

## INTRODUCTION

The wide application of decentralization makes it a controversial topic.

Interestingly, most developing countries are attempting to decentralize governmental activities and functions, while some developed countries have initiated policies to reduce the magnitude of decentralization over decision-making. Governmental decentralization implies the transfer of power over decision-making to local governments, institutions, and/or sub-groups. Empowering local governments to make decisions and manage resources without intervention from the central government is a necessary condition of decentralization. Scholars have attempted to measure decentralization and compare its levels across countries/states. They suggested measures of decentralization based on fiscal, administrative, and/ or political indicators. Each group of indicators reflects a particular dimension of decentralization. Therefore, measures adopted by previous studies neither provide an accurate picture of decentralization nor indicate whether decentralization is established at the local level.

This dissertation proposes local agency power over decision-making for comprehensive planning as a concept capturing the economic, political, and administrative dimensions of governmental decentralization. It develops and tests empirical measures of local planning agency power in the context of the growth management program of Florida, the United States of America (USA). It begins to show how the picture provided by these measures is a better portrayal of how decentralized a

system is rather than using previous measures.

This chapter provides an overview of the dissertation. It discusses the research problem and its context in Florida. The chapter identifies research goals, questions, and contribution to the fields of growth management and international development planning. It also demonstrates how the dissertation is organized.

### **Research Problem Statement**

A wide range of decentralization strategies has been applied in both developed and developing countries. Previous studies show that degrees of both decentralization and centralization co-exist in most governmental systems. Rondinelli (1990) indicated that governments have a mixture of centralized and decentralized functions. Therefore, measures of decentralization are needed to investigate whether strategies succeed in establishing decentralization, trace changes in the degree of decentralization over time, and compare this degree across countries/states.

Since the 1970s, governments of developing countries have adopted decentralization policies as a reaction to eras of centralization inherited from a long history of colonization. Most scholars perceive centralization as an ineffective development strategy for developing countries. They point to the failure of “the centralized, hierarchical, bureaucratic administrative model” to accomplish development goals in most countries (Wunsch, 1991, 432). International development organizations such as World Bank, United Nations, and the United States Agency for International Development (US AID) have not only recommended decentralization as an effective

strategy for development, but also pushed governments of developing countries to apply decentralization policies through grants and financial aid. Consequently, after independence, many developing countries have adopted one or more forms of decentralization: deconcentration, delegation, and/or devolution.<sup>1</sup>

In contrast, many developed countries have already had more decentralized systems. Their systems of governance guarantee greater freedom of local governments over decision-making in certain areas and give localities autonomy over planning actions. Ironically, some developed countries have started to initiate policies enabling the state to be more involved in local planning processes. For example, in the USA, where state governments traditionally have not directly involved themselves in local planning, some states have adopted programs to manage urban growth. These programs have empowered the state to control the process of local land use planning at the expense of local governments, which shifts the locus of decision-making from the local to the state level.

Previous research shows a combination of decentralization and centralization in systems of governance in both developing and developed countries (Oates, 1985, Wasylenko, 1987, and Ali, 2000). Decentralization degrees vary across countries/states having different geographical, economic, political, and/or social circumstances. Previous studies adopt measures driven from fiscal, administrative, or political indicators of decentralization. Each group of indicators reflects a particular dimension of decentralization. For example, organizational arrangements imply administrative decentralization, but do not indicate the extent of local autonomy or control over the process of decision-making. Measures capturing the various dimensions of

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<sup>1</sup> See Chapter One for more explanation.

decentralization are required to evaluate programs establishing decentralization and trace changes in its levels over time (Smith, 1979). Indicators providing a more comprehensive picture of decentralization are needed to illustrate whether decentralization is established at the local level.

In addition, measures adopted by previous studies were used to analyze decentralization from above by dealing with two aggregated levels: the state/national and the local. The analysis of decentralization from above does not show the extent of power given to local units over decision-making. Therefore, the analysis does not indicate whether decentralization is actually established at the local level.

Samoff (1990) considered local power as the core of decentralization. It is a necessary condition for decentralization. His research proposes local agency power over decision-making for planning as a comprehensive concept that allows for comparison across local units. In this dissertation, I argue that the power of a local planning agency to control and manage local resources and make planning decisions without intervention from upper governmental agencies reflects economic, political, and administrative dimensions of decentralization. The research develops and tests empirical measures of local planning agency power over decision-making. These measures analyze decentralization from below by indicating how decentralization is performed at the local level. This perspective enables us to compare and trace the extent of power over decision-making across local governments and over time. The proposed measures of power are constructed and examined in the context of the growth management program of Florida, USA. The degree of local agency power over decision-making for comprehensive planning has declined since the adoption of Florida's growth management system in the

1970s. The state has been directly involved in the process of local comprehensive planning, which reduces decentralization of decision-making for planning.

## **Problem Context**

### **Decentralization and Planning in the United States of America (USA)**

The USA has adopted federalism, the most intensive form of decentralization. However, many scholars argue that the federal system of the USA has a degree of centralization. According to Baldwin (1987), the American constitution allows federal control and involvement in state affairs when the federal government perceives that necessary. Furthermore, Campbell (1972) pointed to the ability of the federal government to adopt national programs and change its priorities, while changes at the local level require local referendum approval and may need state approval and/or state constitutional amendment. Mishkin (1987) added that states are subject to federal judicial jurisdiction and control to guarantee human rights. For example, a federal law prescribes minimum wages and maximum work hours and bans discrimination based on age, sex, race, or other factors. Moreover, Kincaid (1996) referred to the intrusion of the national government on local and state tax bases as a result of the increase of national expenditures and deficits. Studies indicate that American states have different levels of decentralization. Separate studies conducted by Stephens (1974), Giertz (1976), and Stonecash (1981 and 1985) show that the fifty states of the USA have different levels of decentralization based on fiscal and administrative indicators.

In general, the federal system of the USA implies that the federal government has

no direct power over local planning activities. State governments are assumed to transfer power over decision-making for planning to local governments. Therefore, Jacobs (1989, 1) described the urban system of the USA during the 1960s as “parochial, discriminatory, elitist, destructive eco-system, wasteful investment capital, and based on artificial systems of land division.” The increase of urban sprawl and environmental problems and negative effects of uncontrolled urban growth led to the “quiet revolution” in the 1970s. The revolution called for involving higher-level governments in decision-making for land use planning. Tools of the revolution were laws involving the state and/or regional agencies in decision-making for local land use planning (Kelly, 1993). Some states have adopted growth management programs and established processes to review and control local decisions for land use planning in order to address areas of state concern (Lincoln, 1996). Statewide growth management programs address problems of regional growth, protect natural resources, and require managed growth (Bollens, 1992). They are also concerned with social issues related to land use planning such as housing affordability and accessibility (Kelly, 1993). Many programs mandate the preparation of local comprehensive plans and redistribute power over decision-making for planning between the state and local governments. In many cases, the partnership between the state and local governments was unstable, which created tension over the implementation of growth management intergovernmental programs (Turner, 1990).

State growth management programs have different intergovernmental structures, which produce various levels of local power over planning decision-making and of decentralization. Scholars suggest different descriptive models for intergovernmental structures of statewide growth management programs. In these models, the power levels

of local units range from low to high. In Bollens' (1992) model, the power of local governments is relatively low in the top-down approach adopted in the preemptive/regulatory model, but high in the bottom-up approach applied in the cooperative planning model. In addition, Gale (1992) suggested the highest state control of local planning processes in the state dominant model, but the least state control in the state-local cooperative model. Furthermore, Innes (1992) pointed to a weak role of localities in the top-down bureaucratic model, but a strong one under the collaborative/consensus building model. Moreover, RuBino and LaRosa (1999) presented different approaches to land use planning, which range from highly centralized in the top-down approach to decentralized in the bottom-up one. (See Chapter Two for more explanation of the models.)

The variation in the structure of proposed models of state growth management program produces different levels of local agency power over decision-making, which indicates different levels of governmental decentralization. This variation points to the need for comprehensive indicators reflecting the extent of local power over planning decision-making. Previous research<sup>2</sup> investigating decentralization levels across American states relied on fiscal and administrative indicators dealing with the state and local levels as aggregated units. These indicators do not show the variation in levels of power across localities. Therefore, other measures dealing with local governments as disaggregated units are needed for a better analysis of planning systems and practices in the USA.

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<sup>2</sup> Major studies are those conducted by Stephens (1974), Giertz (1976), and Stonecash (1981 and 1985).

## **Decentralization and Planning in Florida**

In the early 1970s, Florida took its first steps toward establishing a statewide program of growth management as a response to problems resulting from rapid uncontrolled development. The program has given a dominant role to the Florida Department of Community Affairs (DCA) in decision-making for comprehensive planning. Florida's laws empower and enable the DCA to guide and control processes of managing growth and planning at the local level, which centralizes important aspects of decision-making for planning.

The 1970s laws attempted to manage growth in Florida. The Environmental Land and Water Management Act of 1972 (Ch. 380, F.S.) introduced the still operative area of critical state concern program and the development of regional impact (DRI) review process. A few years later, the Local Government Comprehensive Planning Act of 1975 (Ch. 75-257, 1975 Fla. Laws 794) mandated the preparation of local government comprehensive plans, but did not give enforcement power to the state over the implementation of local growth management policies.

In the mid-1980s, enactment of a number of new planning laws shifted Florida's system to more of a top-down approach. In many ways, this shift was the result of the failure of the 1975 local planning law to achieve its objectives<sup>3</sup> (Turner, 1990). The State and Regional Planning Act of 1984 (Ch. 186, F.S.) required state agencies to prepare state agency functional plans consistent with the state comprehensive plan. In addition,

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<sup>3</sup> The growth management system of the 1970s failed to make local governments meet state expectations of protecting the environment and adopting appropriate levels of infrastructure development. Major reasons of this failure were related to the lack of 1) state funds provided for local planning, 2) a time frame to prepare local plans, 3) definition of plan components, and 4) sanctions to assure local compliance with state requirements. (Interview with Professor Richard RuBino, Professor Emeritus, Florida State University, September 11, 2002).

the State Comprehensive Plan Act (Ch. 187, F.S.) mandated the preparation of a state comprehensive plan to provide guidelines for physical, social, and economic growth. The Local Government Comprehensive Planning and Development Regulation Act of 1985 (Ch. 163, Part II, F.S.) empowers and authorizes the DCA to review and approve/disapprove local plans, require modifications to plans, or to initiate withholding state funds from local governments until all state requirements are met.

Regional Planning Councils (RPCs), with no enforcement power except that administratively passed on to them by the DCA, have been involved in reviewing local comprehensive plans and plan amendments, and reporting their recommendations and comments to the DCA. In addition, local government plans are required to include intergovernmental coordination elements describing how the local plan is to be coordinated with adjacent local government plans. Many local governments challenged state decisions, while others called for abolishing the whole planning system (Nelson, et al., 1995), because different perspectives about planning led to disagreements. In addition to the statutory requirements, administrative rules<sup>4</sup> for planning also have been adopted, which further reduce local agency power over decision-making.

In the 1990s, amendments to these growth management laws were enacted to improve intergovernmental management. Major changes were concerned with processes of reviewing local plan amendments by RPCs, water management districts, the Department of Environmental Protection, and the Department of Transportation, which advise the DCA regarding issues of state concern or regional significance (Powell, 1993).

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<sup>4</sup> Major rules are: 1) Rule 9J-5, F.A.C, setting minimum standards and methods to prepare local plans, 2) Rule 9J-11, F.A.C, identifying procedures of local comprehensive plan preparation and amendments, and 3) Rule 9J-12, F.A.C, establishing schedules with deadlines for local plans. Local compliance with these rules is assured by consistency requirements, and by sanctions in cases of non-compliance.

In 2002, more changes to Florida's growth management system were enacted through the passage of the Senate Bill 1906. This amendment keeps the dominant role of the DCA in the process of local comprehensive planning. It also increases the oversight role of state agencies in local comprehensive planning by involving additional agencies<sup>5</sup> in the process of reviewing local plans and plan amendments.

The distribution of power between the Department of Community Affairs (DCA) and local planning agencies makes Florida an appropriate case study to investigate empirical measures of local agency power over decision-making for comprehensive planning as an indicator of governmental decentralization. The DCA has authority to control the process of local comprehensive and ensure local compliance with state requirements. However, the responsibility for funding plan amendments and implementation was left to local governments. Authority over planning in Florida has been centralized, while funding remained decentralized (Turner, 1990). Therefore, using fiscal indicators of decentralization might show high levels of decentralization in Florida, while political and administrative indicators could reveal the opposite. This contrast in decentralization levels when using different indicators points to shortcomings in decentralization indicators adopted by previous studies such as fiscal indicators proposed by Giertz (1976) and Stonecash (1981 and 1985).<sup>6</sup>

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<sup>5</sup> Senate Bill 1906 adds the Department of State; involves both the Department of Agriculture and Consumer Services and the Fish and Wildlife Conservation Commission in county plans; but the appropriate county in municipal plans (s. 163.3184, F.S.) to the list of oversight agencies stated in the Local Government Comprehensive Planning and Development Regulation Act of 1985 (Ch. 163, Part II, F.S.). The 1985 act had required each local governing body to transfer comprehensive plans or plan amendments to the DCA, the Department of Environmental Protection, the Department of Transportation, regional planning agencies, and water management districts.

<sup>6</sup> See Chapter One, 1.2.1 Fiscal Indicators of Decentralization.

## Research Goals and Questions

This dissertation proposes local agency power over decision-making as a comprehensive concept of governmental decentralization. It develops and tests a set of empirical measures of local agency power over decision-making for comprehensive planning, which capture the economic, political, and administrative dimensions of decentralization. It seeks to analyze decentralization from below by investigating the extent of local power over decision-making for planning in order to provide a comprehensive picture of decentralization. Major questions of the research are: 1) what are empirical measures of local agency power over decision-making for comprehensive planning? and 2) to what extent do proposed measures of local agency power succeed in reflecting levels of governmental decentralization?

The state of Florida was selected as the case study, because it has experienced changes in degrees of centralization since the adoption of its initial growth management system in the 1970s. The unit of analysis for this study is governmental planning agencies within municipalities having 10,000 or more inhabitants: this represents 38% of the total number of municipal governments in Florida.<sup>7</sup> This population threshold was selected to ensure that municipalities surveyed have planning departments performing functions related to comprehensive planning.

A Delphi study was conducted to identify measures of local agency power over decision-making for comprehensive planning. Then, municipal planning agencies were surveyed to investigate the extent of local power in Florida. Levels of municipal power

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<sup>7</sup> This study excludes all municipalities under 10,000 inhabitants, all sixty-seven county governments, and all local special districts.

over decision-making in Florida were analyzed to demonstrate the application of the proposed set of empirical measures as a concept capturing economic, political, and administrative dimensions of governmental decentralization. Findings using the proposed measures of power were contrasted with those resulting from using measures adopted by previous studies of decentralization.

### **Contribution of the Research**

The proposed set of empirical measures of local agency power over decision-making for comprehensive planning contributes to the field of both international development planning and to that of growth management. This research responds to the needs of developing countries changing their governmental systems to be more decentralized and of developed countries shifting their systems to be less decentralized. The set of empirical measures attempts to overcome shortcomings of decentralization measures adopted by previous studies. Unlike measures adopted by previous studies, the proposed empirical measures of local power analyze decision-making from below. They provide a comprehensive picture of decentralization by capturing its economic, administrative, and political dimensions. The set of empirical measures deals with local governments as disaggregated units, which enables us to compare levels of power over decision-making for comprehensive planning across localities and trace changes in these levels over time.

The set of empirical measures improves our understanding of governmental decentralization by showing how components of power (authority, autonomy, control,

and capacity) reflect governmental decentralization at the local level. Therefore, the proposed set of empirical measures of power provides an initial framework to evaluate the success/failure of governmental strategies and policies to establish decentralization by analyzing components of power.

Moreover, the proposed set of empirical measures can be used to analyze the impact of growth management programs on the extent of local planning agency power and trace changes in power levels over time. This analysis is critical to improving our understanding of intergovernmental growth management programs and their effects on the power of local governments over decision-making. Furthermore, the set of empirical measures can be used in future studies to investigate changes in the decentralization of decision-making for planning in Florida.

In summary, the proposed set of empirical measures of local agency power over decision-making provides a framework to analyze decentralization at the local level by investigating the extent of local power over decision-making for comprehensive planning. The set of empirical measures improves our understanding of decentralization, which enables us to design more effective strategies improving intergovernmental linkages. It provides a tool to analyze agency power in the context of adopted intergovernmental growth management programs.

### **Organization of the Dissertation**

The dissertation consists of this introduction, six chapters, and a conclusion. The introduction presents the research problem, context, goals, questions, and contribution.

Chapters One and Two review relevant literature: Chapter One focuses on meaning and measures of decentralization, while Chapter Two discusses power over decision-making for planning. Chapter Three explains the research methodology and Chapter Four demonstrates the findings of the Delphi study and develops measures of local agency power over decision-making for comprehensive planning. Chapter Five indicates levels of local agency power over decision-making for comprehensive planning across Florida's municipalities. Chapter Six discusses the application of the proposed set of empirical measures of local agency power as a concept capturing the various dimensions of governmental decentralization. Finally, the conclusion summarizes the research process and its implications for the fields of growth management and international development planning.