

**DECENTRALIZATION AND CORRUPTION: THE EXPERIENCE OF LOCAL
ASSEMBLIES IN MALAWI**

M.A. (POLITICAL SCIENCE) THESIS

JOHN ANDREW BENJAMIN MINOFU

UNIVERSITY OF MALAWI

CHANCELLOR COLLEGE

June, 2010

**DECENTRALIZATION AND CORRUPTION: THE EXPERIENCE OF LOCAL
ASSEMBLIES IN MALAWI**

M.A. (Political Science) Thesis

By

**JOHN ANDREW BENJAMIN MINOFU
B.A. (Public Administration) – University of Malawi**

Submitted to the Faculty of Social Science,
In partial fulfillment of the requirements for the degree of
Master of Arts (Political Science)

**University of Malawi
Chancellor College**

June, 2010

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.

Full Legal 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.

Signature: _____ Date: _____
ASIYATI LORRAINE CHIWEZA (Mrs), PhD (Senior Lecturer)
Main Supervisor

Signature: _____ Date: _____
Charles Chunga, MPA
Member, Supervisory Committee

To My children Benjamin, Agnes and my wife Pouline for their unfading love and support. Not forgetting my parents Andrew and Agnes for their moral support.

ACKNOWLEDGEMENTS

I wish to first of all express my appreciation to the people and management of Lilongwe City Assembly, Dedza Town Assembly and Nkhosakota District Assembly for allowing me to conduct the study there. Special thanks also go to officers in the National Local Government Finance Committee, National Audit Office and Anti-Corruption Bureau for the insights they provided to my study. I further extend my gratitude to all the people I interviewed.

I further express my sincere gratitude to my supervisor Dr. Asiyati Lorraine Chiweza (Mrs) and my co-supervisor Charles Chunga who supervised me during the study. Thank you for your academic guidance, valuable support and patience.

I am also greatly indebted to Dr. Jan Kees van Donge, Dr. Blessings Chinsinga, Mr. Henry Chingaipe and Mr. Boniface Dulani for their support especially during the initial period of the study.

I am grateful to the Norad's Programme for Masters Studies (NOMA) for according me a scholarship to pursue the degree of Master of Arts in Political Science. I am also indebted to the Director of Anti-Corruption Bureau for according me an opportunity to pursue the study and the financial support offered during the period of the study.

ABSTRACT

This study is about decentralization and Corruption in Malawi. It looks at the role of Political decentralization in facilitating corruption in Malawi by drawing on experiences from three local Assemblies of Lilongwe City, Dedza Town and Nkhosakota District. In doing so the study also explores the link between decentralization and corruption in light of the ongoing debate on whether decentralization facilitates or reduces corruption. The study design was qualitative and it involved conducting interviews with people who have gone through the experience of local assemblies including the former councilors, former ex-officio members of the assemblies, members of the Secretariat of the assemblies, officials of National Local Government Finance Committee, Anti-Corruption Bureau, National Audit Office and Ministry of Local Government.

The main argument is that corruption in political decentralization can be explained by examining the structural features in order to establish the root causes of corruption. Contrary to the general belief that political decentralization helps to curb corruption, the study found that political decentralization in Malawi actually facilitates corruption because it offers unregulated control and discretion to elected officials over programs and different levels of jobs without providing adequate mechanisms for holding the elected officials accountable. Through the structures in local assemblies councilors made decisions and resolutions which sidelined and did not conform to the rules and regulations guiding local assemblies in order to satisfy private or sectional interest.

TABLE OF CONTENTS

ABSTRACT.....	iv
TABLE OF CONTENTS.....	v
ACRONYMS AND ABBREVIATIONS.....	x
CHAPTER ONE	
INTRODUCTION AND SCOPE OF STUDY.....	1
1.0 Introduction	1
1.1 Scope of Study.....	1
1.2 The Political Economy of Malawi.....	2
1.3 Statement of the Problem.....	5
1.4 Objectives of the Study.....	9
1.5 Significance of the Study.....	9
1.6 Structure of the Thesis.....	10
CHAPTER TWO	
REVIEW OF RELATED LITERATURE AND THEORETICAL FRAMEWORK.....	11
2.0 Introduction.....	11
2.1 Decentralization: A Conceptual Framework.....	12
2.2 Decentralization in Malawi.....	13
2.2.1 The National Decentralization Policy.....	14
2.2.2 The Local Government Act.....	16

2.3	Rationale for Decentralization	18
2.3.1	Rationale for Decentralization in Malawi.....	20
2.4	Corruption: A Conceptual Framework.....	21
2.4.1	Political Corruption.....	24
2.4.2	Corruption in Malawi.....	26
2.5	The Debate on Decentralization and Corruption.....	27
2.5.1	Decentralization breeds corruption.....	28
2.5.2	Decentralization controls corruption.....	36
2.6	Theoretical Framework.....	38
2.6.1	Structural Analysis Model.....	39
2.6.2	Principal-Agent model.....	41
2.6.3	Governance Model.....	42
2.7	Conclusion.....	44
 CHAPTER THREE		
RESEARCH DESIGN AND METHODOLOGY OF THE STUDY.....		46
3.0	Introduction.....	46
3.1	Rationale for selection of the study areas	46
3.2	Research Design	47
3.3	Sources of Data.....	48
3.3.1	Primary Sources.....	48
3.3.2	Secondary Sources.....	49

3.4	Data Analysis.....	50
3.5	Limitations of the study	50
CHAPTER FOUR		
	STUDY FINDINGS.....	51
4.0	Introduction.....	51
4.1	The nature of corruption in Local Authorities	52
4.1.1	Corruption in Human Resource Management	52
4.1.2	Corruption in procurement of goods and services	55
4.1.3	Abuse of project funds and materials.....	58
4.1.4	Corruption in revenue collection	59
4.1.5	Corruption in land and plot allocation	59
4.1.6	Corruption in the distribution of development projects.....	60
4.2	Factors that led to corruption in Local Authorities.....	61
4.2.1	Non adherence to functions, roles and introduction of informal rules	63
4.2.2	Politically driven development agendas	71
4.2.3	The exercise of discretion	74
4.2.4	Lack of capacity.....	76
4.2.5	Low visibility of local programs from the Public and the Press.....	78
4.2.6	Minimum oversight from central authority.....	79
4.3	Examining the oversight role of the Councilors	81
4.4	Conclusion	83

CHAPTER FIVE

ANALYSIS OF THE STUDY FINDINGS.....84

5.0	Introduction.....	84
5.1	The role of Political structures in facilitating Corruption.....	84
5.1.1	Political structures not adhering to rules and regulations	85
5.1.2	The role of Neo-patrimonialism and Informal Rules.....	88
5.1.3	The role of Politics in facilitating corruption.....	90
5.1.4	The role of discretionary powers in facilitating corruption.....	92
5.2	Conclusion	93

CHAPTER SIX

CONCLUSION, IMPLICATIONS AND RECOMMENDATIONS.....94

6.0	Introduction.....	94
6.1	Major Conclusion	95
6.2	Policy Implications	96
6.3	Recommendations.....	98
6.3.1	Include unconventional arrangements in voting powers.....	99
6.3.2	Consider reforming the electoral law.....	99
6.3.3	Create local accountability through media coverage	100
6.3.4	Check corruption through Local Monitoring Committees	101
6.3.5	Pay great attention to Sociocultural factors.....	101

6.4	Proposals for further research	102
REFERENCES.....		103
APPENDIX.....		109

ACRONYMS AND ABBREVIATIONS

ACB	Anti-Corruption Bureau
ADC	Appointments and Disciplinary Committee
IMF	International Monetary Fund
LASCOM	Local Government Service Commission
MASAF	Malawi Social Action Fund
MCP	Malawi Congress Party
UDF	United Democratic Front
NAO	National Audit Office
NLGFC	National Local Government Finance Committee
UNDP	United Nations Development Programme

CHAPTER ONE

INTRODUCTION AND SCOPE OF STUDY

1.0 Introduction

This chapter introduces the background to the study, presents the significance of the study and discusses the political economy of decentralization in Malawi. It also introduces the problem as well as the chapter outline of the thesis.

1.1 Scope of Study

The thesis is about decentralization and corruption in Malawi drawing from the experiences of three local assemblies in Malawi. In particular the thesis examines the role of political decentralization in facilitating corruption at the local level in Malawi. The thesis argues that structures in political decentralization can facilitate corruption. Specifically, the assembly and its service committees at the local assembly level can invite and facilitate corruption. It is based on the study which explored how decentralization has facilitates corruption in three local assemblies in Malawi. Specifically the study identified and examined the structural features of political decentralization that invite or facilitate corruption. The study was conducted in light of the ongoing debate about the link between decentralization and corruption. The study considered local level corruption as that corruption which takes place within the set up of decentralized institutions of local assemblies. The study looked at the general experience of local assemblies by examining corruption cases that occurred in assemblies during the

period Malawi had Councilors, between 2001 and 2005. The study was restricted to the period because Malawi established political decentralization with transfer of decision making authority to locally elected authorities who are Councilors.

The study also examined the potential of political decentralization in curbing corruption. In decentralization discourses, local government is sometimes considered as a way of bringing transparency to government activities since local citizens are supposedly best placed to act as watch dogs over their local authorities. However the experience from Malawi has shown that decentralization has also been accompanied by corruption because the authority given to the councilors to manage the social and economic development of their territory has given them excessive discretion and incentives which are a breeding ground for corruption. Against this background, this study investigates the experience of local assemblies by examining the realities on the ground within the yardstick of the desired goals outlined above. However it should be pointed out that despite the study examining the shortfalls of decentralization it is not the intention of the study to advocate for centralization.

1.2 The Political Economy of Malawi

Political economy refers to the study of the role of public policy in influencing the economic and social welfare of a political unit¹. It is also defined as the management of economic affairs of the state (Watson, 2005:28). The political economy setting of the country is important in understanding policy reform efforts since it has influence on the outcome of the policies, it has enormous influence on what happens in terms of either the successes or failure of the policy reform (Chinsinga, 2005:57). This section gives an

¹ www.britannica.com

overview of the political economy of Malawi in which the link between decentralization and corruption is examined.

An understanding of the political economy is also important because the issue of corruption may also be examined from both economic and political perspectives. Economic explanations of corruption have been the most cited and probably the most influential for policy formulations. However to understand corruption the political factors cannot be ignored. Taking political factors into account corruption has been looked at according to the power de-concentration efforts like decentralization (Andvig and Fjeldstad, 2001:40). The thesis proceeds by explaining the political situation in Malawi beginning from 1998 within which the linkage between decentralization and corruption can be understood. The political situation has been limited to begin from 1998 because it is when the current decentralization reforms formally begun with the enactment of enabling Act and policy namely the Local Government Act and Decentralization Act.

Many of the decentralization reforms in Malawi started during the Muluzi regime. During the larger part of his rule Muluzi concentrated on consolidating his power through neo-patrimonial tendencies. Neo-patrimonial rule is also called personal rule whose core characteristics are personal relationships as the foundation of the political system, clientelism also called nepotism (the exchange of material benefits), presidentialism (political monopolization) and very weak distinction between public and private. These factors undermine the formal rules and institutions and open up to both political and bureaucratic corruption (Andvig and Fjeldstad, 2001:40). Neo-patrimonial tendencies were exposed in the African Peer Review Mechanism (APRM) country self assessment final report of 2004. The report observed that Malawi was characterized by grand

corruption resulting from government gross failure to manage its fiscal affairs according to the law, government acted to protect rather than investigate the culprits and third term bid coincided with growing poverty, public appointments were made for political reasons rather than merit, the president overturned recommendations of the Central Tender Board (2004:27-37). The events in the Muluzi regime fits well in the political economists contention that those who hold the balance of power within society tend to be able to harness the authority of the state to their advantage (Watson, 2005:74).

In general, the overall state governance was poor in all the four focus areas of APRM which were democracy and good political governance, economic governance management, corporate governance and socio economic governance. The APRM also identified corruption as a cross cutting issue (South African Institute of International Affairs, 2004:25) in all these focus areas. Corruption was also enhanced through weakening of oversight institutions like Parliament, Anti-Corruption Bureau and Auditor General. Muluzi enticed many Members of Parliament (MP) to support matters that advanced his interests. For example some opposition MPs were enticed to vote for Muluzi third term resulting in loss of integrity of the MPs. The ACB and the Auditor General were choked through reduced budgets. There was no political will to let institutions of governance operate. The major problem for both political and economic governance was not the lack of rules and regulations but rather lack of implementation. The rules and regulations were subverted by civil servants and politicians for personal interest (South African Institute of International Affairs, 2004:34-36)

The realization of good political governance during the Muluzi regime also proved extremely difficult not only at the central government level, it spilled over to the

local government level. Corruption at the local level increased because of events at the national level which filtered to the District Assembly level. Councilors indulged in corrupt activities as a reaction to what was happening at the national level (Chinsinga, 2005:151). The APRM noted that in Malawi, decentralization which is an integral part of governance was a mixture of some successes but many implementation failures such as patronage relationships (South African Institute of International Affairs, 2004:31). Politicians distributed patronage (goods and services) to groups from whom they needed support. For example Councilors pushed for local candidates to run District Assemblies over candidates from other parts of the country who were mostly relations and friends (Chinsinga, 2005:143). The thesis proceeds to discuss the statement of the problem in the next section.

1.3 Statement of the Problem

The implementation of the Malawi Decentralization Policy and Local Government Act Number 42 of 1998 raised hopes of improving good governance and accountability at the local level in Malawi (Malawi Government, 1998:3). The Malawi government generally thought that the local elected politicians will be able to monitor and control the local government bureaucrats in the public interest as they implement policies directed at providing goods and services at the local level. However the experience of local assemblies so far suggests that the implementation of decentralization brought some unintended consequence which is corruption (Tambulasi and Kayuni, 2007:163; ACB Reports, 2002-2005). The vast resources in form of funds, contracts and jobs falling under the control of local assemblies created opportunities for power and

nepotism by elected politicians who were given mandate of control by the Decentralization Policy and Local Government Act themselves.

Preliminary analysis of the cases reported by the National Audit Office, National Local Government Finance Committee and Anti-Corruption Bureau show that Councilors were involved in corruption in awarding contracts for provision of goods and services in local assemblies, councilors bulldozed the local bureaucrats in the recruitment of labourers by pushing for recruitment of party sympathizers and relatives, councilors corruptly allocated land to themselves and friends, councilors paid bribes to fellow councilors to gain support for election into offices within the assemblies, councilors abused assemblies revenues by directly being involved in the collection of revenues for the assembly. The reports from the oversight institutions for example, in the period between 2001 and 2004 when Malawi had the first democratically elected councilors, the Anti-Corruption Bureau received twenty nine cases involving councilors². These were cases reported in the Central Region only through Lilongwe Anti-Corruption Bureau offices. The cases involved councilors receiving bribes in order to allocate plots and award contracts. Councilors abused MASAF funds meant for projects within their wards. Some councilors paid bribes to fellow councilors in order to gain positions of Mayor. There were reports of councilors conniving with members of the Secretariat to award themselves contracts. There were also reports of councilors demanding monetary and sexual favours from people in order to employ them as Street Cleaners. Councilors further employed party sympathizers and friends to junior positions which the councilors had powers to influence. The National Audit office also reported incidences of

² The figure is from unpublished reports.

mismanagement of funds through contracts and projects by councilors in District Assemblies.

The reports also showed that incidences of corruption happened because councilors overstepped their role as policy makers by being involved in implementation. Councilors interfered with the day to day administration of the local assembly. These reports were also supported by the former Head of State Dr. Bakili Muluzi during a meeting with Councilors from Lilongwe City Assembly on 20 September, 2001. During the meeting he expressed concern that councilors overstepped their roles (Lilongwe City Assembly, 2002:2). For instance, in Lilongwe City Assembly Councilors made resolutions which were corrupt. The Human Resource Committee of Lilongwe City Assembly resolved that street cleaners should be recruited by members of assembly instead of letting the secretariat conduct recruitment following the laid down procedures.

Most Malawians view corruption as a problem. For example, the Governance and Corruption Baseline Survey report of 2006 showed that Malawians view corruption as being a major constraint to the development of the country. The survey further showed that most households view politicians as people having the least integrity or most dishonest (Malawi Government, 2006:15). Incidences of corruption in Local Assemblies by Councilors further expose the weaknesses of politicians as found out by the survey.

This study as already stated earlier examines the link between decentralization and corruption by examining the corruption experience of some local assemblies in Malawi. This is being done within the context of the ongoing international or local debate as to whether decentralization leads to reduced corruption or not. In Malawi the debate on the link between decentralization and corruption has also attracted growing interest

inviting several writings such as those of Tambulasi and Kayuni and Chinsinga. The literature that has been traced so far show that Decentralization in Malawi has led to enhanced corruption. The reasons for increased corruption by Councilors in the current decentralization process have ranged from lack of salaries, small allowances, quest for self-enrichment by members of assembly and neo-patrimonialism (Tambulasi and Kayuni, 2007:163-179). Further reasons have been lack of a viable framework for bureaucratic accountability, an oversight in the legal framework and the general increase in corruption and fraud at the national level (Chinsinga, 2005:150-151). However much of the discussions have been grounded in anecdotal evidence since they are not based on empirical research but rather theoretical literature reviewed. Such evidence tends to be abstract to help in understanding how such a relationship emerge and more often the literature tends to assume the existence of such direct linkages rather than investigating their extent and limits in practice (Fjeldstad:2004:12). Furthermore the reasons for increased corruption in the decentralized set up in Malawi seem to be more bureaucratic in that they emphasize on weaknesses in regulatory mechanisms and inadequate to explain corruption. Reasons such as lack of salaries, small allowances, quest for self-enrichment by members of assembly point to individual failings of Councilors. However, the majority of corrupt officials are not fundamentally deprived (Segal, 1997:143). These are not adequate to explain corruption in local assemblies in Malawi since the reasons seem to be alienated to decentralization itself. The scenario calls for a more comprehensive and empirical study to examine the link between decentralization and corruption in light of the ongoing debate as to whether decentralization leads to increased

or reduced corruption. This study therefore contributes towards filling the gap that exists and adds on to the literature on the ongoing debate.

1.4 Objectives of the Study

The principal objective of this study was to examine how decentralization facilitates corruption in Malawi. Specific objectives of the study were;

1. to analyze the nature of corruption in Local Government Authorities in Malawi
2. to identify factors that led to corruption by Councilors in local assemblies
3. to examine the oversight role of Councilors in local assemblies
4. to identify and examine loopholes or weaknesses in the structure of local government authorities in Malawi

1.5 Significance of the study

The study examined how decentralization facilitates corruption in Malawi. The study is important and timely because decentralization and corruption have become important themes of governance in many developing countries in recent years (Fjeldstad, 2004:1). Decentralization is expected to improve accountability and transparency at the local level thereby reducing corruption. The study is important especially now that Malawi is still in the process of unrolling decentralization. A proper examination of the link between decentralization and corruption is important if Malawi is to reap the desired benefits from decentralization.

The study will also bring to light some of the challenges of fighting corruption at the local level in Malawi. This will especially be important to the oversight institutions

mandated to reinforce accountability and transparency such as the Anti-Corruption Bureau and National Audit Office.

Corruption is a significant factor in the continuing underdevelopment of developing countries (Teets, 2004:1). A study is therefore important since it identifies some relevant issues which can be considered in development policies in Malawi.

1.6 Structure of the Thesis

The thesis is structured as follows: Chapter one is the introduction which includes among others the background to the study, the statement of the problem and significance of the study. Chapter two is review of literature and theoretical framework. The chapter reviews literature on the ongoing debate on the linkages between decentralization and corruption. In theoretical framework the study discusses the linkages between decentralization and corruption from the various perspectives and models. Chapter three discusses the methodology used in the study. Chapter four presents the study findings. Chapter five discusses the study findings. The last chapter is a conclusion and implications and includes some policy recommendations drawn from the findings of the study.

CHAPTER TWO

REVIEW OF RELATED LITERATURE AND THEORETICAL FRAMEWORK

2.0 Introduction

This chapter conceptualizes decentralization and corruption, reviews literature on decentralization and corruption followed by a discussion of some theories that explain corruption in decentralized systems. In reviewing the literature the discussion will focus on the ongoing debate and controversies on the question of whether decentralization will lead to more or less corruption. Thereafter the discussion explores several theoretical models or perspectives that explain corruption in decentralized governance. Decentralization is defined as ‘the transfer of power from the central government to actors and institutions at lower levels in a political- administrative and territorial hierarchy’ (Larson and Ribot, 2005:3). As it will be seen later decentralization has been variously defined and has also sparked debate among scholars as to whether it means devolution or deconcentration. On the other hand corruption is defined as the misuse of public power for private or political gain (Rose-Ackerman, 2004:301). Just like decentralization it will be seen later that corruption is variously defined. In this discussion the definitions of decentralization and corruption by Larson and Ribot and Rose Ackerman respectively will be adopted unless otherwise stated.

2.1 Decentralization: A Conceptual Framework

Decentralization has been variously defined in literature. The discussion offers some of the common definitions. It is defined as the transfer of authority and responsibility for public functions from central government to quasi-independent governments (Litvack and Seddon, 1999:2). It refers to administrative changes which give lower levels of government greater administrative authority in delivering services (Larson and Ribot, 2005:3). Decentralization is also viewed as a shift of authority towards local governments and away from central governments (Rodden, 2004:481). From these three definitions it could be concluded that decentralization aims at putting government in lower levels of authority. Decentralization also occurs in various forms but in order to keep the discussion manageable, the thesis restricts itself to forms based on decentralization which refers to changes which occur within the political systems (Manor, 1999:4) which keeps out other forms of decentralization namely decentralization by default, privatization and delegation (Manor, 1999:4-5). Within the parameters of this definition, three forms of decentralization are prescribed. These are Administrative, Fiscal and Democratic or political decentralization (Manor, 1996:6).

Administrative decentralization refers to the transfers of responsibility for planning, financing, and managing certain public functions from the central government and its agencies to field units of government agencies, subordinate units, semi-autonomous public authorities or corporations, or area-wide, regional, or functional authorities (Litvack and Seddon, 1999:2). Fiscal decentralization on the other hand is the assignment of expenditure and revenue mobilization functions to sub-national levels of government (Kolstad and Fjeldstad, 2006:3). Political or democratic decentralization is

the transfer of power and resources to lower levels of authorities which are largely or wholly independent of higher levels of government, and which are democratic in some way or to some degree (Manor, 1999:6). Political decentralization further implies directly elected local governments thereby making elected officials accountable to citizens (Shah and Thomson, 2004:2). It is aimed at giving citizens and their elected representatives more power in public decision making. Advocates of political decentralization assume that decisions made with greater participation will be better informed and more relevant to diverse interests in society than those made only by national political authorities. The concept implies the selection of representatives from local electoral jurisdictions allows citizens to better know their political representatives and allows elected officials to better know the needs and desires of their constituents (Litvack and Seddon, 1999:2).

It is important at this point to highlight that though decentralization in the study refers to political or democratic decentralization, the study acknowledges that democratic decentralization on its own is bound to fail if democratic authorities at the lower level will fail if they lack resources meaning both financial and administrative resources in development projects. In other words decentralization must be attended to by some fiscal decentralization which supplies fiscal resources and some administrative decentralization which supplies bureaucratic resources required for implementation. It is important therefore that decentralization must entail a mixture of the three democratic, fiscal and administrative (Manor, 1999:7).

2.2 Decentralization in Malawi

The current decentralization set up in Malawi has its mandate from the 1994 Republican Constitution which among others established local governments. This saw the

coming in of the National Decentralization Policy and the Local Government Act in 1998. The Government of Malawi decided to devolve powers for governance and development to the local level so as to increase participation of the grassroots in decision making for the management of community affairs (Mbeye, 2007:14).

Though the concept of decentralization in Malawi seems new, decentralization may be traced to as early as 1891 when the country was declared a protectorate under the British rule. During this time the clans and the tribes lived in well defined geographical settings called Kingdoms. In 1933 decentralization in Malawi became even clearer when the British established a system of local government based on Chiefs Councils under the Native Administrative Ordinance. However, in 1953 decentralization became even much clearer through the establishment of District Councils under the District Council Act. The aim was to address the problem of Accountability (Mbeye, 2007:12).

In Malawi the decentralization policy and Local Government Act, 2008 prescribes political decentralization because the two restricts voting in Assemblies to elected members from wards within the local government area (Malawi Government, 1998:5). The Local Government Act also prescribes elements of fiscal decentralization since assemblies are also mandated to mobilize resources within the local government area for governance and development (Malawi Government, 1998:6). The thesis therefore restricts itself to decentralization which refers to political and fiscal decentralization.

2.2.1 The National Decentralization Policy

In Malawi, the National Decentralization Policy came into effect in October, 1998. This was a result of a comprehensive review and studies of all decentralization initiatives. Decentralization was part of the process of consolidation of democracy and as

a strategy for realizing poverty reduction. The objective of the policy among others was to promote accountability and good governance at the local level in order to help government reduce poverty. Accountability entails that public, private and civil society institutions are answerable for their decisions and actions on the management of public and private sector affairs to the people (Matsheza, 2002:18). Accountability among others requires that decision makers in public institutions avoid conflict of interest between their private and professional interests by remaining objective, honest and true to the purpose of their work. Governance on the other hand entails the management of public affairs based on defined government policy and implemented through public institutions (Matsheza, 2002:19). Governance is described as good governance if it is predefined, predetermined, clearly articulated, consistent, transparent, responsive and known and accepted by the people. Good governance is anchored on political, administrative and law enforcement and judicial procedures that are deemed efficient. Corruption is a governance issue in that an enabling environment for corruption is a direct outcome of the failure of institutions to ensure adherence to acceptable ethical norms in both the private and public spheres.

The decentralization policy created a structure of the local government system. The policy created the Assembly composed of the Chairperson elected among the elected Councilors who each represents a Ward. The Assembly has also some ex-officio non-voting members. These include Traditional Authorities from within the Local Assembly, representatives of special interest groups and Members of Parliament within the local assembly. The Assembly is mandated to make policies and decisions for the local government area. This is a political structure of the local government area and it is

headed by Chairperson for District and Town or mayor for Municipal and City local assemblies.

The Assembly has also the Administrative structure referred to as the Secretariat. The Secretariat is mandated to implement the policies and decisions made by the Assembly (Malawi Government, 1998:11). The administrative structure of the local government area is headed by the District Commissioner for District or Chief Executive for Town, Municipal and City Assemblies.

The structure represents separation of powers between the political structure and the administrative structure. Basically, accountability and transparency is meant to be achieved through the outlined structure which represents separation of powers between political leaders and appointed officials. It is expected that the local politicians will be able to control bureaucrats in the public interest and less likely to direct them or collude with them for their own personal interests.

2.2.2 The Local Government Act

In the same year, 1998 the Decentralization policy was followed by the development of the Local Government Act. The objectives of the act were to further the constitutional order based on democratic principles, accountability, transparency and participation of people in decision making and development processes. Just as outlined in the Decentralization Policy, the Act also reflects two major structures at the Local Assembly. The structures are the Political and Administrative structures. The Political structure is the Assembly comprised of members of Assembly (Councilors) who represent a ward. The Administrative structure is the Secretariat comprised of appointed officials. The Act provides for division of labour between the two structures. The

political structure is responsible for making policies and decisions on local governance and development for the local government area while the Administrative structure is responsible for implementing the resolutions of the assembly. The study considered this clear division of labour as crucial in the achievement of the objectives of both the Policy and the Act of attaining accountability and transparency in the making and implementation of policies and decisions for the development of the local assembly area. The principle behind decentralization in Malawi is that the people who are electors will vote for representatives (Councilors) at the lower level of government which is the local government. These electors will exert and put pressure on the councilors who are politicians to translate their demands and requirements for services and development into policies and decisions which will be made in the Assembly. In turn the Councilors will also monitor and control the Secretariat in the public interest to ensure effective implementation of the policies and decisions. The set up assumes that service delivery will improve and corruption will decline because of the system of checks and balances. Nevertheless the results of decentralization have varied widely across countries including Malawi and it is an ongoing debate at the moment.

In order to strengthen the goal of achieving accountability and transparency in the local assemblies, the act further outlines procedures for meetings which contain provisions of disclosure of interest for any member of assembly and employees of the assembly. Members of Assembly and employees of the assembly present at a meeting of the assembly or any committee of the assembly are obliged to declare interest if the subject under consideration is a matter in which the member or his family member or

business partner has direct interest. The provision is designed to check corruption among the members of assembly thereby ensuring accountability and transparency.

The Act further subjects the Local Assemblies to monitoring by the National Local Government Finance Committee (NLGFC). The Committee is established by the Republican Constitution and is mandated to supervise and audit accounts of Local Government Authorities subject to recommendations of the Auditor General. Under the Act the Assemblies are obliged to submit their final accounts to the National Local Government Finance Committee. The NLGFC also submits the copy of the final accounts to the Auditor General. The Auditor General is mandated to carry out surprise audit, investigations or any other audit considered necessary.

In addition to the checks and balances outlined above, the Anti-Corruption Bureau also carries out intensive investigations on alleged corrupt practices in Local Assemblies as mandated by the Corrupt Practices. The mandates of the Anti-Corruption Bureau are outlined below. Before going further with the discussion there is need to establish why countries decentralize.

2.3 Rationale for Decentralization

The reasons for decentralization are many but suffice to say that decentralization is often a result of intentional decision by policy makers and in the past decade it has often been motivated by political and economic concerns (Litvack and Seddon, 1999:2; Manor :1999:7; Shah and Thomson, 2004:3). In Latin America decentralization was essentially an element of democratization process whereby autocratic central regimes are replaced by elected governments operating under new constitutions. In Africa on the other hand decentralization has been motivated by the spread of multiparty political

systems in creating demand for more local voice in decision making. Furthermore, in some countries like Ethiopia decentralization came in as a response to pressures from regional and ethnic groups for more control or participation in the political process (Litvack and Seddon, 1999:6). However an observation across the literature shows that political considerations have been a major reason for decentralization (Shah and Thomson, 2004:4). Nonetheless external influence has also led to decisions to decentralize. For example a commitment to decentralization has become an essential element of donor supported anti-corruption strategies due to the expected improvements in accountability of the state and reduced discretion available to bureaucrats (Fjeldstad, 2004:1).

Though there are strong reasons advanced for decentralization, the results of decentralization have varied between countries thereby inviting some criticisms (Smoke, 1996:16). Furthermore critics have argued that the case for decentralization has often been made in a general and uncritical way with little systematic empirical support.

Some of the questions raised by critics centre around the extent to which elected leaders are able to control bureaucrats in the public interest and less likely to collude with them for personal interest and the extent to which elected officials are accountable for their performance (Fjeldstad, 2004:1). Some critics have already unearthed some things which have gone wrong with decentralization. These include the failure to attract responsible elected leaders especially in political decentralization, creation of informal structures which substitute formal structures, failure by elected leaders to remain accountable as demanded by formal structures, emphasis on small scale programmes by elected officials which attract little public and media interest (Monor, 1999:71), creates

impression among elected leaders that they are subject to lower monitoring , control and supervision, awards higher degree of discretion to elected leaders (Shah, 2006:17). Some of the wrongs raised are a breeding ground for corruption, for example higher degree of discretion, weak monitoring, preference to less visible programmes (Prud'homme, 1995:3).

2.3.1 Rationale for Decentralization in Malawi

In Malawi decentralization can be traced back to the colonial era but the current process of decentralization can be traced to 1994 after introduction of multiparty system of representative democracy. The new government decided to devolve powers from the central to lower levels in the government structure. The motivation for decentralization was to facilitate the participation of people at the grass root level in the efficient provision of public services. This was also intended to promote a democratic system within which government officials can be held accountable to the local people that are supposed to serve (Kaarhus and Nyirenda, 2006:3). Furthermore, it is true for Malawi that decentralization was introduced as an institutional objective and strategy for Poverty Alleviation Programme, now the Malawi Poverty Reduction Strategy Paper (MPRSP). The Strategy was seen as essential for institutionalizing the principle of subsidiarity, as a mechanism for delivering public goods and services to the public effectively and efficiently, and more important, as a way of involving Malawians directly in decision making on governance and development issues affecting them (Mbeye, 2007:8). In 1998, National decentralization Policy and Local Government Act were approved which devolved political and administrative powers to district assemblies.

2.4 Corruption: A Conceptual Framework

Corruption is variously defined by different scholars and varies depending on the perspective of the scholars whether they approach corruption from a legal, economic or moral point of view. The definition also varies across countries depending on the legal interpretations. However, a clear definition of corruption will require an investigation across countries of specific practices which have been identified as corrupt (Scott, 1972). The meaning of corruption shifts with the speaker and speakers use the term to cover a range of actions that they find undesirable. In constituency based politics, corruption is defined as the ‘misuse of public power for private gain or political gain’ (Rose-Ackerman, 2004:301). It is also defined as the ‘behaviour that deviates from the formal duties of a public role (elective and appointive) because of the private regarding (personal, close family, private clique) wealth or status gains (Nye, 1967:416). Corruption is also defined as the ‘misuse of public power, office and authority for private gain through bribery, extortion, influence peddling, Nepotism, fraud, speed-money or embezzlement’(Pope, 2000:3). World Bank defines corruption as ‘an abuse of entrusted power by politicians or civil servants for personal gain’. The various definitions seem to emphasize that corruption mainly takes place in the public arena thereby excluding the private sector and this in itself is a deficiency (Kunaka et al, 2002:12). Contrary to these definitions, corruption exists in private activities regulated by the government for example, when a taxi driver charges you more than the regulated price (Tanzi, 1998:8). The definitions also explicitly mention political corruption.

Corruption has also been defined from an economic point of view. The term generally means a transaction whereby an individual bound by a principal-agent contract

takes advantage of his discretionary power in order to sell to a third party property rights that do not belong to him. Corruption happens when an individual bound by the contract violates the terms of the contract for private gain. An example is where state officials use their power to reduce costs for some at the expense of others or where state officials demand extra payments before they implement or enforce the law (Enrico Culumatto in Teets, 2004:6). As observed, corruption is defined differently across countries and from various perspectives. The difference goes further on how the consequences are viewed across literature. Schools of thought suggest both positive and negative consequences of corruption. Those advocating the positive consequences argue that corruption may help political development by increasing political participation. They also suggest that nepotism reduces unemployment and defuses social unrest. However this study leans towards the negative consequences of corruption in that the positive aspects being suggested greatly overlook the inequality that accompany corruption elements like nepotism since it means jobs are easily accessible to those that have connections in society (Teets, 2004:10). To a greater extent therefore corruption is associated with the negative consequences.

A poll survey conducted in Southern Africa which includes Malawi found that corruption is generally understood to mean the ‘subversion of the public interest and common good by personal interest (Matsheza and Kunaka, 1999:13). From the definitions it is clear that a general consensus is that corruption is the abuse or misuse of power by public officials for private gain. Corruption manifest itself in several forms often referred to as types or forms of corruption. The most commonly identified types of corruption are petty corruption, grand corruption, state capture and patronage (Shah,

2006:4). Petty corruption relates to tips, commissions or kick backs that are usually demanded by public officials or awarding favours in return for personal considerations (Shah, 2006:4). Grand corruption on the other hand refers to theft or misuse of vast amounts of public resources by state officials usually members associated with political and administrative elite. It involves prominent persons who exercise discretionary powers on large contracts. It is also referred to as political corruption (Matsheza and Kunaka, 1999:15). Political corruption has been discussed in detail in the next section. State Capture on the other hand refers to collusion by private actors with public officials or politicians for their mutual, private benefit while patronage refers to using official position to provide assistance to clients having the same geographic, ethnic and cultural origin so that they receive preferential treatment in their dealings with the public sector including public sector employment (Shah, 2006:4). It is not in the interest of this study to emphasize much on types, causes and the consequences of corruption because that is not the purpose of this study but suffice to say that corruption has been an issue of great concern since the history of governments. For example, in 350 BC, Aristotle suggested in 'The Politics' that to protect the treasury from being defrauded, let all money be issued openly in front of the whole city, and let copies of the accounts be deposited in various wards (Shah, 2006:2).

Important in this discussion is to say that corruption is a governance issue. It is a governance issue because an enabling environment for corruption is a direct outcome of the failure of institutions to ensure adherence to acceptable ethical norms in both private and public spheres (Matsheza and Kunaka, 1999:19). Governance here refers to norms and institutions by which power and authority in a country is exercised, including the

institutions of participation and accountability (Shah, 2006:2). Corruption is a symptom of a dysfunctional government in which public officials whether elected or bureaucrats may redesign programmes and propose public projects with few public benefits and many opportunities for private benefits. Corruption in the sense of bribes, pay-offs and kick backs is a type of government failure to regulate in the political system (Ackerman, 2004:301). Good governance based on accountability and transparency is a necessary tool for prevention of corruption. As one way of improving transparency and accountability governments are being encouraged to decentralize whereby decisions are devolved to the lowest levels of government (Pope, 2000:115). The argument is that decentralization improves accountability and governance by bringing government closer to the people that make it easier for the latter to monitor and discipline the state (Fjeldstad, 2004:1). However, the results of decentralization have varied widely across countries with the good being accompanied by the wrongs. With these observations decentralization provides some framework within which to understand the conditions in which corruption occurs.

2.4.1 Political Corruption

The most shared definition of political corruption amongst political scientists is any transaction between private and public sector actors through which collective goods are illegitimately converted into private-regarding payoffs (Heidenheimer et al, 1993:6). This definition does not however clearly distinguish political corruption and the other forms of corruption. Political corruption is defined by the involvement of high-level political officers, motivated by financial or political gain and takes place at the formulation end of politics, where decisions regarding the distribution of public wealth

and the rules regulating the access to wealth and power are made (Fjelde, 2007:4). Political corruption is when the politicians and state agents, who are entitled to make and enforce the laws in the name of the people, are themselves corrupt; when political decision makers use the political power they are armed with, to sustain their power, status and wealth; and when laws and regulations are more or less systematically abused by the rulers, side-stepped, ignored, or even tailored to fit their interests. Thus, political corruption can be distinguished from petty corruption, which is corruption in the public administration, at the implementation end of politics (Amundsen, 1999:3).

Amundsen further contends that a major integral part of political corruption is neo-patrimonialism in which politics is to a large extent about distributing resources in the form of jobs, contracts, scholarships, gifts and other public resources to one's relatives, friends and political allies in exchange for political and material support. A regime characterized by political corruption maintains legal, rational and professional bureaucratic structures of authority but underneath these structures, the clientelist and patrimonial logics prevail. In regimes where there is political corruption, corruption goes beyond the deviation from formal and written legal norms, from professional codes of ethics and court rulings. In such regimes rulers abuse laws and regulations, or sidestep, ignore and tailor laws and regulations to benefit their private interests (Andvig and Fjeldstad, 2001:11). In Malawi, corruption during the Muluzi regime was mainly political corruption because politics was characterized by neo-patrimonial tendencies in which rules and regulations guiding government activities like procurement and recruitment were weak and subverted by Civil Servants and Politicians. The Presidency was actively in minor procurement decisions and control procedures and officials were weak to

pressures to bend proper procurement rules (South African Institute of International Affairs, 2004:12).

2.4.2 Corruption in Malawi

Corruption in Malawi has been formally defined in the Corrupt Practices Act and in the National Anti-Corruption Strategy. The Act does not define corruption but rather corrupt practice. A corrupt Practice is defined as the offering, giving, receiving, obtaining or soliciting of any advantage to influence the action of any public officer or any official or any other person in the discharge of the duties of that public officer, official or other person (Malawi Government, 1995:4). The strategy however defines corruption as the abuse of power for private gain (Malawi Government, 2008:12). The definition of corruption in Malawi is not different from that given in the literature by Rose-Ackerman. Transparency International and World Bank . All of the focus and emphasize on the public office. In this thesis any reference to corruption means the misuse of public power for private or political gain. The definition has been employed because it is conventionally in literature.

The Act also provides for the establishment of the ACB. The Bureau was established to take all necessary measures to prevent corruption in public and private bodies. Prevention of corruption is a major component of ensuring accountability and transparency in public bodies. This enhances public trust and good governance which is one of the goals of Malawi Government as outlined in the Republican Constitution. The public bodies include Local Government Authorities. Since its establishment the Bureau has contributed to ensuring accountability and transparency by conducting investigations on the alleged corrupt practices and taking the offenders to Court wherever possible. The

cases reported to the ACB and NAO were important in the study because they exposed weaknesses in the structural features of decentralization in Malawi that invite, facilitate and necessitate corruption. The study accepts the fact that a comprehensive assessment of the weaknesses and strengths in the structural features of decentralization in Malawi exposes the causes of corruption at the local level and in return proper measures can be undertaken to deal with it and in the end Malawi will be able to achieve the objectives for which decentralization was adopted.

However the benefits of decentralization in relation to corruption have not been obvious. They have varied between countries (Smoke, 1996:10). In some countries decentralization has done little to reduce corruption while in some it has reduced opportunities for corruption. These varied results of decentralization have brought about growing interest and ignited debate on the anticipated benefits of decentralization. The debate has led to many studies aimed at establishing a link between decentralization and corruption. The thesis proceeds to discuss the debates below.

2.5 The Debate on Decentralization and Corruption

The link between decentralization and corruption has attracted a lot of debate in literature. However, the question of whether decentralization will lead to more or less corruption is still not answered because several empirical studies conducted so far point in different directions and provide no clear cut conclusions (Fjeldstad:2004:4). There are strong arguments that support the notion that corruption is enhanced with decentralization. However, there are also arguments in support of the notion that with decentralization, corruption is reduced. The conceptual framework on decentralization and corruption will serve as a background to the debate on the link between

decentralization and corruption. The following section reviews the arguments and evidence on both sides of the debate and draws some conclusions.

2.5.1 Decentralization breeds corruption

There are a number of arguments in support of the idea that decentralization facilitates corruption at the local level. Lydia Segal (1997) argued that political decentralization provides elected officials with virtually unfettered control over large amounts of money and different levels of jobs. This is a big incentive to elected officials interested in power or money especially in areas where alternatives routes to these amenities are limited. The vast jobs, money, contracts and community programs become centers for power and patronage. Segal noted that since decentralized programs are a form of governance established in reaction to rigid central control, they tend to maximize local discretion and minimize oversight, making corruption easy to engage in. In her study of New York City school decentralization she argued that a more plausible explanation of the level of corruption in New York City decentralization and politically decentralized systems in general involves an analysis of their structural features. She identified these structural features as maximum local discretion, low visibility of local programs, minimum oversight and apathetic electorates. For instance, the more discretion a system accords its officials without providing concomitant oversight or accountability, the more it will facilitate, invite or necessitate corruption. Segal found out that the unintended consequence of political decentralization in New York City schools decentralization was widespread and systematic corruption. The majority of the school boards carved their districts into fiefdoms where jobs were doled out to loyal campaign workers and family or even sold for cash. School decentralization created an environment

hospitable to corruption. Political goals such as ethnic succession were the authority's immediate aim and the long term education goals were lost in the fray of politics.

The thesis draws some lesson from the study by Segal because the set up of New York City Schools decentralized is similar to the set up of political decentralization in Malawi in that school boards were similar to assembly and its subcommittees in District Assemblies in Malawi. The assembly and its subcommittees run the affairs of the District Assembly. In order to explain corruption in this decentralized set up, there is need to analyse the features of these structures (assembly and its subcommittees). This approach is the one adopted in this study.

Prud'homme (1995) also observes that decentralization breeds corruption. He argues that there are probably more opportunities for corruption at the local level because firstly officials have more discretionary powers than national decision makers. Secondly local bureaucrats and politicians are likely to be more subject to pressing demands from local interest groups whose money and votes count in matters such as taxation or authorizations. Prud'homme further observes that if corruption is more widespread at the local level then decentralization automatically increases the overall level of corruption. At the local level there are few obstacles to corruption. Corruption at the local level will often require the cooperation of the both politicians (members of assembly) and bureaucrats (members of the secretariat), and the distinction between the two is very faint at the local level. Members of the Secretariat are less independent from local politicians. Furthermore monitoring and auditing are usually less developed at the local level (Prud'homme, 1995:8). Decentralization may increase the motivation for corruption among public officials by creating an impression that they are subject to lower

monitoring, control and supervision. In a study of informal taxation (non formal means utilized to finance the provision of public goods and services) at the local level in Zaire, estimated informal taxes were at least eight times more important than formal taxes (Prud'homme:1995:8). The informal taxes included payoffs to authorities as well as contributions, gifts and donations. In studying decentralization and corruption it is important therefore to analyse the discretion accorded to local officials and the monitoring mechanisms. The Local Government Act in Malawi gives discretion to councilors to make policies and the Secretariat the mandate to implement the policies. This division of labour is a form of accountability structure in that the Councilors monitor the activities of the Secretariat. However the effectiveness of the system depends on how councilors and members of the Secretariat stick to their mandate. Councilors have often bypassed their mandate by also implementing the policies made by them (Lilongwe City Assembly, 2002:2) which led to corruption in awarding contracts and recruitment. In studying corruption in assemblies it is therefore important to examine the oversight role of the Councilors in light of the discretion given to them.

Studies conducted in France, Italy and parts of the United Kingdom also show that local governance has been accompanied by corruption (Warner, 2003:4). In the case of France, French decentralization was accompanied by massive transfers of budgetary authority and expenditures to the local level. This raised the value of holding office. It also created a layer of elected governance. The local elected officials became in charge of public works contracts. The same elected officials needed funds to finance their campaigns, parties and related operating expenses. Decentralization in France handed off to ill-equipped local officials more spending powers. What followed was the creation of a

complex and lucrative system of kickbacks from all municipal and public works contracts (Warner: 2003:9). An example was the Grenoble City Council in French Alps in which the mayor asked the firms which participated in many of the public tenders for kickbacks. The firms willingly paid kickbacks in form of pleasure trips of elected officials and cash for fear of uncertainty in the bid process since local councils were a big market for contracts (Warner: 2003:9). The explanation of corruption in French decentralization in this study moved away from the traditional approaches which focused on the individual failings like greed and poverty as a cause for corruption. The study in France focused on discretionary powers assumed by elected officials holding offices in City Councils as the major factor leading to corruption. The study explained corruption by focusing on the local council structures which had control over contracts. This approach is the one adopted in this study. The focus is on the discretionary powers accorded to elected officials in the structures (assembly and subcommittees) of local assemblies.

In Italy on the other hand, decentralization increased corruption because it increased the number of people who had to be brought into the system through bribes. Elected positions like Mayors in local councils were regarded as a means to distribute the money from kickbacks to fellow elected politicians (Councilors) and voters in order to establish and consolidate oneself in politics. More often than not elected leaders judged new projects in local councils based on their kickback potential and not on their public value. Local Council Commissions in charge of public works selected contractors or firms known to them to be reliable bribers and not reliable contractors (Warner: 2003:23). Public agencies like local councils were meant to produce votes not just for themselves but for the party they represented. Elected leaders had an obligation to use their position

to get votes and money for their political party and not just to warm their seats. Local contracting entities comprised of local elected officials used their discretion to award contracts to contractors who paid them kickbacks. The greater authority or discretion awarded to these local governments merely increased penetration of corrupt practices (Warner: 2003:30). Decentralization in Italy was among others meant to discourage corruption and as such more controls and rules in local government were added. However the same rules and controls gave the elected leaders more opportunities from which to extort bribes from contractors. In the end decentralization in Italy which was aimed at making Italy a model of democratization and local governance failed due to among others corruption. Decentralization failed to break the propensity towards corruption instead it only aggravated it (Warner: 2003:33). The case of decentralization and corruption in Italy rest on the discretion and authority entrusted in structures of local governance in the provision of public services. It is the same discretion and authority that aggravates local level corruption. It is critical to focus on the structures and incentives which decentralization creates because these foster corruption (Warner: 2003:38).

Studies which support the view that decentralization enhances corruption have also been done in Africa. However, empirical studies of the linkages between corruption and decentralization in developing countries are relatively very few (Andvig and Fjeldstad, 2001:65). In a case study from Tanzania, Felted and Samoa (2000) find that the fiscal administrations in many local authorities are highly corrupt, partly due to the extreme degree of discretionary fiscal powers of local officials, and lack of monitoring from above. In a study of the relations between local bureaucrats, politicians and donors in local government revenue enhancement in Tanzania many local authorities were found

to be highly corrupt. Corruption in local authorities was found to be particularly prevalent in procurement of goods and services, in revenue collection and financial management, in human resources management and in land allocation and control. Fjeldstad found that the factors that led to wide spread corruption in local authorities in Tanzania included low level of wages paid to staff and inadequate controls.

In Malawi, Tambulasi and Kayuni (2007) argue that decentralization leads to enhanced corruption. Through a comparative literature survey conducted, they concluded that decentralized local governance in Malawi has enhanced corruption among the local assemblies in relation to their election, awarding of contracts and other related acts. The study argues that while local government in Malawi is expected to further the constitutional order based on democratic principles, accountability, transparency and participation of people in decision making and development process, decentralized governance in Malawi has diverted from achieving good governance and democracy outcomes and instead the whole system has degenerated into an opportunity for increased corruption. The study attributes increased corruption in decentralized local governance in Malawi to neo-patrimonialism (personal relationships, clientelism/nepotism), quest for self enrichment by members of assembly, lack of better benefits for councilors, weakness of oversight institutions like Auditor General and Anti-Corruption Bureau. The study recommends some specific measures to address the problem in Malawi which include strengthening links between local assemblies and the Anti-Corruption Bureau aimed at changing attitude of assembly members, strengthening the operations of the Anti-Corruption Bureau in arresting, dealing with corruption, strengthening the capacity of

Civil Society groups to sensitize people on how to hold their leaders accountable and also strengthening the capacity of the Auditor General's office to control corruption.

Just like the comparative literature survey by Tambulasi and Kayuni (2007) found out in Malawi, Fjeldstad found that the factors that led to wide spread corruption in local authorities in Tanzania included low level of wages paid to staff and inadequate controls. The difference is that Fjeldstad found that there were large differences across local authorities with regard to the extent of corruption. However the explanation of corruption in decentralized governance based on incentives included in the above studies may not in themselves be enough to explain corruption. This is so because the evidence so far suggests that in environments where governance is weak, wage-based strategies are not likely to have a significant impact on civil service corruption since public sector positions are viewed as a lucrative career option. The argument is that is public positions are viewed as a lucrative career option, the cost of getting to the positions is very high and people will often purchase these positions by borrowing money from family and friends and this is followed by corruption efforts to repay the loans (Shah and Schacter: 2004:42). The other plausible explanation of corruption in decentralized governance is to take an indirect approach which start with the root causes by focusing on the governance environment because corruption is itself a symptom of failed governance (Shah and Schacter: 2004:41-42). This study also adopts this approach to explain corruption in local assemblies in Malawi.

In another study on democracy, decentralization and poverty reduction in Malawi by Chinsinga (2005), he identified corruption as one of the factors that affect the implementation and institutionalization of decentralization policy reforms at the District

Assembly level. Corruption at the District Assembly level was attributed to three main factors, namely; 1) to lack of a viable framework for bureaucratic accountability; 2) oversight in the legal framework; and 3) increase in corruption and fraud at the national level. In the first instance councilors abused funds because they knew that nobody would make them account for the funds. In the second instance councilors systematically flouted procedures in award of contracts for personal gain because there was an oversight in the circumstances in which councilors might be disciplined. In the third instance councilors indulged in corruption as a reaction to the worsening levels of corruption at the national level (Chinsinga, 2005:150-151)

The studies by Tambulasi and Kayuni and Chinsinga had gone a long way to explain corruption in decentralized governance in Malawi. The explanation of corruption focuses more on weaknesses in the regulatory frameworks, monitoring mechanisms and oversight institutions. The goal of regulatory, monitoring and oversight institutions is often to identify and report corruption or fraud so that when corrupt agents are caught they are punished. Furthermore, the implementation of monitoring, regulatory and oversight mechanisms depends on the strategic behavior of those involved (Andvig and Fjeldstad, 2001:88). For example auditors may fail to work hard to detect violations and also on revealing corruption or fraud, fail to report and instead take a bribe from the agents involved. In summary the effective regulatory and monitoring mechanisms may also be part of the corruption structures within the public institutions.

An alternative and more plausible explanation for corruption in decentralized governance needs to involve an examination of their structural features hence this study. As observed in the studies in America, France and Italy the structures in local councils

aggravated corruption because of the excessive discretion and authority entrusted in the councilors. In the same vain the focus in this study in the structures at the district assembly and the discretion and authority entrusted to the councilors. While there are these studies which support the view that decentralization increases corruption, there are also other studies which hold a positive view about decentralization and corruption as discussed below.

2.5.2 Decentralization controls corruption

There are a number of empirical studies that provide support for the positive influence of decentralization in controlling corruption (Gurgur and Shah: 2005:4). The ability of decentralization to reduce opportunities for corruption has been based on the potential for greater accountability when decision making is closer to the people (Shah: 2006:20). The studies in Malawi so far do not support the perspective that decentralization can reduce opportunities for corruption. However there are a number of studies conducted elsewhere that support the perspective that decentralization can curtail opportunities for corruption as discussed below;

In India the studies have found that decentralization has a positive influence on corruption. Crook and Manor, established that decentralization led to decline in corruption because decentralization enhanced transparency (Gurgur and Shah: 2005:4-5). In the Indian states of Karnataka decentralization led to a decline in the overall amount of money diverted through corrupt means by powerful individuals. With enhanced transparency, ordinary citizens become aware of government successes and failures and may perceive government institutions as more corrupt than the perception they had before. However the factors leading to a decline of corruption were existence of a lively

civil society, a large number of experienced if small time political activists at low levels in the system, an established two party system and free press. The existence of a lively civil society increases the amount of information flowing from citizens to persons in government and vice versa. And in the case of democratic decentralization it is the elected representatives who act as conduits for information from the bureaucracy and elected bodies to people at the grass roots. The elected representatives have an opportunity to break popular suspicion of government by explaining official projects in the manner that is intelligible to the ordinary people. The three factors mentioned are however external to the decentralized system and it may be difficult to replicate their effect in other decentralized systems (Manor: 1999:90-102).

Fiszbein (1997) based on the review of political decentralization in Colombia concluded that competition for political office opened the door for responsible and innovative leadership that in turn became the driving force behind capacity building, improved service delivery and reduced corruption at the local level (Gurgur and Shah: 2005:5). This view is supported by Seabright (1996) who argues that accountability is always better at the local level, since local citizens who are better informed about government performance can vote these governments out of office (Shah: 2006:21)

While the studies seem to confirm that decentralization offers significant potential of reducing corruption at the district assembly level, they do not systematically explain the root causes of corruption which this study is addressing. Nonetheless the studies from India and Colombia offer some significant insights in this study in that while the causes of corruption are being investigated at the district assembly level on the other hand reasons for reduced levels of corruption will also be investigated.

The study so far presented two perspectives to the debate on the link between decentralization and corruption. The first perspective being that decentralization has a negative influence on corruption in that it leads to increased opportunities for corruption because among others increases discretion and authority, promotes patronage and brings more people into political office. The second perspective being that decentralization has a positive influence on corruption in that it reduces opportunities for corruption because among others it leads to greater accountability since decisions are made closer to the people. The discussion above has briefly reviewed the arguments, controversies and evidence in support of either side of the debate. So far the studies done on the link between decentralization and corruption points in different directions and provides no clear cut conclusions and the question of whether or not decentralization will reduce corruption remains open and subject to further research (Fjeldstad: 2004:12). This empirical study therefore is a step forward to try to answer this question using the case of Malawi political decentralization. The study identifies and examines the structural features of democratic decentralization in Malawi that invite, facilitates and necessitate corruption using the experience of some local assemblies.

2.6 Theoretical Framework

There are several theoretical models that have been developed to explore the question of whether decentralization will lead to more or less corruption. The paper utilizes the structural analysis as the underlining model to explain corruption in decentralized institutions. The structural analysis is supplemented by the principal agent model and the governance model.

2.6.1 Structural Analysis Model

Developed by Lydia Segal, the model contends that a more plausible explanation in politically decentralized systems involves an analysis of their structural features (Segal, 1997:143). The model identifies the following structural features; maximizing local discretion, minimizing oversight from central authority, low visibility of local programs, apathetic electorates and the drive to satisfy political agendas as the ones that invite, facilitate, and even necessitate corruption.

This model assumes that corruption in decentralized political systems is caused by the combined power of the structural features. For example, the more discretion a system accords its officials without providing necessary oversight or accountability mechanism, the more the system will facilitate, invite and necessitate corruption. Thus the opportunity for a public official to commit corruption is created by the amount of discretion given to the official. Furthermore because of the low visibility of local programs and their apathetic electorates, decentralized programs do not provide adequate mechanisms for holding officials accountable, to the extent that decentralized programs are driven by political agendas like increasing local jobs or promoting ethnic succession, rules designed to achieve these goals open doors to corruption (Segal, 1997:143).

The model was adopted because it provides useful insights on how politically decentralized programmes are vulnerable to corruption by providing an analysis of structural features of decentralization that facilitate corruption. In Malawi the National Decentralization Policy of 1998 establishes a new local government structure made up of District Assemblies composed of elected members (Councilors) and ex-officio members which in turn have powers to make policy and decisions on local governance and

development for the district (Malawi Government:1998:3-4). The District Assemblies have also been given powers to form committees comprised of assembly members and co-opted members in line with their functions (Malawi Government:1998:9). The new local government structure has been given powers over their finances, land, recruitment of staff and management of contracts among others followed up by procedures and regulations aimed at curtailing wrong doing in using the powers (Malawi Government:1998:11-18). The structure is vulnerable to corruption in various ways depending on the combination of the incentives accompanied by the structure. For example the more powers the local government structure gives to the councilors in recruitment and awarding of contracts without providing adequate mechanisms for accountability and oversight, the more it will facilitate corruption. The opportunity to commit corruption is created by the amount of discretion and control over huge sums resources and different levels of jobs that decentralization has allotted to these local elected officials (Segal, 1997:143; Teets, 2004:16). Utilising the structural analysis model, Warner (2003) established that the potential for corruption in French decentralization was created by the massive transfer of budgetary authority and expenditures to the local level.

While some studies have explained corruption differently by emphasizing that corruption can be tackled through regulation the model emphasizes that corruption can be tackled not through regulation but through structural reforms that strengthen accountability and curb corruption opportunities and law enforcement initiatives designed to increase deterrence (Segal:1997:147). The model exposes structural vulnerabilities in decentralization that might occur anywhere if no proper safeguards are in place.

Following this approach the study examines structural incentives in Malawi's political decentralization that promotes corruption through the experience of local assemblies.

2.6.2 Principal-Agent model

In order to supplement the structural analysis of the causes of corruption in decentralized system, the principal agent model by Robert Klitgaard (1988) is utilized. In policy and academic literature on public administration and social organization, central authorities such as central governments and government ministries may be understood as 'principals', who command formal power and authority over peripheral or local functional units, which may be referred to as 'agents'. The model regards corruption as an information problem on behalf of the 'principal' who fails to control the 'agent' properly (Gulgur and Shah, 2005:6). Utilizing the model, the argument is that the decentralization of power away from the principal (central government), and towards the agents, (local governments), decreases the ability of the principal to supervise the enforcement of its rules. Decentralization creates principal-agent problem between the central and local governments and that the interests of both actors clash on corruption. Local officials are endogenous to law making and enforcement institutions and thus can alter formal rules to achieve their own interests (Teets, 2004:16). The decentralized structure allows the local officials to alter or to some extent ignore formal rules established by the central government (Teets, 2004:26). The local government structure allows the local officials to pass legislation or resolutions that alter or sidelines or contradicts the prevailing legislation passed by the center to satisfy personal interest (Teets, 2004:16).

The study adopts this approach to explain corruption in Malawi's decentralization because it supplements well with structural analysis to explain how some of the structural features identified facilitates corruption. Decentralization in Malawi accords the elected officials with some degree of law making and enforcement powers in the assemblies (Malawi Government, 1998:3). Corruption at the local level takes the form of legitimate regulatory activities and benefits a group of people versus an individuals (Teets, 2004:33). The argument in this thesis is that corruption in district assemblies in Malawi takes the form of legitimate decisions made by the various structures. The decisions may either change or contradict certain rules of performance, for example a decision by the assembly to only employ people coming from within the district is legitimate because it is made following laid down procedures but may contradict national legislation aimed at curbing nepotism motivated by patron-client relationships. Teets (2004) argues that local governments enforce formal rules when it is in their interest to do so, and alter the rules when it is not in their interest. While the structural analysis assumes that corruption in decentralized system is a result of a combined power of the structural features, the principal agent model assumes that corruption is a result of the outcome of the interaction between the principal (Central government) and the agent (peripheral, local functioning units).

2.6.3 Governance Model

The model explains both the drivers of public sector corruption and the strategy to contain it. It was derived by Shah and Schacter (2004). It explains corruption in decentralized governance by identifying the root causes. The model contends that corruption is a symptom of failed governance at the country level, where 'governance' is

defined as ‘traditions and institutions by which authority in a country is exercised including the process by which governments are selected, monitored and replaced’. The model contends that though corruption varies from country to country, it is possible to identify the key drivers based on in-depth country studies in Guatemala, Kenya, Latvia, Pakistan, Philippines and Tanzania. The studies identified the following as key drivers of corruption: 1) the legitimacy of the state as the guardian of the ‘public interest’ is contested; 2) the rule of law is weakly embedded; 3) institutions of accountability are ineffective and 4) commitment of national leaders to combating corruption is weak (Shah, 2004:42).

The model assumes that in highly corrupt countries, there is little public acceptance of the notion that the role of the state is to rise above private interest. In such countries clientelism (public office holders focusing on serving particular client groups linked to them by ethnic, geographic or other ties) shapes the public landscape and creates conditions ripe for corruption. Another assumption is that corruption thrives where laws apply to some but do not apply to others, and where enforcement of the law is often used as a device for furthering private interests rather than protecting the public interest. The problem is also persistence in Malawi. Cammack et.al (2007:11) contends that in Malawi political power and control are built on personalities, centered on ‘big men’ and their networks rather than parties with clear ideologies and programmes, furthermore individual charismatic politicians arise with the support of their networks which are based on clientelism and patronage relations and sectarian (religion/region/tribal) or family ties. The model also assumes that corruption is high where there are glaring weaknesses in institutions of accountability and finally the model

assumes that widespread corruption endures where national authorities are either unwilling or unable to address it forcefully. Although the model assumes that it is possible to identify key drivers of corruption across countries, it also emphasizes on understanding the local circumstances in which corruption thrives because corruption is also country specific (Shah and Schacter, 2004:41). The model is therefore important in theorizing corruption because of its emphasis on the need to understand the country specific root causes of corruption.

The model is also relevant in understanding corruption in decentralized governance in Malawi scenario because corruption has been identified as a cross cutting issue in political and economic governance that needs proper analysis at various levels ((South African Institute of International Affairs, 2004:38). The model gives an example of decentralization in illustrating the importance of understanding the circumstances in which corruption occurs. While on one hand there is evidence that decentralization is effective in reducing corruption because it increases accountability of public authorities to citizens, on the other hand, decentralization creates hundreds of new public authorities, each having powers to tax, spend and regulate that are liable to being abused in environments where governance is weak (Shah and Schacter, 2004:42). While there are key drivers of corruption in decentralized governance identified across countries, there is need to understand the specific drivers of corruption in decentralized governance in Malawi.

2.7 Conclusion

The theoretical literature reviewed on decentralization and corruption points in different directions and provides no clear cut conclusions. The question of whether or not

decentralized public governance will facilitate corruption remains debatable. A number of studies both theoretical and empirical provide support for the positive link between decentralization and corruption. However, a number of studies as well provide support for the negative link between decentralization and corruption. Furthermore, the literature often tends to assume the existence of such direct linkages rather than investigating the extent and limits in practice. It is the argument in the study that the question of the linkage between decentralization and corruption is basically an empirical one. As reflected in the review all authors on the subject of question of the linkage seem to agree that decentralization facilitates corruption. However empirical studies that explicitly focus on the linkage between decentralization and corruption seem not to be available. Anecdotal evidence in Malawi indicates that decentralization has created a window for corruption, but the question of this linkage in Malawi needs to be investigated empirically to establish the root causes of corruption in order to back up or reject the broad generalizations and assumptions in the literature. It is important to generate country specific knowledge on the question of the linkage between decentralization and corruption in order to contain problems of corruption in district assemblies in Malawi since insights from the experiences from other countries may not always be replicable. The three theoretical models complement each other in analysis of the findings. However, the underlying model guiding the analysis of the findings in the study is the structural analysis model. The Principal Agent and Governance model just assist in cementing the analysis of the findings. The thesis therefore attempts to empirically answer the question of the linkage in Malawi. The next chapter outlines the methodology used to collect and analyse data.

CHAPTER THREE

RESEARCH DESIGN AND METHODOLOGY OF THE STUDY

3.0 Introduction

This chapter presents the methodology used in the study. In particular it discusses the research design, the rationale for selection of the study areas, methods used in data collection and the limitations of the study.

3.1 Rationale for Selection of the Study Areas

In order to write the thesis, a study of three Local Assemblies was conducted in Malawi. The study chose local assemblies because it is where Ward councilors are located (Malawi Government:1998:5). The assemblies selected for the study were Lilongwe City, Dedza Town and Nkhosakota District. The Assemblies were purposefully selected based on the preliminary information from Malawi Local Government Finance Committee. The Committee is mandated by the Local Government Act to management of Finances in the Assemblies and produces periodic performance assessment reports³. Preliminary information showed that Lilongwe City and Nkhosakota District did not perform well in management of resources and it was where there were reported incidences of abuse of funds and corruption among Councilors. These two assemblies seemed a good case to illuminate the nature of corruption in local government authorities

³ Information based on unpublished reports

in Malawi, factors that led to corruption by Councilors and oversight role of Councilors in local assemblies. Dedza Town was performing well in terms of management of funds and had very few reported cases of abuse funds and corruption⁴. The study chose three types of assemblies to test whether the answers to the main questions of the study varied according to type of assembly. The preliminary data collection was important in narrowing down the broad problem area (entire situation where one sees a possible need for research and problem solving) to specific areas of research (Cau, 2004:57-58). The study just targeted assemblies within the central region of Malawi because it was less costly for the researcher. It should also be noted that the researcher is an employee of the Anti-Corruption Bureau. However he has not used the classified and privileged information he has access to.

3.2 Research Design

Research design involves the planning of the actual study, dealing with aspects such as the location of the study, the selection of the sample collection and analysis of the data (Cau, 2004:55). The study design was qualitative. The design was qualitative because the aim was to get in depth information from people who have relevant information for the study. The focus was to obtain individual historical accounts on how a particular phenomenon has developed (Robson, 2002:271). In the case of the study on decentralization and corruption, the aim was to obtain personal accounts of people who have gone through the experience of local assemblies and those who have requisite knowledge of how the phenomena of corruption has developed in Malawi. These included people from institutions which are important on issues of decentralization and

⁴ Information based on preliminary interviews at National Local Government Finance Committee

corruption in Malawi like assemblies, Ministry of Local Government, National Local Government Finance Committee (NLGFC), National Audit Office (NAO) and Anti-Corruption Bureau (ACB) among others. Officials from NLGFC, ACB and NAO were targeted because these are oversight institutions.

3.3 Sources of data

Data was obtained from primary and secondary sources

3.3.1 Primary Sources

Semi-structured interviews were conducted with key informants during field work that was done between May and September, 2008. A semi-structured interview is where an interviewer has a shopping list of topics and has considerable freedom in sequencing, wording of the questions (Robson, 2002:276). Semi-structured interviews were an important tool in obtaining relevant information for the study. A guide containing the questions on the major topics was prepared and used. A guide is important in orienting the dialogue with interviewers and helping to organize and analyse the collected information (Cau, 2004:14)

The sampling technique of the interviewees was purposive. The principle in purposive sampling is the researcher's judgment (Robson, 2002:265). Thus the people selected were assumed to have the relevant information to enable make the findings and draw conclusions from the study. A total of 35 informants were purposefully chosen and interviewed based on the researchers understanding and knowledge of the people who could provide relevant information especially considering that information on corruption cases or incidences is classified. These informants included former councilors, ex-officio

members of assembly, members of the secretariat in the assemblies, officials of NLGFC, ACB, NAO and Ministry of Local Government among others.

Former Councilors were voting members of the Assembly who were mandated to make policy and decisions on local governance and development of the local government area. Therefore, they were interviewed to find out how they carried out these roles in practice. The study also examined whether the role the Councilors played was in line with the practice and procedures as outlined in the relevant decentralization laws in Malawi.

Ex-officio members were also members of assembly even though they did not have the powers to vote. Nevertheless they were good sources of information to understand how decisions were made in the structures within the assembly since they acted like watch dogs in these structures.

Members of the secretariat implemented decisions of the assembly and they provided critical information on how Councilors conducted themselves. Officials of NLGFC, ACB, NAO and Ministry of Local Government also perform important oversight roles in the assemblies and they provided information relating to the conduct of Councilors.

3.3.2 Secondary Sources

The secondary sources used included agenda papers and minutes of assemblies, reports from ACB and National Audit Office. These were given to the researcher by some informants during the course of the interviews. The secondary sources also acted as way of checking the authenticity of the information provided by some informants.

3.4 Data Analysis

The data was analysed manually by first of all summarizing data from both primary and secondary sources and linking it to each other. Thereafter the data was analysed further to generate and isolate relevant themes in line with the objectives of the study. This generated a pattern of the findings. The information was then entered on the computer using Microsoft word. It should be noted that the major concern of the study was not to find out how many people hold a particular view on a particular issue but rather to get their in depth understanding of the experience of the local assemblies with regard to decentralization and corruption.

3.5 Limitations of the study

Issues of corruption have generated interest recently in Malawi and as such not many people understand clearly the meaning of corruption and what the law on corruption provides. This affected the responses from some informants because not many incidences of corruption were highlighted because they did not consider them to be corrupt practice. For example issues of nepotism were hardly taken to be corrupt practice by some informants. Furthermore some informants did not feel comfortable in giving examples of incidences of corruption because they thought they will incriminate themselves or others since they were not convinced that the information would be used for academic purposes. There was also un-availability of information in some local assemblies because some of the members of staff who were around during the period the country had Councilors were no longer available in the Assemblies. Nonetheless the data limitations do not in any way invalidate the findings of the research.

CHAPTER FOUR

STUDY FINDINGS

4.0 Introduction

This chapter provides an overview of the findings in the three assemblies: Nkhonkhot District Assembly, Lilongwe City Assembly and Dedza Town Assembly. In the findings the ‘structures’ mean working structures at the local authority which include the Assembly as is established under section 5 of the Local Government Act, 1998 and Service Committees established under section 14 of the Local Government Act, 1998 (Malawi Government, 1998:3). The structures also include any formal rules (institutions) which regulate the functioning of local authorities provided for in the Local Government Act and the Decentralization policy. Furthermore the institutions includes informal rules (institutions) created by the councilors. The chapter examines the nature of corruption in the three assemblies, factors that led to corruption, identify loopholes and weaknesses in the structure of the assemblies and lastly examines the oversight role of councilors in the three assemblies. The chapter also examines some corruption cases that took place in assemblies. The underlying argument is that structures in local assemblies increased opportunities for corruption. The findings in each assembly will focus on the following areas; the nature of corruption in the assemblies, factors that led to corruption and the oversight role of Councilors in the Assemblies. The factors that led to corruption will be presented based on the following underlying structural features; adherence to functions

and roles, socio-economic factors, political factors, incentive structures, exercise of discretion, adherence to rules and regulations.

4.1 The nature of corruption in Local Authorities

The study found out that the nature of corruption in the three assemblies was political corruption. Political corruption defined already as the abuse of public positions of trust for private gain and this includes activities like embezzlement (theft of state funds), extortion and bribery (demanding or offering kickbacks on favorable government decisions), and nepotism (giving preferences to unqualified family members or associates) (Amundsen, 1999:3). Political corruption in the three assemblies manifested itself in land and plot allocation, procurement of goods and services, human resource management, revenue collection and in the distribution of development projects. Corruption in the three District Assemblies moved away from mere petty corruption to political corruption because those who exercised aimed at ensuring political support from some segments of society. The section presents the experience and examples of corruption cases in the outlined areas in the three local assemblies.

4.1.1 Corruption in Human Resource Management

Corruption in human resource mainly took place in recruitment of staff. The Local Government Act empowers the assembly to appoint and employ persons for the proper discharge of its functions. Section 30 of the Local Government Act further prescribes that every appointment of staff to a paid office of the assembly shall be on merit. In the three assemblies there was a Human Resource Committee which conducted recruitment subject to approval of the assembly. The Committee was supposed to do this by making policy on recruitment and not implementing the actual recruitment. The

provision of appointment on merit to positions in the assembly was meant to guard against favouritism and nepotism. The study found that the assemblies did not comply with the requirement as provided for by the law. There were instances where the members of assembly made resolutions to recruit staff by not following procedures which ensure merit such as interviews.

For example, the Human Resource Committee of Lilongwe City Assembly resolved in Minute Number 74/2001 that Street Cleaners should be recruited by Members of Assembly from their respective wards (Lilongwe City Assembly, 2002). Under this resolution every councilor was given a number of people to be recruited. The councilors just brought the names of people chosen from their respective wards to the Secretariat. The resolution was against the set regulations which outlined that recruitment should be done by the secretariat as the implementing structure of the resolutions made by the political structure which was the assembly. The Chief Executive of the Assembly reminded the Councilors when this resolution was being made that their role was just to make policy on recruitment and not to implement the actual recruitment (Lilongwe City Assembly, 2002:9). The committee, nonetheless, went ahead and resolved that each councilor should recruit ten people on the positions mentioned from their respective wards. The decision was approved by the assembly. When interviewed by this study, one of the respondents who was a councilor at the time the said meeting took place said that ‘they made the decision in order to reward the people who supported them’ (Key informant interview, Lilongwe City, 1 June, 2008; Lilongwe City Assembly, 2002). He revealed that, through the Human Resource Committee, Councilors influenced the recruitment of revenue collectors, labourers, road shapers and street cleaners. One of the

key informants from the Secretariat at the Assembly who was present when the aforementioned resolution was made concurred with the former councilor that the councilors resolved to recruit a certain number of street cleaners from their respective wards as a way of rewarding people who supported them (Key informant interview, Lilongwe City, 4 June, 2008). The act is referred to as clientelism and it means the tendency by leaders to get elected by using networks of clients to whom they then show inordinate favoritism once in office (Manor, 1999:65). Politics and not the regulations mattered most to the councilors at Lilongwe City Assembly.

Just like in Lilongwe City, in Nkhonkhotakota District Assembly, councilors were also involved in the recruitment of junior staff like Revenue Collectors. Councilors directly participated in recruitment through the Human Resource Committee. One Key Informant said that the Councilors resolved through the Assembly to recruit Revenue Collectors for markets in their wards. Councilors identified Revenue Collectors and the Human Resource Committee just formalized the recruitment. Councilors identified relatives, friends and party followers. The result was that some councilors connived with the Revenue Collectors to abuse the revenue they collected (Key informant interview, Nkhonkhotakota District, 19 May, 2008). Another key informant highlighted that some Councilors especially those in influential positions like Chairman of Assembly and Chairmen of Service Committees abused revenue collected through market fees and rest house bills through the Revenue Collectors they recruited (Key informant interview, Nkhonkhotakota District, 21 May, 2008).

Corruption in human resource management also manifested itself in Dedza Town Assembly though on a much smaller scale as compared to the Lilongwe City and

Nkhotakota District. This may be because Dedza Town Assembly is relatively small with very few Wards compared to the two other assemblies in the study hence had a small number of councilors. (Key informant interviews, Dedza Town, 8-11 July 2008). Dedza had 10 councilors compared to Lilongwe City Assembly and Nkhotakota District Assembly 27 and 31 councilors respectively. The nature of corruption for the few incidences was political corruption. Furthermore the political corruption reported was in relation to clientelism. However, as highlighted earlier on in the chapter, Manor (1999) contended that a certain amount of clientelism is inevitable in politics because up to a point clientelism is democracy in action and needs to be seen as such. However in Dedza Town Assembly it was a genuine problem. The councilors in Dedza Town Assembly promoted nepotism in recruitment through the resolutions made in the established structures of the Assembly. The councilors resolved that only people from Dedza should be recruited to work for the assembly in junior positions. The reasoning was that the people from Dedza were well known to the councilors and as such supervision was easy (Key informant interview, Dedza Town, 11 July, 2008). The councilors ensured this by influencing recruitment of people known to them from their respective wards. This resulted in the people recruited being more loyal to the councilors than to the Secretariat (Key informant interview, Dedza Town, 9 July, 2008).

4.1.2 Corruption in procurement of goods and services

Corruption in procurement of goods and services also manifested itself in the assemblies despite necessary measures being put in the Local Government Act, 1998 and the Public Procurement Act to prevent the same. As government departments, District Assemblies were supposed to follow procurement procedures as laid down in the Public

Procurement Act which among others require that procurement decisions should be made by Internal Procurement Committees. In District Assemblies, the Committees were also supposed to conform to the provisions of the Local Government Act, 1998 aimed at ensuring transparency and accountability such as provisions for disclosure of interest as prescribed on section 12 of the Act.

However, councilors of Lilongwe City disregarded the procurement regulations by awarding themselves contracts during implementation of development projects in the city. A key informant from within the city assembly said that ‘in Lilongwe City Assembly most councilors were business people and they looked for opportunities to do business with the assembly. For example they agreed to award themselves contracts. However this was done cleverly to make sure that there was no conflict of interest. An example was when the Assembly allocated One Million Kwacha for development projects in each ward. Councilors through their fellow councilors in the Procurement Committee awarded themselves the contracts to undertake these projects. However the Councilors swapped contracts. That is a councilor for ward A was allocated contracts in ward C while a councilor for ward C was awarded contracts for ward B and so forth. This resolution was made in the assembly’ (Key informant interview, Lilongwe City, 4 June, 2008).

On contracts, councilors sometimes withheld their approval of the recommendations made by the Procurement Committee if a contractor favoured by them was not awarded a contract. One key informant observed that, with regard to a contract to provide security services at the Assembly, councilors rejected the recommendations of the Procurement Committee of the City Assembly because the contractors recommended

did not include companies owned by Members of Assembly some of which were already providing services at that time. The councilors made a resolution to disregard the tender results and renew the contracts of the companies which were already providing the security services because they belonged to some of the members of the Assembly (Key informant interview, Lilongwe City, 3 September, 2008)

Just like in Lilongwe City, corruption in procurement of goods also manifested in Nkhonkhot District. Procurement of goods and services was done by Internal Procurement Committee. Councilors were not members of the Committee. Decisions of the Committee were to be approved by the Assembly. Procurement of goods and services was done through open tendering. Councilors were allowed to bid provided they declared interest and they did not take part in the meetings to decide such procurements. Despite these measures some councilors were still involved in corruption in the procurement of goods and services. Three key informants who are former councilors said that some councilors especially those who had influential positions in Committees used their influence to award themselves contracts using front men. Some Councilors connived with Secretarial staff to gain access to these contracts. The contracts were in road construction and building. A case in point was the contract to construct toilets and Bathrooms at Mawira Hotsprings in the Assembly. Some Councilors connived with officers in the Secretariat to award themselves contracts to build the new market using front men. The funds for construction of the market were donated by a sister Assembly in Norway called Flora Communiqué. The result was that the construction work was substandard compared to other markets in other District Assemblies. The Assembly failed to monitor the contractors since they belonged to some influential councilors at the

Assembly. Members of the Secretariat took advantage of this scenario to abuse some of the funds also meant for the market since the councilors had already started it (Key informant interviews, Nkhotakota District, 19-20 May, 2008). This behaviour casts doubts as to whether councilors were able to control the Secretariat staff in the public interest without conniving with them for their own benefit.

Two Councilors connived with Secretariat staff to create ghost workers in the recruitment of people to work on MASAF and European Union projects in the wards. The Assembly discovered the matter while the two councilors had already collected the money realized through creation of ghost workers. The Assembly resolved that the councilors should pay back the money which they did. Recruitment of people on MASAF and European Union projects was supposed to be done by Secretariat staff only (Key informant interviews, Nkhotakota District, 19-20 May, 2008).

4.1.3 Abuse of project funds and materials

Some councilors used their positions in the established structures at the Assembly to abuse revenue and project materials for MASAF and European Union projects. In Nkhotakota District Assembly, one key informant said that some councilors through their positions at the Assembly abused project materials by demanding a share of construction materials like Iron Sheets and timber meant for development projects. This informant said that he received several letters from some influential Councilors to surrender some construction materials meant for school blocks in his ward. These Councilors also used Project Committees which they choose in their wards to abuse the Construction materials for projects. As a result in many projects in the wards remain unfinished despite getting enough construction materials (Key informant interview, Nkhotakota District, 21 May,

2008). In Lilongwe City Assembly, some councilors abused projects funds and materials. For example, two councilors misappropriated projects funds and materials from Malawi Social Action Fund II meant for building of primary schools in their wards (ACB, 2004&2005).

4.1.4 Corruption in revenue collection

Assemblies generate revenue through various ways as provided for under section 44 of the Local Government Act, 1998. These include property rates, ground rent, fees and licences, commercial undertakings and service charges. However some councilors abused the revenue. In Nkhotakota District, councilors connived with revenue collectors to abuse the revenue. Some of the revenue did not reach the assembly. The malpractice arose because councilors recruited and supervised revenue collectors in the markets located in their wards instead of being supervised by officials from the secretariat. This resulted in incidences of embezzling of revenue. This was discovered through monitoring of trends in revenue collection (Key informant interviews, Nkhotakota District, 19-20 May, 2008).

4.1.5 Corruption in land and plot allocation

Assemblies also dispose land by allocating plots. There are laid down procedures for disposal of such land. People apply to be allocated plots. For example in Lilongwe City Assembly, the procedure was that any person who wanted to own a plot within the city had to apply to the city for consideration. The Plot Allocation Committee in which some of the members were Councilors was responsible for plot allocation. However, through the assembly, Councilors made decisions to allocate themselves plots without following the laid down procedures (ACB, 2004). Councilors made a resolution to

allocate each other plots at area 21 in Lilongwe. One of the key informants at the Secretariat at Lilongwe City Assembly said that Councilors made a resolution to allocate each other a plot at Area 21 in Lilongwe. The argument was that as people in-charge of the Assembly they cannot be deprived of plots (Key informant interview, Lilongwe City, 4 June, 2008). Another key informant who is a former councilor confirmed that councilors made a resolution to allocate themselves plots. The argument was that as members of the assembly this was the only opportunity for them to own a plot and hence the resolution (Key informant interview, 1 June, 2008). Much as councilors have a right to own plot, a resolution to allocate a plot to themselves was in itself against the standing regulations for allocating plots which they themselves as councilors had set and it was therefore in itself corrupt.

4.1.6 Corruption in the distribution of development projects

There was also political corruption in the allocation of development projects in the Assemblies. In Nkhotakota District Assembly, the procedure for allocating development projects like bore holes and school blocks was that the Assembly was assessing the need and make recommendations as to which Wards require the development projects. However because every councilor wanted to be seen by his subjects who are voters as bringing development projects in his Ward, Chairman of Assembly and other Chairmen of Service Committees demanded bribes from councilors in order to allocate them development projects. Councilors from MCP suffered most because it was in minority and some even defected to UDF in order to benefit from the development projects. Initially 24 Councilors were from the United Democratic Front (UDF) and 7 were from the Malawi Congress Party (MCP) (Nkhotakota District

Assembly, 2002). Later on out of the 7 MCP Councilors only 3 remained and the rest joined UDF because they were tired of being sidelined in the allocation of development projects. One key informant clearly indicated that when UDF councilors were allocated two development projects like bore holes, MCP Councilors were allocated one project unless a bribe was paid (Key informant interview, Nkhotakota District, 21 May, 2008).

In summary, the findings show that corruption was most prevalent in human resource management, revenue collection, distribution of development projects, allocation of plots and procurement. However Lilongwe City Assembly and Nkhotakota District Assembly had most incidences of corruption compared to Dedza Town. This was attributed to its small size in terms of number of wards as compared to Lilongwe City and Nkhotakota District.

4.2 Factors that led to corruption in Local Authorities

This section presents structural features that led to corruption in the local assemblies. The study identified the following factors that led to corrupt practices in the local assemblies; non adherence to functions and roles, high level of discretionary power, low visibility of local programs, minimum supervision and oversight from central authority, politically driven agendas and lack of capacity (Segal, 1997:143, Fjelstad, 2004:7-8). The study examined some resolutions made by councilors in the assembly and the committees and compared them to what the regulations governing such decisions stipulate.

The dangers of corruption were well known to the councilors and the laws governing decentralization in Malawi put in measures to combat the same⁵. Preventive measures such as transparent procurement procedures, conduct of meetings and disclosure of interest in businesses were well prescribed in the Local Government Act (Malawi Government, 1998). Councilors were also aware of these measures as evidenced in some of the minutes of the assemblies (Lilongwe City Assembly, 2002). The law further put measures ensuring division of labour between the elected members of assembly and the secretariat by clearly outlining functions of the Assembly and Secretariat. Sections 6 and 11 of the Local Government Act outline the functions of the Assembly and Secretariat respectively (Malawi Government, 1998:5-7).

Despite the provisions in the Act and some awareness on the dangers of corruption to the councilors, corruption still took place. Then what led to corruption by councilors in the District Assemblies? The local assemblies provided tools for corruption by according elected members maximum discretion and control over development projects, land, business licensing, local jobs and contracts. One key informant from Lilongwe City Assembly noted that;

councilors had maximum powers over decisions to run the Assembly in that their decisions were final. The members were just watching and did not have say on the decisions even if they were not in the public interest. Councilors were powerful in that they broked any attempts to frustrate their decisions. For example in

⁵ Minutes of the 2002 Lilongwe City Assembly First Full Ordinary Assembly Meeting held on Friday, 11 January, 2002

contracts, councilors made sure that their preferences were honoured otherwise they withheld power to approve such contracts⁶.

In Lilongwe City Assembly, some members of the Secretariat were even disciplined for their attempts to frustrate decisions of councilors. For example, a Market Supervisor was summoned before the Appointments and Disciplinary Committee because he was suspected of ill-treating Revenue Collectors who were brought to markets by the councilors⁷. Since decentralization in Malawi has devolved administrative and political authority from the centre to the assemblies (Malawi Government, 1998:2), it has brought the danger of maximizing local discretion and minimizing oversight (Segal, 1997:143). Furthermore decentralized programs are obscure and not subject to media scrutiny compared to national level programs, coupled with unconcerned and uninterested electorates, the local programs do not provide adequate mechanisms for holding officials answerable (Segal, 1997:143). It is easy to engage in corruption when no one is watching.

4.2.1 Non adherence to functions, roles and introduction of informal rules

Local government areas are constituted under section 5 of the Local Government Act, 1998. In each local government area there is an assembly consisting of one member elected from each ward (Councilor) within the local government area. The other members of assembly are Traditional Authorities and Sub-Traditional Authorities from within the local government area as non voting members. There are also ex-officio members who include members of parliament from within the constituencies in the local government

⁶ Key informant interview, Lilongwe City Assembly, 4 June, 2008

⁷ Minutes of the an Emergency Human Resource Committee meeting held on Wednesday, 22 November, 2001

area and five persons as non-voting members appointed by the elected members to cater for the interests of such special interest groups as the assembly may determine. The specific functions of the assembly are clearly outlined in section 6 of the Local Government Act, 1998. They include; to make policy and decisions on local governance and development for the local government area; to consolidate and promote local democratic institutions and democratic participation; to promote infrastructural and economic development through the formulation, approval and execution of district development plans; to mobilize resources within the local government area for governance and development and to appoint, develop, promote and discipline staff.

The Local Government Act further outlines procedures for meetings of the assemblies. It contains an important provision to curtail corruption. In section 12, the Act provides for disclosure of interest on matters under consideration at assembly meetings in which members have direct or indirect interest. The provision reads as follows;

if any member is present at a meeting of assembly or of any committee of assembly at which any matter which is the subject of consideration is a matter in which that member or his immediate family member or his professional or business partner is directly or indirectly interested in a private or professional capacity, he shall, as soon as is practicable after the commencement of the meeting, disclose such interest and, unless the assembly or the committee otherwise directs, that member shall not take part in any consideration or discussion of, or vote on, any question touching on such a matter. The chairman may request a member who has declared an interest to leave

the meeting during the time the assembly is considering the matter in respect of which the interest was declared (Malawi Government, 1998:7).

A clear understanding of the roles as provided for in the act was important to councilors because the Local Government Act outlined a clear division of labour between the assembly which is the political structure and the Secretariat which is the administrative structure. This clear division of labour ensures transparency and accountability. A clear understanding of the law could have enabled them to understand the provisions aimed at ensuring transparency and accountability such as the disclosure of interest. When councilors overstepped their role into the role of the secretariat, it meant that they could not carry out their oversight role properly. For example if the councilors took part in recruitment of manual workers it meant that they could not evaluate or supervise how the recruitment was done.

However there were traces of deviant behavior in Lilongwe City Assembly and Nkhosakota District Assembly. Just after assuming their role the Councilors in Lilongwe City Assembly did not understand their role. For example councilors thought that the Act even empowered them to discipline all categories of staff including the Chief Executive (Lilongwe City Assembly, 2002:2). They did not separate their functions from that of the secretariat as a result there was great conflict between the councilors and the Chief Executive of the Assembly to the point that the Head of State at that time Dr. Bakili Muluzi had to intervene. The councilors did not trust the Chief Executive and the Secretariat to the point that even during assembly meetings there were two secretaries taking minutes. Contrary to the procedure for holding meetings as laid down in the act

where the Chief Executive is the secretary, the councilors chose a secretary among themselves to take minutes instead of letting the Chief Executive or a member of the secretariat take minutes. Two sets of minutes were produced at one meeting. Furthermore the councilors brought politics to the Assembly by involving Young Democrats (A youth arm of the United Democratic Front) in the day to day operations of the Assembly which included revenue collection in markets (Lilongwe City Assembly: 2002:2). The involvement of Young Democrats meant that the City Assembly lost control over revenue collection because the Young Democrats were loyal to the councilors and not to the Secretariat as such the Assembly could not monitor revenue collection properly. The Market Supervisors failed to control Revenue Collectors brought in by councilors.

One other key informant also said that councilors in Lilongwe did not clearly understand their role as policy makers. They were involved in day to day running of the Assembly. They wanted to be involved in recruitment of all staff even those that were supposed to be recruited by LASCOM to the point that one officer recruited through LASCOM was told not to assume duties after reporting for duties. The councilors said that they did not know him. The councilors thought that the Chief Executive was bringing his own people in the Assembly (Key informant interview, Lilongwe City, 4 November, 2008). Furthermore councilors deliberately replaced the procedures and regulations as laid down in the Local Government Act with their resolutions. Resolutions to allow each Councilor to directly employ revenue collectors, street cleaners, road shapers sidelined the procedures laid down in the Act on recruitment. By taking part in recruitment of staff, councilors practiced clientelism and nepotism since they recruited people who were

known to them. The issue of Councilors not adhering to their roles and functions quickly caught the attention of the President, Dr. Bakili Muluzi.

On Thursday, 21 September, 2001, Dr. Bakili Muluzi held a meeting at Sanjika Palace in Blantyre with all councilors from the Assembly. At the meeting Dr. Muluzi highlighted that their role as councilors was to make policy and that they should leave policy implementation to the secretariat. Dr. Muluzi demanded that this separation of powers should be reflected in the minutes of the Assembly meetings. He stressed the need to separate the functions of Mayor as political head of the Assembly and those of the Chief Executive as the head of the Secretariat. Furthermore, councilors were told not to interfere with the day to day administration of the Assembly. A specific mention was made of the need to understand the role of LASCOM, government and the Assembly in the recruitment process. The Head of State further directed that the Young Democrats should not be involved in day to day operations of the Assembly (Lilongwe City Assembly: 2002:3-4).

The issue of non adherence to functions and roles by elected members of the Assembly even attracted the attention of Ministry of Local Government. The Ministry directed that with effect from 1 January, 2002 elected Members of Assembly should cease to sit on Management Procurement and Tendering Committee. It further said that the elected Members of Assembly should perform functions delegated to them under the Local Government Act 1998 in the standing Committees, Sub Committees and Full Assembly. Lilongwe City Assembly should establish Management Procurement Committee to carry out functions of procurement which were being carried out by Management Procurement and Tendering Committee comprised of elected Members of

Assembly. The directive further stated that property management as well as tendering services was the responsibility of the Secretariat (Lilongwe City Assembly, 2002:3). The Finance Committee comprising elected Members of Assembly should just provide policy guidance where required. Prior to this directive, the elected members of the assembly used the Finance Committee to make resolutions to bypass the set regulations in procurement. For example, on 29 November, 2001, members of the Finance Committee in considering the approval of tender to supply Cleansing Department uniforms of K930, 000, the committee resolved that the contract should be split into three parts so that the approval should be within their powers and should not be referred to the Office of the Director of Public Procurement (Lilongwe City Assembly: 2002:1-2). Such resolutions were only meant to enable the members avoid further scrutiny of the tendering process because the contracts were being awarded to the members themselves (Interview: 4 June, 2008).

The Ministry of Local Government also directed that the composition of the Appointments and Disciplinary Committee (ADC) should include the heads of departments and the committee should be chaired by the head of Human Resources Section who is Human resources Manager in the Department of Administration. Prior to this, elected members of the assembly were members of the Appointments and Disciplinary Committee. This directive applied to all Local Government Areas in Malawi. However the sequencing of events only points to the fact that this directive might have come about because of events at Lilongwe City Assembly.

Events at Lilongwe City Assembly meant that councilors were both policy makers and policy implementers contrary to provisions of the Local Government Act, 1998. This

was a breeding ground for corruption since by taking part in recruitment of manual workers, they had opportunity to control who was to be employed and this was an opportunity to roll out jobs to their loyalist. For example assembly resolution 74/2001 which allowed councilors to employ street cleaners in their wards gave an opportunity to councilors to reward those who had voted them into office (Interview, 4 June, 2008). Such resolutions are common where the assembly is dominated by one party like the case of Lilongwe City Assembly where all the councilors were United Democratic Front. Under such scenarios it is common to see councilors overstepping their role to take part in recruitment of workers and allocating plots which are avenues for power. In one party dominated councils corruption traditionally is centered on jobs for manual workers and on the allocation of scarce council housing (Warner, 2003:36).

In Nkhonkhot District Assembly, councilors overstepped their roles. They involved themselves in the implementation functions of the Secretariat. For example the Chairman of the assembly and the chairman of Finance Committee demanded to be present daily at the assembly to among other things supervise staff. The two could not be distinguished from secretariat staff. They even demanded to be picked daily from their homes to the District Assembly (Key informant interview, Nkhonkhot District, 19-20 May, 2008). Their presence at the Assembly daily compromised their role of monitoring the activities of the Secretariat since they created friendship with some assembly officials. The councilors did not also adhere to their roles and functions in that they directly took part in recruitment of Revenue Collectors and, labourers in MASAF projects instead of leaving the tasks to the Secretariat. This behaviour compromised the clear division of labour as provided for in the Act. Councilors involved were less likely to

be able to control local government bureaucrats in the public interest, and more likely they directed the bureaucrats or colluded with them for their own benefit or for the benefit of sectional interest. The behaviour led to corruption in Nkhotakota District Assembly in that some councilors used the opportunity to create ghost workers and pocketed money meant for projects as already highlighted above. Furthermore a lot of revenue was lost in the process because monitoring and supervision of Revenue Collectors was compromised since the councilors recruited relatives, friends and party sympathizers (Key informant interview, Nkhotakota District, 19 May, 2008).

In Dedza Town Assembly on the other hand, the Councilors made efforts to adhere to their roles and functions. They did not involve themselves in revenue collection as was the case in Nkhotakota District Assembly. The Councilors put in mechanisms to monitor such revenue by initiating the opening of a separate Bank Account for such revenue. The same was done for revenue from development fees for plots. One key informant said that at one time the members of assembly dismissed all revenue collectors after noting that fees collected from the market was low. After that incident, they resolved to contract out revenue collection which later improved revenue collection. The assembly also contracted out the running of rest houses, restaurant and bars. (Key informant interview, Dedza Town, 9 July, 2008). They also put mechanisms to monitor procurement of goods and services for the Assembly by among others ensuring open tendering procedures for large procurements and members of the assembly and the secretariat staff were discouraged from taking part in bidding and those who insisted were forbidden from taking part in deliberations (Key informant interview, Dedza Town, 8 July, 2008).

There were differences in adherence to roles and functions in the three Assemblies. In Dedza Town Assembly councilors performed better than the councilors in Lilongwe City and Nkhhotakota District. The difference might have been attributed to the orientation the councilors went through. Two key informants in Dedza Town Assembly stated that the councilors had the orientation just after assuming positions. The two also hinted that some of the councilors had vast experience in the Civil Service and they utilized this experience in running the assembly (Key informant interview, Dedza Town, 8 July, 2008). A key informant in Nkhhotakota noted that the councilors did not have orientation when they assumed their positions and as such they did not know the boundary of their duties. However even when the councilors had the orientation, things did not improve much since councilors were still involved in the implementation of policies (Key informant interview, Nkhhotakota District, 19 May, 2008). In Lilongwe City Assembly, the councilors had the orientation when they assumed their positions, however this did not assist them to adhere to their roles and functions. In both Nkhhotakota District and Lilongwe City Assemblies, the councilors failed to adhere to their roles and functions because of their obligations to patrons and clients who voted for them. One key informant in Lilongwe stated that the councilors had the obligation to pay back to those who voted for them into office through jobs and contracts (Key informant interview, Lilongwe City, 4 June, 2008).

4.2.2 Politically driven development agendas

Politics also played a role in promoting corruption in local authorities. Elected members of decentralized bodies tended strongly to emphasize projects such as roads, school buildings, bridges, irrigation works because they appeal to voters and also attract

kickbacks from contractors (Manor, 1999:71). The structural analysis model warns that decentralized programs are driven by political agendas like increasing local jobs or promoting ethnic succession, as such the rules designed to achieve these goals can open the door to favouritism (Segal, 1997:143). For example in Nkhotakota District, development programs targeted areas where there was potential to appeal to the voters (Key informant interview, Nkhotakota District, 19 May, 2008). The study established that the elected members of Assembly were pre-occupied with efforts to consolidate their image in the Assembly. This was done through among others proposing development projects which were tangible and to which they could point as evidence of their efforts in the wards. They promoted projects such as construction of roads, school blocks, bridges which created jobs for their constituents thereby consolidating their image and at the same time increasing chances of re-election. Such projects also created contracts which lend councilors to opportunities of receiving bribes. One key informant in Nkhotakota District Assembly highlighted that ‘the Councilors and the Secretariat did not agree on priority areas when coming up with District Development Plans’. The Secretariat conducted its own assessment and identified food security as a priority area to which more financial resources should be channeled. However, the elected Members of Assembly chose school blocks as a priority area because these were normally contained in their campaign promises and they wanted to be seen to be delivering on their campaign promises (Key informant interview, Nkhotakota District, 21 May, 2008). New development projects were judged on their potential to appeal to voters and their kickback potential. However, while the projects appealed to voters, they also provided opportunity to councilors to engage in corruption, for example in Nkhotakota councilors

created ghost workers in MASAF projects, and stole project materials and demanded bribes in allocating such projects (Key informant interviews, Nkhotakota District, 21-22 May, 2008). In Lilongwe City Assembly for example, councilors awarded each other contracts to undertake development projects (Key informant interview, Lilongwe City, 4 June, 2008).

Furthermore the dominance of one party in the composition of councilors also facilitated corruption through adoption of informal resolutions which altered formal rules. This was especially like that because resolutions which promoted corruption easily passed in the absence of a strong opposition. The ideal situation is that in an Assembly the debate should be structured in a clear discernible pattern of ruling versus opposition groups. The presence of parties in local councils helps promote accountability which is crucial to the effective working of democratic decentralization in two ways; first by organizing the opposing forces on a council into clearly recognizable groups which at subsequent elections will offer themselves to voters for judgment, and secondly by structuring debate and conflict on councils into a more pattern of ruling versus opposition groups, the presence of parties facilitates accountability between elections. It does this because opposition parties naturally seek to criticize poor performance and to unearth malfeasance (Manor: 1999:76).

In Nkhotakota District Assembly, there was weak opposition. Initially there were seven councilors from Malawi Congress Party and later some defected to United Democratic Front which ended up having 26 Councilors. As such, all the influential positions in the Standing Committees, Sub Committees and Full Assembly were held by members of one party the UDF. Those in influential positions favoured members from

their party in allocation of development projects like boreholes and School blocks (Key informant interview, 21 May, 2008). In Lilongwe City Assembly the debate was one sided. The UDF was dominant with 26 councilors compared to one councilor from MCP. Due to this, councilors came up with resolutions which facilitated corruption in procurement, recruitment and plot allocation as observed earlier in the Chapter. The absence of a strong opposition meant that there absence of checks and balances in the two Assemblies. In Dedza Town Assembly the issue of dominance of one party did not have impact on corruption.

4.2.3 The exercise of discretion

The Councilors exercised discretion over revenue generated through property rates, ground rent, fees and licences, commercial undertakings, service charges and government grants. The discretion was exercised through the regulation, control, management, administering and licencing of any of the things or services which the Assembly is empowered or required to do. The regulation and management included fixing of fees or charges to be levied (Malawi Government, 1998:48). They had discretion over funds for development projects such as MASAF by deciding on which projects to undertake and which areas should benefit from the projects (Key informant interview, Lilongwe City, 4 June, 2008). The structural analysis model warns that the transfer of such powers to local officials maximizes local discretion and minimizes oversight, making corruption easy to engage in and conceal (Segal, 1999:143). In Malawi, the councilors through the Assembly have powers to issue instructions with regard to the general management, supervision and control of funds for the Assembly (Malawi Government, 1998:16). The same discretionary power that allows the local

officials to manage finances and development programs also allows them to control and determine who gets the jobs and contracts. Utilizing the principal agent model, decentralization allows the agents who are local officials to maximize self interests and appropriate state resources (Teets, 2004:18-19). The high level of discretion enjoyed by councilors was seen in their ability to make resolutions which sidelined set procedures in recruitment and procurement. For example, in Nkhotakota District, Lilongwe City and Dedza Town, councilors exercised discretion over various levels of jobs in the Assembly. Through the various committees, they abused this discretion to their personal benefit. For example, in Lilongwe City Assembly, some resolutions made by the councilors allowed them to exercise control over contracts which they awarded to themselves. Some resolutions allowed them to recruit people on various jobs in which they recruited friends and party sympathizers (Key informant interview, National Audit Office, 3 September, 2008). The problem was that the resolutions made by the Councilors were final (Key informant interview, Lilongwe City, 1 June, 2008). The way the Assemblies functioned, gave more discretion to Councilors to make resolutions without subjecting them to further scrutiny before being implemented, as the Asembly Secretariat just implemented the resolutions (Key informant interview, Lilongwe City, 1 June, 2008). In Dedza Town Assembly, councilors made a resolution not to recruit people from outside the Town assembly in order to pave way for people from the town only (Key informant interview, Dedza Town, 11 July, 2008). Such discretion gave opportunity to some councilors to demand bribes from people who wanted to obtain contracts, jobs and plots as seen from the reports of corruption at the Anti-Corruption Bureau (ACB, 2001-2005). Structural analysis warns that the more discretion the system accords its officials without providing

concomitant oversight or accountability, the further it will move from facilitating corruption to inviting or even necessitating it (Segal, 1997:143). Furthermore, the findings show that councilors built patronage networks by rewarding people who voted for them (party sympathizers and friends) at the same time punishing those who did not. This illuminates the contention of the governance model which contends that that in highly corrupt countries, there is little public acceptance of the notion that the role of the state is to rise above private interest. In such countries clientelism (public office holders focusing on serving particular client groups linked to them by ethnic, geographic or other ties) shapes the public landscape and creates conditions ripe for corruption. Corruption thrives because the laws apply to some but do not apply to others, and where enforcement of the law is often used as a device for furthering private interests rather than protecting the public interest.

4.2.4 Lack of capacity

The study established that lack of capacity also led to corruption in Local Assemblies. There was lack of competence and critical mass to handle huge resources, evaluate and process public works tender competitions. For instance, financial and procurement procedures as laid down in the Public Procurement and Public Finance Management Acts are complex and require high necessary expertise to apply them which the assemblies did not have (Key informant interview, Lilongwe District, 4 June, 2008 and 3 September, 2008). There was no appointed staff to handle huge amounts of funds. The officers present were of low grade and did not have enough have the capacity to look after huge funds in the Assemblies. For example in 2001, the councilors at Lilongwe City Assembly noted that financial management in all Local Authorities was weak and that

Government was aware of the situation. In particular, the Finance department at Lilongwe City Assembly required the services of Director and two Deputy Directors of Finance but all the three positions were vacant⁸. The Assemblies require officers at positions of Director or Deputy Director to manage finances. Most councilors also did not have knowledge on how to monitor Assembly funds because most of them had low levels of education. (Key informant interview, National Local Government Finance Committee, 6 September, 2008; National Audit Office, 3 September, 2008). For example in Nkhonkhot District Assembly, two informants who are former councilors concurred with each other that while doing their job of monitoring finances in the Finance Committee, they failed to understand the financial and audit reports since they had no requisite experience. The two said that some members of the secretariat took advantage of the scenario to abuse funds for development projects. They gave an example of some development funds which were abused but the matter was only realized after their tenure had elapsed and yet they used to review reports of such development funds (Key informant interviews, 19-21 May, 2008).

Lack of capacity came in because the job of a Councilor is not attractive compared to that of a Member of Parliament because among others the benefits are low and also the job impacts within a limited area of jurisdiction to attract people of high qualifications. Furthermore the remote location of Assemblies does not attract people of high qualifications like University graduates. As such both the Councilors and the Secretariat fell short of having adequate qualified and experienced caliber of people to understand government regulations and institute internal controls. This weakened the structures in the Assemblies. All this resulted in non adherence to laid down procedure

⁸ Minutes of Lilongwe City Assembly Finance Committee held on 12th and 16th October, 2001

which promoted corruption (Key informant interview, National Audit Office 3 September, 2008). Currently the government has started re-employing the retired Directors of Finance and Accountants to take up vacant positions in Assemblies. The thinking is that the retired people would ably take up positions in Assemblies without having great consideration of the location and benefits.

4.2.5 Low visibility of local programs from the Public and the Press

The local assemblies were also vulnerable to corruption because of the low visibility of local programs. The events and programs in the assemblies were obscure since they did not attract extensive public and media scrutiny since the issues discussed were considered to be of less importance in comparison to the events at national level where issues are of wider importance. It is easier to engage in corruption when no one is watching (Segal, 1997:144). The local programs refer to assembly and its various service committee meetings and events on which resolutions for running the assemblies were made. Events did not attract media scrutiny as compared to events and programs at the national level. For example parliamentary activities attract media scrutiny. The programs in the assemblies were little known and minor to the public and the media as such failed to provide adequate mechanisms for holding officials accountable (Key informant interview, National Audit Office, 3 September, 2008). The structural analysis model warns that the low visibility of local programs makes corruption easy to conceal (Segal, 1997:143). For example one key informant who was an ex-officio member of the assembly in Nkhotakota said that discussions in the assembly meetings were on party lines and suggested this happened because there was no media coverage. He further said that if the meetings and events had attracted media coverage, councilors would have been

cautious during meetings (Key informant interview, Nkhotakota District, 20 May, 2008). Resolutions which were aimed at sidelining rules and regulations in recruitment and procurement could have been easily avoided if the local programs were visible and the lack of it only led to corruption in procurement and recruitment. For instance, the Finance Committee at Lilongwe City Assembly resolved to split the purchase of Uniforms for the Cleansing Department into three parts in order to comply with government instructions on procurements. The total sum was K930, 000 which meant that it was beyond the powers of the Assembly to decide on award of the contract (Lilongwe City Assembly: 29 November, 2001). The Assembly could only decide on contracts in the sum of K300, 000 and below. Resolutions to split the contract meant that the Assembly had powers to decide on suppliers and this enabled the Councilors to award the contract to fellow Councilors. Such decisions facilitate corruption and their obscurity serves to institutionalize corruption.

4.2.6 Minimum oversight from Central Authority

In Malawi, decentralization devolved political and administrative authority to the level, the Central Government supports the District Assemblies with policy guidance, financial and technical assistance. The Central Government retains responsibility over policy formulation, policy enforcement, inspectorate, establishment of standards through line Ministries. Furthermore, the Ministry of Local Government and Rural Development maintains the grips of Central Government by acting as a link between Central Government and District Assemblies (Malawi Government, 1998:12-13). The Central Government further maintains its powers through the National Local Government Finance

Committee which distributes Government grants to the Assembly in accordance with the formula approved by the National Assembly (Malawi Government, 1998:16-17).

While the Decentralization Policy and the Local Government Act are explicit on the relationship between the Central Government and the District Assemblies, the study found out that the District Assemblies fail short of adhering to the policy enforcement mechanisms on procurement and recruitment. The councilors passed resolutions which sidelined or contradicted policy enforcement mechanisms set by the Central Government. As presented earlier in this section, Councilors in Lilongwe City Assembly made resolutions to employ labourers, street cleaners in the wards instead of letting the Secretariat conduct the recruitment in line with the recruitment procedures, they also made resolutions to award themselves plots instead of following the procedure on plot allocation (Lilongwe City Assembly, 2001:14). The Councilors further made resolutions to split one contract into two or three contracts just to make the contracts fall within their powers to make decisions to award contrary to provisions of the Public Procurement Act.

The findings in Lilongwe City Assembly vindicates the contention by Teets that the decentralization of government power creates principal agent problems because the local officials enforce formal rules when it is in their interest to do so, and alter the rules when it is not in their interest (2004:42). Coupled with the low visibility of the local programs, the central government may not have adequate mechanisms for detecting such practices. The District Assemblies had the Internal Audit sections to monitor utilization of funds, however in most assemblies the sections were not functioning due to lack of manpower. Even though the National Audit Office also audited some Assemblies, it had difficulties to conduct audits in the District Assemblies because of the Assemblies failure

to maintain records on finances as such there were many audit arrears in the District Assemblies. The failure to maintain records arose because of capacity problems in the Assemblies (Key informant interview, National Audit Office, 3 September, 2008).

4.3 Examining the oversight role of the Councilors

The study also examined the oversight role of councilors. This was done by looking into resolutions made and how the resolutions helped in ensuring transparency and accountability at the assembly. The role of councilors was to make policy on the running of the assembly for implementation by the secretariat. The councilors had a duty to monitor implementation through the various service committees. The assemblies had powers to come up with measures regarding general management, supervision and control of funds. The oversight role also provided measures to ensure disclosure of interest by employees, consultants and even members of assembly (Malawi Government, 1998:12, 42). It was the duty of the members of assembly to monitor that these measures were followed.

During the period the country had Councilors there were some positive gains especially on ensuring accountability of the Assembly Secretariat which to some extent also translated to accountability of the Councilors to the masses. Councilors exposed incidences of fraud and corruption to oversight institutions (ACB reports, 2001-2005). The Councilors investigated incidences of corruption and took appropriate measures on the concerned culprits. In Dedza, councilors took measures to expose financial mismanagement by the secretariat. The councilors conducted routine checks in rest houses and markets to monitor revenue collection and check if business people had paid licence and market fees. Through these monitoring mechanisms the councilors

established that the Director of Finance for the Assembly had embezzled revenue which was collected from assembly rest houses (Key informant interviews, Dedza Town, 8-11 July, 2008).

In Lilongwe City Assembly, the councilors through the Plot Allocation and Town Planning Committees monitored the allocation of plots. The two committees were mainly composed of councilors and some few members of the Secretariat. The councilors conducted investigations on allocation of illegal plots by some members of the Secretariat and exposed corruption in the allocation the plots. For example three site clerks in Lilongwe City Assembly were suspended for illegally allocating plots to people in Area 49 Sector 3 in exchange for money. The Committee resolved to suspend the officers⁹. While the Committee performed well to check corrupt activities by members of the Secretariat, the Committee failed to follow procedures as provided for in the Local Government Act. For example, some councilors in the Plot Allocation Committee were present when decisions to award them plots were being made which contravened the section 12 of the Local Government Act which require that in such circumstances the councilors were supposed to declare interest and were supposed to leave the meeting (Malawi Government, 1998:7). Furthermore, in Lilongwe City Assembly Councilors reported several cases of corruption involving members of the Secretariat to the Anti-Corruption Bureau but they did not report cases involving their fellow councilors (Key informant interview, Lilongwe City, 1 June, 2008).

⁹ Minutes of the Lilongwe City Assembly Plot Allocation Committee meeting held 17th October, 2001

4.4 Conclusion

The findings of the study show that decentralization invited and facilitated corruption by elected members in the three assemblies. The study showed that despite various measures put in place through legislation to curtail corruption, it still took place. The study highlighted deficiencies in decentralization in Malawi by using the structural analysis, principal agent and the governance models to explain the drivers of corruption in the three assemblies. The study identified non adherence to functions and roles, high level of discretionary power, low visibility of local programs, minimum supervision and oversight from central authority, politically driven development agendas and lack of capacity as factors that invited and facilitated corruption in the three local assemblies. These factors facilitated corruption in plot allocation, procurement of goods and services, human resource management, revenue collection and distribution of development projects.

CHAPTER FIVE

ANALYSIS OF THE STUDY FINDINGS

5.0 Introduction

This chapter discusses and interprets the findings of the study in light of the major study questions. The discussion explains how the findings relate to the other similar studies presented already in Chapter two with respect to the underlying perspectives guiding the studies. The major thrust of this Chapter is to discuss the role of political decentralization in facilitating corruption using three theoretical models namely; the structural analysis model, principal agent model and the governance model as discussed in Chapter two. The underlying argument is that the structures in the local authorities facilitates corruption, by according the elected members more discretion without providing a concomitant oversight or accountability. From the findings of the study, the assembly and its committees accorded councilors discretion to come up with resolutions which sidelined the standing rules and regulations guiding the operations of local assemblies, they also enabled Councilors to maintain a patron client network, allowed Councilors to control jobs, contracts and allowed Councilors to institutionalize corruption.

5.1 The role of Political structures in facilitating Corruption

The section discusses the role the political structures in the assemblies played in facilitating corruption. The study identified several structural features that invited and facilitated corruption and these were non adherence to functions and roles, high level of

discretionary power, low visibility of local programs, minimum supervision and oversight from central authority, politically driven development agendas and lack of capacity. Decentralization in Malawi provides the necessary legislation aimed at checking corruption such as the Local Government Act, 1998 supplemented by public procurement, Public Finance Management, Public Audit, Corrupt Practices Acts but corruption still existed. These legislations increased the cost of corruption. However corruption still occurred. The argument is that a combination of structural weaknesses created a system where corruption was easy to engage in by local officials and efforts to curb corruption needs to focus on these weakness. The thesis discusses the structural features that facilitated corruption in the local assemblies.

5.1.1 Political Structures not adhering to rules and regulations

The legislation on decentralization in Malawi creates Local Authorities in Malawi. These Local Authorities include District Assemblies, Town Assemblies, Municipal Assemblies and City Assemblies. The Assemblies are identified with two major structures; the political structure and the administrative structure. The Political structure in the assembly comprised elected Members of Assembly plus other ex-officio members. The Assembly is further subdivided into sub structures called Service Committees in line with the services provided by the Assembly. And these include Finance, Appointments and Disciplinary, Health and Environment, Development, Education, Works and other standing committees like Plot Allocation and Property Management Committees. Councilors are the decision makers in all these committees because as per decentralization law they are the voting members of the assembly. The law has accorded the councilors discretion to make decisions by way of resolutions.

The structural analysis model argues that politically decentralized systems offers unfettered discretion and control over large amounts of money and different levels of jobs without adequate mechanisms for holding councilors accountable. In Lilongwe City, Nkhosakota District and Dedza Town Assemblies councilors used their discretion to make resolutions which gave them access to contracts, jobs for their party sympathizers and kick backs from contractors. Discretion came from their role in making resolutions which translated into policies for running the assembly. In terms of the political decentralization in Malawi, only councilors had voting powers out of the members of assembly. Their voting power meant that their decisions carried the day. The opportunity to indulge in acts of corruption was created by the amount of discretion and control over contracts, jobs, plots, businesses accorded to them. The findings of the study put to question the ability of the councilors to control and manage contracts, jobs, plots, businesses rolled out to them through decentralization in the public interest. The findings further cast doubts on the ability of councilors to control bureaucrats in the public interest without colluding with them for their private or sectional interest. The findings further cast doubt on the ability of the councilors to account for their decisions.

The councilors did not adhere to the Local Government Act, 1998 which stipulated that councilors' responsibilities were to make policies and decisions for the running of the assemblies and that implementation was the duty of the secretariat (Malawi Government, 1998:5-7). Instead the councilors made resolutions to enable them directly recruit manual workers, street cleaners and revenue collectors instead of leaving the task to the secretariat. Furthermore, in doing so they did not observe merit in

recruitment as required by section 30 of the Local Government Act, 1998. Instead they recruited party sympathizers.

The councilors did not only fail to adhere to the Local Government Act, they also failed to adhere to other rules and regulations governing procurement and management of government finances such as the Public Procurement Act and the Corrupt Practices Act. The councilors failed to take advantage of these laws to improve management of the assemblies. The Public Procurement Act states that public procurement shall be realized by means of open tendering (Malawi Government, 2003:14). However, the findings in Lilongwe City Assembly show that councilors failed to adhere to the procurement regulations by among others awarding themselves contracts or awarding the contracts to friends or relatives. The councilors were supposed to be in the fore front in adhering to these rules and regulations but instead were also in the fore front in breaking the laws. Perhaps what was happening in the Assemblies was an illumination of the problem of corruption at the national level. During this time there was a great concern about corruption to the point that it was pointed at as a major issue in the four areas of African Peer Review Mechanism governance. Corruption was a major problem in Malawi which grew out of lax management of government financial affairs and was a major factor in the withdrawal of donor aid and lending to Malawi by the cooperating partners (South African Institute of International Affairs, 2004:3).

The failure by councilors to adhere to the rules and regulations was a reflection of how things were at the national level. There were weaknesses in financial controls at the national level not due to lack of rules and regulations but due to non-compliance with the existing rules and regulations. At the national level there was failure to conform to the

established laws and this trickled down to the assemblies, failure to respect rule of law. The scenario could be familiar to that of decentralization and corruption in France in which local governance had the effect of decentralizing corruption (Warner, 2003:4). While the governance model identified some key drivers of corruption across countries, it argued that the drivers of corruption can be country specific. In Malawi, the failure to conform to existing rules and regulations is one of the major drivers of corruption since it facilitated corruption both at the national level and the local governance level as reported in the African Peer Review Mechanism and this study respectively.

5.1.2 The role of Neo-patrimonialism and Informal Rules

Corruption in the three District Assemblies was closely associated with neo-patrimonialism and clientelism facilitated by the structures. Through the Assembly and its committees, the councilors built client networks by rewarding friends and party sympathizers with contracts and jobs. Some of the resolutions made in the structures were aimed at building client networks. For example the resolution that councilors in Lilongwe City Assembly should recruit a certain number of people to work as street cleaners was aimed at rewarding those who had assisted the councilors to be elected. The councilors wanted to consolidate their image to the people in the Ward. While the councilors who were patrons held more power, they still dependent on the client for things such as political support or loyalty. This dependence made councilors give privileged treatment to some people thereby leading to corrupt outcomes. In order to give out such privileged treatment, the councilors through the structures at the assembly subverted formal rules. Since the clients benefited through the informal rules, corruption thrived because there was no guardian of the formal rules.

Clientelism is infact a system of governance where rewards are offered for loyalty. The system thrives where the state is a major economic player and existence outside the framework becomes difficult (Kunaka: 2002:14). In Lilongwe City Assembly councilors became angry when-ever they saw people working as street cleaners, road shapers or labourers recruited without their knowledge. They wanted these people to feel that it was the councilor who had facilitated their recruitment (Key Informant Interview, Lilongwe City, and 1 June, 2008). Much as this behaviour benefited a great number of people, a great number of people who did not fall within the client network of the councilors were discriminated against. In Nkhhotakota District Assembly Councilors in the UDF used clientelism to force those Councilors in the MCP to join the UDF. This in return weakened debate during assembly meetings. The absence of opposition perpetuated resolutions which facilitated corruption. The presence of more parties in local assemblies helps promote accountability since opposing parties criticize the ruling party on areas of poor performance by calling it to account. This leads to effective performance of political decentralization (Manor, 1999:75).

In summary, the political structures in the local assemblies facilitated political corruption because they undermined formal rules and institutions governing procurement, recruitment and land allocation for their private interest. Political corruption implies the manipulation of institutions and rules of procedure for private benefit and therefore distorts the institutions of governance (Andvig and Fjellstad, 2001:40). The three local assemblies were supposed to operate within the rules and regulations as laid down in the relevant statutes such as the Local Government Act, Public Finance Management Act, Public Audit Act and the Corrupt Practices Act among others but the manipulation of

some of these regulations by the councilors turned them into empty shells and in return corruption became legitimate in the local assemblies.

5.1.3 The Role of Politics in facilitating corruption

In order to understand corruption in the three local assemblies, political factors can not be ignored. In the findings, the balance of power in the assemblies between ruling and opposition was one of the factors that facilitated corruption. Furthermore, the councilors preference of development projects which were tangible, to which they could point as evidence of their creativity to the voters and also which they could lend themselves to kickbacks from contractors also promoted corruption.

The participation of political parties in local elections is important because they import issues from higher levels of government to the local level. At the same time the presence of more parties at the local assembly structures debate to discernible pattern of ruling versus opposition which facilitates accountability because opposition parties seek to criticize poor performance. However, the findings in the study are contrary to this thinking. The findings further raised questions of the effectiveness of the process of political decentralization in communicating the real interests of the citizens. For example councilors suggested school blocks as priority area in the District Development Plan while other needs assessment showed that food security should be the priority area in the plans. The councilors saw projects like school blocks as priority area because the projects are tangible and could be pointed at as an achievement to their constituents. Furthermore the projects were accompanied by job creation and kick backs from contractors. So the mushrooming of many School block projects was not mainly aimed at developing their wards but the Councilors got satisfaction in the benefits accrued to them inform of the

jobs that accompanied such projects which were rolled out to family and party sympathizers and the money from kick-backs from contractors undertaking such projects. The bias towards school blocks may have been justified in the eyes of the citizens but it was in fact corruption.

The example in Nkhotakota illustrates the argument in the principal agent model that decentralization creates principal-agent problem in that the interest of the principal differs from that of the agent. The argument is that whenever the agent has authority to decide on important things some will exploit the opportunity to secure other gains themselves as was the case in Nkhotakota District Assembly. The problem comes in because the activities in political decentralisation are managed by agents (councilors) whose primary concern is personal or sectional gain and not the larger public (Principals).

It is also important to point out that it is easier to engage in corruption when no one is watching. The resolutions made by councilors were not exposed even if they were not meant to benefit the public in the local authority. This was because meetings of the Assembly did not attract members of the public and the press. Despite the Local Government Act making provisions admitting members of the public and the press in meetings of Assembly, sub-committees, the meetings did not attract people. The meetings were hardly subject to media scrutiny. This lack of scrutiny did not provide a mechanism for holding the councilors accountable for their decisions and opened the door for corruption. The low visibility of programs at the local level was not only a driving factor for corruption in local authorities in Malawi, in the United States of America, School decentralization was also vulnerable to corruption because of low media scrutiny (Segal, 1997:143).

5.1.4 The role of discretionary powers in facilitating corruption

A large part of the discretionary powers vested in the councilors in Malawi is derived in their role in policy making and enforcement through resolutions. The Local Government Act and the Decentralization Policy laid down functions for councilors and the secretariat. The roles conform to the tenets of the Politics-administration dichotomy model which provides norms for elected officials and administrators particularly in local government. It is the Council-manager form of government (Sara: 1998:51). The findings in the local assemblies were contrary to these tenets. The same powers vested in councilors to make policy and decisions on local governance and development for the local government area under the Local Government Act also allowed them to alter formal rules to seize opportunities for corruption. The issue of altering formal rules has already been dealt with in this thesis. However, this section emphasizes more on how the councilors utilized their economic power to seize control of local authorities financial resources for private profit.

The principal agent model argues that decentralization of power away from the principal (Central Government) towards the agents (Local Authority) decreases the ability of the principal to supervise the enforcement of its rules. In Malawi, the Local Authorities took charge over business licensing, land allocation and can conduct business to raise revenue for its operations. The Local Authorities regulate and control any services and any of the things they are empowered to do (Malawi Government, 1998:48). Entrusting Local Authorities with these massive powers meant that access to markets and business in the Local Authority was at the discretion of the local officials. The findings in Lilongwe City Assembly showed that through the Assembly and sub-committees, the

councilors altered or manipulated regulations to gain easy access to plots, contracts and jobs which they offered to their relatives and friends. In a situation where the capabilities of officials are dictated by their interests which are set by a system of patronage politics, fighting corruption by strengthening regulations may not be a solution because issues of patronage as another form of corruption are hard to prove and laws prescribing it are hard to prove. Corruption can be tackled through structural reforms that strengthen accountability and curb opportunities for corruption and law enforcement initiatives designed to increase deterrence (Segal, 1997:146-147).

5.2 Conclusion

In summary the Chapter discussed drivers of corruption in the three Local Assemblies. These drivers include non adherence to rules and regulations, neo-patrimonialism, clientelism, informal rules, low visibility of local programs, politics and discretionary powers held by local officials. The discussion further took the issue of neo-patrimonialism as a cross cutting issue in all these drivers. While the Local Authorities in Malawi were well organized in terms of professional bureaucratic structures as provided in the Local Government Act and Decentralization Policy, underneath these structures, the clientelist and patrimonial logics prevailed. To the councilors, informal networks of patron-client pervaded the formal structures. The councilors looked for opportunities to consolidate their political positions by distributing resources to friends and political allies in form of jobs, plots and contracts. Through the Assembly and its Sub-Committees, the councilors altered and manipulated rules and regulations to their advantage. The formal structures in Local Authorities were weakened by the informal societal norms of patron client networks.

CHAPTER SIX

CONCLUSION, IMPLICATIONS AND RECOMMENDATIONS

6.0 Introduction

In summary the study empirically examined the relationship between decentralization and corruption in Malawi. It established that political decentralization facilitated corruption. Specifically the study looked at the role of political decentralization in facilitating corruption in local assemblies. The focus of analysis was the political structures and these are the assembly and its committees. The argument in the thesis is that the structural features of political decentralization offer a plausible explanation on the existence of corruption in local assemblies. The study finds that non adherence to functions and roles, high level of discretionary power, low visibility of local programs, minimum supervision and oversight from central authority, politically driven agendas invited and facilitated corruption in the three local assemblies. The thesis also established that neo-patrimonialism and clientelism was a cross cutting issue in all the drivers of corruption. It is also the argument in the study that a plausible explanation for corruption in local assemblies in Malawi and in political decentralization in general needs to involve an examination of these structural features. The argument is that the origins of corruption in local assemblies were its political structures. Political decentralization is prone to principal-agent problems as such councilors had the ability to use their discretion to sideline some rules and regulations in their policy making role in the

assemblies. The argument therefore is that the origins of corruption in Local Authorities in Malawi lie in the political structures.

6.1 Major Conclusion

Political decentralization in Malawi was adopted with a number of objectives which include promoting accountability and good governance at the local level in order to help government reduce poverty (Malawi Government: 1998:2). However, the anticipated benefits of decentralization in Malawi are under threat because of the unintended consequence which is corruption. Political decentralization provides tools for corruption, virtually unregulated control over businesses, different levels of jobs, land. The elected officials control over these resources without providing adequate mechanisms for accountability and oversight facilitated corruption. The study established that through the set structures in the local authorities councilors made resolutions which altered or sidelined formal regulations. In Lilongwe City, Nkhosakota District and Dedza Town assemblies cases of corruption by Councilors were unearthed in award of contracts, recruitment and allocation of plots.

In the three assemblies the structures set up by the Local Government Act promoted corruption by among others not conforming to functions and roles, high level of control, low visibility of local programs, minimum supervision and oversight from central authority, politically driven agendas and lack of capacity. Several resolutions were made which sidelined proper rules and regulations guiding the functioning of local assemblies thereby paving way for corruption. Important also is the socio context of neo-patrimonialism and clientelism which helped shape the nature of resolutions. The socio context is important in setting up institutional changes to curb corruption in Local

Authorities. Even with effective monitoring mechanisms, patrimonial and clientelist practices are often hard to prove. Therefore, institutional changes to curb corruption in Local Authorities will only be effective if informal social norms do not conflict with formal rules.

While in theory, decentralization is supposed to reduce corruption and promote transparency, the findings of the study that decentralization in Malawi facilitates corruption should also serve as a work up call. While power is being transferred from Central Government to Local Authorities, it should be accompanied by the necessary oversight mechanisms to check corruption. Increasing the legal monitoring mechanisms such as rules and regulations are not an effective tool either. A combined effective structural change with an understanding of how the societal informal networks control the behavior of local officials is necessary.

6.2 Policy Implications

The findings of the study offer several policy implications on both the decentralization and Anti-Corruption policies in Malawi. The cases of Lilongwe City Assembly, Dedza Town Assembly and Nkhosakota District Assembly should serve as a warning to those drafting rules and procedures guiding the operations of the Assemblies. While the Composition of the Assembly as provided for in section five of the Local Government Act includes ex-officio members, their status as non voting members leaves them as mere spectators and denies them and the whole process of decentralization an opportunity to monitor activities and resolutions of the elected members of the Assembly. The current set up leaves the councilors who are politicians with a lot of power often exercised by their voting powers to initiate resolutions which are not in the public

interest. The powers are even used to alter established rules and regulations guiding operations of the Local Assemblies in procurement of goods and services, recruitment, revenue collection and plot and land allocation thereby rendering the objective of decentralization of promoting accountability and good governance at the local level hanging in balance. While the Local Government Act, 1998 supplemented by Public Procurement Act promotes the values of transparency and accountability by pushing for merit in recruitment and fairness in awarding contracts, the elected officials failed to conform to these values all the time.

The thesis also acknowledges that other oversight mechanisms such as the audit conducted by the National Audit Office and investigations conducted by the Anti-Corruption Bureau may go a long way to curb corruption in Local Authorities, however it is a repeated argument in this thesis that corruption can be tackled not only through regulation but through structural reforms that strengthen accountability and law enforcement initiatives designed to increase deterrence. Measures being carried out by National Audit Office and Anti-Corruption Bureau are less effective because they rely on reports from the general public. People likely to discover corruption are often those working with the corrupt agents and if they accept or do not report corruption, the behaviour spreads.

Furthermore, the study notes that political decentralization in Malawi also emphasizes on the strengthening rules and regulations guiding the operations of the local assemblies as one way of ensuring transparency and accountability at the local level. However, rules and regulations may be best in dealing with bureaucratic problems. However, corruption in local assemblies may best be described as a political problem.

For example, clientelism as exposed in Lilongwe City Assembly, Dedza Town Assembly and Nkhosakota District Assembly is a political problem. The best way to deal with political problems is also seeking a political solution (Manor: 1999:66). Clientelism may be difficult to be dealt with by bureaucratic rules and regulations because it is hard to prove and laws aimed at dealing with it may end up being frustrated (Segal: 1997:146). Furthermore rules and regulations target individuals but the findings suggest councilors hid behind resolutions which were collectively made to promote their private and sectional interest, strengthening rules and regulations therefore would not necessarily reduce corruption. Similarly incentive based reforms would not necessarily deal with political corruption for example, councilors could still push for recruitment of workers who were party sympathizers. The study therefore suggests that corruption in decentralization in Malawi can better be reduced through reforms targeting the political structures in the local assemblies in addition to the regulatory reforms already in place.

6.3 Recommendations

In light of the findings and policy implications discussed above, the following are suggestions on possible future directions. The challenge is to come up with corruption safeguards within the context of decentralized system. Corruption can be tackled not through regulation but through structural reforms that strengthen accountability and curb corruption opportunities and law enforcement initiatives designed to deter corruption. The interventions that are suggested are intended as a basis for thinking and debate about how to deal with corruption in local assemblies in Malawi and in political decentralization in general in order to pave way for maximum achievements that political

decentralization promises. The suggestions are not intended as a set of final recommendations.

6.3.1 Include unconventional arrangements in voting powers

Generally the findings suggest that corruption in the local assemblies was initiated by some of the resolutions which solely were targeted at sidelining the set rules and regulations guiding the operations of local assemblies with an aim of satisfying private or sectional interests. In environments where there was dominance of one political party in the political structures of the Assembly, the situation could have been different if the ex-officio members had some voting powers. If the ex-officio members would have voting powers, they would help oppose resolutions aimed at sidelining existing legislation which in turn facilitated corruption. The suggestion is made fully aware that it may be against some tenets of political decentralization but the Malawi scenario is that of an ongoing process and as such experiments and mistakes may be considered. In the Philippines for example, because of deficiencies in decentralization, they have included some unconventional elements. They have officially given voting powers on local councils to non-governmental organizations (Manor, 1999:8).

6.3.2 Consider reforming the electoral law

The electoral law on local government currently does not allow people holding or acting in public positions to be nominated as councilors. However the reality on the ground was that some councilors maintained their public positions for the mere reason that the job of Councilor does not have attractive monetary benefits. The suggestion therefore is that the electoral law on local government should allow people in holding or

acting in public positions within the locality of the Wards to be nominated as councilor in order to attract more responsible people who will compliment their already existing income with the little benefits they can get for the job as a councilor. The suggestion is made considering that raising the benefits of councillorship may not be viable economically for Malawi and let alone may not attract responsible leaders. This could also help the problem of lack of capacity since the idea may help attract people who have some financial and technical expertise which was lacking in the elected members.

6.3.3 Create local accountability through media coverage

The local programmes at the local level are not visible enough to attract assessment and monitoring by civil society and the electorates themselves. For example, people may not be aware when assembly and committee meetings take place for them to isolate agendas which attract their interests. The minor nature of the local programmes does not provide adequate mechanisms for holding councilors accountable since corruption is easy to engage when no one is watching. For people to hold their representatives accountable, they need to be aware of what is taking place in the assemblies. Assembly resolutions and local programmes need publicity like that of the financial resources channeled through the local assemblies done by the Local Government Finance Committee. Another way of raising visibility of the local programs is to consider including mandatory publicity of the assembly meetings and resolutions to attract media coverage as a way of attracting criticism from the general public. The thesis acknowledges that there are already some measures which open up meetings of the assembly and the committees to the public and the press in the Local Government Act. However, such measures are not mandatory as such people and the press may not be

aware as to when such meetings take place. Media coverage is an effective way of creating local accountability (Teets, 2004:46).

6.3.4 Check corruption through Local Monitoring Committees

The fight against corruption at the local level should start by holding local officials accountable for results. The governance model contended that corruption is a symptom of failed governance. The study further suggests recommendations by the model that in environments where corruption is high the strategy to deal with it is to strengthen institutions of accountability (Shah: 2006:14). These can happen at the level of leaders to citizenry. Local monitoring committees can be set up as a mechanism of evaluating and channeling complaints with higher levels such as Ministry of Local Government. Furthermore, recall procedures can be put in place in the legislation since wards are relatively smaller areas where cost of conducting elections may relatively be small.

6.3.5 Pay great attention to Sociocultural factors

All the above proposals may not be effective if informal social norms are not considered. Institutional changes to curb corruption in Local Authorities in Malawi should incorporate informal local arrangements into the formal processes. Efforts should aim at undertaking educational campaigns designed to promote a strong identity of a councilor as an official separate from the identity of a patron/client and to publicise the dangers of corrupt actions such as nepotism and cronyism. When the councilors assume the new identity of a professional combined with increased measures of accountability,

would instill his own informal roles opposed to corruption. Greater civic engagement may lead to closer monitoring and exposure of politicians.

6.4 Proposals for further research

Looking at the limited available studies on the link between decentralization and corruption in Malawi, there is compelling need for further research to complement available studies for example the relationship between the government workers (Secretariat and the elected officials) needs proper examination as an accountability measure. The study falls short of analyzing this accountability structure. Such studies would also help to suggest system safeguards to discourage corruption as an integral part of decentralization. Further research is also highly recommended because so far political decentralization is an ongoing process and after all the country has only had one experience with councilors with the current decentralization policy and Local Government Act. While this study focused on political structures in local assemblies, there is need for more empirical studies that focuses explicitly on the role of formal and informal norms in facilitating corruption in Local Authorities in Malawi.

REFERENCES

- Amundsen, I. (1999). *Political Corruption: An Introduction to the Issues*, Chr.Michelsen Institute: Norway
- Andvig, J.C. and Fjeldstad, O.H. (2001). *Corruption: A Review of Contemporary Research*. Chr.Michelsen Institute: Norway
- Cammack, D., Mutebi, F.G., Kanyongolo, F. and O'Neil, T. (2007). "*Neopatrimonial Politics, Decentralization and Local Government: Uganda and Malawi in 2006*", *Good Governance, Aid Modalities and Poverty Reduction. Working Paper 2*.
- Cau, B.M. (2004). *The Role of Traditional Authorities in Rural Local Governance in Mozambique: Case Study of the Community of Chirindzene*. Unpublished Masters Thesis. South Africa. University of Western Cape
- Chinsinga, B. (2005). *Democracy, Decentralization and Poverty Reduction in Malawi*. Rudiger Koppe Verlag: Koln.
- Fisman, R. and Gatti, R. (2002b). 'Decentralization and Corruption: Evidence Across Countries'. *Journal of Public Economics*, Vol.83, No. 3, pp. 325-345.
- Fiszbein, A. (1997). 'Emergence of Local Capacity: Lessons from Colombia'. *World Development*, Vol.25, No.7, pp. 1029-1043.
- Fjelde, H. (2007). *Democracy Depraved. Corruption and Institutional Change 1985-2004*.
- Fjeldstad, O.H. (2004). *Decentralization and Corruption: A review of literature*, Norway: Chr Michelsen Institute.
- Fjelstad, O.H. and Semboja, J. (2000). *Dilemmas of Fiscal Decentralization: A Study of*

- Local Government Taxation in Tanzania*'. Forum for Development Studies.
- Goldsmith, A.A. (1999) 'Slapping the Grasping Hand: Correlates of Political Corruption in Emerging Markets'. *American Journal of Economics and Sociology*, Vol.58, No. 4, pp. 865-883.
- Gurgur, T and Shah, A. (2005). *Localization and Corruption: Panacea or Pandora's Box?* Washington D.C. The World Bank.
- Heidenheimer, A.J. (1993). *Political Corruption: A handbook*. New Brunswick NJ: Transaction Pub.
- Huntington, S. (1992). *The Third Wave-Democratization in the late Twentieth Century*. Norman and London: University of Oklahoma Press.
- Kaarhus, R. and Nyirenda, R. (2006). *Decentralization in the Agriculture Sector in Malawi: Policies, Processes and Community Linkages*. Norway: Rotator As.
- Khan, M. (2002). *Rents, Rent-Seeking and Economic Development: Theory and Evidence*. Cambridge: Cambridge University Press.
- Klitggard, R (1988). *Controlling Corruption*, Berkeley:University of California Press.
- Kolstad, I. and Fjeldstad, O.H. (2006). *Fiscal Decentralization and Corruption: A brief overview of the issues*. Norway: Chr Michelsen Institute.
- Kunaka, C. and Matsheza, P. (2002). *The SADC Protocol Against Corruption: A Regional Framework to Combat Corruption*. Harare: Human Rights Trust of Southern Africa.
- Kyong, J (1997). *The Political Economy of Corruption in China*. Armonk: M.E.Sharpe.
- Larson, A.M. and Robot, J.S. (2005). *Democratic Decentralization through a Natural Resource Lens: An Introduction*. London and New York: Routledge.

- Lilongwe City Assembly (2002). *Agenda Papers*. Lilongwe.
- Litvack, J. and Seddon, J. (1999). *Decentralization Briefing Notes*. Washington D.C. The World Bank.
- Malawi Government (1995). *Corrupt Practices Act*. Zomba: Government Printer.
- Malawi Government (1996). *Local Government Elections Act*. Zomba: Government Printer.
- Malawi Government (1998). *Local Government Act*. Zomba: Government Printer.
- Malawi Government (1998). *Malawi Decentralization Policy*. Zomba: Government Printer.
- Malawi Government (2003). *Public Procurement Act*. Zomba: Government Printer.
- Malawi Government (2006). *Governance and Corruption Baseline Survey Final Main Report*. Lilongwe: Millennium Consulting Group Ltd.
- Malawi Government (2008). *National Anti-Corruption Strategy*. Lilongwe.
- Manor, J. (1999). *The Political Economy of Democratic Decentralization*. Washington D.C. The World Bank.
- Matsheza, P and Kunaka, C. (2002). *Measuring Corruption in Southern Africa*. Harare: USAID/RCSA.
- Mbeye, J. (2007). *Decentralization Policies in Malawi*. Malawi:UNDP.
- Nye, J.S. (1967). 'Corruption and Development: A Cost Benefit Analysis.' *American Political Science Review*. Vol.61, No. 2:pp417-427.
- Oates, W.E. (1998). *Comments on Fostering Fiscally Responsive and Accountable Governance: Lessons from Decentralisation*. Brunswick/London:Transaction

Publishers.

Pope, J. (2000). *Confronting Corruption: The Elements of a National Integrity System*.

Malaysia: Transparency International.

Prud'homme, R. (1995). 'The Dangers of Decentralization'. *The World Bank Research Observer*, Vol. 10, No. 2, pp201-220.

Ribot, J.C. (2002). *Democratic Decentralization of Natural Resources: Institutionalising Popular Participation*. South Africa: World Resource Institute.

Robson, C. (2002). *Real World Research*. Australia:Blackwell Publishing.

Rodden, J. (2004). 'Comparative Federalism and Decentralization: On Meaning and Measurement'. *Comparative Politics*, Vol.36, No. 4, pp481-500.

Rose-Ackerman, S. (2004). 'Governance and Corruption' in Bjorn Lomborg, *Global Crises, Global Solutions*. Cambridge University Press.

Segal, L. (1997). 'The Pitfalls of Political Decentralization and Proposals for Reform: The Case of New York City Public Schools'. *Public Administration Review*, Vol.57, No.2, pp141-149.

Scott, J. (1969). 'The Analysis of Corruption in Developing Nations'. *A comparative Studies in Society and History*, Vol.11:pp325-341

Shah, A. (2006). *Decentralization and Decentralized Public Governance*. Washington D.C. The World Bank.

Shah, A. and Schacter, M. (2004). 'Combating Corruption: Look Before You Leap'. *Finance and Development*, Vol.41, No. 4, pp40-43.

Shah, A. and Thomson, T. (2004). *Implementing Decentralized Local Governance: A*

- Treacherous Road with Potholes, Detours and Road Closures*. Washington D.C. The World Bank.
- Smoke, P. and Lewis, B. (1996). 'Fiscal Decentralization in Indonesia: A New Approach to an Old Idea'. *World Development*, Vol. 24. No. 8, pp1281-1299.
- Southern African Institute of International Affairs (2004). *Malawi and the African Peer Review Mechanism: A Review of National Readiness and Recommendations for Participation. Final Report*
- Sara, J.H. (1998). 'The Politics-Administration Dichotomy Model as Aberration'. *Public Administration Review*, Vol.58, No.1, pp51-58.
- Tambulasi, R.I.C and Kayuni, H.M. (2007). 'Decentralization Opening a New Window for Corruption: An Accountability Assessment of Malawi's Four Years of democratic Governance'. *Journal of Asian and African Studies*, Vol. 2, pp163-183.
- Tanzi, V (1998). *Corruption around the world: Causes, Consequences, Scope, and cures*, *International Monetary Fund Working Papers*. Washington DC: International Monetary Fund.
- Teets, J.C. (2004). *The Origins of Corruption in Developing Countries and Transitional Countries: Institutional Decentralization and Social Norms*. USA: University of Colorado.
- Todes, A, Sithole, P, and Williamson (2007). *Local Government, Gender and Integrated Development Planning*. Cape Town: HSRC Press.
- Warner, C.M. (2003). *The Perverse Link between Decentralization, Democracy and Corruption*. USA: Arizona State University.

Watson, M. (2005). *Foundations of International Political Economy*. New York:
Palgrave MacMillan.

World Bank (1997). *Helping Countries Combat Corruption: The Role of the World Bank*. Washington, D.C: The World Bank

APPENDIX

INTERVIEW GUIDE FOR KEY INFORMANTS

1. Interview Guide for Former Councilors.

Objective one

To analyze the nature of corruption cases related to political decentralization in the selected local assemblies in Malawi.

1. What is your understanding of corruption?
2. Were there any incidences at your local assembly which you would call corruption? Explain.
3. How often did these incidences happen?
4. Who were mostly involved during such incidences?

Objective two

To determine the factors that led to corruption by councilors in local assemblies by among others using cases reported to the Anti-Corruption Bureau in Malawi.

1. During the time of Councilors, there were reports of Councilors being involved in corruption in procurement of goods and services, recruitment, plot allocation and even in elections. What was the experience at your local assembly?
2. Why do you think Councilors were involved in such malpractices? Outline the factors.
3. What are some of the strengths of the set up of the local assembly which would prevent corruption?
4. What are some of the weaknesses in the set up of the local assembly which would promote corruption?

Objective three

To assess the impact of oversight role of Councilors

1. What do you understand to be the role of District Assemblies in Malawi?

2. How do they carry out their functions?
3. What are the functions of Councilors at a local Assembly?
4. How do Councilors perform their functions?
5. How effective were Councilors in carrying out their oversight role in the implementation of policies and decision made by the Secretariat?
6. In some local assemblies there were reports that Councilors overstepped their role of making decisions and policies for the Assembly and ended up performing day to day activities. What was the experience in your local Assembly?

Objective four

To identify loopholes or structural weaknesses of the setup of local assemblies which make them vulnerable to corruption?

1. Corruption is one issue that is affecting the operation of government Ministries and departments in Malawi. How has corruption affected operation of Assemblies in Malawi so far?
2. How do Assemblies procure goods and services for the Assembly? What were the guidelines or procedures used?
3. Who are involved in procurement of goods and services?
4. What was the role of elected officials (Councilors) in the procurement of goods and services?
5. How do assemblies recruit junior staff (staff paid direct by the assembly)?
6. During the time of Councilors, there reports in some local assemblies of Councilors recruiting their sympathizers to some junior positions at the local assembly, what was the experience at your local assembly.
7. What type of corruption is most common in Assemblies?
8. Who are mostly involved in corruption at the Assembly?
9. What do you consider to be the causes of corruption in Assemblies in Malawi?
10. Were there any factors that facilitated increased corruption in local assemblies?
11. How effective were Councilors in checking corruption in Assemblies?

12. What were the weaknesses of Councilors in checking corruption in Assemblies?
13. During the time of Councilors, what mechanism was there within the local assembly that was supposed to control and detect corruption?
14. In such a mechanism what was the role of Councilors?

2. Interview Guide for Secretariat Staff of Local Assemblies, National Local Government Finance Committee.

Objective one

To analyze the nature of corruption cases related to political decentralization in the selected local assemblies in Malawi.

1. What is your own understanding of corruption?
2. Were there any incidences of corruption at your local assembly which you would call corruption?
3. If yes, who were involved during such incidences?
4. How often did such incidences happen?
5. How do you compare incidences of corruption between the time the assembly had Councilors and now that there are no Councilors?

Objective two

To determine the factors that led to corruption by councilors in local assemblies by among others using cases reported to the Anti-Corruption Bureau in Malawi.

1. During the time the country had Councilors, there were reports of Councilors being involved in corruption. What was the experience at your local Assembly?
2. Apart from Councilors, who else was involved in corruption at the Assembly?
3. Which areas of the Assembly were most affected by corruption?
4. What factors led to corruption at the Assembly?

Objective three

To assess the impact of oversight role of Councilors

1. What was the role of Councilors at the Assembly?
2. How did the Councilors carry out their functions?
3. How effective were Councilors in detecting incidences of Corruption and abuse of funds at the Assembly?
4. What mechanisms did Councilors put in place to check incidences of corruption at the Assembly?
5. In some local assemblies there were reports that Councilors overstepped their oversight roles and ended up performing day to day activities. What was the experience at your local assembly?
6. Now that there are no Councilors, who is carrying out their functions?

Objective four

To identify loopholes or structural weaknesses of the setup of local assemblies which make them vulnerable to corruption?

1. What mechanisms are there at the assembly to monitor the use of funds?
2. What financial reporting mechanisms are in place at the assembly?
3. What is the capacity of assembly to properly manage funds it receives from government, donor agencies and even from the revenue it makes?
4. What is the role of Councilors in such mechanisms designed to properly manage funds?
5. Now that there are no Councilors, how is the Assembly managing the funds?
6. Does the Assembly have internal audit system?
7. How often does the National Audit Office conduct audits at the assembly?

3. Interview Guide for Anti-Corruption Bureau and National Audit Office

Objective one

To analyze the nature of corruption cases related to political decentralization in the selected local assemblies in Malawi.

1. What type of corruption is most common in local assemblies?
2. Who are mostly involved in corruption at the local assembly level?
3. Through media reports it seems elected officials were also involved in corruption, what type of corruption were the elected officials involved in?
4. Generally how would you describe the extent of corruption in local assemblies? Compare also the period the country had Councilors and the period the Country has no Councilors?

Objective two

To determine the factors that led to corruption by councilors in local assemblies by among others using cases reported to the Anti-Corruption Bureau in Malawi.

1. What are the causes of corruption from the cases handled so far?
2. In your analysis of the cases of corruption involving Councilors, what are the factors that led them to indulge in corruption?
3. Are Councilors better placed to check corruption at the assembly?
4. How cooperative were Councilors to the Anti-Corruption Bureau in times of investigation of corruption cases?
5. What are the possible areas the assemblies need to improve to reduce incidences of corruption in assemblies?

Objective three

To assess the impact of oversight role of Councilors

1. Are Councilors effective in monitoring the use of funds at the Assembly?
2. In your investigations or audits conducted, what were the strengths and weaknesses of Councilors in their oversight role?

3. Are Councilors better placed to monitor the management of funds at the assembly?

Objective four

To identify loopholes or structural weaknesses of the setup of local assemblies which make them vulnerable to corruption?

1. What is the capacity of local assemblies in preparation of government finance monitoring mechanisms such as monthly expenditure returns and cash controls?
2. How effective are Assemblies in adhering to government set procedures in procurement, recruitment and financial accounting?
3. What was the role of Councilors in these government set procedures in procurement, recruitment and financial accounting?
4. There have been reports of corruption and abuse of funds in local assemblies; from the cases handled what were weaknesses in the government set procedures in procurement, recruitment and financial accounting?