

Can decentralization of governance help reduce corruption politics essay



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The combination of institutional decentralisation and procedural integration has been an essential part of modern governance. Governance is simply the way we rule ourselves and thus it operates at every level that is from the micro household level to the macro society and national level. In the light of this, decentralisation is the assignment of fiscal, political, and administrative responsibilities to lower levels of government (Litvack et al 1998, p. 4). At the public level, governance will refer to the way a society sets and manages the rules that guide policy-making and policy implementation (United Nations 2007).

The need to bring economic and political system closer to local communities is one major reason for decentralisation (Litvack et al 1998, p. 4).

Governance at the local level is seen as a way to curb abuse of public office for personal gains because of the fact that it brings governance closer to the people and encourage accountability. This implies that administrators are directly in contact with the people they govern and are seen to be tied to the cause of the community (Kaufman 2004). In the light of this, decentralization of governance will ensure government are closer to the people and therefore responsive to their needs and encourage accountability which can help reduce the incidence of corruption. Although corruption exists in every country, localization of governance helps reduce the level of impunity as regards to corruption. Generally corruption is the abuse of vested authority for private gains (Ledeneva 2009, p. 70, Warren 2004, 329, Shleifer and Vishny 1993, p. 599).

From this point of view, that there is no country or government system that is totally free from corruption but the degree of impunity as regards to

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corruption varies from countries to countries. I will argue in the following section that decentralisation will ensure reduction in corruption since governance at the local level will be directly responsive and accountable to the people. This is explored in the perspectives of rational choice behaviour of individual. Rational choice assumes that a given person will act rationally in order to achieve a given end or objective (Elster 1986, Harsanyi 1986, Becker 1986) and individual decision and actions have the potential to implicate institutions.

In contrast to the historical-sociological debates on institutions that explains institution as being shaped by complex social process (Hobson 1998, Halperin 1998), rational choice models argues that individual behaviour matters and can radically affects institutions. Therefore, the integrity of the leader is important because it is a major factor that shapes the degree of the extents of corruption in a particular nation. In actual fact, Morris and Klesner (2010) submit in their study that trust is both a cause and consequent of political corruption. Hence, although, a country can operate centralised or decentralised government system, the real question of whether it is highly corrupt or not is strongly related to the individual leadership characters and institutional integrity.

This paper is structured into four segments. The next section briefly clarifies the concepts of corruption and decentralisation. This section also expatiates on individual and institutional integrity as it relates to political corruption.

This is in terms of understanding the institutional structures and their very elements of capacity to engage (good/bad governance) which is embodied in the very fabric and foundations of state institutions. The third section delves <https://assignbuster.com/can-decentralization-of-governance-help-reduce-corruption-politics-essay/>

into the rational choice explanation of corruption. Although, this explanation challenges the corruption control rationale for decentralization, it argues that the institutions of government are constraints individual choice to be corrupt or not while individuals at the same time individual activities forms the bedrock of such institution. The last part is the conclusion.

2 Conceptual Clarification: Corruption and Decentralization

Corruption is an extremely complex socio-economic phenomenon and therefore very difficult to fit into a definition. It is generally an outcome and an indicator of poor governance (United Nations 2007). It has exists since early modern republicanism when it is understood broadly as a moral condition, measured by the distance between a people's collective character and moral standards of everyday conduct to the modern conception from individualistic perspective (Waren 2004, p. 329). The most common definition of corruption today is conceptualized in the context of public office domain that " corrupt actions violate rules of public office and are motivated by private gain" (Kurer 2005, p. 225). The fact that the modern conception of corruption is intertwined with legalistic understandings of individual corruption detracts attention from institutional defining norms with corrupt consequences (Ibid, p. 331). As noted by Kurer (2005, p. 225) the term ' corruption' can relate to a state of society as a whole or to individual acts.

Similarly, like corruption, decentralization is not easily defined. It takes many forms and different dimensions (Litvack et al 1998, p. 4) but it broadly explains devolution of authoritative power. A decentralised governmental system allows each levels of government to have jurisdiction over a

particular area and policy area. Therefore, decentralised governance is submitted to be a government system that brings governance closer to the people (Falleti 2005). Although, a wide variety of institutional restructuring are encompassed by this label (Litvack et al 1998, p. 4), decentralisation invariably increases the power of subnational governments (Falleti 2005). “The most common theoretical rationale for decentralization is to attain allocative efficiency in the face of different local preferences for local public goods” (Litvack et al 1998, p. 4). Therefore, the large-scale transfer of resources, responsibilities, and authority as a result of decentralisation has brought subnational governments to the forefront of politics. (Falleti 2005, p. 337).

2. 1 A Rational Choice Explanation of Political Corruption Equation

The traditional simplification of rational choice model has been to equate ‘rational’ with narrowly self-interested behaviour (Mansbridge 1995, p. 137). Rational choice theory refers to the behaviour by an individual actor – a person, a firm or political entity – designed to further actor’s perceived self interest, subject to information and opportunity cost (Monroe 2001, p. 152). The actor has the potentials to behave based on self-interest in any situation of seeking to achieve something. It therefore encompasses the decision making process and the actions in the process. This narrowly defined self-interest perspectives of rational choice influences how each actor’s choices affect’s another and thus the institution. Elster (1986, p. 4) notes that to justify and explain behaviour, the actions should be viewed as feasible which explains the set of all courses of actions which (are rationally believe to) satisfy various logical, physical and economic constraints. At the same time, <https://assignbuster.com/can-decentralization-of-governance-help-reduce-corruption-politics-essay/>

there will be set of rational beliefs about the causal structure of the situation, which determines what causes of action will lead to what outcome. Therefore, the rationalist approach takes account of both the agents' role in creating institutions and the institution role in constraining and influencing the agent behaviour.

In the view point of rational choice, institutions do not produce behaviour or shapes actors preference because actor's preferences are endogenously determined. This underpinned the reason why leader integrity, as was earlier noted, is crucial to individual choice (rational choice) to be corrupt or not. Since, corruption is a crime both the perpetrator and the victims have the interest to hide it (Shleifer and Vishny 1993, p. 616). In its crime and punishment model, Garry Becker (1968) argues that self-interested public officials seek out or accept bribes so long as the expected gains from corruption exceed the expected costs associated with corrupt practises. There is a mutual interest between a giver of bribe and the receiver.

The behaviour of the individual leaders therefore matters as to the level of corruption in a particular context. Even though a strong institution constraints the behaviour of individual, there is a possibility that decentralised government will lead to decentralised corruption in contexts where institutions are weak. A decentralised corruption system explains a situation where higher level officials collect a fixed amount of bribe income from each of the bureaucrats that take bribes, without mandating on the bribe size that the bureaucrats charge (Waller et al, 2002). This will lead to the spread of corruption in a top-down format which may be difficult to curtail.

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However, institutions influence behaviour by affecting the structure of the situation in which actors select strategies for the pursuit of their preference. In this regard, institutions may incentivise or dissuade actors from certain course of actions. Hence, rational actors will only change institution where the likely benefits outweigh the expected cost of change itself. The cost may include how to operate within the new structure and dealing with new sources of uncertainty that will likely emerged through the new structure.

The historical antecedent of institutional development is crucial regarding institutional integrity in any context. Hobson (1998) notes that the strength of and autonomy of states depends on the degree to which they are embedded in their own society. Likewise, the effectiveness of an institution depends on the degree to which it is embedded in the society. In most countries of the North, there is a long standing tradition in which the citizens and the governments trust the institutions of state government which effect the people to accept the institution and the basic rules that governs the relationship between citizens and the state. The citizens in these countries trust the institution of governance. However, in many countries of the South, i. e., post soviet states and most African countries, the state nor the citizens neither trust those institutions and therefore institutionalised rules are not trusted. Hence, there is rampant public fund embezzlement, bribes, favouritism and almost all indicators of corruption in these places.

But generally, a country has to develop the institutional capacity and the means necessary to deal with corruption whenever it happens. Most of the corrupt nations in the world are from the global south. This portrays

corruption as mainly the problem of the south. The most of the Western
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countries have legal framework and institutional integrity which curb the degree of corruption in these places, whereas in the south where the institutions are weak and the people has lost faith in their capacity corruption has eaten deep into the fabric of the society.

It is not that Western countries are completely free of corruption, but it is their institutional capacity to control corruption that set them apart from countries in the global south. For instance, as an alternative to bribing that is predominant in the global south, firms use lobbying to influence government or lawmakers position to make or change rules in their favour. In doing this, firms spend a lot of money to ensure that rules are relaxed or made in their interests. In United State, lobby is considered as legal. However, it is still arguable that lobbying constitutes a form of corruption whenever it involves paying money (bribe) to influence lawmakers or government position on issues. Law makers do take money from lobbyist to vote for laws in favour of the lobbyist interests. The paradox is that it is legal for firms to pay lawmakers to relax or make new laws in their interest but illegal for firms to pay (bribe as it is often called) a bureaucrats to circumvent the regulation.

3 Decentralisation Limits Political Corruption

The decentralisation of governance ensures localization of government which encourages leadership accountability to the people. Decentralisation therefore limits political corruption because it improves government accountability at the local level of governance. It reinforces the capacity of the people to monitor government performance and therefore enhanced

responsible and accountable governance which will lead to reduce corruption (Shar, 2006).

In the liberal tradition, decentralisation helps to deepen and consolidate democracy by devolving power to local government (Falleti 2005, p. 327), thus ensure political accountability which will lead to reduction in corruption. Decentralisation also improves the capacity of the local people to monitor their leaders. However, it should be noted that although there is a potential for reduce corruption when decision making is closer to the people, the integrity of the leader is crucial to increasing or reducing corruption. Therefore, it that does not necessarily matters the type of government in place, corruption exists in every countries but it is the level of impunity as regards to corruption that is difference. The degree of impunity is a factor of the level of integrity in the system and individual integrity.

Clearly, one can not equate the integrity of a leader who can leads on a noble purpose and someone who believe it is all about the rule for personal profit. The integrity of the person in the position of authority and the assessment of the individual integrity by the citizens really matters when it comes to being corrupt or not. This explains why Individual now looks for hedges against deceit by seeking to discern the character of the individual who are (or might become) their leaders and more concerned about their trust worthiness, because increasingly this becomes the principle of guaranteeing that political promises will be kept (Warren 2006, p. 166).

In rational choice perspective, the individual leader will obviously tend to weight the cost of being corrupt or not, and this cost is relative depending on

country. Therefore, it does not necessarily matter whether a government is highly concentrated or spread out, corrupt or incorrupt government can actually hold sway in any form of government except in a situation of strong combination of leadership integrity and strong institution of governance.

As much as decentralisation of governance can lead to decentralised corruption, decentralisation can empower the individual at the local level to contribute to building strong institution of governance. It is the individual particular actions combined into what becomes ongoing process and on which institution emerged and sustain itself to contribute to the intended desired outcome. The point here is that the individual actions have implication on the functioning of institution as much as the institution constraints individual actions. Therefore, decentralisation can encourage government performance monitoring which will contribute to building strong political institutions that are necessary for low level of corruption in a society.

There is integrity of institution when citizens believe in the capacity of state institutions and the respect of citizens for the state institutions. In a situation where corruption is endemic, the practise of corruption has become routinised and hence institutionalised. Morris and Klesner (2010) note that the lack of trust fed by corruption is considered critical in that it undermines government efforts to mobilize society to help fight corruption and leads the public to routinely dismiss government promises to fight corruption. Since the creation of institution is borne out of collective interests when the citizens (the principal) engages the agents (politicians) to perform tasks on

their behalf, the functionality of institutions in any case (i. e., whatever level of governance) transcends local, sub-national and national governance.

4 Conclusion

Conclusively, in centralise or decentralise government system, the people themselves have to rethink who they want to represent them. It is the collectivisation of good individuals at the helm of authority that will result in the creation of institutions with true integrity and that integrity has to be built in terms of a foundational principles and corresponding institutional structures. This institutional frameworks (formal and informal) allows the individual in position of authority to repeat certain governmental functions in a predictable factual within the society and above which are based on understanding of the ideologies for why we are doing things or why we want to change things. This implies that individual actors matters since they are instrumental in institutional formation and change.

The institution of governance transcends the formal institution of state to include all tradition and informal institution that ensure smooth function of the state. “ Political actors respond to a mix of formal and informal incentives, and in some instances, informal incentives trump the formal ones” (Helmke and Levitsky 2004, p. 726). In other words, the immediate elements of our life (such as ethics, education and ideologies) are put together and reflects in the institutions of governance that are enforce in practices and structures specifically designed or have evolved from traditions. Therefore, careful attention to informal institutions is critical to

understanding the incentives that enable and constrain political behaviour (Ibid, p. 726).

Therefore, since individual behaviours are instrumental to institutional formation and change, decentralisation will not necessarily imply reduced corruption if institutions and individual within it lacks integrity. In a context where corruption is endemic and government institutions are weak decentralization may also imply decentralisation of corruption. Waller et al (2002) posit that decentralized corruption leads to lower levels of total corruption in the economy (lower spread), higher levels of bribe per entrepreneur (higher depth), and a smaller formal sector vis-a-vis a centralized corruption equilibrium. In a situation like this, much emphasis should be placed on leadership integrity which greatly influences the extents of corruption in such polity.