Decentralization in Public Policy and Governance of Public Services in Alaska, USA

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Abstract

Public policy is developed through a process of policy analysis, debate, and decision-making, involving various stakeholders such as government officials, civil society organizations, and citizens. Effective decentralization requires careful planning, institutional design, and monitoring and evaluation to ensure that it promotes good governance and produces positive outcomes for citizens. Effective governance structures and processes are necessary to develop and implement effective public policies, while well-designed public policies can help to promote good governance by fostering transparency, accountability, and participation. The research used the descriptive research design. The target population was 40 public officers in Alaska, USA. Questionnaires were utilized to gather the data. The study found that decentralization in the public policy and governance of public services in Alaska, USA have significant effects on the efficiency, effectiveness, and responsiveness of the system. By transferring decision-making authority and responsibilities from central government entities to local or regional authorities, decentralization allows for increased local autonomy and tailored decision-making. Local authorities, such as municipalities or regional governments, have a better understanding of the specific needs and priorities of their communities. The study concluded that decentralization in public policy and governance of public services in Alaska has the potential to enhance local responsiveness, citizen engagement, and overall effectiveness of public service delivery, while also necessitating careful attention to address potential challenges and ensure equitable outcomes. The study recommended that effective implementation of decentralization in the public policy and governance of public services requires strengthening governance structures, capacity building, fostering citizen participation, ensuring equitable resource allocation, and continuous monitoring and evaluation. Decentralization requires solid institutional capacity at all levels of government to ensure that policies are effectively implemented and resources are efficiently utilized. Monitoring and evaluation are critical to assessing the effectiveness of decentralization efforts and identifying areas for improvement.

Keywords: Decentralization, public policy, governance, public services, USA

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1.0 Background of the study

Public policy refers to the decisions, actions, and programs implemented by governments and other public institutions to address public issues or promote public goals. Public policy can cover broad areas, such as education, health care, economic development, environmental protection, and social welfare (Valle-Cruz, Criado, Sandoval-Almazán & Ruvalcaba-Gomez, 2020). Public policy is developed through a process of policy analysis, debate, and decision-making, involving various stakeholders such as government officials, civil society organizations, and citizens. Governance refers to the processes, structures, and institutions through which decisions are made and authority is exercised in society (Gorwa, 2019). It encompasses both the formal institutions of government, such as the executive, legislative, and judicial branches, and the informal networks of power and influence that exist within society. Good governance involves a range of principles, such as accountability, transparency, participation, and the rule of law, that are necessary for ensuring effective, responsive, and equitable decision-making (Zerbian & de Luis Romero, 2021).

According to Cashore, Knudsen, Moon and van der Ven (2021) the relationship between public policy and governance is complex, as public policy is shaped by the governance arrangements that exist in a particular society, and good governance requires effective public policies. Effective governance structures and processes are necessary to develop and implement effective public policies, while well-designed public policies can help to promote good governance by fostering transparency, accountability, and participation. Decentralization refers to the transfer of power and decision-making authority from a central authority to lower levels of government, communities, or private organizations (Sabir, Jabbar Othman, Gardi, Burhan Ismael, Abdalla Hamza, Sorguli, & Anwar, 2021). Decentralization can take various forms, such as political, administrative, or fiscal decentralization, depending on the specific context in which it is implemented.

Political decentralization involves the transfer of political power and decision-making authority from a central government to sub-national levels of government, like states or provinces (Rohdewohld, 2022). This may lead to greater local autonomy and decision-making power, and can promote greater citizen participation in decision-making processes. Administrative decentralization involves the transfer of administrative functions, such as service delivery and regulatory functions, from a central government to lower levels of government or other organizations (Massoud, Mokbel, Alawieh & Yassin, 2019). This may improve efficiency, responsiveness, and accountability in service delivery, as decision-making is brought closer to the people who are affected by it. Fiscal decentralization involves the transfer of financial resources and decision-making authority from a central government to lower levels of government or other organizations (Fatoni, 2020). This can provide greater resources and autonomy to sub-national governments, and can promote greater accountability in the use of public funds.

Some potential benefits of decentralization include improved efficiency, increased accountability and citizen participation, and greater innovation, while potential challenges include fragmentation of policy, lack of coordination, and inequitable distribution of resources (Nogueira, 2023). Effective decentralization requires careful planning, institutional design, and monitoring and evaluation to ensure that it promotes good governance and produces positive outcomes for citizens. Decentralization can have both positive and negative effects on public policy and governance, and its impacts can vary depending on the specific context in which it is implemented (Hao, Gai, Yan, Wu & Irfan, 2021). Positive effects of decentralization on public policy and governance include:

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Decentralization can result in better and more efficient service delivery by bringing decision-making closer to the people who are affected by it. This can result in faster response times, more tailored solutions, and reduced bureaucracy; Increased accountability: Decentralization can increase accountability by making decision-makers more responsive to the needs of their constituents. Local officials are more likely to be held accountable for their actions than officials at higher levels of government; Decentralization can enhance citizen participation in decision-making processes by providing more opportunities for citizens to engage with their government. This can lead to greater public trust and legitimacy, and ultimately better policy outcomes and decentralization can promote innovation by allowing for experimentation and adaptation of policies and programs at the local level (Brisbois, 2020). This can result in more effective and efficient solutions to public problems.

Abimbola, Baatiema and Bigdeli (2019) reported that negative effects of decentralization on public policy and governance include: Decentralization can result in an uneven distribution of resources and services across regions, as local officials may prioritize the needs of their own constituents over the needs of the broader community; Decentralization can lead to the fragmentation of policy, as local officials may pursue different approaches to addressing public problems. This can result in inconsistencies and inefficiencies in policy implementation; Decentralization can result in a lack of coordination and communication between different levels of government and across different regions. This can make it difficult to implement coherent policies and programs and decentralization can increase the risk of corruption, as decision-making authority is dispersed across multiple actors (Perrin, Nougarèdes, Sini, Branduini & Salvati, 2018). Without proper checks and balances, local officials may abuse their power for personal gain.

2.0 Literature Review

Mikalef, Pateli and van de Wetering (2021) conducted research to examine the influence of decentralization on governance using four governance indicators and five decentralization initiatives. Cross-sections for up to 90 countries are projected based on data availability. The findings for a panel of around 50 nations from 2000 to 2011 are also shown. The findings demonstrate that decentralization, as measured by the percentage of subnational employment, income, or expenditures, promotes governance. This is especially true for low-income nations, although it may also be said for high-income ones, depending on the metric used. The number of sub-national government levels, on the other hand, has a detrimental influence on several aspects of governance.

Zhang, Qu, Zhang, Li and Miao (2019) performed research to look at how decentralization and government capability combine to influence national environmental policy performance. Despite the substantial literature on the policy repercussions of decentralization, a thorough grasp of the role that government capability may play in the process remains lacking. This study promotes the integrative premise that decentralization may increase policy performance if the government has capable, efficient, and trustworthy administrative machinery. Findings from a cross-national examination of national environmental policy effectiveness offer substantial support to the overall premise, indicating that the level of government capability considerably strengthens such favorable benefits of decentralization.

Wu, Li, Hao, Ren and Zhang (2020) noted that decentralization in China has been lauded for encouraging inter-jurisdictional rivalry, which incentivizes local officials to encourage economic

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growth. The disadvantage of decentralization is that it allows these same local governments to stall or obstruct the execution of centrally mandated governance reforms, particularly when they may have a detrimental impact on local development goals. We contend that China's fiscal and promotion systems have produced misaligned incentives, encouraging cash-strapped local governments to reject central governance changes. Particularly the localities with lesser tax bases were slower to execute new, centrally mandated environmental transparency requirements. Additional data suggests a split in development patterns. Increased foreign investment brings about higher compliance in fiscally healthy communities. Foreign investment is connected with lower transparency in fiscally challenged cities, implying that they try to encourage local growth by becoming pollution havens. High levels of pollution motivate fiscally strong cities to boost pollution disclosures, whereas fiscally weak cities do the opposite. These results show that misaligned decentralization policies can impede other essential governance improvements, including those that could be anticipated to complement decentralization attempts.

Trusova, Kohut, Osypenko, Radchenko and Rubtsova (2019) argued that regional governments in Estonia have technically separate power to self-administer their regions, design and execute their socioeconomic approaches and mechanisms, bear all financial expenditures, raise income from particular tax bases, receive subsidies from the central government, and borrow from internal sources following the 1982 decentralization reform. However, the reform's execution demonstrates persistent central government domination over expenditure and revenue allocation, continued regional reliance on national subsidies, a lack of borrowing, and continued central government meddling in regional administrative affairs. This study reveals how the public sector management system impacts decentralization results through thorough field study in three regional administrations. It asserts that, as recommended by the decentralization literature, the results of decentralization changes are molded not just by political and economic variables, but also by the de facto public sector management structure.

Faguet and Shami (2022) conducted research about building on developing nations' expanding experience with decentralization to investigate how a wide variety of factors might impact decentralization attempts and how policies and incentives may be tailored to enhance results. The study emphasizes that decentralization is neither good nor bad for efficiency, equality, or macroeconomic stability; rather, its consequences are determined by institutional design. It addresses the pillars of fiscal federalism (expenditure and revenue allocation, intergovernmental transfers, and sub-national borrowing) before delving into how decentralization, policy, and institutions interact. These are the subnational borrowing regulatory framework, information systems and competitive governments, asymmetrical decentralization, and policy synchronization. The study's starting point is the classic fiscal federalism method, even if the basic indicators for local/central accountability used in most decentralization talks may not hold in most of growing nations or are different. In the context of creating decentralization policies, the study advises a stronger focus on institutions, strengthening accountability, governance, and capacity.

Jiang, You, Merrill and Li (2019) performed research about the effect of decentralization on government performance varies from the enormous literature on the subject. First, we examine the consequences of four types of decentralization: fiscal decentralization, administrative decentralization, federalism, and aggregate decentralization. Secondly, we look at how it affects three aspects of government performance: tax administration, company licenses and permissions, and corruption. Thirdly, the consequences are assessed based on the perspectives of approximately

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50,000 business executives from 90 nations. Our findings are summarized in seven sentences. First, fiscal and administrative decentralization improves public impression of government effectiveness. Secondly, federalism is linked to negative attitudes. Thirdly, the impact of aggregate decentralization is unclear. Fourth, service companies generally see decentralization more positively than other businesses. Fifth, large corporations see decentralization more negatively than smaller firms. Sixth, the amount of the same type of decentralization differs among the three government activities. As a result, decentralization should not be oversold as a policy prescription for improving government performance; the type of decentralization and its contextualization in terms of the intended sector of government activity must be carefully considered.

Haydanka (2020) conducted study at how decentralization affects the size and scope of government. In this study, meta-regression analysis was used to investigate the influence of research design variations on study findings. The findings show that the study's unit of analysis and decentralization measure have an impact on estimations of the effect of decentralization on government size. Research using the local unit of analysis and the federalism measure of decentralization, in particular, are more likely to discover that government decreases as decentralization rises, whereas research using the fragmentation measure appear to show the reverse outcome.

Hsieh, Phanishayee, Mutlu and Gibbons (2020) explored study aiming to explain why decentralization works and why it does not succeed. When specific criteria are met, the results suggest that decentralization will boost public services at the subnational or local government level. Empirical evidence from developing nations over the previous decades shows that decentralization improves local public services when there are competitive and fair local elections, transparency, checks and balances, citizen engagement, and community social capital. Capacity of public officials and availability of basic infrastructure are also important prerequisites for effective decentralization in developing nations.

Levaggi, Levaggi, Marchiori and Trecroci (2020) noted the link between decentralization and governance has received little attention in the literature. Many previous studies failed to thoroughly examine the impact of decentralization due to a lack of a set of impartial, comparable measures of the quality of decentralization being implemented in a specific nation. The authors accept the working premise that decentralization is directly connected to the quality of governance in developing nations, both as a process and as an end state in terms of organization and operations. To give an empirical foundation for a comparative assessment, the authors created a model based on a country's extent, intensity, and commitment to decentralization. Each of these ideas is operationalized through a set of experimentally quantifiable variables. The concept is then applied to the instance of Pakistan and evaluated as a tool for comparative decentralization and governance research. Decentralization in Pakistan has been proved to have a significant impact on the country's governance quality. Based on the evaluation of a notable example, the technique presented here for analyzing the quality of decentralization looks to be worth pursuing cross-nationally.

3.0 Research Methodology

The research used the descriptive research design. The target population was 40 public services in Alaska, USA. Questionnaires were utilized to gather the data. The analysis of the data was done using descriptive and inferential statistics.
4.0 Findings

The findings presented in Table 1 shows the correlation analysis

Table 1: Correlation Analysis

<table>
<thead>
<tr>
<th></th>
<th>Public Policy</th>
<th>Decentralization</th>
</tr>
</thead>
<tbody>
<tr>
<td>Public Policy</td>
<td>Pearson Correlation 1.000</td>
<td>Sig. (2-tailed)</td>
</tr>
<tr>
<td>Decentralization</td>
<td>Pearson Correlation .243**</td>
<td>Sig. (2-tailed) 0.000</td>
</tr>
</tbody>
</table>

The correlation results from Table 1 show that the decentralization was positively and significantly associated with public policy and governance (r=.243, p=.000). This concurs with Levaggi, Levaggi, Marchiori and Trecroci (2020), reported that decentralization has been proved to have a significant impact on country's public policy and governance quality. Decentralization include improved efficiency, increased accountability and citizen participation, and greater innovation, while potential challenges include fragmentation of policy, lack of coordination, and inequitable distribution of resources and services. The section consists of model fitness, analysis of variance and regression of coefficient. The findings presented in Table 2 indicate the model fitness

Table 2: Model Fitness

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.243a</td>
<td>0.276</td>
<td>0.196</td>
<td>0.000864</td>
</tr>
</tbody>
</table>

The results from Table 2 show that decentralization was discovered to be satisfactory in explaining the public policy and governance of public services in Alaska, USA. This was supported by the coefficient of determination, also known as the R square of 0.276. This shows that decentralization explain 27.6% of the variations in the public policy and governance of public services in Alaska, USA.

Table 3: Analysis of Variance

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Regression</td>
<td>6.98</td>
<td>1</td>
<td>6.98</td>
<td>31.16</td>
</tr>
<tr>
<td></td>
<td>Residual</td>
<td>8.97</td>
<td>40</td>
<td>0.224</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>15.95</td>
<td>39</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The result in Table 3 reveals that the overall model was statistically significant. The findings indicate that public policy and governance is a good predictor in explaining the decentralization via
among the public services in Alaska, USA. This was supported by an F statistic of 31.16 and the reported p-value of 0.000 which was less than the conventional probability significance level of 0.05.

### Table 4: Regression of Coefficient

<table>
<thead>
<tr>
<th></th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Constant)</td>
<td>0.535</td>
<td>0.121</td>
<td>4.421</td>
<td>0.035</td>
</tr>
<tr>
<td>Decentralization</td>
<td>0.975</td>
<td>0.423</td>
<td>0.712</td>
<td>2.305</td>
</tr>
</tbody>
</table>

According to the results presented in Table 4, it was found that decentralization was positively and significantly related to public policy and governance ($\beta=0.975$, $p=0.004$). This was supported by a calculated t-statistic of 2.305 that is larger than the critical t-statistic of 1.96. The results implies that when decentralization improves by one unit, the public policy and governance of public services in Alaska, USA will increase by 0.975 units while other factors that influence the public policy and governance are held constant. By transferring decision-making authority and responsibilities from central government entities to local or regional authorities, decentralization allows for increased local autonomy and tailored decision-making. Local authorities, such as municipalities or regional governments, have a better understanding of the specific needs and priorities of their communities. This enables them to develop and implement policies that are more aligned with the local context, leading to potentially more effective and efficient service delivery. Additionally, decentralization can foster greater citizen participation and engagement in the policy-making process, as local authorities are closer to the people they serve. This can result in more inclusive decision-making, with the involvement of community members and stakeholders, thereby increasing the legitimacy and accountability of the public services provided. However, decentralization can also pose challenges, such as potential disparities in service quality and resource allocation between different regions. It requires strong governance structures, capacity building, and coordination mechanisms to ensure equitable distribution of resources and maintain accountability. Zhang, Qu, Zhang, Li and Miao (2019) articulated that decentralization may increase policy performance if the government has capable, efficient, and trustworthy administrative machinery. Decentralization can result in an uneven distribution of resources and services across regions, as local officials may prioritize the needs of their own constituents over the needs of the broader community.

### 5.0 Conclusion

The study concluded that decentralization in public policy and governance of public services in Alaska has the potential to enhance local responsiveness, citizen engagement, and overall effectiveness of public service delivery, while also necessitating careful attention to address potential challenges and ensure equitable outcomes. To ensure that decentralization promotes good governance and produces positive outcomes for citizens, careful planning, institutional design, and monitoring and evaluation are necessary. Ultimately, the success of decentralization depends on the institutional and political arrangements in place to support it, and on the extent to
which it promotes the principles of transparency, accountability, participation, and the rule of law that are essential for effective governance. Decentralization of public policy and governance can have many benefits, including greater efficiency, improved responsiveness to local needs, and increased citizen participation in decision-making processes. Decentralization can also promote better accountability and transparency, as decision-making is brought closer to the people who are affected by those decisions. However, decentralization is not without its challenges. Therefore, there could be lack of resources and expertise to effectively manage and implement policies, which can lead to uneven outcomes across different areas. Decentralization can be a powerful tool for promoting effective governance and improving the well-being of citizens. However, it requires careful planning and implementation to ensure that its benefits are realized and its challenges are addressed.

6.0 Recommendations

The study recommended that decentralization can lead to fragmentation of policies, which can result in inequitable distribution of resources and services. It is crucial to strengthen governance structures. This involves establishing clear guidelines and mechanisms for coordination, accountability, and transparency between central government entities and local authorities. Defining the roles, responsibilities, and decision-making processes of each level of government will ensure effective collaboration and minimize potential conflicts. This can be achieved through the development of frameworks and agreements that clearly outline the division of powers and responsibilities, as well as mechanisms for information sharing and coordination. The capacity building is essential for both central and local government entities. Providing training and support to enhance the skills and knowledge of local authorities will enable them to effectively carry out their responsibilities in policy development, implementation, and service delivery. Additionally, central government agencies should provide technical assistance and resources to help build the capacity of local authorities, particularly in areas such as financial management, planning, and monitoring of public services. Fostering citizen participation and engagement is crucial. Decentralization offers an opportunity to empower communities and involve them in decision-making processes.

Local authorities should actively seek input from citizens, community organizations, and other stakeholders to ensure that policies and services are responsive to their needs. This can be achieved through public consultations, town hall meetings, and the establishment of advisory committees or citizen-led initiatives. Encouraging public participation not only enhances the legitimacy of decisions but also promotes a sense of ownership and responsibility among citizens. Furthermore, ensuring equitable resource allocation is vital. Decentralization should not exacerbate disparities between regions in terms of access to resources and services. Efforts should be made to ensure that financial and human resources are distributed equitably, taking into account the specific needs and capacities of different communities. This may require mechanisms such as revenue-sharing arrangements, performance-based grants, or targeted investments in underserved areas. Lastly, continuous monitoring and evaluation are essential to assess the impact of decentralization. Regular assessments should be conducted to evaluate the effectiveness of policies and the performance of local authorities in delivering public services. This will help identify areas for improvement, address challenges, and make informed decisions for policy adjustments or interventions if needed.

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