became responsible for primary health care. No linkages were created between these two levels of health service, even though the patient load and quality of service in one are highly dependent on the other

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| Legal Responsibility | The legal and/or regulatory implications of decentralization for the work of health personnel must be considered to avoid placing health staff at risk. In the Philippines, the legal protection of local government health staff under a national malpractice legislation has been questioned. In Papua New Guinea, provincial health inspectors after decentralization could no longer legally enforce national legislation concerning the cleanliness of markets, restaurants and work places. |
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Local government's freedom to adapt to local conditions must be balanced by a common vision about the goals of the health sector and the purpose of decentralization in furthering these goals. Decentralization policy should include some coordinating mechanism. (Finance Commission. 2004)

The prominence of local political interests increases as decentralization transfers more responsibility to this level. While responsiveness to local demands is a benefit of decentralization, it brings two main disadvantages. First, local officials frequently change and may, therefore, be uninformed about key national health policies. Second, local groups may also oppose national policies. Adequate financing and clear delineation of new financial flow mechanisms is essential. (Finance Commission. 2004)

In the preoccupation with defining an essential package of basic health services or a new decentralized health service model, the crucial issue of financing the decentralized health system may be overlooked. A significant financial gap between what is available and what is being planned can compromise the health sector's ability to provide equitable, efficient and good quality services under decentralization. (Singh, 2006)

Learning emerges from past experience:

Revenue allocation must take previously existing local expenditure responsibilities and own resources into account. Local freedom to allocate funding should be tempered with nationally-set minimum requirements. The degree of freedom that the local level has in deciding the amount of resources devoted for funding health services, together with local budgetary realities and financial procedures greatly influence the operation of the health system. Any central policies must consider local conditions and capacities. In the Philippines, the discrepancy between the cost of health staff benefits promised under centrally-negotiated labor agreements and the local government capacity to pay have seriously eroded staff morale, while cumbersome local financial procedures have jeopardized timely availability of essential medical supplies. (Bossert. 2016)

Further, the capacity constraints cannot be ignored in either central or decentralized management levels. Ignoring capacity constraints at either central or local levels, or giving inadequate or delayed attention to training staff for their new roles are very serious omissions with predictable effects on health services. Decentralization places a considerable new management burden especially on the lower levels. Qualified health managers are in very short supply in many countries. Furthermore, management training capacity may be insufficient to meet the rapidly expanding training needs.

Decentralization changes the roles of the central ministry staff from line management to policy formulation, technical advice and program monitoring. The central-level managers also require systematic retraining and reorientation, which, however, many countries have overlooked. In other cases, staff cuts at the central ministry of health have been so severe that the center's capacity to function effectively is in question. It has been suggested that this is the case in Ethiopia at the moment. In Nepal, initial staff cuts at the central level paralyzed the Expanded Program on Immunization. India also faces great challenges of availability of adequate Human Resources for Health, particularly at peripheral level.

3. Civil Service Reforms to improve the Delivery of Health Care Services

Civil service reform is usually a supporting strategy for more general decentralization in government operations or service delivery. One does not decentralize the civil service as an end in itself; one does so in order to provide services better, manage resources more efficiently, or support other general outcome goals. The civil service as a whole can be seen as one of the main instruments with which the government fulfills its obligations. In the context of decentralization, this tool must often be reshaped in order to perform a new set of duties efficiently, equitably, and effectively. Reform of the civil service, therefore, is the process of modifying rules and incentives to obtain a more efficient, dedicated and performing government labor-force in newly decentralized environment.

How does Decentralization affect the Civil Service?

Civil services at all levels of government need a capable, motivated, and efficient staff in order to deliver quality services to its citizens. When civil service functions and structures are decentralized, existing bureaucratic patterns must be reorganized as roles and accountability are shifted. Decentralization thus intensifies the need for capable staff and increases the importance of capacity-building programs.

Decentralization inevitably changes the location of power and jobs. Movement geographically or across tiers of government is often impeded by issues related to statute, prestige and poor labor mobility. In the Eastern European transition economies, for example, de-legitimation of the central state and the emergence of representative government at local and intermediate levels of government have complicated human resource allocation. Incentive programs and mechanisms for inter-post mobility, which compound the costs of decentralization, may be required in order to introduce flexibility. (Rao & Singh. 2005)

Decentralization creates more opportunities for local autonomy and responsiveness to more specialized constituencies, but it also gives sub national governments more room to fail if specific steps are not taken to build local technical and managerial capacity. The need for specialized personnel is related in part to the size of the territory covered by the entity. Below a certain size, it might be counterproductive or cost inefficient to have specialists or technical personnel. There are methods which can be used to address this issue, one of which is to allow in the context of the decentralization schemes the possibility of empowering local self-governments units to form associations and pool their resources in order to cover activities requiring specialized personnel.

Decentralization introduces more levels into the state, especially political decentralization creates a class of government workers which, based on the specific information which they receive (feedback from their constituencies) may have different preferences than workers at the next higher level. This divergence in views and convictions can create conflict within the civil service that will require mechanisms to manage effectively.

Decentralization may create a tension between local autonomy and national standards. Decentralization relaxes national control and creates the potential for more regional variation in civil service conditions. Some room for variation allows regions the flexibility to hire a civil service that matches a community's needs and budget constraints. National salary, eligibility, and performance standards can ensure consistent quality, but they can also lead to personnel expenditures (especially for locally administered education and health sectors) beyond some local capacities; grant transfer systems will need to take different financing capacities into account in these and other types of mandated expenditures. The Philippines, Indonesia, and Pakistan are examples of decentralized states with essentially uniform terms and conditions of service for government employees in different regions.

It can increase administrative costs, creating additional layers of government is an expensive proposition, and while the central government - in the best of cases- might reduce its role and shed personnel in the context of decentralization, empirical evidence suggests that these workers are often reabsorbed by local governments. There is thus no net change in public sector employment. In the worst of cases, central government employment remains unchanged, while local government employment grows.

Civil Service Reform to Support Decentralization

The main questions in assessing the civil service reform priorities parallel those in more general decentralization policies; under what conditions does one de-concentrate or devolve human resource management or organizational responsibilities to lower tiers of government? What requisite capacity does one need at various levels to make a system work?

The twin tasks of building local capacity and adjusting to the changes in intergovernmental coordination needs can be daunting even when budgets allow comprehensive training and all stake-holders support the reforms. The more frequent realities of budget constraints and mixed support, however, practically ensure that large-scale civil service reform will be a long drawn-out, expensive process that does not keep up with the pace of service or sector decentralization.

Building Local Capacity

Local (or at least sub-national) capacity is one of the most important factors creating a well-functioning decentralized civil service. In countries where local institutions already exist, the challenge will be to reinforce them institutionally and legally as well as to strengthen their personnel management capacities. In places where local government institutions are embryonic or exist only at an informal level, the institutional and legal framework will have to be created before any type of reform of the administration is undertaken.

The degree of local capacity determines the kind of human-resource management strategies that will be feasible and desirable. Decentralization of human resource management is more likely to succeed in cases where lower-level authorities have the financial and managerial ability to set competitive compensation packages and salary levels that will attract local talent. In these cases, the flexibility advantages of allowing local governments to set hiring levels might outweigh the risk of increasing inter-regional inequalities. Where talent and skills are lacking at the local level, a unitary hiring system might be preferred to ensure that the necessary skills are present locally in all regions. In these cases where the center retains more control over human resources, caution should be paid to ensure that the management options of local stake-holders are not curtailed.

Adjusting to Decentralization: General Guidelines for Country-Specific Strategies

The legal framework should clearly define responsibilities and standards. The creation of a strong legal framework- to address issues related to financing and reporting, to determine the type of control mechanisms (especially financial) that are necessary and who is accountable for them, to evaluate hiring practices and compensation schemes as well as address issues related to the procurement of public works - must be a priority in any reform effort to ensure sound utilization of public resources and minimize corruption.

Consistency and transparency gain support. On matters of staffing, compensation or oversight of local administration, and most importantly in the delivery of services, it is very important to ensure that there is transparency and that changes in the administration (and therefore the civil service) are not seen as an instrument to disenfranchise some groups or favor another.

Reporting mechanisms need to be clear and precise. Clear reporting procedures will need to be put in place vis-à-vis higher levels of government (central government, in the case of regional administrations, for example) and horizontally, vis-à-vis other government agencies at the same level. In the medium and longer-term, audit courts can be a useful regulatory mechanism. Transitions from the existing system to new systems have to be carefully planned to avoid conflict between new reporting arrangements and enduring mechanisms.

Channels for citizen-civil servant communication need to be created. By including more citizens in the process of monitoring civil service performance, decentralization creates more opportunities for friction between civil servants and citizens. Harassment by private interest groups can prevent honest and dedicated civil servants from performing their duties, while civil servants can use their positions to threaten citizens. These tensions can be avoided by relatively

quick and inexpensive methods and structures for redressing grievances, whether these come from civil servants or from the citizens.

Training should contribute to the formation of new working relationships. In addition to building local capacity, training can be a tool for creating personal networks among various levels of government, regions, or types of government workers. One recommendation, for example, might be to train career civil servants and local politicians together to insure that they better understand what is expected of them and what they can expect from each other.

All levels of government should be encouraged to define and plan for the types of workers they will need in order to carry out new responsibilities. In the short term, these sorts of rough plans substitute for the computerized establishment management capacity and human resource management staff that so many countries lack and can help eliminate duplicate workers, unnecessary hires, and other expensive mistakes. At the very least, they can be an exercise in longer-term planning and role definition. (World Bank, 2006)

Assessing Local Capacity

Decentralization planners have used the general guideline that central agencies should focus on creating and sustaining the enabling environment and overall strategic issues, while local organizations should concentrate on tailoring the specific mechanisms of service delivery and public expenditure packages to fit local needs and circumstances. In reality, however, varying degrees of local capacity, the local government and civil society/the private sector obviously affect decisions about which levels of government can best perform which tasks. In most cases, decentralization of basic services does not mean the wholesale transfer to local agencies of all tasks associated with those services. An assessment of local capacity is an integral part of designing decentralization. (Sivaram & Rizwana.2004)

For this reason, it is useful to set out some of the relevant issues in objectively measuring local capacity. The fact that a community and its government exist indicates the presence of some skills. The challenge for development agencies and their partners is to identify the latent capacity in the local government, civil society, and private sector, and bring it into the development programs. (Ramiro & Castillo. 2001)

As many of the problems of effective local decentralization flow from the poor functioning of the states' political and administrative machinery, giving the states a firmer footing for their own revenues would allow them to address local government effectiveness in a less constrained manner. Paradoxically, a national goal of improving rural health outcomes may be achieved by increasing the fiscal capacity of state governments, while simultaneously putting the onus on them to carry out their constitutional responsibilities for health care.

4. Administrative Centralization versus Decentralization and Generalists Vs Specialists in Health Care Settings

There are two interacting problems in administration, centralization versus decentralization and generalist versus specialist each of which emphasizes the complexity of the other as the size of the community increases, larger the community, the greater the need for decentralization.

Therefore, in the health department, the greater amount of specialization that is likely to occur. The more specialization, the more complex become the patterns of relationship among generalists and specialists in both the central office and the field offices. A still further complication is frequently found at an intermediate level, the state or regional offices and the district office with their own set off of generalists and specialists. To establish an orderly set of channels of relationships, with so many different places where things can go wrong in such a complex matrix, practically requires skillfulness.

The well qualified are sometimes reluctant to accept assignments in which their authority will constantly be in dispute, there is a vicious cycle aspect to this situation. As a result, the chicken-and-egg meta-phor is relevant: Should decentralization be promoted by delegating authority or by securing leadership at the district level ?

Loss of status fears on the part of central office personnel may also impede decentralization. Some health administrators have found that, as operations were shifted to the field, fewer central office personnel remained to be supervised; civil service rules arbitrarily dictated reduction in the rank of central offices. Such status considerations are not entirely groundless. Thus, decentralization of decision making is not an "either-or" matter, with all the power tending to reside in only one place. It is, rather, a matter of sharing, and the problem lies in determining what phases of the decision making process should occur at each level.

The Specialist

The conventional administrative thinking about the allocation of responsibilities among specialists and generalists may be summed up in the terse expression: "The expert should be on tap, not on top." If the generalist is "on top," then he is in the command post. The specialist tends to be assigned a staff, advisory, or consultant function and is denied the responsibility of final decision-making. It can be noted that the differentiation between these two types is relative, for example, the head of a department of health is a specialist in public health matters. However, to his subordinates he is definitely a generalist. Observing this relativity from a different dimension, it may also be noted that some generalists are "more general" than others. One would not expect specialist physician to run the public works department, but one might expect him to administer the health department despite its many professional's branches. (Fesler, James. 2008)

The Generalist

The difficulty is that the function of integrating many different kinds of activities to achieve program goals (which can be accomplished only through collective effort) and of focusing responsibility for the achievement of these goals, is more a generalist than a specialist function. Propensities of specialists to see matters from their own unique perspective and not a general one, have been noted over and over. Generalist decision- making has many advantages over that of specialists at the several levels of administrative organization.

The crux of the difference between the two types has to do with the range of programs or specialties of which the person is aware and to which he attaches comparative values. The

generalist promotes a broader range of endeavors than the specialist. Therefore, lodging decision making authority with the former should result in more consideration of interdependencies and relative values of different administrative purposes and activities. Coordination is at the core of administration and it is here that the generalist plays the key role. The persons expected to perform as generalists are appropriately prepared to carry out their tasks by giving them diversified education and varied experience. Better coordination might be achieved by requiring him to share authority with others. (Fesler, James. 2008)

One major challenge in achieving decentralization of a large health department is to provide administrators in charge of field operations who are competent; the more competent, the more likelihood of success. In the event that the knowledge and judgment of such personnel are found wanting, substantial effort may be required to build up competency. Civil service traditions, budgetary limitations, and the somewhat low esteem of administrative office maybe expected to constitute serious barriers to this undertaking.

It would seem that the decentralization of a health department could be greatly facilitated by an organizational structure and allocation of responsibilities that clearly specify decentralization as a primary policy. This would require the post of a generalist at the central office to outrank specialists there, thus bespeaking the emphasis put upon generalist; also authorization for the incumbent to make overriding determinations, if necessary, in decisions involving specialists.

5. Conclusion

Decentralization can be a way of improving access to services, tailoring government actions to private needs, and increasing the opportunities for state-society interactions. Sub national governments, however, will only be effective when they have access to the necessary human and financial resources to undertake the services they have been conferred. Decentralization creates major challenges for health service provision. Active involvement of health managers in the decentralization design, clear national resource allocation standards and health service norms, and an ongoing system for monitoring are essential for guarding equity and quality and for improving efficiency.

Poor quality and inefficient delivery of public services in India are pervasive problems, not just restricted to health care. Part of the problem lies in weak accountability mechanisms for individuals (politicians and government employees) and for organizations (ministries and various public-sector enterprises). Recent empirical evidence suggests that decentralization has improved local responsiveness, targeting, and service delivery in some cases. However, political decentralization alone is likely to have limited benefits, unless accompanied by decentralization of funds, functions, and functionaries. For complex, heterogeneous services such as health care, building local capacity is also a critical prerequisite for successful decentralization, which improves health care service delivery. (Fesler, James. 2008)

Civil service reform, both capacity building and adjusting to decentralization addresses the first of these requirements. There is fairly widespread agreement that capacity-building at all government levels is an essential component of decentralization. The sequencing and priority levels of training whether to train local or central government's first, for example depends on

the country itself, although the sub national governments have generally been the first to be trained to accept their new responsibilities. There is less agreement over how to deliver the appropriate human resources package to the appropriate levels of government and how to coordinate human resource management across and between levels of government. The decision to decentralize or retain central control over human resource management, recruiting, hiring, salary-setting, etc. depends heavily on the existing degree of sub national capacity. The suggestions above outline some general coordination mechanisms, but the specific institutional arrangements for ensuring a consistent, efficient civil service must react to the kinds of institutional changes that decentralization has brought.

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