

Private and the public sectors criminology essay



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Democratic governance is generally anticipated to be more transparent and accountable. Transparency is an absence of concealment which allows corruption, which has become universal concern and the misgovernment that it carries with it is almost as widespread. Whenever there are opportunities that offer personal advantage or profit, people will try to take advantage of that opportunity. More or less Corruption has become part of every country but nations of a badly corrupt state may hardly imagine that it can be removed or abolished. However, critic on corruption is a focal point of conversation and political argue worldwide (Paul, S. 2007). Transparent system helps people to see into systems and understand the purpose behind decisions taken and make it more difficult for anyone to act corruptly.

Transparency into governance is almost universally considered as the key to get rid of corruption, usually along with impose measures and relevant feasible changes in modes of governance. However, it is not only transparent system that is the most significant thing in order to remove corruption and gain fair governance. The purpose behind transparency is accountability; accountability is the device which makes use of transparency for good in public and private governance. It has been also argued that transparency is no instant. Transparency alone would not help reduce corruption if it would not escorted by strategies to strengthen the capability of people of holding authority accountable. Transparency make information accessible but just making information available is not enough to change behavior and create good governance for that one need accountability which involves ' paying the price' for one's actions thus transparency and accountability is equally important for private and public sector . The purpose of this paper is not only to argue that transparency and accountability is equally important but also

to discuss which sector is more transparent or better in term of accountability. The essay is structured as follows section 1 will focus on literature about different types of accountability. Section 2, briefly enlighten about accountability in public sector in America. Section 3 very briefly enlighten about accountability in private sector in America. This leads us to the comparison, set out in section 4. Section 5 is concludes.

LITERATURE REVIEW:

Transparency and accountability have become two of the most significant concepts in discussions of economic and financial policy nowadays. Greater transparency creates better awareness of the decision, while better accountability enforces discipline on decision-makers. Together they can add to excellent verdict in both the public and private sectors, most importantly to improvements in resource distribution, macroeconomic firmness and eventually in economic development and prosperity.

Scott (2006, 175) define accountability as “ the obligation to give an account of one’s actions to somebody else, often balanced by a responsibility of that other to seek an account”. Obligations are prearranged and imposed through the implementation of explicit standards and implicit norms (Kearns 1996). Kearns (1996, 66) describe explicit standard as being “ codified in law, directorial regulations and bureaucratic checks and balances”. Explicit standards are often written contracts, regulation and rules while implicit norms imprecise and consider as a weaker accountability tool due to being unstated.

Model of accountability by Romzek and Dubnick's (1987) is perhaps the most interesting framework used to examine the accountability structures. They demonstrate four accountability structures during their work with different association. In their two by two accountability model, Romzek and Dubnick adjoin 4 accountability frames for consideration of external and internal control all along with the high and low degrees of control. They argue that level of control may be recognizing in term of the power of ties. Apparently, stronger ties draw out higher levels of control within governance networks, the degree of centrality and the relative strengths of the "controlling" bodies are often highly appropriate and dependent on the position of the organizational actors within the governance network. Now we will consider different type of accountability within the three accountability framework (Christopher J. Koliba, Russell M. Mills and Asim Zia 2011).

Democratic Frame

Romzek and Dubnick (1987) explain political accountability as an answer to the concerns of citizens. Political accountability structure depends on public access to governmental decision-making processes directly through transparency. Political accountability in democratic system may be structured as "democratic" accountability through which elected representative and citizens serve as the actors to whom accountability must be provided. The standards and norms used by citizens and elected representative to hold the public bureaucracies accountable may be understood in terms of the laws and regulations (Stone 2002). Elected representative accountability is built on stronger formal ties (Christopher J. Koliba, Russell M. Mills and Asim Zia 2011).

On the other hand citizens , may directly hold public organizations accountable by the horizontal accountability The importance of citizen accountability in the democratic frame is defined in literatures as citizen participation and public administration(Cooper 1984), deliberative democracy (Fung 2006), participatory governance (Bingham, Nabatchi, and O’Leary 2005), and collaborative governance (Ansell and Gash 2007). It has been illustrated that citizens have comparatively weak controls over other actors operating within a governance network.

Romzek and Dubnick suggest that a legal accountability structure highlights the role that courts and quasi-judiciary actions play in ensuring the implementation of fair and rational judgments within an organization. Legal accountability differentiates itself through the centrality of the legal system and the jobs that judges and juries do as principal actors within it. Legal accountability is decided through a legal system and law that are in place.

Market Frame

A market frame can be identify by segregating capital and production markets (Mashaw 2006, 122). In businesses objective of making profit rule accountability structures of private sector accountability structures (Mulgan 2000). Therefore, a market frame of accountability may be divided into two distinct but interrelated components: shareholder accountability and consumer accountability (Scott 2006).

Owners and shareholders accountability entitle for the alignment of performance measures with profitability. This kind of accountability pushes companies to take on the most effective set of practices in order to gain

maximum profit. Share holder and owner suppose to be principals in corporate sector and thus exercise strong control over the operations. Consumer accountability on the other hand is a market-based accountability. Which reflect the position of customers to choose between alternative, competing goods or services.

The main mechanism of this model is competition; consumer can easily take company into account by either rewarding behavior through loyalty and by punishing behavior through refusal to purchase (Scott 2006, 178). Mulgan (2000, 569) observes that while consumer has no right to demand to private provider to fulfill his or her need but competitive market enable consumer to switched to an alternative provider. Consumer accountability display relatively weak measures of control.

Administrative Frame

An administrative frame of governance network accountability may be viewed in terms of the vertical and horizontal ties within hierarchical bureaucracies and flatter collaborative arrangements. The administrative frame emphasis on the processes, procedures, and practices use in officially organized social networks. The basic motto of this frame of accountability is purifying administrative relationships and purposeful operating system between principals and agents, professionals, and collaborators.

Bureaucratic accountability structures can be described by hierarchical system in which there are clear relationships between subordinates and superiors and they depend to hierarchical, bureaucratic structures such as the “unity of command” and “span of control” (Fayol 1949).

Bureaucratic accountability structures depend on obeys to intraorganizational stated rules and regulations and, more informally, “principal-agent” norms (Milward and Provan 1998).

These principles may be embodied within the formal operating standards and procedures in place, along with stated rules and regulations.

Bureaucratic accountability structures rely on an adherence to intraorganizational rules and procedures and, more informally, “principal-agent” norms (Milward and Provan 1998). This form of accountability depend on the vertically ties inside formal organizations.

Romzek and Dubnick (1987 , 187) state that professional accountability structures depend on the competent “professionals” they further illustrate this by stating that this kind of accountability is characterized by appointment of expert over organizational activities. This form of accountability depends on the weak horizontal ties. They are not obliged to the usual principal-agent vertically ties since both actors are free to enter in horizontal ties. Social network theorists have equated horizontal relationships with cooperative behaviors and norms of trust and reciprocity (Thompson 2003).

Mashaw’s (2006) said Collaborative accountability connects actors as peers or partners. Even within the most hierarchically set organizations, workers interact with each other as peers or partners organized around collective objectives. This form of accountability depends on the weak horizontal ties. However Kreps and Wilson (1982) stated that “reputational capital” of actors turn out to be a key factor within the establishment in horizontal

aligned relationships. Reputation happens to a significant element in the bargaining, negotiating, and mutual adjustment activities in peer relationship (Morris, Morris and Jones 2007, 95). The ability of one collaborator to penalize other collaborator suggests that horizontal ties may be built on stronger measures of control than initially thought.

LACK OF ACCOUNTABILITY IN PUBLIC SECTOR

As per Transparency International, police is fourth most corrupt public institution followed by political parties, public officials and Parliament in 86 countries.

Transparency International, as cited by David Bayley and Robert Perito (2011: 2), found that police ranked highest among nine public services on its corruption index. Corruption is severely retrogressive in police department. The World Bank, as cited by David Bayley and Robert Perito (2011: 2), has also reported that in twenty-three countries studied, people saw the police not “ as a source of assistance and security, but rather of threat, risk, and impoverishment.”

In United States corruptions in police department is a major problem. History witnessed cases where police officers turned bad to make money through conned drug dealers and even dealing drugs themselves. Some attempt and cover up their own act of brutality, murder, torture and even crimes against protestors in recent times – from the needless pepper-spraying at UC Davis in 2011 to the thrashing and attacks on Occupy demonstrators .

In America misuse of force, over-enforcement of the law; bribery; failure to apply the law because of personal interests; and discrimination against particular individuals or groups become the major concerns of authority.

This is not only to notice that police corruption and brutality are not a serious problem and that vital action should be taken to hold police accountable for misbehavior but here it also shows that lack of transparency and accountability can make corruption to happen anywhere – even in a liberal state like American. In America police force is among the most dominating public sector. Ensuring that police officers use their power lawfully and fairly on behalf of citizens is become the major concern in America while on the other hand in police department governments has imposed over confidentiality and privacy rules, Professor John Lieder back an expert in American policing stressed that data on brutality has become hard to compile due to restrictions on the release of law enforcement disciplinary and complaint information.

LACK OF ACCOUNTABILITY IN PRIVATE SECTOR

One of the great models of private sector failure is Enron, which was a bankrupt during late 2001. The Enron case brought into lights lots of questions regarding accounting practices and lack of transparency which enable Chief Financial Officer Andrew Fastow to mislead Enron's board of directors.

Enron was formed by Kenneth Lay in 1985. Jeffrey Skilling the former CEO with few executives was able hide loss of billion dollars which has been occurred due to unsuccessful projects. Poor financial reporting and offshore

entities' help them deceive investors by showing billions of dollars in profit even though company was actually running in a lost. Arthur Andersen the auditor company was also failed along with the Enron. Andersen despite of being aware from the accounting loopholes kept the issue in dark due to pressure from Chief Financial Officer Andrew Fastow.

COMPARING ACCOUNTABILITY IN THE PUBLIC AND PRIVATE SECTOR:

Society has become a combination of more than one actor, now that time has been passed when government is the only one actor operating in the society. Raising number of actors made the boundary between the public and private sectors are less specific. Now we briefly compare two sectors with the help of above mention examples.

Graeme A. Hodge and Ken Coghill compare two sectors financial reporting system, he asserted that private sector financial reporting promote accountability as compare to a dull impassable bureaucracy which may have existed in the past . They define both sectors financial sectors by comparing them in traditional public organization has vague cash-based accounting methods and lack of appropriate while on contrary private sector use more exact and closely controlled financial techniques such as accrual accounting but Enron scandal present completely deferent picture, company poor financial reporting and invalid audit report which showed company in profit instead of showing transparent position of company.

Enron case somehow supports other theorist, such as Donahue (1989) and Mulgan (1997) showed concern in opposition to the simplistic assumption

that accountability will get better through privatization, with the latter arguing that “ there is no reason to believe that private organizations will always or usually improve accountability.” Likewise, Ernst (1994) and Saunders and Harris (1994) think completely otherwise. They say that in practice, privatization has resulted in reduced accountability.

Almost eight decades ago John Dewey said that the line between public and private “ is to be drawn on the basis of the extent and scope of the consequences of acts which are so important as to need control” Micheal A. Murray elaborate this statement by stating that concept of consequences and regulation reflect seed of the procedural difference between private and public sector. What Dewey and others theorist said is that the main difference between public and private sector is accountability factor to which these public and private organization accountable to other for their actions.

Here we can also note that corruption in American police department is completely opposite to what Micheal A. Murray stated in his context that public sector operates in “ goldfish bowl” and there actions are subject to the pressure of the press and to public scrutiny while on the contrary private sector is somehow operates in , even not completely , autonomy. Richard Mulgan showed other side of the picture by stating that private sectors leader is subject to share holder pressure like public sector has public pressure. public sectors manager do not generally encounter the same degree of direct public interrogation and criticism as government officials do but their independence from public scrutiny is offset by accountability in term of measurable result . As happened in Enron case the whole emphasis of CEO is on result similarly share holders and board of directors interested

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in company profitability and return on capital what may be called “ bottom line” issues. How and what process were using to achieve desired outcome was least concern for the CEO.

Enron case also represents lack of administrative hierarchy the first and foremost mechanism for Bureaucratic accountability. The problem were not completely limited to the Bureaucratic and administrative system but it reflected that Enron former CEO and executives had no fear of elected representative and citizens serve as the actors to whom accountability must be provided though these actors are more likely to be associated with the public sector but the public sector and government is the policy maker for all, Enron bankruptcy left thousands of people jobless and these thousands of people are the part of society. This is also demonstrate that in today’s time we can’t deny with the fact that public and private sector have an effect on each other despite of being different distinctiveness similarly improper usage of power and brutality of police department in USA exhibit the same picture . citizen can’t put up pressure for improving accountability on public sector officials unless Access to information is available to public while on the other hand officials make it harder by putting restrictions on the release of law enforcement disciplinary and complaint information

CONCULSTION:

As it has been noticed transparency and accountability both are equally important for both private and public sectors. Democratic governance is generally anticipated to be more transparent and accountable. Transparent system doesn’t give chance to opportunist and help in reducing corruption.

Similarly when system is transparent and people have fear of being accountable they are less likely to act something which is unlawful and illegal.

Consequently, we can't generalize which sector is more transparent as both examples are replica of vague transparency and poor accountability. Public can elect the best possible government equally companies can hire the best people but monitoring and accountability is as important as choosing them. One can't deny with the fact that transparency and accountability are two sides of one coin and it is not enough to take best people into service but it is equally important to take best people into account irrespective of which sector they belong as public and private both sectors are only actor of society and every actor has its impact on other.