Picture this... An enviable professional career spanning well over four decades. A stint as a director of India’s premier management institute. A senior advisor to many international institutions. Accolades from peers and leading thinkers for pioneering academic contributions. And perhaps the last thing you would expect someone with the above credentials to do in a well earned retired life is to take up an emotionally draining and physically taxing assignment - like, creating a new and innovative institution addressing issues that are not yet part of the popular vocabulary. Worse still... issues that were either whispered in hushed tones or seen as lurking comfortably in the penumbra of abstractness.

But for Dr. Samuel Paul, life started afresh in 1994. Settling down in Bangalore in the early 1990s, the eminent academic, management expert and teacher, found the perfectly scripted PR promos on Bangalore as “garden city” and “pensioner’s paradise”, totally out of sync with the reality. Instead of slipping into the comfortable Indian posture of “adjusting” to the inefficiencies, Dr. Paul did the unthinkable - tried to nudge a recalcitrant state to action. The result was the remarkable innovation called Citizen Report Card. Using the twin principles of measurement and comparison, Citizen Report Cards heralded a simple but powerful tool for diagnosis and advocacy. The rest of the story is well documented for posterity. The creation of the Public Affairs Centre in June 1994 was in Dr. Paul’s own words a “leap of faith”. And its mission statement on improving the quality of governance in India, was seen as audacious. A decade ago the ‘G’ (governance) word was almost blasphemous in the lexicon of development actors in India. Concepts like accountability and transparency were alien. And sometimes, found too blurred in the kaleidoscopic image of the Indian reality. A decade later, the G word has found a conspicuous and central niche in all discourses on reform and change. Accountability and transparency today jostle with the tried and tested mantras of poverty and unemployment in vying for top honours in the “to do agendas” of political manifestoes.

Public Affairs Centre, which made a modest beginning from Dr. Samuel Paul’s house, is today an institution of national and international repute. The Citizen Report Card is widely regarded as a potent trigger for bringing in reforms in the public service arena and is finding remarkable adaptations and replications in different parts of the globe. The Centre’s backyard experiments on issues related to good governance, has resulted in an array of highly empowering and replicable experiences on electoral probity, civic education and citizens’ audit. The Centre’s new grammar of civil society action, hinging on collaboration and partnerships, has resulted in an interesting discourse on how to hold the state to account.

It was for these reasons that on June 30 2004, when Dr. Samuel Paul walked up to the dais in the Rashtrapati Bhavan in New Delhi to receive the Padma Shri from the President of India (see page 15) for his outstanding contributions in diverse arenas, there was a collective surge of pride in the small group huddled together in front of the television set in the conference hall of Public Affairs Centre. Some of us in there were witness to the challenges of the early days and some of us are new entrants to the PAC family. But in that poignant moment, we were all part of a triumphant leap of faith. A faith anchored around a strong commitment to democratic principles, the transformative power of informed action and the exemplary leadership of a visionary.

Gopakumar K Thampi
RESEARCH

A PILOT CITIZEN REPORT CARD ON PUBLIC SERVICES IN ZANZIBAR

With around half of the population living below the basic needs poverty line, the main development challenge in the United Republic of Tanzania (Mainland and Zanzibar) is widespread and persistent poverty. Profiles of poverty reveal that it is more spread in rural areas and there are also discernible regional and gender differences in the levels and specific dimensions. In a major effort to address this disabling environment, the Government of Zanzibar formulated the Poverty Reduction Plan (ZPRP) in 2002. The Plan envisages a timeframe of three years with a focus in the first year on developing an institutional framework for monitoring the inputs, implementation, outputs and impact of ZPRP. A key issue identified in this regard was the need to develop participatory methodologies in poverty monitoring and assessment.

In 2002 The Government of Zanzibar formulated its Poverty Reduction Plan (ZPRP), which has a three year cycle. During the first year focus has been on developing an institutional framework for monitoring the inputs, implementation, outputs and impact of the ZPRP. The Government also decided to have strong involvement of all stakeholders in this process.

It was in this context that the UNDP, a key partner in the ongoing governance reforms in Zanzibar, on behalf of the Government of Zanzibar approached the Public Affairs Foundation (see p. 5) to provide technical assistance to design a pilot Citizen Report Card (CRC) in Zanzibar and assist the lead implementing agency (Office of the Chief Government Statistician) and partners in preparing, implementing, disseminating and documenting the exercise.

Being a pilot project, the sector focus was limited to two critical public services (Drinking Water & Primary Education) and the universe to two districts (West District in Unguja and Chake Chake in Pemba). A major innovation of the project was the creation of an Implementation Consortium consisting of a broad spectrum of representatives from government and non-government agencies like the Ministry of Finance & Economic Affairs (MOFED), the Office of the Chief Government Statistician (OGCS) and the Association of NGOs in Zanzibar (ANGOZA).

Prior to the design and conduct of the survey, the Implementation Consortium under the guidance of Public Affairs Foundation carried out an assessment of the feasibility of CRCS in Zanzibar; Inputs from this assessment were then used to draw the road map for the conduct of CRC.

This pilot CRC involved a sample survey of households in two districts – Dzini Magharibi (West) in Unguja Island and Chake Chake in Pemba Island. The selection was purposive since the districts exhibited both urban and rural characteristics and also captured regional variations.

A major emphasis of this exploratory PSDA was on building local capacity to design and conduct similar studies in future. In line with this, a capacity building workshop was organised for 30 participants by experts from the Public Affairs Foundation. The workshop had representation from the following groups:

- 3 members from the Ministry of Finance and Economic Affairs
- 10 members from the Office of Chief Government Statistician
- 13 members from the Consortium of NGOs
- 2 members from the Information, Education and Communication (IEC) Technical Working Group
- 2 members from the two sectors – Drinking Water and Primary Education

A training manual was specifically prepared for this purpose. To ground the conceptual lessons to practical applications, two field practicals were held at Bweju village. Sixteen enumerators (8 from OCGS and 8 from the Consortium of NGOs) were selected out of this group of 30 to conduct the field survey.

SUMMARY & KEY POINTERS
Relevance of the Participatory Service Delivery Assessment

The findings and interpretations from the pilot survey confirm that the CRC can be applied to
initiate focused efforts to improve public services in Zanzibar. More specifically, this exploratory intervention highlights that:

- Credible and focused feedback on service quality can be generated through this process.
- User feedback draws attention to key aspects of service delivery that need to be addressed.
- The Citizen Report Card is seen as a doable good practice by the Government of Zanzibar.
- The Focus Group Discussions and the User Feedback Survey had the participation and cooperation from all segments of the population, including the poor.
- Local institutions, within the government and outside, have gathered adequate capacity and experience to carry out most of the tasks involved in the design and conduct of the PSDA.
- The approach can be repeated to benchmark and monitor service improvements over time.
- The process can be adapted to other services and can serve as an impetus for focused reform.

Drinking Water Sector

- Most residents in the two districts are being served by the Department of Water, either through household taps or common taps. There are however, regional variations in the extent of reach with the West District reporting a higher level of access to household piped water supply and supply through common taps.
- Wherever piped water supply is available, it is quite easy to get a household connection. However, many households continue with common taps and other public sources because they cannot afford a household connection; larger proportion of women headed households find affordability a major impediment in accessing a household connection.
- The task of fetching water from public sources is quite demanding (average of 5 trips), and the burden is mainly on women and girls.
- Most of the households who are not served by the Department of Water depend on unprotected wells. The biggest segment among them is farmers.
- Nearly two-thirds of these households (who do not have access to Government water supply) use other public sources because they cannot afford a household connection, while most of the rest do so because there is no supply in their area.
- Most of the users of other public sources travel greater distances than households using common taps, to fetch water. This burden falls mainly on women and girls.
- The quality of services provided by the water department is reported to be quite good, according to the feedback from the users of household piped water connections and common taps.

Satisfaction of Users with Quality & Quantity of Water

(All figures in percentages)

<table>
<thead>
<tr>
<th>Source of Water</th>
<th>Water Quality</th>
<th>Water Quantity</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Satisfied</td>
<td>Dissatisfied</td>
</tr>
<tr>
<td>Household Tap</td>
<td>82</td>
<td>17</td>
</tr>
<tr>
<td>Common Taps</td>
<td>82</td>
<td>18</td>
</tr>
<tr>
<td>Common Boreholes</td>
<td>52</td>
<td>48</td>
</tr>
<tr>
<td>Other Public Sources</td>
<td>66</td>
<td>33</td>
</tr>
</tbody>
</table>

- There is a wide variation in the daily availability of water from household taps across the two regions; West District reports much better availability. The same holds true for the adequacy of water to meet daily requirements. A larger proportion of users in the West District find the quantity of water supplied through household taps adequate.
- Reliability of government water supply is a matter of some concern. Breakdowns are less frequent for common taps.
- A majority of the users of household taps and common taps are satisfied with the quality and quantity of water they receive. However, dissatisfaction with the quantity of water is relatively higher in Chake Chake.
- Almost all dissatisfied users of household connections were those who experienced seasonal scarcity.
- A majority of users of government water supply were willing to pay more if they were assured...
better services; the median value was Tanzanian Schillings 1000 per month.

- Over half of the population faces seasonal water scarcity, including those with household connections. The highest level of stress experienced in this regard is among the users of unprotected wells.
- Households served by the Department of Water respond to scarcity by moving to common taps or unprotected wells in equal measure. For the rest, the only alternative is to move to other unprotected wells which have not gone dry.
- The implication is not just a case of unsafe water – a larger proportion of women and girls travel greater distances to fetch water during this season.
- Feedback from this survey has important policy implications for improving the quality of services.
- Extending the reach of water supply network to the rest may face cost issues and technical constraints, given that many among them are farmers whose locations may be scattered. The area where this may be more required is Chake Chake.
- A high priority may be accorded to increasing the coverage under household piped connections so that the burden of fetching water which now falls on women and girls can be reduced. Alongside, the issues of affordability need to be addressed through a mix of motivation and targeted subsidies.
- The biggest challenge however, is in addressing the issue of scarcity. An important part of this challenge is in improving the safety of wells which are extensively used in times of scarcity. Any investment in this will benefit many households.
- The willingness of users to pay for better services need to be examined closely. Steps could be initiated to move to a fee based system that could improve service quality and efficiency.

**Primary Education**

- Government Primary Schools support the bulk of the need in the two districts.
- About half of the children going to Government Primary Schools report access within one km from the place of residence.
- Interestingly, one out of six children in the age group 7-15 years were reported to have never attended school. Whether this reflects a case of late entry into the schools needs to be probed.
- Regular attendance of children is reported. But parents perceive that attendance of teachers is slightly lower.
- Incentives like free textbooks do not seem to reach all households; only a third of the households report availability of the same. This issue seems to be more acute in the West District.
- Toilets, a basic facility, especially for girl children, are reported to be available at almost all schools.
- However, libraries in schools are rare, especially in Chake Chake.
- Most households are satisfied with the teachers and the quality of teaching.

**Satisfaction of Parents with Primary Education**

*(All figures in percentages)*

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Satisfied</th>
<th>Dissatisfied</th>
<th>Don't Know/CS</th>
</tr>
</thead>
<tbody>
<tr>
<td>School Building</td>
<td>86</td>
<td>14</td>
<td>-</td>
</tr>
<tr>
<td>Recreational Facilities</td>
<td>21</td>
<td>57</td>
<td>22</td>
</tr>
<tr>
<td>Quality of teaching</td>
<td>82</td>
<td>09</td>
<td>09</td>
</tr>
<tr>
<td>Quality of study materials</td>
<td>37</td>
<td>38</td>
<td>25</td>
</tr>
<tr>
<td>Behaviour of Teachers</td>
<td>88</td>
<td>04</td>
<td>08</td>
</tr>
<tr>
<td>Adequacy of Teachers</td>
<td>65</td>
<td>12</td>
<td>23</td>
</tr>
</tbody>
</table>

- However, high proportions of parents are dissatisfied with the quality of study materials and recreational facilities.
- There seems to be a small degree of dissatisfaction with the availability of teachers in the West District.
- Most parents make contributions towards school building and classroom materials.
- While half of them paid these contributions voluntarily, the rest was demanded.
- School committees are generally reported to be functional, especially in the West District.
- Feedback from the survey has a few pointers for policy initiatives.
The gap in enrolment or delay in school enrolment may be actively addressed through motivational campaigns.

- Wider awareness among parents about free textbooks, as well as closer monitoring of distribution of books, would be of help to poorer households.
- Support facilities like libraries would benefit significantly from attention and investment.
- The availability of teachers may be examined and monitored more closely, in case the feedback is to be treated as an early warning signal.

(For further information on the project, please contact Mr. Pim Van Der Male at pim.vandermale@undp.org)

PUBLIC AFFAIRS FOUNDATION

Strengthening Governance Worldwide

Public Affairs Foundation is a knowledge-based service organisation committed to improving the quality of governance by providing advisory support and customised knowledge products to a wide range of clients in the public arena. The Foundation draws its inspiration and conceptual strength from the pioneering interventions and experiences of Public Affairs Centre, the non profit research and action support organisation based in Bangalore, India, which innovated and perfected a series of knowledge products like the Citizen Report Cards on Public Services, Fund-based Accounting System, Electoral Transparency Initiatives and state-citizen forums for proactive engagement. The creation of the Foundation is a response to the growing global demand for sustainable and responsive models of governance. The Foundation’s services are designed and delivered by teams of highly skilled consultants and experts with considerable international experience. The Foundation’s team leaders are experts who have played a key role in the development of the concepts, tools and approaches developed by PAC and have gained experience in adapting them in different country contexts.

The Foundation is registered as a section 25 non-profit company under the Indian Companies Act. The Foundation expects to defray its costs of operation and infrastructure through the fees charged for its services. As a non-profit enterprise, any surplus generated in the process will be devoted to the strengthening of civil society initiatives through PAC and other like-minded organisations.

For more information on the Foundation, please contact:

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Quit Corruption Contest!

Corruption in public life is a major concern of all thoughtful citizens in our society. It is a phenomenon that people experience in their daily lives, especially in their dealings with public agencies. Many of us have ideas on what governments should do to tackle corruption, but seldom have an opportunity to express them or test their relevance. Public Affairs Centre’s (PAC) “Quit Corruption Contest” offers a unique opportunity to all those who live in the State of Karnataka to propose new and actionable ideas to eliminate corruption. The best ideas arising out of the contest will be presented to the new Government of Karnataka.

An eminent jury will select the best entries for the prizes to be awarded by PAC. There will be five prizes in all. The first and second prizes will be Rs.10,000 and Rs.5000 respectively. There will be three consolation prizes of Rs.2000 each, of which one will be reserved for the best entry from among the young entrants (below 25 years of age, as on 1st June 2004). Winners will be presented with citations along with the award.

The contest attracted more than 500 entries (both in English and Kannada) from all parts of Karnataka. The jury is currently shortlisting winning entries.

Watch this space for the Winning Entries!!
THEME ARTICLE

REFORMING MUNICIPAL FINANCIAL MANAGEMENT SYSTEMS

Insights from a pioneering experiment

Ms. Trina Vishayathil, Public Affairs Centre

Set in place during the pre-Independence era, traditional financial administration in Urban Local Bodies (ULBs) fails to produce an accurate picture of a municipality's financial situation. Most local governments in India simply record the flow of cash. Until recently, the municipal government in Tumkur, a city located 70 kilometers northeast of Bangalore, had a system of recording cash flow. Earlier this month, a modern, IT enabled, Fund Based Accounting System (FBAS) was inaugurated in Tumkur's municipal government.

FBAS was developed in the West to improve accountability in the use and collection of public resources. Fund accounting creates separate entities, or funds, with a clear operational mandate by government. Funds are self-balancing: at any point in time an entity knows the revenue it has received and is entitled to receive and what it owes, both now and in the future. FBAS also generates complete financial information to support the planning, policymaking and monitoring needs of various government constituents.

Redesigning Tumkur's system of financial management took four years of integrating new skills, processes, and procedures in the accounts department. At the outset, the effort had two objectives: to implement a modern accounting system in Tumkur Council Municipal Corporation (TCMC) and to derive learning for scalability to other ULBs in Karnataka.

The reform of Tumkur's system of financial administration came into existence because a handful of individuals recognized a good concept and wanted to implement it; local demand for a modern accounting system did not trigger reform. In 1999, representatives from the Public Affairs Centre (PAC) met with Dr. Ravindra, then Chairman of the Karnataka Urban Infrastructure and Development Finance Corporation (KUIDFC), to brainstorm possible projects. As one of two executing agencies for a $105 million Asian Development Bank (ADB) loan, KUIDFC was working in four ULBs to strengthen local capacities to deliver public services. Dr. Ravindra believed reform of municipal financial administration was necessary, but found the recommendations in several ADB-sponsored studies inadequate for action. He suggested that PAC take up a pilot project in a city where KUIDFC was working, and thereby generate the experience required for scaling up the reform across the state.

The technical challenge at hand was to transform a manual, single entry, cash-based accounting system into a fully operational IT enabled modern accounting system. The adaptive hurdle was to get buy-in at the ground and management levels in Tumkur's municipal government to implement a range of procedural, administrative, skill-related changes.

Due to the conceptual and implementation challenges at hand, the project team designed a two-phased intervention. Phase 1 involved acquiring the knowledge to design and implement a new system for Tumkur. This process involved fully understanding the existing processes and gaps in TCMC's system. Project staff identified shortcomings in the available financial information and its generation, management and control procedures, and the budgeting process. The severity of flaws suggested that introducing a new system would require a massive re-engineering of procedures.

Process mapping the current system, coupled with identifying the existing gaps, armed the project team with considerable knowledge of where changes should be introduced and how the change would impact the flow and content of information. After comparing FBAS's strengths with TCMC's financial needs, the project team decided that FBAS was the best fit for TCMC and began system re-engineering.

During Phase 2, the proposed system was implemented in TCMC. The three-year process included the introduction of new people, accounting principles, hardware, software, and procedures. Implementation of FBAS required IT-enabling current operations as a parallel system, crossing over to the IT-enabled system, re-
engineering processes, creating capacity among local staff to handle the new system, and training local staff to manage FBAS operations. Since TCMC accounts staff did not have the required computing and accounting knowledge, three local commerce graduates with knowledge of computers were hired to work as onsite project assistants. Cross Domain, a Bangalore-based software company, designed the accounting software for data management. Existing systems were adapted to generate needed outputs. Project staff streamlined information flow—changing both the content of the flow and modifying the flow itself. In addition, they rationalized all financial forms and receipts, coded transactions and formatted financial reports. FBAS has generated a complete set of annual reports for two fiscal years and a balance sheet for the year 2002-2003.

Along with generating sound financial reports, the introduction of FBAS has facilitated numerous other improvements. The quality of work for Accounts staff and bill collectors has improved. The IT-enabled system and re-engineering of processes allows staff to spend less time filling out paper work. At the operational level, TCMC staff has enhanced knowledge in computerized database entry, basic accounting principles and computer skills. Several trainings have been conducted to increase knowledge and skills at the various levels. In addition, a municipal agreement was made to secure a 3-year tenure for staff in the Accounts Department; this change puts an end to the high transfer rate of FBAS staff and increases the likelihood that learned skills will be utilized. Along with these staff related changes, anecdotal evidence suggests that process re-engineering has increased payments receivable. Several systemic opportunities for corruption also have been addressed during re-engineering. For the past two years, the audit recovery has been zero.1

At the outset of the pilot, project staff saw buy-in at the operational level as the biggest challenge to implementation. However, the thoughtful introduction of procedural changes—the intentional effort not to “bulldoze” accounts staff—and the qualitative improvement in staff duties have secured ground level buy-in. The supply side of TCMC’s new financial management system—FBAS operations and report generation—is functioning, with a few “hiccups.” Building the capacity and getting buy-in at the management levels has been a much slower and on-going process. Middle management support was required to implement changes in procedures and job functions. Over time, this support evolved as the benefits of FBAS became more evident. Securing buy-in from the top line-reporting agency was useful to create a lever for direct pressure on the entire system below. This pressure has yet to materialize, but would have been useful during the implementation process when the project was stalled or sidetracked. A training held earlier this month for the councilors in Tumkur introduced the elected officials to the fundamentals of FBAS and how to read key financial statements. These types of training efforts are important in creating local demand for generated financial reports.

The first objective of the project has been accomplished with the successful implementation of FBAS in Tumkur. With regards to scalability, or the introduction of financial reform in multiple ULBS, a set of unknown challenges exists. Those responsible for scaling up municipal financial reform should not only understand the lessons from Tumkur, but also have skills necessary to design a system that will facilitate concurrent replications, tailored to the unique needs of each additional municipality.

Over the past decade, decentralization of governance functions, coupled with population growth, has increased infrastructure and service demands on ULBS. While municipal governments are in need of additional revenue to finance growth, central and state governments are in a weak position to increase support. For ULBS such as Tumkur, attracting and managing new sources of financing poses an enormous challenge. The modern accounting system now in Tumkur generates the financial statements required for capital market borrowing. Thus, FBAS and associated improvements have facilitated a potential increase in local autonomy. Ideally, as FBAS takes hold in TCMC, policymakers and citizen’s groups will demand more responsible and transparent spending from local government.

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1 Previously, even with the ineffective audit system, an average of 50,000 was recovered each year.
Star Power on TV

The campaign involved celebrities like cricket star Rahul Dravid, Bollywood star Aamir Khan and popular regional actor Ramesh Aravind - known for their professionalism, integrity and dedication. In addition to being impartial and non-political personalities, Rahul Dravid’s clean image, Khan’s mass appeal rendered them the right choice to propagate the responsible voting message.

Corporate India supports the campaign

The campaign is an exemplary show of voluntarism and corporate social responsibility. All the TV & radio channels and websites provided free airtime for the promos, in which the celebrities modelled pro bono. The elections also witnessed the active involvement of corporates & industry chambers, and PAC was able to generate funds through contributions by corporates such as Tata Group, HDFC, Digital Globalsoft, Brigade Group and ING Vysya Bank.

Broadcasting the message of responsible voting

PAC and Brand-Comm used multiple media to widen impact of the campaign:

- Television
  A series of promos were aired on national and regional networks, such as Sony, SET Max, HBO, AXN, Zee Television, Star India, Aaj Tak, Discovery, MTV, Eena TV in Hindi, Marathi, Gujarati, Oriya, Bengali, Kannada & Telugu channels and Star Vijay.

- Radio
  Even before the elections, Radio City 91 FM in Bangalore had helped PAC publicise its helpline set up to assist voters in various electoral matters such as voter registration, information pertaining to candidates, etc. The voter helpline that was set up for a week in April on voter registration received almost 200 calls and people expressed appreciation for the timely assistance. Other radio networks gave free airtime for the promos: Radio Mirchi aired the promos in 7 cities, viz, Ahmedabad, Chennai, Delhi, Indore, Kolkata & Pune, and Radio Indigo aired promos on the Worldspace satellite station.

- Websites
  The campaign was the first time that PAC had attempted to use the Internet so imaginatively and on such a wide scale. The idea was to present such important information in an attractive format on
websites, which would appeal to the high tech generation of today. MSN India designed a microsite for PAC on a gamut of electoral issues, such as the basics of voting, poll schedules across the country, information about candidates, etc. as well as editorials, opinion polls and advertisements. The microsite linked voters to the PAC website, which too had a microsite dedicated to election-related information. The MSN India microsite recorded 27,743 hits over a period of one month. Several visitors to the website opined that the information was indeed useful. Here are a few examples:

- The urban voter, though knowledgeable, is indifferent. Such a voter needs phase wise impressive messages to motivate to vote - Hyderabad
- This is what should be advertised on the streets all over the country. People must be made aware of the election enrolment process and voter list, ID cards, etc. - Kolkata
- Simply superb. Today only I understood the importance of my vote. I am going to cast my vote at the earliest this time. - Tamil Nadu
- It's a wonderful effort, and making use of the services of the wall is very apt, because he is the ultimate role model for today's youth. When a message comes from him, people are bound to care I guess. - Mumbai
- I really like your punchline, which I think will motivate people to think and vote for the right party keeping the interest of the country in mind. - Kolkata

Indiatimes.com created banner advertisements and pop-ups linking viewers to the PAC website. A total of 3463 viewers clicked the PAC website through Indiatimes.com. The number of visitors to the PAC website doubled during April, with a total of 2,14,528 hits and 8786 visitors, and there were issues related to voting.

Mass email

Mass email messages on the importance of casting an informed vote were broadcast through the networks of Confederation of Indian Industry (CII) and National Association of Software and Service Companies (NASSCOM).

II. Promoting Informed Choices in Karnataka

The informed choices component of the campaign derived its strength from the landmark Supreme Court (SC) verdict on mandatory disclosure of candidates' antecedents in March 2003. The verdict mandates that all candidates contesting Lok Sabha and Vidhan Sabha elections must disclose the following antecedents:

a. Pending criminal cases
b. Movable and immovable assets of self, spouse and dependents
c. Liabilities/overdues to public financial institutions and the government
d. Educational qualifications

Objectives

The objectives of the informed choices campaign were to:

- Disseminate candidates' antecedents to voters in Karnataka
- Promote participation of local civil society groups in the electoral process

Over the years, PAC has evolved and fine-tuned a simple methodology to ensure wider dissemination of poll antecedents. The process involves collecting photocopies of affidavits of (the final list of) candidates and then carefully transferring data from affidavits (which are often unclear and confusing) into a reader-friendly poster format. This information is then disseminated among voters through a) local newspapers & b) display of posters & hoardings at important public places.

District Election Watch Committees

PAC has been conducting a number of capacity building workshops at the district level over a period of two years with the objective of enabling civil society organisations (CSOs) in Karnataka to play a proactive role in the electoral process. For the information dissemination campaign, PAC partnered with civil society groups in 9 Lok Sabha constituencies, viz., Udupi, Mangalore, Shimoga, Dharwad North, Bidar, Tumkur, Chitradurga, Davanagere and Mysore. The groups were initially hesitant to involve themselves, as they had no prior experience in electoral advocacy. However, once they were convinced of the methodology and the non-partisan nature of the campaign, they constituted District Election Watch Committees and began consultations with CSO networks in their respective constituencies. The landmark SC
verdict legitimised their resolve to make a positive impact during the elections.

Groups - in Bangalore and the districts - were able to disseminate this information in a variety of ways:

1. Local and neighbourhood newspapers published the given information.
2. Posters were displayed at prominent places such as banks, shops, telephone booths, notice boards of apartment blocks, etc.
3. Volunteers distributed leaflets door-to-door in some areas.
4. In some constituencies, cable TV channels aired information compiled by the local group.

Partnering residents groups in Bangalore

In a similar endeavour, PAC partnered with civil society groups, Resident Welfare Associations & committed individuals to stimulate informed choices in 8 Assembly constituencies of Bangalore, viz., Basavangudi, Jayamahal, Jayanagar, Malleswaram, Rajajinagar, Shankinagar, Uttarahalli and Varthur. Volunteers of these vibrant organisations distributed more than 3800 posters and 47,000 leaflets in the 8 constituencies. Posters were displayed at strategic points such as public libraries, parks, railway booking offices, notice boards of apartment blocks, departmental stores, bus stops and telephone booths.

“Face to face” with candidates

PAC supported some citizens’ groups in organising “Face-to-Face with candidates”, to facilitate citizen interaction with candidates and public probing of the latter on their credentials, priorities and plan of action. In Bangalore, such programmes were organised in Malleswaram, Shankinagar, Uttarahalli and Varthur constituencies, and in Davanagere and Udupi districts.

Collaboration with newspapers

PAC collected and compiled information of candidates contesting the 6 remaining Assembly constituencies of Bangalore, as well as the Bangalore (North), Bangalore (South) & Kanakapura Lok Sabha constituencies. In order to supplement citizens’ efforts in information dissemination, PAC tied up with several newspapers in Bangalore to widely disseminate this information. The following neighbourhood newspapers published information pertaining to their respective constituencies:

- Times of Indiranagar
- Times of Banashankari
- Times of Vijayanagar
- Bangalore South News
- Green City Express
- This Week Koramangala
- This Week Jayanagar
- This Week Indiranagar
- Kshemamachar

Bangalore Vijay Times (BVT) published information pertaining to Chikkapet, Binnypet, Rajajinagar, Chamarajpet, Uttarahalli, Basavangudi, Jayamahal, Varthur, Jayanagar and Shankinagar assembly constituencies, as well as Bangalore (North), Bangalore (South) & Kanakapura Lok Sabha constituencies. The Times of India published the antecedents for Bangalore (North) and Bangalore (South). In addition, this information was posted on the PAC website (www.pacindia.org) and publicised through Radio City 91 FM.

Public response

In Bangalore and the districts where information dissemination was undertaken, citizens who had otherwise reconciled themselves to elections full of information asymmetries appreciated the campaign. Many felt that such information should have been disseminated much earlier and on a wider scale. In areas where leaflets and posters were distributed, people began to publicly question the veracity of information provided by candidates, and discuss their antecedents.

In Bangalore, most volunteers felt a significant increase in the voter turnout in their respective areas. People evinced a keen interest in the information contained in leaflets & posters. There were also suggestions on interviewing candidates on their achievements & agenda, and to obtain information that does not come under mandatory disclosure. In some areas, however, there was a mixed response to the posters, as citizens were not convinced of the authenticity of the information given in the leaflets/posters.

Feedback of CSOs from the different districts — where an informed choices campaign was conducted for the first time — suggests that the campaign was a success. Citizens opined that the campaign was very useful. Following are some snippets from the districts:
In Mysore, enthusiastic citizens requested follow-up programmes to monitor elected representatives after the elections.

In Bidar, citizens acknowledged the efficacy of the campaign, but felt that it should have been done earlier for greater impact.

In Davanagere, feedback suggests that the campaign greatly influenced people’s choice of candidates. Moreover, it received wide publicity from the media, and support from unexpected quarters – political parties praised the campaign for its impartial nature.

In Shimoga, the coordinating group felt that adapting this campaign to the rural setting would make it more effective.

In Tumkur, political parties took notice of the posters - members of certain parties tried removing posters because their candidate had disclosed more property than the other candidates!

In Mangalore, the group proved to be a truly ‘Election Watch’ committee by reporting certain violations of the code of conduct to the Returning Officer, after which cases were booked against the violators.

In Udupi, the campaign was widely publicised through newspapers and cable TV. The group attributed large voter turnout to this publicity.

In retrospect

There is no doubt that 17 national/regional TV channels, two the country’s most frequently visited websites and three popular radio channels had lent a national dimension to the PAC’s voter motivation campaign. Despite this, it is difficult to ascertain the impacts this positive effort might have had on the actual voter turnout as well as the outcome of elections. This perhaps owes allegiance to several factors such as the ones described here.

a. The nexus of caste-communalism-citizen apathy, muscle-money-mafia continues to be an impenetrable force while also being exponentially powerful than all the civil society initiatives combined. As a result, the PAC campaign might have sounded like a distant voice in the cacophony of political brouhaha.

b. There is a severe dearth of research on the seemingly complex behaviour (voting) patterns of the average Indian voter. Therefore, it is difficult for instance, to affirmatively state whether the assumptions behind campaigns to stimulate informed choices reflect the ground realities of the electoral arena.

c. The constraint of both human and financial resources in the sphere of civil society activities has been an omnipresent barrier to scale up for wider impact.

Nevertheless, the campaign is surely a step in the right direction as it facilitated a spirited alliance of civic conscious citizens, socially responsible corporates and civil society organizations committed to cleanse the electoral process and usher in a positive change.

(S. Manjunath & Anuradha Rao)

**SPECIAL FEATURE**

**GLOBAL CORRUPTION REPORT, 2004**

The Global Corruption Report 2004 provides an overview of the state of corruption around the world. It covers national and international developments, institutional and legal change and activities within both the private sector and civil society for the period from July 2002 to June 2003. This year the Global Corruption Report focuses on political corruption. It presents 34 country reports and the latest research on corruption.

**Political corruption: the scale of the problem**

Political corruption is the abuse of entrusted power by political leaders for private gain. The scale of the problem can be vast. One of the world’s most corrupt leaders, Mohamed Suharto of Indonesia, allegedly embezzled up to US $35 billion in a country with a GDP of less than US $700 per capita. Corruption in political finance takes many forms, ranging from vote buying and the use of illicit funds to the sale of appointments and the abuse of state resources. Not all are illegal. Legal donations to political parties often result in policy changes, for example. A 2003 World Economic Forum survey finds that in 89 per cent of the 102 countries surveyed the direct influence of legal political donations on specific policy outcomes is moderate or high.
The Hall of Shame

<table>
<thead>
<tr>
<th>Head of Government</th>
<th>Estimates of funds allegedly embezzled</th>
<th>GDP Per Capita 2001</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mohamed Suharto President of Indonesia, 1967–98</td>
<td>US $15 to 35 billion</td>
<td>US $695</td>
</tr>
<tr>
<td>Ferdinand Marcos President of Philippines, 1972–66</td>
<td>US $5 to 10 billion</td>
<td>US $912</td>
</tr>
<tr>
<td>Mobutu Sese Seko President of Zaire, 1965–97</td>
<td>US $5 billion</td>
<td>US $99</td>
</tr>
<tr>
<td>Sani Abacha President of Nigeria, 1993–98</td>
<td>US $2 to 5 billion</td>
<td>US $319</td>
</tr>
<tr>
<td>Slobodan Milosevic, President of Serbia/Yugoslavia, 1989–2000</td>
<td>US $1 billion</td>
<td>n/a</td>
</tr>
<tr>
<td>Jean-Claude, Duvalier President of Haiti, 1971–</td>
<td>86 US $300 to 800 million</td>
<td>US $460</td>
</tr>
<tr>
<td>Alberto Fujimori President of Peru, 1990–2000</td>
<td>US $600 million</td>
<td>US $2051</td>
</tr>
<tr>
<td>Pavlo Lazarenko Prime Minister of Ukraine, 1996–97</td>
<td>US $114 to 200 million</td>
<td>US $766</td>
</tr>
<tr>
<td>Arnoldo Alemán President of Nicaragua, 1997–2002</td>
<td>US $100 million</td>
<td>US $490</td>
</tr>
</tbody>
</table>

Controlling political finance

The legal regimes governing political finance are generally inadequate. Standard regulations control the public financing of parties, establish limits on contributions and spending, and oblige parties and candidates to disclose the sources of their funding. But even disclosure requirements—the least controversial of regulations—are lacking in one in four countries. Worse yet, one in three countries still has no overall system in place to regulate political party finance. In addition to direct funding, regulations must take account of in-kind donations to parties, particularly free or subsidised media access. In Guatemala and Uruguay, media owners have gained significant political leverage by offering free air time to governing parties. In Italy, Prime Minister Silvio Berlusconi is simultaneously the largest private broadcaster and the regulator of three public networks, pointing to a conflict of interest. Laws regulating political finance must be followed up with effective enforcement. In Greece, evidence that, candidates ignored campaign rules in 2000 failed to trigger an investigation. The government amended its party finance regulation in mid-2002, but what was needed was better enforcement of existing rules, not new rules.

Effective enforcement requires independent oversight agencies endowed with powers to supervise, investigate and, if required, institute legal proceedings in cases of malpractice. Unfortunately, many governments lack the political will to give teeth to supervisory agencies lest it work to their disadvantage once out of office. The Mexican Federal Electoral Institute, for example, was given access to bank data in 2003, but this access only applies on a case-by-case basis and if the electoral court rules that strict bank secrecy laws can be waived.

It is often only civil society initiatives that make political financing laws work, mainly by monitoring enforcement, analysing party accounts and making information accessible to the public. In the United States, the Center for Responsive Politics helped unravel Enron's extensive connections with the Bush administration, revelations that led many to wonder if the government had turned a blind eye to the company's many transgressions.

The Prevalence of Public Disclosure

<table>
<thead>
<tr>
<th>Region</th>
<th>No. of countries surveyed</th>
<th>Percentage of countries requiring</th>
<th>Public Disclosure Reports</th>
<th>Party Income and/or Expenses</th>
<th>Candidate Income and/or Expenses</th>
<th>Names of donors to parties</th>
</tr>
</thead>
<tbody>
<tr>
<td>Africa</td>
<td>27</td>
<td>44</td>
<td>33</td>
<td>11</td>
<td>03</td>
<td>03</td>
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<tr>
<td>N.America</td>
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<td>0</td>
<td>25</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
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<td>29</td>
<td>0</td>
<td>14</td>
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</tr>
<tr>
<td>South</td>
<td>11</td>
<td>73</td>
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<td>09</td>
<td>27</td>
<td>27</td>
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<tr>
<td>W. Europe</td>
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<td>81</td>
<td>69</td>
<td>38</td>
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<td>56</td>
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<td>E. Europe</td>
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<td>89</td>
<td>83</td>
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<tr>
<td>Asia</td>
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<td>47</td>
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<td>27</td>
<td>27</td>
</tr>
<tr>
<td>Pacific/Oceania</td>
<td>09</td>
<td>44</td>
<td>33</td>
<td>53</td>
<td>33</td>
<td>33</td>
</tr>
</tbody>
</table>

Bringing corrupt politicians to justice

One positive development during the year under review was the lifting of the immunity of former Nicaraguan president Arnoldo Alemán and his
subsequent prosecution for embezzlement and asset laundering. But a review of 34 countries reveals that more governments — including Italy and Kyrgyzstan — chose to extend the scope of immunity from prosecution, rather than to limit it, during the course of 2002-03. Important efforts to bring corrupt politicians to justice have been thwarted by anomalies in extradition laws. Former Peruvian president Alberto Fujimori, for example, gained refuge from prosecution by virtue of his Japanese citizenship. In spite of numerous requests from Peru and international NGOs, Japan refuses to extradite him.

Legal loopholes also prevent the speedy repatriation of wealth embezzled by corrupt leaders. The relaxation of Switzerland's secretive banking code in the late 1990s raised hopes that stolen funds would be more easily returned to their countries of origin, but progress has been slow. It took international prosecutors more than five years to obtain a judgement requiring Benazir Bhutto to repay US $250,000, a fraction of the millions she and her family are alleged to have stolen from Pakistan. In a more positive development, Nigerian president Olusegun Obasanjo announced in late 2003 that the Swiss had agreed to repatriate US $618 million reportedly embezzled by the late military dictator Sani Abacha, as long as Nigeria committed the returned funds to improving education, health, agriculture and infrastructure.

Global and regional developments
The UN Convention against Corruption, scheduled to be signed in December 2003, is the first global anti-corruption instrument. It sets new standards in domestic and international law, in part by committing its signatories to enhanced cooperation and mutual legal assistance, particularly on the return of assets. But its success requires political will and a commitment to monitor implementation.

The African Union Convention on Preventing and Combating Corruption and Related Offences represents the first framework for the fight against corruption for member states. Adopted in July 2003, it must be ratified by 15 member states before entering into force. The convention contains imperfections, such as weak enforcement mechanisms and a provision allowing signatories to opt out of selected issues. Optimism surrounding the OECD Anti-Bribery Convention has given way to frustration. Although the convention came into force in February 1999, there had been no related convictions by the end of 2003 — with the exception of cases filed in the United States under legislation that predated the OECD convention. Furthermore, many businesses are still not aware that bribing foreign public officials is now a crime.

The imminent accession of 10 states to the European Union raises concerns as to their preparedness and the EU's dedication to fighting corruption within its own structure. Having created largely cosmetic anti-corruption institutions to qualify for admission, former communist countries with pervasive problems of corruption are now set to enter an EU that has failed to develop a Union-wide anti-corruption framework.

If implemented, the Millennium Challenge Account will radically redraw US foreign assistance policy by providing substantial amounts of aid to a select group of countries. To qualify for aid, a country must score above the median on a corruption index. The problem is that this firm make-or-break requirement assumes that corruption data are accurate and neglects to consider the relative starting points of countries seeking aid.

National developments
Public contracting is riddled with corruption, resulting in sub-standard work at inflated prices. Bulgaria, Senegal and Serbia drafted new procurement legislation in 2002-03. But in Algeria, where 2,300 people died after houses collapsed during the May 2003 earthquake, the government considered relaxing regulations to speed up reconstruction, a move likely to encourage corruption — and construction that is structurally unsound.

There is a widespread need to strengthen the autonomy of the judiciary. In Argentina, a judge and a public prosecutor were dismissed for pursuing cases against corrupt members of local government. Elsewhere, there were more positive developments. The lifting of the immunity of former president Frederick Chiluba in Zambia encouraged a more confrontational stance by prosecutors and the judiciary, as was the case after a similar measure was taken in Nicaragua.

The success of anti-corruption efforts depends on the political will to implement change. President Lula da Silva of Brazil signed an anti-corruption pledge that committed his government to an array of anti-corruption measures, including the creation of a new anti-corruption agency, although delivery has been slow. In Egypt, critics claim that President Hosni Mubarak's anti-corruption campaign is
merely a ruse whereby he hopes to install his son as political successor.

Access to information, a crucial ingredient of anti-corruption strategies, was hampered by developments that curtail the independence of the media. The Australian government sought to grant ministers the discretion to waive restrictions on cross-media ownership and foreign ownership of media. In Burundi, a new media law secures certain rights for journalists but establishes penalties of up to five years' imprisonment for publishing 'defamatory statements'. Newspaper licences were replaced with temporary permits in the run-up to Kyrgyzstan's constitutional referendum, which further entrenched the president's power.

**Key recommendations**

- **Governments must enhance legislation on political funding and disclosure.** Public oversight bodies and independent courts must be endowed with adequate resources and skills and the power to review, investigate and hold offenders accountable.
- **Governments must implement adequate conflict of interest legislation.** Including laws that regulate the circumstances under which an elected official may hold a position in the private sector or a state-owned company.
- **Candidates and parties should have fair access to the media.** Standards for achieving balanced media coverage of elections must be established, applied and maintained.
- **Political parties, candidates and politicians should disclose assets, income and expenditure to an independent agency.** Such information should be presented in a timely fashion, on an annual basis, as well as before and after elections.
- **International financial institutions and bilateral donors must take political corruption into account when deciding to lend or grant money to governments.** They should establish sensitive criteria to evaluate corruption levels.
- **The UN Convention against Corruption must be swiftly ratified and enforced.**
- **The OECD Anti-Bribery Convention must be strengthened and properly monitored and enforced.** Signatory governments should launch an education campaign to ensure that businesses know the law and the penalties for breaching it.

(The entire report can be directly downloaded from www.globalcorruptionreport.org)

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**PAC'S PIONEERING MILLENNIAL SURVEY OF PUBLIC SERVICES IN INDIA**

**Now available as a video documentary!**

Public Affairs Centre's path-breaking user feedback survey on public services in India has put in place not only an independent assessment of the public services, but also established benchmarks for measuring their progress and performance over time. The survey covered 33,000 households, across 115 districts, in 23 states. 75% of the sample was from rural India. Over 10,000 observations were collected from different parts of the country, on the performance of public services.

The rationale for this unique and pioneering venture and the methodological and logistical planning that went behind this initiative are now illustrated through a very powerful video documentary. Mixing live footages of the survey with interviews and lively narration, the video translates into a powerful advocacy tool. Then universality of the themes and the innovativeness of the idea make this video an ideal pedagogy for capacity building workshops and discussion sessions on themes related to public accountability and good governance.

Price: Rs. 400 or US $ 30 inclusive of postage.

Copies of the video film may be ordered from Public Affairs Centre. Orders can be placed at pacindia@vsnl.com

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   - Rs. 400 or US $ 35 inclusive of postage

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Jan - June 2004
Dr. Samuel Paul receiving the Padma Shri from the President of India in Rashtrapati Bhawan in New Delhi

**BIBLIO**

**Governed Power**

Author: S L Rao  
Rs. 580 / US $ 30  
Published by: TERI Press  
Darbari Seth Block  
Habitat Place, Lodhi Road  
New Delhi – 110 003

Governing Power is a pioneering attempt to examine the experience with independent regulation of electricity in India to assess its efficacy as an alternative form of governance. It compares the electricity experience with that of independent regulation in other countries, independent regulatory bodies in India, and old-style regulation by government departments. It evaluates the Indian model in the context of its replication over other sectors of the economy. S L Rao’s experience of having operationalized the concept in India, as the first Chairman of the Central Electricity Regulatory Commission, provides valuable insights.

This book epitomizes the multidisciplinary expertise (linking economics, management, financial and cost accounting, and engineering) that electricity regulatory commissions must harness to effectively regulate the sector, despite high government ownership, strong utility-government linkages, inefficiencies, and weak commercial attitudes. The book tracks the emergence of regulatory law from the orders of regulatory bodies and courts; explores the concept of ‘independence’ and discusses the accountability of independent regulators (an issue not sufficiently explored till now); and suggests directions for future development of independent regulation.

Governing Power is relevant to any environment where independent regulation is introduced, more so in developing economies or where government ownership is dominant. It is extremely relevant to utilities (private and public), regulators, courts, professional managers, accountants, and consultants. It will benefit anyone interested in enhancing the quality of governance.

(S L Rao was the first Public Affairs Fellow of PAC and this volume is a contribution of the fellowship)
20 INNOVATIVE PROJECTS RECEIVE FUNDING FROM DEVELOPMENT MARKETPLACE

On June 21, 2004, the World Bank announced the 20 winners of India's first Country Level Development Marketplace competition. A total of 20 winners will share US$ 400,000 in seed money to fund their innovative development ideas.

The India Development Marketplace Competition, whose theme was Improve Rural Services - Access and Quality in Rural Water Supply and Sanitation, Health, Education, Roads, Finance and Electricity, received approximately 1500 proposals from NGOs, community-based organizations, foundations, academic institutions, civic organizations and the private sector in partnership with registered NGOs, foundations, associations and other development organizations.

The finalists were selected after a rigorous selection process from among the over 1500 proposals which were entered in the competition. They were allotted stalls at the World Bank's New Delhi offices to exhibit details of their respective organization and proposals, and answer questions. Over 350 people visited the India Development Marketplace.

The Development Marketplace is a global initiative that promotes innovative development ideas through early stage seed funding. It links social entrepreneurs with poverty fighting ideas to partners with resources to help implement their vision.

The India Development Marketplace was sponsored by the World Bank in partnership with International Finance Corporation (IFC), UK Department for International Development (DFID), World Health Organization (WHO), Microsoft, Federation of Indian Chambers of Commerce and Industry (FICCI), Times Foundation, Infrastructure Leasing and Financial Services (IL&FS), Confederation of Indian Industry (CII), Ford Foundation, Usha Martin, Ballarpur Industries Limited (BILT), Apollo Tyres Limited and with support from ASSOCHAM.

For more information, visit: http://www.worldbank.org/in

Jan - June 2004