

The impact of strengthening citizen demand for anti-corruption reform

Query:

What is the evidence-base for arguments that strengthening demand-side accountability (e.g. civil society, media) and the accountability of the state to its citizens (e.g. publishing budgets for citizens to track etc) is effective in improving governance and reducing corruption? Specific examples would be appreciated.

Purpose:

Strengthening demand for good governance and anti-corruption is a logical policy arena. It would be useful, however, to be able to refer to specific cases and theoretical and/or empirically-tested evidence regarding the actual effects of such measures.

Content:

- Part 1: What is meant by “Demand Side Approaches”?
- Part 2: Evidence of Impact of Demand Side Approaches
- Part 3: Maximising the Impact of Demand Side Approaches on Controlling Corruption
- Part 4: Further reading

Summary:

There is a growing interest in interventions aimed at mobilising the public against corruption and strengthening the demand for curbing corruption and promoting better forms of governance. Demand-side approaches cover a wide range of interventions aimed at promoting civic engagement in governance processes. Although the impact of such interventions on reducing corruption is difficult to establish due to methodological challenges, a set of case studies support the claim that they can (but do not automatically) contribute to reducing corruption and improving governance. Most studies and evaluations suggest that such interventions have an indirect impact on factors likely to affect corruption such as increased participation, access to information or level of awareness rather than an immediate impact on levels of corruption. Additional benefits include greater responsiveness of public policies, improved quality and quantity of public services and better outcomes of development projects. There is growing recognition that maximising the impact of such interventions also implies strengthening the supply side, as citizen demands need to be met by governments that have both the will and capacity to respond.

Part 1: What is meant by “demand-side approaches”?

In many developing countries, the public sector is perceived as distant, corrupt and unaccountable, leading to a widespread crisis of legitimacy between citizens and the institutions that represent them. The link between citizen voice, transparency and accountability has been recognised in this context as the core of good governance and improved public sector performance. There is a growing consensus that working on the demand-side of curbing corruption is a critical dimension of

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Date:

17 July 2008

governance reform. This recognition has opened new opportunities for citizen involvement in recent years, with the proliferation of a wide range of accountability mechanisms aimed at increasing citizen voice and influence over public policies and the use of public resources. Such interventions share the common goal of empowering citizens to play a more active role in decisions that affect them, with the view to reducing the accountability gap between citizens and policy makers and improving the provision of public services.

The concept of “demand-side approaches” is very broad and encompasses a wide variety of tools and strategies aimed at stimulating citizen demand for change. In the field of service delivery, for example, it refers to the active involvement of intended beneficiaries at the various stages of the service provision process to ensure greater access to quality public services. In the anti-corruption arena, stakeholders’ interest for demand side approaches has primarily focused on the potential of civil society, including an independent media, local communities, NGOs, trade unions, interest groups, professional organisations and the private sector, in articulating the demand for greater accountability and control of corruption and fostering a dynamic system of checks and balances. Besides deterring corruption, citizen engagement is believed to yield additional benefits such as promoting greater ownership, inclusion, state responsiveness and in some cases, political empowerment.

Within the framework of this query, demand side reforms are understood as interventions aimed at strengthening the capacity of citizens to demand better governance and hold service providers accountable through a wide variety of voice and accountability mechanisms. These interventions support the development of a more engaged civil society that is empowered to articulate demands for greater accountability. While few question the potential of citizen pressure in achieving greater state accountability, such approaches require a responsive and effective state that has both the will and the capacity to answer citizen demands. In other words, the capacity of civic groups to demand greater accountability must match the capacity of state officials to respond to their needs and demands.

An ODI briefing paper evaluating citizen voice and accountability mechanisms echoes this concern in its definition of voice and accountability. In this paper, voice refers to “*the capacity of all people – including the poor and the marginalised – to express views and interests and demand action of those in power*”, with a focus on the capacity to access information, scrutinise and demand answers in order to influence governance processes. Accountability refers to the capacity of those implementing public policies to respond to citizen demands and implies some forms of sanction through legal or electoral processes, institutional oversight bodies or media exposure. The political will to respond to citizen demand is a prerequisite for the success of demand side approaches. (Please see: http://www.odi.org.uk/Publications/briefing/bp_dec07_voice_for_accountability.pdf).

Examples of Mechanisms aimed at Strengthening Citizen Demand for Governance and Anti-Corruption

As a result, building civic demand for curbing corruption covers a wide range of interventions aimed at involving citizens in governance processes and bringing policy makers closer to the people they represent with the view to linking “voice” and “accountability” in a meaningful manner.

Demand side approaches ultimately seek to increase citizens’ influence over policy development, public spending decisions, monitoring of public service performance and accounting for public expenditures with the view to demanding better public service outcomes. In doing so, mechanisms strengthening the demand for anti-corruption measures are meant to transform individuals - especially those from social groups that are traditionally excluded from government decision making processes - into engaged and organised citizens that have the knowledge and power to express demands and influence decisions that directly affect them through increased participation in governance processes.

Strengthening the demand side for anti-corruption measures includes a rich set of instruments such as awareness raising/lobbying activities, organised protests, participatory budgeting and monitoring of public services and expenditures, citizens' feedback mechanisms, capacity building initiatives, complaints mechanisms, etc. A wide range of channels and stakeholders can be envisaged to support closer state/citizens relationships, including the media, parliaments, political parties, citizens' watchdogs, etc. The following examples illustrate the wide variety of interventions that are likely to build civic demand for curbing corruption.

A free press matters to generate and support demand for good governance. Measures aiming at building the capacity of the media to investigate and expose corruption cases and, more broadly, to support the emergence of a free and independent media can contribute to galvanise public opinion and action against corruption.

Transparency of government processes and public access to official information are crucial to generate and support citizen demand for good governance and anti-corruption as it is not possible to mobilise for change without access to information. Only informed citizens can stand up for their rights and hold public officials accountable for their actions and decisions.

Decentralisation and/or devolution of public services has been used in many countries as a way to bring government closer to the people and improve local governance by making local governments more accountable to ordinary people and by providing space for citizen involvement in policy development and implementation (e.g. school/users management committees).

Participatory planning and budgeting constitute critical forms of citizen engagement in decision making to ensure greater accountability and responsiveness of public policies. As "policies are only as important as the resources committed to them"¹, participatory budgeting processes ensure that citizens' needs and priorities are reflected in budget allocations.

Community participation in service delivery aims at improving technical and allocation-related efficiency and promoting greater transparency and accountability of public service delivery. For example, "user committees" have proliferated in recent years, providing beneficiaries the opportunity to influence and monitor development projects through grassroots participation and empowerment.

Citizens' feedback and monitoring of public services provide key monitoring data and information enabling citizens to advocate for change and demand better public service outcomes. Participatory monitoring mechanisms can take many forms, including citizen report cards, social audits or participatory expenditure tracking.

Part 2: Evidence of the impact of demand-side approaches

There is insufficient empirical evidence of the direct impact and effectiveness of anti-corruption interventions aimed at strengthening voice and accountability in terms of reducing corruption. Such evidence remains mainly anecdotal, patchy and not always focused, on account of a series of practical, methodological as well as political challenges. However, there is a growing consensus about the potential of such interventions to control corruption and promote better forms of governance. A set of case studies and circumstantial evidence support the assumption that such interventions may result in greater public accountability.

¹ See Stocktaking of Social Accountability Interventions in Asia: http://siteresources.worldbank.org/WBI/Resources/Sirker_StocktakingAsiaPacific_FINAL.pdf

Direct Impact of Demand Side Approaches on Corruption

The impact of specific anti-corruption interventions, including those strengthening the demand for anti-corruption reform, is difficult to establish because of the methodological challenges involved in measuring corruption, assessing trends over time and establishing a direct link between the evolution of corruption levels and the policy intervention that may have supported them. A recent U4 Expert Answer has specifically dealt with the challenges involved in measuring the impact of anti-corruption measures. (Please see: <http://www.u4.no/helpdesk/helpdesk/query.cfm?id=158>). In spite of these various constraints and challenges, a number of studies have sought to demonstrate the potential impact of demand side approaches on control of corruption.

Empirical research suggests that corruption is lower in countries where the press is free, confirming the **power of information** in strengthening citizen demand for anti-corruption measures. On the 2007 World Press Freedom day, World Bank Institute economist Daniel Kaufmann shared research indicating that countries with a free press have a 70% chance of controlling corruption, while countries without a free press have only a 10% chance of doing so. (Please see: http://www.worldbank.org/wbi/governance/pdf/press_freedom_day_colombo_5_06.pdf and http://siteresources.worldbank.org/INTWBIGOVANTCOR/Resources/NED_Media_Capitol507.pdf).

By empowering citizens to express their demands, voice mechanisms play an important role in building the demand for public integrity. Evidence from various studies confirms their potential in exposing and deterring corrupt practices.

A survey conducted in 30 municipal hospitals in Bolivia in 1999 analysed the effectiveness of hierarchical controls and voice factors in deterring public corruption and overpricing at the local level. The study demonstrates that **voice and exit mechanisms** are significant deterrent to informal payments to health service providers, especially in places where there are no informational, legal or institutional balances hindering the capacity of service users to express their views. Overpricing and informal payments to municipal health service providers decline significantly in places where citizens participate in health board meetings and there is an exit option in the form of private health service provision. Furthermore, the study finds that formal control and supervision mechanisms are barely significant to deter price variations and corrupt practices, while voice accounted for a 40% differential between official and purchased prices. (Please see: <http://www.iadb.org/res/publications/pubfiles/pubR-381.pdf>).

Further findings from another empirical case study conducted by the World Bank and the IMF in Bolivia in 2002 corroborate the **importance of citizen voice for improving the effectiveness and integrity of public agencies**. Drawing on an in-depth governance micro-survey carried out in the country, the study sought to identify the relative importance of the various determinants of governance at the micro- level. 'Voice'-related variables were found to be a significant determinant of governance, corruption and quality of public services, accounting for a much larger share of the variation than more traditional public sector management type of variables. (Please see: http://papers.ssrn.com/sol3/papers.cfm?abstract_id=316865).

Experience with public expenditure tracking surveys (PETS²) in Uganda illustrates the potential that **grass roots monitoring and public access to information** may have in reducing political and bureaucratic captures, leakages of funds and in-kind resources such as staff, textbooks or drugs. Uganda was the first country to conduct a PETS in 1996. The survey showed that, on average, only 13% of the annual capitation grant (fixed amount allocated to schools per student) from the central government reached the schools in 1991-95. Eighty-seven percent was captured by local officials for

² A typical PETS consists of a survey of frontline providers (e.g. schools and clinics and their staff) and local governments (politicians and public officials), complemented by central government financial and other data.

purposes unrelated to education, which could reflect either corruption or diversion to ends other than those intended. To remedy this situation, the government launched an information campaign aimed at reducing the capture of public funds by informing local communities of their entitlements and providing schools with information to monitor local officials' handling of a large school-grant programme. A repeat PETS was used to study the effects of increased public access to information as a tool to reduce capture and corruption. This media campaign, combined with an increase in central government monitoring, reduced the diversion of funds by intermediary provincial governments from 80 to 20 %. (Please see: <http://www.comminit.com/en/node/69950>).

A similar PETS exercise was conducted in Sierra Leone in 2002 by the Ministry of Finance and repeated in 2005 by an independent civil society organisation, the National Accountability Group (NAG). The first study concluded that nearly half the school fee subsidies in that year were unaccounted for and over a quarter of the material had disappeared. The 2005 study indicated a significant improvement in the delivery of fee subsidies and teaching materials at 28 randomly selected schools, due to independent auditing of disbursements following the findings of the first study. The PETS exercise also contributed to build the capacity of civil society to carry out empirical research and develop expenditure management skills and budget literacy, and with the Decentralisation Secretariat considering involving the NAG in conducting a nationwide PETS in the education sector. <http://www.transparencia.org.es/Stealing%20the%20Future%20-%20Corruption%20in%20the%20Classroom.pdf>

Improving **knowledge on mechanisms to report corruption** can also reduce the incidence of corruption, as shown by another study of corruption conducted in a wider set of sectors in Uganda in 2004. Using data from a household survey, the study showed that knowledge on procedures to report corruption not only reduces households' risk of being subject to bribery but significantly increases the quality of public service delivery by providing citizens with mechanisms to better articulate their opinions and increase civic responsibility (and ability to resist unjustified claims). (Please see: http://papers.ssrn.com/sol3/papers.cfm?abstract_id=610322).

Transparency International's Advocacy and Legal Advice Centres (ALACs) fulfils this mandate in more than 15 countries by providing victims of corruption with practical assistance to pursue complaints and address their grievances. Although the impact of ALACs is not empirically measurable in terms of legal resolution of corruption cases³, a high proportion of clients interviewed in an external evaluation of the project reported that their case would not have progressed at all without ALAC assistance. In addition to exposing specific corruption cases, ALACs have contributed to criticise and analyse legislative reforms critical to the fight against corruption. However, much of the value of the project lies in its "hidden" impact, namely in the degree of empowerment that the legal advice provides to ordinary citizens. (Please see: http://transparency.org/regional_pages/europe_central_asia/priority_issues/#priority3).

Decentralisation has been implemented in many developing countries as an attempt to strengthen accountability of the state to ordinary citizens by bringing governments closer to the people. As the effects of decentralisation on corruption and government accountability are complex, findings of theoretical and empirical research have failed so far to clearly establish whether decentralised systems systematically lead to less corruption. However, there is growing evidence that demand side approaches such as access to information, media campaign, village meetings and other civic participation mechanisms contribute to reduce capture and improve local governance and accountability. In an overview of the literature on decentralisation, corruption and government accountability, Pranab Bardhan and Dilip Mookherjee conclude that, in addition to monitoring and

³ In a vast majority of cases, ALACs do not act directly on behalf of their clients but provide information that enables them to take action. The evaluation report can be obtained from TI secretariat as well as a series of case studies documenting specific impact on prosecuting corruption, facilitating access to medicine, successful monitoring and advocacy with regard to procurement processes, etc.

supervision by upper levels of governments, the extent of corruption within local governments is related to the availability of information to citizens concerning their entitlements as well as to the way local governments are monitored by the media. (Please see: <http://globetrotter.berkeley.edu/macarthur/inequality/papers/BardhanDecent,Corruption.pdf>).

Case studies also provide anecdotal evidence of the impact of civil society interventions on **detection and prosecution of corruption cases**. In South Africa, for example, the Public Service Accountability Monitor (PSAM) works closely with the legislature to monitor the follow up to the Auditor's General (AG)'s report in the Eastern Cape Province. PSAM compiled a publicly accessible database of reported cases of corruption drawn from the AG's report, showing that corrective action had taken place in less than 10 % of reported cases. PSAM advocacy efforts raised public awareness on this issue and contributed to the decision by the Supreme Audit Institution to create a specialised joint anti-corruption task team with the mandate to investigate and prosecute the backlog of corruption cases in the province. The South African national minister for public service and administration reported that, as of September 2003, the task team had investigated 374 cases, made 144 arrests and obtained 18 successful convictions. (Please see: <http://www.internationalbudget.org/SAls.pdf>).

In the Philippines, the Concerned Citizens of Abra for Good Governance (CCAGG)'s monitoring of public works projects in the Abra Province also resulted in the conviction of public officials on charges of corruption. CCAGG's investigations monitor a variety of practices in government projects - especially road construction projects, including the use of sub standard materials, poor construction techniques and fraud in contracting procedures. In recognition of the role played by the CCAGG, the Philippines Supreme Audit Institution entered into a partnership to conduct participatory audits exercises in the Abra region. (Please see: <http://www.internationalbudget.org/SAls.pdf>).

Civil society's participation in the monitoring of procurement processes has brought positive results in various countries. Between 2001 and 2008 for example, Transparency Mexicana completed 48 Integrity Pacts, building in an additional feature to increase citizen participation in the form of "social witness" to oversee the contracting process. In addition to preventing corruption in the awarding process and capacity building of civil society, the involvement of social witnesses contributed to savings of US\$ 64 million in the 'El Cajon' hydroelectric project alone⁴.

Indirect Impact of Demand Side Approaches on Corruption

Overview of indirect changes supporting corruption control

Despite these promising findings, only few empirical studies confirm, as above, the direct impact of demand side approaches on corruption. Most studies point out to intermediary such as increased participation, access to information or level of awareness, all factors that will ultimately affect levels of corruption. For example, DFID conducted in 2005 a review of 87 interventions on citizen accountability mechanisms targeting public expenditures that have been operational from 2000 in 28 countries. Only a small number of reviews suggested that changes had occurred in the incidence of corruption and in financial management as a result of DFID interventions⁵. More frequently, intermediate changes were mentioned as the primary benefits from these interventions, including growing public interest in anti-corruption measures, better availability of public information, increased participation of citizens in public governance, etc. (Please see: <http://www.dfid.gov.uk/aboutdfid/performance/files/wp17.pdf>).

⁴ Documentation of this initiative can be obtained from TI on request.

⁵ These examples included a reduction in informal fee-taking and improvement in access to medicines in Bangladesh and in food rations in India as well as in school financial management in Kenya.

In a stocktaking exercise of social accountability initiatives in Asia and the Pacific, the World Bank Institute also confirms the various benefits of interventions that contribute to strengthen the demand for greater accountability. The overview of the impact achieved by these initiatives underscores their role in:

- Exposing social problems;
- Mobilising public opinion against corruption;
- Prosecuting corruption cases;
- Increasing transparency of procurement processes, development projects, public budgets, etc.
- Influencing laws and policies;
- Realising financial and welfare gains⁶;
- Increasing efficiency of public services.

(http://siteresources.worldbank.org/WBI/Resources/Sirker_StocktakingAsiaPacific_FINAL.pdf)

Supporting better public service outcomes

A number of case studies and evaluations confirm that there are important links between citizen engagement in governance processes and allocative efficiency, effectiveness, quantity and quality of service delivery and improved mechanisms of accountability, resulting in better service outcomes and pro-poor targeting.

As early as 1999, World Bank Institute economist Daniel Kaufmann published research indicating the extent to which aid-financed projects in developing countries are more likely to succeed in environments that support civil rights and liberties. Findings indicate strong empirical links between civil liberties and the **performance of government projects**. Countries enjoying the strongest civil liberties showed an economic rate of return 8-22 percentage points higher than countries with weaker civil liberties, suggesting a potential causal link between civil liberties, increased citizen voice and better project performance. (Please see: <http://www.worldbank.org/wbi/governance/pdf/civillibs.pdf>).

The 2004 World Development Report *Making Services Work for the Poor* also emphasises the potential of citizens' voice and "client power" to make public services work for the poor through a range of case studies. Examples include approaches such as participatory budgeting, citizen report cards or information campaigns. (Please see: <http://econ.worldbank.org/WBSITE/EXTERNAL/EXTDEC/EXTRESEARCH/EXTWDRS/EXTWDR2004/0,menuPK:477704~pagePK:64167702~piPK:64167676~theSitePK:477688,00.html>).

A randomised evaluation of a citizen report cards project at the community level in primary healthcare in Uganda shows that this intervention increased both the **quantity and quality of health service provision** in the treatment communities. Average utilisation of services was 16% higher in the treatment communities; the weight of infants higher and the number of deaths among children under five significantly lower, with no evidence of concomitant increased government funding. (Please see: <http://ideas.repec.org/p/hhs/iessp/0749.html>).

A study of community participation in rural water supply in India also tends to demonstrate that **community participation leads to better project outcomes**. The results suggested that the intervention led to better aggregation of preferences, more effective generation of demand, greater

⁶ In Korea, it is estimated that e-procurement contributed to save US\$ 2.5 billion in annual procurement costs, due to increased transparency, competition and efficiency gains. In the Philippines, prices in the e-market place are 40% lower as marketing and distribution costs are avoided

responsiveness of the bureaucracy, better project design and sustainability through increased local knowledge and ownership. (Please see: <http://www.gsdrc.org/go/display&type=Document&id=2911>).

Improving public finance management

Civil society participation in budgeting and public expenditure management is emerging as a new arena for political activity and a strategic avenue to express demand for change, offering new opportunities to hold governments accountable to their commitments in a key area of government operations. Pioneer initiatives in various countries demonstrate the great potential of such approaches in promoting greater government efficiency, accountability and responsiveness.

The experience of participatory budgeting introduced by the Workers Party (PT) in the Brazilian city of Porto Alegre has been well documented. Although there have been some concerns over the balance between participation and the quality of representation, the city has experienced impressive results in terms of **increased participation, more pro-poor expenditures, greater access to public services and local government accountability**. Between 1989 and 1996, the number of households with access to water services rose from 80 to 98 %; the percentage of the population served by municipal sewerage rose from 46 to 85%; and the number of children enrolled in public schools doubled. This experience presents a strong example of democratic accountability through civic participation ensuring greater legitimacy and fairness of allocation processes. (Please see: www.wmd.org/wbdo/oct-nov02/SouzaHabitat.doc).

Experience also suggests that demand side approaches can contribute to increase **allocative efficiency and government responsiveness** to citizen needs. In Bolivia, for example, findings from a 2002 study indicate that decentralisation empowered local governments to alter the composition of public spending from the production to the social sector, with education, urban development and water and sanitation investments representing 79% of all municipal spending after decentralisation. Changes in investment patterns were strongly positively correlated to objective indicators of needs and mainly driven by the poorest municipalities allocating devolved funds to their highest priorities. (Please see: http://papers.ssrn.com/sol3/papers.cfm?abstract_id=260579#PaperDownload).

Various case studies further underscore that civil society participation in public auditing lead to greater budgetary oversight, highlighting the complementary role of audit institutions and civil society organisations.

The International Budget Project produced in-depth case studies of six established budget groups who have engaged in budget analysis and advocacy for a period of 5-10 years to assess the impact of civil society budget work. Emerging findings from the case study research identify impact of budget work in two major categories, namely changes in budget policy and changes in budget process. The most significant impact achieved by independent budget groups lies in improving **budget transparency, awareness and civil society engagement** on the one hand and **enhancing budgetary resources for existing programmes and improvements in their utilisation** on the other. (Please see: <http://www.internationalbudget.org/casestudies.htm>).

In India, for example, a small organisation formed in the 1990s, the Mazdoor Kisan Shakti Sangathan (MKSS), pioneered a method for the participatory audit of local spending in rural Rajasthan and demonstrated the power of information to enable citizens to participate in governance and hold public officials accountable for their use of public resources. To combat various forms of official corruption in public works programmes and fight for minimum wages, the organisation sought access to official expenditure documents that could be verified by MKSS workers. The MKSS conducted participatory audits of local government performance based on these expenditure records. The struggle to access official records led to a national campaign for legislation granting citizens **a right to information**. MKSS succeeded in getting the state government to change the local government act to **include**

local residents directly in auditing official development schemes. (Please see: <http://www.bbk.ac.uk/polsoc/staff/academic/rob-jenkins/hybrid-forms-of-accountability>).

In South Africa, the above mentioned PSAM shifted its focus over time to the structural context of weak financial management generating corruption risks. It thus contributed to the **improvement of financial reporting standards in provincial reporting agencies**, which in turn resulted in a dramatic decrease of audit disclaimers⁷ issued by the AG since 1996. These disclaimers were issued in 10 of the 13 major public agencies between 1996 and 2000, meaning that the government could not account for more than 90 % of its total budget over a period of several years. As a result of PSAM intervention, audit disclaimers issued by the AG comprised only 41% of the total provincial budget, a reduction of more than half. (Please see: <http://www.internationalbudget.org/SAls.pdf>).

Part 3: Maximising the Impact of Demand Side Approaches

Although demand side approaches have the potential to reduce corruption and improve governance as demonstrated above, they do not automatically lead to greater accountability. While many successful outcomes can be attributed to demand side approaches in the field of anti-corruption and beyond, their implementation faces many challenges and their impact may be limited by a number of factors, risks and pitfalls that have been identified in the literature. The question in this regard may be less whether these strategies have an impact on reducing corruption than the conditions that are likely to maximise their effectiveness.

Limits and Pitfalls of Demand Side Approaches

Voice mechanisms do not always lead to greater accountability and responsiveness

Interventions aimed at strengthening the demand side do not systematically produce gains in accountability and reduction of corruption. In a review of both literature and projects focused on voice mechanisms, Matthew Andrews challenges the assumption that increasing the voice of the public always leads to greater accountability and responsiveness to citizens. In some cases accountability is not enhanced; in some other cases, accountability is enhanced but governments are called to account only to narrow interest groups; and in other cases, accountability is enhanced with governments called to account to broad constituencies. According to the author, the variations in accountability effect are linked to the form of voice expression facilitated by the new mechanism, depending on voice influence (the degree to which such mechanisms impact on the governance process, agenda and outcomes) and voice focus (whose voice is expressed through a given mechanism). (Please see: <http://www.u4.no/pdf/?file=/document/literature/andrews-2003-voice-mechanisms.pdf>).

Demand side approaches are not automatically inclusive

In some cases, it is also argued that demand side interventions such as user committees may have a damaging effect on decentralisation and democratic participation. They are usually funded by donor agencies, operate in a focused area such as health or education and are not necessarily democratically selected. They may undermine democratic processes by usurping the functions of elected bodies and depriving them of potential revenues. Furthermore, participatory mechanisms are not automatically inclusive and demand side approaches may overlook the fact that communities are not homogeneous. They run the risk of being hijacked and manipulated by governments or the local elite, resulting in further marginalisation of the poor. Socially excluded

⁷ Audit disclaimers are issued when the AG office is unable to form an opinion on the accuracy of the financial statements reported by an agency due to omissions or insufficient documentation.

groups face additional challenges to express their demands, including social status, illiteracy, and inability to travel long distances. There are power dynamics in each community that need to be taken into account to ensure that participatory mechanisms are truly inclusive and do not mirror or exacerbate already existing social divisions.

(Please see: <http://www.gsdr.org/go/topic-guides/service-delivery/user-involvement-and-accountability>).

There are practical obstacles to demand side approaches

Even when all stakeholders are committed to demand side approaches such as public participation, the impact of such interventions may be hampered by lack of resources and capacity to implement them. A study published in 2007 investigated the implementation of public participation in South Africa by exploring the views of officials as well as members of civil society. All parties expressed their commitment to the idea of public participation, but recognised that such mechanisms were poorly or unevenly developed due to poor organisation and lack of resources. Communities often commented that public participation was mostly used to legitimise decisions already taken at higher level. The research concludes that obstacles to public participation in South Africa are of practical rather than political nature. (Please see: <http://www.cpp.org.za/docs/reports/2007/lg-research.pdf>).

The impact of demand side approaches is context specific

A study published in 2006 challenges further the assumed effectiveness of grassroots monitoring in reducing corruption. The study was commissioned by the World Bank to examine innovative approach to reducing corruption. A randomised controlled analysis of corruption in 600 Kecamatan Development Program (KDP) village road projects was conducted in East and Central Java. The study found that the announcement of a probable government audit was more effective at reducing corruption than increasing grassroots participation in the monitoring process. Interestingly, in some villages, increased participation only changed the form of corruption, not its overall level. The study further concludes that grassroots monitoring may be more effective in certain contexts than in others, where villagers have good information and a strong personal stake in minimising theft of funds. (Please see: <http://www.nber.org/~bolken/corruptionexperiments.pdf>).

Conditions of Effectiveness

In spite of all the constraints and challenges highlighted above, evidence drawn from the literature points towards confirming the potential of demand side approaches in improving the governance framework and controlling corruption, provided a set of key conditions are met. There is a growing consensus among policy makers on the various conditions that are likely to promote meaningful forms of citizen participation and influence.

General conditions of effectiveness

The effectiveness of such interventions is likely to be enhanced when:

- Broad, democratic and truly inclusive constituencies are built to avoid voice capture by narrow interest groups within the communities;
- There is a legal standing or formal recognition for non-governmental representatives in policy making institutions;
- Ongoing presence of citizens is ensured throughout the institution's work process;
- There is structured access to the flow of official documentary information;
- Citizens have the right to issue dissenting reports directly to authorities such as legislative bodies to challenge poor performances on controlling corruption;
- Service users have the right to demand a formal investigation and/or seek legal redress for poor or non delivery of services.

(Please see: <http://www.gsdr.org/go/display&type=Document&id=67>).

Need to focus on both voice and accountability mechanisms

There is also a growing awareness that strengthening citizen demand for governance and anti-corruption reform represents only one side of the equation. The responsiveness of the state including the political will and capacity to answer citizen demands matters as well. There is a need to strengthen simultaneously both sides of the accountability equation to ensure effectiveness of demand side approaches. A multi-donor evaluation looking at voice and accountability interventions indicates that, too often, donor initiatives focus either on voice (affording avenues for citizens' participation and expression) or accountability (building the state capacity to respond). Voice without concrete mechanisms to effectively hold the state accountable is unlikely to bring the intended results.

(Please see: http://www.odi.org.uk/Publications/briefing/bp_dec07_voice_for_accountability.pdf).

Political will for anti-corruption and greater accountability

The effectiveness of demand side approaches may greatly depend on the presence of genuine political will to address citizens' concerns. In the city of Mumbai, India, for example, the Rationing Kruti Samiti (RKS), or Action Committee for Rationing, was created to improve the capacity of the Public Distribution System (PDS) to provide food supplies to the city's poor households and address problems of leakages of subsidized grains. The RKS formed informal vigilance committees for each PDS to track the amount and quality of subsidised commodities and monitor their sale. This system flourished in the early 1990s but broke down in the second half of the decade because it largely relied on the support of one high level bureaucrat who was later transferred to another department. This experience demonstrates the need to institutionalise changes and best practices to ensure sustainability of reform.

(Please see: <http://www1.worldbank.org/devoutreach/spring01/article.asp?id=113>).

Context specific approaches

The impact of the local context on supporting or hindering the effectiveness of demand side approaches should not be underestimated. In many African and Middle Eastern countries, for example, strengthening citizen demand for anti-corruption may be challenged by undemocratic regimes leading to public sector resistance to civil society activism and participation. In addition, citizen involvement in public affairs can be constrained by a wide variety of local factors such as low awareness of rights, poor access to information, complex laws and procedures. Stakeholders need to adjust demand-side interventions to the local conditions in a flexible manner to respond adequately to emerging context specific challenges.

Part 3: Further Reading

Voice for accountability: Citizens, the state and realistic governance, 2007

This ODI briefing paper presents the initial findings from an innovative evaluation of donor interventions aimed at improving citizen-state relations. The paper concludes that voice does not automatically lead to accountability: voice without concrete mechanisms to effectively hold the state accountable is not likely to achieve change.

http://www.odi.org.uk/Publications/briefing/bp_dec07_voice_for_accountability.pdf

Stocktaking of Social Accountability Initiatives in the Asia and Pacific Region (2005)

This World Bank Working Paper summarises the findings of a stocktaking exercise of pioneering social accountability initiatives conducted in the Asia and Pacific region. It presents specific tools and mechanisms used to improve accountability relationships in the area of public expenditure management, right to information, information and communication technology. Some outcomes are

documented to highlight the challenges and opportunities involved in implementing such mechanisms.

http://siteresources.worldbank.org/WBI/Resources/Sirker_StocktakingAsiaPacific_FINAL.pdf

The role of civil society organisations in auditing and public finance management (2005)

Although civil society has built the capacity in the last decade to analyse and influence public budgets, there has been less civil society engagement with the auditing of expenditures after budget implementation. This paper by the International Budget Project argues that greater collaboration between Supreme Audit Institutions (SAIs) and CSOs can assist SAIs in overcoming some of the challenges they face, drawing on pioneering civil society work in India, South Africa and the Philippines. <http://www.internationalbudget.org/SAIs.pdf>

Voice mechanisms and Local Government Fiscal Outcomes: How does Civic Pressure and Participation Influence Public Accountability? (2003)

This World Bank paper reviews both literature and projects on voice and accountability mechanisms to arrive at the conclusions that the outcome of such projects has been mixed at best, and goes on to analyze how success has been determined by the type of voice mechanisms that projects tried to establish and in which environment. <http://www.u4.no/document/literature.cfm?id=191&key=14>

Hybrid forms of accountability: Citizen Engagement in institutions of public sector oversight in India (2001)

This paper explores two case studies from India of civil society activism which challenges the vertical-horizontal dichotomy of accountability. These cases are analysed to demonstrate that such interventions are tending towards a new form of accountability bridging the vertical-horizontal divide, referred to in this paper as “diagonal accountability”.

<http://www.bbk.ac.uk/polsoc/staff/academic/rob-jenkins/hybrid-forms-of-accountability>