

Re-visiting  
The Analytical Framework  
for  
Transparency and Accountability  
Initiatives  
in Developing countries

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# Problem

- Example: African Minister's experience
  - Transparency
  - Accountability
  - Governance
  - Anti-corruption
  - And more (e.g., democracy promotion)
- Vastly different “gospels”
  - Supply-side upgrading
  - Demand-side strengthening

# The Minister's Conclusions

Needed:

- An overarching analytical framework
- More customized country-level diagnosis before recommending remedies
- More recognition that different situations might require very different remedies
- A good “diagnostic tool”

# More Examples

- Another African country's reform effort
  - Major actions, no results
  - Mistake 1: approaches from elsewhere were not adapted for the country's circumstances
  - Mistake 2: assumed wrong "governance structure" (strong institutionalized democracy)
- A Latin American country's renewal
  - More adept, but still no results
  - Good diagnosis, inadequate remedies
  - Mistake: insufficient attention to how citizens' ability to influence government is constrained

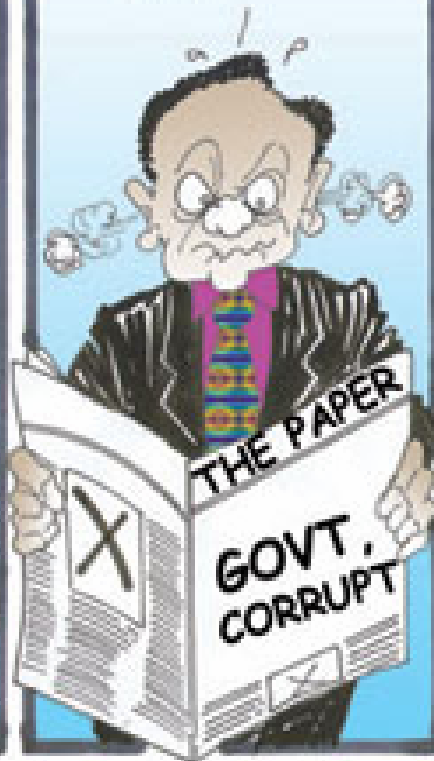
# More Examples (continued)

- An Asian country's revitalization program
  - Results initially, then watered-down
  - Mistake: ignored the power of special interests to stifle progress
- A middle-income country's revelations
  - Problem discovered – and fixed
  - Lesson: corruption is not always the main issue
    - systemic problems (e.g., incompetence or assignment of authorities) often key

I ENSURE THAT  
MY GOVT  
WILL GIVE YOU  
FREEDOM OF  
INFORMATION



!!!!...?



DON'T PUT  
THE GOVT'S  
NAME IN SHAME!



# Defining Terms

- **Transparency:** increased information flow
  - Allowing citizens to know in detail what government is doing (e.g., budgets)
- **Corruption:** abuse of public office for private gain
- **Accountability:** extent to which government can be held responsible
  - And compelled to change
- **Good governance:** effective performance on citizens' behalf
  - Enhanced by good transparency, accountability, and anti-corruption

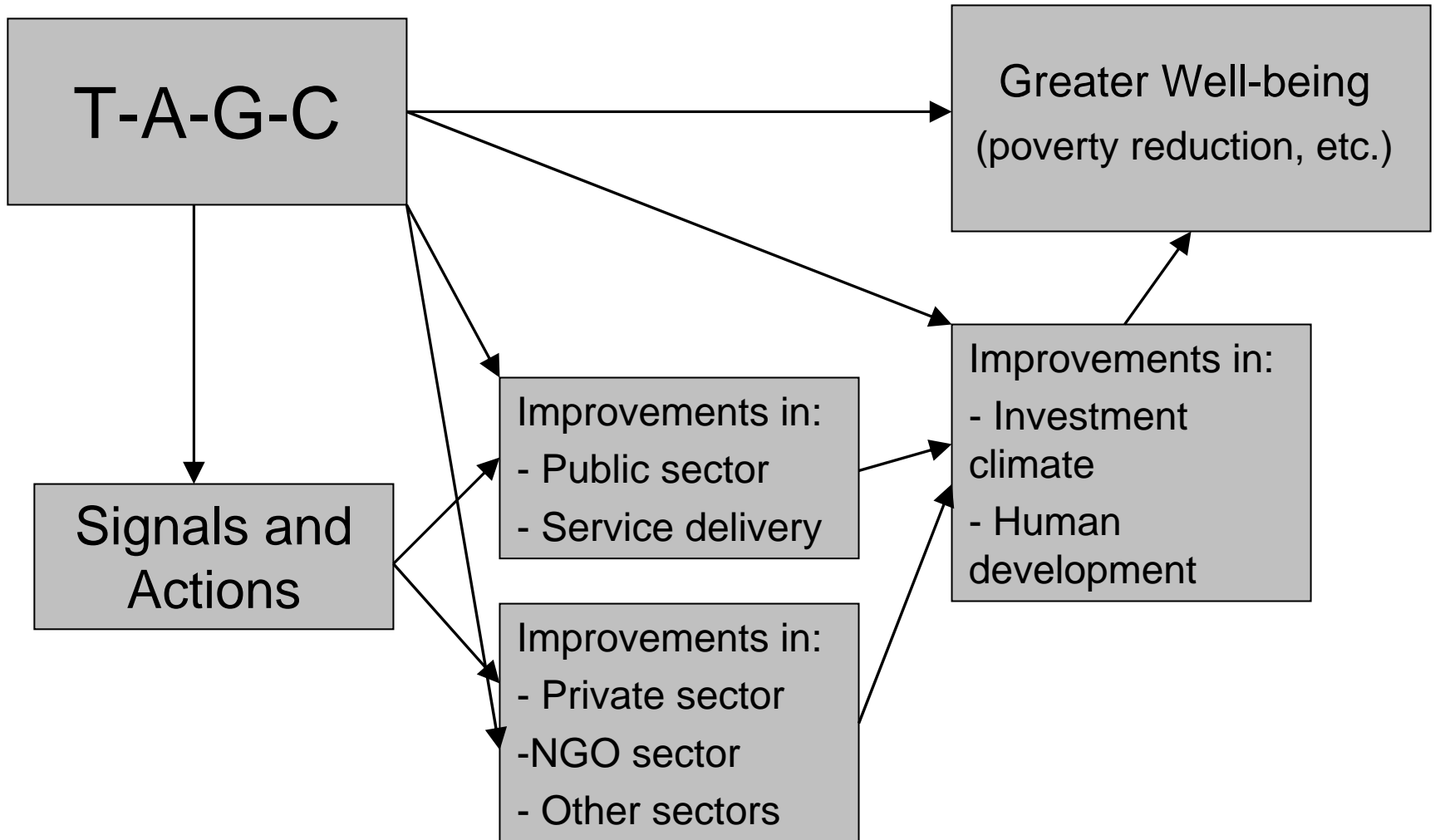




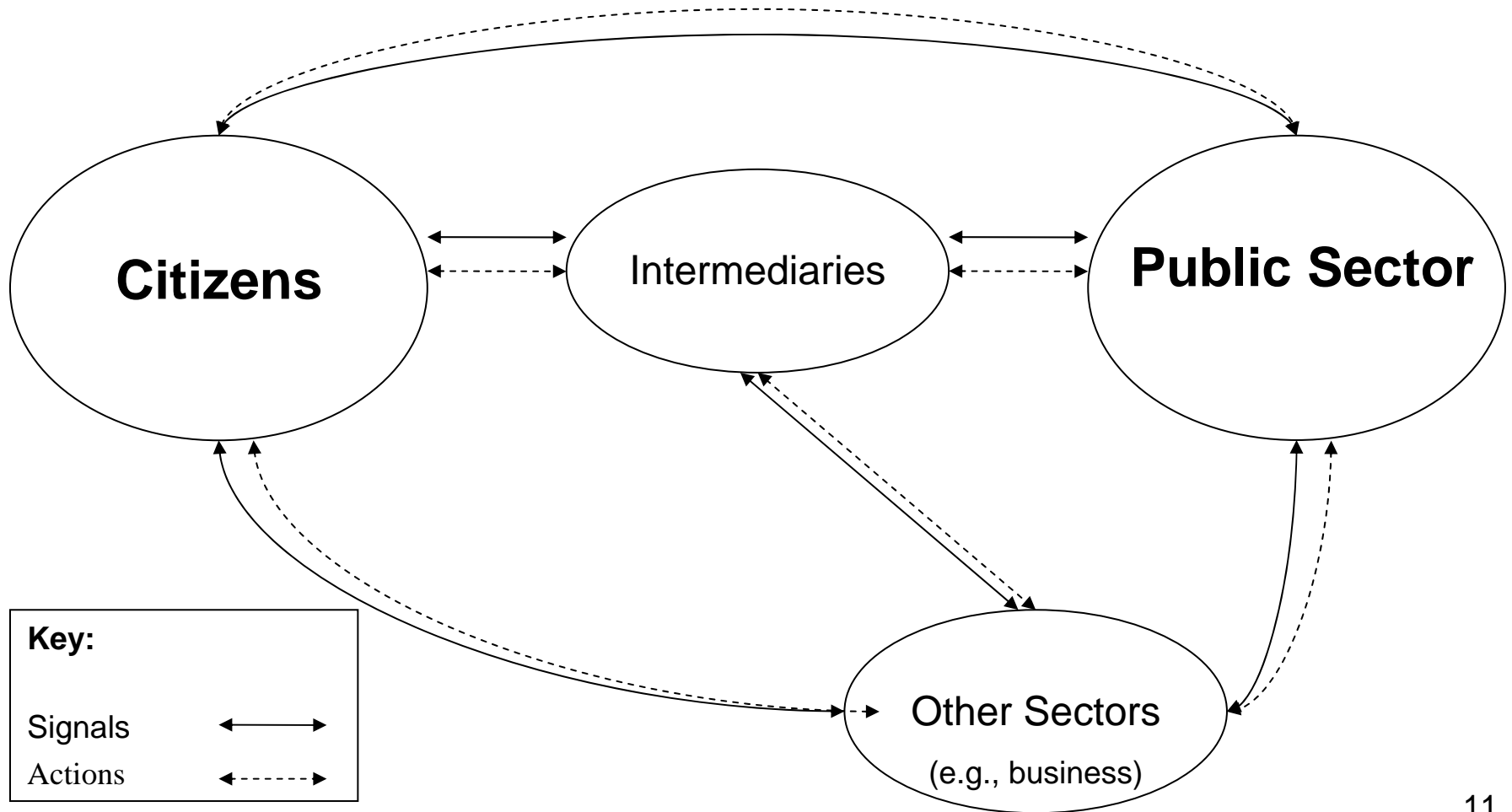
# Does T-A-G-C Matter?

- If better T-A-G-C is good, why?
  - An end in its own right?
  - A means to other ends?
    - Improved wellbeing (economic, social)?
    - Especially for progress in developing nations?
      - Particularly for the poor
        - » Half of world's 6.2 billion people live on less than \$3 per day

# Does T-A-G-C Improve Well-being?



# T-A-G-C operates through ...



# Building Blocks

- Principal-agent issues
- Rent-seeking issues
- Signals and actions:
  - Diverse sources: top-down, bottom-up, sideways
  - Problems: signal loss
- Goals and criteria
  - For country X, what constitutes “good”?
- Options for interventions / remedies
- Governance climate
  - Democratic, authoritarian, etc.

# Rent-Seeking Issues

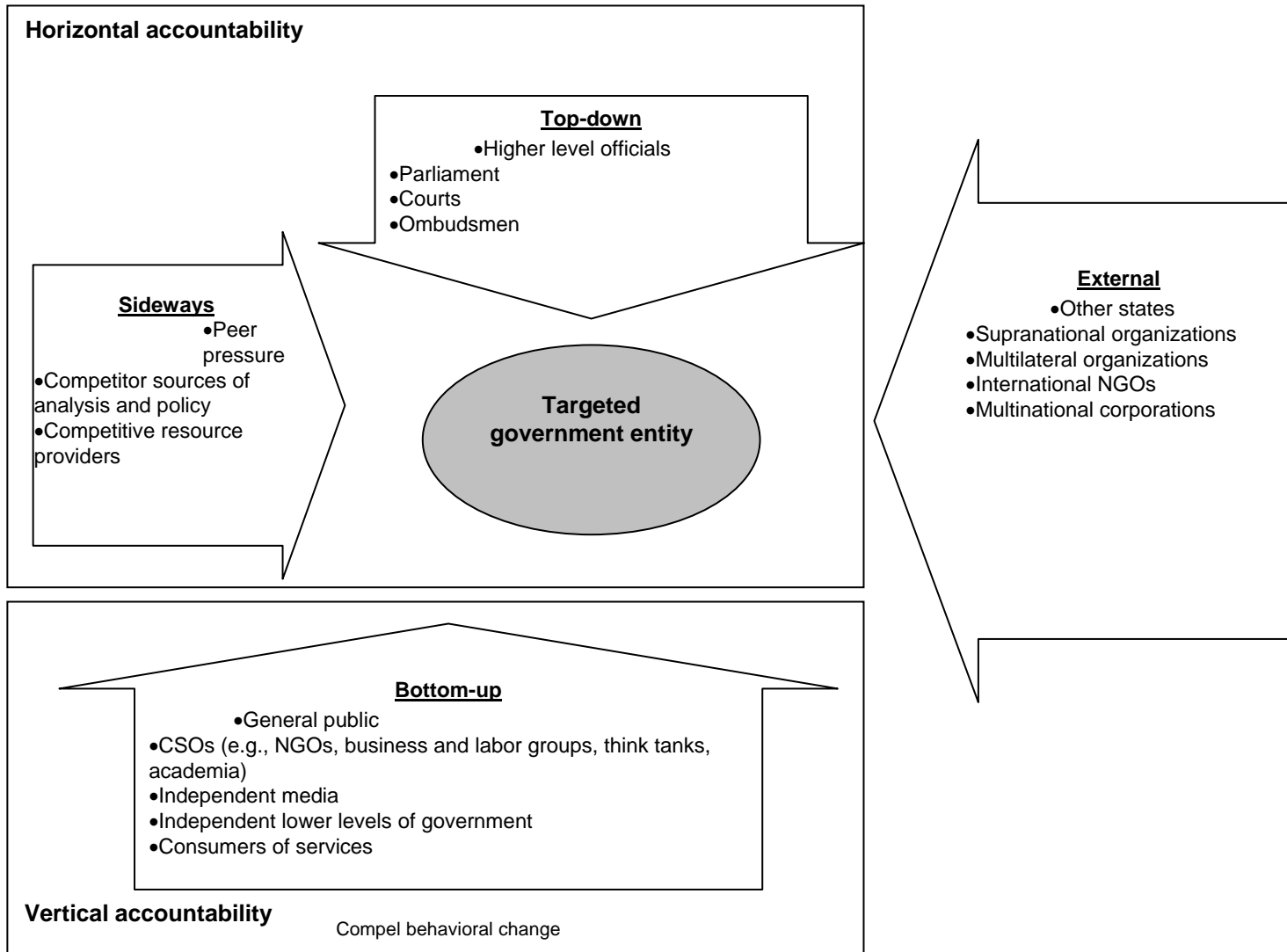
- Special interests are constantly seeking advantage
  - Tom Heller’s work
  - A perpetual “dynamic struggle” (special interests v. the public good)
- The public sector is both a target and a player in this
- The balloon problem:
  - progress on one front can lead to setbacks on another
- Signals and actions can either:
  - Improve things overall – by quelling the special interests
  - Worsen things overall – by enabling them to “steal” more
  - Have mixed results – better for some, worse for others

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"Mr Clayton will see you first, Sir."

# Top-Down, Bottom-Up, and Sideways



# ... and Multiple Goals and Criteria

	Top Down		Bottom Up		Sideways	
	Ex-ante	Ex-post	Ex-ante	Ex-post	Ex-ante	Ex-post
Effective?						
Efficient?						
Equitable? Pro-poor?						
Honest?						
Sustainable?						
Impact on the problem of special interests?						



# Different Governance Climates: Country Examples

Citizen Control

High

Low

Executive  
Power

High	Institutionality: High	India, Israel, Botswana (in 2007)	China, Singapore, Malawi (in 2007)
	Institutionality: Low	Venezuela during Hugo Chavez' first two years	Zimbabwe (in 2007)
Low	Institutionality: High	Bolivia in 2005, when Evo Morales was fairly elected	Argentina 2002, when Duhalde was in office
	Institutionality: Low	Indonesia in 1998, when protests toppled the government	Somalia in 1992, when chaos gripped the country

# Example: Country Situations Where “Institutionalized Democracy” Is Strong

- Key drivers for progress are the effectiveness of:
  - Citizens’ signals to the state
  - The state’s response
- Citizens’ signals are most effective when:
  - Citizens participate strongly (Signaling is done often + vigorously)
  - Citizens are well-informed (Signal quality is good)
  - “Transmission” channels work (Signal loss is minimized)
- The state’s responses are most effective when:
  - The state listens well (Signal “receivers” are working well)
  - And develops and implements good solutions  
(Signal processors lead to the right actions)
  - And stands to lose a lot by being poorly responsive
    - I.e., is fully accountable (Signal feedback loops are strong)

# Example on “Institutionalized Democracy” (continued)

- Problem 1: Get citizens to participate more
  - Need interventions that overcome citizen apathy
    - To counteract the collective action problem
  - And that reduce barriers that prevent/impede participation
    - E.g., exclusion of marginalized groups; favoritism to the powerful
- Problem 2: Improve the quality of citizen’s participation
  - Need to get the state to release information
    - The transparency issue
  - And to stimulate “translation of the raw data into clear messages”
    - Good analyses by independent monitoring organizations
  - And to ensure good dissemination/debate/awareness-raising
    - The media; advocacy groups; other
- Problem 3: Get transmission channels to work well
  - Reduce “signal loss” due to impedance by bureaucratic filters + special interest distortions
  - Strengthen public hearings, comment periods, the courts’ role

# Example on “Institutionalized Democracy” (concluded)

- Problem 4: Get the state to listen well
  - Is about how well the state uses the transmission channels
  - So, e.g., ratings of legislators’ records + leaders’ openness
- Problem 5: Get the state to develop and implement good solutions
  - Press for better policy and program design and implementation
    - Influence the WB, etc. to press for the right things
  - Support strengthening of capacity (The think tanks initiative?)
  - Key that public services are not only efficient and honest but also equitable or pro-poor
- Problems 4 and 5 also require: Ensuring that the state (and the entities and individuals within it) are as accountable as possible
  - Electoral processes, fiscal responsibility laws, political parties, judicial review, anti-corruption
  - Transparency around all that – so leaders’ missteps are public

# Another Example: Situations Where “Leadership-Dominated Systems” Are Strong

- Key drivers for progress are the effectiveness of:
  - The leaders and their choices
  - Citizens’ response
- Leaders’ + their choices’ effectiveness depends on their:
  - Competence
  - Culture (the institutional environment)
    - Is evidence-based information valued and does it guide decisions?
  - Correctibility (Are errors found and do leaders use them to change course?)
  - Corruptibility
- Citizens’ response is more effective when citizens are NOT too:
  - Passive (collective action problem + TDL leader/subject dynamics)
  - Uninformed or unable to understand (information asymmetries)
  - Convinced by empty promises or unrealistic expectations
  - Compliant with co-option or divide-and-conquer tactics

# Example on “Leadership-dominated systems” (continued)

- Problem 1: Strengthening leaders’ competence
  - Need to work on who (1) enters and (2) rises in the leader stream
  - And their early “formation” (their training before coming to power)
  - And their “continuing education” (in and out of power)
- Problem 2: Improving the “culture” (the institutional environment)
  - Build appetite and appreciation for evidence-based information
    - The opinion polling exercise?
  - Spotlight the extent to which it used or not (ratings, op-eds)
- Problem 3: Building in more correctibility
  - Monitor and spotlight how and how well leaders acknowledge errors and do something about them
- Problem 4: minimizing corruptibility
  - Anti-corruption efforts; the Heller agenda

# Example on “leadership-dominated systems” (concluded)

- Priority 5: Reducing citizen passivity
  - Help groups finding effective ways to galvanize action (Gandhi, Mandela)
  - Especially where state is hostile to it
- Priority 6: Overcoming the “information and comprehension disadvantage”
  - Education; efforts to “translate” key messages to street language
- Priority 7: Helping citizens resist empty promises and unrealistic expectations
  - Help groups that do this
- Priority 8: Helping citizens resist co-option or divide-and-conquer tactics
  - Media stories, other

# Pilot Applications in Selected Countries

- Tanzania
- Peru
- Russia
- Singapore
- Under consideration
  - More African countries
  - A failing or conflict-burdened state
  - USA?
  - A Scandinavian country?



# Questions

- What needs to be added or changed?
  - From Karnataka, India: feedback loops
- What to learn from the country applications?
- What reactions to the practical implications:
  - Very different remedies for different situations
- Suggestions for who to engage with and how?

End