



Villagers completing a community-based monitoring and evaluation report card in Bhor Block, Maharashtra state, India (2011). Oxfam / Cecile Unternaehrer

HELD TO ACCOUNT

Putting democratic governance at the heart of development finance

Unaccountable government is a substantial obstacle to development. It prevents people from exercising their rights and accessing health care, education and the other essential services they need in order to work their way out of poverty. At best, poor governance leads to mismanagement of public funds; at worst to outright corruption. The experiences of Sierra Leone and India in health reform show how citizen activism, combined with democratic reforms, can improve both service delivery and health outcomes. The key objective of development finance should be increased transparency, participation, and accountability, and aid donors should assist the efforts of community organizations to influence government and engage the public in demanding their rights.

SUMMARY

The right of citizens to hold public officials to account is at the heart of democratic governance. When citizen oversight is absent and the power to allocate public resources lies in the hands of a few decision makers, it is all too easy for resources to be diverted from their intended use and abused for private gain. Such corruption denies people the health care, education, and other public services to which they are entitled, and which would otherwise give them the means to work their way out of poverty.

This paper aims to show that increasing the capacity of citizens to influence government can reduce the potential for mismanagement and corruption – and that the resulting shift in power from narrow elites towards more representative citizens' groups is crucial to achieving sustainable development.

The recent experiences of Sierra Leone and India demonstrate how greater accountability can dramatically improve delivery of public services, while minimizing incentives and opportunities for the diversion of resources. In both cases, democratic governance reforms that encouraged citizen involvement in monitoring and evaluation of health service delivery led to better management and improved health outcomes. NGOs and donors worked with government agencies, testing different approaches, debating results, preparing background arguments, and building up expertise. Through policy dialogue and advocacy, they encouraged reluctant stakeholders to embrace new and more open approaches.

Through this process stakeholders underwent a profound change in attitude. Citizens became more aware of their rights and came to expect more opportunities for participation and better development outcomes. Those in authority, meanwhile, accepted that they would have to provide more information, create new opportunities for public involvement, and receive feedback on their performance. Through institutionalizing these processes they can continue to act as a counter-balance against corruption.

The examples of Sierra Leone and India highlight the importance of working in parallel on several aspects of democratic governance. Without credible sanctions, any demands for accountability will be in vain. Without more widely disseminated information, citizen participation will be an empty gesture. Without continuous follow-up, mindsets will not change. With these elements in place, however, active citizens become accustomed to voicing their concerns; they begin to expect those in positions of power to respond and for sanctions to be applied in cases of mismanagement.

In practice, of course, the process is not straightforward. Smooth progress can be followed by sudden reversals, and erratic progress can usher in unexpected advances. Neither 'decision makers', 'citizens', nor any other group of stakeholders are homogenous, and negotiations between them will always be an ongoing process.

However, the experiences of Sierra Leone and India are very encouraging, and suggest new ways to make aid effective in the fight against mismanagement and corruption.

Donor support for ad-hoc anti-corruption efforts tends to miss this broader picture. While donors should not become actors in national politics, they have a legitimate role to play in encouraging an enhanced social contract between citizens and the state – one characterized by citizen participation, government transparency and accountability, and a rights-based framework for development.

This paper argues that donors should support the capacity of citizens, especially of poor and excluded groups, to hold public officials to account; in part by promoting public opinion as a democratic force and a deterrent against corruption. In parallel, donors should also use their technical and financial influence to promote the institutionalization of procedures that encourage transparency, participation, and accountability.

Prime areas for donor investment could include strengthening the links between civil society organizations, improving the effectiveness of their work with government officials, and generating data and evidence to inform national debates. Donors could intervene as knowledge brokers and facilitators, offering aid to different types of stakeholders (such as journalists or lawyers) and promoting the formation of interest groups to bring a range of voices into policy dialogues.

Aid should seek to achieve sustained changes in the mindsets of both citizens and those in authority – changes that constitute longer-term objectives than most donors currently contemplate. In 2005, a mere 15 per cent of total Official Development Assistance (ODA) was targeted at strengthening government and civil society organizations. The proportion has since fallen steadily, and in 2010 represented only 11.6 per cent of total ODA.¹ Moreover, most of the programmes funded sought to improve the management of aid funds or reporting to donors, rather than to strengthen the accountability of governments to their citizens.

Donors, governments and civil society should consider making use of the Global Partnership for Effective Development Cooperation, formed at the Busan High Level Forum on Aid Effectiveness in 2011, to put democratic governance at the heart of development finance.²

RECOMMENDATIONS

- In order to have a wide and lasting impact on corruption, donors should support the embedding of democratic governance procedures within institutions, and the emergence of informed public opinion to hold decision makers to account;
- Donors should increase the aid provided as budget support in order to improve domestic accountability processes and enhance the social contract between citizens and the state;
- National governments and aid donors should acknowledge the crucial role of active citizenship in democratic governance, and should work toward an enabling environment for civil society organizations to foster participatory decision-making;
- Donors should use their capacity as brokers to bring together a diverse range of stakeholders in developing countries to facilitate dialogue and alliance-building;
- Donors should invest in strengthening judiciary and parliamentary bodies that provide checks and balances on executive power;
- Donors should support improved data collection and public reporting systems, and incorporate this goal into the post-2015 development agenda.

NOTES

¹ Data on ODA allocated to government and civil society by all donors extracted from the OECD Statistics Database, 'Aid (ODA) by sector and donor [DAC5]; I.5.a. Government & Civil Society-general', <http://stats.oecd.org/Index.aspx?DatasetCode=TABLE5>

² For more information on the Global Partnership for Effective Development Cooperation, please see <http://effectivecooperation.org/>

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For further information on the issues raised in this paper please e-mail advocacy@oxfaminternational.org

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