

IDS Working Paper 168

**Mapping accountability: origins, contexts and implications
for development ***

Peter Newell and Shaula Bellour

October 2002

INSTITUTE OF DEVELOPMENT STUDIES
Brighton, Sussex BN1 9RE
ENGLAND

* Background paper produced for the Development Research Centre on Citizenship, Participation and Accountability

Summary

This paper provides an overview of the political uses and applications of the term accountability in contemporary discourses and practices of development. The first part reflects on the historical origins of competing narratives of accountability and what it means for actors, and the processes in which they are embedded, to be accountable. The second section looks at tools, strategies and processes of accountability in formal and informal arenas, assessing the role of law, protest and a variety of managerial approaches in the creation of mechanisms of accountability. The third section looks at how the narratives of accountability, manifested in these diverse practices of accountability, apply to key development actors, traditionally the nation-state, but increasingly also public authority at supra and sub-state levels and the private and non-governmental sectors.

The argument developed here is, firstly, that the right to demand and the capacity and willingness to respond to calls for accountability assumes relations of power. Indeed the very function of accountability is to ensure that those that wield power on behalf of others are answerable for their conduct. Secondly, these power relations are in a state of flux, reflecting the contested basis of relations between the state, civil society and market actors. These relations both create and restrict the possibilities of new forms of accountability by generating material change and shifts in the organisation of political authority.

Beyond the material and political, at a discursive level we find that patterns of power are reinforced by prevailing notions of accountability and the entitlements it presumes. These narratives, which are a product of a particular set of historical and material circumstances, validate some forms of power and delegitimise others. The interaction between political action, material change and discursive practices is what helps us to understand the different expressions of accountability politics in diverse settings, issue-arenas and as they are applied to a range of actors in development. These interactions also provide the basis for understanding the place of accountability in broader constructions of citizenship and discourses around rights, who gets to define these and the implications of this for the poor.

Contents

	Summary	iii
	Preface	vii
1	Accountability and development: overview	1
2	Narratives and discourses of accountability	1
	2.1 Conceptualising accountability	1
	2.2 Discourses of accountability	3
3	Strategies and processes of accountability	5
	3.1 Political accountability	7
	3.1.1 <i>Enforcing accountability</i>	8
	3.1.2 <i>Rule of law</i>	9
	3.2 Managerial accountability	9
	3.3 Processes of accountability	11
4	Actors, arenas and accountability	11
	4.1 Public accountability	11
	4.2 Accountability of international institutions	14
	4.3 NGO accountability	15
	4.3.1 <i>Categories of NGO accountability</i>	17
	4.4 Corporate accountability	19
	4.4.1 <i>External pressure for corporate responsibility</i>	21
5	Conclusion	23
	Bibliography	25

Preface

This paper was prepared for the Development Research Centre on Citizenship, Participation and Accountability (Citizenship DRC), an international research partnership dedicated to exploring the new forms of citizenship which are needed to make rights real for poor people. The Citizenship DRC's programme emphasises collaborative work across national, institutional and disciplinary boundaries, adopting an approach that combines research, capacity building, dissemination and policy influence.

The Citizenship DRC brings together over 50 researchers from research institutions and civil society groups based in Bangladesh, Brazil, India, Mexico, Nigeria, South Africa and the UK. It is coordinated in the UK by the Institute of Development Studies (IDS); in Bangladesh by the Bangladesh Institute of Development Studies (BIDS); in Brazil by the Centro Brasileiro de Análise e Planejamento (CEBRAP); in India by the Society for Participatory Research in Asia (PRIA); in Mexico by the Instituto de Investigaciones Sociales of the Universidad Nacional Autónoma de México (IISUNAM); in Nigeria by the Theatre for Development Centre at Ahmadu Bello University (TFDC) and in South Africa by the Centre for Southern African Studies/School of Government of the University of the Western Cape (UWC).

Core funding for the Citizenship DRC is provided by the UK Department for International Development (DFID).

For more information, please see the Citizenship DRC website: www.ids.ac.uk/drc-citizen/

1 Accountability and development: overview

This paper provides an overview of the political uses and applications of the term accountability in contemporary discourses and practices of development. The first part of the paper reflects on the historical origins of competing narratives of accountability and what it means for actors, and the processes in which they are embedded to be accountable. The second section looks at tools, strategies and processes of accountability in formal and informal arenas, assessing the role of law, protest and a variety of managerial approaches in the creation of mechanisms of accountability. The third section looks at how the narratives of accountability, manifested in these diverse practices of accountability, apply to key development actors, traditionally the nation-state, but increasingly also public authority at supra and sub-state levels and the private and non-governmental sectors. Drawing on the preceding discussion, the concluding section explores the linkages between accountability, participation and citizenship.

The argument developed here is, firstly, that the ability to demand and exercise accountability implies power. The right to demand and the capacity and willingness to respond to calls for accountability assumes relations of power. Indeed the very function of accountability is to ensure that those that wield power on behalf of others are answerable for their conduct. Secondly, these power relations are in a state of flux, reflecting the contested basis of relations between the state, civil society and market actors. These relations both create and restrict the possibilities of new forms of accountability by generating new dynamics of power through material change and changes in the organisation of political authority.

Beyond these material and political shifts, at a discursive level we find that exercises of power are justified by and advanced by prevailing notions of accountability and the entitlements it presumes. These narratives, which are a product of a particular set of historical and material circumstances, validate some forms of power and de-legitimise others. The interaction between political action, material change and discursive practices is what helps us to understand the different expressions of accountability politics in diverse settings, issue-arenas and as they are applied to different actors. These interactions also provide the basis for understanding the place of accountability in broader constructions of citizenship and discourses around rights, who gets to define these and the implications of this for the poor.

2 Narratives and discourses of accountability

2.1 Conceptualising accountability

In so far as an enquiry into the practice of accountability in development is de facto an enquiry into how to control the exercise of power, we can view contemporary debates as a continuation of concerns that have driven political philosophy for several hundred years. Beginning with the ancient philosophers, political thinkers have worried about how to restrain power, prevent abuses, and keep it in line with established rules (Schedler *et al.* 1999: 18). In contemporary usage, the notion of accountability continues to express this concern, attempting to apply checks, oversight and institutional constraints on the exercise of power (Schedler *et al.* 1999: 14). It implies both a measure of *answerability* (providing an account for

actions undertaken) and *enforceability* (punishment or sanctions for poor or illegal performance (Goetz and Jenkins 2001)).

During the last decade, the language of accountability has gained increasing prominence in development debates. Appropriated by a myriad of international donor and academic discourses, accountability has become a malleable and often nebulous concept, with connotations that change with the context and agenda. The prevalent use of the term in recent years can be explained by shifts in the strategic thinking of key development agencies with regard to the state, in particular, and the importance of creating mechanisms of accountability to citizens of the state (Goetz and Gaventa 2001). In this sense, understandings of accountability and how it is to be appropriately realised have to be seen as a product of a particular set of political and historical circumstances. Though the term accountability generally refers to holding actors responsible for their actions, questions such as accountability for what, by whom, to whom immediately arise (Cornwall, Lucas and Pasteur 2000: 1). Decisions about the way in which it is to be applied and the actors and processes it applies to, imply an agenda-setting power and a degree of authority to demand accountability from others.

The widespread appropriation of the term accountability means that ‘its field of application is as broad as its potential for consensus’ (Schedler *et al.* 1999: 13). For some, the concepts of accountability, transparency and trust are inseparable (Cornwall, Lucas and Pasteur 2000: 3). Often used interchangeably with the similar concepts of responsiveness, responsibility and representation (Przeworski, Stokes and Manin 1999: 8), accountability is linked to a variety of other terms in its practical usage, such as surveillance, monitoring, oversight, control, checks, restraint, public exposure and punishment (Schedler *et al.* 1999: 14). Given its broad usage, the challenges of effective accountability include where to assign and locate responsibility for decisions, how to devise effective mechanisms for answerability and enforcement, and how to prioritise multiple accountabilities. Accountability then, is about the construction of a grammar of conduct and performance and the standards used to assess them (Day and Klein 1987: 2). This serves to define expectations and order social relations by embedding them within a recognised and accepted framework of application.

Constructing accountability requires, therefore, a definition of the relationship between actors (Day and Klein 1987: 5), effectively delineating respective positions of power. To apply accountability principles is to define who has the power to call for an account and who is obligated to give an explanation for their actions. In this version of accountability, as Schedler notes, ‘accountability concerns agents, not subjects’; it concerns those who exercise power and not those who are subordinate to it (Schedler *et al.* 1999: 20). In essence, a lack of power expresses itself as the inability to hold someone to account. An alternative notion of power provides a more nuanced account of the relationship between subject and agent, whereby subjects are implicated in relations of accountability. This is not only because powerful actors construct them as subjects and therefore reinforce their powerlessness. Rather, taking the view that power is diffused through all social life, an alternative perspective posits that power is not embodied in actors, but manifests itself in social processes which construct some actors as the “natural” bearers of power and others as the passive recipients of that power. It is these social processes, which define authority and

legitimacy, that create the social roles of legitimate bearer of public power and passive citizen in whose name power is exercised. But these processes are not hegemonic and can be contested. Even the most powerful power-brokers require a degree of public support, consent, or at least cooperation. Rituals, executions, trials and hearings are both displays of power to discipline dissent and attempts to garner support and legitimacy from those in whose name power is being exercised (Foucault 1980). Moreover, expressions of disapproval with abuses of power can often not be publicly articulated, but instead are registered in acts of petty sabotage, non-co-operation or humour directed at the powerful. Scott's (1985) work on weapons of the weak provides examples of these strategies in practice.

2.2 Discourses of accountability

The construction of accountabilities, the definition of the rights and duties that flow from relations of accountability, is of course a political process driven by broader economic and political agendas. The predominant focus on state accountability can be understood in light of prevailing notions about the appropriate relationship between states and markets and assumptions within neo-liberal ideology about the inefficiency and lack of responsiveness of states to the needs of citizens, defined as consumers. This market rationale for accountability is apparent in the way state functions are often equated with 'service delivery', a move which makes it easier for market advocates to argue that private actors may be able to provide the same services more cost-effectively and efficiently.

The importance of the end of the cold war and the spread of democratisation to debates about accountability should also not be overlooked. The triumph of liberal democracy, for which market capitalism is seen to be a prerequisite, and associated narratives about the end of history (Fukuyama 1991), have helped to sustain the idea that accountability flourishes where liberal democracies work in tandem with free markets. Open and participative political processes are seen to be a key check on the exercise of totalitarian power. This, in many ways, was the lesson drawn from the decisive role of social movements in the overthrow of the authoritarian regimes in Eastern Europe.

It is argued below that, despite resistance in some quarters, the notion that private and non-governmental actors in development should be subject to many of the same requirements of accountability that are demanded of governments, is gaining ground. Nevertheless, it is certainly the case that, to date, states have been the predominant focus of debates about accountability and development. The rhetoric of public accountability has grown with the increasing popularity of new public management approaches and renewed attention to state bureaucracy and administration associated with the 'good governance' agenda pursued by donors (Cosidine 2002). Examples of the range of strategies that have been adopted to promote the responsiveness of governments to the needs of the poor and the factors that affect this can be found in Goetz and Gaventa (2001) and are described in more detail in the following section on strategies and processes of accountability. It remains the case, however, that key donors, such as the World Bank, have said little about 'the potential for civil society to participate directly in institutions of horizontal accountability' (Goetz and Jenkins 2001: 3) which are assumed to legitimately involve only state agencies monitoring the work of other state agencies.

Recent global trends are, however, bringing into question the appropriateness of this focus on holding governments to account for decisions and actions which increasingly result from bargains with, and the actions of, non-state and private actors. The rapid growth in cross border economic transactions in trade, production and finance has brought about changes in political authority at national and international levels and, as a result, transformed many traditional arenas of accountability. This has brought about a re-negotiation of relations between state and market and a transformation of relations between actors such as TNCs, NGOs, and international organisations. In addition to changes in the relationship between government and business, which has been particularly marked by an increase in privately-managed resource flows and shifts in the relative power and influence of states and markets, civil society participation in public decision-making has also significantly expanded. This had led some to explore the potential of “civil regulation” as a set of society-based mechanisms of accountability for holding the corporate sector to account for its actions (Newell 2000b; Bendell 2000).

As part of this trend, new relationships between unlikely bedfellows are developing; between NGOs and businesses, municipalities and banks, international organisations and citizens’ groups (Edwards 1999: 17). This has resulted in a more complex and dense set of obligations and responsibilities between different actors in the field of development and has created both opportunities for the construction of new accountabilities and new “accountability gaps”. Accountability gaps can emerge where shifts of political authority take place, between state and market for example, without the creation of new accountability mechanisms. The way in which both the private sector and NGOs have become involved in the delivery of services such as health and education that were traditionally the preserve of the state, has raised concerns about whether these new service-deliverers have the same incentives, or channels available, to respond to public demands and complaints in the way states are expected to (Newell 2002a). When private actors perform public functions in this way, the issue of responsiveness to the poor is heightened, because they are working to a different mandate: profit maximisation and not service delivery for all. The issue here is not only “accountability gaps”; but also the potential for inconsistent standards and expectations regarding the conduct and degree of answerability of public and private actors. The World Bank has been criticised on these grounds, for demanding far higher levels of accountability from governments than from the NGO and private actors that it prefers to run state services.

The challenge of ensuring accountability is multiplied when political authority is shared, as it increasingly is, across a number of levels from the local to the national to the regional to the global. The term multi-level governance describes the layers of overlapping authority that characterise decision-making in the current system. The spectacular growth of supranationalism (with international regimes governing an increasingly broad spectrum of areas of social and economic life) and regionalism (the creation of trade bodies which increasingly also have social development objectives) add to this institutional complexity and potentially create further democratic deficits. The challenge, from a development point of view, is how to ensure that decision-making that affects the lives of the poor, but which takes place in remote arenas, is responsive to local needs. Some have advocated the principle of “global subsidiarity” as a guide to determining the level at which interventions are likely to be most

effective (Newell 2000). Based on a policy principle employed in the EU, the term describes a process in which there is a presumption in favour of local decision-making, and power only moves to a higher political authority when the scale of the problem or resource constraints require it. As with arguments for decentralisation, the rationale is that decision-making is more likely to be responsive to local needs the more it involves those directly affected by decisions, and that embedding decision-making within strong webs of accountability that flow in all directions increases the probability of governance which benefits the poor. Similarly, the more decision-making is concentrated in institutions and at levels where it is harder for marginalised groups to advocate their interests, the greater the likelihood of consolidating the power of the already powerful. Ensuring that the decentralisation of political power works in this way in practice is far from easy, however, as the section below on public accountability makes clear.

3 Strategies and processes of accountability

Mechanisms of accountability can take a diverse range of forms from formal top-down processes of elections, hearings and consultations to bottom-up strategies such as citizen juries, popular protest or participatory budgeting.¹ In this sense accountability can either be demanded from below or conferred from above by whose from whom accountability is sought. There is a temporal dimension here, where some accountability exercises take the form of one-off events or spectacles which draw attention to a particular abuse of power on the part of the powerful and are intended to demonstrate responsiveness to the public. In South Africa, the Truth Commission, set up to uncover abuses of authority by the government and the police during the apartheid era, would be an example of a time-bound process aimed at bringing perpetrators to justice and settling grievances about historical abuses of power. Other mechanisms of accountability are more institutionalised and ingrained in democratic routine, such as elections and public hearings. Each serves a different political purpose. The important thing is that arenas for the contestation of rights and duties can be created by movements and citizen groups where new spaces for accountability can be constituted. Indeed, as Goetz and Jenkins note, in many cases it is 'shortcomings in conventional accountability systems- secrecy in auditing, ineffective policy reviews in legislatures, the electorate's difficulty in sending strong signals to decision-makers between elections, excessive delays in courts and inadequate sanctions for failure to apply administrative rules or respect standards [that] have created pressure for better channels for vertical information flows and stronger accountability mechanisms between state agents and citizens' (2001: 2-3).

To take one example, the development NGO ActionAid recently set up a citizen jury on the issue of GM (genetically-modified) crops and their possible impact on the livelihoods of the poor in India. While there are formal, government level mechanisms for deliberating on such issues, they provide few opportunities for inputs from those that will be affected by the new technologies. By allowing scientific experts and representatives from industry and the NGO sector to be interrogated by a cross-section of the

¹ See Goetz and Gaventa (2001) for more on these strategies.

farming community, a new arena of accountability was created where public and private officials had to respond to the concerns of farmers. Goetz and Jenkins (2001) also document the use of public hearings to audit government budgets in India, where audiences gather to hear the details of questionable public works schemes and residents provide testimony on how their own experience or observations are at variance with the officially recorded version. The challenge is to move from accountability as spectacle, as it is practised in these events, useful as they are, to accountability as norm, a feature of routine decision-making.

A key limitation of such self-help or “do-it-yourself” strategies is that, in many cases, marginalised groups lack the necessary financial and political resources to mobilise effectively. Taking the example of public monitoring of the public distribution system, it is clear that effective interventions are difficult where people are denied citizenship rights (by virtue of caste or racial discrimination for example), where there is a dearth of resources and time, and where technical skills for monitoring and audit, needed to make sense of records, are lacking. Where strategies such as citizen auditing ‘strike at the heart of practices that preserve the powers of bureaucrats and politicians’ (Goetz and Jenkins 2001: 9) by uncovering the secrecy in public accounts that can mask the use of public funds for personal advantage, state support is unlikely to be forthcoming. And yet developing hybrid forms of accountability, which cut across traditional distinctions between horizontal (government to government) and vertical (government to citizen) accountability, requires institutional support in the form of legal standing for non-governmental actors to act as agents of public sector oversight, structured access to the flow of information, the right of observers to issue dissenting reports and the existence of clear procedures for conduct between citizen and public sector actors (Goetz and Jenkins 2001). Each of these requires concessions on the part of governments whose activities are to be subject to scrutiny.

In this sense, accountability can be created passively and actively. The authority to act on others behalf is conferred on leaders of communities, heads of NGOs, and governments. A mandate is given such that continual approval is not required for each and every decision that is made on behalf of a broader political community. Active accountability, on the other hand, is that which is continually (re) negotiated, where demands have to be vocalised and where closure is not reached on how accountability should be exercised and on whose behalf. This assumes both a right and a capacity to articulate accountability demands. There is an important balance to strike, therefore, between building citizen’s capacities to articulate rights *and* the capabilities of political-economic institutions to respond and be held to account (Jones and Gaventa 2001).

Accountability in practice can, therefore, take a number of forms. We have already seen how accountability can be internal or external, formal or informal, vertical or horizontal, bottom-up or top-down. Many conceptualisations distinguish between political and managerial accountability. Political accountability involves holding those in public office responsible for performance and decisions, while managerial accountability involves the more technical aspects of fiscal and administrative responsibility. These models cover different types of actions as well as different means of enforcement.

3.1 Political accountability

Traditional notions of political accountability are derived from the responsibilities of delegated individuals in public office to carry out specific tasks on behalf of citizens. It is this understanding of accountability, in which rulers explain and justify actions to the ruled, which traditionally distinguished a democratic society from a tyrannical one (Day and Klein 1987: 7). In the Athenian state, this meant holding officials accountable for their actions, yet more modern notions of political accountability (developed by Locke and Mill) have focused on ministerial accountability and the ability of parliament to call the executive powers to account (Day and Klein 1987: 20). Thus, democratic accountability is characterised not only by elections to determine who runs the affairs of society, but also by the continuing obligation of these officials to explain and justify their conduct in public. Though accountability is traditionally seen as a retrospective account of past actions, (*ex post*), more radical constructions involve actors making public their intended actions before they are taken and promoting public engagement through consultation and deliberation (*ex ante*) (Day and Klein 1987). In its broad sense, political accountability can be applied to all public officials, while in its narrower sense, it may only refer to the accountability of politicians; cabinet members, legislators, and party leaders (Schedler *et al.* 1999: 22). This narrower notion of accountability is assured through the operation of a legislature, where effective opposition parties and well-functioning oversight committees are key.

In the modern state, with the growth of bureaucracies, the lines of political accountability have become more blurred, making traditional concepts more difficult to apply. Nevertheless the basis of the social contract that is said to exist between the state and citizens endures. Citizens grant powers to the executive (to tax, spend, make and enforce policies and laws) and in return, citizens demand accountability (Schacter 2000: 1). Contemporary discussions of accountability have focused on issues of transparency and openness, linking scrutiny with access to information. Yet it is when the right to information is combined with the agency of citizens that the transparency of institutions can be enhanced (Jenkins and Goetz 1999). As we saw above, the right to hold people to account is meaningless without the capacity and resources, political and financial, to exercise that right effectively.

Mechanisms of political accountability can be both horizontal and vertical. Horizontal mechanisms amount to self-imposed accountability within the state machinery. Vertical accountability, on the other hand, is that which is demanded from below by citizens and civil society groups (Schacter 2000: 1). In this sense, horizontal accountability refers to the capacity of state institutions to check abuses by other public agencies and branches of government. Most discussions of horizontal accountability are framed in terms of checks and balances on the powers of the judiciary, executive and legislature. Yet it may also be exercised by anti-corruption bodies, auditors general, electoral and human rights commissions and other ombudsmen (Schacter 2000: 2).

To be effective, horizontal accountability should be buttressed by strong vertical accountability (Schacter 2000: 2), in which citizens, mass media and civil associations are in a position to scrutinise public officials and government practice. This form of accountability describes a relationship between unequals, where power from below attempts to exert control on the powers above. This power can be demanded

and claimed, or conferred from above. In democratic electoral processes, for example, citizens confer judgement on representatives that demonstrate public dissatisfaction or approval of intentions and past performance.

Answerability and the dual pursuit of information and justification help to promote enforcement of government commitments. The capacity to punish improper behaviour through negative sanctions, such as damage to reputation through public exposure, forms an integral part of political accountability. Different forms of accountability rely on different enforcement mechanisms. In politics, for example, removal from office is perceived to be the most severe punishment, while in other arenas different sanctions apply. Yet accountability is only as effective as the mechanisms it employs, and ‘inconsequential accountability is not accountability at all’ (Schedler *et al.* 1999: 17).

3.1.1 Enforcing accountability

To deliver answerability effectively, sanctions are key. Sanctions can be both “soft” and “hard”. Soft sanctions refer to tools aimed at bringing about change without the use of coercion. Moral appeals, expectations, exposure and embarrassment, and appeals to pride, international standing and responsibility are among these tools. NGOs can play a key role here in exposing wrong-doing and non-compliance with commitments that governments or industries have signed up to. Both Amnesty International and Greenpeace, in their respective fields, have earned a reputation for this. What is important about the role of NGOs, in this regard, is that they are able to say and do things which governments and international institutions cannot (Wapner 1995; Princen and Finger 1994). Without the ties to diplomatic routine and without having to face the costs of political fallout that prohibit public institutions from speaking out, NGOs can create and police accountability mechanisms that go far beyond what is conceivable in the realm of formal politics. The exposure which follows causes embarrassment on the part of the alleged violator and direct economic and political costs can follow, such as punitive trade measures, consumer boycotts or loss of credibility and the trust of other actors. As with all aspects of accountability, therefore, protest and exposure are key tools in enforcing compliance.

“Hard” sanctions, on the other hand, can be economic sanctions and, in extreme cases, the use of force. Super-powers have a long history of using force to discipline states considered to be threats to international order, acting in their role as a “global policeman”. The stated aim of military strikes and interventions is often to uphold international law and ensure that governments take seriously their obligations as global citizens. The arbitrary use of force to make states answerable for alleged non-compliance with international law, raises questions, of course about who does the enforcing and on behalf of whom (Chomsky 1988). What is clear, however, is that the ability to sanction behaviour in a variety of ways is considered to be crucial to holding actors accountable for commitments they have agreed to. The absence of such sanctions at the international level is thought to be a key constraint on the effectiveness of international law. This indeed, has been one of the driving forces behind the establishment of an International Criminal Court, described as a ‘missing link in the international legal system’. The Court, when it comes into force, may help to remedy the deficiencies of ad hoc tribunals, take over when national

criminal justice institutions are unwilling or unable to act, and serve as a deterrent to future war criminals, who now face the prospect of being held to account for their actions (ICC 2002).

3.1.2 Rule of law

A great deal of importance is attached to the law as a mechanism for enforcing political accountability. Judicial systems are responsible for guaranteeing these forms of accountability. Legal accountability refers to the observance of legal rules and constitutional accountability assesses whether legal acts are in accordance with constitutional rules (Schedler *et al.* 1999: 22–3). This form of accountability provides answerability to the courts; a legal audit on the way officials carry out their tasks and a legal control on whether or not the actions of government are consistent with their constitutional obligations. More broadly, however, the law should be viewed as a political mechanism for defining rights and allocating responsibilities and thereby helping to construct prevailing notions of citizenship. Where the law governs access to key resources, determines economic entitlements and shapes the rules of participation in public life, applied positively, it can create an enabling environment for engagement in political and economic life.

Yet the law is not a neutral vessel. Legal processes are not insulated from political pressures. Even if law enforcement is less subject to these pressures, law creation is always for someone, for some purpose, responsive to state needs or the concerns of well organised and well resourced political groups. Newell (2001b) shows how attempts to use the law to hold corporations to account for their social and environmental responsibilities have often failed because of state support for the corporations that are the subject of the suit or discrimination against the communities trying to bring the case. As an accountability tool of the poor, the law has limitations and opportunities depending on the system in question. Countries such as India have a strong tradition of public interest litigation for example. It should be noted, however, that basic resource constraints, lack of legal literacy and distrust of legal processes often conspire to dissuade poorer groups from using the legal system to seek redress (Crook 2001).

3.2 Managerial accountability

Managerial accountability generally refers to the answerability of those with delegated authority for carrying out tasks according to agreed performance criteria. Unlike political accountability, managerial forms can be carried out by allegedly neutral, impartial experts given the nature of the monitoring and enforcement mechanisms. This, less explicitly political, form of accountability is concerned with inputs, outputs and outcomes; making sure that money is spent as agreed and according to the rules, making sure the processes and courses of action are carried out efficiently and making sure that the programme has achieved intended results (Day and Klein 1987: 27).

Fiscal accountability is an important element of managerial responsibility, expressed as the verification of income and outgoing funds. In its origins, financial accountability can be distinguished from political accountability by virtue of its proclaimed status as a neutral, technical exercise, essentially concerned with keeping accurate accounts. While fiscal accountability is linked to the idea of the

government as the overseer of the estate, it is not linked to ideas about political accountability and answerability to the public, even though it is based on the notion of formal financial accounting for the use of public resources (Day and Klein 1987: 8).

Current notions of financial accountability have expanded beyond the balancing of the public books to the management of resources, shifting from economy to efficiency. As the tax collection state has moved towards a service delivery state, new accountability issues have emerged (Day and Klein 1987: 15). Fiscal accountability mechanisms and auditing practices are continuing to evolve and expand, moving away from being strictly accounts-based to incorporating new indicators of financial integrity and performance. The recent emergence of social and environmental auditing practices, discussed below, represents this shift. Managerial accountability has also expanded to include notions of administrative accountability to review bureaucratic activities and professional accountability to monitor the ethical standards of professional fields such as medicine, academia and the judiciary. In this sense, administrative accountability is more loosely institutionalised than other forms of accountability, expressing both professional codes of impartiality found in the civil service, for example, and more formal reporting relationships between ministers and the legislature, or internal reporting relationships between different levels and functional arenas of the bureaucracy (Goetz and Jenkins 2001).

It is in the corporate sector that we perhaps see the clearest evidence of an audit culture taking root (Zadek *et al.* 1997). The range of indicators of corporate performance have been broadened in some cases to include social and environmental factors. This move coincides with the growth of demands on corporations to respond to a 'triple-bottom line' of providing returns to shareholders, minimising the impact of business activities on the environment and ensuring a net welfare gain for society (Elkington 1998). Addressing the latter two criteria, in particular, where clear performance indicators are difficult to quantify, may stretch conventional auditing techniques, but it does indicate how auditing processes have to be responsive to evolving demands for the accountability of actors. The heightened public interest in questions of corporate accountability and responsibility has forced (some) companies to go beyond declarations of good intent and the self-enforcement of codes of conduct and to involve third party consultants and accreditation agencies in the verification of their commitments (Simms 2002).

The involvement of private auditors in verifying compliance raises the question of who audits the auditors. There is often a lack of transparency about how the assessments are made and how effective they are at identifying possible violations. Questions have been asked about the independence and commitment of consultancy firms, such as KPMG, performing these roles for profit, paid for by the companies whose activities they are meant to be monitoring (Simms 2002). The recent corporate governance scandals in the US involving corporations such as Enron and WorldCom have served to focus attention on the unhealthy degree of collusion between companies and those they employ to oversee their accounts. In this context, second-order accountability is an important issue; 'how can we hold institutions of accountability accountable themselves?' (Schedler *et al.* 1999: 25).

3.3 Processes of accountability

An interesting and integral feature of accountability in practice is the co-existence of competing notions of accountability. What is important is what happens when those demands for accountability pull in different directions; the process by which such demands are reconciled and managed. Once again the exercise of power is key; power in terms of how accountabilities are prioritised, and how obligations to be accountable are shared between different actors. For example, it is often alleged in development projects that the implementing agency is held to the accountability requirements of the donor, and adhering to these requirements often takes precedence over concern with local impacts. This can result in a preoccupation with the demands and requirements of the donor at the expense of local stakeholders. Though each actor may desire effective performance, their needs, criteria and access to information will differ. While donors want to ensure appropriate performance, for example, recipients may aim to maximise autonomy and resources. Without a shared consensus about the goals and means of assessment, achieving effective accountability is difficult (Kardam 1997).

This brings us back to the purposes and political functions of accountability and the motivations behind its application in development, issues that were raised in the first section on narratives and discourses. In many contexts, the language of accountability is used as a tool to legitimise the policies and actions of governments and other institutions. In the absence of universal standards or widely agreed upon measures, accountability can be exercised in a discretionary and discriminatory way, where different standards are set for different actors, depending on the political goal being pursued. Thus it is necessary to critically examine the different ways in which accountability is applied to key development actors including governments, international institutions, NGOs and corporations, where the diverse mandates and ways of operating of these institutions present unique challenges for promoting and enforcing accountability.

4 Actors, arenas and accountability

4.1 Public accountability

As the traditional subjects for the application of political and fiscal accountability measures, states have long been seen as the principal targets for improving the responsiveness of services to the poor. Since initial conceptualisations of accountability have been derived from ways to improve state mechanisms, policies and processes, the focus of current debates is still very much linked to state-based notions of accountability.

It was noted above that accountability in development has been strongly linked to the promotion of good governance and democracy. According to UNDP's assessment, the concepts of responsiveness, accountability and transparency are among the core characteristics of good governance (UNDP 1997: 4). As evidenced by the 1997 World Development Report, the World Bank and other international institutions have recently been promoting accountability through an emphasis on the need for increased state responsiveness. By promoting free and fair elections and mechanisms to hold governments

accountable to their publics, international donors have sought to strengthen democratic governance. And while the focus has been on traditional state mechanisms, governance is perceived to transcend the state to include the private sector and civil society (UNDP 1997: 3). This is a notable shift, demonstrating the ways traditional definitions are being expanded to adjust to new realities.

Contemporary discourses of democracy have also highlighted the mechanisms of state accountability and the need for effective processes. While concepts of public accountability have long been associated with democratic theory and practice, the contemporary wave of transitions from authoritarian rule to democratic governance has highlighted the importance of answerability and enforcement mechanisms in new democracies. These trends have shown that without systems providing “credible restraints” on power, many democratic regimes remain “low quality”. Deficiencies in accountability structures are often more visible in new democracies, yet whether new or old, demands for public accountability share the core assumption that elections are by themselves no guarantee of good governance. The experience of many new democracies provides evidence of this, as many continue to be haunted by human rights violations, corruption, clientelism and abuses of power, despite universal suffrage and multiparty elections (Schedler *et al.* 1999: 2). It is clear then that public accountability requires more than elections. It requires openness and quality of disclosure to determine whether politicians have acted ‘honestly, ethically and wisely’ (Quirk 1997: 581). Beyond that, it requires a change in political culture in which people feel they are entitled to engage actively in political life without recriminations. Within this conceptualisation is a growing awareness that liberal democracy requires governments that are not only accountable to their citizens, but are also subject to restraint and oversight by other public agencies. While they are restrained from below, they must also exert forms of self-restraint or establish “self-binding” mechanisms (Schedler *et al.* 1999: 1). Thus horizontal and vertical accountability mechanisms continue to have resonance, for states as well as other actors and institutions.

Yet while states are expected to self-regulate in the horizontal sense described above, they are also responsible for the regulation of a variety of activities in the public sphere. The modern welfare state is a service delivery state where those who deliver services are answerable to those who finance them, as well as those who use them. As state service delivery systems have become more complex and as providers’ roles have changed, it has become more difficult to assign responsibility (Day and Klein 1987). States have found themselves increasingly unwilling or unable to regulate the activities of other actors, and with the service provision element of states being increasingly shared with other actors, the boundaries of state responsibility and accountability are becoming progressively blurred. Many current concerns with state accountability, for example, have stemmed from the fear of the involvement of private actors in public decision making processes, without being subject to the same degree of scrutiny (Day and Klein 1987: 22; Quirk 1997: 581).

Alongside the relinquishing of authority by governments to market actors, as well as upwards to the international institutions described in the next section, there have also been moves, encouraged by donors, towards democratic local governance (Blair 2000). As Blair notes, ‘The major promise of democratic decentralisation or democratic local governance . . . is that by building popular participation and

accountability into local governance, government at the local level will become more responsive to citizen desires and more effective in service delivery' (Blair 2000: 21). Based on findings from six countries, Blair describes a range of accountability mechanisms that have evolved to promote the answerability of governmental officials and the enforceability of actions against them. These include the use of civil society, political parties, the media, public opinion surveys and public meetings. In many cases, however, transfers of authority downwards are incomplete because field officers maintain links with their original line ministry and thereby 'enjoy some insulation against local control' (Blair 2000: 27). There is also an unwillingness among government employees to move away from capital cities because they want to maintain access to urban amenities and national career opportunities.

Manor reports that, despite the assumption that decentralising decision-making serves to enhance state responsiveness to the needs of the poor and popular control over decision-making, he has 'yet to discover evidence of any case where local élites were more benevolent than those at higher levels' (Manor 1999: 91). Accountability mechanisms that allow for a degree of popular control on a national basis, such as elections, are often subject to intimidation and vote-buying at the local level. Similarly, strong party systems that would allow opposition parties to 'uncover wrong-doing at city hall and publicly hound incumbents for their misdeeds' (Blair 2000: 28), do not often exist at the local level. Among the six countries Blair studied,² he also found little evidence of civil society playing a large role at the local level as a watchdog over the state. Traditional media roles, as a potential vehicle for uncovering government misdeeds and communicating news about actions and inactions, are also harder to perform in local settings where resource constraints deter investigative journalism and ties to local elites may make exposure of wrong-doing costly. Where rural radio does thrive, low distribution of radio receivers presents a barrier to access (such as in Mali), while in India, as with other former British colonies, the government maintains a monopoly over radio (Blair 2000: 30).

Local meetings can help to engage people as stakeholders in decision-making, but there is a danger, as with the *gram sabhas* in Karnataka India, that elected officials, overwhelmed by the volume of awkward questions about their conduct, abandon meetings or hold them at odd times and in obscure locations (*ibid.*). Where enforcement mechanisms complement processes for creating answerability, the situation may be different. In Bolivia, for example, vigilance committees are entitled to monitor local budgets and can wield a legal instrument called a *denuncia* against local councils. This means that there is a process by which central funds can be suspended to the local council that has been denounced. Moves towards local level participatory budgeting, described in the work of Goetz and Jenkins (2001), also suggest that in certain circumstances, accountability mechanisms designed for state level processes can operate effectively at the local level.

Clearly then, as with the effectiveness of other strategies aimed at enhancing the accountability of public and private actors, the combinations of tactics that will make an impact depend on, amongst other things, the responsiveness of the state, the sensitivity of the issue in question and the prevailing political

² Bolivia, Honduras, India, Mali, Philippines and the Ukraine.

culture. Yet overall, it seems that many of the horizontal, vertical and hybrid relations of accountability that can be exercised with national government, are often more difficult to enforce at the local level.

4.2 Accountability of international institutions

International institutions wield a great deal of influence, both impacting upon the activities of governments as well as increasingly the daily lives of people across the world. The scope of issues addressed by multilateral agencies has increased significantly over the last twenty years. Organisations such as the WTO are increasingly in a position to set policies that directly affect the lives of the poor. Issues such as access to life-saving drugs, raised in the recent case brought by pharmaceutical companies against the South African government, are increasingly subject to rules generated by international bodies such as the WTO. Accords such as the agreement on Agriculture that control the use of subsidies and price controls, the General Agreement on Trade in Services that affects access to public services such as health, education or water, or the Biosafety Protocol, which handles the trade in GMOs, all have pressing implications for the livelihoods of the poor. Yet to whom are the agencies that oversee these agreements accountable?

Formally, most international institutions are directly accountable to the governments that fund them and participate in their decision-making. In the case of organisations like the World Bank and the International Monetary Fund, however, the circle of accountability is wider, as they are also answerable to the financial community that provides them with the capital for their loans. Problematically in this latter case, therefore, the strings of accountability may pull in different directions; towards investors seeking financial prudence on the one hand, and towards client states on the other, who require large amounts of resources to meet development needs. In the case of Structural Adjustment Programmes, the ties to investors result in conditionalities attached to the lending of money which require political and economic reforms beneficial to those investors. Development institutions therefore have to negotiate trade-offs between their degree of independence, the need to be effective (and be seen to be effective) and being accountable to sponsors and “clients”. How these pressures are mediated depends of course on the institution in question. The World Bank, for example, is predominantly accountable to the member states which provide the highest capital, a fact which potentially gives it a greater degree of discretion in its activities than many UN agencies, who, in theory at least, are accountable to all member countries (Fox and Brown 1998). In the last decade, however, more informal obligations to a broad range of international stakeholders have emerged within many such institutions. These have taken the form of increased collaboration with civil society actors and greater transparency and consultation in program design (O’Brien *et al.* 2000).

The extent to which groups have been able to get access to decision-making within international institutions in order to subject the activities of institutions to greater scrutiny and transparency is a function of both the movement and institution in question. While the World Bank has had a great deal of experience with external actors, the IMF has traditionally been more insulated, and the WTO is just starting to define its relationship with non-state actors (*ibid.*). The nature of these relationships has

influenced the extent to which, and the way in which, issues of transparency and accountability have been addressed. For example, while the environmental movement has been able to successfully influence the lending practices of the World Bank, the women's movement has been far less successful. The environmental movement in the US was able to get Congress to threaten continued funding for the World Bank until it addressed the environmental impacts of the projects it funds (Fox and Brown 1998; O'Brien *et al.* 2000). The fact that the US contributes such a large amount to the coffers of the Bank meant that groups able to influence the US government were able to hold a global institution to account.

This campaign also paralleled a broader international struggle for accountability involving the World Bank, donor and borrowing governments, NGOs, public interest groups and grassroots activists. These external pressures on the World Bank were compounded by highly publicised "disaster" projects, which further emphasised the need for increased accountability. In the late 1990s, the Bank undertook a wave of reforms, which included more funding for poverty-focussed and "green" projects, more public access to project information, the creation of an appeals mechanism for people affected by projects and more accountability for the implementation of resettlement policies (Fox and Brown 1998). For pressure groups, these reforms were an important way to create benchmark standards that other public interest groups could use to hold the institution accountable for its commitments. Labour, environmental and women's movements have found it difficult, however, to create new mechanisms of accountability through participation and transparency of process with either the IMF or the WTO (O'Brien *et al.* 2000).

4.3 NGO accountability

The last two decades have seen an explosion in the number of development NGOs pursuing a wide spectrum of programmes and objectives with varying scales of funding and levels of operation. The magnitude of NGO mobilisation has gained force in recent years. A 1995 UN report on global governance estimated that there are 29,000 international NGOs (cited in Hudock 2000: 15) and a 1999 Economist article claimed that NGOs now deliver more aid than the whole UN system (11 December 1999). Popular with governments and official aid agencies, NGOs have been seen as vehicles for democratisation and a "magic bullet" for delivering development. They are increasingly used as development agencies by policy makers because they are thought to provide more 'accountable, effective and equitable services in many areas than public or private agencies' (Brett 1993: 269). As a result, large amounts of aid are channelled through NGOs, primarily to finance welfare services. In recent years, the advocacy role of NGOs has also grown, access to decision-makers in both the North and South has increased and NGOs have been frequently courted in debates over policy and practice (Edwards and Hulme 1995: 4).

Many NGOs are seen to act as a counterweight to state power in the protection of human rights and civil liberties, by creating spaces for civil society participation and by enriching pluralist forms of politics. Many are increasingly also looking to NGOs to counter the influence of corporate power, which has resulted from the shift of power from states to markets (Newell 2000). Nevertheless, the very popularity of NGOs among donors and publics, which helps to explain their exponential rise, creates its own

“accountability gaps”. Where NGOs have formed global alliances in order to enhance their effectiveness, questions arise about which constituency they are answerable to. This has made it easier for some governments to claim that NGOs are nothing more than agents for foreign interests because they are part of global networks and, in many cases, receive foreign funding. There are concerns too over the potential of NGO activity to become dis-embedded once groups become less dependent on their traditional support base and work instead to global campaign agendas, set and negotiated with other partners that may not share the same priorities. Thus, NGO accountability will be influenced by the degree to which they attempt to represent and bridge the diverse interests of their coalition partners and their local and global constituencies.

Partly deriving from these concerns with the accountability and representativeness of NGOs, from being the darlings of the development world, there has been a re-appraisal of the role of NGOs as service-delivers and as agents of democratisation which, in turn, has brought about a greater degree of critical self-analysis on the part of some NGOs (Najam 1996; Edwards and Hulme 1995). While NGOs do not necessarily perform less effectively than other public or private organisations, they often perform less well than the popular image suggests (Edwards and Hulme 1995: 6). NGOs can be as susceptible as other institutions to the problems of corruption, co-optation, opportunism, coercion and political manoeuvring. Their circle of accountability is also not clearly bounded. Are they accountable to their board of trustees, to their governments, to donors, to their staff, to their project partners, to their beneficiaries and supporters? Once again, accountabilities to these different constituencies may run in competing directions. Though most NGOs aspire to be accountable to all of these constituencies, many are non-member organisations and are only legally accountable to their board. In addition to their obligation to their board, NGOs are also required to be accountable to their “home” government for the funds they receive as well legally in terms of compliance with accountancy law, charity law, and other regulations governing the not-for-profit sector (Clark 1995: 73). They are also notionally accountable to the “host” governments of the countries in which they operate. Yet internally, it is generally staff, rather than governing bodies, which tend to exert the most influence on NGO accountability, while externally, donors usually play the strongest role in holding NGOs to account (Fowler 1997: 181).

Thus, NGOs have multiple accountabilities; downward to partners, beneficiaries, staff, supporters and upward to trustees, donors and host governments (Edwards and Hulme 1995: 9). Concerns about the weak accountability of NGOs relate to the difficulties faced in prioritising and reconciling their multiple accountabilities (Edwards and Hulme 1995: 10). Beyond their obligation to direct stakeholders, accountability to the general public is rarely demanded, despite the supposition, often explicitly invoked by NGOs themselves, that they represent a notion of the public interest. Because they are not-for-profit, they can claim to take a longer-term view and a less self-interested view than either governments or the private sector. This is the basis of their implicit claim to be able to speak for the poor, for the environment and for future generations, constituencies without a voice in decision-making.

4.3.1 Categories of NGO accountability

Scholars often make the distinction between functional and strategic accountability in relation to NGO activity (Edwards and Hulme 1995: 9). Functional accountability refers to accountability for the use of resources and their immediate or more short-term impact, while strategic accountability refers to accountability for how the NGO influences other organisations in view of its medium to long term goals. For Edwards and Hulme, the primary issue of concern is the ability of different stakeholders to exert accountability in terms of information, reporting, appraisal and sanctions. Najam (1996) identifies three distinct categories of NGO accountability; accountability to patrons, to clients and to themselves. NGO accountability has traditionally been donor-driven and while the other two categories are important, this focus remains evident in most assessments. When discussing NGOs, accountability is often confused with the narrower concepts of project evaluation and monitoring, and many argue that formal discussions of NGO accountability focus predominantly on these forms of donor-driven requirements (Najam 1996).

With regard to development projects, often the simplest mechanism by which an NGO can be held to account is accounting for expenditure. The NGO is responsible for determining that the designated money has been spent for the intended purpose. In addition to asserting “financial” control for the money invested, the donor also claims “policy” control by seeking accountability for the activities undertaken. It is alleged that many NGOs are influenced by this form of control and are often willing to change their own goals in order to meet the product demands of the donors (Najam 1996: 348). In terms of enforcement, the relationship between donors and NGOs can be one of patronage, where a failure to meet requirements can lead to the withdrawal of support to the NGO. Thus, NGO-donor relationships have clear, though often unwritten, lines of responsibility and the enforcement mechanisms which reflect this relationship tend to be firm. Grants may be cancelled, membership dues may dwindle, accreditation may be revoked and collaboration reconsidered (Najam 1996: 344). Yet despite the mechanisms for disclosure and punishment, donors often have little control over information about what NGOs are actually doing (*ibid.*).

For many NGOs, an obvious line of responsibility is for the organisation to be accountable to the needs of the community it is working with (as expressed by most mission statements). These needs can refer to individuals or groups to whom NGOs provide goods or services, or, it can refer to a broader definition, which includes stakeholders beyond the community directly involved. While a great deal of NGO rhetoric speaks of local participation as a way for NGOs to be accountable to clients, most poor communities are without the means to hold NGOs accountable and most NGOs do not have many mechanisms by which to increase their accountability to communities.³ Communities generally have few options to exercise rights of accountability in relation to NGOs. Unlike donors, they cannot withdraw funding and unlike governments and they cannot impose conditionalities on NGO activities. In order for NGOs to fulfil the accountability obligation to the community, a new paradigm of relationships may need

³ Some organisations are making efforts in this regard, to get target audiences for their work involved in audits of the effectiveness of their campaigns and project work. ActionAid would be an example of an NGO that has undertaken this sort of exercise.

to be put into place which reverses the patron-client relationship (Najam 1996). Once again, the importance of material relations to understanding who has the right to hold to account is key.

In most literature, the question of NGOs' accountability to themselves is often neglected. NGO internal accountability can be seen at different levels; through the obligation in their stated mission, to staff, supporters and members, coalition partners, and to the wider NGO community. But these accountabilities are shaped by a variety of internal and external factors. In terms of internal accountability, the fluidity of organisational goals, increased turnover and rapid growth has further revealed the weakness of internal mechanisms for accountability. Yet these changes may affect performance; 'As NGOs become more involved in large-scale service delivery (or grow for other reasons) and become more reliant on official funding, one might expect some fall-off in their flexibility, speed of response, and ability to innovate' (Edwards and Hulme 1995: 8).

Edwards and Hulme suggest that effective NGO accountability requires: a statement of goals, transparency of decision-making, honest reporting of resource use and achievements, an appraisal process for overseeing authorities to judge results and concrete mechanisms for holding to account (rewards and penalties) (Edwards and Hulme 1995: 9). To demonstrate achievement, measures and indicators are needed to tie accountability to NGO norms and standards (Fowler 1997: 183), yet few agreed upon performance standards are available. Indicators of quality of organisational performance are rare, with most assessments favouring short-term visible results and evaluations which emphasise control and fiscal responsibility. The types of appraisal procedures insisted on by donors favour 'accountancy rather than accountability', audit rather than learning (Edwards and Hulme 1995: 13).

In a context of globalisation, the boundaries of the roles NGOs perform are shifting, with important implications for accountability. We have already mentioned the growth of NGOs as service providers. Through the downsizing of governments, NGOs are taking on many state-like functions and responsibilities in the area of social welfare provision. While NGOs have always provided services to poor in countries where governments lacked resources, the difference is that they are now often the preferred channel for service provision, deliberately substituting the state (Edwards and Hulme 1995: 4). As with the corporate sector, the increased use of NGOs as service providers and subcontractors has confused lines of accountability, making it more difficult to trace responsibility and potentially harder to ensure answerability. NGOs in this role may face a problem of diminishing local legitimacy. Though they are taking on government-like functions, they are often answerable to foreign agencies and not national officials. This is seen by many in the host country as a threat to national sovereignty and local values in the host country. Similarly, where NGOs rely on states or businesses for funding, this may challenge their ability to hold other institutions accountable and their ability to preserve organisational values and freedoms. Allowing themselves to be 'the observer observed' (Schedler *et al.* 1999: 21) may permit greater transparency in their relationship with Southern partners.

4.4 Corporate accountability

In the wake of globalisation and associated patterns of deregulation and liberalisation, global corporate power has gained increasing weight in the international arena. These trends have brought about an authority shift from national governments to transnational corporations (TNCs), leading to greater corporate influence over activities that have traditionally been the prerogative of states (Newell 2000a: 35). With revenues that often dwarf the GDPs of many developing countries, TNCs are often more powerful than governments and the mobility that allows them to locate their business in the most favourable regulatory environment gives them a degree of leverage over governments that can be played off against one another. As a result, it often seems that TNCs wield power without responsibility, that they are as powerful as states, yet less accountable. As Vidal notes, ‘Corporations have never been more powerful, yet less regulated; never more pampered by government, yet never less questioned; never more needed to take social responsibility yet never more secretive . . . To whom will these fabulously self-motivated, self-interested supranational bodies be accountable?’ (Vidal cited in Newell 2000b: 121).

The challenge of creating new mechanisms of accountability; to ground the ethical responsibilities of companies in frameworks of expectations and obligations regarding their conduct, has been accepted by a growing number of social activists, consumer interest groups and other stakeholders. While traditional corporate accountability has focused on shareholders, employees, trustees and consumers, the new discourse of corporate responsibility has broadened this constituency to include supply chain partners, local communities, citizen groups and NGOs. Communication technologies and global NGO coalition-building have increased the visibility of corporate activities to these stakeholders. This provides an important accountability check on the ability of corporations to keep from public attention their activities overseas.

Within the discourse of corporate responsibility, various concepts are used to express the rights and obligations that corporations have, to those they work with and work for. Corporate governance is a frequently used term which refers to the policies and practices used to regulate internal relationships and fulfil responsibilities to investors and other stakeholders. Corporate accountability is generally more related to disclosure, auditing and the monitoring of business practices, while corporate social responsibility implies a more discretionary act on the part of companies as they consider their role and impact across a wide range of corporate activities. In the corporate sector, accountability is often tied in with sustainability and efficiency goals. In this view, many corporations have taken on the “Triple Bottom Line” approach in their company philosophy, promoting the idea that corporations need to also consider environmental and social goals in tandem with profit targets (Elkington 1998).

The notion of corporate citizenship is another frequently invoked concept, positioning the corporation as a good citizen in order to project public purpose and claim both the entitlements and responsibilities of citizenship. The citizenship that many firms are claiming and practising is a partial one. There is often a deliberate, but dangerous, slide in this discourse between corporate responsibility and corporate citizenship, where in the latter case the answerability dimension is highly underdeveloped. It seems many corporations are attracted to the idea of citizenship because it provides a surrogate for

acquiring rights without acquiring new responsibilities. Many of the traditional notions underpinning the social contract between firms and governments that are implied by the notion of citizenship, in terms of obligation to a particular community for example, are subverted by the new leverage which firms have acquired as a result of capital mobility and the threat of relocation. In this sense, not only is citizenship selective, but it amounts to non-citizenship because many corporations are enjoying the benefits associated with being part of a community without bearing the burden of responsibility (Newell 2002b).

This asymmetry between rights and responsibilities is also increasingly manifested at the global level where there is an imbalance between *regulation for* business rather than *regulation of* business (Newell 2001a). The entitlements and rights of corporations are enshrined in international agreements aimed at freeing up restrictions on investment. The attempt to negotiate a Multilateral Agreement on Investment, the conclusion of the TRIPs accord and the GATs (General Agreement on Trade in Services) provide evidence of this. Gill (1995) refers to this as the 'new constitutionalism' in which the rights of capital are affirmed and upheld above those of states. Each of these agreements affords new rights to companies and circumscribes the powers of national and local authority over investors. For example, the NAFTA agreement allows companies to sue local authorities setting environmental standards which they claim add to the burden of foreign over national companies and are, therefore, discriminatory. This highlights, once again, the importance of broader changes in the global political economy for understanding the construction of rights, entitlements and citizenships.

Although these legal instruments enshrine particular rights, the boundaries of corporate social and environmental responsibility are, however, in a constant process of redefinition. The expectations made of companies are ever increasing so that it is not enough for companies to claim, as they once could, that the business of business is business. The experience of Shell oil company in Nigeria testifies to this. The company received a lot of criticism for refusing to intervene to persuade the Nigerian government not to execute members of the Ogoni movement that were protesting against the activities of Shell in the Niger Delta. Companies claim they are not political actors and should not, therefore, intervene in such matters (Mitchell 1998). The claim rings slightly hollow, however, when we recall the readiness of companies to be political actors when it suits them, for example lobbying against regulations, pressuring governments for licences and funding political parties. Increasingly, therefore, the responsibilities of companies are being stressed following continual assertions, by the companies themselves, of their rights, as enshrined in many trade and investment accords at the national and international level. This surely is part of the social contract if the term corporate citizenship is to mean anything at all.

Renewed emphasis on corporate citizenship has led to demands for systems of auditing and monitoring to oversee the implementation of public promises by companies (Richter 2001). It is often difficult to assess the extent to which TNCs have actually incorporated social and environmental concerns into their core practices despite elaborate reporting exercises (Beloe 1999). We mentioned above the role of consultancy firms such as Ernst and Young and KMPG verifying company claims once site inspections and interviews with employees have taken place. But cross-checking of these assessments rarely takes place and questions have been asked about their thoroughness and effectiveness when there is pressure

for a speedy audit, companies are given notice of inspections and interviews with workers take place in the work environment, where they may be less free to speak out. Bodies such as AccountAbility and SustainAbility have established themselves as advisers on best practice in this regard. Other groups have adopted “naming and shaming” strategies, ranking companies according to their commitments to social welfare and environmental protection and exposing the worst violators and polluters. In India, for example, the NGO CSE (Centre for Science and Environment) has set up a Green Reporting Index. This is designed to encourage companies to make available information about the impact of their activities on the environment, aimed at rewarding companies that are making progress, and providing an incentive for those that are not to make improvements, under the watchful eye of public scrutiny. Such exposure plays on the fact that public approval, expressed through purchasing power or disapproval expressed through boycotts, impacts on the market credibility that is essential to most companies.

Shareholders and institutional investors are also increasingly demanding not only a high return on their investments, but guarantees that their funds are not being invested in ethically contentious activities. Using the access to company meetings and the power to hold to account that shareholders have, activists have also bought shares in companies in order to advocate for change from within. This form of engagement can involve more informal forms of action, such as lobbying shareholders, or it can include sponsoring formal shareholder resolutions recommending a particular policy change (Marinetto 1998). Shareholder resolutions can cover a wide range of subjects from corporate philanthropy to energy conservation, labour policies, executive compensation, employee equality and indigenous rights (UNRISD 1994), reflecting the broad interests of corporate stakeholders. As with competing donor demands mentioned above, the strings of accountability pull in opposite directions, where there are trade-offs, for example, between raising environmental standards or improving worker welfare and increasing returns to shareholders.

4.4.1 External pressure for corporate responsibility

Corporate social responsibility and corporate accountability initiatives have brought corporations into increasing contact with non-corporate actors. A wide range of social, development and environmental organisations are becoming more vocal in pressing for increased accountability, often forcing companies to re-examine and revise policies. As companies extend their reach and power, the definition of stakeholder has become broader and more inclusive and many corporations are being increasingly faced with multiple co-ordinated actions aimed at exposing misconduct. Government regulators, financial analysts, employees, non-profit advocacy organisations, labour unions, community organisations, shareholders and the media are among the groups pressing companies to not only be fiscally transparent, but to disclose greater amounts of information on decision-making and performance in a broad range of areas. These groups often seek verifiable data from companies and many customers are factoring social and environmental performance into purchase and investment decisions. Increasing numbers of social and environmental reports and externally verified statements are evidence of the attempt by corporate management to demonstrate their commitments to the public at large (Beloe 1999). Such strategies of

“reputation management” are particularly important for companies wishing to avoid negative publicity at all costs, especially considering the recent experiences of such leading companies as Shell, Texaco, Nike and others (Klein 1999).

Public reporting of a corporation’s social, environmental and ethical performance serves as both as a communication tool to stakeholders and as a management tool. While social reporting is relatively new, reporting on environmental performance has been developing since the 1970s, noticeably increasing with the rise in environmental legislation. Though the indicators of social and environmental reporting are becoming more numerous and sophisticated, there are as yet few standard formats on the type of information companies choose to report, or how that information is collected, analysed and presented. This presents problems when it comes to comparing and verifying performance. Because of this, a variety of organisations and initiatives are attempting to standardise social and environmental reporting procedures to enable stakeholders to compare more easily companies’ performance across sectors and regions. Sector and region-wide initiatives, aimed at reducing transaction costs for the companies as well as improving credibility with the public, have been developed. Companies have developed a wide range of strategies for auditing, from self-reporting on specific initiatives to conducting comprehensive audits that measure the full range of social and environmental impacts verified by a third party.

Though international institutions such as the ILO and OECD are also playing an important role in establishing guidelines for corporate conduct, there has been a marked increase in voluntary agreements and self-monitoring accountability mechanisms. Many corporations prefer to establish their own codes of conduct and other methods of self-regulation over legally binding commitments at the national and international level, even if these often take ILO conventions as benchmarks, for example (Newell 2001a). In the broadest definition of the term, codes of conduct are statements of the values which a company claims to recognise (Ferguson 1998: 1). They are prolific in number and can be implemented at a national level, at the level of a specific company or sector-wide. Types of codes include supplier codes and statements of business principles, for example reflecting a range of issues, monitoring mechanisms and minimum standards.

For TNCs, codes of conduct are a self-imposed way of countering public concerns about employment practices and conditions. Yet, the correlation between company codes of ethics and ethical practices is not proven. For many companies, the primary incentive to adopt and put codes into practice has been the risk of negative publicity. An added incentive is that voluntary standards such as those set by the ISO (International Organisation for Standardisation) are progressively becoming requirements for entry into key international markets (Finger and Tamiotti 1999: 11). Standards such as SA8000 (established in 1997 by Social Accountability International), and AA1000 (developed by Institute of Social and Ethical Accountability in 1999) incorporate frameworks to improve performance and the quality of assessments. Because they are voluntary, codes of conduct can be as detailed or as vague as the corporation desires and are not legally enforceable (UNIFEM 2000: 123) with compliance being driven primarily by investors and stakeholders. Advocates of codes believe that they send a message from management to employees, facilitating their efforts to engage in socially responsible activities. Drawing on

evidence that many companies are unwilling or unable to enforce their codes, many sceptics believe they are used instead for marketing purposes and to shield themselves from litigation (UNRISD 1994).

There is a further important accountability dimension here. The work of Barrientos, McClenaghan and Orton (1999) raises important questions about whose interests are served by codes of conduct. Where they address workplace conditions, the assumption is that they help to improve the welfare of the poorest, but this work shows that the lack of involvement of marginalised workers (such as temporary, seasonal and often women workers) in the design of a code often means that the codes fail to tackle the issues faced by the poorest sections of the workforce. Issues of representation and who gets to speak on behalf of particular groups of worker are key, as there is evidence of active processes of screening along gender, ethnic and racial lines. There are currently few mechanisms of accountability between those designing the codes and those for whom they are designed, despite increasing interest in more inclusive approaches to code design and implementation such as Participatory Worker Appraisals (Bendell 2001).

5 Conclusion

This paper shows that while the concept of accountability is an increasingly crucial reference point in development debates, its use in diverse development discourses remains loose and under-specific as a result of the essentially contested nature of the term and the political agendas that it is used to advance. This, indeed, is what makes it important and interesting for our enquiry into the relationships between citizenship, participation and accountability. Citizenship is in many ways the concept that brings accountability and participation together. Who has the right to hold to account, and who should be held to account? Who is entitled to participate in public (and private) decision-making and who is not? The answers to these questions will tell us something about the different uses of the term citizenship. It has been understood here as a social contract, often not articulated in formal or legal processes, but a set of mutually understood, but constantly contested, assumptions and expectations about duties and obligations to other actors within a community. The boundaries of that community and the social obligations that flow from being a citizen of a community, of a country, of the world, differ across public and private spheres and depend on the issue in question. They are also continually negotiated and re-evaluated, as we saw when looking at the shifting understandings of how NGOs and corporations should make themselves more accountable and to whom.

In understanding these processes, we have placed power centrally. Power to define accountability, and power to create and enforce the mechanisms of accountability. It is this power that constructs citizenship and the web of obligations and duties that flow between citizens. Ensuring that that power is exercised in the interests of all, and in the interests of the poor particularly, is where participation comes in. Creating spaces where the rights and obligations of governments and corporations can be contested, negotiated and continually evaluated is crucial. This is important for responsive governance and it is key for the maintenance of checks and balances on those who exercise power. We have seen throughout the discussion how that power operates at different levels, reinforcing itself through discourse, process and

the actions of actors. We noted a complex interplay between the way narratives of accountability construct citizenships by creating new forms of rights and obligations and the way strategies of accountability generate new expectations about the appropriate conduct of others, contesting or reinforcing prevailing notions of accountability and its relationship to citizenship. In understanding predominant applications of accountability, we emphasised the importance of historical and material circumstances to the construction of rights and entitlements to accountability. It is to be expected, therefore, that future struggles for accountability will both reflect and help to re-define prevailing historical processes and material changes.

Bibliography

- Adams, R., Carruthers, J. and Hamil, S., 1991, *Changing Corporate Values: a guide to social and environmental policy and practice in Britain's top companies*, London: Kogan Page Ltd
- Bailey, D., Harte, G. and Sugden, R. (eds.) 1994, *Making Transnationals Accountable: a significant step for Britain*, London: Routledge
- Barrientos, S., McClenaghan, S. and Orton, L., 1999, *Gender and Codes of Conduct: a case study from horticulture in South Africa*, London: Christian Aid
- Beloe, S., 1999, 'The greening of business?', *IDS Bulletin*, Vol 3 No.3, Brighton: Institute of Development Studies
- Bendell, J., 2001, 'Towards participatory workplace appraisal: report from a focus group of women banana workers', New Academy of Business, *Occasional Paper*, September
- (ed.), 2000, *Terms for Endearment: business, NGOs and sustainable development*, Sheffield: Greenleaf Press
- Blair, H., 2000, 'Participation and accountability at the periphery: democratic local governance in six countries', *World Development*, Vol 28 No 1, January
- The Body Shop, 1998, *The Body Shop Approach to Ethical Auditing*, www.the-body-shop.co.uk
- Brett, E.A., 1993, 'Voluntary agencies as development organizations: theorizing the problem of efficiency and accountability', *Development and Change*, Vol 24
- Chomsky, N., 1988, *Deterring Democracy*, Noonday Press
- Clark, J., 1995, *Democratizing Development: the role of voluntary organizations*, London: Earthscan Publications Ltd
- Considine, M., 2002, 'The end of the line? Accountable governance in the age of networks, partnerships and joined-up services', *Governance*, Vol15 No1, January
- Cornwall, A., Lucas, H. and Pasteur, K., 2000, 'Introduction: accountability through participation: developing workable partnership models in the health sector', *IDS Bulletin*, Vol 31 No 1, Brighton: Institute of Development Studies
- Crook, R., 2001, 'Editorial introduction', *IDS Bulletin*, Vol 32 No 1, January, Brighton: Institute of Development Studies
- Crook, R. and Manor, J., 1998, *Democracy and Decentralisation in South Asia and West Africa: participation, accountability and performance*, Cambridge: Cambridge University Press
- Day, P. and Klein, R., 1987, *Accountabilities: five public services*, London and New York: Tavistock
- The Economist*, 2000, 'The world's view of multinationals', 27 January
- 1999, 'The non-governmental order', 9 December
- Edwards, M., 1999, *Future Positive: international cooperation in the 21st century*, Oxford: INTRAC (International NGO Training and Research Centre)
- Edwards, M. and Hulme, D. (eds), 1995, *Beyond the Magic Bullet: NGO performance and accountability in the post-cold war world*, London: Save the Children Fund

- Elkington, J., 1998, 'The "Triple Bottom Line" for Twenty-First-Century Business' in J.V. Mitchell (ed.), *Companies in a World of Conflict: NGOs, sanctions and corporate responsibility*, London: Earthscan/RIIA
- Ferguson, C., 1998, 'A review of UK company codes of conduct', *Review Paper*, London: DFID Social Development Division
- Finger, M. and Tamiotti, L., 1999, 'New global regulatory mechanisms and the environment', *IDS Bulletin*, Vol 30 No 3
- Foucault, M., 1980, 'Truth and Power' in M. Foucault, *Power/Knowledge: selected interviews and other writings 1972-1977*, Brighton: Harvester Press
- Fowler, A., 2000a, 'Civil society, NGDOs and social development: changing the rules of the game', *UNRISD Occasional Paper 1*
- 2000b, *The Virtuous Spiral: a guide to sustainability for Non-Governmental Organisations in international development*, London and Sterling, VA.: Earthscan Publications Ltd
- 1997, *Striking a Balance: a guide to enhancing the effectiveness of Non-Governmental Organisations in international development*, London: Earthscan Publications Ltd
- Fox, J. and Brown, L.D. (eds), 1998, *The Struggle for Accountability: the World Bank, NGOs and grassroots movements*, Cambridge, Massachusetts: The MIT Press
- Fukuyama, F., 1991, *End of History and the Last Man*, New York: Free Press
- Gill, S., 1995, 'Theorising the Interregnum: the double movement and global politics in the 1990s' in B. Hettne (ed.), *International Political Economy: understanding global disorder*, London: Zed Books
- Goetz, A.M. (ed.), 1997, *Getting Institutions Right for Women in Development*, London and New York: Zed Books
- Goetz, A.M. and Gaventa, J., 2001, 'Bringing citizen voice and client focus into service delivery', *IDS Working Paper 138*, Brighton: Institute of Development Studies
- Goetz, A.M. and Jenkins, R., 2001, 'Hybrid forms of accountability: citizen engagement in institutions of public sector oversight in India', *Public Management Review*, Vol 3 No 3, September
- Hudock, A., 2000, 'NGOs' seat at the donor table: enjoying the food or serving the dinner?', *IDS Bulletin*, Vol 31 No 3, Brighton: Institute of Development Studies
- ICC, 2002, Rome Statute of the International Criminal Court, www.un.org/law/icc/general/overview.htm
- International Monetary Fund, 1998, *Good Governance: the IMF's role*, Washington, D.C.: IMF
- Jenkins, R. and Goetz, A.M., 1999, 'Accounts and accountability: theoretical implications of the right-to-information movement in India', *Third World Quarterly*, Vol 20 No 3
- Jones, E. and Gaventa, J., 2001, 'Concepts of citizenship: a review', DRC paper, draft, 1 September
- Kardam, N., 1997, 'Making Development Organizations Accountable: the organizational, political and cognitive contexts' in A.M. Goetz (ed.), *Getting Institutions Right for Women in Development*, London and New York: Zed Books
- Klein, N., 1999, *No Logo*, London: Flamingo
- Korten, D., 1995, *When Corporations Rule the World*, West Hartford, Connecticut: Kumarian Press, Inc.

- Lake, R., 1999, *Social Accountability, the OECD Guidelines for Multinational Enterprises and the OECD Principles of Corporate Governance*, Gateshead: Traidcraft Exchange
- Manor, J., 1999, *The Political Economy of Democratic Decentralisation* Washington, D.C.: The World Bank
- Marinetto, M., 1998, 'The shareholders strike back – issues in the research of shareholder activism', *Environmental Politics*, Vol 7 No 3: 125–33
- Minogue, M., 1998, 'Is good governance a universal value?', *Public Policy and Management Working Paper Series 6*, Manchester: Institute for Development Policy and Management (IDPM)
- Mitchell, J. (ed.), 1998, *Companies in a World of Conflict: NGOs, sanctions and corporate responsibility*, London: The Royal Institute of International Affairs and Earthscan
- Najam, A., 1996, 'NGO Accountability: a conceptual framework', *Development Policy Review*, Vol 14
- Newell, P., 2002a, 'Globalisation and the future state', *IDS Working Paper 141*, Brighton: Institute of Development Studies
- 2002b, 'From responsibility to citizenship? Corporate accountability for development', *IDS Bulletin*, Vol 23 No 2, Brighton: Institute of Development Studies
- 2001a, 'Managing multinationals: the governance of investment for the environment', *Journal of International Development*, Vol 13
- 2001b, 'Access to environmental justice? Litigation against TNCs in the South', *IDS Bulletin*, Vol 32 No 1, Brighton: Institute of Development Studies
- 2000, 'Globalisation and the Environment', unpublished commissioned paper for DFID *White Paper on Globalisation*
- 2000a, 'Globalisation and the New Politics of Sustainable Development' in J. Bendell (ed.), *NGOs and Sustainable Development*, Sheffield: Greenleaf Publishing Ltd
- 2000b, 'Environmental NGOs and Globalization: the governance of TNCs' in R. Cohen and S. Rai, *Global Social Movements*, London and New Brunswick, NJ: The Athlone Press
- 1999, 'Globalisation and the environment: exploring the connections', *IDS Bulletin*, Vol 30 No 3, Brighton: Institute of Development Studies
- O'Brien, R., Goetz, A.M., Scholte, J.A. and Williams, M., 2000, *Contesting Global Governance: multilateral economic institutions and global social movements*, Cambridge: Cambridge University Press
- Paul, S., 1994, 'Does voice matter? For public accountability, yes', *Policy Research Working Paper 1388*
- 1991, 'Strengthening public service accountability: a conceptual framework', *World Bank Discussion Paper 136*, Washington, D.C.: World Bank
- Picciotto, S. and Mayne, R. (eds), 1999, *Regulating International Business: beyond liberalization*, London: Macmillan Press
- Princen, T. and Finger, M. (eds), 1994, *Environmental NGOs in World Politics*, London: Routledge
- Przeworski, A., Stokes, S. and Manin, B. (eds), 1999, *Democracy, Accountability, and Representation*, Cambridge: Cambridge University Press
- Quirk, B., 1997, 'Accountable to everyone: postmodern pressures on public managers', *Public Administration*, Vol 75 No 3, Autumn: 569–86

- Richter, J., 2001, *Holding Corporations Accountable*, London: Zed Books
- Schacter, M., 2000, 'When accountability fails: a framework for diagnosis and action', *Institute on Governance Policy Brief* 9, Ottawa: Institute on Governance
- Schedler, A., Diamond, L. and Plattner, M., 1999, *The Self-Restraining State: power and accountability in new democracies*, Boulder and London: Lynne Rienner Publishers
- Scott, J., 1985, *Weapons of the Weak: everyday forms of peasant resistance*, New Haven: Yale University Press
- Seyfang, G., 1999, 'Private sector self regulation for social responsibility: mapping codes of conduct', *Social Policy Research Programme Working Paper 1*
- Simms, A., 2002, *Five Brothers: the rise and nemesis of the big bean counters*, London: New Economics Foundation
- Smith, N.C., 1990, *Morality and the Market: consumer pressure for corporate accountability*, London and New York: Routledge
- Thompson, G., 1997, 'Multinational Corporations and Democratic Governance' in A. McGraw (ed), *The Transformation of Democracy? Globalization and Territorial Democracy*, Cambridge: Polity Press
- UNDP, 1997a, 'Good governance for sustainable human development', *UNDP Policy Document*, <http://magnet.undp.org/policy>
- 1997b, *Programme for Accountability and Transparency (PACT) Annual Report*, <http://magnet.undp.org/Docs/efa/Anrp97f.htm>
- UNIFEM, 2000, 'Progress of the world's women', *2000: UNIFEM Biennial Report*, New York: UNIFEM
- UNRISD, 2000, *Visible Hands: taking responsibility for social development*, Geneva: UNRISD
- 1997, 'Globalization and civil society: NGO influence in international decision making', *Discussion Paper 83*, Geneva: UNRISD
- 1994, 'Transnational corporations: impediments or catalysts of social development?', *Occasional Paper 5*, World Summit for Development, Geneva: UNRISD
- Wapner, P., 1995, *Environmental Activism and World Civic Politics*, New York: SUNY Press
- White, A.L., 1999, 'Sustainability and the accountable corporation: society's rising expectations of business', *Environment*, Vol 41 No 8
- The World Bank, 1997, *World Bank Development Report 1997: The State in a Changing World*, Oxford and Washington, D.C.: Oxford University Press and The World Bank
- Zadek, S., Pruzan, P. and Evans, R. (eds), 1997, *Building Corporate Accountability: emerging practices in social and ethical accounting, auditing and reporting*, London: Earthscan Publications Ltd