STRENGTHENING
PUBLIC ACCOUNTABILITY

New Approaches and
Mechanisms

Samuel Paul

Public Affairs Centre
Bangalore
Strengthening Public Accountability: New Approaches and Mechanisms

Samuel Paul

PUBLIC AFFAIRS CENTRE
707, 6B CROSS ROAD,
Block 3, Koramangala,
Bangalore - 560 034. INDIA.
PUBLIC AFFAIRS CENTRE

Public Affairs Centre, Bangalore, is dedicated to the cause of improving the quality of governance in India. To this end, it undertakes and supports research on public policy and services, disseminates research findings and assists citizen groups in using knowledge as a basis for collective action. The Centre’s research papers present the findings of its research studies, surveys and other investigations. The opinions and views expressed in these papers are those of the authors and do not necessarily reflect the views of the Centre.

Copyright © 1995 Public Affairs Centre, Bangalore

All rights reserved. Requests to reproduce this paper fully or in part should be addressed to the Centre. Reproduction for non commercial purposes will normally be granted promptly and free of charge.

Price:  Rs. 25.00
       US$ 5.00

Public Affairs Centre
707, 6th B Cross Road,
Block 3, Koramangala,
Bangalore - 560 034.
India.
I. Introduction

There is growing concern in the developing world today about the need to enhance the performance and accountability of governments. Accountability means holding individuals and organizations responsible for performance measured as objectively as possible. The concept of public accountability applies equally well to all levels of government and to public enterprises and other agencies that deliver public services to citizens. At the national level, a government may be held accountable for its policies, programmes and actions through mechanisms such as elections, legislative reviews and audits. At the local level, the focus of accountability tends to be on specific public services and their delivery to the local population. At both levels, there is considerable evidence to show that citizens are unable to hold governments accountable despite the existence of the traditional mechanisms of accountability referred to above. The phenomenon of "capture"—the tendency of those who manage and control the allocation of public resources to appropriate benefits and to engage in rent seeking--exacerbates the problem of accountability.

The expansion and increasing complexity of public services have so overloaded governments in many countries that they are unequal to the task of ensuring accountability at both the national and local levels. A currently popular response to this problem has been to downsize the public sector and thus to reduce the magnitude of the phenomenon of weak accountability. This can only be a partial remedy, however, as many public services and regulatory functions still remain the responsibility of governments. When the nature of the public service is such that only government can provide or regulate it, public officials tend to behave like monopolists. In many poor countries, citizens do not have the power, knowledge and incentives to demand better services and public accountability. The problem is compounded by the fact that the measurement and quantification of the benefits and adequacy of services are often difficult. All these are reasons why the performance and accountability of the public sector remain weak.

1 A modified version of this paper was presented at a Conference on Participatory Approaches organised by the World Bank in Washington DC in April, 1994. The author is grateful to the Bank for permission to use parts of that paper in this publication.
in the developing world\textsuperscript{2}.

It is the advent of democracy that stimulated new approaches to accountability in many societies. The concept, and practice of public accountability have, however, evolved in different ways in different countries. In many cases, the original impulse for accountability came from the political leadership at the national or macro level, often as part of a democratic awakening. Invariably, the key instruments used to enforce public accountability focused on the inputs and not on the outputs or outcomes of government action. Thus audit of public expenditures and legislative reviews of budgets were and still are the dominant accountability mechanisms used by governments all over the world. Political leaders, legislators and supervising bureaucrats act as proxies for the public and, in general, use "hierarchical control" as the preferred means to enforce accountability. The effectiveness of these macro level accountability mechanisms has been eroded a great deal over time with the expanding role of the state. An interesting response to this problem, especially in the developed countries of the West, is the emergence of the concept of "legal accountability" that has given a new role to the judicial system. The public's right to seek information from government, the right to sue individual civil servants and public agencies, and the power of the judiciary to make the latter financially liable for violations of the public interest are features of the legal accountability approach. Very few developing countries have begun to use the judicial route in order to augment public accountability.

The purpose of this paper is to provide an overview of what governments and citizen groups can do to enhance public accountability at both the macro (national) and micro (local) levels. It will explore ways and means to strengthen public accountability through the participation of people. The traditional mechanisms of accountability available to governments need to be reinforced by new approaches. This is a timely exercise in view of the overload on the prevailing systems of accountability and the growing awareness in many countries that the "voice" of the people should inform and influence the decisions, actions and accountability of government. In a democratic society, elections are a manifestation of voice. At another level, voice is the phenomenon of the public

seeking better accountability and performance from government agencies through actions such as participation in user groups. Voice may be contrasted with "exit" which occurs when the public expresses its dissatisfaction with a given service provider by seeking an alternative provider of the same good or service. Exit is an option that the public can use when a competitive market for services exists. In many areas of public endeavor, the exit option is not readily available. Hence the importance of voice. The paper will outline the rationale for the use of voice and participation and propose specific mechanisms of a participative nature that can aid public accountability at both the macro and the micro levels. In conclusion, the implications of the proposals and guidelines for governments and citizen groups in developing countries will be presented.

II. Demanding Accountability:
The Role of Citizens

It is important at the outset to highlight the reasons why a search for new mechanisms of accountability is imperative at the present time. First of all, as noted above, the traditional systems of public accountability are increasingly unable to cope with the demands of the complex development and regulatory tasks of modern governments. Their focus on inputs such as public expenditures and internal procedures in government cannot do justice to the need to hold public agencies accountable for policy/program outputs and outcomes. Second, when monopoly conditions and information asymmetries prevail as indeed is the case in many public services, the scope for collusion between politicians, bureaucrats and other interests can be considerable. Those who are charged with enforcing accountability themselves may subvert it and deny the benefits of services to the citizens for whom they are meant. Hierarchical control which is the preferred means to achieve accountability thus becomes dysfunctional. Third, the "exit" option available to the public in respect of private goods and services (e.g., food, clothing, etc) may not necessarily exist in the context of public services. This is not to say that exit options cannot be created in the public sector through imaginative competitive arrangements. There are many examples today of governments having
successfully taken this route in both developed and developing countries\textsuperscript{3}. Nevertheless, in many areas of public endeavor, the scope for building in the exit option may be limited or its use may not bring about the desired outcomes for several reasons.

The foregoing discussion is by no means an argument for dismantling the traditional accountability systems that we find in developing countries. The oversight and audit of public expenditures are important and need to be strengthened. In addition to standard audits of expenditure, governments should be encouraged to undertake "value for money" audits (VFM) at least on a selective basis. VFM is designed to examine the economy, efficiency, and effectiveness with which the resources of government have been used in specific instances. Legislatures need to discuss audit reports and policy / program reviews as part of their responsibility to hold the executive arm of government accountable. There may well be a case in most countries to upgrade the local technical capabilities to perform the monitoring, audit and review functions even more effectively and efficiently. But even after all these steps are taken, the limitations of the traditional accountability system may still remain\textsuperscript{4}. The incentive to collude, for example, may continue to be strong even when technical skills have been upgraded. Public dissemination of information may remain scanty (the asymmetry problem) in spite of a discussion of audit reports in the legislature. To be effective, the traditional public accountability systems will need to be strengthened and reinforced through the adoption of new approaches and mechanisms that involve public participation, an avenue that has so far been neglected for the most part. The belief in the efficacy of hierarchical control within government is the primary reason for the neglect of people’s participation as an aid to public accountability. No where is this problem more evident than in the public interventions that are meant to benefit the poor and disadvantaged segments of the population.

How can participation augment public accountability? First, public services and indeed all functions of government are meant to benefit the people. Appropriate ways of focusing on the people


and involving them, whether it be in the design, delivery or assessment of services or of other functions, can add a new dimension to public accountability. The mechanisms for achieving this objective clearly needs to be carefully planned. But this approach to accountability implies a subtle shift in the way government agencies will be required to view the users of their services. The required shift is to think of people as customers to be served rather than as beneficiaries or objects of development. When this view of the people as customers leads to their participation in some form or another, they will emerge as a group whose voice counts within the public accountability system.

To illustrate, when a public housing agency that plans to build low income houses seeks inputs from low income groups on the design, facilities and financing of the houses, it is likely that more acceptable and appropriate plans will result. When maintenance services are planned and provided in consultation with the occupants, the chances are that their satisfaction will improve. This is because the inputs and feedback from the potential or actual users enable the agency to be more responsive to public needs and thus to perform better. The agency’s public accountability in terms of its mission is likely to improve as a result of its participative approach and its focus on customer satisfaction. Policy making at the macro level can also be improved and made more accountable through the use of public inputs and feedback as will be explained in a later section.

Second, a participative approach to the design and delivery of public services could lead to a more effective and efficient utilization of the investments of public agencies. There are, of course, many reasons for the inefficiencies and low levels of utilization of the public investments in developing countries. But one factor that many observers have highlighted is the lack of public accountability. The pressure or incentive to remain accountable is absent when a key set of players, namely, the public is not on the scene to exert that pressure. To take the housing example again, there are cases of housing schemes completed that have remained unoccupied as they do not meet customer requirements or preferences. Alternatively, people may occupy the houses, but maintain them poorly due to a lack of information or of mutually agreed upon rules and standards. Scarcely and costly resources are thus poorly utilized and the real returns on the public investment remain low. Public participation in appropriate forms can
minimize these problems through improved accountability just as sensible pricing of services can also lead to a more efficient use of resources. Participation is not costless, but its benefits may far outweigh the costs.

Third, public participation, when properly mobilized, may induce governments to move away from their traditional preoccupation with inputs and internal controls to improve accountability to a more balanced concern for both the inputs and outcomes of their policies and programs. Users of public policies and services are always concerned about the results or outcomes of government action. Internal controls within government are a black box of limited interest to them. The user or citizen perspective is a much needed corrective in the public accountability framework of developing countries. Those at the receiving end are well placed to signal the policy maker and service provider on the efficacy of their actions. They can drive home the point that trying to be efficient doing the wrong thing is the opposite of accountable behavior.

III. A Menu of Accountability Mechanisms

Much of the literature on public accountability is concerned with its practice and prospects at the macro level. The roles of democratic elections, the legislature, and the auditor general in promoting accountability in the public sector have been widely discussed. The concept of holding the government as a whole accountable for its actions is no doubt important. Much less attention has been given, however, to the issue of accountability in the context of specific public services and their providers. There is considerable evidence to show that mechanisms are required to ensure public accountability at both macro and micro levels. There are clearly links between the two. Macro level accountability can create the enabling conditions necessary to provide teeth to the accountability mechanisms at the micro level. They can, for example, provide the legal, organizational, and resource framework and support required to make micro level accountability work. Similarly, effective accountability devices at the micro level can reduce the load on the macro accountability system.
We highlight below selected approaches and mechanisms of public accountability at the macro and micro levels separately. Well known traditional mechanisms of accountability will not be discussed as our focus is on the newer and potentially more useful participatory mechanisms. While recognizing the importance of country specific historical and cultural factors in determining the effectiveness of these mechanisms, no attempt is made here to adapt them to country contexts, taking these factors into account.

Macro Level Mechanisms

1. Audit and Legislative Reviews: Public Dissemination. As noted above, the traditional accountability approach focuses much more on the inputs and internal processes of government than on outcomes. Nevertheless, an open discussion and wide sharing of information on the findings of the reports of the auditor general and legislative committees is an important way to educate the public on the role of public accountability mechanisms. This is easier to do in a democratic setting. In authoritarian regimes with non-existent or nominal legislatures, this avenue may not even exist. Under such conditions, the media (if free) can play a useful role by highlighting audit reports and other reviews including those by international agencies such as the World Bank. The objective here is to inform and educate the citizens so that they understand, discuss and internalize accountability related issues over time even if they cannot do much about them at present. Knowledge and understanding of facts is a pre-requisite for the public to demand greater accountability.

2. Participation in Budgetary Policy Making: National budgets are key instruments of policy and resource allocation in any country. Yet the important groups of stakeholders, let alone the public at large, play no active role in the budget making process. In a democratic country, the assumption is that the executive and the elected legislature are adequate and competent to complete the exercise. In a single party or authoritarian regime, the openness of the process may be even less. Budget making is a time when those in authority should listen to and dialogue with major groups of stakeholders and professional experts outside of government. The government will not only be able to benefit from new and useful ideas and detect the problems or resistance that lie ahead through such dialogues, but also gain a certain measure of public good will and understanding as a result of the open process adopted.
Consensus building is nearly impossible in this complex exercise, but a consultative process can pave the way for adjustments and mutual responsiveness in matters of budgetary policies and allocations. The Indian Finance Minister and his colleagues meet with industrialists, labor leaders, academics, agriculturists and other groups before the budget presentation to listen to their views on the subject. The media covers the discussion for the benefit of the public. The process of budget making is still cloaked in secrecy. Nevertheless, the exchange of views and the openness of the discussion could contribute to greater macro level accountability in a large and diverse country.

3. Public Feedback on Policies: There are many ways in which a government can generate useful information on how well its policies are faring. It can undertake internal evaluations. It can appoint review committees. Yet another approach is to gather systematic public feedback on policies and use the findings to modify or fine-tune existing policies. This probably will work better in smaller countries where organizing such feedback is easier. A case in point is Singapore where the government has set up a Division of Public Feedback. It was established after the ruling political party faced some reversals in an election a few years ago. This division gathers systematic feedback on a variety of national policies and invites the interest groups concerned for public hearings with ministers and senior officials present. These deliberations are used by the latter to modify and improve existing policies. In a real sense, this approach claims to have resulted in improved macro level accountability. This style of ground level deliberations with citizens and interest groups on policies is a feature of several East Asian governments. They have evolved an intriguing combination of national political regimes that seem relatively non-participatory and local and functional deliberation mechanisms that are highly participatory. This is in sharp contrast to some other countries that have democratically elected governments at the top, but with hardly any deliberations or participation on issues of policy and programs at the grass roots.

4. Provision for External Review: Many national programs and public agencies have been spawned by developing country governments often with no provision for a serious periodic review of their performance. Their governing laws seldom provide for the agencies' accountability to their customers. At best, reviews of performance may take place as internal departmental exercises.
Their findings may or may not be disseminated to the media or the public. Public accountability can be strengthened through a legal provision at the national level requiring that major programs and agencies be reviewed by high level panels that include qualified persons from outside the government and that their reports should be widely disseminated. Universities in the West have committees of visitors that perform this role. Some years back, the Government of Indonesia appointed a blue ribbon commission that included foreign experts to review the working of its power authority. Steps to improve accountability are likely to be taken when a public agency knows that an independent and open assessment of its working will occur. Such reviews should pay special attention to aspects of service such as customer satisfaction, quality and standards. A legal provision for review is important because in its absence, the decision is left to the discretion of the ministry or department concerned. The governing laws of major programs and public service agencies need to be reviewed to remove this anomaly.

5. Public Feedback on Public Expenditures: Budget allocations are understandably based on political influences and much horse trading. While these practices cannot easily be eliminated, policy makers can encourage increased accountability at all levels by asking for public feedback on major programs and expenditures and by using the results as an input in the budget allocation process. This is particularly relevant to programs/agencies that are engaged in service delivery to target populations. Instead of using past expenditures as the sole criterion, the Ministry of Finance/Planning could seek independent information on program performance through sample surveys of the people whom the program is supposed to serve. To begin with, governments can build in this requirement when a program or service comes up for renewal or expansion after an initial period of working. This, of course, implies that technical and institutional capabilities to undertake such work independently exists in the country.

6. Legal Provision for Norms of Service: Casual observation of the laws governing program/service agencies in developing countries shows a relative lack of attention to matters concerning service to the public. The final objective of most of these public agencies is to provide certain services or support activities to the public. That services are numerous and can be changing probably explains why specific services and standards are not named in the
legislation. But the law can certainly require the agency to inform the public about the norms and conditions on which services will be delivered. When such norms and standards do not exist or are not made known, it is difficult for the public to demand greater accountability. A recent comparative study of the legislation on electricity in the UK, USA and India concluded that the latter's focus was on supply and investment while the others had stressed service quality, standards and consumer protection. Agency behavior is greatly influenced by its governing laws and regulations. Little attention will be paid to service quality, standards, etc., when the law does not require it. It is the national government's responsibility to ensure that the relevant legislation require agencies to publicly announce and enforce service norms and standards so that the public can demand better performance and accountability. Needless to say, this should be followed up with information campaigns and systematic efforts to educate the public on these matters through the media and other means.

The legislative powers of government can be used in many other ways to strengthen the people to demand increased public accountability. A striking example is the new power that laws pertaining to consumer protection and freedom of information have given to citizens to challenge abuses and unfair practices of public agencies in courts. Consumer protection is normally interpreted to apply only to private goods and services. By bringing many public services within the purview of the consumer protection act, the Government of India has enabled individuals and groups of citizens to seek greater accountability and redressal from several public agencies with the aid of the judiciary. The consumer courts in the different states and even districts have given verdicts against government agencies. The demonstration effect of these cases has been to create more openness in the system, and to put these agencies on notice that their behavior and practices can be challenged in court by the ordinary citizen. The access to public information, the ability to seek redressal of grievances at low cost and the empowerment of citizens to challenge unfair practices and actions of government agencies can come about only when a government uses legislation to create an enabling environment for greater public accountability.

---

5 See "Power Sector Regulation in India, U.K. and the U.S.A." by Coopers and Lybrand in collaboration with the Tata Energy Institute, New Delhi, October 1993 (Paper prepared for the Conference on Power Sector Reform held in Jaipur, India).
7. Autonomy for Public Service Agencies: The mechanisms and approaches discussed above are unlikely to produce the desired impact on accountability when public agencies face serious constraints in terms of their autonomy and internal incentives. Even when there is negative public feedback on an agency, it may remain unresponsive because the flexibility and resources required to respond expeditiously do not exist. Alternatively, as long as it continues to get its budget allocations and its staff and their careers are unaffected irrespective of good or bad performance, there will be no incentive to be responsive and accountable. In general, the public sector suffers from this malady in both developed and developing countries. But in recent years, important reforms in this area have taken place in the UK, Australia and New Zealand. These governments have converted their departments and bureaus responsible for various public services into relatively autonomous "executive agencies" with which they have negotiated performance agreements. The chief executives of these agencies, often selected from the private sector, are given limited terms and their reappointments depend on achieving measurable outcomes. If performance is below par, agency services in the UK may be competitively bid after a three year period. Nearly 50% of the staff of the UK civil service are now working in Executive Agencies. In the city government of Sunnyvale, California, where performance agreements have been in vogue for some years, city managers can get up to 10% in bonuses if their agencies exceed performance targets.

The feasibility of this approach is yet to be tested in a major way in developing countries. There are many barriers including attitudinal, political, technical and manpower related factors that can slow down reforms of this type. Nevertheless, the importance of this approach as a condition for creating an enabling organizational environment for improved public accountability cannot be over emphasized.

Micro Level Mechanisms

There are several ways in which public participation can be used at the micro level to augment public accountability for service delivery and outcomes. The enabling environment provided by a country’s government is an important determinant of the success of the micro level accountability approaches and mechanisms outlined below. Legal provisions to facilitate participation,
transparency and organizational autonomy and to induce responsiveness in the public sector are among the key enabling factors.

Exit options for users in the context of public services can also be an aid to improved public accountability. Deregulation, franchising and contracting out of services to multiple private providers and public-private or public-public competition are examples of exit mechanisms that can help augment the accountability of the service providers involved. Even when only one provider wins a public service contract, the fact that others could bid against him again for renewal can have a positive impact on his accountability. This "contestability" factor will work only when the public's voice in the form of feedback is heard and used in decisions on future contracts. As noted above, if exit options do not affect the resource generation and staff rewards and careers in a public agency, the latter's accountability is unlikely to be affected much by the exercise of the exit option by the public. As much more is known about exit mechanisms than about the potential for the use of voice or participation in strengthening public accountability at the micro level, the rest of this section is devoted to a discussion of the latter.

1. Project Level Accountability Mechanisms: Governments and donors use a variety of approaches to ensure effective project implementation and performance. Well defined procedures for project appraisal, procurement, supervision and monitoring, and accounting and auditing do contribute much to public accountability in projects. But despite these efforts, it is well known that project outcomes leave much to be desired. There is growing realization now that the participation of the relevant stakeholders (staff, users, citizens, etc.) in the preparation, design, implementation and evaluation of projects can help improve public accountability. Apart from technical studies, consultations with the relevant groups of people, systematic surveys of people in the project identification stage and other efforts to understand local concerns can be useful in the design stage both to guide project planners to better prepare the project to meet local needs and at the same time to inform the public about the proposed plans. Involvement and information sharing in the design stage are likely to create greater interest among the people to cooperate in project implementation and to monitor project progress to the extent they can do it. A participatory approach of this kind can reinforce public
accountability at the project level through the monitoring and feedback inputs generated by the public. This approach can be extended to project evaluation, both interim and ex-post. Public or user feedback obtained through systematic research can be a proxy for the market test that is popularly employed in commercial projects. The very fact that public feedback will be sought could cause project level accountability to improve.

The extent to which participatory mechanisms can work effectively may vary by project type. Projects with a strong local focus and with fairly well defined target groups or affected groups (as in environmental issues) are more likely to benefit from group or community participation. In both the Philippines and Mexico, ports projects have benefited from the involvement of user groups. In a Korean regional transport project, a committee consisting of government officials and private sector experts and scholars reviewed the investment program and major investment decisions. In large national projects and projects whose services /outputs affect weaker groups, or affect others indirectly, external agents or organizations may have to act as proxies for the people involved. Thus in major power and water projects, displaced people are organized by NGOs and collective action in the general public interest tends to be led by special coalitions and expert groups. The Narmada dam project is a good example of this approach.

"Participatory rural appraisal" which has been tried out in East Africa and South Asia offers a method that incorporates people’s views and ideas into the project preparation and design stage. Sensitive consultations with people enable them to analyze their conditions and assess their priorities. This exercise can be used to make project design more responsive and equitable. Participatory appraisal can also be a basis for generating the feedback necessary during project implementation for monitoring and mid-course corrections. It provides a corrective to the supply driven traditions of project design and could potentially improve the accountability of the agencies involved to the people.

2. User Surveys as an Aid to Accountability: The behavior and performance of the public agencies responsible for public services can be improved only when customer satisfaction is given its due place in their management and supervision. As noted in an earlier section, when exit options are absent, the market test of competitive

---

6 Israel, op. cit
survival is ruled out. Systematic user surveys that assess customer satisfaction can be used as a surrogate for competition provided the results are used to judge and reward or penalize agency performance. In these surveys, people are asked to evaluate the quality, adequacy and other relevant dimensions of services and their feedback is used as an important criterion to judge the performance of the agencies involved. The methodology for such surveys is easy to understand and apply. Most countries can access the kind of skills necessary to generate and analyze the required information. The costs of this method are relatively modest.

Why then is this approach so rarely used in the public sector? The problem of collusion referred to earlier and the general lack of concern for customer satisfaction in many public agencies despite the rhetoric to the contrary are major contributory factors. There is no reason why public agencies alone should conduct user surveys. Citizen groups and NGOs can also initiate user satisfaction surveys. The incentives for collective action in this area are not strong as there is no guarantee that the public feedback thus provided will in fact be used by those in authority to reform the agencies or improve their management. A recent example of an effort to apply this approach independently is a study in India that produced "A Report Card on Bangalore's Public Services". This study asked a random sample of over 800 households to evaluate various dimensions of the public services in the city and used the feedback to grade the agencies involved. It is too early to assess its impact on the public agencies covered and on accountability. The short term impact of the study findings in terms of public awareness building through the local media has been positive.

Some of the public utilities in the USA (notably power and telecom utilities) have used public surveys of satisfaction in order to improve their services. In these cases, their managements are reported to have taken the initiative. The recent Gore Report on Reinventing Government\(^8\) has recommended to President Clinton that a directive be issued requiring all federal agencies that deliver public services to create customer service programs in order to identify and survey customers for a better understanding of their needs. It has further proposed that agencies define their standards of service, survey customers on the satisfaction with existing

---


\(^8\) Published by the US Government in 1993.
services, make information, services and complaint systems easily available, and that agency performance should be measured against the standards posted. Needless to say, these are far reaching recommendations with major implications for accountability to the public. No initiative of this kind is known to be under way in any developing country.

3. Performance Plans and Agreements: Another way to strengthen accountability is by requiring the public agencies/enterprises responsible for major investments and services to prepare annual performance plans that specify their goals and standards for service delivery. Such plans are likely to be pursued with seriousness only when backed up by performance agreements between the government (responsible ministry/department) and its operating public service agencies/enterprises. As noted above, governments should first of all put in place the needed legislation requiring departments and agencies to move in this direction. Public feedback can be used to put pressure on agencies to adopt such practices and to provide benchmarks to judge their performance. When performance plans and agreements are made known to the public, it will give more power to user/citizen groups to demand greater accountability from the service providers. In some developing countries, governments have begun to negotiate performance agreements with certain commercial public enterprises for which performance indicators are relatively easy to devise. A major problem is that these bodies are not vested with genuine autonomy. This was reported to be one of the reasons why the performance contracts adopted by some of the public utilities in Sub-Saharan African countries failed to deliver the expected results. The kind of enabling legislation that created the "executive agencies" in the UK is yet to be attempted in developing countries. This underscores the importance of restructuring public sector organizations in order for participative mechanisms to cause accountability to improve.

4. User Charges and Participation: User charges are usually viewed as a device for cost recovery and deficit reduction. But a significant feature of user charges is that it encourages individuals and user groups to demand better performance and accountability from the public agencies involved. The responsiveness of the latter in turn is determined by the extent to which they depend on such user charges as a proportion of their revenues/income. If the government forces an agency to raise a large part of its revenues
through user fees or links its autonomy to such earnings, it will induce the agency to earn more from this source and to be more responsive to its customers. It is this change in agency behavior that finally causes its accountability to improve.

In the irrigation sector in both Indonesia and the Philippines, user fees have had precisely this type of impact. Water user groups in Indonesia that collect and pay irrigation service fees to the government on behalf of farmers have become more vocal and demanding in their dealings with the irrigation and district authorities. The latter in turn have become more responsive in terms of service delivery. To illustrate, district officials are now empowered to use service fee income to undertake the maintenance of canals, a task that earlier used to require time consuming approvals from above. Thus payment of service fees has emboldened farmers through the water user groups to demand better service. The importance of this source of revenue has forced the irrigation and public works agencies to listen to farmers, formulate service agreements and respond to their needs better than before. The end result is improved public accountability.

5. Public Hearings: While organized public participation is desirable for many reasons, the incentives of collective action are not always strong from the standpoint of the citizen. People’s movements and user groups cannot easily be sustained unless members have much to lose or gain on a continuing basis. Many issues of services and policies do not cause a crisis or continuing problems serious enough for the public to organize into groups on a permanent basis. Besides, collective action takes time, costs money and is susceptible to the free rider problem. The device of public hearings on important issues, grievances and plans minimizes these problems while giving an opportunity to the people to participate on matters of importance to them. Organized groups as well as individual citizens can attend them, express their views and benefit from the exchange of ideas and information that transpires at the hearing. Its openness will make it difficult for government and its agencies to suppress and distort facts. A major pre-requisite for its success is that enabling legislation exists that requires public agencies to hold public hearings on specified subjects and issues.

Regulatory agencies in developed countries have a standard practice of holding hearings of this type. Commissions and
committees of government are known to hold public hearings. Public hearings can be held by service agencies in different locations to listen to and settle the problems and grievances of the public. All these can aid public accountability through increased transparency and direct and open contact between public administrators and the people. A major problem in developing countries is the organization of public hearings such that larger numbers of people and from different geographic areas can participate. If, for example, a hearing is held only in the capital city, it is possible that only elites or organized groups could take advantage of the opportunity.

6. Information as an Aid to Accountability: The success of almost all the approaches and mechanisms discussed in this paper will depend on how well informed citizens and users of services are. Lack of political power at the people’s level is certainly a more basic problem that limits accountability in authoritarian regimes. In a democratic setting, political power may not be a problem, but cannot become effective simply because the public is not well informed and educated on the issues at stake and is therefore unable to organize and demand greater accountability. Access to information and public education and awareness building thus assumes special importance in the context of public accountability.

Regulatory commissions, the consumer movement and laws such as the freedom of information act have made access to information a major feature of society in the more developed countries in the past few decades. Governments and public agencies provide considerable data on their working for anyone to use. Both expert institutions and the media play an important role in digesting and using this information to educate and empowering citizens and citizen groups. The latter are able to demand greater accountability from public service providers because they are well informed about the standards and quality of service they are entitled to. This development is yet to surface in the developing world except perhaps with reference to information on industry and finance largely because of the active role of organized industry and its associations/chambers. Much less is known about public services, development projects and program interventions although all these are of concern to large segments of the

Developing country governments and international donors who hold a good deal of the information of interest to the peoples of these countries should logically be the initiators of information sharing. In addition, local expert institutions, NGOs and the media can certainly help move this process along in significant ways even when governments and donors do not do enough. For instance, in respect of public services, it is possible for groups/experts outside of government to generate public feedback on services of interest to citizens and to use the findings to inform and educate the public and the government on the state of the public services. Such initiatives can act as a stimulus for citizen action to learn about their rights and to demand greater accountability from the service providers. An experiment along these lines is the Bangalore study referred to above. Apart from the general reporting of the study findings by the media, one newspaper (*Times of India*) started a new feature in its Sunday edition with a graphic display highlighting one important study finding at a time. This feature began on December 12, 1993 and was continued for several weeks (see attached charts). Here we have an example of how the media can help build public awareness on the problems of the services of concern to them. It is hoped that this will arouse sufficient interest among citizen groups and the agencies concerned to initiate action to improve public services. Systematic generation and dissemination of information are important inputs for encouraging the public to demand greater accountability from their service providers.

**IV. Implications for Governments**

Enforcing public accountability is a basic function of governments. This is even more so in respect of citizens’ rights and freedoms which are beyond the purview of this paper. Even within the limited areas examined here, international donors and lenders can only advise and assist as effective action on this score will follow for the most part when borrower governments are committed to the goal of accountability. This paper has argued that the achievement of this goal can be accelerated through the menu of participatory mechanisms discussed above. Governments
should note that strengthening public accountability requires not only better internal controls and supervision but also lateral pressure within the country by a well informed public. Recognition of the latter’s role in public accountability and exploration of creative ways to involve citizen/user groups in this process should be on the agenda of both national and international agencies.

The wide range of accountability approaches and mechanisms presented above shows the potential role that public participation can play in strengthening accountability in the public sector. As action at both the macro and micro levels is required, the question of strategy and sequencing in the adoption of specific mechanisms assumes importance. In general, action at the macro level can help prepare the ground for more effective use of micro level accountability mechanisms. Thus public dissemination of audit reports and performance assessments can create a sense of openness that could facilitate public hearings or user surveys at the micro level. Enabling legislation that requires specification of standards of service or permits legal recourse to the redressal of grievances will provide the information and empower the public needs to demand greater accountability from government agencies. This is not to say that action at the micro level cannot begin unless the enabling macro conditions are fully present. The East Asian experience shows that micro level accountability mechanisms can be made to work even when openness and other enabling conditions are not yet in place as in fully democratic societies. It would appear that some of the less democratic countries, for example, have found it easier to adopt accountability mechanisms that can improve service delivery at the micro level than mechanisms that seek to make macro level changes.

There are both direct and indirect ways in which governments can act to improve public accountability through participative mechanisms. Direct measures imply actions that are within their control for the most part. Indirect measures are those in which a government acts as a catalyst for change. We present below a modest set of initiatives, both direct and indirect, that policy makers might consider in the context of their countries / regions.

**Direct Measures**

1. A government can strengthen the movement for greater public accountability by improving the public’s access to its studies
AN EXAMPLE OF
THE ROLE OF THE MEDIA IN BUILDING
PUBLIC AWARENESS USING PUBLIC FEEDBACK

VOICE OF THE PEOPLE
SATISFACTION WITH SERVICE

<table>
<thead>
<tr>
<th>Service</th>
<th>Satisfied</th>
<th>Dissatisfied</th>
</tr>
</thead>
<tbody>
<tr>
<td>KEB</td>
<td>12</td>
<td>24</td>
</tr>
<tr>
<td>BWSSB</td>
<td>13</td>
<td>36</td>
</tr>
<tr>
<td>CORPORATION</td>
<td>10</td>
<td>44</td>
</tr>
<tr>
<td>BANKS</td>
<td>23</td>
<td></td>
</tr>
<tr>
<td>HOSPITALS</td>
<td>21</td>
<td>28</td>
</tr>
<tr>
<td>RTO</td>
<td>29</td>
<td>28</td>
</tr>
<tr>
<td>TELEPHONES</td>
<td>32</td>
<td></td>
</tr>
<tr>
<td>BDA</td>
<td>38</td>
<td></td>
</tr>
</tbody>
</table>

Std. Error Range: +/- 6.05% to 2.29%

In the first of a series of opinion polls on the various aspects of functioning of key organisations in the service sector, people express their satisfaction with respect to the quality of service. Of those assessed - the Karnataka Electricity Board, Bangalore Water Supply & Sewerage Board, Bangalore City Corporation, banks, hospitals, Road Transport Organisations, Bangalore Telephones and the Bangalore Development Authority - only banks (23 percent) come out unscathed in an otherwise damning verdict.

Hospitals (21 percent) come out even Stevens while the BCC appears to be a bugbear for most citizens (44 percent). The BDA doesn’t have too high a rating either, only 4 percent satisfied and 38 percent disgruntled customers. The RTO hasn’t done too badly while the power and the phone services leave a lot to be desired.

Sample size: 800 randomly selected households in Bangalore who faced a problem serious enough to necessitate contact with an agency.
Source: Based on a study conducted jointly by Dr. Samuel Paul and Marketing & Business Associates Pvt. Ltd.

Source: Times of India, Bangalore, Starting December 12, 1993, one chart appeared every Sunday on the front page.
AN EXAMPLE OF
THE ROLE OF THE MEDIA IN BUILDING
PUBLIC AWARENESS USING PUBLIC FEEDBACK

VOICE OF THE PEOPLE
SATISFACTION WITH STAFF BEHAVIOUR

<table>
<thead>
<tr>
<th>Service</th>
<th>Satisfied</th>
<th>Dissatisfied</th>
</tr>
</thead>
<tbody>
<tr>
<td>KEB</td>
<td>16</td>
<td>29</td>
</tr>
<tr>
<td>BWSSB</td>
<td>15</td>
<td>26</td>
</tr>
<tr>
<td>Corporation</td>
<td>14</td>
<td>31</td>
</tr>
<tr>
<td>Banks</td>
<td>8</td>
<td>36</td>
</tr>
<tr>
<td>Hospitals</td>
<td>16</td>
<td>27</td>
</tr>
<tr>
<td>RTO</td>
<td>17</td>
<td>34</td>
</tr>
<tr>
<td>Telephones</td>
<td>19</td>
<td>24</td>
</tr>
<tr>
<td>BDA</td>
<td>11</td>
<td>32</td>
</tr>
</tbody>
</table>

Std. Error Range : +/- 6.05% to 2.29%

In the first of a series of opinion polls on the various aspects of functioning of key organisations in the service sector, people express their satisfaction with respect to the quality of service. Of those assessed - the Karnataka Electricity Board, Bangalore Water Supply & Sewerage Board, Bangalore City Corporation, banks, hospitals, Road Transport Organisations, Bangalore Telephones and the Bangalore Development Authority - it was the banks once more (35 percent) that topped the list with the RTO (34 percent) coming a close second.

The city corporation (31 percent) fared well, while the BDA seems to have hit a new low with citizens with 11 percent satisfied and 32 percent nursing grouses. The KEB’s rating, with only 18 percent satisfied and 29 percent disgruntled, also leaves much to be desired. The BWSSB and the Telephones could improve customer relations.

**Sample size**: 800 randomly selected households in Bangalore who faced a problem serious enough to necessitate contact with an agency.

**Source**: Based on a study conducted jointly by Dr. Samuel Paul and Marketing & Business Associates Pvt. Ltd.

Source: Times of India, Bangalore, Starting December 12, 1993, one chart appeared every Sunday on the front page.
and reports. Improved access here implies not only information about their existence, but also about their availability at reasonable cost. From the standpoint of accountability, there is a strong case for enabling local constituencies such as NGOs, scholars and the media to critique and challenge public policies, programs and their performance with the aid of published data and analyses wherever appropriate. Arrangements to issue important publications in all relevant languages will also help improve information access.

2. Government’s project identification and appraisal processes need to become more participatory. The objective here should be to involve other stakeholders (beyond the concerned ministries) in the project preparatory phase so that their understanding and commitment aid project performance and accountability. Though there is a risk that mandatory requirements might degenerate into rituals, it is desirable that open consultations/hearings are held wherever projects are meant to benefit or affect geographically identifiable groups of people.

3. Government’s concerns about development effectiveness need to be translated into new practices in the field that could strengthen public accountability. Well before a project is completed, sound management systems for performance planning and monitoring need to be built into the agency charged with the responsibility for service delivery beyond project completion. Service delivery agencies can be required to prepare and publish annual performance reports (with emphasis on service dimensions). If performance plans, standards and achievements are made known to the public, the latter will find it easier to hold public agencies accountable. Since this task tends to receive low priority when officials focus solely on the immediate problems of project implementation, there is merit in laying down some guidelines on the essential performance planning and monitoring systems to be put in place by the time a project is completed.

**Indirect Measures**

1. Since enabling legislation and policies at the macro level are essential to improved public accountability, governments need to undertake well focused reviews of the relevant laws and regulations in countries. Special attention needs to be given to the governing laws of public utilities, and legislation, if any, on monopolistic practices, consumer protection and information
disclosures. The findings of such research can be a basis for the government to initiate legal and policy reforms that could make a difference to public accountability. Dissemination of the findings could strengthen the hands of non-governmental groups who may also add to the pressure for change.

2. Governments and international agencies can play a broader educational role in countries by sharing knowledge about new practices and lessons of experience in accountability. This assumes special significance in the area of public services whose reform is long overdue in many countries. Best practices based on reforms in organizational forms and systems, information disclosure, public feedback, user fees, staff incentives, training, performance standards and service indicators (for comparative purposes) need to be documented and disseminated widely. Similar efforts at the macro level could include best practices on public expenditure reviews, budgetary discussions and new audit and legislative review procedures. The purpose is not merely to educate government officials, but also to inform and empower the public (citizen groups/NGOs, etc) so that demand for change is generated from below.

3. A government’s practices and norms in its project work can contribute to greater transparency in some important areas. A good example is procurement where the norms and practices of many governments leave much to be desired. Increased public accountability can be achieved also by making the use of public feedback a major input for decisions on resource allocation, especially with reference to continuing and new programmes and projects. The rate of return criterion is not an adequate test especially under monopoly conditions and needs to be balanced by other measures of effectiveness.

4. Training and development of public servants is a sadly neglected feature of most governments. The proposals for research, surveys and sector work discussed in this paper will provide a wealth of material at low cost for national training institutions to mount training programs with a focus on public accountability through participation. NGOs working with citizen groups can be partners in this training effort to get the message across to the grassroots. A modest investment in this area could set in motion a dynamic diffusion process that could strengthen the effectiveness of governments.
REFERENCES


