



# The global rescue of the nation state

How supreme audit institutions can improve  
accountability in democratic governance

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## Preface

This report addresses the question of what role Supreme Audit Institutions (SAIs) can have in relation to democracy and accountability in a globalised world – a question of great importance in our interdependent societies.

The report highlights a few perspectives of special interest. The starting point is democracy as a learning process and the importance of enlightened understanding of citizens in a well-functioning democracy. SAIs carry out audits in a national framework – the arena for democratic governance. SAIs are important as an intermediate for accountability, providing independent, objective and reliable information to citizens. However, in order to enhance the value of SAIs audits and reports, the need for enhanced international cooperation is highlighted, captured in the concept of “*democracy-enhancing multilateralism*”. SAIs can, by engaging in multilateral institutions, improve the quality of democratic governance on national level. SAIs have a unique role in producing independent knowledge and has a dual role of “*speaking truth to power and speaking truth to the citizens*”. The conclusion in the report is that SAIs play an important role in enhancing democratic governance by being active on the international arena, and the learning process between the national and the international level is most important.

SAIs engagement in issues of global significance, for democracy and the principle of accountability, should always be debated. As Professor Petersson states in this report – “*When democracy works as a continuous learning process the output of today becomes the input of tomorrow.*” The results of audits can be regarded as a reliable output measurement, providing impartial information for future deliberations and decisions. The collective action by SAIs in the INTOSAI community, through the specific role of independent audit institutions, contributes to transparency and accountability in democratic governance – nationally as well as globally through a constant and collective learning process.

Please note that the views and opinions expressed in the report are those of the author and do not necessarily reflect the views of the Swedish National Audit Office.

Stockholm 2013-01-21

Claes Norgren  
*Auditor General of Sweden*



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# The global rescue of the nation state

How supreme audit institutions can improve accountability in democratic governance

## Abstract

This paper explores the possibility of a global rescue of the nation state. Global institutions might, under certain conditions, enhance the power of the nation state by improving the accountability in democratic governance. This is why the cooperation between supreme audit institutions at the international level should be discussed in the perspective of domestic democracy at the national level.

Enlightened understanding is fundamental for democracy. The volume of information has increased dramatically but there is a severe lack of accurate and credible information about the working of national political systems. The individual citizen can be viewed as the basic principal for supreme audit institutions. This democratic perspective calls for a renewal of the working methods and communication strategies that are used by supreme audit institutions. The joint efforts of supreme audit institutions might turn out to be one of the most efficient ways to improve transparency and accountability of democratic governance at the national level.

## About the author

Olof Petersson took his Ph.D. in political science at the University of Göteborg, Sweden, in 1975. He served as a professor at the Department of Government, University of Uppsala, until 1997. He then took up a position as research director at the Centre for Business and Policy Studies, SNS, in Stockholm. Olof Petersson is now part-time consultant at Gullers Grupp in Stockholm. He has written several books about public administration and comparative government and has also participated in government commissions on institutional reform in Sweden. Personal web site: [www.olofpetersson.se](http://www.olofpetersson.se).

The author wants to thank Michele Micheletti and Jonas Tallberg (both at University of Stockholm), Lennart Nordfors (Gullers Grupp), and staff members at the Swedish National Audit Office for their comments on an earlier draft.



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# The global rescue of the nation state

## How supreme audit institutions can improve accountability in democratic governance

British historian Alan Milward changed the interpretation of the European integration process. According to his book “The European rescue of the nation-state” the growth of supranational institutions does not necessarily mean that member states have to perish, or even lose power. On the contrary, he found that member states have utilized the European institutions to pool their resources in order to solve domestic problems. Therefore, European integration has, in fact, increased the power of the nation states (Milward 1992).

The question is whether the same mechanism can be found at the global level. This paper explores the possibility of a global rescue of the nation state. Global institutions might, under certain conditions, enhance the power of the nation state by improving the accountability in democratic governance. This is why the cooperation between supreme audit institutions at the international level should be discussed in the perspective of domestic democracy at the national level.

### Democratic governance as a learning process

Philosophers such as Karl Popper have pointed out that the logic of democracy is similar to the basic principles of scientific research. Both are, in Poppers words, based on the liberal theory of free discussion. Freedom of thought, and free discussion, can be justified in terms of the part they play in the search for truth. Truth is not manifest, nor is truth easy to come by. According to Popper the search for truth requires at least three elements: imagination, trial and error, and critical discussion. The method of critical discussion is a way to discover our prejudices by examining and testing hypotheses in order to refute them. In the political field the method of critical discussion creates a tradition of government of discussion, “and with it a habit of listening to another point of view; the growth of a sense of justice; and the readiness to compromise” (Popper 1992:157 f).

The method of critical discussion, in scientific research as well as political democracy, can be viewed as a learning process. Democratic institutions are designed in order to learn from experience. In this dynamic perspective democratic governance is dependent upon efficient mechanisms and procedures for monitoring, feed-back and control. Researchers



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such as James G. March and Johan P. Olsen have examined the possibilities for using experience as a basis for adaptive intelligence. Experiential learning modifies or reinforces behavior as a result of inferences drawn from the consequences of previous behavior. According to March and Olsen there is considerable evidence indicating that the rules and practices can be improved through a learning process involving experimentation, monitoring of results, and modifying future rules on the basis of interpretation of these results. Certainly there are many difficulties stemming from features of human behavior, from structural problems of political processes, and from the logic of adaptation. Nevertheless, learning is a key instrument of collective intelligence (March & Olsen 1995:197 ff; Olsen 2010:138 ff).

One crucial task in the design of democratic institutions is the development of political accounts. According to March and Olsen, accounts define the meaning of history, the options available, and the possibilities of action. However, certain traditions of accountability might discourage adaptive intelligence. “The practice of political accountability generally responds faster and more forcefully with penalties for failures than it does with rewards for successes.” This is why great care must be exercised in the design of democratic governance. Accounts of what has happened, why it happened, and how events should be evaluated provide a key link between citizens and accountability (March & Olsen 1995:46, 227).

This is why enlightened understanding is fundamental for the democratic process. Unless voters have a reasonably accurate image of the outcomes of the political decision-making process general elections cannot work as a mechanism of democratic accountability. Political scientist Robert A. Dahl has defined the standard of enlightened understanding: “Each citizen ought to have adequate and equal opportunities for discovering and validating (with the time permitted by the need for a decision) the choice on the matter to be decided that would best serve the citizen’s interests.” This means that alternatives procedures for making decisions ought to be evaluated according to the opportunities they furnish citizens. Insofar as a citizen’s good or interests requires attention to a public good or general interest, then citizens ought to have the opportunity to acquire an understanding of these matters (Dahl 1989:112).



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## Deficiencies in national policy making

Philosophy and political theory have formulated grand visions of enlightened citizens and efficient institutions. It is a daunting task to bring reality closer to this ideal by improving existing institutions. Modern social science has analyzed many of the deficiencies in national policy making. Non-democratic regimes do not even fulfill the basic requirements of popular sovereignty and rule of law. Democratic states have their own problems of distrust and unfulfilled expectations. This is why the concept of “democratic deficit” can be applied not only to transnational institutions but also to nation states.

Several countries have initiated some form of “democratic audit” in order to assess the democratic quality of their political system. According to this method the functioning of the political system is compared to a specific standard of democracy. One type of democratic audit focuses mainly on the formal criteria that a democratic political system must meet. Another approach focuses less on the formal criteria, and more on using empirical research to evaluate the actual functioning of the political system (Beetham 1999).

Democratic audits, as well as studies based on other approaches, have generated long lists of problems in contemporary democratic governance. Some of these have to do with shortcomings of the justice system. For instance, constitutions might not have the necessary clarity and legitimacy, legislation could be lacking or insufficient, courts of law might not be independent or authoritative enough, or legal jurisdictions might be overlapping or diffuse. Another group of deficiencies are primarily economic. National states or local governments might not have developed fair and efficient forms of taxation, expenditures might be excessive, budgets may not be sustainable or valuable resources may be lost through mismanagement or even corruption. Problems which are primarily political in nature form a special category of deficiencies. Popular opinion may be guided by superficial and shortsighted media reporting and politicians may be driven by the quest for popularity and reelection. Other governance problems concern blame avoidance when responsibility for failure is passed on to scapegoats and when crucial decisions are postponed or evaded.

Many of these deficiencies have a common denominator: the problem of information. The concept of fiscal illusion has been used to describe the impression of a free lunch, where taxpayers are left oblivious of their actual contributions while the cost of government is perceived as zero or very small. Moral hazards occur when risks are not properly assessed and when leading individuals or institutions do not take the full consequences of their actions. Social contracts are hampered by information asymmetry when one side has more or better information than the other. Other examples of information failure include lack of awareness, oversimplification of complex information, and uncertainty of costs and benefits.

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It is easy to formulate general prescriptions for a solution of the problems of information. Openness, transparency, accuracy and honesty are the key words of innumerable speeches, dissertations and consultancy reports. However, it is difficult to design specific institutions which would actually improve the communication process and help develop a signal system of democratic governance in today's world.

Assessing the quality of democracy, by democratic audit or some other method, is often coupled with recommendations for reform. One example is a green paper on the future of democracy in Europe that was written for the Council of Europe by political scientists Philippe C. Schmitter and Alexander H. Trechsel. According to this report the major generic problem of contemporary European democracy concerns declining citizen trust in political institutions and participation in democratic processes. The proposals concentrated on "reforms that promise to increase voter turnout, stimulate membership in political parties, associations and movements and improve citizen confidence in the role of politicians" (Schmitter & Trechsel 2004:96).

This report and other in the same vein point to serious problems and should be taken seriously. Nevertheless, they are marred by a certain bias. Democracy is primarily viewed from the "input" side, that is as elections, political parties, participation and other ways for citizens to influence the political system. Less emphasis is laid on the "output" side, that is the decision-making capacity of representative democracy, the implementation of laws and policy, and the role of public administration. However, in order to assess democratic governance in general one must understand how these two sides of democratic governance are related to another and how they interact. Citizens must have a realistic view of the processes and results of the decision-making system in order to formulate their demands and hold politicians accountable. When democracy works as a continuous learning process the output of today becomes the input of tomorrow.

## **Accountability: global and national**

Accountability implies that some actors have the right to hold other actors to a set of standards, to judge whether they have fulfilled their responsibilities in light of these standards, and to impose sanctions if they determine that these responsibilities have not been met (Grant & Keohane 2005, Buchanan & Keohane 2006). Several conditions must be fulfilled in order to achieve functioning accountability mechanisms. There must be agreement on the operative standards of accountability and accurate performance data must be made available to the public. Moreover, the authority the actor holding power-wielders accountable must be legitimate. Information of the scrutiny must be made available to the stakeholders.



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It has been argued that forms of accountability might differ due to alternative conceptions of what is meant by legitimate political authority. Thus, a distinction can be made between a “participation” model of accountability and a “delegation” model of accountability. These two models offer different answers to the question: “Who is entitled to hold the powerful accountable?” In the participation model, the performance of power-wielders is evaluated by those who are affected by their actions. In the delegation model performance is instead evaluated by those entrusting them with powers. This distinction is helpful because it illuminates some of the controversies around contemporary institutions of global governance. For example, there is a clear tension between the concept of a World Bank that is accountable to the finance ministers of lending countries and one that is accountable to poor people in development countries (Grant & Keohane 2005).

In a national democratic system the two models of accountability are often fused. In democratic elections voters hold politicians accountable through participation as well as through evaluating the performance of the incumbents. Democracy conceived as a learning process thus assumes that citizens play a dual role of subjects and participants. Citizens are affected by decisions taken by their elected delegates. However, this basic model only holds in the simplified case of one unitary polity. In the more realistic case of multi-level government the case becomes more complex.

The problem of accountability is well-known from the experience of federal states. In democratic federations both central and regional government are based on a popular mandate. Similar problems of multi-level accountability also occur in decentralized unitary states with regional or local self-government. Multiple and often overlapping jurisdictions must respond to the same citizens. Another problem is that regional and local governments must be accountable to their citizens as well as responsible for the implementation of national policies.

Severe accountability problems have also developed because of the rise of global governance. While national democracies apply a double form of accountability, many institutions in world politics are neither based on participation nor delegation. States, subunits of states, multinational firms, and NGOs were created either without any act of authorization at all or without having been authorized to act by any set of entities even remotely representative of the world population as a whole. This means that effective accountability at the global level will require new, pragmatic approaches. The participation issue must also be addressed, even if there is no clearly defined global demos or public. Attention will also need to be focused on the problems of delegation, that is how to exercise control over agents to whom important tasks have been assigned (Grant & Keohane 2005). Civil society organizations might also play an important role by rendering international institutions more democratic by strengthening their accountability, which would supplement existing forms of internal accountability with new mechanisms of external accountability toward stakeholders (Tallberg & Uhlin 2011).

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Some political scientists have raised serious doubts over the prospects of a democratic world order. For instance, Robert A. Dahl has claimed that international organizations, institutions, and processes cannot be democratic. He argues that we should be wary of ceding democratic legitimacy to non-democratic systems. Instead, international organizations should be considered to be bureaucratic bargaining systems. When transferring power to international organizations the costs to democracy should therefore be taken into account (Dahl 1999).

There can be no doubt that existing forms of international organizations have severe shortcomings when compared to general democratic standards. Although much effort has been devoted to reforming the European Union it is still obvious that the EU performs rather badly when tested against specific attributes of democratic governance, such as citizenship, participation, authorization, representation, and accountability. The accountability of EU institutions is poorly linked to the citizens. Democratic citizenship in the EU is problematic by almost any measure, such as identification, public understanding, and participation. It can be doubted whether the checks on EU institutions amount to any reasonable standard of public control. Weaknesses in linkages to citizens reinforce shortcomings in the accountability of EU institutions (Lord 2004).

This pessimistic assessment of the democratic qualities of international organizations is certainly supported by innumerable reports and research findings. However, these dismal conclusions only portray half the truth about global governance. What is often neglected is the positive impact of international organizations on national governance. Both intergovernmental organizations and international non-governmental organizations can contribute to the performance of democratic institutions within nation states.

For instance, the United Nations includes a number of bodies that monitor implementation of the core international human rights treaties. The Office of the High Commissioner for Human Rights offers expertise and support to the different human rights monitoring mechanisms included in the UN system. Special bodies monitor treaties on, for instance, ethnic discrimination, discrimination against women, torture, the rights of the child, and migrant workers. Special procedures can be initiated in order to examine, monitor, advise and publicly report on human rights situations in specific countries or territories or on major phenomena of human rights violations worldwide ([www.ohchr.org](http://www.ohchr.org)).

The Council of Europe also has a responsibility for the development and implementation of the human rights and rule of law standards for its forty-seven member countries, primarily the promotion of democracy through law. The European Convention on Human Rights is monitored by The European Court of Human Rights in Strasbourg. In the event of a violation, the state concerned must ensure that no such violations occur again, otherwise the Court may deliver new judgments against the state. In some cases the

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violating state will be forced to amend its legislation in order to bring it into line with the European Convention ([www.coe.int](http://www.coe.int)).

Another example is the World Bank, which has initiated a project on Worldwide Governance Indicators (WGI). Here governance is defined as the traditions and institutions by which authority in a country is exercised. Governance includes the process by which governments are selected, monitored and replaced; and the capacity of the government to effectively formulate and implement sound public policies. Annual reports are based on indicators covering six different dimensions of governance: voice and accountability; political stability and absence of violence; government effectiveness; regulatory quality; rule of law; and control of corruption ([www.govindicators.org](http://www.govindicators.org)).

The International Monetary Fund is mandated to oversee the international monetary system and monitor the economic and financial policies of its member countries. This activity is known as surveillance. As part of this process, which takes place both at the global level and in individual countries, the IMF highlights possible risks to stability and advises on needed policy adjustments. There are two main aspects to the IMF's surveillance work: bilateral surveillance, or the appraisal of and advice on the policies of each member country; and multilateral surveillance, or oversight of the world economy ([www.imf.org](http://www.imf.org)).

Peer review has become central to The Organization for Economic Co-operation and Development. Country reports are based on peer examination of the performance and practices in a particular area of a member state. The point of this exercise is to help the state under review improve its policymaking, adopt best practices and comply with established standards and principles. OECD peer reviews cover a wide range of topics, from economics and governance to education, health, environment and energy. There is no standardized peer review mechanism but all peer reviews share certain structural elements: a basis for proceeding; an agreed set of principles, standards and criteria against which the country's performance will be reviewed; designated actors to carry out the review; and a set of procedures leading to the final result ([www.oecd.org/site/peerreview](http://www.oecd.org/site/peerreview)).

This list of examples of international bodies monitoring of national performance could easily be extended but one general observation can be made. Although these cases show a wide variety of scope and method they also share an important common denominator. Nation states have delegated power of scrutiny and control to international bodies in order to enhance their national accountability in different policy areas. There are several possible explanations for this particular type of arrangement. International organizations might have larger resources and more capacity to carry through in-depth investigations. Independent voices from outside might have higher legitimacy than domestic bodies. Independence is more easily secured by external examination. Peer review is often a useful



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method for quality control. Finally, reliable and systematic scrutiny is a prerequisite for experiential learning.

As long as the democratic process is primarily based in national institutions, political accountability must be organized mainly at the national level. But international organizations can set incentives for more efficient accountability mechanisms at the national level. In this manner, global institutions might be able to solve some of the common problems of national policy-making. Failure to monitor fiscal policymaking and the management of fiscal risks contributed to the current crisis. It has been argued that the shortcomings in fiscal disclosure are due to a combination of gaps and inconsistencies in fiscal transparency standards, delays and discrepancies in countries' adherence to those standards, and a lack of effective multilateral monitoring of compliance with those standards ("Fiscal Transparency, Accountability, and Risk", IMF, August 7, 2012).

Some international organizations, such as the European Union, are active agents in the promotion of good governance in new democracies (Pevehouse 2002; Dimitrova & Pridham 2004; Lavenex & Schimmelfennig 2011). The concept of "democracy-enhancing multilateralism" has been coined in order to focus on this important task for international organizations. Involvement with multilateral institutions can help national democratic institutions restrict the power of special interest factions, protect individual rights, and improve the quality of democratic deliberation. By increasing capacities to achieve important public purposes international organizations may enhance the quality of democracy even in well-functioning democracies (Keohane, Macedo & Milward 2009).

## Speaking truth to citizens

Supreme audit institutions can be crucial for the working of modern complex democracies. The legitimacy of democratic institutions is dependent on mutual trust, cooperation, and peaceful conflict resolution among individuals and collectives. While the volume of information has increased dramatically, there is a severe lack of accurate and credible information about the working of national political systems. The individual citizen can be viewed as the basic principal for supreme audit institutions. This democratic perspective calls for a renewal of the working methods and communication strategies that are used by supreme audit institutions. The joint efforts of supreme audit institutions might turn out to be one of the most efficient ways to improve transparency and accountability of democratic governance at the national level.

National audit organizations play an important role in the dynamics of democratic governance. As long as these supreme audit institutions have a truly independent status they not only improve public sector administration but also enhance the enlightened



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understanding of citizens. Supreme audit institutions provide citizens with independent, objective and reliable information. They also create incentives for change by providing new knowledge, comprehensive analysis and well founded recommendations for improvement (cf. Exposure draft ISSAI 300, [www.issai.org](http://www.issai.org)).

Efficient accountability systems rely on different types of audits. Financial audit is focused on whether financial information in the public sector is accurate and reliable. Compliance audit concerns whether activities of entities in the public sector have been conducted in accordance with current legislation and other applicable rules. Performance audit focuses on whether interventions, programs and institutions are performing in accordance with the principles of economy, efficiency and effectiveness.

The main aim of performance audits is to promote good governance. Performance auditing also contributes to accountability by examining whether political decisions are efficiently and effectively implemented. This type of audit addresses the basic question of whether taxpayers and citizens have received value for money. Performance auditing also promotes transparency by providing taxpayers, financiers, citizens, and the media with insight into the management and outcomes of different government activities (cf. Exposure draft ISSAI 300, [www.issai.org](http://www.issai.org)).

Stakeholders of the auditing process are not only legislatures and government bodies but also voluntary associations, interest groups, academic and business communities, research institutions, independent agencies, politicians, and media representatives. Yet, in a democracy the ultimate stakeholder is the individual citizen. Performance auditing provides not only useful but in fact crucial information to citizens. If the audit results are communicated properly this information can serve as a basis for learning and improvements.

As all public bodies in a constitutional democracy national audit organizations have a delimited and clearly defined role. Audit institutions examine whether public agencies achieve their goals and whether the organization, operations and processes are appropriate for the purpose.

However, it is not the task of an independent audit institution to question the intentions and decisions of the legislature. Rather, the role of questioning political decisions is fulfilled by opposition parties, special-interest organizations, voluntary groups, independent media, intellectuals, comedians, artists and other actors in the cultural and civil life of an open society. With the advent of internet and social media individual citizens play an increasingly important role in the discussions and deliberations of the public sphere.



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The interface between audit institutions and individual citizens is of crucial importance for the efficient working of a democratic system. Several interesting ideas have been raised to address this long neglected issue. A recent exposure draft on the value and benefits of supreme audit institutions directly focuses on the question how they can make a difference to the lives of citizens. This particular document assumes that outcomes of audits can empower citizens to hold the custodians of the public purse accountable. One set of recommendations aim at securing the independence, professionalism and legitimacy of supreme audit institutions. Other recommendations target the accountability and transparency of public bodies. The draft exposure also includes proposals for demonstrating the relevance of audits to citizens and other stakeholders (Exposure draft ISSAI X, [www.issai.org](http://www.issai.org)).

Multilateral cooperation can enhance the information value of national audits. The typical audit report often concludes with some critical remarks on the performance of public agencies in a particular sector. But the receivers of the report, be it government ministers, members of parliament, news journalists or individual citizens, are mostly unable to evaluate the degree of severity. Is the situation better, same or worse than in other countries? How do national agencies compare in an international perspective? Are schools run more efficiently elsewhere? Are trains running just as late in neighboring countries? International comparisons play an increasingly important role in several issue areas, such as education assessment (PISA and others), perception of corruption (Transparency International and others), democracy (Freedom House and others), and human development (UNDP and others). There is no obvious reason why international comparisons based on supreme audit reports should be missing from this list of well-known sources of knowledge.

International collaboration is also the natural solution to the problems national audit institutions face in the era of globalized politics. The foreign policy of states is rapidly becoming the domestic politics of the world, to quote former German president Richard von Weizsäcker. Decision-making concerning climate, food crisis, migration and other current problems involves international organizations, national parliaments, and sub-national bodies. Such complex policy-making structures require cooperation between supreme audit institutions in different countries as well as linkages between national audits and the audits of international organizations. One recent example is the Nordic-Baltic-Polish cooperative audit of the EU emissions trading system (“Emissions trading to limit climate change: does it work?”, Joint report, Euro Sai 2012, [www.eurosaiwgea.org](http://www.eurosaiwgea.org)).

This development implies that supreme audit institutions will play an augmented role in the future. The present role can be described as “speaking truth to power”, to borrow the title from a classic book on the art and craft of policy analysis (Wildavsky 1979). Whereas supreme audit institutions will retain their mission in relation to legislatures and government bodies they now also face the task of “speaking truth to citizens”.

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The question of legitimacy then becomes central. On what ground can supreme audit institutions challenge political parties and national parliaments elected by the people? The answer is that not only parliaments but also supreme audit institutions can claim that they base their legitimacy on a popular mandate. Even though details may be set out in legislation, the establishment of supreme audit institutions shall be laid down in the constitution (Lima Declaration II Section 5:3). As the basic norm for a democratic polity the constitution must be considered as the fundamental expression of popular will. Thus, supreme audit institutions are founded on a democratic mandate. The ultimate principal of a supreme audit institution is the individual citizen.

No other institution, no private body, nor any other public body, can fulfill the role of a supreme audit institution. The constitutional status of supreme audit institutions has one essential prerequisite: independence. Supreme audit institutions can accomplish their tasks objectively and effectively only if they are independent of the audited entity and are protected against outside influence (Lima Declaration II Section 5:1).

Independent organizations are based on the principle of self-determination. For instance, supreme audit institutions are supposed to audit in accordance with a self-determined program. Self-determination requires integrity and strict professional standards. Peer review is an important method when it comes to assessing and improving the quality of national audits. This is why the international cooperation between supreme audit institutions should be seen as a case of democracy-enhancing multilateralism. In order to fulfill their democratic role supreme audit institutions must deal with three major challenges: competence, communication, and clout.

Competence can be a treacherous word since it has several meanings. However, in this particular context a double meaning is intended. Competence can refer to the jurisdiction of a public body. Competence can also mean that an actor is able to perform a specific task. Supreme audit institutions, traditionally defined by national constitutions, now face the problems of competence and effective mandate in a world with international collaboration and overlapping jurisdictions. The legal competence of supreme audit institutions also becomes important in a situation with direct relations to citizens. This particular position creates special requirements for the human resources of an audit institution. Legal competence raises exceptional demands for professional competence. Not only must the staff have the necessary legal, financial, and technical expertise, it must also be guided by the high ethical standards of democratic guardians.

Communication with citizens can be both direct and indirect. Direct communication becomes more important as a growing number of individuals seek reliable information about their society. Accessible audit information can play an important role in civic education in school and in social science teaching at higher education levels. Indirect



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communication via media and other intermediaries is an equally important way of reaching out to citizens. Openness and transparency, which are demands often put on other public bodies, are obvious guidelines also for audit institutions themselves. Objective and accessible information that is formulated in a simple and clear manner might alleviate some of the problems of information. Auditing should be conceived as a two-way communication process between audit institutions and individual citizens.

Clout might be needed when audit results become publicly known and used in the political process. The “successful auditor paradox” occurs when a better audit report is met with more criticism than a mediocre one. If audit results are taken seriously by important actors any government can come under severe pressure. A natural impulse of power-holders is to silence the messenger. Therefore, attacks, insults and defamation can be the ultimate proof that a supreme audit institution has done its job. Speaking truth often comes with a high price.

Different strategies could be developed to attain and preserve high standards of competence, communication, and clout. Many of these strategies must rely on domestic resources such as constitutional safeguards, financial autonomy, professional staff and communication channels. However, international collaboration will most likely play an increasingly important role when it comes to the support and development of national audit institutions.

An international organization of supreme audit institutions can and should set ethical and professional standards for auditing in general as well as for particular types of auditing. But while this rule-setting task is necessary it would not be sufficient in a world of democratic governance based upon experiential learning, adaptive intelligence and enlightened citizens. Supreme audit institutions must also have access to resources such as efficient peer review and comparative audit data.

The general conclusion of this paper is quite simple. There is a global rescue of the nation state. Supreme audit cooperation at the international level can enhance democratic governance at the national level. One word could be added to the famous motto “*Experientia mutua omnibus prodest*”: Mutual experience benefits all citizens.



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