

# UNIT 89 – UPSC - Accountability and Ethical Governance

## Accountability

Ethics and accountability are important elements for modern government as in majority of the countries, there is a severe crisis of legitimacy. Progressively, it has been realized that performance management alone will not resolve this crisis period. Inhabitants also expect from politicians and public servants ethical responsible behaviour. Devolution and decentralisation processes have enhanced the responsibility of public officers. The increase of transparency and openness and the service orientation of public organisations have challenged the traditional values of discretion and equality before the rule. The increasing interaction between the public and the private sector have raised the demand of integrity. With these developments, it is vital to apprise the ethical system, or reversibly, the traditional values of the public service can question some actual evolutions in government (Hondeghe, 1998). As a facet of governance, it has been central to debates related to problems in the public sector, non-profit and private (corporate) and individual contexts. Broadly speaking, accountability exists when there is a relationship where an individual or body, and the performance of tasks or functions by that individual or body, are subject to another's oversight, direction or request that they provide information or justification for their actions. In the arena of ethics, accountability is answerability, enforcement, blameworthiness, liability, and the expectation of account-giving (Dykstra, 1939). Answerability is elucidated as the obligation of the government, its agencies and public officials to provide information about their decisions and actions and to justify them to the public and those institutions of accountability tasked with providing oversight. Enforcement proposes that the public or the institution responsible for accountability can sanction the offending party or remedy the breaching behaviour. As such, different institutions of accountability might be responsible for either or both of these stages (Bovens, M. 2005).



It can be contended that accountability is the fundamental requirement for preventing the abuse of power and for ensuring that power is directed towards the achievement of efficiency, effectiveness, responsiveness and transparency. Open, transparent and accountable government

is an imperative prerequisite for community-oriented public service delivery because without it covert unethical behaviour will result. In theoretical studies, it has been represented that accountability is the process whereby public sector organisations, and the individuals within them, are responsible for their decisions and actions and submit themselves to appropriate external scrutiny. It is best achieved when parties have a sound understanding of those responsibilities, and clearly defined roles within a robust management structure. In effect, accountability is an obligation for a responsibility conferred. This responsibility, which encompasses a range of concerns, such as values and ethics and the effective and efficient implementation of programs, entails a range of processes.

In leadership roles, accountability is the acknowledgment and postulation of responsibility for actions, products, decisions, and policies including the administration, governance, and implementation within the scope of the role or employment position and encompassing the obligation to report, explain and be answerable for resulting consequences (Williams, 2006).

Accountability is important for good governance. Appraising the ongoing effectiveness of public officials or public bodies ensures that they are performing to their full potential, providing value for money in the provision of public services, instilling confidence in the government and being responsive to the community they are meant to be serving.

## Types of Accountability

The notion of accountability can be classified according to the type of accountability exercised and/ or the person, group or institution the public official answers to.

**1. Horizontal vs. Vertical Accountability:** The predominant interpretation is that institutions of accountability, such as parliament and the judiciary, provide horizontal accountability, or the capacity of a network of relatively autonomous powers that can call into question, and eventually punish, improper ways of discharging the responsibilities of a given official. It can be put in another way, that horizontal accountability is the capacity of state institutions to check abuses by other public agencies and branches of government, or the requirement for agencies to report sideways.

Whereas, vertical accountability is the means through which residents, mass media and civil society seek to enforce standards of good performance on officials. While parliament is typically considered as a key institution in constructs of horizontal accountability, it is also important in vertical accountability. Citizens and civil society groups can look for the support of elected representatives to redress grievances and intervene in the case of inappropriate or inadequate action by government. Additionally, through the use of public hearings, committee investigations and public petitioning, parliament can provide a vehicle for public voice and a means through which citizens and civic groups can question government and seek parliamentary sanctioning where suitable.

**Political versus Legal Accountability:** Parliament and the judiciary act as horizontal constitutional checks on the power of the executive. The role of these two institutions can be further described in that parliament holds the executive politically accountable, whilst the judiciary holds the executive legally accountable. Parliament is a political institution, while the judiciary can only adjudicate on legal issues. Together, they provide continuing oversight in order to keep the government accountable throughout its term in office. They may also be aided by other

institutions, such as supreme audit institutions, anti-corruption commissions, regulatory offices and human rights institutes. These secondary 'autonomous institutions of accountability' are typically designed to be independent of the executive; in the case of supreme audit institutions, anti-corruption commissions and regulatory offices they often report to parliament while in the cases of supreme audit institutions and human rights institutes, they may be part of the judiciary.

Political accountability usually establishes itself in the concept of individual ministerial responsibility, which is the basis of the notion of responsible government.

**Social Accountability:** Social accountability is an approach towards building accountability that relies on public engagement, namely a situation whereby ordinary citizens and/or civil society organizations partake directly or indirectly in exacting accountability. Such accountability is termed as society driven horizontal accountability. The term social accountability is a misnomer since it is not meant to refer to a specific type of accountability, but rather to a particular approach (or set of mechanisms) for exacting accountability. Mechanisms of social accountability can be originated and supported by the state, citizens or both, but very often they are demand driven and operate from the bottom-up. It is generally acknowledged that social accountability mechanisms are an example of vertical accountability. Nevertheless, some reviewers argue that, with respect to social accountability, a hierarchical relationship is generally lacking between actor and forum, as are any formal obligations to render account. Giving account to various stakeholders occurs basically on a voluntary basis with no intervention on the part of the principal.

Therefore, social accountability would be a form of horizontal accountability. Social accountability initiatives are as varied and different as participatory budgeting, administrative procedures acts, social audits, and citizen report cards which all involve citizens in the oversight and control of government. This can be contrasted with government initiatives or entities, such as citizen advisory boards, which fulfil public functions (Malena, C; R. Forster & J. Singh. 2004).

**Diagonal Accountability:** The notion of diagonal accountability is far from settled with two groups of commentators adopting different definitions. Diagonal accountability involves vertical accountability actors. Generally speaking, diagonal accountability seeks to engage citizens directly in the workings of horizontal accountability institutions. This is an effort to augment the limited effectiveness of civil society's watch dog function by breaking the state's monopoly over responsibility for official executive oversight.

The main principles of diagonal accountability are:

- i. **Participate in Horizontal Accountability Mechanisms** - Community supporters participate in institutions of horizontal accountability, rather than creating distinct and separate institutions of diagonal accountability. In this way, agents of vertical accountability seek to insert themselves more directly into the horizontal axis.
- ii. **Information flow**- Community promoters are given an opportunity to access information about government agencies that would normally be limited to the horizontal axis, for instance internal performance reviews etc. Furthermore, they have access to the deliberations and reasons why horizontal accountability institutions make the decisions they do. Meanwhile, community advocates bring first hand experience about the performance of the government agency to the accountability process.

3. Compel Officials to Answer - Community activists co-opt the horizontal accountability institution's authority to compel a government agency to answer questions.

III. Capacity to Sanction - Community advocates acquire the authority of the horizontal accountability institution to enforce the findings or influence elected officials. Within an organization, the ideologies and practices of ethical accountability has significant aim to improve both the internal standard of individual and group conduct as well as external factors, such as sustainable economic and ecologic strategies. More importantly, ethical accountability plays key role in academic fields, such as laboratory experiments and field research. Debates around the practice of ethical accountability on the part of researchers in the social field whether professional or others have been thoroughly studied by Norma R.A. Romm in her work on Accountability in Social Research, including her book on New Racism, Revisiting Researcher Accountabilities, reviewed by Carole Truman in the journal Sociological Research Online (Truman, 2010). It is recommended that scholar accountability implies that researchers are aware of, and take some responsibility for, the potential impact of their ways of doing research and of writing it up on the social fields of which the research is a part. That is, accountability is related to considering carefully, and being open to challenge in relation to, one's choices concerning how research agendas are framed.

In administration, civil servants have a special responsibility because they are trusted with managing resources on behalf of the community, delivering services to the community and taking decisions that affect a citizen's life. The civil servants have a pivotal role to ensure continuity and change in administration. However, they are dictated by the rules and procedures which are formulated taking their advice into account. It is the 'rule of law' rather than the 'rule of man' that is often blamed for widespread abuse of power and corruption among government officials. The community, therefore, must be able to trust the integrity of the civil service decision-making process. Civil executives are expected to uphold high standards of professionalism, responsiveness and impartiality. Holders of public office are accountable for their decisions and actions to the public and must submit themselves to whatever scrutiny is appropriate to their office.

To summarize, accountability is intended to make public officials answerable for their behaviour and responsive to the entity from which they derive their authority. Accountability also indicate establishing criteria to measure the performance of public officials, as well as oversight mechanisms to ensure that standards are met.

## **Ethical Governance**

Ethics is vital part of corporate governance, and administration must reflect accountability for their actions on a global community scale. Ethical governance in business is more than 'regulatory compliance'. It is not rule-based but value-based. Human values are ingrained in virtues which, being difficult to measure, quantify and monitor. 'Principle-centred' corporate guidelines are encouraged to replace 'rule-based' ones. Values are learnt from childhood, not taught, from various contacts a person experiences, stories and situations. Morals are, many a time not explicitly articulated, but implicitly conveyed. Ethics should govern 'corporate governance' every action in business. A Research Report (2006) by CFO Asia prepared in collaboration with ACCA titled "Corporate Governance, Business Ethics & the CEO states as follows: "It is harder to establish a connection between codified ethics and practical actions than to track compliance on governance



or accounting systems. But ethics can be reasonably seen as an intangible, yet powerful, catalyst and supporter of compliance. Put another way, it is not possible to legislate for ethical behaviour."

For factual 'ethical governance', the person in the business world involved in any action has to absorb himself a commitment i.e. a strong conviction that 'social good' is more important than 'individual good'. It has to come from 'within'. Whether it is awareness or knowledge, it should create true transformation 'within' for the 'ethical' behaviour to happen always on every occasion as a natural instinct. Performance consequence reflecting true 'ethical governance' comes neither from those who do it with 'I am sacrificing' attitude nor from those who do with 'I do sacrifice for the world to know' attitude. This is major difference between 'ethical governance' and other forms of 'governance' including activities of CSR and Charities. The regulatory mechanism can only provide a favourable environment for this to happen. Punitive environment cannot create 'transformation' for ethical governance; it can only guarantee 'compliance' approach.

To ensure ethical governance, an organization has to develop effective system to address featuring commercial realities, challenging administrative processes and difficult technical facts. This would essentially require, among other things, a well-designed and structured training mechanism which is different from all other types of corporate or industrial training.

Ethical Governance offers people array of great opportunity to differentiate from the competition in the market to add value. A corporation which is known to be secure and run on moral principles will be more trusted by customers, shareholders and investors, and it will be more efficacious than those less ethical companies. Briefly, by operating with a social conscience, the ethical leader does not just build confidence and loyalty with staff, but builds goodwill in the market, community and society at large. Ethical Leadership is not without its challenges. For instance, ethics are often highly personal. Nor can Ethical Management be instilled in an organization or corporation overnight. Ethical Governance requires habit, and it requires proper regulations. Education and communication must be further enhanced, Ethical issues must find and gain support in the work place and also in the society, and finally there must be proper motivation and recognitions given for those wishing to follow Morals. It is well understood that accountability and ethics are strongly related. Effective accountability assists the accomplishment of ethical standards in the governance system. Legislative or parliamentary control through questions, debates and committees provide ample opportunity to the people's representatives to raise, among other things, issues of ethics and morality in the governance system. More particularly, the Public Accounts Committee in India, which gives its comments on the report of the Comptroller and Auditor General of India in its reports, raises matters that directly or indirectly relate to ethics and good governance. Reports have indicated that a well-functioning civil service aids to foster good policy making, effective service delivery, accountability and responsibility in utilizing public resources which are the features of good governance. "Good Governance" is being used as a comprehensive framework not only for administrative and civil service reform but as a link between Civil Service Reform and an all-embracing framework for making policy decisions effective within viable systems of accountability and citizen participation.

It can be summarized that Ethics is the base of every business firm. Top managers are undoubtedly the protectors of values of the firm. But individual and corporate values drive behaviour. Collective human behaviour describes the organizational culture. Ethics should oversee business. Ethical standards assist to make it happen. Management control systems including various practices such as management audit, operational audit and cost audit can be

made more operative if such practices can widen scope beyond 'compliance oriented' approach. Ethical governance is a continuing focus, starting with the Board and extending to all workers. With transparency and unwavering ethics, people will seek to earn the trust of those they partner with, forge lasting service relationships and strengthen business over the long term.