Subtheme Paper

Accountability and Transparency

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Abstract

Accountability has become a crucial concept in public governance in recent years, thanks in part to more educated voters, more pervasive media, and globalization of markets, which have contributed to rising expectations. Yet, the concept itself is fraught with multiple meanings, expanding from the original focus on preventing the arbitrary exercise of power to now encompass achieving performance results. Achieving accountability and transparency in governance is a challenging task for all governments. The issues and dilemmas are even more daunting for federal and intergovernmental systems and programmes. Challenges are presented when governments share power across boundaries, often separating the financing and administration across different jurisdictions. The growing reliance on third parties such as private contractors and NGOs further complicates accountability by more broadly distributing authority for delivering public services across many diverse independent actors. Developing nations face particular challenges in designing accountability frameworks and applying these frameworks to policy implementation and programme delivery. Systems with weakly developed professional norms and managers, traditions of informal rules and personalized decision-making, and underdeveloped pluralistic institutions to serve as checks on public authority have a steep climb in developing the institutional systems, cultural norms and expectations, and administrative capa-

city that is essential for effective public accountability. Although pressures from international finance agencies can make a difference, the commitment and leadership must come from within each nation for reforms to be sustained.

Accountability is a crucial concept in public governance. More educated voters, more pervasive media, and globalization of markets have contributed to rising expectations for first-rate government services and public finances. Emerging sources of influence, such non-governmental organizations (NGOs) and international finance agencies, have combined to decry corruption in public office, highlighting the critical role that accountability can play in protecting nations against official corruption and malfeasance.

This paper will cover the challenges associated with defining concepts of accountability and implementing them in modern governance systems. The paper will then assess the unique accountability dilemmas posed by federal and intergovernmental systems, and will address the implications of using a broader range of "third parties" to deliver public services, including non-profit and for-profit entities. Developing nations face particular challenges in designing accountability frameworks. The paper closes with a discussion of the strategies and approaches used in federal systems to promote accountability, with special emphasis on initiatives in developing nations.

1. Accountability: The Elusive Concept

From its origins as "computing" and giving account for the expenditure of public funds, the concept of accountability has been stretched to encompass other increasingly important dimensions. The checking and balancing of potential abuses of power by public officials has constituted the historic core of the concept, with the goal being to limit the potential for corruption of public offices and officials. Aristotle advised that "all money be issued openly in front of the whole city" so as to protect the treasury from being defrauded. Concerns about corruption continue to this day. Recent World Bank reports have documented how corruption can reduce GDP growth, lower the quality of education and other public services, hamper effective infrastructure, and adversely affect capital markets. For instance, auditor-general reports in Kenya concluded that "questionable" public expenditure amounted to 7.6 per cent of GDP.

The public management goals underlying accountability have expanded during the past 50 years. As government spending grew in developed nations to become a larger share of the economy, officials were increasingly held accountable for improving efficiency and reducing waste in carrying out public programmes. Most recently, accountability concepts have again been expanded to focus on the effectiveness of government in meeting publicly desired outcomes for programmes and operations. The growing significance of government in the social and economic lives of nations has prompted the institutionalization of performance measures and reports designed to provide more systematic information on government results. Equity is another important accountability goal in many nations, as public officials work to assess how well services are provided across income groups and other important groups.

Answering the question—accountability for what—is anything but straightforward as managers are often expected to satisfy each of these accountability goals. Answering the question—accountability to whom—is also a complex issue in many nations because many principals have standing as legitimate holders of accountability in democratic systems. Citizens, politically elected executive and legislative officials, ministerial leaders, civil servants, and an increasingly wide range of interest groups are among the actors who have played roles in defining expectations for public management and programmes in democratic systems. These are supplemented by a broad array of information brokers who facilitate the information flow to principals necessary for public accountability to work; auditors, media, and NGO institutions are prime examples.

As a result, public managers at all levels of government face multiple accountabilities. Mark Bovens has suggested that modern public managers in any system face five different accountability relationships, each with its own expectations, norms, and information requirements that may conflict or reinforce one another:

- Organizational—superiors in administrative and political positions

- Political—citizens and their elected representatives and political parties
- Legal—court systems and legal rulings
- Auditors and reviewers—independent agents empowered to exercise oversight over agencies and programmes
- Professional—standards and codes adopted by professional peers

Not surprisingly, these multiple principals have differing priorities and perspectives on the standards for which public officials should be held accountable. The criteria for accountability are contestable. Some principals such as auditors and legislators may wish to stress financial and compliance standards; others such as political ministers may emphasize results and outcomes. Advocates of New Public Management assert that there are tradeoffs; greater emphasis on compliance and financial controls can undermine efficiency and effectiveness in delivering outcomes. Even where the emphasis is on results, disagreement often exists about the nature of the goals themselves, the metrics used to measure them, and the relative weights assigned to multiple goals. Criteria and weighting change over time as well, and sometimes criteria may be established retrospectively.

Correspondingly, an ever wider array of "agents" is the object of accountability, including many of the same officials listed earlier. Such agents can include both political and bureaucratic officials in the traditional sense. The number of agents is multiplied by federal systems where authority for many programmes is concurrent and shared across jurisdictions. In recent years, even unitary systems such as the United Kingdom have come to rely on a growing variety of "third party" actors to finance and deliver public services, ranging from private for-profit contractors to non-profits and quasi-government agencies. For developing nations, the World Bank estimates that public-private partnerships for infrastructure development rose from less than $13 billion in 1990 to more than $114 billion less than ten years later.

The ability of principals to hold agents accountable for public goals and objectives is often limited. The presence of multiple principals permits agents, even those in hierarchical bureaucracies, to gain leverage when principals do not agree on goals or priorities. Separation-of-powers regimes enable bureaucratic officials to gain autonomy when presidential and legislative officials are of different parties, for instance. Principals also suffer from classic information asymmetries that characterize principal-agent relationships. Agents typically have superior information about their own programmes, finances, and intentions that provide an advantage in the accountability relationship. Although principals can set the goals, agents have the information that can help determine whether the goals were in fact met and the reasons why.

The most egregious breaches of accountability are defined under the broad rubric of corruption. While corruption is condemned for eroding the legitimacy of the state and undermining the efficiency of the economy, it is not surprising that there is no agreement on what this term means. While the World Bank has suggested that corruption is defined as the abuse of public office for private gain, others provide more nuanced and variable typologies. For instance, some would broaden the definition to include abuse by private corporate actors; others would extend the definition to include political parties, bureaucracies, and other public actors who abuse power in order to advance their own political prospects. Yet, this is not without controversy. Some observers, such as Edward Banfield, observed that while the control of city governments in the United States by political parties through patronage was condemned by many, the urban "political machine" succeeded in performing such latent social functions as assimilating waves of new immigrants and other disadvantaged citizens, providing new routes for social mobility, and integrating fragmented jurisdictions across metropolitan regions.

2. The Unique Accountability Challenges in Federal Systems

From the broadest perspective, federal systems can have both positive and negative consequences for accountability and public management when compared to unitary and other systems of governance. On the positive side, one of the most compelling arguments for a federal system is its potential to serve as a check on central power. As one observer noted, "the great virtue of a federal system is it prevents one damn fool at the top from screwing it all up".[1] From a performance perspective, decentralizing the design and implementation of programmes can result in services that are better suited to different local populations, and can inspire policy learning through what can amount to a series of local experiments or policy laboratories. Moreover, the potential for competition among local governments can induce incentives to improve services at lower costs, assuming the public is mobile enough to migrate elsewhere. South Africa, for instance, found that a shift from national to local delivery of infrastructure improved service provision in a relatively short time, as local governments took ownership and provided better matches of resources with local needs.

On the other hand, a federal system multiplies the numbers of both principals and agents, thereby confusing the ability of publics to assign credit and blame for results. Such systems complicate the projection of national goals by sharing power over implementation and even policy goal setting with other levels of government. They also can undermine the maintenance of local priorities as well because participation in national programmes causes local resources and staff to be diverted to national as opposed to purely local purposes.

The implications of federal systems on the potential for corruption have been found to be mixed in developing nations when compared to more centralized models. While decentralization can bring greater public visibility and pressure, it can also multiply opportunities for corruption. As noted in *The Federalist*, smaller communities are more easily prone to being captured by hegemonic majorities or local elites that are unchecked by other interests and values. In Russia, political decentralization led to greater corruption as local governments were captured by firms and local officials engaged in rent seeking. In China, political centralization contributes to party discipline, which limits the opportunity for local corruption. A major factor is whether decentralization leads to greater or lesser transparency and visibility in government transactions. Local elections generally receive less coverage and visibility than national elections, but studies in Bangladesh and Ghana found that decentralization led to enhanced transparency at the local level.

3. Accountability Dilemmas in Intergovernmental Management

The nature of these accountability challenges will in large part reflect the degree to which power, responsibility, and financing are shared across governments. Where powers and responsibilities are assigned to separate orders of government, accountability follows and reinforces the separate assignments. However, in most federal systems, old traditions of "dual federalism" have given way to cooperative systems where high degrees of interdependence have become commonplace. Cooperative systems are distinguished by a high degree of formal or informal concurrency in power and authority for important functions. Moreover, significant fiscal interdependence has evolved in federal systems to capitalize on the comparative advantages of each order of government in modern systems. National governments have unique revenue-raising capacities owing to their position in national and even international markets, while subnational governments have superior information about local conditions and preferences. For instance, in Brazil, the federal government is in charge of general rules and financing for social welfare, while states and municipalities are responsible for implementing such programmes as medical services, food, schools, and family assistance.

While such cooperative and interdependent fiscal systems have many advantages, they also pose major challenges for accountability. Central to the accountability challenge is the multiplicity of legitimate perspectives and capacities brought into the determination of programme goals and the delivery of services to local populations. By inviting multiple governments into the design and implementation of these programmes, programmes become accountable, to some extent, to multiple principals across the intergovernmental system. Thus, a programme administrator for a national programme working in local government is expected to be accountable not only to the local government administrator and legislative officials, but also to the national government that authorizes and funds the programme, to say nothing of state governments, clients, NGOs, and other stakeholders. In nations such as India, federal systems distribute power across national, state, and local governments in a three-tier structure that further complicates power sharing and accountability arrangements. The consequence is a complex accountability system where programmes are influenced by interests and values prevailing at many levels throughout the system.

Unlike command-and-control systems, federal systems must work to balance and possibly reconcile vastly different goals, priorities, and capacities distributed across governments. Federal, state, local, and other regional governments necessarily will have different goals and interests; indeed, one of the strengths of a federal system is the institutionalization of differences in the structure of governance. Governments will also have different levels of administrative and technical capabilities.

Whether and how these differences are integrated will vary across systems, and the processes for determining the responsibilities distributed in a federal system across and within programmes are inherently political. In highly decentralized systems, each order of government has political resources that make it difficult for even the national government to make unilateral policy determinations. In some systems, states and local governments have formal representation in national legislatures, such as Germany, while the party system can reinforce the role of subnational governments, as the rise of regional parties has done in India. In other systems, the national government has more hegemonic influence, based in part on the presence of strong, and nationally based political parties. Other factors influence the allocation of responsibilities and the relative balance of power between national and subnational governments in a federal system. For instance, the constitutional assignment of powers plays a large role; India, Brazil, Mexico, and Nigeria are among the federal systems whose constitutions assign considerable concurrent powers to the national and state governments, fortifying a cooperative approach to programme assignment and management. The presence of cultural, religious, ethnic, and racial heterogeneity will have an important effect on how federal systems are designed, particularly where these divisions are reflected and reinforced by the boundaries of the federal system itself.

The accountability problems associated with the intergovernmental management of jointly shared programmes can be considered from the perspectives of both national and subnational governments. The accountability issues are particularly challenging for national grants and mandates with discrete programmatic goals and objectives (e.g. tied aid or categorical grants). However, even general fiscal transfers can entail national conditions and commitments that are viewed as binding on subnational recipients. From the national perspective, intergovernmental programmes are vulnerable to certain inherent problems:

- **Goal conflict**. Differences in goals and priorities are to be expected in federal systems due to inherent differences in the concentration of interests. Subnational entities, for instance, have fewer incentives than national governments to support programmes with benefit spillovers or redistributive programmes that could undermine their ability to attract business and higher income residents. While grants, mandates, and other tools are deployed by national governments to change the priorities of subnational governments for these and other purposes, in fact considerable slippage, nonfeasance, and even refusal to cooperate with national programmes can be expected.
- **Fiscal windfalls**. Subnational governments have incentives to misallocate grants tied to specific programme purposes for other purposes. A study in Uganda found that in the early 1990s, only 13 per cent of government primary-education capitation grants made it to the intended destination, primary schools. The rest went to purposes unrelated to education or to private gain. Studies in Cameroon, Tanzania, and Uganda estimated that 30 per cent of publicly supplied drugs were misappropriated; in one case as much as 40 per cent was "withdrawn" for private use. Even when grant funds are ostensibly used for their intended purposes, they can, in effect, be diverted if they simply substitute for subnational government funding that would have been otherwise provided for the aided activity. A study by the US Government Accountability Office, the national audit office, found that nearly 70 per cent of federal grant funds are used by state and local governments to replace their own funds in aided programmes.

- **Principal agency**. Information asymmetries and weak information systems complicate the capacity of national officials to assess accountability for financial-aid performance under co-operative programmes. Subnational governments can shirk and fail to report in nationally consistent categories. The problem of "many hands" complicates the assessment of responsibility for outcomes because many results are the product of numerous factors and government actors whose specific contributions are often difficult to specify.
- **Efficiency**. Incentives can erode intergovernmental programmes when the spending responsibility is separated from the raising of funds for those programmes. The presence of effective matching requirements can restore disciplinary constraints on subnational recipients, assuming that the matching requirement is sufficiently stringent to motivate interest and ownership by subnational officials. However, many systems find that matching requirements can undermine fiscal equalization goals by screening out poorer jurisdictions where the match constitutes a burden.
- **Weak partners**. Subsidy programmes can attract weak partners, both those with low capacity and those with low interest in the aided programme. The various subnational recipients such as local governments, non-profit entities, and even private profit-making businesses participate in the programme for the rents gained rather than for a substantive commitment to the programme's goals. Programmes most vulnerable are subsidies that entice participation without sufficient risk, or cost-sharing or screening, to ensure commitment to the programme.

Participation in national programmes creates a different set of accountability challenges for subnational governments. From their perspective, tied or narrow-purpose aid and mandates set up a tension between loyalty to the goals of their own local principals and those of national principals. These become most distressing for those governments with a high dependence on external aid from national governments. For instance, 87 per cent of the revenue for provincial governments in South Africa comes from the national government. The Spanish subnational governments receive 72 per cent of their revenue from the Spanish national government, the Indian states receive 46 per cent from the Government of India, and the Brazilian states receive 30 per cent of their revenue from the Government of Brazil. Such aid can distort spending priorities by encumbering state or local funds for national purposes through matching requirements or other mandated costs. Moreover, subnational governments must typically agree to a wide range of specific standards that may not be flexible enough to adapt to local conditions.

Each nation will negotiate these accountability questions and concerns in different ways. The existence and resolution of tensions in accountability to different orders of government will be influenced by such factors as the roles assigned by constitutions, history of relationships, presence of significant tensions in civil society, the extent of involvement by interest groups and media, and the availability of multiple venues—legislatures, executive agencies, courts, auditors, and media—for the different orders of government to press their claims and seek redress of grievances. The nature of the party system will be particularly important. Nations with decentralized and pluralistic party systems will be more inclined to take the perspectives of subnational governments into account when considering government roles and programmes, while those with more centralized party systems will tend to favour more centralized policy responses.

In addition to these more external factors, other variables endogenous to the management and policy processes across the intergovernmental system will influence the way accountability is achieved in the process. The capacity of each actor to finance and manage its responsibilities has a major bearing on the performance of the entire system and the extent to which actors can be expected to work collaboratively to satisfy accountability expectations. The professionalization of civil servants has been shown to help tie together like-minded experts across governments into epistemic communities sharing common goals and approaches to problem-solving. Goal congruence across the actors in the system is a major factor determining whether the actors in the system will work together in these programmes. The degree of autonomy enjoyed by each actor will also play a formative role determining the kinds of relationships in intergovernmental systems.

The following chart suggests that actual collaboration across governments can be expected only when goals are congruent and government actors enjoy autonomy. Accommodation characterizes relationships with high congruence, but low autonomy; here, the subnational governments become relatively passive implementers of government policies. Competition characterizes areas where subnational government networks are strong and autonomous but where goals are not shared with the national government. Finally, avoidance captures those kinds of relationships where neither autonomy nor goal congruence is present.

Patterns of Intergovernmental Collaboration

	Goal Congruence Yes	Goal Congruence No
Autonomy High	Collaboration	Competition
Autonomy Low	Accommodation	Avoidance

4. Developing Nations Face Unique Accountability Challenges

The issues and concerns discussed above constitute challenges for any system. In addition, the ability of developing nations to develop and implement accountable intergovernmental programmes will be tested by several discrete factors, including:

- Underdeveloped management capacity throughout a diverse federal system
- Traditions of informal rules and governance arrangements that frustrate the formal criteria, standards, and reporting requirements comprising accountability in intergovernmental systems
- The lack of continuous and stable relationships between national and subnational governments, creating greater potential

for distrust, gaming, shirking, and other practices that undermine accountability

- Lack of tradition and experience within the many governments in the system with public accountability, transparency, and democratic rule
- The underdeveloped role of pluralistic institutions at all levels of government, which can serve as a vital check and reinforcement for accountability
- Wide disparities in economic resources available to the public sector that have the potential to undermine horizontal equity in the implementation of major national initiatives through a federal system
- The absence of professions in civil society that respect the rule of law. For instance, in Mozambique, there are only 10 lawyers outside the capital.

As these nations begin to modernize and expand the role of government in the social and economic lives of their citizens, opportunities for corruption multiply. Nations with weak economies inspire entrepreneurs to seek rents through the public sector. World Bank studies show, for instance, that SubSahara Africa has an endemic culture of corruption affecting many nations. Neopatrimonialism exists in these nations where the distinction between public and private erodes and where the state becomes personalized under the rule of autocratic leaders. At worst, states become sultanic states where government office is used to carry out criminal activities, such as diamond smuggling.

However, developing nations are acquiring resources and institutions that can help enhance their capacity to promote accountability. Positive developments will be discussed in the next section, but they stem from broader institutional augmentations, including (1) a significant presence of international institutions and stakeholders with technical and financial assistance to modernize management and governance, (2) the growing role of NGOs as significant players in governance systems in these nations, and (3) the social accountability movement and its emphasis on grassroots capacity-building and accountability.

5. Strategies for Strengthening Accountability in Federal Systems

Federal systems face certain broad issues in establishing and promoting accountability. These issues can be mitigated or overcome by the adoption of strategies that improve the prospects for accountability. These strategies must be considered in the context of the particular political and governance system under review.

First, effective strategies for promoting accountability in intergovernmental programmes rest on the establishment of effective governance institutions. Developing nations in particular have been struggling to upgrade and institutionalize effective accountability rules and practices. These include building the rule of law, establishing a strong professional corps of civil servants and other professionals staffing management positions, and setting up watchdog and audit institutions to serve as checks and balances on the actions of government leaders. While government institutions are important, strengthening the role of civil society is critical as well. Opening up government to greater public scrutiny, building strong pluralistic organizations where stakeholders and other interests can gain effective representation, and encouraging a strong and competitive media have proven to be essential.

Several nations have instituted notable governance reforms to improve accountability and reduce corruption. Uganda's President Yoweri Museveni mounted a major set of reforms, including establishing a Department of Ethics and Integrity with a visible position, an inspector general, a strengthened national audit office, and reforms to the public service, including higher wages. One observer concluded that the nation had succeeded in overcoming the climate of corruption and criminalization of politics that had plagued it in earlier years. Other nations have set up anticorruption agencies but they have proven ineffective without broader reforms in governance institutions, civil society, and the political environment. For instance, Tanzania's Prevention of Corruption Bureau produces only six convictions a year.

World Bank studies show that many developing nations are enhancing accountability by decentralizing service delivery. These include decentralization of service delivery to local governments, community participation, direct transfers to households, and contracting out delivery to private providers and NGOs. The programmes include a wide range of infrastructure services (e.g. water, sanitation, electricity, telecommunications, and roads) and social services (e.g. education and health and welfare programmes). Countries where such trends have gathered include Latin America (e.g. Bolivia, Brazil, Colombia, and Costa Rica), Africa (Ghana, Uganda, and South Africa) and Asia (Bangladesh, Indonesia, India, and Pakistan). In many cases, these initiatives are intergovernmental in nature, as national governments remain involved as funders and standard setters.

As developing nations increasingly join the developed world in delivering services through intergovernmental and non-governmental providers, many are exploring the following strategies for improving accountability for these complex governance arrangements.

6. Selection and Design of Government Tools

Governments interact through a complex range of government "tools" (e.g. grants, regulations, loans, insurance, contracts, cooperative or joint partnerships, and other arrangements for sharing public and private resources). The choice and design of these tools can have a formative role in influencing performance and accountability. The fiscal impacts of grants offer a good case study of tool choice and design. Grants affect the priorities of subnational governments when they are designed to shape the choices and behavior of those governments at the margin. Targeting of grants to those places with greatest need and least resources is a key design principle to offset disparities that can undermine equity and national uniformity of benefits and service delivery.

For instance, in 1989, Mexico introduced a poverty-alleviation programme spending 1.2 per cent of GDP annually on infrastructure and electricity for poor communities. Assessments of the programme found that it had reduced poverty by only 3 per cent. Had it been effectively targeted to those areas where poverty was concentrated, it could have reduced poverty by more than 50 per cent. Even if grants get to the places needing them most, other provisions are important to deter fiscal substitution, thereby ensuring that scarce resources are in fact additional rather than simply a replacement for current resources.

The choice and design of the tool should be sensitive to the accountability environment and the nature of the recipients involved. For instance, in Brazil, federal grant funds are provided to municipalities for health care through two different grant mechanisms depending on the management experience and commitment of the state. For states with less complete health systems, funds are provided in specific categories based on negotiations with national government officials. The jurisdictions with advanced systems, on the other hand, receive a block grant with considerably greater discretion and flexibility. They negotiate for specific funds.

7. Choosing Providers

In intergovernmental systems, national governments often have little choice but to work with subnational governments. National governments often seek to build support for new programme initiatives by cultivating like-minded cadres of professionals and specialists in subnational governments who are disposed to support the programme. Programme design can nurture these networks by prescribing qualifications for personnel working on aided programmes and by institutionalizing roles and rights for beneficiary groups.

However, in developed and some developing nations, both national and subnational governments are promoting competition by dealing with alternative service providers, such as NGOs and private contractors. Moreover, some nations are circumventing public monopolies by using vouchers to simulate a market for public services.

When well designed and monitored, contracts have proven to be promising ways to introduce more effective programmes and instil greater accountability for results even in the public sector. After its civil war, Cambodia found dramatic improvements in health outcomes through contracting with NGOs. However, World Bank studies show that contracts in developing nations suffer from inadequate competition among suppliers, tendencies by private providers to serve better-off clients, and classic principal-agency problems in measuring contractors' performance. Defining appropriate incentives and standards, monitoring performance, and leveraging contractors' performance become far more complex where competition is limited or non-existent.

The tradition of altruism among NGOs enabled them to provide health care in Uganda at higher quality and lower costs than the public sector. NGOs in developing nations are often better positioned to serve hard-to-reach and high-risk-clients that tend to avoid public servants. However, developing nations are hampered by a limited supply of non-governmental non-profit and private entities available to compete for public work.

8. Monitoring and Oversight

National governments and subnational governments deploy both formal monitoring and oversight. Several distinctions will be drawn to describe different strategies.

Ex ante* vs. *ex post. National government actors bargain up front under the *ex ante* approach, negotiating detailed goals and accountability procedures. Under the *ex post* approach, oversight occurs after the fact through audits, information reporting, and evaluations. Each approach has certain advantages and drawbacks for accountability. *Ex ante* approaches maximize leverage by the principal over the agent, as agents must demonstrate compliance with conditions up front. Under *ex post* approaches, the burden of proof often shift to the principal to demonstrate compliance problems after funds are spent, a point when the principal has arguably the least control. Notwithstanding the advantages accruing to principals from the *ex ante* approach, there are compelling reasons to rely on the more passive oversight strategy implied by the *ex post* approach. Generally, *ex post* oversight is far less expensive and can be expected to be used as the numbers of agents grow in programmes. Moreover, because *ex post* oversight generally provides less intrusive national control, many federal systems prefer to provide funds to subnational governments under this system.

Police Patrol *vs*. Fire Alarm. Active oversight of subnational governments and other providers is sorely limited by shortages of national staff and by political constraints. However, national legislation often institutionalizes roles for actors such as clients, NGOs, and others to sound the "fire alarm" by providing these entities with access to information, courts, and public forums to register their concerns and gain redress. In developing nations, international financial agencies, NGOs, and other client groups can become effective monitors of programmes among all orders of government. Important gains in performance have occurred when clientele, community, and other groups have engaged in monitoring and oversight. For instance, charging farmers for water and electricity in Andhra Pradesh, India, has made the irrigation department more accountable to them. In the words of one farmer, "We will never allow the government to again give us free water."

9. Sanctions and Incentives

These can supplement oversight and accountability but are limited by several factors. The use of funding sanctions is limited by the desire to continue funding for clients in need of services. Unless alternative institutions are available to deliver programmes, governments are loathe to penalize governments if such actions will defeat a programme's objectives. The use of incentives is more politically feasible, but rests on the ability to design performance metrics that are consistent with the programme's goals and that resist gaming by recipients. Some grants and contracts are performance-based, which provides specific targets that must be reached, often with incentives. In Haiti, NGOs were awarded contracts from the US Agency for International Development (USAID) to provide preventive health services with performance targets; immunization rates increased dramatically.

10. Transparency

Public information on performance and finance is important in its own right and is often used as a strategy in intergovernmental programmes. Reports on programmes are often made transparent to the public in the hope that local publics will gain the necessary information to become effective actors in local and national debates about accountability. This involves two steps that are often difficult for governments worldwide. The first is to gather systematic information on costs and performance from the numerous subnational governments and other providers in the intergovernmental system in standard ways that facilitate national reports and evaluations. This can constitute a burden if the data have not been collected previously or, as often happens, it is collected in a different format with different categories for other principals. Second, the public reporting of this information can be inconvenient and sensitive to governments and providers, particularly if performance is compared across jurisdictions and providers. However, it is the potential for shame that often triggers pre-emptive or reactive policy change to address public concerns.

Developing nations have seen improvements occur as a result of public reporting. For instance, in 1995, official Ugandan statistics indicated that a threefold increase in funding for primary education seemed to have produced no increase in enrolments because local governments diverted grants intended for schools to other purposes. The central government responded by publishing amounts transferred to the districts in newspapers and radio broadcasts; requiring schools to maintain public notice boards on monthly transfers of funds; and strengthening legal provisions for accountability and transparency. By 1999, schools were receiving nearly 100 per cent of the grant funds. In India, benchmarking is used to compare the performance and costs of local governments for standardized tasks. This brings public pressure to bear on jurisdictions when these data are made public.

11. Conclusion

The foregoing suggests that public officials are tapping a rich array of strategies and approaches for improving accountability and transparency. While some of the examples cited may indeed constitute best or better practices, the reader should be appropriately wary of the transferability of innovations across nations. Accountability models and processes have significant implications for the distribution of power in federal systems and powerfully influence which values and interests will be advantaged in these systems. Reforms that may work well in certain contexts and systems may not be viewed as legitimate in others. Moreover, the feasibility of certain accountability approaches will also be a function of the management capacity, political system, and broader development of institutions of civil society, among other key factors. Accordingly, policymakers and public managers are advised that there are no universal prescriptions for accountability; rather accountability relationships and models are highly contingent. Interesting questions remain as to whether accountability reforms can drive changes in the overall political environment, and more research would be helpful on this question, but at least in the short term, models that work will be those that rest on a foundation of political will and capacity.

Note

1. Quote is attributed to Frank Bane, the first chairman of the US Advisory Commission on Intergovernmental Relations.