FACTORS BEHIND FISCAL ACCOUNTABILITY PERFORMANCE OF ZOMBA AND CHITIPA DISTRICT COUNCILS IN MALAWI

M.A. (DEVELOPMENT STUDIES) THESIS

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CHANCELLOR COLLEGE

AUGUST, 2017

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By

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DECLARATION

I, the undersigned hereby declare that this thesis is my own original work which has not been submitted to any other institution for similar purposes. Where other people's work has been used acknowledgements have been made.

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Name

Signature

Date

CERTIFICATE OF APPROVAL

The undersigned certify that this thesis represents the student's own work and effort and has been submitted with our approval.

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DEDICATION

To my late father and mum, Steven and Ellen, you will always be in my heart. To my dear wife, Bertha; lovely daughters, Stephellene and Qiniso, I am proud of you.

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ABSTRACT

Malawi had no elected councilors in 1995 and 2000, and between 2005 and 2014 despite existence of policy and legal frameworks. Their absence resulted into lack of accountability and loss of citizen and donor trust, among others. However, periodic assessments by Ministry of Local Government and Rural Development found that Zomba District Council performed better on public service delivery and accountability than Chitipa District Council. This paper, therefore, investigated factors behind fiscal accountability performance of Zomba and Chitipa District Councils. The argument is that it is not only increased funds par se that defines local council performance but rather intergovernmental fiscal transfer formula, genuine community participation, usage of information and communication technologies and access to information. The study used mixed methods and accountability theory to collect and analyze its data. Findings show that the degree of district councils' accountability to their constituents has an impact on their performance in delivering public services. The aggregate of factors that promoted accountability failed to realize fiscal accountability. A mix of strategies, favored by intergovernmental fiscal transfer system, differentiated fiscal accountability performance of the two councils. Further areas of study include: effects of existing legislation on fiscal accountability; impact of service charter on district councils, and effects of many 'principals' on fiscal accountability.

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ADC	Area Development Committee
AIDS	Acquired Immune deficiency syndrome
CBO	Community Based Organisation
CCAP	Church of Central Africa Presbyterian
CCJP	Catholic Commission for Justice and Peace
CDF	Constituency Development Fund
CSO	Civil Society Organisation
CSP	Church and Society Programme
DEC	District Executive Committee
DPD	Director of Planning and Development
GIZ	German Federal Enterprise for International Cooperation
GOM	Government of Malawi
HIV	Human immunodeficiency virus
ICT	Information and communication technologies
LAPA	Local Authority Performance Assessment
LDF	Local Development Fund
M&E	Monitoring and Evaluation
MDGs	Millennium Development Goals
MLGRD	Ministry of Local Government and Rural Development
MP	Member of Parliament
NGO	Non-Governmental Organisation
PWP	Public Works Programme
TA	Traditional Authority
VDC	Village Development Committee

CHAPTER ONE

INTRODUCTION

1.1 Background

Malawi adopted the National Decentralisation Policy in 1998 which aimed at devolving political, fiscal, and administrative powers to sub-national units of government called local government (GoM, 1998b). The country had no councillors between 1995 and 2000 and between 2005 and first quarter of 2014. Local government elections were held only in 2000 and in May 2014. Thus, councillors were in office between 2000 and 2005 and after 2014 tripartite elections. The underlying principle in the National Decentralisation Policy (1998) is to place local authorities at the centre of planning and implementation of district-specific projects (Dulani, n.d.). The National Decentralisation Policy is legally backed by the 1995 Republic of Malawi Constitution and the 1998 Local Government Act (GoM, 1998a; GoM, 2010a). Through these legal and policy frameworks, Malawi accommodates mechanisms that give opportunities to the general public seeking explanations and justifications on certain decisions made by bureaucrats and elected officials (Chasukwa & Chinsinga, 2013).

One key question that this study explores is whether the opportunity to explain and justify was granted or exercised by bureaucrats and elected officials. This includes explanations and justifications on fiscal matters which this study calls fiscal accountability. Fiscal accountability in Malawi is guided by the Finance Management Act (2003) and the Public Procurement Act (2003), among others. These legal and policy frameworks are meant to facilitate, among the general public, demand for accountability that ultimately consolidates democracy and good governance with the ultimate goal to reduce poverty.

Accountability is regarded as central to the promotion of democracy and good governance. Chasukwa and Chinsinga (2013) argued that absence of councillors in Malawi led to reversal of accountabilities which was recipe for abuse of power and a mockery of good governance. Thus, massive abuse of public resources culminated into loss of citizen and donor trust, low quality infrastructure and undermined service delivery and local democracy including service delivery (Chasukwa & Chinsinga, 2013; Kayuni & Tambulasi, 2011; Tambulasi & Chasukwa, 2014). Through a lens of accountability theory, very similar to principal-agent theory, this study looks at some actor (or groups of actors) called an agent that undertakes an action on behalf of another actor called a principal (Gailmard, 2002). In this interaction, a relationship between an actor and a forum is implied (Mulgan, 2000). A forum could be a person such as a Minister or an agency such as parliament, court, audit office or a more virtual entity such as the general public (Ferlie, Lynne & Pollitt, 2007). Ferlie et al. (2007) further argue that in the relationship, accountability theory holds that it is more than just being transparent. It includes the possibility of debate, questions by the forum and answers by the agent and imposition of sanctions for malpractice or rewards for adequate performance.

Zomba and Chitipa Districts are two distinct district councils with different performance levels, according to 2011, 2012 and 2013 Local Authority Performance

Assessment (LAPA) reports (GoM, 2013). Despite the absence of councillors between 2005 and 2014, which are the years this study investigates, LAPA reports for years 2011, 2012 and 2013 document that Zomba District Council performed poorly in 2011 (unsatisfactory performance) but picked up and performed better in 2012 (average performance) and excellent in 2013 (excellent performance). This was not the case with Chitipa District Council that consistently performed poorly (unsatisfied performance) in all the years 2011, 2012 and 2013. These assessments were carried out in 35 local councils in Malawi and assessed councils on seven parameters of governance, participatory planning and budgeting, procurement, financial management, monitoring and evaluation, service delivery and capacity building and learning. Owing to a central question in this study, the study focused on three parameters of governance, participatory planning and budgeting, and financial management.

The governance parameter aimed at determining the degree of local governance by, among others, establishing how local councils promoted accountability and transparency. Participatory planning and budgeting focused on council's development work as designated planning authorities required to provide for local people's (communities) participation in the formulation and implementation of development Plans. Financial management, on the other hand, looked at how councils managed their finances considering that fiscal decentralisation increased local council funding levels from MK 6 billion ($15 million) in 2005 to MK 16 billion ($150 million) in 2013 and MK34.2 billion ($320 million) in the 2015/16 financial year (MoG, 2013; Chiweza, 2015). It is worth pointing that during the period under study, funding to local councils increased but ironically this did not in any way translate into making Chitipa District Council perform any better. The other irony is that despite the increase in funding and absence of councillors which suffocated accountability in local councils in Malawi (Chasukwa & Chinsinga, 2013; Kayuni & Tambulasi, 2011; Tambulasi & Chasukwa, 2014; GoM, 2013), some district councils within the same period performed better and improved their public service delivery. Despite performance differences of the two district councils investigated in this study representing two extreme groups of best performers and poor performers, the other irony is that increased funding did not translate to mean that best performers successfully surmounted the challenges of decentralization that all district councils in Malawi faced. Thus, both best performers and worst performers were trapped within the same challenges affecting decentralization in Malawi. These contradictions are later expounded in chapter four of this study.

These contradictions, therefore, warranted an investigation to establish factors that existed between two extreme cases, one being best performer and the other being worst performer. These contradictions were again of interest since the two chosen district councils are located in two different geographical regions of Malawi. This did not only complicate the study but also made it more interesting as more questions were raised. Some of the questions asked included whether this comparative study was worthy it in the first place. The big question that this study asked, therefore, is “What led some local district councils to perform better than their counterparts?” Unlike LAPA reports that confined their assessment only to local government council officials, this research stretched to include communities that were focal principals in the whole accountability circle.

Just like LAPA assessment reports, Okpala (2012) conducted a similar study on fiscal accountability and investigated accountability in the Nigerian Public Sector. However, it differs from this study in that Okpala (2012) focused his investigation at central government and not local government, drew a sample frame only from government officials and not the public. In that study Okpala concluded that there was weak accountability in Nigeria due to weak accounting infrastructure, poor regulatory framework and attitude of government officials. He recommended that the government, professional accounting bodies and citizens should work together.

Tambulasi and Kayuni (2007) also assessed Malawi's four years of democratic local governance in Malawi with special focus on accountability of local councils. The study found that decentralized local governance in Malawi enhanced corruption among the local councils and failed to achieve the promised increased accountability and transparency. Whilst Tambulasi and Kayuni (2007) focused on the element of accountability at local councils and the time councilors were in office, this study focused on the time councilors were not in office. Again, what the study by Tambulasi and Kayuni (2007) did not investigate is the extreme cases of councils such as Zomba district that managed to pull it off from among the 'failures'. In other words, no special cases like that of Zomba district that tried to promote accountability and transparency were given any special analysis.

A similar analysis was done by Chasukwa and Chinsinga (2013) who investigated the effects of absence of councilors on the promotion of accountability as per the aspirations of the National Decentralization Policy. In this study, Chasukwa and Chinsinga (2013) found that in the absence of councilors, horizontal accountability was given more emphasis than vertical accountability; there was abuse of power by the secretariat; and interim mechanisms and emerging institutions responsible for advocating accountability were limited and a mockery of good governance. This study concurs with the study by Chasukwa and Chinsinga (2013). However, this study stretches further to ask 'to what extent did these developments conspire to impact on fiscal accountability of Zomba and Chitipa District Councils?'

What also comes close to this study is the one conducted by Msewa (2005) who explored in his thesis the question whether decentralization promoted local governance in Lilongwe District Council. He found that decentralization albeit with some problems had to some extent promoted good local governance in the council. However, the study by Msewa (2005) falls short to establish whether Lilongwe Council's status could have contributed to it performing poorly or better compared to other local councils. The study only examines pillars of governance such as participation, transparency and accountability, gender equality and efficiency and how these have impacted on local governance.

The other study which is equally silent on what this study sets out to investigate is that by Tambulasi (2010). In his study Tambulasi (2010) argued that local governance policy paralysis in Malawi, manifested by the absence of councilors, affected the realization of good governance ideals of transparency, accountability, participation, representation, local policy making process and the rule of law, which the local governance system was designed to achieve. The study by Tambulasi (2010), just like that by Tambulasi and Kayuni (2007), has a general observation of all the councils in Malawi which this study wants to move away from.

Structurally, this chapter begins by presenting a brief background to the study. Later, it proceeds to highlight the problem that the study sought to investigate. This is followed by a hypothesis and objectives of the study which are followed by the significance of the study. At the end of the chapter, a structure of this paper is presented.

1.2 Problem Statement

Malawi had no councilors between 1995 and 2000, 2005 and before May 2014. She run as a de facto administrative decentralization country (Chasukwa & Chinsinga, 2013). This resulted into massive abuse of public resources meant for local communities. Ironically, Ministry of Local Government and Rural Development reported that Zomba District council improved its performance to excellent (89%) and became position one in 2013, whilst Chitipa District Council consistently performed poorly in 2011, 2012 and 2013 (28%) on a number of parameters such as transparency and accountability (GoM, 2013). This was despite increased funding to councils from MK6 billion ($19.3 million) in 2005 to MK 16 billion ($51.6 million) in 2013 (Chiweza, 2015) that ironically did not translate to mean best performers successfully surmounted the challenges of decentralization that all district councils faced in Malawi. The misappropriation of public funds vis-à-vis ratings recorded by LAPA in 2011, 2012 and 2013 plus the increase in local council funding contradicts the expected conclusion. The expected conclusion is that given the poor state of the economy and financial abuse due to absence of councilors, one expects all councils to perform badly. These contradictions and ironies warranted an investigation to establish factors that existed between two extreme cases, best performer versus worst performer. The question this study asked, therefore, is ‘What made some district councils perform well on some of the parameters such as practicing participatory planning, budgeting, transparency and accountability? What made dysfunctional local governments like Chitipa District Council perform the way she did? This study, therefore, attempted to answer these questions.

This study reckons that in all the aforementioned studies (Tambulasi & Kayuni, 2007; Chasukwa & Chinsinga, 2013; Msewa, 2005; Tambulasi, 2010), there is a ‘blanket’ observation that all councils in Malawi performed badly. However, some studies have shown the contrary. It is clear that not much inquiry has been conducted to establish factors behind the success of some local district councils in accounting for their public funds which this study calls fiscal accountability. Generally most studies have concluded that there is poor transparency and accountability at local government level. However, with reference to LAPA (GoM, 2013), some Local Councils delivered on their public service duties. This study, therefore, intends to fill this gap by empirically investigating this phenomenon and establishing factors that are behind the performance of the two local governments of Zomba and Chitipa Districts.

1.3 Hypothesis and Objectives of the study

The key hypothesis for this study was that the degree of district councils’ accountability to their constituents had no impact on their performance in delivering public services.

The main objective of this study was to investigate factors behind fiscal accountability performance of Zomba & Chitipa district councils in Malawi.

Specifically, the study had four specific objectives. Firstly, the study wanted to identify the forms that fiscal accountability took in Zomba (ZA) and Chitipa (CP) District Councils; secondly, to assess strategies that Zomba and Chitipa District Councils used in promoting fiscal accountability; thirdly, to explore the participation of Civil Society Organisations in fiscal accountability in the two district councils; lastly, to assess the relationship between existing forums and fiscal accountability in the two district councils.

1.4 Significance of the study

This study is significant in that it aims at providing a basis for understanding the discourses and ideologies concerning factors that underpin fiscal accountability at local government level. As highlighted in this study, MLGRD reports and some studies argued and found that local government councils in Malawi faced a number of challenges. Such studies have even gone further to suggest blanket solutions. However, such challenges and solutions have fallen short of explanations from the perspective of beneficiaries at local councils. Rather, they have made perpetrators of such challenges, who are public officers in this case, subjects of the analysis. This in itself is problematic since results from such an analysis are more likely to be skewed and biased. This study, therefore, goes further to triangulate perspectives from both public officers and beneficiaries. The findings from this study, thus, justifiably contribute to a plausible analysis of challenges and concerns that underpin fiscal accountability at local government level in Malawi. Through findings from this study, different policy makers and stakeholders will comprehend local councils in Malawi from all key yet different perspectives and therefore be able to draw plans and strategies that effectively address fiscal accountability gaps. This will strengthen local governance and quality public service delivery in Malawi.

Furthermore, since this study dealt with fiscal decentralization issues at local level, it also adds knowledge to existing economic governance literature, specifically on the promotion of fiscal accountability in a de facto administrative decentralization system like the case of Malawi. Lastly, it also adds knowledge to political governance literature as it explores the extent to which theoretical claims of vertical and horizontal accountability hold true in practice and whether dominance of one, both or all of them could further good governance and development.

1.5 Structure of the thesis

This thesis is divided into five chapters. The first chapter has presented a context of the problem under investigation and reviewed recent related studies. The hypothesis, objectives and significance of the study have again been presented. These have culminated into this section that details the structure of the thesis.

Chapter two discusses the main ideas and a theoretical framework underpinning this study. The clarification of the concepts will show that accountability is a vital tenet of good governance and key to poverty eradication. The chapter discusses the accountability theory that questions the obligation of principals to explain and justify their conduct to agents.

Chapter three outlines the methodology and the data collection techniques adopted for this study. The design of the research is mixed methods and uses qualitative and quantitative data. The chapter explains links between research questions, framework of analysis, and data analysis techniques. It again discusses ethics underpinning the study and limitations of the study.

Chapters four and five discusses study findings pertaining to objectives of the study. It presents the evidence in relation to the theoretical lens chosen. Thus, it discusses respondents' perspectives on accountability, forms of accountability, available spaces of engagement, existent relationships, CSOs' and their role and the underlying factors of fiscal accountability.

Chapter six concludes that the aggregate of factors and strategies that promoted other forms of accountability failed to realize fiscal accountability. This has implications on a mix of strategies, intergovernmental fiscal transfer system, community participation, usage of ICT and access to information.

CHAPTER TWO

REVIEW OF RELATED LITERATURE AND THEORETICAL FRAMEWORK

2.1 Introduction

This chapter reviews related literature that underpins this study. It begins by situating decentralization and fiscal decentralization in Malawi and laying a foundation by providing a brief historical perspective of good governance. Later, it tries to establish a link between good governance and democracy which sets the paper to describe the accountability theory that underpins the study. In unpacking the theory, the paper classifies the concept of accountability, forms of accountability and types of accountability.

2.2 Situating decentralization and Fiscal decentralization

Local governance in Malawi can best be seen as a continuous stream of transformative actions that started way back in the second half of the 1980's. After Malawi adopted a liberal democratic constitution in 1995, the country rolled out public sector management reform that included, privatization, decentralization, among others. Kayuni and Tumbulasi (2011) argue that the idea behind these reforms was to foster transparency, accountability and good governance.

Decentralization is generally regarded as the transfer of power from the centre to the peripheral. Rondinelli (Kayuni & Tumbulasi, 2011) defines decentralization as the transfer of responsibilities and authority to lower levels within the central government (deconcentration), or from the centre to local government units (devolution) and nongovernmental organizations (delegation), or from government to the private sector (deregulation and privatization). From this definition, Rondinelli highlights different forms of decentralization which are deconcentration, devolution, delegation, deregulation, and privatization.

Out of the forms / variations of decentralization stated above, Sarker (2003) regards devolution as 'genuine decentralization' because powers and resources are transferred to authorities that are downwardly accountable to local populations. Many scholars, such as Tambulasi (2009) and Chirwa (2014), doubt if Malawi fully adopted devolution. This is because there are many pointers that argument the fact that central government is yet to transfer real powers and financial responsibility to local levels / councils.

The different forms of decentralization could be categorized into three types of decentralization: political decentralization, fiscal decentralization and administrative decentralization. Political decentralization is the transfer of political power and decision – making authority to sub-national levels such as district councils (Olsen, 2007). If the transfer is made to autonomous and fully independent public authority, devolution is said to have taken place. In the case of Malawi, Tambulasi (2009) argues that the Local Government Act (1998) ensures unlimited authority over district councils by central government. For instance, local councils cannot appoint, promote or fire senior officers at the local council such as District Commissioner, Director of Finance and Director of Planning and Development, among other Directors. This is because section two of the Local Government Act (1998) states that ‘any person holding a post of Director grade in the Council shall be appointed by the Local Government Service Commission’. This is clear evidence that Malawi has not fully devolved.

Fiscal decentralization, on the other hand, is the devolution of financial responsibilities and power from the central government to sub national governments. Fiscal decentralization could be either political or administrative or both (Tambulasi & Kayuni, 2007). This type of decentralization, which is the focus of this paper, has a financial responsibility and an authority component. As already alluded to, Malawi is yet to fully devolve the financial and political power to local governments. Lastly, administrative decentralization involves the transfer of decision-making authority, resources and responsibilities for the delivery of selected public services from central government to other lower levels of government, agencies and field offices of central government line agencies (Kayuni & Tambulasi, 2011). Examples under this type of decentralization include devolution, deconcentration and delegation

2.3 Brief historical perspective of good governance

At the end of the Second World War, the world became heavily preoccupied with development, in other words, in ending poverty and oppression (Rapley, 2007). Rapley (2007) contends that this started as an innocent project to raise incomes for the poor people and in the process give poor people access to goods and services.

In 1944 all allied Nations gathered at Bretton Woods Conference, United States. At the end of the meeting all delegates, except the Soviet representatives, agreed and set up a system of rules, institutions, and procedures to regulate the international monetary system (Rapley, 2007). This established the International Monetary Fund (IMF) and the International Bank for Reconstruction and Development now known as the World Bank (WB). The rejection by Soviet representatives could be interpreted as lack of conviction that the proposed set up could spur development.

In 1948, in further efforts to end poverty and oppression, the United States designed the Marshall Plan and pumped billions of dollars in aid to rebuild Europe. IMF and WB were heavily linked in this instance. When IMF and WB completed their tasks in Europe, they turned their attention to developing the third world (Rapley, 2007). The hope was that since the Marshall Plan had worked in Europe, it could again work elsewhere. Thus, IMF and WB focused on the project to end poverty and oppression in the third world countries like Malawi. This project later blossomed. If poor countries wanted to benefit from the project, the IMF and WB imposed specific conditions upon such countries suffering from economic malaise caused by balance of payments deficits, high inflation, and sluggish Gross Domestic Product (GDP) (Nanda, 2006). Until now, IMF and WB continue to impose sanctions.

Just like the Soviet representatives who earlier doubted the efficacy of the Bretton Woods System to bring development to poor countries, many people still doubt it today. Despite such doubts, many different players have joined IMF and WB and continue to implement the project. For instance, the United Nations have joined the bandwagon under the banner of Millennium Development Goals (MDGs), now termed Sustainable Development Goals (SDGS).

MDGs acted as a blueprint for tackling the most pressing development challenges and were to be achieved by 2015 (Department of Economic and Social Affairs, 2014). The eight MDGs were: eradicating extreme poverty and hunger, universal primary education, promoting gender equality and empowering women, reducing child mortality, improving maternal health, combating HIV/AIDS, malaria and other diseases, ensuring environmental sustainability, and developing a global partnership for development. Although the 2014/2015 Global monitoring report indicated that some goals were met, the report confirmed that countries like Malawi were off target on most of the MDGs[1]. This, to an extent, confirms doubts and gives credit to arguments that the Bretton Woods System further suffocates the poor economic policies and weak institutions that they ironically want improved in third world countries like Malawi.

Under the MDGs, now SDGs[2], Governments, states, development partners, civil society and the private sector were called upon to perform and practice good governance as a prerequisite for development. The G-8 leaders, for instance, when they met in Gleneagle, Scotland, on July 7-8, 2005, agreed in their final communique that their aid was to be focused on developing countries committed to good governance (Nanda, 2006). Whether good governance is an outcome or a

[1] http://docplayer.net/10284988-Global-monitoring-report-2014-2015-ending-poverty-and-sharingprosperity.html

[2] SDG build on the MDGs. The SGD goals are: no poverty; affordable and clean energy; climate action, zero hunger; decent work and economic growth; life below water; good health and well-being; industry, innovation and infrastructure; life on land; quality education; reduced inequalities; peace, justice and strong institutions; gender equality; sustainable cities and communities; partnerships for the goals; clean water and sanitation; responsive consumption and production.

precondition for development, is not the focus of this paper. However, the paper concurs with Chang (2002) that the current push for ‘good policies’ and 'good governance' by the developed countries could possibly be a way of 'kicking away the ladder'. That is, concepts, policies and institutions recommended to developing countries, were not the ones that propelled the now developed countries. This further jabs holes in the Bretton woods system. This study, in a way also explored the extent and results of this push at local level. Cognizance of the MDGs, it was clear that the Malawi Government fully embraced the good governance concept in its overarching development strategy - The Malawi Growth and Development Strategy II (MGDS II), in order to achieve development. Through MGDS II, Malawi Government committed to upholding good governance by, among others, promoting integrity, transparency and accountability with the ultimate goal of curbing corruption and fraud (GoM, 2010b).

2.4 Good governance and democracy

Governance occupies a central stage in the development discourse and is considered a crucial element to be incorporated in the development Strategy (Abdellatif, 2003). As evidenced in the preceding discussion, Malawi Growth and Development Strategy (II) is a good example. However, its definition varies substantially by different institutions such as World Bank, Organization for Economic Cooperation and Development (OECD), the United Nations Development Programme (UNDP), the European Council, the Commonwealth Secretariat, Commission on Global Governance, Tokyo Institute of Technology, just to mention a few (Ndue, 2005; Weiss, 2000).

Leftwich (1993; 1994, as cited in Ndue, 2005) categorize good governance into systemic, political and administrative levels. From a systemic sense, Leftwich (1993 and 1994 as cited in Ndue, 2005) conceives good governance as denoting the structures of political and economic relationships and rules by which the productive and distributive life of a society is governed. From a political angle, good governance is said to presuppose a regime or state which enjoys legitimacy and authority, derived from a clear separation of legislative, executive and judiciary powers. This means a system where the elected legislative can influence and check the executive powers. The administrative level, on the other hand, means an efficient, independent, accountable and transparent public service with bureaucratic competence to design and implement appropriate policies and manage any public sector. From these varied definitions, caution should therefore be exercised when adopting and using this term - governance.

It is from the administrative perspective of good governance that this study is designed to commission its investigations. Brautigam (2004) condenses the concept of good governance very well when he states that good governance is governance that is accountable, transparent, follows the rule of law, and allows for participation or citizen voice. Amongst all these principal tenets of good governance, literature holds accountability as central. Okpala (2012) argues that the best way to combat fundamental threats to good governance - corruption, clientelism and capture, is by strengthening accountability. Accountability demands that states and institutions be judged not by their statements of good intentions alone but also by measureable implementation of their commitments and achievement of goals (United Nations, 2005). In other words, only having systems and procedures in place, for example, at local government level, that intends to achieve accountability, is not a guarantee that such a local government is accountable. That is why this study did not only interview public officials and refer to newspaper cuttings as other studies did. Good governance, therefore, in this light contains ingredients of democracy. Democracy is:

> a mode of decision-making about collectively binding rules and policies over which the people exercise control, and the most democratic arrangement is that where all members of the collectivity enjoy effective equal rights to take part in such decision-making directly- one that is to say, which realizes to the greatest conceivable degree the principles of popular control and equality in its exercise (Beetham, 1990, p14).

From Beetham's quote above, it can be noted that democracy has traces of accountability within it. Without accountability, it is hard to imagine the existence of democracy and this could easily lead to unrest and regime change. This is what exactly occurred in Malawi around the 1990s when absence of democracy resulted in regime change. Thus, towards the end of 1992, people became discontented with Dr. Kamuzu Banda's regime that failed to practice democracy and accountability. Malawians were convinced that democracy, with elements of accountability, was critical to good governance that would unlock aid from partners such as IMF, WB, United Nations and other development partners. This assistance, the majority believed, was vital in eradicating poverty and achieving development.

In Malawi, 1993 marked a period when Malawi transitioned into a democracy. This was after years of one-party dictatorship which culminated in Malawi reverting to a plural political system (Chirwa, 2014). When Malawi transitioned to become a democratic state, it implicitly struggled to promote good governance ideals, one of which was accountability. On this path, Malawi Government enacted into law the

Local Government Act (Cap.22:01) and the National Decentralization Policy (1998). Chirwa (2014) contends that these two documents provided the political and legal basis for the transfer of power, responsibilities and financial resources from central government to local government. Whether Malawi has effectively transferred the power, responsibilities and financial resources to its local governments remains a hot debate. Largely, there are numerous studies which argue that practically power, responsibilities and financial resources have not been transferred to local governments (Chirwa, 2014; Dulani, n.d.). This study concurs with these studies considering that the Local Government Act Amendment of 2010 left local representatives, councilors in this case, with no policy making responsibility. This amendment reduced the authority of Local Councils in governing local affairs and effectively pushed that power back to central government. It can be argued that this amendment has largely contributed to an increase in the number of conflicts between councilors and Members of Parliament at local government level. This conflict can also be interpreted to mean a fight for local representatives to gain back their power and policy making responsibility.

The Local Government Act (Cap.22:01) and the National Decentralization Policy were primarily instituted to consolidate democracy and further development. The National Decentralization Policy (1998), for instance, states the need to promote accountability and good governance at the local level in order to help government reduce poverty. This again underscores the fact that accountability is integral to development at local level. Chasukwa and Chinsinga (2013), on their part, argued that the absence of accountability has been a recipe for abuse of power and a mockery of good governance in developing countries like Malawi. Goetz (2005) agree with Chasukwa and Chinsinga (2013) and assert that many critical human development deprivations, including lack of resources and services can be traced back to lack of genuine accountability. Additionally, Schedler, Diamond and Plattmer (1999) just like Amartya Sen, argued in support of accountability when they asserted that governments that are accountable are in a better position to develop and implement policies that reflect the needs and views of the public.

The result of lack of accountability and policy implementation in Malawi can be evidenced in PricewaterhouseCoopers (PwC) data analysis report titled *Final Analysis Report: Reconstruction of the Malawi Government Cashbook for Purposes of Further Investigation.* This report evidenced that K577 billion ($850 million) could not be accounted for in the government's bank statements between 2009 and December 2014[3]. Specifically, Malawi government ministries (including Ministry of local government), and departments failed to account for K3 billion ($7.5million) in the fiscal year ended June 2011, K675 million (about $1.6m) in 2010, and K2 billion (about $5million) in 2009. This abuse of public finances was also manifest at local government level (Tambulasi & Kayuni, 2007; Chasukwa & Chinsinga, 2013). In September 2015, for instance, Public Accounts Committee (PAC) of Parliament summoned District Commissioners and questioned them over misuse of public funds that dated as far back as 2006 to 2012. The Auditor General's reports between these periods found that council officials misappropriated public funds and took advantage of laxity in the financial management systems to produce payment vouchers without supporting documents and not remitting tax to Malawi Revenue Authority (MRA)[4]. In one instance, the reports found that Zomba District Council failed to collect K353

[3] http://mwnation.com/nao-refunds-misused-k120m-to-donors/
[4] http://mwnation.com/more-rot-in-councils/

million ($8.8million) for services such as city rates, sewage fees and general debtors. In addition, the council failed to remit PAYE[5] amounting to K4.6 million ($11,500).

Chitipa District Council, on the other hand, paid one million kwacha to various officers within two years without payee signatures and the council used K2.9 million ($7,250) for deceased estates for fuel and allowances. The district council again failed to account for K8.5 million ($2,1250) social cash transfer payments, failed to indicate names of payees of K2.8 million ($7,000) payments on Local Development Fund, and failed to record fuel amounting to K2.9 million ($7,250). After meeting the District commissioners, PAC concluded that during the period under review, 'councils' funds were 'free-for-all' and members of management teams were helping themselves in the absence of Councillors[6].

The preceding discussion has therefore placed accountability as central to good governance and democracy but also vital for poverty reduction and development. It has doubted whether the current legal and policy framework in Malawi upholds the original intentions to consolidate democracy and therefore further accountability. The following discussion unpacks the accountability theory that underpins this study.

2.5 Theoretical framework

2.5.1 Accountability theory

This study adopted accountability theory which is also similar to principal agent theory. The principal agent theory looks at some actor (or group of actors) called an

[5] Pay as you earn
[6] http://mwnation.com/councils-taken-to-task-on-funds/

agent that undertakes an action on behalf of another actor (or group of actors) called a principal (Gailmard, 2002). Thus, in the accountability theory, there is a relationship between the principal and an agent. This study describes accountability theory as 'the obligation to explain and justify conduct' (Bovens, 2006)**.** The theory involves provision of information about performance, possibility of debates, questions by the forum / principal, answers by the agent / accountor, and judgement which could be either sanctions or rewards (Pollit, 2003; Ferlie *et al*, 2007). In this relationship the only concern, according to Chasukwa and Chinsinga (2013), is how the principal can best motivate the agent to perform as the principal requires. The principal is the prime mover and the ultimate beneficiary.

2.5.2 Conceptualizing Accountability

The concept of accountability is very old. In 2001, the World Development Report and the World Bank's empowerment framework heightened the importance of the concept of accountability and recognized it as integral to 'empowerment' and poverty reduction, and subsequently integrated it in its Social Development Strategy (Malena, Forster & Singh, 2004).

Historically and semantically, the word accountability is closely related to accounting in the literal sense of bookkeeping (Ferlie, et al., 2007). Ferlie et al further contend that over the years the concept has evolved and it no longer conveys a stuffy image of bookkeeping and financial administration but rather fair and equitable governance. It is partly because of this history that the concept now means different things to different people. Mulgan (2000), Behn (2001) and Dubnick (2002) have used the word to synonymously mean transparency, equity, democracy, efficiency, responsiveness, responsibility, and integrity. In this sense, Mulgan (2003) contend that the term stands as a general term to mean ‘any mechanism that makes powerful institutions responsive to their particular publics’. With this general conceptualisation, the term has extended beyond areas where the various features of core accountability no longer apply such as transparency, liability, controllability, responsibility, and responsiveness (Mulgan, 2000). This, for example, means that transparency is not accountability. Transparency is necessary but far from being sufficient to produce accountability (McGee & Gaventa 2010). Thus, transparency only sees to the element of publicness, the disclosure of information and accessibility of the debates to the general public or disclosure of judgement (Fisher, 2004 in Ferlie et al., 2007). Transparency is therefore necessary to promote efficiency, improve policy coherence and allow for oversight actors, such as agents, to do their job effectively. Thus, there is a need to go beyond mere transparency in order to be accountable. One can, therefore, be transparent but not accountable.

For the sake of this paper, there was need to narrow down the concept of accountability. When the concept of accountability is broadly conceptualised, it is impossible to establish empirically whether an organisation is accountable because the various elements cannot be measured along the same scale (Ferlie, et al., 2007). Additionally, Ferlie et al. (2007) add, when this is done, accountability is evaluative, defines a state of affairs, the performance of an actor and is very contestable. This paper, however, adopted a narrower and specific social relational definition of the concept of accountability as expounded by Pollit (2003), McCandless (2001), Day and Klein (1987), Mulgan (2003), Lerner and Tetlock (1999), Scott (2000), and Romzek and Dubnick (1998). The paper adopted a concise description of accountability to simply mean the obligation to explain and justify conduct.

In this concise description of accountability as adopted in this paper, Pollitt (2003) notes that there is a relationship between an actor, the accountor and a forum. At the core of this relationship is the concept of answerability and enforcement neither of which is sufficient by itself (Goetz & Jenkins, 2005). Ferlie, et al. (2007) add that the relationship,

> Usually involves not just the provision of information about performance, but also the possibility of debate, of questions by the forum and answers by the actor, and eventually of judgment of the actor by the forum. Judgment also implies the imposition of formal or informal sanctions on the actor in case of malperformance or, for that matter, of rewards in case of adequate performance, p.6.

In the relationship alluded to here between the principal and the agent, the principal is an active one, rather than a passive entity, that has powers to initiate actions and follow up with further actions. These actions could be either appealing to the agent or drastic ones. In the absence of all this, this paper holds the nonexistence of a relationship that could pass and be said to 'explain and justify conduct' – no accountability.

In this study, the actor could be an individual such as a public official or civil servant working at the local council, or an organisation. On the other hand, the forum could be a specific person such as a superior, a minister, a journalist, or the general public. For purposes of this paper, an explanation given by the actor / agent will be the one directed at a specific forum and not at random. Additionally, the actor must feel obliged to come forward to account and not be at liberty to provide the account. Furthermore, the account needs to be accurate.

2.6 Classifying accountability

The concept of accountability raises four fundamental questions. The first question is who should render account? To whom is the account to be rendered? About what is the account to be rendered? Why should account be rendered? (Ferlie et al., 2007; Chasukwa & Chinsinga, 2013). An attempt to answer each of these questions leads to classification of the concept of accountability. Answering a question, for example, 'about what account to be rendered' can yield classifications on the basis of financial, procedural or programmatic accountability (Ferlie, et al., 2007). Lindberg (2009), not necessarily using the questions above, argues that accountability can be organised along three dimensions – source, degree of control and spatial direction.

This paper adopted these three dimensions and classified accountability based on them. Based on the *sources* of the accountability relationship, the accountability holder, or principal could be either internal or external. In a relationship between the voter and a representative the source is external to the legislature or executive being held to account. In this study, the public are external to the operations of their local council. It is through this classification that this study carried out its investigation. Lindberg (2009) goes further to say that the *degree of control* which the principal exercises over the power holder is equally important as the *spatial direction* of the accountability relationship. With regard to the latter, Lindberg argues that shareholders exercise an upward form of vertical accountability when they hold business executives accountable for the company's performance. On the other hand, Lindberg contends that the degree of control is very high when dealing with financial auditing matters as opposed to patron client accountability where control is typically diffused and highly contextual. This study, dealing with fiscal matters, expects a high degree of control exhibited by agents for various reasons, both good and bad.

2.7 Forms of accountability

The foregoing discussion leads this study to identify three forms of accountability. These are horizontal, vertical and diagonal accountability. Horizontal accountability is a form of accountability that runs horizontally ‘among equals’ (Donnell, 1998 as cited in Lindberg, 2009). For instance, when the legislature engages in executive oversight or the judiciary reviews acts adopted by the legislature. At the local council, it would be, for example, the Director of Finance checking on the District Commissioner or Director of Planning and Development. Whilst not extensively assessing this type of relationship, this study considered it as a background task that district councils ought to perform. Thus, through the lens of principal agent theory, the study considered all these public officers as agents.

Vertical accountability, which is the focus of this study, exists in two forms (Chasukwa & Chinsinga, 2013): vertical upward and vertical downward. Vertical upward accountability refers to accountability of local governments to higher levels or central government whereas vertical downward accountability refers to accountability of elected representatives to citizens (Grant, 2002). In the context of this paper, vertical upward, is accountability of either Zomba District Council or Chitipa District Council to central government in Lilongwe. Vertical downward accountability on the other hand is where MPs or councillors are accountable to their wards or constituencies. These MPs and councillors often draw their representative mandate through the ballot. Thus, citizens vote for these public officers to represent their views and be answerable / accountable to them. Those that fail to be accountable are often voted out at the next election. However, the increased cases of rigged elections challenge the assertion that all elected representatives were accountable hence they were voted back into office.

The third form of accountability is what Ferlie et al. (2007) and Bovens (2006) call diagonal accountability. This form is slightly differentiated from horizontal accountability in that it constitutes an intermediary form, with account being rendered to another public organisation that has been charged by a principal such as parliament or minister so that they monitor the agent's conduct. They stand at an angle to ensure that agents discharge their duties according to the laid down rules and procedures. For instance, the Ombudsman office in Malawi is an institution required by the Republic of Malawi constitution to report to the National Assembly each and every year all the complaints, applications and remedies. Here the Ombudsman stands at a far distance. The Ombudsman office, however, has few powers to enforce its decisions. It relies on other public organisations like the courts to do it. This paper analysed how far this form of accountability played out at local government level with regard to fiscal accountability.

2.8 Types of accountability

From the three forms of accountability and considering Lindberg's classification of accountability based on source, degree of control and spatial direction, different types of accountability can be identified. Ferlie et al. (2007) and Lindberg (2009) highlight twelve different types of accountability relations as: (a) business accountability – principals holds agent to account for producing profit; (b) client-patron accountability – principal / client holds agent / patron accountable for benefits promised; (c) representative accountability – principals / citizens hold agents / elected leaders accountable; (d) societal accountability – public, civil society or media holds politicians, bureaucrats , business , legal decision makers accountable for their actions; (e) bureaucratic accountability – managers hold their juniors down the hierarchy accountable for their actions; (f) patron-client accountability – agent / patron holds principal / client accountable for benefits promised; (g) fiscal accountability – responsibility for public funds; (h) political accountability - accountability of the government, civil servants and politicians to the public and to legislative bodies ; (i) audit accountability - an internal principal holds other offices / officers within the organisation accountable for financial accuracy and prudence ; (j) peer-professional accountability - peers hold their colleagues accountable ; (k) legal accountability – judicial institutions hold other institutions accountable based on detailed legal standards, prescribed civil, penal, or administrative statue, or precedent and (l) reputational accountability – agent is held to account for acting within established norms and procedures.

As it can be noted, there are various types of accountability. From these types of accountability, this paper used societal accountability and fiscal accountability as a basis for its analysis. These types come close to the issue this paper investigated.

The study chose to use societal accountability and fiscal accountability for a number of reasons. Firstly, they both are a form of vertical accountability which is the focus of this study. Secondly, both have, according to Lindberg (2009), their principal, the accountability holder, external to the one being held to account. In the case of this study, it is the public and civil society which this study also investigated. However, one of the differences between the two is that whilst fiscal accountability tends to have principals exercise high degree of sense of control over their agents it is not the same case with societal accountability where the degree of control is low and diffuse (Lindberg, 2009). The two types, therefore, complemented each other very well with each bringing its strength into the analysis.

Societal accountability is accountability that relies on civil society, ordinary citizens, the media and interest groups in taking action aimed at forcing political, bureaucratic, business and legal decision makers to give information on, and justifications for, their actions (Ferlie et al., 2007; Lindberg, 2009; Malena et al., 2004). In societal accountability arrangement, principals such as ADCs and VDCs are more or less appointed. These principals have to convince agents, the local government officials, of this arrangement (Lindberg, 2009). In case they fail to convince agents, they are hardly recognized and are not party to any forum that agents organize. This, Lindberg argues, results in the principal holding the agent to account on a voluntary basis with low degree of control. With low control, the possibility of judgment and sanctioning often lacks. The agent can, therefore, carry out duties to the dissatisfaction of the principal who is powerless to hold them accountable. The principal, however, can resort to use measures that drive their dissatisfaction home. Some of the social accountability initiatives include public demonstrations, investigative journalism, citizen report cards, participatory public policy making, public expenditure tracking, public hearings / meetings, and oversight committees (Malena et al., 2004). Even if this is in effect, the agent can choose / ignore their recommendations, findings or proposals. To what extent were the social accountability initiatives used? What outcomes were realized? These are among other questions that this study further explored. The final answer challenges whether social accountability initiatives could be effective in a de-facto decentralization state like Malawi or whether other types of accountability such as fiscal accountability could be effective in delivering public services let alone poverty eradication.

Fiscal accountability, on the other hand, is born from the understanding that citizens grant sweeping powers to their political executive who are then entrusted with authority to raise and spend public funds, and the responsibility to decide on the design and implementation of public policy. At the same time, citizens want to guard against abuse be it at local or central government levels. Fiscal accountability can be both vertical downward and horizontal. Fiscal accountability implies that those entrusted with public funds account and report the way in which those resources were allocated, applied and the results achieved (Okpala, 2012).

This study focused on fiscal accountability because most policy decisions have financial implications (Okpala, 2012). Besides, local governments, which form a focus of the study, receive funds from central government and are mandated to provide services and alleviate poverty, according to Malawi’s Local Government Act. Again, these local governments generate their own funds through property rates, ground rent, fees and licences, commercial undertakings, and service charges. These funds that are generated locally are critical for vertical downward fiscal accountability whilst funds received from central government are critical for vertical upward fiscal a will be interesting to investigate the interplay of these forms of accountability and establish which form and type of accountability was preferred over the other and why. Lastly, this study chose to use accountability theoretical framework because the study was an empirical one and the chosen framework offered to look at the nature of social relations between the principal and agent at local government level. Again, the theory rendered the study to be looked at from a narrow perspective thereby discerning through a series of dimensions of accountability.

2.9 Conclusion

In conclusion, this chapter reviewed literature that formed a backbone to the study. The literature underscored that good governance was critical to poverty eradication and development. Thus, the chapter analyzed literature on decentralization, fiscal decentralization, good governance, democracy, legal framework that supports local councils, and accountability. The chapter argued that over the years numerous efforts to address poverty and oppression were made but they did not yield the expected results. The chapter made it is clear that not much progress was recorded among Sub-Saharan countries, one of which was Malawi. The enactment of an enabling legislation and policies, for instance, did not help local government councils to effectively service their general public as evidenced by increased corruption, poor quality infrastructure, among others. The amendments of some existing legislations too further incapacitated local government councils and in turn centralized power. Literature reviewed in this chapter agreed that accountability was central to any good governance project. The chapter also discussed the accountability theory which was chosen as the preferred lens of analysis due to, among others, the empirical nature of the study. Concisely, the theory means the obligation to explain and justify conduct. Despite the many types of accountability, the study used fiscal accountability and social accountability since these come close to the issue under investigation apart from complementing each other well. Largely, the accountability theoretical framework was chosen since it considered accountability in the narrow sense and looked at the nature of social relations between the principal and agent at local government level. The next chapter, therefore, looks at the methodology that this study used to arrive at its findings.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This section details out how this study was designed. Thus, how data was collected and analyzed in order to arrive at the findings discussed in chapters four and five. It sets off by justifying why mixed methods approach was chosen. Later, it discusses sampling of the study, how data was collected and analyzed. Ethical considerations of this study are also discussed later in the chapter. The chapter concludes by discussing limitations that the study faced.

3.2 Research Design

This study employed the use of both qualitative and quantitative research methods. This is because a mixed method has increasingly been an accepted approach employed to investigate organizational phenomena (Johnstone, n.d.). Besides, not only are the advantages of both approaches combined, but also there is synergistic value to the mixed methods (Lieberman, 2005). For instance, using the mixed methods helped the study in triangulating data. Thus, the study ably reviewed and analyzed evidence from multiple sources to an extent that the study's findings were based on the convergence of that information. Additionally, it was also possible to minimize any bias that might have been in a particular data source, investigator, or method. Mixed methods also added scope and breadth to the study (Johnstone, n.d.) thereby adding rigor and credibility to it.

Specifically, the study used the convergent parallel design. This is where the researcher gathered both quantitative and qualitative data, analyzed both datasets separately, compared the results from the analysis of both datasets and made an interpretation as to whether the results supported or contradicted each other (Creswell, 2012). The direct comparison of the two datasets provided a "convergence" of the data sources. This convergence was mainly done in chapters four and five of this study where quantitative and qualitative results were discussed side by side.

The study gathered its data using case studies of Zomba and Chitipa District Councils. Case studies were used because, according to MacMillan and Schumacher (2006), it is a strategy for doing research which involves an empirical investigation of a particular contemporary phenomenon within its real life context using multiple sources of evidence (MacMillan & Schumacher, 2006). In the case of this study, fiscal accountability was a contemporary phenomenon against a background of revelations of massive abuse and misappropriation of public funds at central government in Lilongwe that had ripple effects on local governance.

3.3 Study area

According to the Local Government Act of 1998 (amended), a district council is composed of a political body, the council, and an administrative body, the council secretariat. Since June 2014, the council consists of elected ward councilors who are given mandate through the local government elections. It should be remembered that this study investigated a period before local government elections were conducted in May 2014 and before councilors were elected into office (2005-2014).

At the district council the secretariat is headed by the District Commissioner. The secretariat functions as the administrative body of the council and consists of public servants. Members of the council, comprising decision making bodies and committees, include all Members of Parliament in the district, Traditional Leaders, and representatives of special interest groups. Before the Local Government Act was amended in 2010, Members of Parliament had no voting powers in the council (Chirwa, 2014). The council secretariat, termed agent in this study, coordinates and provides technical support to the council, termed principal. Under the Local Government Act, the council is mandated to, among others, support local institutions and participations, promote social economic development, and deliver essential local services. The council is, therefore, expected to be prudent and responsible in its financial usage, thus exercise fiscal accountability.

3.3.1 Zomba District Council

Zomba District is one of the twelve districts in the southern part of Malawi. Just like Chitipa District Council, it was established under the Local Government (District councils) Act cap, 22.02 of the Laws of Malawi (Zomba District Assembly, 2009; Chitipa District Assembly, 2011). Zomba is surrounded by six districts of Chiradzulo, Blantyre, Mulanje, Phalombe, Machinga and Balaka. It borders the Republic of Mozambique to the East and covers 2, 580 km^2 representing 3% of total land area of Malawi. Unlike Chitipa which is only a district council, Zomba is split into Zomba rural covering 2,541 km^2 and Zomba city covering 39 km^2 (GoM, 2008). This study focused on Zomba rural which is called Zomba District Council and not Zomba City for a number of reasons. Firstly, Zomba rural has a wide geographical coverage and is resident to a large rural population compared to Zomba City. Zomba rural tends to have more influence than the city due to its political connection with the central government, for instance, Zomba rural has more wards and constituencies and receives more funding. Zomba District Council, therefore, offers greater opportunities for comparison with Chitipa District Council.

According to the 2008 Population and Housing Census report, Zomba District Council has a population of 583, 167 people representing 4.5% of the total population of Malawi. It is the third most populous district in the Southern region of Malawi after Mangochi and Thyolo. More than half (52.6%) of district population are aged 18 years or younger. The economy of Zomba district is mainly dominated by agriculture.

Zomba District consists of six Traditional Authorities (TAs) and four Sub-Traditional authorities (Zomba District Assembly, 2009). The TAs are: Chikowi, Kuntumanje, Malemia, Mkumbira, Mlumbe, and Mwambo. The Sub-Traditional Authorities are Mbiza, Ngwelero, Nkagula and Ntholowa. Chief Kuntumanje and Chikowi are Senior Traditional Authorities (STA). This study randomly selected TA Mwambo and STA Chikowi as units of analysis. According to Zomba Socio-Economic Profile, STA Chikowi has the highest number of villages, 467 representing 29.7% of the total number of villages in the district. It also has the largest number of Village Development Committees (VDC), 14 in total. A VDC covers an area of one Group Village Headman and is responsible for facilitating planning of development within their areas of jurisdiction. These are also units mandated by the Local Government Act to carry out transparency and accountability initiatives at local level. On the other hand, TA Mwambo has the third highest number of villages, 325, with also the third highest number of VDCs, eight. According to the Local government Act, all VDCs at TA level are represented by an Area Development Committee (ADC). Zomba, therefore, has ten ADCs.

3.3.2 Chitipa District Council

Chitipa District is one of the six districts in the northern region of Malawi and is located to the Northeast of the region. It borders Tanzania to the North and Zambia to the west. The district also shares boundaries with Karonga District to the North East and Rumphi District to the South. The district is approximately 400km from Mzuzu, the northern region's commercial capital and 700km from Lilongwe, the Capital City of Malawi (Chitipa District Assembly, 2011). Compared to Zomba District Council, Chitipa is very far from central government, in Lilongwe, and this has had a number of negative implications which this study discusses later. Chitipa District is one and half times bigger than Zomba District covering 4,288 km^2 making up 3.62 % of the total land area of Malawi.

Although Chitipa District covers a vast area compared to Zomba, it is sparsely populated with 179, 072 people, one third that of Zomba District, and is the fourth most populous district in the region after Karonga, Nkhata-Bay and Mzimba (GoM, 2008). Just like Zomba, over half of its population is aged 18 years and below, and the district's economy is also mainly driven by agriculture.

There are five Traditional Authorities in Chitipa District namely Kameme, Mwabulambya, Mwenemisuku, Nthalire, and Mwenewenya. Out of these, the study randomly selected Traditional authorities Mwabulambya and Mwenemisuku. According to the 2008 Population and Housing Census report, TA Mwabulambya has the highest population of 70, 192 people and the highest number of VDCs – 24, that fall under the two ADCs of Ulambya Songwe and Ulambya Kaseye. TA Mwenemisuku, on the other hand, has the second highest population of 27, 668 people and the second highest number of VDCs – 20, that equally fall under the two ADCs. Chitipa District, therefore, has nine ADCs, one less than that of Zomba District. It is interesting to note that ADCs in Chitipa are structured differently from those in Zomba. Whilst an ADC falls directly under a TA in Zomba District, in Chitipa an ADC is divided into two called Sub-ADCs. These Sub-ADCs then fall under a single ADC. It should be pointed out that this is a local arrangement due to vastness of the area and is not provided for under the Local government Act. Thus, the splitting of the ADC is for operational purposes. This hints on the need to review the Local government Act to absorb such changing realities on the ground. However, the splitting of these ADCs poses a challenge in furthering fiscal accountability. This is because the vast distances between two Sub-ADCs challenge the membership to frequently meet, plan, monitor and evaluate their local developments as per the dictates of the Local government Act.

Below is a picture depicting the locations of Zomba and Chitipa Districts on the Map of Malawi.

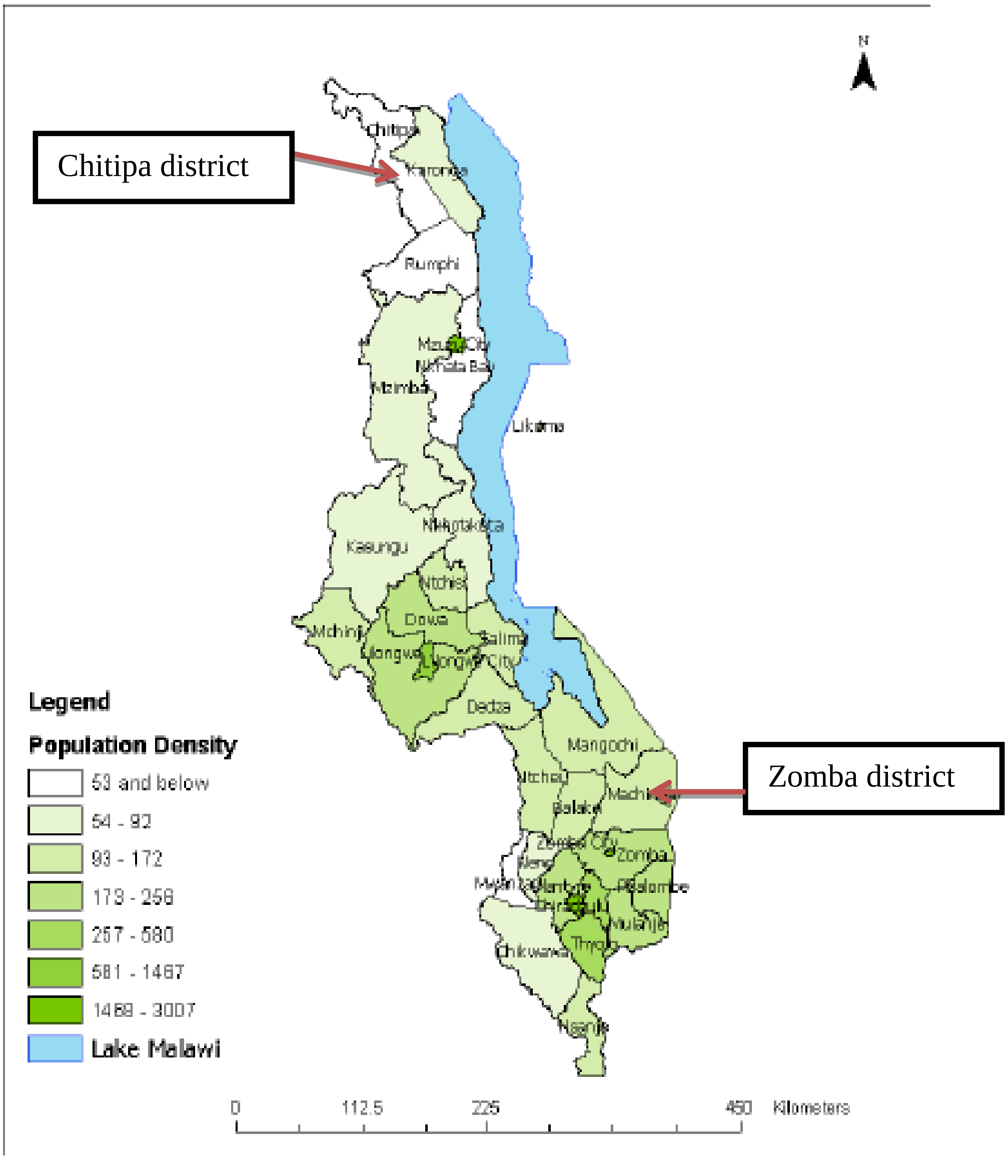

Figure 1: Map showing location of Chitipa and Zomba District Councils (Source: National Statistical Office, 2008)

3.4 Sampling

This study purposively selected Zomba and Chitipa District Councils as units of analysis. Zomba and Chitipa District Councils were selected because, according to an *Annual Report on the local authority performance assessment (LAPA) for 2012 / 2013*, Zomba District Council was depicted as the best performing local council out of 35 councils in Malawi. Chitipa District Council, on the other hand, was depicted as the worst performing council after Likoma Island. Geddes (1990) argues that having such two extreme cases in a study assists the researcher to know whether or not the factors identified were crucial antecedents of the outcome under investigation. Thus, the two extreme cases of Zomba and Chitipa Districts provided a good comparison case. These districts offered information that was rich from which the study learned in greater depth about issues under investigation.

At district level, the researcher used simple random technique and selected a total of four Traditional Authorities, two in each of the targeted districts. An equal number of Traditional Authorities was chosen because Zomba District Council and Zomba City share the ten traditional authorities, with only six TAs covering Zomba District. Zomba District and Chitipa District, therefore, had almost an equal number of TAs.

In selecting the TAs, firstly, all names of Traditional Authorities in a district were written down on a small piece of paper. The pieces of paper were folded and mixed in a bowl. Only two pieces of paper were randomly picked out. Out of five Traditional Authorities in Chitipa, Traditional Authorities Mwabulambya and Mwenemisuku were selected. In Zomba, out of ten Traditional Authorities, Traditional Authorities Mwambo and Chikowi were selected. The simple random sampling technique offered each Traditional Authority in the targeted districts an equal chance of being selected. Kelly et al (2003, p. 263) add that this technique 'allows the results to be generalized to the larger population and statistical analysis performed on it'. Thus, instead of including each and every traditional authority, results from four selected traditional authorities explained phenomena for the fifteen targeted traditional authorities in the two districts of Zomba and Chitipa.

Once the districts and Traditional Authorities were selected, the study used District Consultative Forum minutes, DEC minutes and District Social Economic profiles and drew up a list of opinion leaders and NGO / CSO representatives for quantitative data. These were those that operated and / or resided in the selected Traditional Authorities but from within the realm of governance. This was done because both district councils did not have an exact number of opinion leaders / individuals or NGOs who attended its meetings[7]. Purposively the researcher targeted those that once attended District Executive Committee meetings or District Consultative Committees or any Stakeholder meetings at the district council. Owing to the nature of the study, these were critical cases and better placed to articulate a view. From a sampling frame of 70, the study randomly selected 50 respondents per district for quantitative data. The 50 respondents were selected because they were representative of the targeted populations. Beside, a researcher has to select approximately 30 participants for a correlational study that relates variables (Creswell, 2012; Hardon, Hodgkin & Fresle, 2004). Ultimately, a total of 100 respondents were selected from the two districts. Creswell (2012) further contends that such a large sample from the population helps to minimize sampling error. This was critical since the study did run correlation tests as evidenced from the findings in the next chapter.

The study also purposively selected 28 respondents for qualitative data, 14 in each district. The purpose was to account for differences and similarities from a cross range of respondents. Thus, the study used critical case sampling technique to identify these respondents. Using this technique, the researcher purposively chose cases that were

[7] Interviews with DPD for Zomba and DC for Chitipa

believed to be especially important and rich with information because of the position they held or because they were especially well able to articulate a view (Hancock et al., 2007) with regard to fiscal accountability in Zomba and Chitipa District Councils. Thus, the study identified the critical cases from the categories of religious leaders, public officers, local community committees such as ADCs and VDCs, CSOs, Media and chiefs (refer to annex 1). After consulting District Consultative Forums minutes and DEC minutes, respondents were then chosen from these categories. Purposeful sampling was complemented with snowballing sampling technique where the researcher asked respondents to confirm the choices or recommend other individuals to be sampled in the study (Creswell, 2012). This was critical considering the sensitive nature of the study that made other respondents refuse to participate in the study.

3.5 Data Collection

Data collection took six weeks from 15th October – 25th November 2014. During the first three weeks, three enumerators administered a questionnaire to 100 respondents. In the fourth week, the study was devoted to call backs and data cleaning. In the last two weeks, the study carried out 28 in-depth interviews, spending a week in each of the districts. The main researcher of this study carried out all the in-depth interviews.

The study hired three graduates from the University of Malawi as data enumerators who collected quantitative data. Qualitative data was collected by the researcher himself. In order to minimize costs, two enumerators were hired from Zomba while one enumerator was hired from Chitipa. All the data enumerators had experience in data collection. Data enumerators in Zomba had once worked for the University of Malawi at the Centre for Social Research as research enumerators. The data enumerator in Chitipa was equally experienced since he once worked as a data enumerator with Church and Society Programme of the CCAP Synod of Livingstonia. Hiring experienced data enumerators who were also conversant with the local languages was critical considering the nature of the study and its geographical reach. Notwithstanding their experience, the three enumerators were taken through a one week orientation meeting before commencing data collection. The orientation exercise meant to familiarize enumerators with the data collection tools as well as the objectives of the study.

Just before data collection commenced, the researcher sought permission from the District Commissioner, The Police Service and Traditional Authorities. The researcher sourced an introductory letter and a letter of permission to conduct the study from Chancellor College, Faculty of Social Science. These letters that were later shared with all the would-be interviewees and stakeholders explained the goal and objectives of the study. The introductory letter also guaranteed privacy to all targeted respondents.

In collecting data, the study used a discussion guide for in-depth interviews, structured questionnaire, observations and secondary data sources. In order to improve reliability and validity, data collection tools were piloted in the same study districts before they were administered. Pilot test is a procedure where a researcher makes changes to an instrument based on feedback from a small number of individuals who complete and evaluate that instrument (Creswell, 2012).

3.5.1 In-depth interviews

In-depth interviews were used to gather qualitative data. An in-depth interview is typically a one to one interaction between a researcher and a study participant. In-depth interviews allow for the exploration of individual experiences and perceptions in great detail (Curry, Nembhard & Bradley, 2009). This technique, as argued by Curry et al. (2009), was suited for this study because it offered privacy which may alleviate fear of reprisal for negative statements. Using this technique, respondents were allowed to identify and describe issues around fiscal accountability, their concerns or concepts that were not anticipated or considered by the researcher. Using in-depth interviews, the study interviewed one to one a total of 28 respondents, 14 in each district. Out of the 14 respondents, seven key respondents were selected from among the heads of departments or sectors at the district council. Seven other key informants were selected from among the opinion leaders / institutions. They included NGOs and community leaders such as chiefs and Area Development Committee members. In order to successfully collect data, the study developed a discussion guide which was based on research objectives. Some interviewees were recorded whilst those who did not want were not.

3.5.2 Structured Questionnaire

The study collected quantitative data by administering a semi-structured questionnaire. This tool was used to find out frequency of occurrences of actions / inactions, perceptions, and understanding from different respondents on various issues. Using a stratified sampling technique, the study selected a specific group of people within the domain of governance from the two districts. From this group, a sampling frame was divided into various categories. These were the categories of chiefs, government workers, CSOs and their volunteers, ADCs and VDCs, councilors and block leaders, women groups, youth groups, media, religious leaders and businesspersons. From these ten categories, the study identified at least 15 possible respondents per category using, among others, DEC minutes, District stakeholders forum minutes, district interface meeting minutes. From a sample of 15 people, the study selected at least 4 respondents from each category using simple random technique. This was complemented by a purposive technique where at least one person deemed to command leadership within that category was selected. Purposively, the study selected the leadership from these categories because these were key decision makers who often represented their categories and the general public at the local council in the absence of local councilors. Ultimately, the sample consisted of 100 respondents, 50 per district.

The study used a short structured questionnaire which contained a maximum of 26 questions. A few questions with short sentences were formulated to ensure that respondents were not bored with the questionnaire but also to ensure maximum response. Gorard (2003) also recommends questions not to exceed 100 basically for the same reasons. Mostly, the forms of questions used were tick-box categories, multiple choice questions, and scales. These forms of questions were used because they solicit responses that would be easy to analyze using SPSS method which this study opted to use.

The structured questionnaire was administered using face to face interviews whilst a few questionnaires were self-administered. Most questionnaires were administered as interview schedules. Respondents who had busy schedules requested to selfadminister the questionnaires and it was allowed. However, this was minimized as much as possible by rescheduling interviews in order to avoid interviewees paying little attention to the questionnaire or worse, delegate the task. Self-administered questionnaires were later checked and collected at an agreed time. Face to face interviews were preferred because the enumerator was able to record the responses but also note body gestures and clearly ask questions in order to solicit unbiased responses. The approach also allowed respondents who had low levels of literacy to adequately understand the questions and effectively participate in the study.

The structured questionnaire consisted of 26 questions which contained three types of questions. The first type was dichotomous questions which contained a ‘Yes’ or ‘No’ response. The second type of questions was filter or contingency questions which asked for more information if a respondent answered a ‘Yes’ to a particular question. The third type of questions were those that attempted to measure responses on a 1-5 rating also known as likert response scale - Strongly Agree (5), Agree (4), Undecided (3) Disagree (2), and Strongly Disagree (1). Out of 100 questionnaires which were sent out, two questionnaires that were sent to Police officers in both Chitipa and Zomba Districts were not responded to. This was despite assurances of confidentiality and a granted permission from their superiors at the Regional offices allowing the officers to participate in the study. This study provided for a replacement mechanism and these refusals were effectively replaced from other categories achieving a 100% response rate.

3.5.3 Observation

The study also used direct observation to gather its data. The technique produces more reliable information than interviews on actual behaviour (Hardon et al., 2004). It was important to use the technique since the situation of interest was often hidden from the public. Additionally, it appeared that those in the setting appeared to have notably different views than did the outsiders (Curry et al., 2009). Through observation, it was, therefore, easy to capture what the district councils actually did rather than what they said they did. This approach assisted the study to validate or nullify some information provided during face to face interviews. The data consisted of extensive and detailed observational field notes which included observation of the environment. During data collection, the study observed the type of public information posted at the district councils, place where it was posted, frequency, whether it was old or new information, and whether the information was relevant to the citizens on the issue of fiscal accountability. Traffic of the general public at the local councils was again observed. The study further observed project sites mentioned in the course of interviews. One such place visited was a concrete road pavement along Chitipa to Misuku road. Similarly, in Zomba a site where a '*two million kwacha bridge'* stood was visited (refer to the study findings in chapter 4). In order to ensure that unusable data was not collected, and that the researcher's experiences and perceptions did not impact on the process, an observation checklist was drawn from the responses of key informant interviews.

3.5.4 Review of Documents

This stage of data collection involved a study of existing documents produced in the course of everyday events such as official government documents. The intention was to find out the context of fiscal accountability and the impact of decisions made at local and central government levels in the context of fiscal accountability. The review also aimed at establishing the structures and frameworks that supported fiscal accountability at local, district and national levels. Documents reviewed included the Malawi Growth and Development Strategy I and II, Service charters, Socio Economic profiles of the two district councils, official statistics, minutes of district meetings, policy documents like the National Decentralization Policy, government laws such as the Local Government Act, the Public Finance Management Act (2003) and the Republic of Malawi Constitution, official reports on assessments of district councils, reports on finances and mass media reports. Some of these documents were sourced directly from district councils, online newspapers, official government websites, Chancellor College library in Zomba and other institutions such as NGOs. The review was linked to the research questions for the study, and intended to draw inferences from the documents on the factors behind fiscal accountability performances of the two councils in question.

3.6 Data Analysis

In this study qualitative data collection and analysis occurred in an iterative fashion. Thus, the researcher kept on moving back and forth between data collection and data analysis processes as additional data was collected. Curry et al. (2009) called this approach a constant comparative method. The researcher used an insight from Agar (Creswell, 2012) that before commencing an analysis a researcher has to read all the transcripts in their entirety several times. Thus, the researcher immersed himself in the details, and got a sense of all the responses. Once this was done, data in the form of pictures, interviews, recordings and field notes were transcribed. Content analysis was therefore used to interpret the data. That is, firstly data was coded. Creswell (2012) defines coding as a process of segmenting and labeling text to form descriptions and broad themes in the data. The objective of this process was to make sense out of text data, divide it into text or image segments, label the segments with codes, examine codes for overlap and redundancy, and collapse these codes into broad themes (Creswell, 2012). Categorizing them into themes meant that similar codes were aggregated together to form a major idea in the database (Creswell, 2012).

Quantitative data, on the other hand, was collected and each questionnaire assigned an Identity (ID). Data was then scored. This meant that the researcher assigned numeric scores (or values) to each response category for each question on the instruments used to collect data. This applied to questions that did not have scores already. Some of the pre-coded scores included responses such as 5 = strongly agree, 4 = agree, 3 = undecided, 2 = disagree, and 1 = strongly disagree; 1= yes, 2 = no; and 1= male and 2 = female. After scoring the data, the researcher chose SPSS version 16 which was used for inputting, cleaning and analyzing data. Using SPSS version 16, data was described and compared using descriptive and inferential statistics.

After qualitative and quantitative data were analyzed separately, compared, and interpreted as to whether the results supported or contracted each other, the study presented the results by discussing them side by side as evidenced in chapters 4 and five.

3.7 Ethical considerations

In the case of this study, it was imperative that a number of issues were considered for the study to adhere to ethical principles for social research. Some of the ethical issues this study adhered to, as explained by Creswell (2012), included informing participants of the purpose of the study, refraining from deceptive practices, sharing information with participants (including the role of a researcher), being respectful of the research site and its people, using ethical interview practices, collaborating with participants, and ensuring that respondents or participants, including their environment, were not harmed. In this research, confidentiality was guaranteed in writing and verbally. Before participants were included in the study, their consent was first sought. Thus, participants were informed in writing the purpose of the interview or questionnaire, that the outcome of the study was purely academic, and that the respondents' identities and data collected would be kept confidential. This helped participants to open up, freely participate in the study and provide reliable information. It is for this reason that this study does not contain names of its respondents anywhere.

3.8 Limitations of the study

The study faced a number of limitations. The first was inadequate time that some respondents, i.e. government officers and civil society leaders, were willing to commit to the study. This had an effect on the quality of their responses they provided. These respondents were requested through invitation letters and agreed to participate in the study. Despite agreeing, these respondents became preoccupied just minutes before interviews were granted. These impromptu engagements forced respondents to cancel the interviews. Thus, interviews were postponed and rescheduled to a later date and time which in some instances clashed with other appointments as well. This led to some of these interviews being conducted late into the evening / night when respondents were tired and had knocked off from their duty stations. In other cases, interviews were rushed since respondents did not have adequate time. As said before, this undoubtedly affected quality of their responses and this had a bearing on the depth of this study.

The other limitation relates to timing of the study. This study took place during a period when The Government of Malawi was investigating and prosecuting officers who stole millions of kwacha of public funds dubbed Cashgate. The study, therefore, was perceived to be very sensitive. Some officers, like Police officers, felt very uncomfortable to participate in the study and opted out after learning the objectives of the study despite a written assurance detailing that it was purely an academic endeavor. In both Zomba and Chitipa District Councils, Malawi Police service officers kept postposing the interviews despite their Regional Offices permitting them to participate in the study. This forced the researcher to replace them with respondents from other categories. Failure of police officers participating in the study had a bearing on the depth and breadth of the findings.

The last limitation is that findings from this study cannot be generalized. This is because the study was conducted with only 128 respondents, and only in two district councils out of 35 councils in Malawi. Although qualitative studies are not generalizable in the statistical sense, their findings may be transferable. Thus, it is up to the reader, however, to make decisions about their usefulness in other settings (Marshall & Rossman, 2006).

CHAPTER FOUR

FORMS AND SPACES OF ACCOUNTABILITY AND THEIR RELATIONSHIP WITH FISCAL ACCOUNTABILITY

4.1 Introduction

This chapter provides an analysis of the data generated from face to face interviews, reviewed documents, observations and responses from structured questionnaires. The chapter starts by providing an analysis of the perspectives that interviewees had of accountability and its perceived importance. This is on the understanding that the way the general public views accountability informs their behavior and how they act to hold their councils accountable. Secondly, the paper investigates the prevalence of vertical, horizontal or diagonal accountability and the implications that this had on fiscal accountability at local level. Again the paper explores forums or spaces that were available or created for engagement at local level and investigated if there were any significant relationship between these existing forums and fiscal accountability. Lastly, the chapter investigates the extent to which local councils exercised transparency and accessibility on their fiscal information. This study asked if at all Zomba and Chitipa District Councils were worthy comparing considering different dynamics that were at play in the two districts.

4.2 Perspectives on accountability and its perceived importance

Literature reviewed in the previous chapter hinted that there are three forms of accountability. However, before this study identifies the forms that fiscal accountability took in Zomba and Chitipa Districts, it is important to investigate perspectives of the respondents that bring such forms to life. Accountability has been defined as *"the obligation to explain and justify conduct".* This study holds that an understanding of the perspectives of accountability informs the behavior and actions of the principals in holding the agents accountable. Thus, what are the perspectives of respondents on accountability? Do respondents in the study understand the concept of accountability? This part of the study, therefore, attempts to answer these questions en-route to understanding the main question at hand – forms fiscal accountability took in Zomba and Chitipa District councils.

The results from the face to face interviews and responses from the structured questionnaire indicated that respondents, communities and public officers, were quite knowledgeable about accountability. They all considered accountability as very important if their councils were to experience development. Almost all those interviewed ably articulated in either English or their vernacular languages (Tumbuka or Chichewa) what it meant by accountability. This suggested a buy-in of the Bretton Woods, MDGs and MGDS II with respect to accountability and development. However, just like other academic scholars alluded to earlier in this study, respondents confused the concept of accountability with transparency. For instance, one member of the Area Development Committee interviewed in Zomba illustrated that accountability meant "*chilungamo chiwoneke poyera pogwira ntchito ndi wanthu ndipo aliyense achiziwe*" (truth should be made transparent when one is discharging their duties and that everyone should know about it). It is this type of perception which made opinion leaders, representatives of the community at ADC level, in both Zomba and Chitipa Districts demand transparency more than fiscal accountability. To them transparency was accountability. Theoretically, this meant that such community leader representatives were not keen to go beyond mere transparency suggesting passivity of the agent as opposed to an active one. This information gap on the part of the principal was a factor that informed the nature of forms of fiscal accountability in both Zomba and Chitipa Districts. Thus, local leaders who were chosen by the community and accepted as representatives of the community by the agents (council) did not fully understand their task and this will be seen later in this study. This low understanding militated against them during implementation of their job. This notwithstanding, it is interesting to note that Zomba performed better than Chitipa. This could only be attributed to other factors that we explore later in this study.

When respondents in Chitipa and Zomba District were asked using a structured questionnaire whether they thought accountability was important, it was found that 98% of the respondents agreed that accountability was very important for their districts to experience development. Some of the reasons given on the perceived importance of accountability were that accountability maximized usage of resources since there are slim chances of misuse and underutilization. Secondly, accountability helps to curb mistrust since everybody knows what is happening and any misappropriation is known. Other respondents added that since councils work for and on behalf of the people and handle public funds on their behalf, it is just proper that people are made aware about the usage of their funds so that they are able to take ownership of development projects intended for them. In all the responses on the perceived importance of accountability, the element of sanctioning those who allegedly misappropriated public resources hardly came up and indeed, as explained later, it never was a norm in the two districts. This could be attributed to the shallow understanding of the concept of accountability. This further underscores the synonymous use of the concept of transparency to mean accountability just like some scholars such as Mulgan (2000), Behn (2001) and Dubnick (2002). The implication of this perception is that the general public is never energized to demand justification and sanctions and indeed they never did. This further disempowers the principal in a principal-agent relationship to exercise authority.

Whilst the majority in Zomba (90%) held that accountability was important and believed that it was present at their local council, 91.3% of the respondents in Chitipa District held a contrary view. Respondents in Chitipa thought that there was no accountability at their local council. These sentiments in Chitipa were more pronounced among civil society organisations (26%), chiefs and their communities (25%), volunteers working for NGOs (11.9%) and local government officials (16.7%), particularly those working as field staff for the local council such as Primary Education Advisors and Health Surveillance Assistants. Mostly, officers working at the secretariat of the local council such as District Commissioners, Directors of Planning and Development, Directors of Finance, and Monitoring and Evaluation Officers held that there was accountability at their local council. When this information was triangulated with observation results, review of documents and responses from face to face interviews it was established that there was little evidence to suggest that there was accountability at the local council. The targeted officers at secretariat were the very senior officers who were the main agents expected to discharge accountability. Hence, these officers responded to save their faces. They did not want to paint a negative picture about themselves as agents in the agent-principal relationship. This, therefore, vindicates all studies that target only such public officers. This behavior of agents again informed the form that fiscal accountability took in Chitipa District Council as later discussed in this chapter. This far, what is worth noting is that most respondents mistook transparency for accountability in both Zomba and Chitipa District. Thus, when respondents were asked if accountability was present at their council, they were actually responding to a different question 'if transparency was present at their council?' The fact that more respondents from among CSOs in Chitipa, about (26%) denied, it gives more evidence to suggest that indeed there was no accountability. This is on the assumption that CSOs are more knowledgeable than local communities. In the case of Zomba, it could mean that the question was yet to be answered and other means of finding out were necessary.

The study further established that 73.9% of the respondents, of whom 15.2% possessed Primary School Leaving Certificate of Education (PSLCE) and 58.7% possessed Malawi School Certificate of Education (MSCE) qualifications, believed that their district councils were not accountable at all. Those who possessed a diploma and other higher qualifications (26%) believed that there was accountability at their councils. Those who believed that there was no fiscal accountability at their local councils pointed out that the council officials were harsh in their responses whenever they were asked to account for anything, including public finances. It could be argued that those with higher qualifications, above MSCE, were able to argue their case or present themselves better before public officials at the council hence they were not scorned or shouted at by these public officials. This could have influenced their rating of the councils as accountable. It could again be argued that this is a clear case of elite capture and patronage. Thus, the better educated from among the principals were usurped by the system that was somehow rewarding them with some benefits hence they would not rate it low. As it will be seen later in this chapter, this had an effect on reducing the voice of principals in a vertical horizontal accountability set up.

The study also found that in some instances, council officials dodged to respond to some questions, instead, they kept on referring the account holders from one officer to the other. This was a tactic which agents mastered and used whenever they felt uncomfortable to account for anything. This meant that agents did not feel obliged to provide an account as the accountability theory adopted in this study requires. Possibly because agents had come to learn that such principals presented no immediate sanctions. In other cases, particularly in Chitipa District, whenever principals visited the council they were told to check for feedback the following day since the officer responsible was not available. Even if the account holders visited the following day, the response was not different. This further provides evidence of the increased liberty that agents had in providing an account in the face of absence of sanctions. This behaviour left principals frustrated in their pursuit for accountability since they had exhausted their personal finances which they had used for transport, meals and accommodation just to perform an accountability check on behalf of their fellow community members. The inability to invoke sanctions seemed to strengthen such behavior further confirming the lack of a full understanding of the concept of accountability by principals. Sadly, agents knew that this tactic worked to frustrate their principals. They continuously used it to shield themselves against rendering any account. This study observed that this practice was prominent in Chitipa District Council as opposed to Zomba District Council due to, among others, long distances to access council offices, poor road networks in the district and lack of readily available public transport. It is the view of this study that provision of these facilities and addressing challenges of access to local government could change how local governments account to their citizens as evidenced in Zomba.

Furthermore, in Chitipa, the liberty to provide an account was again compounded by the fact that most officers acted in other capacities as well. For instance, a Monitoring and Evaluation Officer also acted as a Director of Planning and Development; the office of Director of Public Works was equally occupied by an acting agent who also occupied another position. This made such officers extremely busy and preoccupied with work. For the principals, this frustrated their efforts to hold agents to account since space or forum to facilitate any engagement was often missing. This provides an insight to suggest that if there are challenges in the operations of players within the horizontal accountability setup, and if the roles and responsibilities clash, it is very difficult to elicit effective vertical accountability. Efforts, therefore, need to focus on strengthening both if fiscal accountability is to be realized.

What is clear from these findings is that there were high knowledge levels among public officers, NGOs and the community on what it meant by accountability although it was often confused with transparency. The perceived importance of accountability was spot on and respondents believed that it was vital if their councils were to experience development clearly demonstrating a buy in on the Malawi Growth and Development Strategy I and II, and the Bretton Woods system. However, respondents were not amused at how their councils dodged to account to them despite them being the principals. This shows how the push for good governance has gained such great momentum to an extent that people in developing countries cannot accept the views of not ‘kicking away the ladder’ as propagated by Chang (2002). It is their perception of what accountability is that kept the citizens contented with whatever their councils did. This paper argues that if the general public knew that transparency was more than just what it was and that it was a prerequisite for accountability, citizens could not have accepted to be tossed from one office to the other, wait in vain, be scorned or be shouted at. They could have demanded for disciplinary measures to such officers who failed to provide them with adequate information. It is the frustrations that principals in Chitipa go through in demanding fiscal accountability that made people in the district view their council as not being accountable. Not many people in Zomba are subjected to the same frustration as those in Chitipa hence, the majority hold that their district council tried to exercise accountability. As per the accountability theory adopted in this study, these findings do align themselves with the theory only to a certain extent. For instance, there was an agent who acted on behalf of the principal. However, in the theory there is an assumption that every principal is knowledgeable about their job, what they do, and how they do it in order to achieve the desired objectives which in this study has proven otherwise.

Having discussed the perceptions and understanding that principals have on the concept of accountability that informs the forms that fiscal accountability takes in Zomba and Chitipa Districts, the study now moves to discuss vertical, horizontal and diagonal accountability and identifies which of the three was prominent in each of the two districts.

4.3 Vertical, horizontal and diagonal accountability

The previous section has set the understanding of the respondents with regard to the concept of accountability. As pointed out, this is crucial to understanding the forms that fiscal accountability takes in Zomba and Chitipa Districts, discussed in this section. Whilst respondents in Zomba thought that there was fiscal accountability at their council, those in Chitipa thought otherwise. This part of the paper, therefore, moves to analyze the forms of accountability in the two district councils of Zomba and Chitipa. As a recollection, Malawi government adopted the Decentralization Policy in 1998 which, among other objectives, aims at promoting accountability and good governance at local level in order to help government reduce poverty. The legal framework for this policy is provided for in the Republic of Malawi Constitution and the Local Government Act (1998). Chapter (XIV) of the Republic of Malawi Constitution sets out roles and functions of the local government which include consolidation and promotion of local democratic institutions and democratic participation. As per the Local Government Act, it is expected that through the promotion of democratic participation, local councils will practice accountability as they exercise their responsibility to represent the people over whom they have jurisdiction. In other words, the relationship between the principal and agent is regulated here. Thus, principals are given more power to regulate the agent. On the other hand, the agents are given boundaries within which to operate. What happens to them when they overstep their boundaries? This is the question that the following section attempts to address.

4.3.1 Vertical accountability

This part of the paper analyses forms of accountability that are at play in the two district councils. It looks at the three forms – horizontal accountability, vertical accountability and diagonal accountability. This paper has defined horizontal accountability as a form of accountability that runs horizontally among equals (Lindberg, 2009). Vertical accountability is subdivided into two types - vertical upward and vertical downward. Vertical accountability is accountability between the citizenry and their duty bearers. Whilst vertical upward accountability is accountability to higher authorities such as central government, vertical downward is defined as accountability of elected representatives to the citizens (Grant, 2002) who this study refers to as principals. Diagonal accountability on the other hand is that type of accountability where a principal endows on another intermediary agent to act on their behalf in demanding accountability from the agent. The question that this section asks is what form of fiscal accountability was in Zomba and Chitipa District Councils? To address this question, a stream of questions was asked.

When respondents in Zomba and Chitipa Districts were asked whether their local governments were only accountable to central government in Lilongwe, it was established that 28% of the respondents in Zomba agreed, 18% strongly agreed while 26% were undecided. The same picture was painted in Chitipa where a high percentage of 42% agreed, and only 2% strongly agreed. Just like in Zomba, 28%

were undecided. This paper reasons that the higher numbers of respondents were undecided possibly because they, as established earlier own, perceived transparency as accountability. With further follow up questions, they were therefore not sure what to say. Respondents in Chitipa district reasoned that if their council was accountable to them they could have reported to them on what steps the council had taken on a poor workmanship of a contractor who constructed a substandard concrete pavement on Chitipa – Misuku road using council funds. At the time of writing this paper, the public did not know anything concerning the substandard concrete pavement that was constructed on Chitipa – Misuku road which made the road barely passable. From this finding, this study holds that this was a clear evidence of corruption since communities were not the account holders or principals worthy informing about the substandard work.

A quote from an ADC member from the same area in TA Mwenemisuku, Chitipa, on the yet to be constructed Misuku girls hostel echoes similar sentiments.

> This study established that in February, 2014, Misuku Community Day If the council was accountable to us, we could have been briefed in all earnest where Mk 35 million meant for the construction of Misuku girls' hostel went. The project was launched around February 2014 but up until now (October, 2014) construction has not started and no one knows anything.

Secondary School (CDSS) in Chitipa was one of the secondary schools earmarked to benefit a newly constructed girl’s hostel under LDF. The district council informed the community about this development through their Traditional Authority and ADC. A launch ceremony was held that announced the MK35 million project. The community was asked to make a 25% contribution in form of sand, quarry stones, and burnt bricks which they efficiently did. To their surprise, over six months passed without any feedback on the progress of the hostel. As this paper was being written, construction of the girls' hostel at Misuku Community Day Secondary School was yet to commence and the community were still unaware of any progress. This further illustrates the behavior of agents not to value their principals and offer them an account. This is despite the Local Government Act and the National Decentralization Policy giving the principals powers to demand from their agents. This evidences prominence of vertical upward accountability over vertical downward accountability and consequently suffocation of the aspirations of the National Decentralization Policy and the Local Government Act (1998). This concurs with Chasukwa and Chinsinga (2013) who argued that the absence of councilors gave much room to the observance of vertical accountability as opposed to horizontal accountability, contrary to the intentions of the National Decentralization Policy and the Local Government Act (1998). In the absence of councilors, which marked the collapse of vertical downward accountability, both councils took advantage of the situation and theoretically recognized ADCs but had nothing to do with them practically. It was a way of complying with the dictates of the law and not necessarily wanting to put the local governance structures to use. The councils exploited this unlawful constitution of the council to their own benefit as was also observed by Chasukwa and Chinsinga (2013). This gave council officials leeway to engage in corrupt activities and self-enrichment as reported earlier by Parliamentary Accounts Committee in 2015. This further relaxed the need to follow up projects, value feedback mechanisms from locals, inculcate local ownership of projects, and emphasize on quality of development works. This, therefore, gives more evidence to the argument that the lower the contributions that locals made financially in running their local councils the more the council officials felt at liberty not to provide them with an account. Thus, vertical accountability needed to be fuelled by principals directly. Consequently local councils, despite Zomba performing better than others, were perceived to abuse public funds and failed to prudently report to central government that equally failed to account to donors. This abuse later led to withdrawal of aid and continued to deepen poor service delivery.

Similar findings were again observed in Zomba district where the general public expressed their powerlessness to sanction their Member of Parliament (MP) for Zomba Central constituency over financial embezzlement and construction of a substandard bridge. "*We believed the bridge costs were highly inflated and could not cost MK 2 million*"[8]. Due to the substandard work, the bridge was washed away by heavy rains the same year it was constructed. The constituency exercised their political accountability and did not vote the MP back into office. The constituents, however, failed to sanction their MP immediately they came to know about the problem using their local governance structures. This casts doubt on the urgency that social accountability could solve issues. What Zomba constituents did therefore was just to "*nickname the area where the bridge stood 'kwa two million kwacha*'"[9] as a way of sending a message of disgust to their MP. From the findings, this study notes a weakness with this existing vertical accountability. Thus, this form of accountability has challenges to quickly address urgent concerns of the principals, for example, the citizenry. In matters where agents are politicians, like the case above, the citizenry addresses their problems by using elections and vote out of office such politicians as a form of punishment. However, when agents are public

[8] Interview with a community member in TA Chikowi, Zomba
[9] Sourced from separate interviews with CSO member, vendor, Business woman and VDC member

servants, the citizenry seem not to have a tool they can use to discipline or punish such officers. They wait upon vertical upward accountability to take effect which, as it will later be established, is very ineffective as well. Again, these findings concur with what Dulani (n.d.) observed that high level executive intervention in local level politics and policy making undermined effective operations of local councils and often took centre stage in local decision-making. Thus, local councils here can be seen to play an implementing agency role of the central government.

The study again investigated if committees that communities elected to represent them at the council were well constituted and represented them well. The study found that 38% of respondents in Zomba and 26% in Chitipa agreed that they were well constituted and represented them well. Only 20% in Zomba and 22% in Chitipa disagreed. The 12% in Zomba as compared to the 30% in Chitipa were undecided. The mixed view observed could be interpreted as a double standard the local councils employed in discharging their duties. This study established that the councils were aware that they were demanded by a number of laws and policies to exercise fiscal accountability. Through the interviews it was established that it was sheer laziness and unwillingness on the part of the local councils to exercise fiscal accountability when they were demanded. This study calls this a systematic move by public officers to sabotage the whole accountability system thereby rendering it obsolete. This paper again argues that it was not the issue of low capacity among members of the community in effectively representing their colleagues in different forums as other council officials had alleged. There were other reasons. Please refer to figure 2 below to appreciate how different categories of respondents viewed the committees at local level.

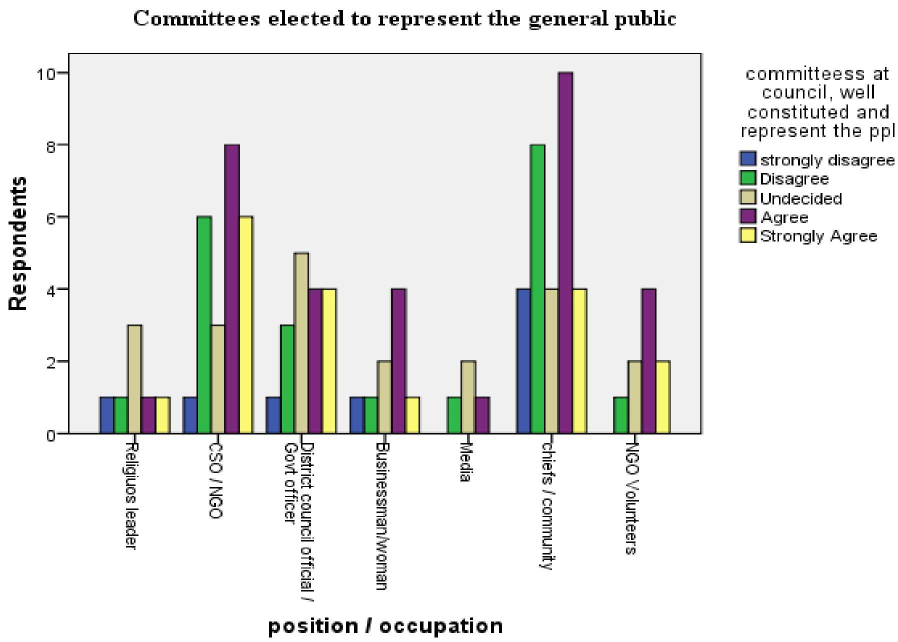

Figure 2: shows how different respondents viewed the committees they elected

From the figure 2 above it is evident that CSOs / NGOs (33.3% strongly agreed, 25% agreed) and chiefs plus their communities (31.2% agreed, 22% strongly agreed) believed that those that were elected to represent the general public at the council were well constituted and represented them well. However, a sizeable percentage of respondents among district council officials were undecided (23.8%). This is surprising considering that these officials interfaced with these representatives frequently. Thus, knowingly, the council opted to use more of vertical upward accountability than vertical downward accountability. Vertical upward accountability as opposed to vertical downward accountability was highly used because of the perceived personal benefits it provided the public officers. One such benefit was that public officers could easily get away with their loathed behaviors and attitudes without any sanctions. This in a way departs from accountability theory which argues that sanctions are part and central to accountability.

While Zomba District Council communicated with its general public about funds it received under LDF[10] projects, Public works Programme, other recurrent transactions (ORT), and its impending development projects such as fertilizer input subsidy program (FISP), it was found that the council did not communicate how it utilized the same. It also did not inform the general public how much it collected and utilized in its market fees, licenses, rest house collections, among other revenues. Maybe the council feared that if the general public knew how much they contributed, they would become more inquisitive thereby naturally drive home vertical downward accountability. Instead, the council officials preferred vertical upward accountability because it shielded them from providing an account to the citizenry. This assisted the officials to avert possible sanctions from the principals that might have included: being reported to Anti-corruption Bureau prompting an investigation on the alleged misappropriated funds; interdictions; naming and shaming through media reports, among others. As established, this indeed did work as no punishments were given. The fact that there is no evidence to show that council officials were willing to be cross examined about expenditures or be answerable for the outcome of their decisions attests to the fact that they preferred partial vertical downward accountability.

Just like Zomba, Chitipa District Council did not inform its principals how much it collected and utilized its market fees, licenses, rest house collections, among other revenues. Through the documents that this study reviewed, it was established that Chitipa District Council collected revenue in excess of MK5.5 million ($17,741.94)

[10] This is a Malawi Government initiative established under the Public Finance Management Act (2003) as a nationwide, sustainable, standardized and transparent financial mechanism. It is financed by Government and Development partners so that Districts and Urban Assemblies in Malawi can support decentralization and sustainable development. For more information click http://www.ldf.gov.mw/index.php?option=com_content&view=frontpage

in the month of July, 2014[11]. However, during the same month, the council failed to pay water and electricity bills at its council's rest house which contributed to generating the said revenue. This forced service providers, Electricity Supply Corporation of Malawi and Northern Region Water Board, to disconnect their supplies to the rest house. The study noted that this developed into a pattern where the council collected revenue but never reinvested the same to maintain assets that generated revenue. This raises questions of capacity of the councils to identify and strengthen revenue generation techniques and systems that could supplement low funding received from central government. Thus, local councils did not vigorously raise funds or address loopholes that led to corrupt practices by some officials as narrated by one Market Supervisor in Chitipa (below). This negatively impacted on the principal-agent relationship since the constant frustration of the vertical downward accountability resulted into principals failing to appreciate efforts of their councils in providing quality public services. This frustration was captured in a memo the Market Supervisor presented to the District Commissioner which red that

> There is a never ending chorus on water and electricity disconnection at Chitipa District Council Rest House. The venture has now docked three months without water and electricity and yet it is a revenue generating venture.

This memo also hinted on high levels of corruption by junior officers at the council who tended to benefit from dominance of vertical upward accountability. The Supervisor explained that most of the staff members entrusted with the task to collect revenue were not trusted and 'did not adhere to the council bylaws'. In crude terms, he insinuated that they did not deserve to be public officers. Possibly their

[11] Memo written by the Market Supervisor, dated 26th August, 2014 addressed to Chitipa District Commissioner

behaviour was supported by their superiors who shared in the spoils. If vertical upward accountability was at work, such officers could not survive as public officers. This lack of adherence to systems and procedures by junior staff explains a broken horizontal accountability and casts doubt on the existence of an effective vertical upward accountability. Horizontal accountability was broken since senior officers at the council also failed to adhere to the laid down rules and paid a blind eye to the maladministration of funds by fellow officers. This also explains why public officers did not want to share any expenditure reports and promote fiscal accountability. As argued elsewhere, the dysfunction in one form of accountability affected the efficiency of the other.

It is now vivid that Zomba and Chitipa District Councils kept a tight lid on revenue collection as well as revenue utilization suggesting total absence of vertical downward accountability. Agents in the principal agent theory have their own selfish motives that need to be regulated which the theory always assumes and they were confirmed in this instance. Unlike Chitipa District Council which did not share any fiscal information, Zomba District Council opted to share reports on the funds it received from central government. In this case, this paper holds that Zomba District Council practiced partial vertical downward accountability. It could be argued that there was more evidence to suggest that this partial vertical downward accountability partly assisted the council to perform better than Chitipa.

In conclusion, this part of the study established that there was no fiscal accountability in both district councils due to the lack of answerability. Accountability was partially exercised. Simply sharing information but closing up to any scrutiny by the general public smacked serious implications on fiscal accountability. The behavior of central government and Members of Parliament who provided political interference inadvertently chocked the aspirations of decentralization and good local governance just like Dulani (n.d.) argued. Thus, Zomba and Chitipa District Councils preferred vertical upward accountability more than horizontal accountability and vertical downward accountability because of the perceived benefits attached to this form of accountability. Traces of diagonal accountability were slightly visible in Zomba District but there were none in Chitipa District Council. This is because a few officers who misappropriated funds were sanctioned by central government let alone by their 'peers' in a horizontal accountability set up. For instance, a social welfare officer in Zomba who misappropriated National Aids Commission funds was interdicted through an audit by the National Audit Office. No similar disciplinary measures were registered in Chitipa District Council. This raised doubts as to whether diagonal accountability really existed at local government level and if at all its existence was of any value. Doubts on the diagonal accountability again come into question when senior officers who misappropriated public funds were simply transferred by the same central government to other districts and did not face sanctions as stipulated by the Public Finance Management Act (2003). For example, some officers in Chitipa were transferred to Ntcheu, Mwanza and elsewhere.

4.4 Spaces / forums for engagement and their effectiveness

Space / forums are referred to as something which can be taken up, assumed or filled, but also that which can be created, opened or reshaped (Cornwall, 2002). Cornwall holds that these are sites where different actors, knowledge and interests interact in which room can be made for alternatives, but from which some people and ideas remain excluded. According to Gaventa (2006), These spaces can be '*closed spaces'* where decisions are made behind closed doors with a selected few being invited; '*invited spaces'* where in an effort to widen participation, new spaces are created into which others are invited to participate; '*created spaces'* where the less powerful actors form their own space against the power holders. In the context of this paper, the study attempted to establish what spaces / forums existed and whether these spaces / forums offered opportunities to principals to demand for accountability from their agents. These spaces / forums are what we also refer to in this study as strategies. Thus, which strategies or forums / spaces did Zomba and Chitipa District Councils use in promoting fiscal accountability?

4.4.1 Meeting schedules

Through analysis, this study established that Zomba District Council used a number of spaces or forums in attempting to account to its general public. Chitipa District Council, on the other hand, lagged behind in this regard. For instance, using a structured questionnaire, the study found that 72% of respondents in Zomba agreed that their council utilized quarterly review meetings and that it shared information on its finances with DEC members. In Chitipa District, on the other hand, only 30.6% agreed that this was happening while a large number (44.9%) disagreed. The study learnt that holding DEC meetings in Chitipa District Council was at the mercy of the District Commissioner whilst this was not the case in Zomba where such meetings were scheduled monthly on their calendar. '*Unless the Chitipa District Commissioner felt like calling for a DEC meeting, it never occurred*[12]'. This

[12] Face to face interview with a CSO representative in Chitipa

underscores the extent to which '*invited spaces'* failed to exist in Chitipa District for fiscal accountability to take effect. Almost all DEC meetings that took place in Chitipa District were called and arranged by CSOs. Thus, these spaces were created by CSOs as a result of absence of '*invited spaces'*. A vivid example of this was noted during data collection in October, 2014. During this time, the researcher observed that the last DEC meeting at Chitipa District council occurred two months earlier (in August, 2014) under the auspices of Church and Society Programme of the CCAP Synod of Livingstonia. It was clear that absence of scheduled DEC meetings had very serious consequences on fiscal accountability in the district. Thus, without DEC meetings, the council effectively relegated the principal from the principal – agent relationship to the dust bin. One serious fiscal accountability challenge that this had was that the council incurred huge debts in the absence of such a 'space' that could check on any policy decision pertaining to over expenditure or adherence to procurement procedures. Without the space, locally generated revenue and central government transfers were vulnerable to abuse as expressed by one respondent in Chitipa District during a face to face interview.

> The MPs here have more powers over CDF funds, without DEC meetings there is no one to check them. In the past MPs collected materials from suppliers without involving anybody. This behaviour dragged Chitipa district council into huge debts. One supplier, Farmers World, is owed millions of kwachas and has since engaged sheriffs to confiscate a vehicle from the council to force it to pay back the debts. Making matters worse, the newly elected MPs and councilors have ganged up against the use of this years' CDF to pay off such debts.[13]

The above quotation illustrated the usurping of powers by the MPs from the DEC in the absence of '*created spaces or invited spaces'* thereby dictating local policy decisions pertaining to development. The MPs, representing central government,

[13] Interview with a Civil Society representative in Chitipa

further complicated the principal agent theory in that their behavior smacked of attempts to play both agents and principals. Thus, when they procured materials they played agents and when they later represented the local people at the Parliament to question the MLGRD on how they utilized CDF, they played principals. This had serious implications on the effectiveness of vertical accountability. This possibly suggests why there was no evidence to show that MPs demanded central government or the executive branch of government to ensure effective implementation of policies, rules and regulations at local government. For instance, lack of adherence to procurement procedures at local government was largely tolerated because MPs who took the implementation of CDF from DEC and ADCs, instead of policy making, were at the forefront violating the Procurement Act (2003). It is therefore unthinkable to expect those that flout the law, in this case MPs, to seriously demand compliance of the same law they flout. As was the case in Chitipa, local communities always shoulder cost implications and continue to live in poverty.

Although DEC meetings were scheduled in Zomba and not in Chitipa, whether they delivered their intended purpose whenever they were held is a different matter. Figure 3 below gives an indication of how respondents perceived effectiveness of DEC meetings.

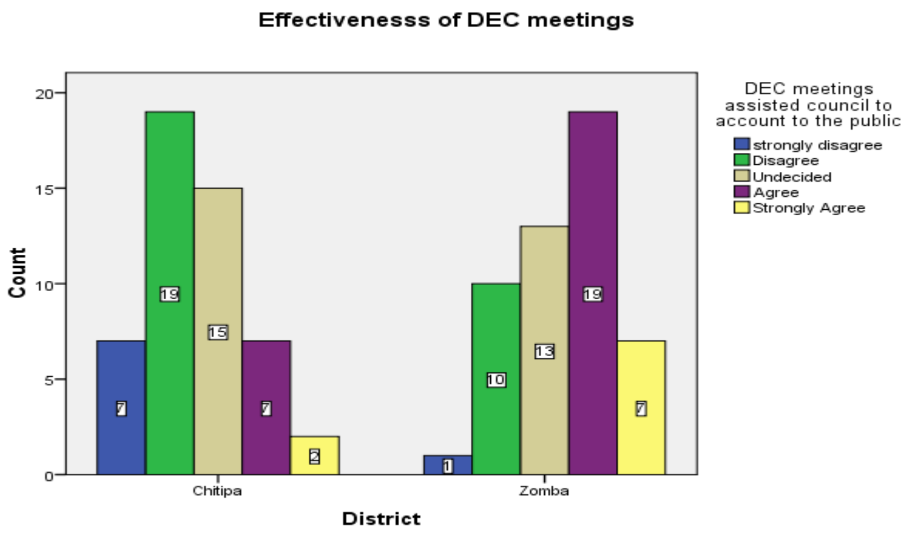

Figure 3: showing public's perception of the effectiveness of DEC meetings.

In figure 3 above, it is clear that more respondents in Chitipa, 19 people out of 50, representing 38% disagreed that DEC meetings assisted in making their council more accountable to its general public. Since there was no active District Consultative Committee in the district, DEC acted as both a consultative forum as well as a technical arm of the council. In some instances when such forums were facilitated by CSOs, local people were in attendance and some crucial decisions were made.

On the contrary, the same sizeable number of respondents in Zomba (38%) agreed that their DEC meetings assisted in making their council more accountable to the general public. These findings were not surprising considering that DEC meetings in Zomba District, as opposed to those in Chitipa District, were scheduled monthly on their calendar. The absence of scheduled DEC meetings in Chitipa heightened the feeling among respondents that public officials had something to hide from the general public. They were again convinced that the council only conducted such meetings when they suited them. This brings to the fore issues of power in a principal-agent relationship. Thus, agents tend to have more power than their principals due to the resources at their disposal such as information and funds. Due to this, they tend to care less of their crucial role of accounting to their principals. The measures such as the vertical downward accountability give principals seemingly matching powers to that of agents and tend to even up the relationship. It can therefore be concluded that the care less attitude of agents to account and the lack of powers to sanction public officers for their failure to account effectively kills vertical downward accountability. Zomba District Council could have performed better than Chitipa District in this instance because of the council's efforts to cede part of its power to its citizens by allowing them to have partial information through DEC meetings.

4.4.2 Public notices on financial expenditure information

This study again asked if the councils used public notice boards to post fiscal information to the general public. It was established that in Zomba 78% said 'Yes' and in Chitipa only 24.5% said 'Yes' with a higher 55.1% saying 'No'. Public notices were used at Zomba District Council whenever information meant for the public became available. This information correlated very well with data gathered through observation at both district councils which established that indeed there were public notices at Zomba District Council that contained information on public finances. In Chitipa District, on the other hand, there were no public notices on financial matters on their public notice boards. Please refer to annexes 2, 3 and 4 at the end of this study and figure 4 (below) for pictures which were taken from both district councils in order to appreciate the pictorial observation.

Through the notices, it was observed that Zomba District Council received MK 81, 183, 166.00 ($ 198, 008) and Chitipa District Council received MK 27, 929, 187.00 ($ 68, 120) (see annex 4). As it can be noted, Zomba district received more funding than Chitipa district. This was in line with the National Decentralization Policy (1998) which apportions more resources to districts based on poverty indicators, population size, equalization, and responsiveness of the district in per capital increase in revenue generation, among others. The same continues to date. In the 2015 / 2016 National budget, for example, the total approved budget for Zomba district council was MK1, 137, 336, 198 ($ 2, 773,990) and it received MK 362, 064, 518 ($883,084) in July – September 2015 quarter. On the other hand, total approved budget for Chitipa district was MK 685, 883, 278 ($1,672,886) and it received MK 127, 729,723 ($311, 536) within July – September 2015 quarter[14]. As it will be pointed out later, this had implications on scaling up developments in those districts that received less funding such as Chitipa District. Possibly, the more the funding from central government to the district council, the more the council felt it needed to comply with both vertical upward and vertical downward accountability. It could again be suggested that with more funding, within a small geographical area, and faced with a huge population that represented many principals with numerous expectations, the council was faced with increased demands to display its fiscal information on the notice boards. Accessibility of the council offices which were close to the main road could also have played a role. Figure 4 below shows notice boards in Chitipa District.

[14] Ministry of Finance, Economic Planning and Development, Lilongwe

Figure 4: Public notices at Chitipa District Council

From figure 4 above, it was observed that Chitipa District Council posted only adverts from companies, notices about vaccinations, weddings and sale of items such as wood by forestry department. Information on finances was not posted. When quizzed why, some officers at Chitipa District alleged that it was not their responsibility but rather that of the office of the District Commissioner. To them, their job was concluded when they made fiscal information available to the DC who was in turn supposed to share it with different stakeholders via, among others, public notice boards. The study found that this was just a mere excuse since most of those interviewed had worked at the council for more than three years and were familiar with the procedures. Such negligence was a clear premeditated attempt to frustrate aspirations of the Local Government Act (1998) that stipulated that,

> The Assembly shall publish not later than six months after the end of each financial year an annual report of its work and of the local government affairs of its area for the preceding financial year, a copy of such report shall be … deposited at every public office of the Assembly and be made available for inspection free of charge by any interested person during normal hours of business (section 42:2).

Although Zomba District Council attempted to post its fiscal information on its public notice boards, the study found that such information was often in English and mainly at district council offices. No such information was posted in vernacular language nor posted within the local communities. In addition, there was no attempt to simplify such information into a usable format that could easily be digested by those with low education levels in the two districts who are in majority. Thus, although information was posted onto public notice boards in Zomba District, it was hardly accessible by the general public due to logistical and language barriers. According to the accountability theory used in this study and as argued by Bovens (2006) the council here does not qualify as being accountable since there was no public accessibility of the account given and that it was purely internal and discrete information. Thus, agents posted such information as a way of conforming with the legal requirements and not necessarily to provide account to principals who were critical players in the accountability chain. The council was only trying to be a good agent but not necessarily being accountable. The council deliberately limited the extent of its transparency as much as possible thereby tilting the power pendulum in its favor in the principal agency relationship. Thus, despite the council being seen to discharge vertical downward accountability, fiscal accountability was still translucent. The community would notice fiscal information on their notice boards but not adequate and clear enough to call the council fiscally accountable and not inadequate enough to call the council not accountable. Although the degree of control is expected to be high on financial matters, as argued by Lindberg (2009), this study established that this was dependent on availability of information and willingness by agents to provide the same for principals to act whenever they checked agents.

4.4.3 Councils usage of local structures and modern spaces

The study wanted to find out how the two councils of Zomba and Chitipa used the local governance structures such as ADCs, VDCs and other modern ways in order to account to their general public on their fiscal matters. During the investigation, the study established that Zomba District Council used ADCs and VDCs to account to its general public on its finances. Thus, in respect of ADCs and VDCs, 82% of respondents in Zomba agreed that the council used ADCs and VDCs to account to its general public. Respondents in Zomba also agreed that the council used both radio (64%) and public hearings (70%). On the contrary, Chitipa District Council sparingly used ADCs and VDCs. Mostly these were used on an ad hoc basis in order to account to the general public. Chitipa again hardly used radio and public hearings. Thus, on the usage of ADCs in Chitipa District, 36% said 'Yes' whilst 38.8 % said 'No'. With regard to the usage of VDCs in Chitipa, only 16.3 % said 'Yes' and a big number of 49% said 'No'. As opposed to Zomba District which used public hearings to account to its general public, Chitipa District did not use this forum / space nor did the council use the radio. This was evidenced by the 4.1% who said 'Yes' and 77% who said 'No' to the usage of public hearings; and 8.2 % who said 'Yes' and 75.5% who said 'No' to the usage of radio. Considering the vastness of the district coupled with a hilly terrain that made access to remote areas by vehicles a nightmare and poor radio signals, Chitipa District Council could be justified in not using the radio and public hearings. Additionally, it could have been due to limited funding the council received that made usage of these forums not viable. All the other factors being equal, the council ought to have strategized to promote and support ICT development in the district. In not using and planning to use ICT, this suggested that Chitipa District had not fully embraced ICT as a tool for development. This was contrary to the Malawi Growth and Development Strategy II that recognized a well-developed information and communication system as essential for the development of the country. This again points to the fact that MGDS II was just a document that was filed away and did not guide the operations of Chitipa District Council.

Although the two district councils differed greatly on the aforementioned methods of accounting to their general public on their finances, the study found that both did not use internet to account to their general public (in Chitipa: 2% said 'Yes' and 59.2 % said 'No'; in Zomba 6% said 'Yes' and 64 % said 'No'). The two councils also did not use other means such as telephones, letters or leaflets that had an advantage of keeping information longer and the ability to assist the account holders absorb any information at their pace and time. These methods could therefore accord account holders with hard evidence whenever they engaged different stakeholders / agents. Considering the selfish motives of agents as established in this study, this researcher is persuaded to believe that failure to use these methods was a calculated move to frustrate vertical downward accountability. If these methods were utilized, the principals could have more reliable information they needed to demand accountability from their agents. It was precisely for this reason that the councils did not share their information using these forums. The agents ensured that the principals were less informed and that they were the only ones privileged with information. This is what Gaventa (2006) calls the usage of invisible power where significant problems and issues are kept away from the decision-making table, but also from the minds and consciousness of different players involved including the affected. This therefore influences how they think and ultimately their beliefs and sense of acceptance of the status quo. A field experience below further illustrates the Gaventa (2006) argument.

During data collection in Chitipa, the researcher sourced a revenue collection report compiled by a Market Supervisor on 26th August 2014. The CSO member from whom it was sourced made it clear that the report was 'highly classified' and needed not to be made public for fear of putting the one who leaked it in trouble. From this experience, it seriously hints on how councils that are required to publicly share public information are in the forefront discouraging promotion of the Local Government Act in order to wield power thereby confounding the very spirit they were founded upon. This could be equated to a 'snake eating its own tail' and in no way can vertical accountability survive in such a situation.

Despite the existence of the aforementioned means of engagement, the study found that although some attempts were made by Zomba District Council to divulge information on their finances to its general public, which Chitipa District Council did very little, the existing forums / spaces did not give detailed information to the account holders. Additionally, the forums were not viable means that provided account holders with an opportunity to interrogate the agents to justify their actions for possible sanctioning. Whenever ADCs and VDCs asked questions during forums they attended, their questions were not adequately responded to. In some instances, public officers were rude and harsh. This made account holders feel powerless and unable to make any informed judgment let alone give sanctions. It could be that such forums merely served the selfish motives of council officials who pocketed allowances under the pretext of meeting ADCs and VDCs within their communities.

In this instance, the agents were the prime movers and beneficiaries when in fact it could have been the opposite. Here the study concurs with Chasukwa and Chinsinga (2013) that it still remains a problem on how to motivate the agent to perform to the benefit of the principal.

This far, this study has found that instead of the forums / spaces acting as accountability forums, they mostly acted as information dissemination channels with little or no attempt at justifying some decisions or financial allocations. These forums failed to stretch beyond mere exercises of transparency. They were space / forums that acted as opportunities for the councils to amass more power, pocket allowances and rubber stamp decisions already agree by the council secretariat or the central government. This is what Arnstein (Tesoriero, 2010) refers to as tokenism where people consulted or informed about a decision really have little or no power to change anything, further endorsing existence of vertical upward accountability.

In conclusion, of all the spaces or forums that were used for fiscal accountability in both Chitipa and Zomba District, respondents believed that face to face meetings either at DEC, ADC or VDC level were the most effective means of accounting to the general public. Such spaces / forums at either the council or community level, as opposed to the use of noticeboards, offered an opportunity to the general public to engage the agents where sensitive information was solicited and agents interrogated to clarify some decisions. These views clearly align with the accountability theory as used in this study. With regard to the use of modern spaces or ICT such as internet and telephones, this study found that both district councils performed poorly on their usage of such forums. The findings indicated that the general public still valued vertical downward accountability having been let down by the realities of vertical upward accountability which served personal interests of agents. Although respondents valued meetings as critical to holding their agents to account, the stunning finding in this study is that such meetings were never open to the general public. Gaventa (2006) calls them '*closed spaces*'. Often, a few people were invited between 1 to 50 participants. The disadvantage of using such a small group, as hinted by a senior government official in Zomba District, was that

> Communicating with such a small group is always based on the assumption that the group will carry the received message to their various communities, which was often never the case.[15]

The use of a small group was not ideal considering the absence of Councilors who were at the focal point of whichever direction — horizontal or vertical accountability (Chasukwa & Chinsinga, 2013). Chasukwa and Chinsinga (2013) further argued that in the absence of a councilor, accountability is among the non-elected officials themselves which this study has indeed established. This paper therefore argues that lack of councilors suffocated the legal mandate of the councils but also incapacitated genuine community representation by further closing up spaces for effective contribution. In the absence of councilors, the use of any forum or space could only save as an information dissemination tool and not more. Such forums never offered opportunities for genuine interrogation, justification and sanctioning of the agents by the principals.

[15] Interview with a senior government official in Zomba district

4.5 Relationship between existing forums and fiscal accountability

In order to find out if there was any relationship between existing forums that were used in Zomba and Chitipa District Councils and fiscal accountability, this study used Spearman's Rank order correlation to test the hypothesis below.

H_0[16]: There is no significant relationship between existing forums and fiscal accountability in Zomba and Chitipa Districts.

H_A[17]: There is a significant relationship between existing forums and fiscal accountability in Zomba and Chitipa Districts.

Running the test, the study found the following results in Table 1.

[16] Null hypothesis
[17] Alternative hypothesis

Table 1: Calculation of Correlations in Zomba and Chitipa District

	FORUMS	Accountability at the council (Sig. 2 Tailed)	Correlation Coefficient
1	Lodge appeals, petitions	0.000	.364**
2	Public notice boards	0.000	.446**
3	ADC	0.000	.505**
4	VDC	0.000	.576**
5	Radio	0.001	.317**
6	DEC	0.000	.412**
7	Internet	0.039	.207*
8	Public hearings	0.000	.472**
9	Others (Letters, telephones)	0.000	.355**

**. Correlation is significant (Sig.) at the 0.01 level (2-tailed).
*. Correlation is significant at the 0.05 level (2-tailed).
N = 100
$p < 0.05$

The relationship between existing forums and fiscal accountability was investigated using Spearman's Rank order correlation coefficient. The results from table 1 above showed that all the forums (1, 2, 3, 4, 6, 8, and 9) had a sig. value of 0.000 except for forums (5) and (7) that showed the Sig. values of 0.001 and 0.039 respectively. However, both values under (5) and (7) are still less than the *p*-value of 0.05. Since the statistical analysis showed that the significance levels were all below the cut-off value of 0.05 the decision was therefore to reject the null hypothesis and accept the alternative hypothesis which said that '*There is a significant relationship between existing forums and fiscal accountability in Zomba and Chitipa Districts'*. This meant that generally there was a strong correlation between all forums in Zomba and Chitipa Districts (appeals / petitions, public notice boards, Area Development Committees, Village Development Committees, DEC meetings, public hearings, radio, internet, telephone and letters) and fiscal accountability, with the effects of forums being strongly associated with fiscal accountability. This association was not that strong for the forums such as radio and the internet.

The study carried out another statistical analysis for the two districts separately to find out if the existing forums had any significant relationship with fiscal accountability. The objective was to find out if the results would show a different picture from the one established in Table 1 above. The null hypothesis was that "*There is no significant relationship between existing forums and fiscal accountability in the district council*". When the analysis was carried out, the results found were different in the two districts. Refer to Table 2.

Table 2: Calculation of Correlation in Chitipa District

	FORUMS	**Accountability at the council (Sig. 2 tailed)**	**Correlation coefficient**
1	Lodge appeals, petitions	0.907	-0.017
2	Public notice boards	0.115	0.228
3	ADC	0.168	0.200
4	VDC	0.014	.347*
5	Radio	0.180	-0.195
6	District Executive Committee	0.153	0.207
7	Internet	0.494	0.100
8	Public hearings	0.429	0.116
9	Others (letters, telephone)	0.489	0.100

*. Correlation is significant at the 0.05 level (2-tailed).
**. Correlation is significant at the 0.01 level (2-tailed).
$N = 50$
$p < 0.05$

Table 2 above shows that all the eight forums in Chitipa District had sig. values that were above the *p*-value of 0.05 except for only one forum (4) which has a *p*-value of

0.014. Since the statistical analysis showed a different picture, for the significance levels that were above the cut-off value of 0.05 (1, 2, 3, 5, 6, 7, 8, 9) we fail to reject the null hypothesis and cannot accept the alternative hypothesis. Only the forum (4) – Village Development Committee, had the Sig. value which was less than 0.05. The study, therefore, rejects the null hypothesis and instead accepts the alternative hypothesis. What these results mean, therefore, is that in Chitipa district, *there is no significant relationship between existing forums and fiscal accountability in the district council.* However, only the forum of Village Development Committees showed to have a significant relationship with fiscal accountability.

When statistical analysis was run for Zomba District Council, the results were quite different from those of Chitipa District Councils as depicted in Table 3.

Table 3: Calculation of Correlation in Zomba District

	FORUMS	**Accountability at the council. Sig. (2 tailed test)**	**Correlation coefficient**
1	Lodge appeals, petitions	0.003	0.408**
2	Public notice boards	0.034	0.301*
3	ADC	0.000	0.520**
4	VDC	0.001	0.440**
5	Radio	0.082	0.248
6	DEC	0.017	0.337*
7	Internet	0.119	0.223
8	Public hearings	0.009	0.368**
9	Others (letters, telephone)	0.020	0.329*

N = 50
P < 0.05
*. Correlation is significant at the 0.05 level (2 tailed).
** Correlation is significant at 0.01 (2-tailed)

The results in table 3 above show that seven forums (appeals / petitions, public notice boards, Area Development Committees, Village Development Committees, DEC meetings, public hearings, and others - telephone and letters) had sig. values that were less than 0.05. The two forums of radio and internet showed that they had sig. values that were more than 0.05. The decision here means that for the seven forums with Sig. values less than 0.05, the null hypothesis is rejected and the alternative hypothesis is accepted. This simply means that there was a significant relationship between these seven forums (appeals / petitions, public notice boards, Area Development Committees, Village Development Committees, DEC meetings, public hearings, telephone and letters) and fiscal accountability. On the contrary, for the two forums (radio and internet) the study failed to reject the null hypothesis and could not accept the alternative hypothesis. This simply means that there was no relationship between the forums of radio and internet and fiscal accountability.

In conclusion, when Zomba and Chitipa District Councils were analyzed together, the general picture was that there was a significant relationship between all the nine existing forums and fiscal accountability. However, when the two districts were analyzed separately, the results were quite different. In Chitipa District an analysis showed that there was no significant relationship between the eight existing forums and fiscal accountability. However, only a VDC forum showed a significance relationship with fiscal accountability. It should be pointed out that VDCs are the lowest structures at the community level that provides a direct interface with the community. A significant relationship between VDCs with fiscal accountability is more evidence that vertical downward accountability is vital in achieving fiscal accountability. In Zomba District Council, on the other hand, the analysis showed that there was a significant relationship between the seven existing forums and fiscal accountability. This could be a reason why Zomba District Council performed better than Chitipa District. Thus, any manipulation in any of these forums had an impact on fiscal accountability in the district. However, the study found that there was no significant relationship between the forums of radio and internet and fiscal accountability. The findings on internet and radio in Zomba raises questions of how these modern spaces are used in Zomba. The findings suggest that Zomba District Council, just like Chitipa District, had not adequately exploited usage of ICT as a tool for advancing fiscal accountability and ultimately development. This suggests lack of innovation on the part of agents to better share fiscal information and be held to account.

4.6 Transparency and accessibility of fiscal information

The preceding section has established that generally there was a significant relationship between existing forums and fiscal accountability in the two districts. However, when analyzed separately Zomba District showed that more of its forums had a significant relationship with fiscal accountability. In the following section, the study builds upon these earlier findings and discusses degrees of transparency and accessibility of fiscal information in the two districts. It should be remembered that transparency is generally regarded in this study as a prerequisite for accountability. This study argues that the degree to which transparency was exercised in the two districts had far reaching implications on fiscal accountability and how districts performed and delivered on their public services.

Using results from structured interviews, the study established that when councils made their information available to the general public, various public financial reports were rarely shared. To say the least, such information was hardly accessible. In instances where councils attempted to share such information, rarely did the shared information contain the much needed details. In Zomba, for instance, when respondents were asked if audit reports were shared with the general public, 30% said ‘No’ while 36% said ‘Yes’, representing a marginal difference between ‘yes’ and ‘no’. In Chitipa, 82% said ‘No’ whilst only 6% said ‘Yes’. These findings show that Chitipa District, unlike Zomba District, was more reluctant to share its financial information, for example its audit reports, with the general public even when such documents were public documents as per the Local Government Act (1998). The failure to share such documents could possibly be as a result of the numerous instances of abuse of public funds and flouting of procurement procedures as documented in the auditor’s report, for example, the *Report of the auditor general on the Accounts of the city, town and District Councils for the years ended 30th June, 2006, 2007 and 2008.* Thus, councils did not want their communities to know how they abused public funds meant for their community development. Without such evidence, it was extremely difficult for principals to question and sanction responsible officers. However, it was not the case with other oversight institutions that were shared these reports. Absence of remedial measures in the form of sanctions by oversight institutions evidenced ineffectiveness of diagonal accountability.

When respondents were again asked if their council shared with them mid-year budgets, only 2% in Chitipa said ‘Yes’ while over 80% said ‘No’. The 18% of respondents said they ‘did not know’. In Zomba, on the other hand, close to half 49% said ‘Yes’, 30.6% said ‘No’ and 20.4% said ‘did not know’. This study noted that those who said ‘yes’ were particularly the elites and not local illiterate communities. For instance, within the categories of education those who said yes were particularly those with a degree or above qualifications (18.4%), Malawi School Certificate of Education / Junior Certificate qualifications (18.4%) and Primary School Leaving Certificate (5%). Those who said ‘NO’ were the same groups with Primary School Leaving Certificate (14.3%), Malawi School Certificate of Education / Junior Certificate qualifications (8.2%) and degree or above qualifications (6.1%). Under ‘occupation category, those who said ‘Yes’ were CSOs (12.2%), chiefs and their communities (12.2%) and religious leaders (8.2%). Those who said ‘No’ under this category were chiefs and their communities (12.2%), CSOs (6.1%) and district council officials (6.1%).

Just like on audit reports, Zomba District Council was more receptive than Chitipa District on sharing mid-year budgets. Despite Zomba sharing its reports, it was established that both councils did not value input from their general public. Councils considered themselves better placed to understand government documents and how such documents were linked to overarching government documents such as Malawi Growth and Development Strategy II, Vision 2020, among others. Using such excuses, councils refused to share mid-year budgets with their general public. On the contrary, respondents did not think that they were handicapped in understanding the reports. They contended that within their communities there were retired government officers some of whom were now serving in ADCs or VDCs and could easily understand technical jargon contained in such government documents. Whilst it made sense that agents did not share fiscal information due to low literacy levels among the communities, this study argues that councils did not go an extra mile to ensure that fiscal information was in a simple and usable format. This further suggests that agents celebrated in the high illiteracy levels of their principals and used it as a legitimate excuse to deny them fiscal accountability. This paper again thinks that principals were denied the reports for fear of raising expectations among the principals vis-à-vis fewer forums to counter such expectations. If shared, it could have ignited massive demand for adherence to vertical accountability which the council was not ready to handle.

The study also asked respondents if they were given financial performance assessment reports by their councils. These reports are critical since they explain whether the council performed as expected in meeting its benchmarks. Some of these reports document how different projects within LDF Programme or CDF were implemented, challenges encountered and recommendations made on how they could be improved in future for the benefit of the citizenry. Thus, such reports also hint on how either a principal or an agent could behave or act in order to improve project implementation. Without such an assessment any slippages remain unattended. The 80% of respondents in Chitipa said that they were never given any financial performance assessment reports by their council (only 2% said they were given and 18% said 'did not know'). This could possibly explain the poor performance of Chitipa over Zomba District. The prevalence of mismanagement of CDF is evidence of lack of financial performance reports.

On the other hand, 48 % of the respondents in Zomba said that their council shared such financial performance assessment reports, 34% said 'No' whilst 18% said they 'did not know'. The picture painted here is that there were efforts by Zomba District Council, unlike Chitipa District, to try and share its financial performance assessment reports though not to the satisfaction of its general public. Respondents in both districts believed that most of these reports and documents when shared, it occurred behind closed doors (Chitipa – 20% agreed and 30% strongly agreed; Zomba – 26% agreed and 34% strongly agreed). Sharing of such vital public documents behind closed doors perpetuated sentiments that public documents, when shared behind closed doors, remained not public and therefore not meant for public sharing and consumption. This is a clear case of what Gaventa (2006) calls 'closed spaces' where only a few are privileged. This study therefore argues that agents tricked the principals by manipulating the environment where such public documents were shared for their own benefit. In so doing, agents adhered to the legal requirement of making public documents public whilst at the same time succeeded in suffocating vertical downward accountability that was vital for fiscal accountability. It is for this reason that Chitipa District Council had "*a number of substandard projects like poorly constructed concrete slabs on Chitipa – Misuku road; and a guardian shelter at Chitipa District Hospital, just to mention but a few*"[18].

The study again investigated reasons why Zomba and Chitipa District Councils were not interested to share their reports and documents which were prerequisites to

[18] Interview with a Business women in Chitipa district

effectively hold councils accountable. Figure 5 below highlights some of the reasons that respondents gave during the survey.

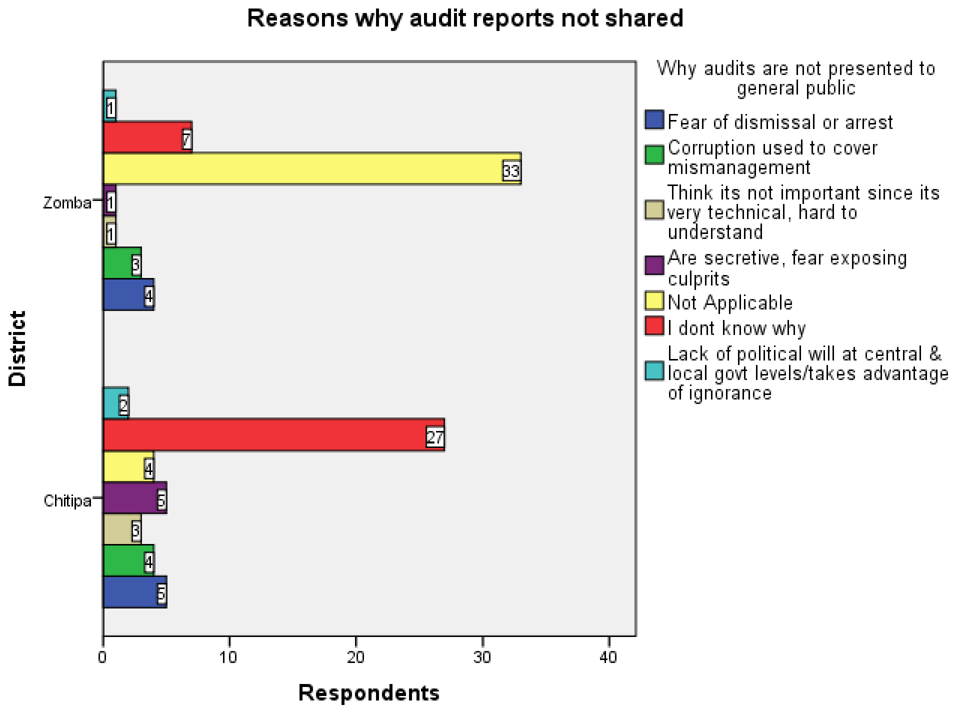

Figure 5: Chart showing reasons why audits were not shared

Apart from the majority of respondents in Zomba to whom this question did not apply, from the findings in figure 5 above, the majority of respondents in both Chitipa and Zomba District Councils did not know why their councils were unwilling to share the audit reports. The second majority felt that their councils were very secretive and feared sharing of such reports would expose their friends who were culprits. "*In situations where they indeed mismanaged finances, such friends would either get dismissed or arrested*".[19] Sheer corruption among public officers was also mentioned as another reason. The stunning finding, however, is that although the general public did not have powers to sanction its agents, as established

[19] Interview with a Government officer in Zomba

in this study, agents still feared the account holders. This confirms a play out of principal agent theory and its assumed social relationship between principals and agents. In this instance, agents were never sure how the account holders would react once in possession of public documents such as audit reports. This alludes to the fact that government officers were aware that they could be disciplined if they mismanaged public funds as per the Public Finance Management Act (2003). Public officers feared activities by principals that could push into motion effective vertical upward accountability. Hiding any information that shielded them from interrogations and disciplinary measures was, therefore, of paramount importance to them.

The study again found a concurrence of responses from structured questionnaires and face to face interviews. In all cases, respondents expressed that in the absence of sanctions to misbehaved public officers, '*local councils were not accountable to anybody but themselves*'[20]. This meant that there were serious challenges in the adherence to vertical accountability. Thus, it is difficult to argue that local councils were accountable to central government.

Similar reasons on why midyear budgets and financial performance assessment reports were not shared with the general public are captured in the figure 6 below.

[20] Face to face interview with a CSO representative in Zomba

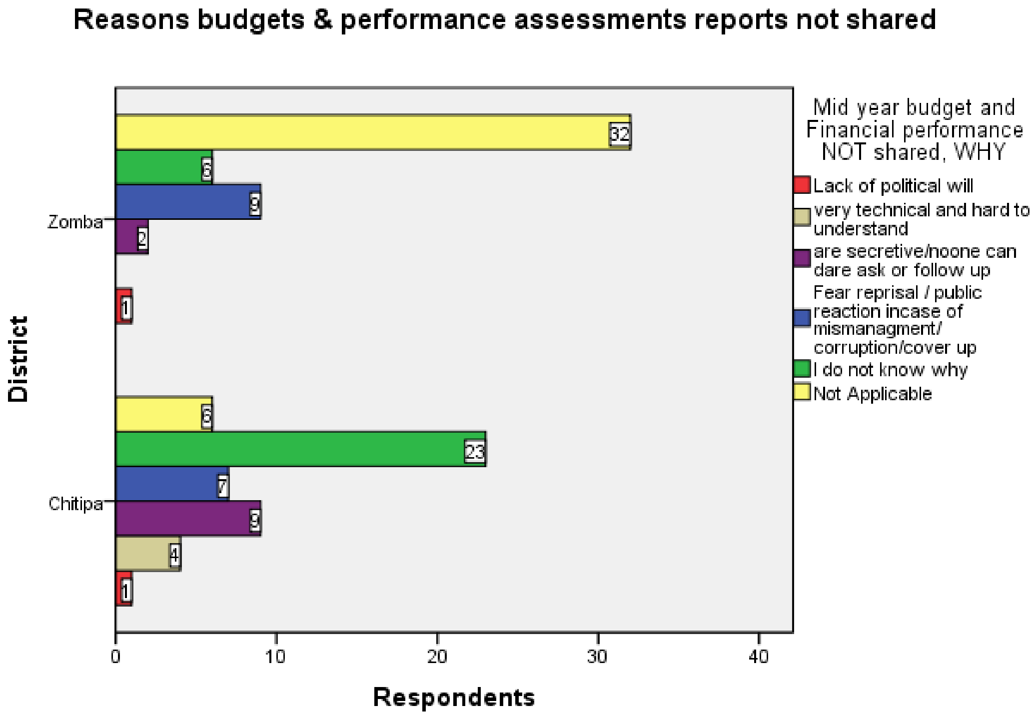

Figure 6: Reasons mid-year budgets and financial performance reports are not given

The majority of respondents in Chitipa did not know why their councils failed to give them both mid-year budgets and financial performance assessment reports. On the other hand, the majority of respondents in Zomba thought their council officials were corrupt and acted to cover up their tracks whilst other officials feared reprisals from the public in cases where finances were indeed mismanaged. Very few people in both Zomba and Chitipa Districts thought that lack of political will on the part of central government played a role. They heaped all the blame on the local governments themselves. Whilst a few respondents in Chitipa said that their council officials alleged that such reports were technical and therefore difficult to understand if shared, no such a response came up in Zomba.

In conclusion, fiscal transparency, though differently played out in the two districts, was heavily frustrated by the tactics that local governments played. As an outcome of the forums and strategies that the two councils put into effect, its low degrees of application renders the strategies in use very ineffective to yield any fiscal accountability.

4.7 Chapter conclusion

In conclusion, this chapter established that the general public was aware that accountability was vital for local developments in their councils. There was, however, a confusion of the concept of accountability with that of transparency. The resultant effect was that there was more demand for transparency than accountability. It has also been established that the aspirations of the National Decentralization Policy (1998) and the Local Government Act (1998) were not respected. This was manifested by the dominance and respect for vertical upward accountability over other forms such as vertical downward accountability and horizontal accountability. Furthermore, the study found that although transparency was exercised by Zomba District Council, this did not mean that the council provided detailed fiscal information with respect to revenue and expenditures. Thus, all the forums and other public financial reports such as audit reports did not contain any detailed information required. This showed very low degrees of transparency for Chitipa District compared to Zomba District. Again, councils were unwilling to be questioned over such fiscal information further evidencing lack of fiscal accountability. This eroded trust among the general public as manifested in the usage of social accountability tools that unfortunately did not yield any positive results.

The study has also found that Zomba District council scheduled its DEC meetings, ADCs meetings, VDC meetings whilst Chitipa District council did not. These forums offered a face-to-face engagement and were found more effective in promoting fiscal accountability since they offered opportunities for vertical downward accountability, measures of interrogation, judgment and sanctioning. DEC meetings in Chitipa, however, were found to be much more ineffective than those in Zomba. Despite existence of these forums, these did not convincingly achieve fiscal accountability.

It was again established that Zomba District Council, compared to Chitipa District, posted relatively more fiscal information on the public notice boards. However, the public notice boards mainly served as information dissemination tools and were ineffective fiscal accountability forums. Whilst Zomba District also used public hearings and radios, Chitipa district did not use any of these. It was again found that both districts did not use modern forums such as the internet despite Malawi Growth and Development Strategy recognizing their importance. There was also no evidence to suggest that both councils were planning or strategizing to move towards cost effective measures such as digital forums that could enhance fiscal accountability.

Using Spearman's Rank order correlation, the study found that generally there was a significant relationship between all the nine existing forums and fiscal accountability in both districts. Analyzed separately, results in Chitipa district showed that there was no significant relationship between the eight existing forums, save for VDC, and fiscal accountability. This evidenced the importance of vertical downward accountability since VDCs were at the lowest tier of the local governance structure. In Zomba District council, results showed a significant relationship between the seven existing forums and fiscal accountability. No significant relationship was established between the forums of radio and internet and fiscal accountability.

CHAPTER FIVE

OTHER DRIVERS OF FISCAL ACCOUNTABILITY

5.1 Introduction

This chapter investigates other factors that played a role in the fiscal accountability of Zomba and Chitipa District Councils. It starts with highlighting developments and the challenges of not implementing access to information law. It proceeds to explore the role that civil society organisations played at local level considering that, either service providers or watchdogs, allegedly represents the local people. Lastly, the paper investigates other underlying structures or factors that play a crucial role in promoting fiscal accountability at local level. The Chapter concludes by hinting on the stored hopes that people had with the coming of local councilors who seem set at changing the status quo of fiscal accountability, even with all other factors held constant.

5.2 Enabling legislation, enforcement and access to information

Attempts at accessing public fiscal information in the two district councils of Zomba and Chitipa was found to be very hard but also a game of hide and seek between the principal and the agent. It was such a daunting task but evidently a sure way to bring on course vertical downward accountability. Despite existence of an enabling legislation and policies such as the Public Finance Management Act (2013), the Local Government Act (1998), and National Decentralization Policy

(1998), this did not translate into unlocking the much needed access to public fiscal information.

Access to public information is vital for a number of reasons. When information is readily accessible to the general population, citizens will discover more information about policy decisions and processes that interest them (United Nations, 2007). As a result of this, citizens' ability to actively participate in the policy process will be enhanced, thereby improving the quality of democracy and trust in their government. This deters bureaucratic secrecy, reduces corruption, and constrains powers and behaviors of special interest groups. In the context of this paper, it was found that principals had few or no opportunities to make their voices heard and hold agents to account. It is in such a scenario when the voice of a principal decimates that its amplification is required. In this regard, the media becomes critical in adding their voice in strengthening the demand side of an accountability see-saw. Thus, access to information, once again, becomes critical to provide latitude for the media to operate.

In Malawi, the voice of the media met a number of setbacks on the subject of access to information. In an attempt to amplify this voice, The Media Institute of Southern Africa (MISA) Malawi drafted an Access to information (ATI) bill in 2003 which was, until December 2016, fourteen years down the line, yet to be enacted into law. Thus, these findings speak specifically to the period between 2005 and 2014.

The delay to table and pass the access to information legislation for over fourteen years hinted on the low levels of commitment by the executive branch of government to open up government and allow vertical downward accountability take root. The protracted delays to enact ATI into law could be construed as a conspiracy between the central government and local government to close up access to public information and a calculated strategy to keep power and control over how far the vertical accountability pendulum could swing. This study agreed with the Zomba District Commissioner who believed that if Access to information bill was enacted into law then, it would operationalize the right to accessing public information by the general public and the media. Once in the hands of the media, public information would be published making it widely accessible to the general public. Such published information would be critical evidence that principals would use in whipping agents in line which was not the case during the period that this study focused. Among others, information to be accessed would have included audit reports, mid-year budgets, and financial performance assessment reports, among others. The senior information officer in Chitipa also concurred with the Zomba district commissioner when he said,

> This legislation will go a long way in changing the current landscape on access to information as public officials will no longer have an excuse to deny providing public information. Officials will be afraid to refuse anyone access to public information since doing so will attract a court intervention.[21]

Although the Local Government Act mandates the local councils to post public information to the public, the study found that enforcing this has been a challenge, further underscoring the fact that vertical upward accountability has also been challenged and effectively made dysfunctional. This study argues that there is a greater chance that with the Access to Information bill now enacted account holders

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[21] Interview with a District Information Officer in Chitipa

now have more power than was the case in the past since their voices are now 'amplified'. Organisations, including local councils, will be legally bound to give information in the form that is requested. This is not the case now with the existing laws of the Public Finance Management Act and the Local Government Act that rely heavily on the agents to act and provide information. It should be pointed out that although the access to information law has now been enacted, effectively unlocking access to public information, it stills remains a daunting but not an impossible task since about 22 acts of Parliament have provisions that act as barriers to accessing public information[22].

The action to enact the Access to information law could be viewed as another way of introducing diagonal accountability mechanism that would supplement vertical and horizontal accountability mechanism in an effort to enforce accountability. In the absence of this law, this study established that account holders remained powerless as district councils continued to use excuses to hide public information. It remained problematic to access public information any time despite the Local Government Act clearly stipulating in section 42 that the council shall publish not later than six months after the end of each financial year an annual report of its work and of the local government affairs of its area for the preceding financial year, and a copy of such report made available to the general public, media, and the Minister. Many respondents interviewed agreed that it was not possible to access any financial information anytime at the council despite such a legal provision. In Chitipa District, for instance, 42% strongly disagreed and 22% disagreed; only 8% strongly agreed. In Zomba on the other hand, 36% disagreed and 2% strongly disagreed; only 12%

[22] http://mwnation.com/malawians-battle-to-access-public-information/

strongly agreed. Respondents in both the districts unanimously hold that their councils needed to improve on how they provided their fiscal information to the general public if fiscal accountability was to be achieved. (Chitipa – 64% strongly agreed and 34% agreed; in Zomba 54% strongly agreed and 34% agreed).

In conclusion, with the absence of an enabling legislation within the period of this study to force access to public documents, accessing public fiscal documents was a big challenge. It could be argued that by enacting access to information law, this adds another diagonal accountability mechanism that will make it mandatory for public officers to provide public information which was problematic until December 2016. Despite the daunting task to indeed access public information, enacting the law promises to 'amplify' the voices of principals since the media will now have more latitude to operate. The quest by the media will strengthen the demand side of public information. The question that this study thinks should be subjected to further research is whether the enacted access to information law will really unlock access to public information bearing in mind that the existing Public Finance Management Act (2003), the Local government Act (1998) and the Procurement Act (2003) have not achieved access to information. However, the fact that most respondents in the two districts unanimously expressed the need for their councils to improve access to public information is a clear indication that fiscal accountability in Zomba and Chitipa Districts were seriously undermined and that something needed / need to be done.

5.3 Civil society organisations and fiscal accountability

The term civil society organization (CSO) is one of the all-encompassing concepts. Brady and Stassen (2013) define it to mean

> Community groups, Non-Governmental Organisations, labor unions, indigenous groups, charitable organizations, faith-based organizations, professional and business associations, foundations, research institutions, gender and LGBT[23] organizations, cooperatives, the not-for-profit media, and online groups and activities including social media communities that can be 'organized' but do not necessarily have physical, legal or financial presence, p8.

This study investigated CSOs because it is generally understood that they represent the views of ordinary people. The three major roles of CSOs include watchdog function, policy formulation and service delivery (Jones & Tembo, 2008; Brady & Stassen, 2013). With reference to the definition above, this study established that Zomba and Chitipa District Councils had a proliferation of CSOs operating in their districts, with 30 CSOs in Zomba and 17 CSOs in Chitipa (Zomba District Assembly, 2009; Chitipa District Assembly, 2011). These included CBOs, NGOs, and Faith-based groups, among others. However, not all CSOs were recognized and engaged by the councils and not all were present at different council forums as legal structures that demanded an account. Councils largely recognized and engaged CSOs that received funding from international agencies mainly because these were the ones that matched both their financial stamina as well as qualified staff. This neglect that local councils practiced fueled the process of local elite capture as already alluded to elsewhere in this study. The elite capture risked distorting the exercise of accountability (United Nations, 2007).

[23] Stands for lesbian, gay, bisexual and transgender

In Zomba, CSOs that were engaged by the council included both the watchdog CSOs as well as those into service delivery. Among others[24], they included Save the Children, World Vision, Malawi Economic Justice Network (MEJN), and Youth Network and Counseling (YONECO). Just like in Zomba, in Chitipa both watchdog CSOs and CSOs that were into service delivery were engaged. They included Action Aid, Women's Forum, and National Association for People Living with HIV / AIDS in Malawi (NAPHAM), among others[25]. This study found that some of these CSOs had representatives in both districts. However, it was not evident whether such presence provided an edge to such CSOs to ably engage their respective councils. What was evident though was the exclusion tactic among CSOs.

This study found that local CSO groups not funded by international organisations were excluded from among the CSO family. The CSOs excluded their colleagues despite promoting adherence to fundamental human rights principles that included the right to participation and non-discrimination. This challenged the notion as to whether CSOs really represented the ordinary people. This study established that the groups that were mostly excluded were local CBOs, bicycle operators, vendors' associations, and Village savings associations, among others. Through exclusion, these CSOs failed to be part of a larger CSO family or group that engaged the local council through the existing legal forums. As a result of this exclusion, their

[24] Other CSOs include: Red Cross, Bwalo Initiative, Creative centre for community mobilization (CRECOM), Age Africa, Dignitas, Civil Society Education Coalition (CISEC), NASFAM, GIZ (German Federal Enterprise for International Cooperation), Catholic Commission for Justice and Peace (CCJP), National Initiative for Civic Education NICE), National Association for People Living with HIV / AIDS in Malawi (NAPHAM), Malawi Carer, Women Legal Resource Centre (WOLREC) and Emmanuel International.

[25] Others were: Women's Lobby, NICE, Tubepoka, MEJN and Church and Society Programme (CSP) of CCAP Synod of Livingstonia.

demands for accountability from their councils were thwarted or not taken seriously. They often found it extremely difficult to hold their councils to account on pertinent issues that squarely concerned them. For instance, bicycle operators in Zomba were frustrated by their council that collected taxes and market fees from them yet denied them the right to freely trade and other economic activities.

Similarly, in Chitipa District the market vendors bemoaned lack of fiscal information. At one point the vendors boycotted paying market fees as an extreme measure to force and demand their council to provide them with financial reports on market fees collections and utilization. In response, the council used armed police and forced the vendors to continue paying market fees without bothering to address their grievances.[26] All these issues taken together consequently weakened CSOs voice on matters of fiscal accountability at the local government level. Again these efforts by vendors elucidate how difficult it is to use social accountability tools to enforce vertical accountability. A quote below exemplifies the frustration of these CSOs:

> There is a lot of hide and seek at the council. When we demand to know the status of our finances at the council through boycotting payment of market fees, the council uses armed police to force us to pay market fees. It is sad, since the council only recognizes us when they want our taxes.[27]

The failure by local councils to include other CSOs during engagement forums which was again supported by fellow CSOs was more prevalent in Chitipa than it was in Zomba. This study is convinced that this contributed to the poor performance of Chitipa District Council than was the case with Zomba. As already established in

[26] An interview with a member of the vendors association in Chitipa
[27] An interview with a member of the vendors association in Chitipa

this study it should again be remembered that Zomba District, as opposed to Chitipa District Council, was more receptive to CSOs.

It should be pointed out that CSOs that were alleged to exclude others were interviewed in order to establish the facts. In their response, they did not agree that they excluded their colleagues from their membership. This question of exclusion brings to light the question of CSO's representativeness which unfortunately is not the focus of this paper. When asked, the CSOs that were accused of exclusion tendencies reasoned that all CSOs were part of their membership only that the councils demanded a sizeable number of CSOs during different forums. This study, however, found that indeed there were some CSOs that were excluded. This was evidenced by the fact that the excluded groups were not provided with any feedback by those that alleged to represent them. Furthermore, they were not aware that they were being represented. This does point to the fact that CSOs in both districts were disorganized. This gave local district councils room not to provide any account to such groupings and ultimately their constituents. Thus, agents took advantage of the poor coordination among CSOs and used it to their advantage not to account to their principals.

5.4 Preference for service delivery CSOs

The CSOs in the two districts were categorized into service delivery and watchdogs. CSOs that were into service delivery were mostly preferred by local councils than CSOs that played a watchdog role and advocated for good governance including transparency and accountability. Such watchdog CSOs included MEJN, CISEC, CCJP, Church and Society Programme, CCJP, NICE and WORLEC. This was mainly because these CSOs critiqued their councils and demanded justifications on some decisions they executed. Additionally, these CSOs sided with the local community in most of the aspects and this irked the councils who thought that in some instances it was the citizenry who were to blame and not them. For instance, councils thought that with a lean budget that they normally received from central government, CSOs would understand whenever some projects were not successfully implemented. Again, councils thought CSOs were playing double standards since they were not themselves accountable to their beneficiaries, including the council, on the resources they received and utilized. In all this, it points to the fact that agents were not comfortable with active principals who took up their tasks seriously. They would rather have passive principals who sided with them like service delivery institutions.

Comparatively Zomba District Council had more CSOs than Chitipa District Council. Using their large numbers, CSOs in Zomba District were able to exert considerable pressure on their council to exercise accountability to its general public. This was not the same case with CSOs in Chitipa that were betrayed by their smaller numbers. CSOs in Chitipa were also betrayed by their structural set up. This has been a long standing weakness of CSOs that CSOs are yet to address. On this, the study concurs with Jones and Tembo (2008) that distance from both the government and the grassroots has rendered it difficult for CSOs to develop credible policy alternatives. In the case of this study, most CSOs in Chitipa had smaller satellite offices manned by Project Officers. This was unlike CSOs in Zomba district that had major satellite offices or head offices headed by senior officers. This structural set up in Zomba assisted CSOs to quickly mobilize each other in terms of finances and human resource. It also gave CSOs in the district an edge whenever they engaged the council on fiscal accountability. Thus, council officials viewed such CSOs as equals and rarely shouted or responded to them rudely whenever they requested to justify decisions.

In the case of CSOs in Chitipa, it was totally different. CSOs were not able to quickly mobilize themselves. They relied on their head offices for approvals and financial support which frustrated quick feedback on some issues. Project Officers were again viewed as junior officers and therefore not at par with senior council officers deserving the council's quick feedback, engagement and collaboration. This was evident in a case where a Memorandum of Understanding (MOU) signed between CSOs and Chitipa District Council failed to bear its intended results. The objective of the MOU, among others, was to facilitate sharing of public documents and reports between the two parties. Despite signing the MOU in February 2014, the "*council was not willing to disclose any public documents or implement any of its contents*"[28].

Although district councils did not like to engage 'watchdogs' due to their perceived nature of being 'critiques', the study established that the presence of these CSOs in Zomba and Chitipa Districts was vital and ensured that the councils tried to be fiscally accountable. The 34% respondents in both Zomba and Chitipa Districts respectively agreed that CSOs in their districts played a role in ensuring that their district councils were accountable to their general public on fiscal matters. The 10% of the respondents in Chitipa District and the 28% of the respondents in Zomba

[28] Interview with a CSO member in Chitipa

District strongly agreed to the same. Those who disagreed in Chitipa District were only 10% while in Zomba District they were only 18%. CSOs in Zomba that played a role in ensuring that the council was fiscally accountable included MEJN, YONECO, Civil Society Education Coalition (CISEC), Catholic Commission for Justice and Peace (CCJP), National Initiative for Civic Education NICE), and Women Legal Resource Centre (WOLREC). In Chitipa they included MEJN, NICE and Church and Society Programme (CSP). Some of the activities these CSOs implemented included budget tracking, participatory budget trainings, awareness campaigns on human rights and good governance, and interface meetings between rights holders and duty bearers. In order to find out whether what CSOs were implementing had a significant relationship with fiscal accountability, a correlation test was carried out.

In order to test correlation, the study tested the null hypothesis that '*there was no significant relationship between the role that CSOs played and fiscal accountability in the district*'. It found a significance value of 0.001 for Zomba District Council and a significance value of 0.241 for Chitipa District Council. Since the value for Zomba District was less than the test value of $p < 0.05$, the null hypothesis was rejected and an alternative hypothesis was therefore accepted. This means that in Zomba *there was a significant relationship between the role that CSOs played and fiscal accountability in the district*'. On the other hand, in Chitipa District the significance value of 0.241 was more than $p<0.05$. Thus, there was not enough evidence to reject the null hypothesis. This means that *there was no significant relationship between the role that CSOs played and fiscal accountability in the district*.

From the preceding findings, it can be argued that Zomba District Council, with more ‘watchdogs’, qualified senior officers that ably ‘critiqued’ the council and matched the capacity of the local council officials, performed better than Chitipa District Council that had fewer ‘watchdogs’, with junior officers that could not match the capacity of council officials. This kept Zomba District Council on check and able to roll out a number of forums that had a significant relationship with fiscal accountability in the district. Unfortunately, CSOs could only go thus far. They could not discipline council officials, just like the community, whenever they failed to justify some decisions or misappropriated public funds as required by the accountability theory employed in this study. They only relied on the central government to exert its mandate, but as we have earlier established in this study, this again was problematic. This point to the fact that if CSOs are to impact on fiscal accountability, they need to have capacity to engage the council, be more resourced, organized, decentralize their operations, and employ more tactful means to hold councils to account. If CSOs who are watchdogs and assumed to be more knowledgeable than the community they allege to represent but fail to sanction councils to justify their conduct, it could be fair to argue that CSOs as principals also failed in their duty.

5.5 Underlying factors in effective service delivery

The study established a number of other factors that underlined performance of Zomba and Chitipa District Councils. These factors did set apart one council from the other and they included high rate of vacancies at the local council; quality teamwork and leadership; funding levels and revenue collection of the councils; and existence of a service charter.

5.5.1 High vacancy rates

Performance of Chitipa District Council was greatly undermined by the high rate of vacancies of key senior positions at the council. This was unlike Zomba District which had all its senior positions filled up. The study found that Zomba District council had adequate basic equipment for its operations and had all its key positions filled up with highly qualified staff. However, this was not the case with Chitipa District Council that had its newly promoted District Commissioner (DC) that also lacked equipment such as vehicles for her operations. All the senior officers at Chitipa Council secretariat worked in acting capacities whilst others doubled their roles. The positions where officers worked in acting capacities included that of the Director of Planning and Development, Director of Public Works, Director of Finance and Director of Administration. Those that doubled roles included the Lands Officer who also worked as the Director of Administration, and the Monitoring and Evaluation Officer who also worked as the Director of Planning and Development. The study also established that officers could work anywhere just to fill up existing vacancies even if they did not qualify for those positions. Apart from the fact that the finance department was being headed by an officer in an acting capacity, the department also did not have enough personnel. "*The finance department, instead of the recommended number of five staff members it only (had) two members*[29]. As a critical office on fiscal accountability issue, understaffing in this department contributed to ineffective internal control systems that failed to provide management with timely and adequate information that was critical in policy decision making at the council. This was in a way a license to loot public funds. This could again explain why crucial financial reports were not shared with

[29] Interview with the Senior officer at Chitipa district council

the general public since there were hardly enough staff to produce them. Thus, this study argues that agents felt uncomfortable to provide half-baked reports to their principals. This further evidences existence of ineffective horizontal accountability system in Chitipa.

Although having a small number of staff members cannot automatically translate to ineffectiveness, there are a number of challenges that are associated with officers working in an acting capacity. One of the challenges is that officers, who are unqualified in the role they act, like the Land Officer in Chitipa, are given huge responsibilities in those other demanding positions and in turn fail to fulfill their own duties. Practical challenge which occurred is documented in the quotation below:

> The position of the Director of Public Works is the one which is crucial for reporting on LDF. LDF pumps in over MK 100 million into the district. Without expertise in this position, the district was challenged in professional reporting.[30]

The quote above underscores the fact that Chitipa District Council indeed failed to share its public documents with its general public because there was absence of a qualified officer who could produce a professionally written report worthy sharing. Thus, the Officer acting in the position of the Director of Public Works prioritized executing his duties and regarded duties of the other position as secondary. This affected deliverables on the secondary position.

The other challenge with officers acting in other positions is that such officers are not paid for an extra work in those other positions. This affects their morale and

[30] Interview with the senior Officer at Chitipa district council

delivery since their extra effort is not recognized through remuneration. With the high vacancy rate in Chitipa District Council it was therefore not surprising that the council failed to match the performance of its counterpart Zomba District Council which had enough and well qualified staff.

5.5.2 Team work and leadership

The study again established that there was strong teamwork at Zomba District Council which was missing at Chitipa District Council. Three officers at Zomba District Council secretariat corroborated this finding and pointed out that this was missing in other district councils (such as Chitipa in this case). Good leadership at Zomba District Council was again a critical factor, which, as noted above, was compromised at Chitipa due to high vacancy rate in critical senior positions. The Zomba District Commissioner, for example, played a crucial role in ensuring that the Director of Public Works and the Director of Planning and Development did not clash whilst exercising their duties.

> When these two positions collide, which is often the case in other district councils; they create problems for other employees. Such problems are clearly visible during reporting because each one of them can only report to a certain extent.[31]

The lack of team work at Chitipa District Council contributed to suffocating operations at the council including fiscal accountability. As established before, this had negative consequences on the effectiveness of horizontal accountability that fed into vertical downward accountability. When some officers act in other various positions, they accumulate pressure for themselves and therefore fail to concentrate on their job and be reliable team players. This disintegrates team spirit that manifests

[31] Interview with a senior officer in Zomba district council

itself in poor performance of the council as was the case with Chitipa District. Teamwork is important because it is one of the underpinning characteristics of human resource management which places emphasis on the importance of enhancing mutual commitment (Walton, 1985b in Armstrong, 2006). According to Beer et al and Walton (Armstrong, 2006), it is one approach of creating high commitment organisation by heavy reliance on team structure for disseminating information, structuring work, and problem solving. All of this was missing in Chitipa.

5.2.3 Funding levels and revenue generation

According to the 1998 National Decentralization Policy, local governments have two sources of funding known as central government transfers and locally generated revenues. Government committed to make available to District Councils at least 5% of national revenues, excluding grants, to be used for the development of districts. Government transfers to the councils are in the form of conditional (sectoral funds) and unconditional (general resource funds) grants. Government also collects and cedes to its local councils some of its non-tax revenues. The non- tax revenues include toll fees, gambling and casino fees, fuel levy, motor vehicle registration fees and industrial registration fees.

The distribution of the general resource fund (GRF) is made by government based on the recommendations of the Local Government Finance Committee (LGFC). It is set up in accordance with a formula approved by the national assembly. This formula, according to the National Decentralization Policy, is based on population size, level of development (using agreed poverty indicators), responsiveness and equalization. Chitipa District Council fared fairly well on most of the poverty indicators compared to Zomba District Council (National Statistical Office, 2012; Zomba district Assembly, 2009; Chitipa District Assembly, 2011). Since the formula was used to allocate funding, it is easy to note that Chitipa District Council received far less funding compared to Zomba District Council. For example, Zomba District Council received three times in PWP funding in 2014 amounting to MK 81, 183, 166.00 ($261,881.18) compared to Chitipa district which received MK 27, 929, 187.00 ($90,094.15) (see annex 4). A year later, the same pattern was repeated. In the 2015 / 2016 National budget, the total approved budget for Zomba District Council was MK1, 137, 336, 198 ($3.7 million) whilst that of Chitipa District was at MK 685, 883, 278($2.2 million)[32]. This study argues that the formula in use failed to take into consideration other factors, such as long distances, that resulted into high operational costs whenever local district councils serviced their communities and visited central government for official engagements. For instance, Zomba to Lilongwe is approximately 286km and Chitipa to Lilongwe is approximately 700km. Thus, logically, it cost Chitipa District approximately three times to visit Lilongwe unlike Zomba. Additionally, Chitipa District is one and half times bigger than Zomba. This study established that Chitipa District, therefore, was more likely to incur huge operational costs than Zomba District Council. Such huge operational expenses were likely to have negative financial implications on quality service delivery in Chitipa District. Besides, it made such district councils more dependent on the central government thereby igniting more of vertical upward accountability and less or none of vertical downward accountability. This indeed was noted to be at play in Chitipa District. A response from one senior government official in Chitipa

[32] Ministry of Finance, Economic Planning and Development, Lilongwe

District Council below gives an insight into how the district is financially overstretched and dependent on central government.

> No district in Malawi refers its patients to a central hospital over a long distance of 320 km. Here operational costs are very high. Unfortunately, our government does not listen and is not interested to change the old policy that allocates resources based on some unrealistic factors.[33]

From the interview above, it can be argued that the existing policy does not equally serve Chitipa District and Zomba District. This paper holds the view that there is need to accommodate other parameters that are equally important to make districts like Chitipa improve on its service delivery. Using the current policy is tantamount to using one formula in attempting to solve different problems. This is evidence of full implementation of Breton Woods system without consideration of home grown policies and practices.

Apart from central funding, local governments also get funded externally through sister cities or NGOs. When funds are received from an NGO, the Ministry of Local Government approves the funds before they are received. Such funding is routed through the Ministry of Finance. When received from sister cities, such funding does not pass though the Ministry of Finance. On the NGO funding, the study found that most NGOs operating in the two districts did not channel their resources to the councils. They preferred to implement activities on their own. This was possibly because of the community's perception that district councils were not accountability to their general public. Hence, they feared that they would also not be accountable with their resources.

[33] Interview with a Senior Officer at Chitipa district council

Despite the multiple avenues of funding that exist at local government level, funding to local councils had increasingly been insufficient in real terms. One senior Officer at Zomba district council hinted that "*when budgets from the councils are submitted, allocations never honor these budgets"*[34]. The failure to honor council budgets and the 5% allocations has had negative consequences on the development of local governments in Malawi. This has again compromised local councils' autonomy thereby further sustaining the vertical upward accountability.

Local governments in Malawi also raise their revenue though locally generated means which include property rates, ground rates, fees and licences, commercial undertakings, and service charges. This study found that both Zomba and Chitipa District Councils were heavily engaged in this endeavor. However, their efforts to collect more local revenues were challenged by the levels of seed funding, support they received from central government and their own preference of vertical upward accountability over vertical downward accountability. For instance, Chitipa District Council bemoaned poor roads and long distances[35] that frustrated her efforts to, among others, monitor collection of revenues among its field officers in the remotest and hilly parts of the council, such as Misuku Hills. Due to this challenge, field officers engaged in corrupt practices and often underreported their collections resulting in the council losing out on its local revenues. In this vein, the study did not establish any efforts the council was putting in place to address this issue.

It is against this background that this study contends that the dominance of vertical upward accountability trapped the council into facing more challenges. The vertical

[34] Interview with a Senior Officer at Zomba district council
[35] Interview with a Senior Officer at Chitipa district council

downward accountability, which should have translated into genuine engagement with the general public in the collection, utilization and reporting of its fiscal information was almost non-existent. This study argues that if the general public was effectively engaged (vertical downward accountability) using the decentralised local structure as per the decentralization policy, chances were high that revenue under-collection would have been minimized, under-declaration by council’s field officers and corruption effectively checked thereby translating to prudent fiscal accountability.

5.5.4 Customer Service Charter

Zomba District Council had a Customer service charter whilst Chitipa District Council did not have one. Chitipa District Council believed that once it drafted its own charter it would help the council ensure that it provided adequate services to its people. There were no signs, however, that the council had plans to draft one soon. It remained to be seen whether the charter once in place would change anything amidst the current financial challenges and high rate of vacancies at the council.

On their part, Zomba District Council had a Citizen Service Charter which was developed in 2013 with financial support from Irish Aid and GIZ. One of the core values in the Customer Service Charter was transparency and accountability. Additionally, the council committed itself to a number of customer rights such as the right to participation in the governance of public affairs, and right to receive an explanation if services were delayed or denied. Despite these commitments, an analysis of the Customer Service Charter showed that it fell short of remedies or recourse the general public could take whenever services promised were below par or when the set values were never respected. The other challenge with the charter was that it was not all encompassing. It largely sets standards for adult literacy education in Zomba District Council but hardly sets standards for other equally important issues such as primary education, health, let alone transparency and accountability. This clearly indicated that the Customer Service Charter was simply another window dressing accountability tool that was never meant to be adhered to or followed. In the absence of an evaluation of its effectiveness since it was drafted in 2013, it is hard to convincingly argue whether the charter had an effect on fiscal accountability or improved the service provision in the district. This is another area of study that future research could look into. What was clear, however, was that the coming in of Councillors in 2014 promised a turn-around in ensuring that the Customer Service Charter became a relevant tool that could assist the people. Thus, the Customer Service Charter was seen as a tool that principals would use in taking the council secretariat to task. The general public also thought that councilors would be vital in ensuring fiscal accountability and local governance.

5.6 Chapter Conclusion

The study showed that despite existence of the Local government Act, lack of Access to Information legislation during the period under study further worsened the challenge to accessing public information in both district councils. The study recognized that it was a daunting but not an impossible task to implement the access to information law and make it achieve its purpose. It argued that if effectively implemented, public officers would be legally bound to provide public information than the case was before it was enacted.

On the role of CSOs, the study observed that there were a number of CSOs in the two districts. However, councils detested CSOs that played a watchdog role because of their being "critical". The fact that they equally were challenged to sanction the council revealed how CSOs were equally ineffective in this instance and how deep rooted vertical upwards accountability was.

Lastly, the study has shown that performance of Chitipa District Council was seriously affected by a high vacancy rate, poor teamwork and leadership, and low funding levels that militated against council's ability to absorb high operational costs. Together, these conspired and perpetuated vertical upward accountability. The study proposed a review of the fiscal allocation formula. On customer service charter, the study found that it was not evident how the charter had contributed to fiscal accountability and improved service delivery in Zomba District. It suggested a research on customer service charter to further understand its contribution to the council. In conclusion, this study found it very contradictory that Zomba District council despite not being greatly impacted by a number of issues prevalent in Chitipa District, preferred vertical upward accountability and performed better than Chitipa.

CHAPTER SIX

SUMMARY, CONCLUSIONS, POLICY IMPLICATIONS AND RECOMMENDATION

6.1 Summary and Conclusion

This study hypothesized that the degree of district councils' accountability to their constituents has no impact on their performance in delivering their public services. In order to prove this hypothesis, the study set out to investigate factors behind fiscal accountability performance of Zomba and Chitipa District Councils in Malawi. Specifically, the study identified forms of accountability, strategies used and how civil society organisations were involved in promoting fiscal accountability in Zomba and Chitipa District Councils. The relationship between existing forums and fiscal accountability were again investigated. The theory that underpinned this study was accountability theory which was very similar to principal agent theory. The brief description of the theory adopted in this study was 'the obligation to explain and justify conduct'.

In summary, this study established that transparency, instead of accountability, was demanded. Zomba District Council, unlike Chitipa, exhibited partial vertical downward accountability and both were mute on local funds collected and utilized. The study also noted traces of diagonal accountability in both councils. Thus, vertical upward accountability thrived over vertical downward accountability and horizontal accountability. The strategies or forums used by councils mainly served as information dissemination tools, opportunities for agents to rubber stamp decisions and self-enrichment, and were ineffective in fiscal accountability. Furthermore, the study established a significant relationship between all the nine forums and fiscal accountability in both councils. However, in Chitipa, only VDC had significant relationship with fiscal accountability whilst in Zomba, internet and radio did not. Just like the community, CSOs did not hold councils to account. Beside this, the high vacancy rate; poor teamwork and leadership; low funding and poor revenue management did set apart Chitipa from Zomba District Council. Lastly, the study found that no enough evidence existed that a service charter in Zomba differentiated it from Chitipa District Council.

In conclusion, the study found that indeed there were agents as the theory stipulates that were in a relationship with their principals. Additionally, various forums existed where agents fairly interacted with their principals. Although these were largely *invited spaces*, they donned a *closed space* status, clearly diverting from the theory adopted in this study. The agents did not adequately use ‘modern spaces’ such as internet and radio despite these having a high reach potential and impact. The study found that a different strategic mix of all the forums set apart performance of Zomba District Council from that of Chitipa District. In contradiction to the theory, the forums were used at liberty by the agents and failed to conform to the core element of the relationship which was answerability and enforcement of sanctions. Thus, no adequate sanctions were established, both positive and negative.

The study further established that agents were strictly under the Bretton Woods System and struggled to achieve the MGDS, touted as a panacea to eradicating poverty in developing countries like Malawi. Thus, agents pretended to conform to the laws, regulations and systems that promoted good governance such as the Local government act, the National Decentralization Policy, among others. The agents, who are the council in the study, accounted more to the principals at their top (vertical upward) than those that elected them at the bottom / community (vertical downward). These relationships were termed vertical downward accountability and vertical upward accountability. The varied expectations from various principals directed at the agent brought in the concept of 'many eyes'. In this regard, the principal agent theory fell short of properly packaging these expectations for the attention of the agent. Despite agents preferring vertical upward accountability, practically it proved ineffective in promoting fiscal accountability and therefore it was non-existent. So too was the non-existence of effective horizontal accountability and diagonal accountability that were supposed to support vertical accountability. This effectively contradicted the MGDS that prided accountability. Instead, these actions aligned with the views of '*kicking away the ladder'* where accountability was not prided. The paradox in all this was that Chitipa District Council that '*kicked away the ladder'* turned out to be a poor performer and Zomba District Council that seemed to follow the Bretton Woods performed better. However, when mirrored against various literature reviewed in this study, both councils were found to be trapped in the common challenges of good governance and decentralization.

The study also found that although Zomba District Council instituted a Customer Service Charter as a strategy to promote fiscal accountability, it was merely a window dressing measure to promote fiscal accountability. Its existence did not mark any significant difference from its absence in Chitipa District Council. This paper argues that such service charters are a vivid case of how local councils under pressure from development partners to achieve MDGs seemingly appear to comply with vertical upward accountability whilst ineffectively failing to conform to vertical downward accountability. As a measure to force conformity to vertical downward accountability, the paper proposed effective implementation of access to information law on the premise that its effective implementation will amplify the voice of principals that includes the media and make it legally binding to disclose information. Although enacting and implementing this law was recognized as a very daunting task, it was found to be possible. The paper argued that if the law was effectively implemented, it would increase possibilities to render fiscal accountability more probable and accord principals with more tools within their arsenal to enforce vertical downward accountability.

On the involvement of CSOs, the study found that CSOs assisted to create spaces / forums to achieve fiscal accountability. However, being more informed, better resourced, and networked than the community, they did not convincingly hold councils entrusted with public fund to account in which public resources were allocated, applied and results achieved. The CSO's main challenges were negative councils' perception of CSOs, internal discrimination tendencies, lack of capacity and absence of quick decision making in their satellite offices. These factors were worse off in Chitipa than in Zomba thereby making CSOs in Zomba play a more significant role in fiscal accountability. It could again be argued that the weakened CSOs in Chitipa contributed to making the council not exercise fiscal accountability to its constituents.

The study again assessed the relationship between existing forums and fiscal accountability. It found that in Zomba most forums had a significant relationship with fiscal accountability expect internet and radio. In Chitipa, only VDCs had a significant relationship with fiscal accountability. These findings suggested a number of issues. Firstly, the lowest tier of local governance - VDCs, was critical in fiscal accountability since they harbored the ‘main eye’ in the ‘many eyes’ ideology. Secondly, local governments were still trapped in the pre-digital age despite Malawi’s commitments to put in strategies to facilitate e-services, increase public efficiency and grant citizen access to public services. Evidently, this complicated procedures for operationalizing fiscal accountability and significantly increased the costs for both principals and agents in an environment already made worse off by low council funding. Here the study concludes that a varied combination of forums like that of Zomba under adequate resources, effective CSOs and quality leadership has a positive effect on fiscal accountability.

In conclusion, this study found more evidence to reject its null hypothesis and accept its alternative. Thus, the degree of district councils’ accountability to their constituents has an impact on their performance in delivering public services. It is not increased funding per se that defines local council performance but rather intergovernmental fiscal transfer formula and vertical downward accountability that is seriously supported by usage of information and communication technologies and genuine access to fiscal information. This largely accounted for differences in the performance of Chitipa and Zomba District Council. The theory that underpinned this study was found to be largely in line with the study although it departed in few instances.

6.2 Policy implications and recommendations

The findings in this study have several implications. In the findings, one factor that played a crucial role in fiscal accountability was intergovernmental fiscal transfer formula. Thus, funding to local governments was dictated by a government formula that favored districts with poor poverty indicators, high population, among others. The implication was that districts such as Chitipa that fared relatively better off on most factors continued to receive little funding, monitoring and attention by central government. Consequently, such districts continued to perform poorly in a number of areas including local revenue generation and management, and service delivery. The poor local revenue generation and high reliance on central government transfers reinforce local governments to prefer vertical upward accountability over vertical downward accountability. This continuously trapped poor performing councils, for example Chitipa, in serious decentralization and good governance challenges. This paper recommends a review of the National Decentralization Policy (1998), particularly the intergovernmental fiscal transfer formula that dictates how much councils receive from central government.

The ineffective implementation of the existing legislation in order to promote fiscal accountability is the other implication. Ineffective implementation of existing legislation such as the Local government Act (1998) and the Public Finance Management Act (2003) has implications on new legislations such as the Access to information law that has just been enacted and intends to promote fiscal accountability. The subtle yet so critical issue is that ineffective implementation of the existing legislations has potential to be construed by critics of the legislation that even if the new law is in effect, it will not contribute to fiscal accountability.

Although it was a daunting task to enact the access to information law, now that the law is in place, the study recommends its effective implementation amid numerous barriers since this will amplify the voices, provide more accountability tools and ultimately serve the interests of principals.

Again, findings that local councils do not use ICT have implications on how local councils promote uptake of ICT services among the principals and agents. This also has implications on how local councils strategize to develop their own local policies that can attract ICT investors within their districts. The continued low uptake of ICT by agents and principals has implications on how agents effectively use Integrated Financial Management Information System (IFMIS) to advance fiscal accountability without necessarily compromising vertical downward accountability. This study recommends that councils should develop local ICT policies that aim at attracting private ICT investors into the councils but also strengthen capacities of agents and principals alike.

To this end, this study has contributed to the existing body of knowledge on the basis for understanding the discourses and ideologies concerning factors that underpin fiscal accountability at local level. It has triangulated perspectives from both public officers and beneficiaries of fiscal accountability which most studies did not adequately do. It again added knowledge to fiscal decentralization literature and explored the extent to which local communities had power to safeguard and sanction against abuse of public funds at local government level. This is critical at the time Malawians including academicians continue to debate the pros and cons of full fiscal decentralization that target the Ministry of Finance, Economic planning and development. Lastly, this study has contributed to political governance literature as it explored the extent to which theoretical claims of vertical, diagonal and horizontal accountability hold true in practice and whether dominance of one or two or all of them could further good governance and development.

6.3 Areas for further study

One area of study that requires further research is the need to explore concerns whether implementing the new access to information law will indeed make public fiscal information accessible to the general public considering that the Local government act (1998), the Public Finance Management Act (2003) and the Procurement Act (2003) have not necessitated the access to public information. Another area for future research is on service charter. There is need to investigate whether customer service charters have had any impact on service delivery in district councils that produced and adopted them. Lastly, future studies might need to further stretch the theory that this study employed – accountability theory also known as principal-agent theory. Thus, this study noted a plethora of principals who in their different rights exerted demands on the agent to provide them with an account. Further research could investigate the effects of having so many principals with varied expectations on their agents at local level vis-à-vis fiscal accountability and public services delivery.

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APPENDICES

Annex 1: In-depth interviews

1	District Commissioner (DC)
2	Director of Planning and Development (DPD)
3	Director of Finance (DOF)
4	Monitoring and Evaluation Officer
5	District Information Officer
6	District Youth Officer
7	District Social welfare officer
8	Traditional Authority (TA)
9	An old councilor / block leader
10	Area Development Committee chair (ADC)
11	Village Development committee (VDC)
12	Religious Leader representative
13	Civil society organisation representative
14	Women’s group representative

Annex 2: Zomba District public notice displaying funding figures (July, 2014)

FUNDING FIGURES FOR JULY 2014

928	**Zomba District Council**	**58,116,327**
	Agricultural Sector	3,121,379
	Of which FISP	1,095,076
	Education Sector	24,825,255
	of which: Primary School Maitainance	-
	Health Sector	18,112,508
	of which: Drugs	-
	General Resource Fund	6,853,822
	Constituency Development Fund	-
	Housing	302,720
	Trade	334,891
	Water Sector	102,316
	Gender	842,508
	of which: Adult Literacy	337,003
	Environment	193,693
	Forestry	320,229
	Fisheries	383,174
	OPC-NRB	251,227
	Labour	222,251
	Immigration	183,201
	Irrigation	261,360
	Youth and Sports	710,718
	of which : SWAP	**18,112,508**

Annex 3: Public notice of funding for Zomba District (August, 2014)

Notice Board – Finance

Zomba District Council

August 2014 funding

928	**Zomba District Council**	**265,598,324**	**83,471,774**
	Agricultural Sector	13,137,117	3,655,403
	Of which FISP	4,608,908	1,282,428
	Education Sector	104,483,396	29,072,504
	of which: Primary School Maitainance	-	-
	Health Sector	76,231,092	21,211,301
	of which: Drugs	-	-
	General Resource Fund	28,846,050	8,026,413
	Constituency Development Fund	21,000,000	16,695,000
	Housing	1,274,066	354,505
	Trade	1,409,474	392,186
	Water Sector	430,620	119,820
	Gender	3,545,909	986,649
	Environment	815,209	226,832
	Forestry	1,347,766	375,017
	Fisheries	1,612,684	448,729
	OPC-NRB	1,058,352	294,209
	Labour	935,395	260,275
	Immigration	771,046	214,544
	Irrigation	1,100,000	306,075
	Youth and Sports	2,991,240	832,312
	of which : SWAP	**76,231,092**	**21,211,301**

Annex 4: Notice at Zomba district showing PWP transfers to councils in 2014

Notice Board!

Transfers made the Councils
Holding Account number 0013000950029

Council	Amount	MOFB No.	Activity
Kasungu Municipal	4,206,837.00	76076	PWP
Nkhota- kota	45,779,113.00	76080	PWP
Dowa	59,873,970.00	76081	PWP
Lilongwe	115,530,515.00	76082	PWP
Mchinji	85,129,374.00	76083	PWP
Mangochi	94,631,722.00	76085	PWP
Mangochi Municipality	11,256,488.00	76086	PWP
Zomba	81,183,166.00	76087	PWP
Blantyre	55,276,839.00	76088	PWP
Thyolo	78,663,993.00	76089	PWP
Ntcheu	56,063,904.00	76084	PWP
Sub Total	**687,595,921.00**		
Rumphi	31,225,594.00	76041	PWP
Nkhata- bay	31,227,336.00	76042	PWP
Likoma	8,559,398.00	76043	PWP
Mzimba	88,387,831.00	76044	PWP
Mzuzu City	33,537,471.00	76045	PWP
Kasungu	98,716,607.00	76046	PWP
Salima	59,503,819.00	76047	PWP
Mwanza	15,288,486.00	76048	PWP
Luchenza Town Council	9,358,677.00	76049	PWP
Sub- Total	**375,805,219.00**		
Chitipa	27,929,817.00	76136	PWP
Karonga	53,128,180.00	76137	PWP
Ntchisi	30,755,749.00	76138	PWP
Dedza	108,151,037.00	76139	PWP
Balaka	93,033,001.00	76142	PWP
Zomba City Council	17,170,297.00	76143	PWP
Chiradzulu	74,788,570.00	76144	PWP
Neno	49,550,179.00	76145	PWP
Mulanje	74,519,349.00	76146	PWP
Phalombe	57,352,630.00	76147	PWP
Chikhwawa	65,654,347.00	76148	PWP
Nsanje	54,316,149.00	76149	PWP
Sub Total	**706,349,305.00**		
Grand Total	**1,769,750,445.00**		