

Citizens and politicians

chapter 5

The most important political office is that of private citizen.

Louis D. Brandeis

Citizens' voice in society and participation in politics connect them to the people who represent the state—politicians and policymakers. Unlike the short route of accountability between clients and providers discussed in chapter 4, the long route of accountability involves politics. That accountability has two parts: the relationship of voice between citizens and politicians and policymakers (discussed here) and the relationship between policymakers and service providers (discussed in chapter 6).

This chapter asks several questions: Why don't politicians in well-functioning democracies deliver education, health, and infrastructure services more effectively to poor people even though they depend on poor people's votes? Why are public expenditures systematically allocated to construction projects and the salaries of bulky state administrations, often at the expense of making services like schooling work? And why, when the government does spend money on services that the poor rely on, such as primary health care, is service quality so poor? Finally, what can citizens, particularly poor citizens, do when politicians fail to make services work for them?

Empowering poor citizens by increasing their influence in policymaking and aligning their interests with those of the non-poor can hold politicians more accountable for universal service delivery. Elections, informed voting, and other traditional voice mechanisms should be strengthened, because these processes—and the information they generate—can make political commitments more credible, helping to

produce better service outcomes. Non-governmental and civil society organizations can help to amplify the voices of the poor, coordinate coalitions to overcome their collective action problems, mediate on their behalf through redress mechanisms, and demand greater service accountability. Even when these measures have limited scope, better information—through public disclosure, citizen-based budget analysis, service benchmarking, and program impact assessments—and an active, independent media can strengthen voice.

Citizen voice and political accountability

Faced with classrooms without teachers, clinics without medicines, dry taps, unlit homes, and corrupt police, poor citizens often feel powerless.²¹⁹ Elected representatives seem answerable only to the more powerful interests in society if at all. When politicians are unaccountable to poor people as citizens, the long route of accountability—connecting citizens with providers through politicians—breaks down, voice is weak, and providers can get away with delivering inadequate services to poor clients.²²⁰ When poor citizens are empowered, whether on their own or in alliance with others, their demand for accountability can make politicians respond in ways that compensate for weaknesses elsewhere in the service delivery chain.

Services are politically powerful

For poor people the only routine interaction with the state may be at the delivery point of services. Election platforms show that politicians are very aware that poor people's perceptions of the state are shaped by the quality of services. The 30-Baht Gold Card scheme in Thailand promised inexpensive universal

healthcare and helped the Thai Rak Thai party win a landslide victory in the 2001 parliamentary elections.²²¹ Service delivery was important for the Labor party’s successful 2001 election campaign in the United Kingdom. A Prime Minister’s Delivery Unit has been set up to monitor progress.²²²

Even when services do not figure explicitly in elections, politicians often seek to enlarge their political base by providing free public services or lucrative service-related jobs to their supporters. And people are increasingly concerned about accountability for services outside the voting process. In Brazil, India, and South Africa civil society organizations are analyzing the allocation and use of public resources in the budget to understand their impact on the poor.²²³ With so much political attention paid to services, why is the voice relationship often so weak?

Voice is the most complex accountability relationship in service delivery

Voice is the relationship of accountability between citizens and politicians, the range of measures through which citizens express their preferences and influence politicians (figure 5.1).²²⁴ Accountability in this context is the willingness of politicians to justify their actions and to accept electoral, legal, or administrative penalties if the justification is found lacking. As defined in chapter 3, accountability must have the quality of *answerability* (the right to receive relevant information and explanation for actions), and *enforceability* (the right to impose sanctions if the information or rationale is deemed inappropriate).²²⁵ One complication is that voice is not sufficient for accountability; it may lead to answerability but it does not necessarily lead to enforceability.

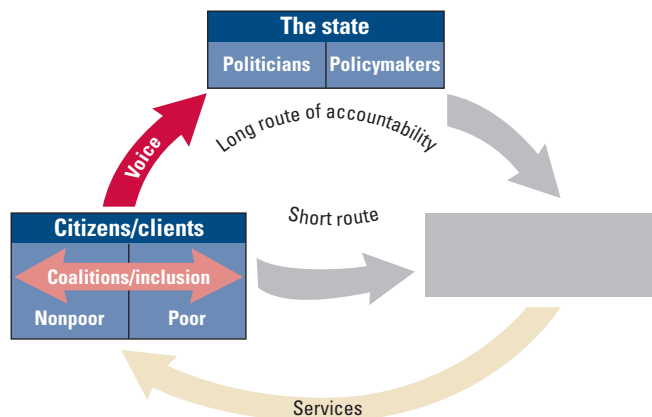
In principle, elections provide citizens with both answerability (the right to assess a candidate’s record) and enforceability (vote the candidate in or out). In practice, democracies vary greatly on both dimensions, as do most attempts to exercise accountability. Citizen charters may spell out the service standards and obligations of public agencies toward their clients, but without redress the obligations may not be enforceable. In Malaysia the client charters introduced for

public agencies in 1993 do both, giving clients the right to redress through the Public Complaints Bureau if corrective action for noncompliance is not taken.²²⁶

Another complication is that the voice relationship links many citizens with many politicians—all with potentially very different interests. When services fail everyone, the voice of all citizens (or even that of the non-poor alone) can put pressure on politicians to improve services for all citizens, including the poor. But when services fail primarily poor people, voice mechanisms operate in much more difficult political and social terrain. Elites can be indifferent about the plight of poor people.²²⁷ The political environment can swamp even well-organized voice. Protest imposes large costs on the poor when their interests clash with those of the elite or those in authority.²²⁸ It then matters whether society is homogeneous or heterogeneous and whether there is a strong sense of inclusion, trusteeship, and intrinsic motivation in the social and political leadership of the country. To expect poor people to carry the primary burden of exerting influence would be unfair—and unrealistic.

Finally, voice is only the first part of the long route of accountability. That complicates its impact on services, since the impact depends also on the compact relationship between policymakers and providers. Even strong voice may fail to make basic services work for poor people because the compact is weak. But the reverse can also be true, as was the case in the former Soviet Union.

Figure 5.1 Voice in the service delivery framework



Pro-poor and clientelist service delivery environments

That voice is complex still begs the question of why, in societies where the average citizen is poor, services fail poor people. The answer has to do with whether service delivery settings are “pro-poor” or “clientelist.” The distinction reflects the incentives facing politicians, whether services are designed to be universal and available to the average citizen or vulnerable to targeting to “clients” by political patrons, and, if formally targeted to the poor, whether they are in practice captured by elites (table 5.1). Pro-poor settings are those in which politicians face strong incentives to address the general interest. Clientelist political environments are those in which, even though the average citizen is poor, politicians have strong incentives to shift public spending to cater to special interests, to core supporters, or to “swing” voters.²²⁹ When the average citizen is poor, catering to special interests at the cost of the general interest is clientelism.

The distinction between pro-poor and clientelist is clearly an oversimplification, but it provides a useful way of thinking about service delivery mechanisms. High-quality services for all are less likely if politicians cater to special interests rather than to the interests of the average citizen. Making services work for poor people is obviously more difficult in a clientelist environment than in a pro-poor environment. Less obvi-

ously, if delivery mechanisms do not account for these specific country and service differences, they are likely to fail, and the poor suffer.

The interaction of voice and accountability

When populations are heterogeneous, it matters whose voices politicians and policy-makers hear and respond to. Where populations are polarized around nonservice issues—religious, ethnic, caste, or tribal background, for example—voters care more about what politicians promise on these polarizing issues than on services, giving politicians incentives to pursue other goals at the cost of effective services. Where politics is based on identities and patronage, the poor are unlikely to benefit from public services unless they have the right “identity” or are the clients of those with political power. In failed or captured states voice can become meaningless. Politicians have neither the incentives nor the capacity to listen.

Under what circumstances, then, is voice likely to lead to greater accountability? Elections can lead to improved services if the promises politicians make before elections are credible. The framework of citizen rights, the right to information, service design, the influence of the media, and administrative procedures for redress and appeal are all important for voice.²³⁰ So too is the effectiveness of the institutions of accountability, such as parlia-

Table 5.1 Pro-poor and clientelist service environments when the average citizen is poor

	Politicians' incentives	Service delivery expenditure design	Inclusion and exclusion	Systemic service capture
Pro-poor	No strong incentives to cater to special interests, preferring instead to address general interests	Promote universal provision of broad basic services that benefit large segments of society, including poor people and the non-poor	Most poor people enjoy the same access and service quality as non-poor due to network, political, social, or altruistic reasons	None
Clientelist	Strong incentives to cater to special interests, to core supporters, or to “swing” voters	Permit targeting to narrow groups of non-poor “clients” and sometimes to poor people but with features making services vulnerable to capture by non-poor	Poor people do not enjoy the same access and service quality as the non-poor, though specific groups of poor “clients” may do so	Systemic service capture by local or national elites; ultrapolitist governments (such as “Curley effects,” see box 5.2)

ments, courts, ombudsman, anticorruption commissions. And so too are higher stocks of social capital, because they help overcome the collective action problem underlying voice, particularly for poor people.²³¹

What can be done to strengthen voice, particularly for poor citizens, in demanding better services? The answer depends greatly on the political setting, but in functioning democracies with elections and voting, at least three things should be done.

- Deepen understanding and awareness of why the politics of service delivery is so often clientelist and not pro-poor.
- If the politics is clientelist, consider what changes in the service delivery environment might alter political incentives and improve outcomes.
- When choosing how to deliver services, factor in, to the extent possible, the pro-poor or clientelist influence of political competition on the incentives for service delivery. Recognize and account for government failure arising from clientelism.

The politics of providing public services to poor people

In 1974 only 39 countries—one in four—were electoral democracies. By the end of 2002, this had grown dramatically to 121 governments—three in five.²³² Over the last century, the percentage of people living in democracies with competitive multiparty elections and universal suffrage has increased dramatically (figure 5.2).

Rapid democratization has brought representation and liberties, but not rapid improvements in services for poor people.²³³ Most, if not all, new democracies are low-income countries with substantial poverty. Services available to poor people in these young democracies seem to be not much different from those available in non-democracies. In some cases services are worse than those provided by ideologically committed but nonelected governments in single-party, socialist countries. Whether countries have elections or not seems not to matter for public perceptions of corruption, and since corruption worsens service delivery for poor people, by implication for public perceptions of effective services.²³⁴

Political incentives for basic services

If delivered effectively, basic services such as primary health care and primary education benefit the poor disproportionately. But democratically elected politicians in countries where the median voter is likely to be a poor person, or where poor people constitute the majority of voters, often seem to have little incentive to provide such basic services. And voters seem unable to strengthen incentives for politicians to ensure better public services. Why?

How politicians and voters make decisions and how politicians compete hold some answers.²³⁵ When politicians have incentives to divert resources (including outright corruption) and to make transfers to a few clients at the expense of many, efforts to provide broad public services are undermined. How easy it is for voters to learn about the contributions of politicians to a particular service—and therefore for politicians to claim credit for the service—differs considerably by service (box 5.1). The degree of political competition is important. For example, analysis suggests that an increase in the competitiveness of elections seems to have a bigger effect on primary school enrollment than increases in education spending.²³⁶

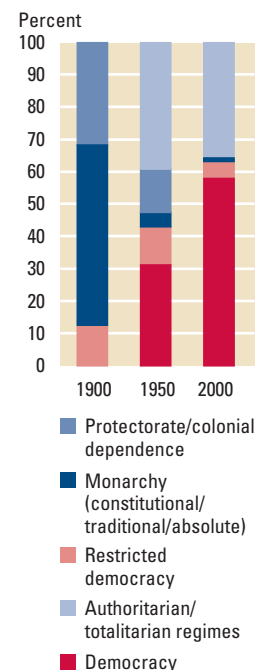
Three factors therefore appear to be especially important for influencing political incentives for service delivery:

- How well voters are informed about the contribution specific politicians or political parties make to their welfare.
- Whether ideological or social polarization reduces the weight voters place on public services in evaluating politicians.
- Whether political competitors can make credible promises about public service provision before elections.

Informed voters

The incentives for transfers targeted to *informed* voters are greater when voters in general lack information about the quality of public services and the role their elected representatives play in affecting quality. The same is true if uninformed voters are easily swayed by political propaganda, or if they vote on the basis of a candidate's charisma or ethnic identity rather than record.

Figure 5.2 Democracy's century
World population by polity



Source: Freedom House (1999).

Informed voting can be costly. Detailed behavioral studies show that voters tend to adopt simple rules of thumb based on very limited information about politics and public policies.²³⁷ Most of the information voters use is likely to be essentially “free,” in that it comes incidentally with the performance of social and economic roles.²³⁸ This kind of information tends to vary widely over the electorate, depending on occupation, social setting, and cultural norms. Voters also behave myopically, giving much greater weight to events around election times or to service outputs that are immediately visible.²³⁹

In principle, citizens could employ voting rules requiring very little information and still motivate politicians to pursue policies in their interest—if they could coordinate their efforts.²⁴⁰ It is harder for voters to coordinate rewards or penalties for basic health and education because of the difficulties in evaluating these services and attributing outcomes to politicians (see box 5.1). Transaction-intensive public services such as education and health depend on day-to-day provider behavior. Quality is hard to measure and attribute.

Information deficiencies thus lead voters to give more credit to politicians for initiating public works projects (including school construction), providing direct subsidies for essential commodities, and increasing employment in the public sector (including hiring teachers and doctors) than for ensuring that teachers show up for class and can teach—or that doctors come to clinics and heal.

If voters vote with limited information or if they are uncoordinated but can be swayed by propaganda or bribes, special-interest groups can capture policies by providing campaign finance or mobilizing votes.²⁴¹ These interest groups need not be defined along rich-poor lines. They could be organized coalitions of voters (such as farmers or public sector employees) that lobby politicians to protect their interests, pushing for targeted policies at the expense of policies that would benefit the many.

Social polarization

Social polarization can lead to voting based on social, ethnic, or religious identity rather than policy or service delivery performance. This too limits political incentives to pursue

BOX 5.1 *Why are public health and education services so difficult to get to poor people?*

When even the poorest of parents care deeply about educating their children, why is it so difficult for them to do something to ensure that the village teacher actually shows up for work regularly? A political economy perspective on public service delivery suggests that basic health and primary education are very difficult to get right because they are transaction-intensive services with outcomes that depend crucially on the judgment and behavior of providers, both difficult to monitor continually, and on household behavior.

- Learning takes place over long periods and the benefits of preventive health care are not always obvious. Compared with other, more visible public services—electricity or water connections, rural roads, law and order—monitoring basic education and health services makes large information demands on both voters and politicians.
- Poor voters may be uninformed because they are illiterate.
- Where populations are socially polarized or heterogeneous, households are less likely to have

coordinated, clear preferences in health and education services. Furthermore, successful outcomes require supportive household behavior, and very heterogeneous social and cultural household norms may make households respond differently to public interventions.

- Because of the difficulty of regularly monitoring these services and of measuring and attributing their long-term impact, it is harder for politicians to claim credit for these services than for a road or a well. And politicians who promise to improve these services may lack credibility and lose elections. For these reasons, politicians are likely to prefer infrastructure to human development, and are prone to using basic health and primary education services as patronage for clients, rather than as universal services to be provided for the general good.

So when poor people are uninformed, society is polarized along social or religious lines, and politicians lack credibility or are prone to clientelism, basic public services for poor people are the most likely to suffer.

Because of political problems of information and credibility, public antipoverty programs are more likely to take the form of private transfers, such as food subsidies, electricity subsidies, agricultural price protection, construction projects, and public sector employment. Programs of this kind are easier to capture and more amenable to targeting than basic health and education, which are more suited to universal provision.* That is why programs narrowly “targeted” to the poor may not be optimal in the sense of having the most impact on the economic well-being of poor people.

*van de Walle (1998) concludes, from a synthesis of research on public spending and the poor, that there is a well-substantiated case for “broad targeting” of the poor by allocating greater resources to universal public services such as basic health and education. In contrast, finely targeted food subsidies or other redistribution schemes may sometimes be detrimental to the interests of the poor due to the burden of administrative costs and unintended behavioral responses. See also van de Walle and Nead (1995).

public policies in the general public interest. James Curley, an Irish Roman Catholic mayor of Boston in the first half of the 20th century, fanned class and religious divisions for electoral advantage and was repeatedly reelected despite the damage his policies did to the city's growth (box 5.2).

It is this effect of social polarization on political incentives that partly accounts for the empirical evidence on the negative correlation between ethnic heterogeneity and the availability of public goods.²⁴² More generally, basic public services, particularly those that are not easily excludable such as primary education, can also deteriorate where there is social fragmentation—some social groups do not want to pay for public goods that benefit other groups.²⁴³

Credible politicians

Even when voters are informed, public policy can fall short when the promises of politicians are not credible. When candidates cannot or do not make credible promises before elections (because abandoning promises costs election winners little), incumbents are more insulated from the disciplining effects of political competition. Challengers cannot mount effective campaigns because they cannot convince voters that they will do a better job. Furthermore, if politicians are credible only to their “clients,” more public resources will be allocated to these clients. This can have large implications for universal health and education services. Incumbents enjoy greater discretion to pursue goals other than those preferred by the majority of citizens who may be poor, goals such as providing narrowly targeted services to their supporters at the cost of more universal public services that benefit all.²⁴⁴

Credibility and credit go hand in hand. Credibility problems also arise when political competitors make credible promises but their term in office is too short to claim credit for policies with long maturing outcomes. Promises of jobs or public works projects can be delivered soon after an election. But promises to improve education quality and outcomes are much less credible. Similarly, voters can easily credit a

BOX 5.2 *The “Curley effect”*

Described as “The Rascal King,” James Michael Curley dominated politics in Boston for half the 20th century, holding elected office, among others, as four-time city mayor between 1913 and 1950, besides serving two prison terms on corruption charges. Admired by working-class Irish families, Curley was noted for his railing against the Protestant Yankee establishment and for his rough-and-tumble ways.

Curley used patronage, cash, and rhetoric to shape his electorate, driving the richer Protestant citizens out of the city to ensure his political longevity. Curley's tools of patronage were public services, large construction projects, and public employment. In his first year as mayor, Curley raised the salaries of police patrolmen and school custodians but cut the salaries of higher-ranking police officers and school doctors (Beatty 1992). Miles of sidewalks were laid in Irish neighborhoods, but the cobblestones of swank Yankee neighborhoods crumbled (O'Connor 1995). Boston did not flourish under Curley: between 1910 and 1950, it had

the lowest population growth rate of any U.S. city of comparable size.

Glaeser and Shleifer (2002) call this the “Curley effect”—increasing the size of one's political base, or maintaining it, through distortionary, wealth-reducing policies. They use it to shed light on the ethnic and class politics of service delivery when the net effect is to impoverish the overall community. They show how the Curley effect may apply to Detroit, USA, to contemporary Zimbabwe, and to the Labor party in the United Kingdom before its current reincarnation as New Labor.

The Curley effect demonstrates that clientelism need not benefit only rich clients. It can benefit poor clients as well, and still imply substantial losses in efficiency through the misallocation of public resources. So, clientelism results in inefficient, targeted allocations that benefit only a few, as opposed to allocations to universal public services that benefit larger segments of the same poor and not-so-poor populations.

Sources: Glaeser and Shleifer (2002), O'Connor (1995), and Beatty (1992).

politician for building a school or assigning teachers, but they can less easily verify that the politician is responsible when the building is maintained or supplied, or when the teacher is present and competent. If politicians cannot take credit for their efforts to improve teacher quality, teacher quality is likely to be low—and voters are unlikely to expect anything else. In Pakistan nonprofessional considerations have been common in the placement of teachers.²⁴⁵ The incentives facing local politicians have been important factors in the low quality of rural schools (box 5.3).

In many countries, politicians do not campaign on their policy record, probity, or history of program involvement or on the policy record of their party. Voters then are likely to believe politicians who have shown themselves to be reliable sources of personal assistance. They might be locally influential people who have helped families by providing loans or jobs or by resolving bureaucratic difficulties. Without well-developed political parties or national leaders who are credible, promises of targeted favors are all that voters can rely on in making electoral choices.

BOX 5.3 *Better to build rural schools than to run them well in Pakistan*

Elected officials in Pakistan have demonstrated an extraordinary interest in targeting services to their supporters, but much less interest in services such as primary education that all voters can enjoy. Contributing to this outcome are three aspects of rural Pakistani politics: identity-driven politics, voting blocs that make it easy to identify core supporters, and costly elections.

Voter ignorance, poor information on political competitors, and the absence of party credibility on broad policy issues encourage politicians and voters to build personal relationships that make pre-election promises more credible. Because these relationships are personal, they tend to be based on narrow, excludable services promised and delivered to core supporters. The distance between rural communities boosts the political efficiency of targeting political benefits—it is easier to site schools,

roads, and water pipes close to supporters and far from nonsupporters.

Voting by blocs of supporters makes patronage a more effective political strategy than the provision of well-functioning services that must be provided to all. Costly elections drive politicians to provide public services to supporters who can be depended on to vote for them at low out-of-pocket cost.

Under these conditions, schools may get built for the corruption, employment, and profit opportunities that construction provides. Teachers are hired less on merit and more on how best to apportion patronage, particularly when absenteeism is not penalized. There are, in contrast, few systemic political incentives to make sure schools run well, teachers remain accountable, and children learn.

Source: World Bank (2002).

Credibility can make change difficult.

Problems of political credibility can cause bad policies to become entrenched. Countries often adopt poverty strategies based on subsidies for consumption and agricultural production, sometimes at the expense of broad public services such as education and health that might have resulted in lower poverty and more economic growth. India subsidizes electricity, ostensibly for poor farmers. Once political credibility is strongly linked to a particular policy such as delivering subsidized electricity, these policies continue to receive greater public resources than they would if all political promises were equally credible. Vested interests develop around suboptimal policies—rich farmers capture the power subsidy—which makes change even more difficult.

Clientelism

Clientelism is characterized by an excessive tendency for political patrons to provide private rewards to clients. Politicians allocate public spending to win elections. To do so, they can provide public goods that can improve everyone's welfare (public goods that are extensive, such as law and order, universal education, with no rivalry or excludability). Or they can target localities

(local public goods, projects limited to a jurisdiction) or individuals and specific groups (clientelism).²⁴⁶

What distinguishes clientelism? Clientelism implies a credible threat of exclusion from a stream of benefits if the voter chooses to vote for the opposition.²⁴⁷ Thus an incumbent politician can use clientelism to deter core supporters from switching support. Clientelism is hard to pursue for local or extensive public goods—beneficiaries are not reliable clients because they can support the opposition and still benefit.

The Programa Nacional de Solidaridad (PRONASOL) poverty alleviation program in Mexico spent an average of 1.2 percent of GDP annually on water, electricity, nutrition, and education in poor communities between 1989 and 1994.²⁴⁸ Municipalities dominated by the Institutional Revolutionary Party (PRI), the party in power, received significantly higher per capita transfers than municipalities that voted in another party (figure 5.3). An assessment of PRONASOL spending suggests that it reduced poverty by only about 3 percent. Had the budget been distributed for impact on poverty rather than party loyalty, the expected decline would have been 64 percent with perfect targeting, and it would have been 13 percent even with an untargeted, universal proportional transfer to the whole population.²⁴⁹

Even if voters want to vote for an opposition party or candidate, they might be deterred by the fear of being penalized by the withholding of funds by a central authority. So voters may end up keeping a party they may dislike in power in order to ensure funding for local public services. This is compounded by a coordination problem. Even if the majority of localities wanted to vote against the incumbent party, without certainty about what other localities planned to do, the majority would end up supporting the ruling party to avoid strategic miscoordination and the penalty of loss of funds.

Clientelism can also be the outcome of political competition when the credibility of political competitors is limited—political promises are credible only to “clients.”²⁵⁰ Politicians with clientelist ties can fulfill campaign promises better than politicians

without them. When only clientelist promises are credible, promises of construction and government jobs become the currency of political competition at the expense of universal access to high-quality education and health care (as seen in box 5.3). Public works or jobs can be targeted to individuals and groups of voters—clear evidence of political patrons fulfilling their promises to clients. It is much more difficult to target the services of a well-run village primary school or clinic.

Cross-country evidence on public investment supports the contention that credibility and clientelism significantly influence the provision of public services. There are no variables that directly capture the credibility of pre-electoral promises or the extent of clientelism. But it is possible to argue that in young democracies political competitors are less likely to be able to make credible promises to all voters and are more likely to rely on clientelist promises, and as these democracies age, politicians are more likely to increase the number of clients since they can count on client loyalty. A study summarizing the evidence shows that targeted spending—public investment—is higher in young democracies than in old and as young democracies age, targeted spending increases.²⁵¹ Corruption falls as democracies age. These results are relevant for universal basic services since they are likely to be of lower quantity when public investment is high and of lower quality when corruption is high. Similar cross-country evidence on secondary and primary school enrollment supports the view that credibility is a significant influence on the provision of public services.²⁵²

Beyond the ballot box: citizen initiatives to increase accountability

When elections are not enough to make services work for poor people, political pressure builds for new approaches that enable citizens to hold politicians and policymakers more directly accountable for services. These activities do not replace the electoral process, but complement it to strengthen the long route of accountability. The emergence of such citizen initiatives and their

mobilizing potential has been accompanied by an information revolution that has dramatically simplified information exchange and citizen access to official information.

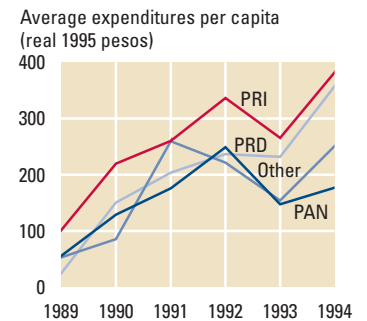
Enthusiasm for direct citizen involvement also comes from mounting frustration with the dominant mode of a national civil service delivering services that meet some technically predetermined “needs” of the population.²⁵³ This frustration has led to greater interest in directly empowering citizens and overcoming collective action problems, driven also by the finding that civic relationships and social capital are important determinants of government efficacy.²⁵⁴

Broad range of issues and tools

The rapid growth of citizen initiatives has been described as a new accountability agenda. It involves “a more direct role for ordinary people and their associations in demanding accountability across a more diverse set of jurisdictions, using an expanded repertoire of methods, on the basis of a more exacting standard of social justice.”²⁵⁵ Citizens are combining electoral accountability and participation with what would traditionally have been considered the official accountability activities of the state. These initiatives address accountability at various levels. Some are aimed at strengthening voice in service delivery by enabling answerability and some at pushing further for enforceability. These initiatives, and the state’s response, employ a number of old and new tools, including tools based on information technology.

These citizen initiatives cover a far-reaching array of issues, from improving law and order in Karachi²⁵⁶ to preparing citizen report cards. They vary tremendously in scale, ranging from global knowledge-sharing coalitions, such as Shack/Slum Dwellers’ International,²⁵⁷ to community efforts in Mumbai to monitor arrivals of subsidized goods at local “fair price” shops in order to expose fraud in India’s public distribution system targeted to the poor.²⁵⁸ They also vary in depth and reach. On election reform, they range from generating background information on election candidates and their performance in Argentina (Poder Ciudadano²⁵⁹) to civil society efforts to implement and sustain

Figure 5.3 It paid to vote for PRI
Mexico: PRONASOL expenditures according to party in municipal government



Note: PRI = Institutional Revolutionary Party; PRD = Party of the Democratic Revolution; PAN = National Action Party. Source: Estévez, Magaloni, and Díaz-Cayeros (2002).

an Indian Supreme Court judgment making it mandatory for all election candidates to disclose their assets and any criminal record. On budget analysis, initiatives at one end seek to make national budgets accessible to citizens and at the other to promote village-level participatory audits of local public expenditures (box 5.4).

These citizen initiatives also use a broad range of tools, from door-to-door signature campaigns to cyber-activism. The rapid growth of the Internet and communication technologies has dramatically altered citizen voice nationally and internationally, though access is still limited by income and connectivity. Some innovative e-government applications are reducing corruption and delivery times and increasing service predictability and convenience. Karnataka, among India's leading states in information technology, has pioneered a computerized land records system to serve rural households (box 5.5).

Controversy and conflict of interest

Two separate trends are discernible in citizen voice initiatives: activities based on consultation, dialogue, and information sharing, and activities more direct and controversial, related to monitoring, compliance, and auditing. Some activities start with indirect objectives, build internal capacity and external trust, and then ven-

ture into more difficult areas. The impact of these initiatives varies according to how they are perceived by politicians and policymakers and the government's receptivity to change. Several studies link this receptivity to the stock of social capital.²⁶⁰

One concern with some citizen initiatives is that they can lead to conflicts of interest and reduced accountability to poor people. Facing funding uncertainties, many non-governmental organizations seek to diversify, starting from voice activities but moving on to actual service delivery. When they become advocates and providers at the same time, there can be intrinsic conflicts of interest.²⁶¹ NGOs may suffer from their own lack of accountability, internal democratic deficits, and gaps in their mandates.²⁶² The award of large service delivery contracts to a few big civil society organizations can exclude and spell financial difficulties for smaller organizations.²⁶³ And if community and civic groups are captured by unscrupulous leaders, they can manipulate funding agencies and beneficiaries for their own gain.²⁶⁴

Information strategies to strengthen voice

Policies that increase information and coordination in voting, enhance the credibility of political promises, and increase the ability of civil society organizations to hold politicians

BOX 5.4 *Follow the public's money*

The budget, a primary statement of government priorities, is for many citizens a black box, monitored and assessed only by the traditional internal accountability relationships within government. But it can be a crucial tool for citizens to influence and monitor public policy and services. Accordingly, participatory budgeting initiatives are increasing rapidly in several countries. The challenge is to build the capacity of citizen groups, to give politicians and policymakers the incentives to listen and act on citizen feedback, and to put out budgets that are understandable and interesting to citizens.

Budget planning The most well-known budget planning initiatives come from city municipalities in Brazil, such as Porto Alegre and Belo Horizonte. Neighborhoods indicate their spending needs at budget forums, and delegates then bring these needs to assemblies, ensuring

citizen voice in budget allocations and implementation.

Budget monitoring The Institute for a Democratic South Africa makes information about provincial and national budget allocations accessible to citizens. Its technical experts break public budgets down to facilitate public comment. Special reports show how much money is allocated, say, to gender-related and children's issues. The most direct influence of its work is in strengthening the ability of parliamentarians to participate more effectively in budget discussions.

Budget auditing The Mazdoor Kisan Shakti Sanghathan (MKSS), a grassroots organization in the north Indian state of Rajasthan, has turned ordinary citizens into financial auditors. Its key innovation has been the *jan sunwai* (or public

hearing), an open-air forum at which official records are presented alongside the testimony derived from interviews with local people.

"Many people discovered that they had been listed as beneficiaries of anti-poverty schemes, though they had never received payment. Others were astonished to learn of large payments to local building contractors for work that was never performed" (Jenkins and Goetz 1999). Until a state right-to-information law was passed in 2000—largely a result of the protest and lobbying efforts of the MKSS—its activists had to obtain this information by appealing to sympathetic bureaucrats. A similar national law was passed in 2003.

Sources: Andrews and Shah (2003), Singh and Shah (2003), Goetz and Jenkins (2002), and Jenkins and Goetz (1999).

BOX 5.5 *Down to earth: information technology improves rural service delivery*

Karnataka state in India has pioneered Bhoomi (meaning land), a computerized land record system serving 6.7 million rural clients. Its main function is to maintain records of rights, tenancy, and cultivation—crucial for transferring or inheriting land and obtaining loans. Started in 1991 as a pilot, the Bhoomi system now has kiosks in each of the state's 177 subdistricts, servicing some 30,000 villages.

Under the old system, applicants faced long delays (3–30 days), and nearly two out of three clients paid a bribe—70 percent paid more than Rs. 100 (the official service fee was Rs. 2). There was little transparency in record maintenance—

the village accountant controlled the process, with little official or client monitoring. Even where there was no fraud, the record system could not easily handle the division of land into very small lots over generations.

Farmers can now get these records in 5–30 minutes and file for changes at a Bhoomi kiosk. The entire process takes place in the vernacular, Kannada. Clients can watch a second computer screen facing them as their request is processed. Users pay a fee of Rs. 15. In a recent evaluation, only 3 percent of users reported paying a bribe. The evaluation estimates that on average Bhoomi annually saves clients 1.32 million work

days in waiting time and (net of the higher user fee) Rs. 806 million in bribes

The resistance of village accountants had to be overcome in implementing Bhoomi. The chief minister, revenue minister, and members of the legislature championed Bhoomi, which helped. There are now plans to expand beyond land transactions. The Indian government has suggested that other states consider similar systems to improve accountability and efficiency in services that are vital to rural households.

Sources: World Bank staff and Lobo and Balakrishnan (2002).

and policymakers accountable are likely to improve services for poor people. Conversely, the lack of transparency in information disclosure can come at a high price. Cases during the earliest phase of the outbreak of Severe Acute Respiratory Syndrome in mid-November 2002 in China were not openly reported, which allowed a new and severe disease to become silently established in ways that made further spread almost inevitable.²⁶⁵

Information campaigns have dramatically altered the behavior of politicians and policymakers, but many have also failed to induce change. Understanding when information campaigns can succeed is thus critical.

What makes for a successful information strategy?

Tracer studies of spending on Ugandan education revealed leakages as high as 90 percent. Once the information was publicized, the budgeted resources reaching schools rose dramatically.²⁶⁶ Studies suggest that newspaper readership and availability in India spur state governments to respond to food crises.²⁶⁷ In Buenos Aires, publishing the wildly different procurement prices paid by city hospitals for similar products led to rapid convergence of prices.²⁶⁸ What did these information strategies have in common? The information was specific. Political interest in addressing the problem was high. And the information was electorally salient.

Specific information. The information identified specific government decisions, specific decisionmakers, and the effect of the decision on the voters individually or as a

group. That made benchmarking—systematic comparisons across time or space—easy. The Uganda information was not about the general quality of education or general budget support, or even about leakage from national education budgets. It was about one type of transfer—capitation grants—disaggregated to the school level, responsibility for which was easy for parents and voters to assign to the school principal. In addition, the information made clear to voters what the school should have received. The information in Buenos Aires was also specific to individual hospitals.

Government responses to food crises show how the provision of high-level information is politically enforceable by voters. First, a food crisis is a single, specific issue. Second, responsibility for it is known to rest ultimately in the state chief minister's office. Third, there are no complicated issues of quality measurement—voters know immediately that they are benefiting if they receive assistance. Benchmarking is a bit more complicated but still doable. Voters know if others less deserving receive assistance. But they do not know what effort governments should make in responding to food crises (which is different from the benchmarks in the Uganda tracer studies, where voters knew exactly how much money should have reached individual schools).²⁶⁹

Strong political or bureaucratic interest in correcting the problem. In some cases (Uganda and possibly Buenos Aires), national politicians did not benefit, and potentially lost, from leakages or inefficiencies. That is, corruption was the product of

bureaucratic shirking rather than political rent-seeking. Education had become a major issue for the president of Uganda, and his reputation was on the line. He had made public promises, followed by the highly visible action of transferring more funds to local schools. His ability to fulfill those promises was being undermined by bureaucratic malfeasance. Once the malfeasance was revealed, the fear of sanctions was enough to hold individual bureaucrats accountable and produce rapid change.

In other cases, such as assistance in a food crisis, there is considerably more room for shirking. Citizens find it difficult to know how large the crisis is, what resources are available, and how efficiently and equitably the resources are distributed. This uncertainty leaves room for political inaction. But the consequences of government inaction—starvation deaths and their reports in the media—are grave enough to tarnish the chief executive's reputation, which gives the state administration a major reason to avoid them. Famines do not occur in democratic countries, even very poor ones, because the survival of the government would be threatened by the opposition and by newspapers and other media.²⁷⁰ And the more citizens are informed about the crisis and the needed response, the more likely they are to hold politicians electorally accountable.

The issue is important electorally. Politicians are not interested in improving performance if voters do not care. Voters can be well informed and know who the responsible politician is, but still not hold the politician accountable because other issues loom larger. Where conflict is rife, or society is polarized, the politician's stance on conflict or polarization may dominate voter attention, allowing the politician to get away with poor performance on other issues. In Uganda, the president made education a central part of his election manifesto. In Buenos Aires, municipal politicians may have been concerned that voters would view the corruption in hospitals as indicative of deeper problems of malfeasance, in the city government and, because Buenos Aires is the capital, in other cities and the country.

Citizen report cards: information as political action

Other information strategies look directly at public service outputs (quality and quantity of services provided by government) rather than inputs (prices paid, budgets committed and delivered). The best known are the citizen report cards developed by the Public Affairs Centre in Bangalore, India.²⁷¹ Citizens are asked to rate service access and quality and to report on corruption and general grievances about public services. Citizen report cards have spread to cities in the Philippines, Ukraine, and, on a pilot basis, Vietnam. They have recently been scaled up in India to cover urban and rural services in 24 states.²⁷² The results have stimulated considerable media, bureaucratic, and political attention and acknowledgment of their contribution to service improvements.

Because citizen report cards focus on service outcomes, they do not provide voters with information about specific decisions that specific policymakers have made—or not made. Nor do they give voters information (at least in their first round) about service benchmarks, except to the extent that the agencies themselves have established service standards (repeat report cards do provide implicit benchmarks from the previous report card). So it can be hard for voters to assess, on the basis of one report card, whether the results justify voting against the incumbents at the next election.

Report cards seem to have had a more direct influence on the heads and senior managers of the municipal and utility agencies responsible for services, as in Bangalore. The high visibility of report cards in the press and civic forums turns them into league tables of the efficacy of municipal agencies. The reputational competition arising from the report cards is enhanced by joint agency meetings on the report cards attended by prominent social and political leaders and citizens.

But report cards clearly also perform a political function. Politicians can ignore poor public services if they believe that voters cannot penalize them for poor performance. Or if they believe that a political challenger cannot credibly promise voters better performance. An NGO conducting broad surveys and issuing report cards on public services changes the equation. Now incumbent politicians are

confronted by an organized effort to improve public service delivery, which creates a latent political force that is credible because there is no obvious personal gain to members of the NGO. The information that the NGO generates and disseminates is a political challenge, both because of the demonstrated underlying ability to mobilize citizens to answer a survey and the power of that information in the hands of informed voters.

Some implications for information strategies

These examples show that pure information strategies work in fairly specific circumstances. But many information strategies are not designed around the specifics of a particular country or service. Information about broad aggregates of public sector performance—whether based on surveys, budget studies, or other methods—is less likely to be as politically relevant. Why? Because it does not provide voters with a sense of how their representatives in government have hurt or helped them.

Like report cards, such information can still be useful if voters can benchmark the information or if the very collection of the information implies some latent political organization that could challenge incumbents. But in many cases, the information collected is one-off—collected by donors and other foreign entities (posing no political threat by definition), by local survey firms (with no specific interest in social services), or by civil society organizations (which care deeply about public service performance but play no electoral role).

At the end of the day, these efforts tell citizens what they already know—that services are bad. They might tell them exactly how bad and which services are worse than others—roughly the information citizens already had, but more quantified. What citizens do not have, and what they need help in getting, is information about how bad their neighborhood's services are relative to others' and who is responsible for the difference.²⁷³ In these cases outsiders can help in several ways:

- Supporting civil society organizations that generate and use specific information about service delivery.

- Supporting civil society organizations that show how to mobilize citizens and be a credible voice for public service provision.
- Supporting mass media development. First, improving the media's ability to ask the right questions (reporting on whether government policy succeeds or fails, including how to identify the correct benchmarks). Second, improving the media's credibility (independence from private interests that benefit from government largesse and from government influence, advertising revenue, or ownership). Reducing barriers to entry is key here. Third, improving interaction with civil society to generate information that reveals public malfeasance or nonfeasance.²⁷⁴

Decentralization to strengthen voice

Decentralizing delivery responsibilities for public services is prominent on the reform agenda in many developing countries (see chapter 10). Bolivia, India, Indonesia, Nigeria, Pakistan, and South Africa—to name a few—are all part of a worldwide movement to decentralize. A key objective, usually linked to the political motivation for decentralization, is to strengthen citizen voice by bringing services and elected politicians closer to the client.

Decentralization of service delivery to local governments

Experience with decentralization varies. In Bolivia the creation of rural local governments has been associated with dramatic shifts in public allocations away from infrastructure and into the social sectors—and a sharp fall in the geographic concentration of public investments as they get more evenly dispersed across regions.²⁷⁵ But others have been less lucky, with increased regional inequalities and the capture of public resources by local elites. Since several major decentralization reforms are just beginning (Indonesia, Pakistan), there is a tremendous opportunity to rigorously evaluate the impact of different institutional designs on the quality of public goods.

What does it take for political decentralization to improve universal, basic social services? Two conditions. First, voters must be more likely to use information about the

quality of local public goods in making their voting decisions. Second, local political promises to voters must be more credible than regional or national promises.

In principle, the impact of decentralization on informed voting and political credibility could go either way. On the one hand, voters may make more use of information about local public goods in their voting decisions because such information is easier to come by and outcomes are more directly affected by local government actions. And political agents may have greater credibility because of proximity to the community and reputations developed through social interaction over an extended period. On the other hand, local voters may be apathetic about local elections and have little or no information about the resource availability and capabilities of local governments. Social polarization may be more intense because of age-old differences across settled communities. With closer social relations between elected representatives and their clients, clientelist promises to a few voters may be easier to make and fulfill.

Managerial decentralization and political credibility

There has also been a push for institutionalizing greater autonomy of decisionmaking in schools, hospitals, and clinics—and encouraging greater participation of citizens through parent-teacher associations and health committees. These institutional interventions are also likely to address the credibility of elected politicians. Politicians located at the center far from the communities where services are delivered cannot credibly promise to improve service quality in such transaction-intensive services as basic health and education. At most they can commit only to providing such verifiable elements as infrastructure, equipment, and salaries.

When responsibility for delivering and monitoring primary education is completely centralized, the political incentives for improving the quality of schooling are weak. But if monitoring of providers is decentralized (to clients), voters need verify only that politicians have made resources available for schools and clinics to decide whether to reward or punish them at election time, and politicians then can be more credible.

Citizen voice in eight sizes

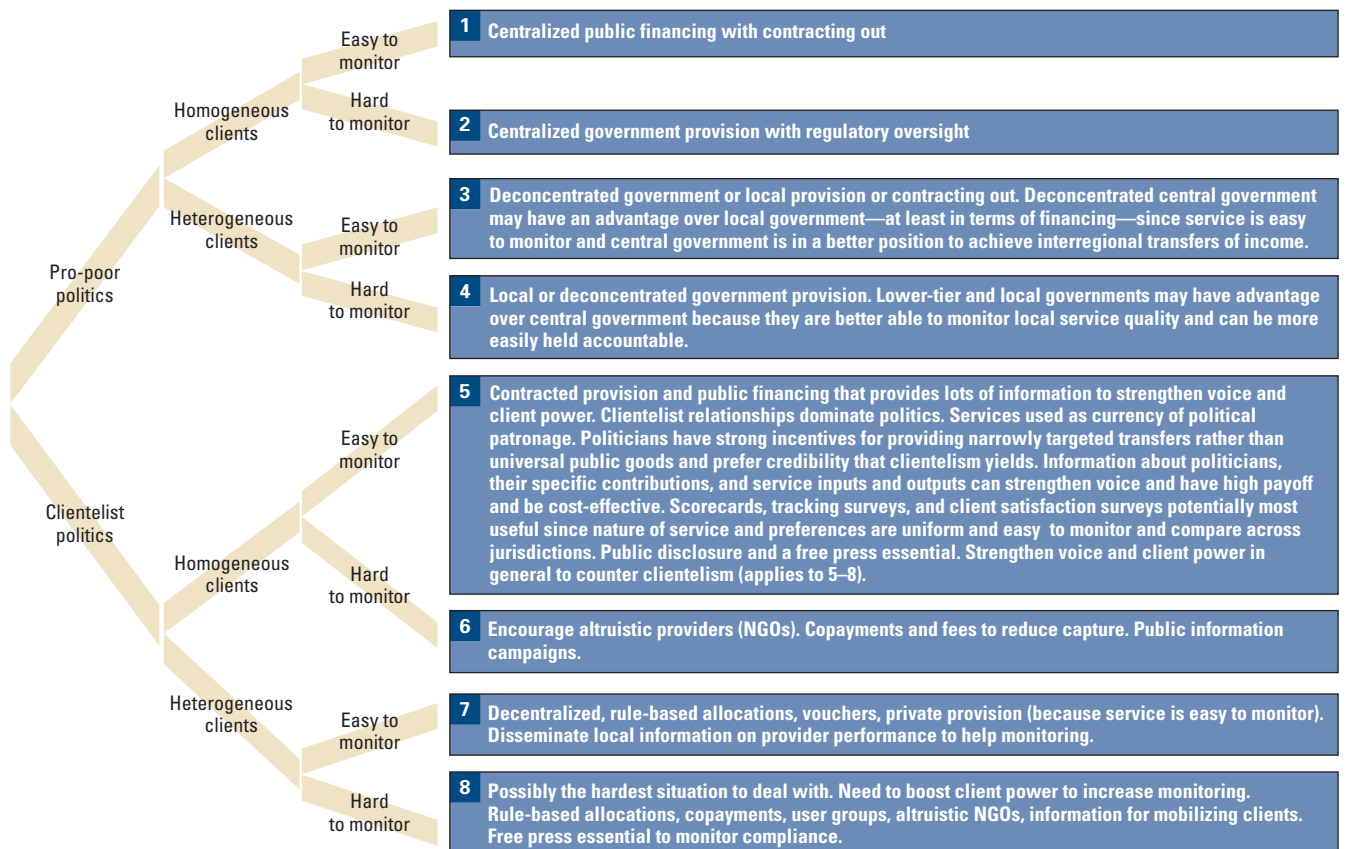
Whether a political system is pro-poor or clientelist is difficult to assess and address. This is obviously the case for outside actors such as donors, but also for those within a country, who are naturally influenced by the history and traditions of their particular political system, such as parliamentary democracy. But the payoffs in service delivery for assessing whether the environment is pro-poor or clientelist can be high. Even if the politics are clientelist, policy choices can be made that are likely to yield better results than the misguided application of policies that work well only in pro-poor environments.

Such choices can be combined with considerations of whether preferences are homogeneous or heterogeneous (a feature of the relationship between clients and providers, discussed in chapter 4), and whether services are easy or hard to monitor by policymakers (and therefore whether contracts between policymakers and providers can be written, as noted in chapter 3 and discussed in more detail in chapter 6). Simply put, the more people differ in their preferences, the more the decisions about service delivery should be decentralized. The harder it is for policymakers to monitor, the more clients need to be involved and the stronger client power must be.

Different combinations of these characteristics lead to different choices, some a better fit than others, so that while no one size fits all, for illustrative purposes perhaps eight sizes might (figure 5.4). None of these characteristics or choices can be precisely rendered because countries lie on a continuum. But understanding them can help in thinking about the arrangements that are the most likely to make services work for poor people. Figure 5.4 also illustrates the broad service delivery arrangements and the implied policy choices that are appropriate under different settings. The biggest problem? The appropriate choice is often not made.

In many countries, policymakers assume that for transaction-intensive and hard-to-monitor services (for example, primary education), their country or region has pro-poor politics and little heterogeneity of preferences. So they chose central government provision

Figure 5.4 Eight sizes fit all



(option 2 in figure 5.4). But if the service delivery environment is actually based on clientelism, and preferences vary widely, then conditions have been misread and services fail poor people. Decentralized provision with lots of client involvement at all levels may be called for in ways that create choice and mimic the market if services are to work (option 8).

In general, services can be made to work in clientelist settings by choosing arrangements that reduce the rents from service delivery that would otherwise be captured through patronage and clientelism. These are the situations depicted in options 5 through 8. The appropriate service arrangement for hard-to-monitor services such as curative care or primary education might then be option 6 or 8 depending on whether preferences are homogenous or heterogeneous. If institutional arrangements change

and a pro-poor service delivery environment emerges, it should be possible to move to the service arrangements described in options 1 through 4. But to the extent they do not change, then trying to scale up with options 1 through 4 and make services work for poor people may be wishful thinking and a waste of resources.

Under either clientelist or pro-poor environments, having more and better information pays off in strengthening voice. Information about services that is specific, directly related to voters' concerns, and framed in a way that ensures political interest in addressing service delivery concerns is likely to be the most effective. Information from impact assessments can show what works and why. Information about politicians can boost their political credibility, strengthen incentives to provide universal public services, and avoid politically targeted goods and rent-seeking.

Choice, participation, and transparency in Indonesian villages

A new generation of community development projects in Indonesia illustrates many of the key elements of effective services. The projects transfer resources directly to local control, allowing a local decisionmaking body to choose among proposals from community groups. The three principles are: choice, participation, and transparency.

Pastoral scene—or chaotic mess

Indonesia in the New Order era of Soeharto (1967–98) has been compared to a French Impressionist painting: viewed from a distance, a beautiful pastoral scene, but viewed closely, a chaotic mess.

The government launched top-down “blueprint” development programs in fertility, health, schooling, and poverty reduction—implemented by a reasonably functional and capable bureaucracy. Viewed in the aggregate, the results were spectacular. Gross domestic product per capita grew at more than 5 percent a year. Poverty fell from nearly half the population in the 1970s to 11 percent in 1997. Infant mortality fell, fertility fell, and schooling rose dramatically.

The 1979 law establishing village governments was state of the art—on paper. With the goals of “decentralization” and “bottom-up” planning, the law established locally chosen village heads accountable to a village council. The budget planning process incorporated village-level meetings to elicit bottom-up inputs into budget priorities.

But the reality of village leadership was different. Creating multifunctional village administrative structures imposed order and uniformity at odds with existing social structures, ignoring organizations with specific functions (water) and traditional leadership (*adat*).²⁷⁶ Many villages had dynamic leaders, but many others had leaders chosen essentially by the regional (province or district) government, which had veto power over candidates.²⁷⁷ The village head was accountable to a council, but he also headed the council and chose many of its members. Most village heads were accountable upward—to regional governments—and not to the villagers. The bottom-up planning never really functioned: one analysis of 770 village proposals found that, at most, 3 percent were included in district budgets.²⁷⁸

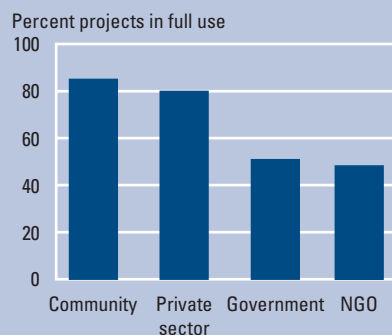
Empirical results from a recent survey in 48 rural villages suggest that the government-driven organizations did not make village governance more responsive. Those

who reported participating in the government-organized village groups reported being more likely to have spoken out about village problems and to have done so effectively. But this impact, by crowding out the voice of others in the village, appears to have been negative overall.

The problems with local governance were obvious in projects. The first-generation poverty alleviation programs—block grants to poor communities, under the IDT (Impres Desa Tertinggal)—used existing village structures and were judged to have had very little impact, in quantity or quality.²⁷⁹ A study of all projects in villages—including those initiated by villages on their own (found that village-initiated projects were much more likely to have sustained benefits than government-initiated projects (figure 1).

The next generation of more participatory projects—two rounds of village infrastructure projects and water supply and sanitation projects—showed that greater community engagement could have real payoffs. Water projects designed to incorporate participation had much lower failure rates than conventional projects. And the costs of the village infrastructure projects were 30 to 50 percent lower than costs in projects using government construction.

Figure 1 Community-initiated projects: more likely to be maintained and in full use



Source: World Bank (2001g).

Scaling up with simplicity and trust

The financial and political crises that began in 1997 opened a window for action. Projects were desperately needed to help rural areas quickly. An improved design for community projects—based on the lessons of block grants under the IDT and infrastructure investments under village infrastructure projects—was being piloted. It included open menus and more emphasis on community participation and decisionmaking. The crisis also created an opportunity to act on issues of transparency, local accountability, and corruption.

The new Kecamatan Development Program (KDP) provides block grants to eligible subdistricts—or *kecamatan*, an administrative unit that includes roughly 10 to 20 villages and roughly 30,000 people, though its size varies enormously. Each subdistrict uses the funds to finance community proposals from the villages for small-scale public goods (roads, wells, bridges) or economic activities. Making the decisions about which proposals to fund is a subdistrict forum, including village delegations.

The KDP’s design was based on simplicity, participation, self-reliance, transparency, and trust. These principles may sound platitudinous, but they pushed the design envelope in several directions.

- *Simplicity* meant that funds were released directly to communities, eliminating one role for regional (district and provincial) governments.
- *Participation* was encouraged, and locally chosen village and subdistrict facilitators helped groups to prepare proposals and encouraged the dissemination of information.
- *Self-reliance* reversed the usual dependence of villagers on technical staff from ministries and government, permitting villagers to hire the engineers and other technical help.

- *Transparency* meant that all financial information was publicly available, and detailed information about the use of the funds was available in each village in simple and easy-to-understand formats.
- *Trust* made it possible to move from complicated formal accounting systems for releasing funds to disbursement systems that rely on minimal documentation—but with built-in checks and oversight.

The project has so far been an implementation success, scaled up from 40 villages in 1998 to more than 15,000 in 2002. It has moved into another cycle and been replicated in urban areas. Evaluation efforts, including an innovative attempt to directly measure the impact on corruption, are examining whether the KDP has improved project performance.

This is not to suggest that the KDP is free from flaws—it is a transitional project in a transitional situation, embedded in existing institutions. There have been problems of corruption and poor technical quality, and problems of local leaders “guiding” the participatory decisionmaking. But the KDP does give villagers the structured mechanisms of decisionmaking and transparency. It also gives them recourse to force the issue of better governance. Corrupt officials have been sued. Money has been recovered. Decisions have been reversed.

Two lingering issues: First, is the KDP an idiosyncratic product of its particular time and place—or a model that can be replicated elsewhere? That versions of it are being launched in Afghanistan and the Philippines

(and perhaps elsewhere) suggests the latter. But whether it will “work” in those places is still an open question. Perhaps the principles can be implemented with the design adapted to local circumstances.

Second, are large external agencies (like the World Bank) really capable of supporting “big-time small development” projects? Perhaps yes, perhaps no. Some argue that external actors have no mandate or expertise for engaging in local governance. And preserving the traditional exclusive link of external agencies to formal public provider organizations may make them incapable of contributing to the creation of needed local accountabilities.

This or that? Three strategic choices

Community-driven development projects such as the KDP raise three strategic choices relevant to the design of service delivery.

Narrow or sharp targeting. Community funds, it is often alleged, are captured by “elites” and will not be well targeted to the poor. The KDP shows that the poor do benefit, but it is difficult to reach the poorest of the poor or to change deeply held social prejudices simply by project design (despite, for example, KDP mechanisms to enhance women’s voice). Few large programs have shown greater ability to target the poor, and the very narrowly targeted programs would not elicit engagement and support.

Technical or participatory projects and service. Technical staff of the government (and of many donor agencies) are leery of

community-driven project design because it can undermine technical quality. Given the choice of a participatory bridge or an engineered bridge, most people would cross the engineered bridge. The question is how to create a well-engineered bridge that responds to community needs. Other services try to balance community control and technical quality: participation in health care does not mean that medical science can be replaced. Should KDP-like mechanisms be expanded with improved links to technical providers? Or should technical providers be strengthened and the “participatory” role be channeled not into direct control and decisionmaking but into electing local officials?

Local or regional governments. Regional governments often complain that moving resources directly to communities undermines their authority, slowing the capacity building needed for formal governance and democracy. Proponents of community development respond that deep democracy depends on the kinds of transparency, decisionmaking, open debate, and accountability that community projects build. Decentralizing decisions about budgets and programs to the provincial level—when people have not developed traditions and institutions of civic decisionmaking at the local level (or have had them suppressed)—is risky business. In a transitional environment, periodic elections alone are unlikely to be sufficient for public accountability. The development of nonelectoral mechanisms of public accountability (transparency, legal recourses, direct participation) is key.

Developing social services and building a nation

One of the richest countries in the world, Norway today is the quintessential welfare state, with universal access to basic health and education. But this welfare state evolved over two centuries, with private systems only gradually giving way to state-run institutions. Making social services available to all was seen as part of building the Norwegian nation. Though geographically close, Estonia regained its independence in 1991. It is seeking to develop its social services and build a nation in a much shorter time, and under budgetary constraints.

Norway: gradual change with top-down pressure

In 1860 the Norwegian national assembly passed two laws—the Health Act and the School Act—the first time the state took responsibility for the health and education of its people. The Health Act, which established health commissions in every municipality, was promoted by the country’s social elite to improve the welfare of Norway’s farming and peasant communities so that the country could compete with the more advanced nations of Europe. The elite saw educating poor rural households in personal and environmental hygiene as a key to this project, and the health commissions were charged with this task. Interestingly, members of the medical profession, which up to that point had a somewhat lower status than other professions (lawyers, priests, and the military), saw themselves as the natural leaders of the campaign. According to one doctor, appointing a lawyer to head the campaign (something that was being contemplated) “would do nothing to further the cause.”²⁸⁰

But the health commissions faced significant difficulties in getting their job done. In addition to the facts that doctors were not trained in public health and their work was poorly paid, the cultural divide between the urban elites and rural farmers was an obstacle. For instance, although fertilizer was a scarce commodity, the doctors were trying to get rid of the compost heaps near people’s houses because of the “rotten” air that people were obliged to breathe.

Meanwhile, many of the services were being delivered by grassroots organizations. Founded in 1896, the Norwegian Women’s Public Health Association was running 14 sanatoria for patients with tuberculosis by 1920. The Association also advocated for greater public intervention in health, getting the authorities to open public baths and regu-

larly monitor the health of infants and schoolchildren. From 1890 onwards, the health sector evolved through public-private partnerships, spurred on by pressure from grassroots and philanthropic organizations. As the state took on more responsibility for delivering universal services, a process that picked up in the 1930s, it did not have to build the institutions from scratch: it could build on institutions already built, organized, and financed by private actors and civil society.

Reforming schools

From 1739, children were required to attend school from the age of seven until they could read and undergo Lutheran confirmation. The incentives to learn to read were strong. No reading meant no confirmation, and no confirmation meant no marriage license, no land holding, no permanent job, and no chance of enlisting in the armed forces. Nevertheless, the rural population resisted sending their children to school, mainly because they found the curriculum irrelevant for farming.

As with health, formally trained teachers became the driving force behind using education to build the Norwegian nation. Teachers organized themselves in 1848 and advocated inclusion of education professionals in policymaking bodies. The School Act of 1860 shifted responsibility for running schools from the clergy to an elected school board (whose head would still be a priest). As a result of populist and agrarian pressure, local school councils were able to appoint teachers, determine their own “education plan,” and introduce New Norse as the language of instruction. But a growing labor movement was demanding more universal education, so that by 1889 a common school law was passed and education finally moved from religious training to general learning and nation building.

Estonia: starting over, with few resources

At re-independence in 1991, Estonia wanted to move away from its inherited systems to modern Western European approaches that rested on progressive governmental, economic, and social reforms—partly for acceptance into the European Union. The new state had to quickly establish the mechanisms of a modern welfare system. But there was little time to establish the system’s legitimacy.

The first priority in 1991 was services based on Estonian language and culture, critical for national identity. Then came the urgent need to improve efficiency and equity. But economic difficulties limited the resources for reform.

The health care system had to be completely reorganized. Unlike the situation in Norway, the administrative, legislative, and regulatory powers in Estonia were all in one place: the Ministry of Health. With little transparency and control, corruption flourished.

To address the problem, the old state-funded system was replaced by health insurance, which facilitated transparency and a steady stream of finance. A major challenge has been to convey the logic and long-term advantages of the new system. People suddenly had to pay for health care that used to be free. Drugs were sold at European prices. And, although the system has equity as a goal, the health status of a growing number of Estonians is declining, especially that of the elderly, ethnic minorities, and the unemployed. Around 6 percent of the population is not yet covered by the new national health insurance system.

On many accounts, Estonia has succeeded more than many other newly independent countries. But in seeking to find its own way of making services work, it has not had the luxury of time.