

WORKING PAPER **279**

**Budget Analysis and Policy
Advocacy: The Role of Non-
governmental Public Action**

Mark Robinson
September 2006

About IDS

The Institute of Development Studies is one of the world's leading organisations for research, teaching and communications on international development. Founded in 1966, the Institute enjoys an international reputation based on the quality of its work and the rigour with which it applies academic skills to real world challenges. Its purpose is to understand and explain the world, and to try to change it – to influence as well as to inform.

IDS hosts five dynamic research programmes, five popular postgraduate courses, and a family of world-class web-based knowledge services. These three spheres are integrated in a unique combination – as a development knowledge hub, IDS is connected into and is a convenor of networks throughout the world.

The Institute is home to approximately 80 researchers, 50 knowledge services staff, 50 support staff and about 150 students at any one time. But the IDS community extends far beyond, encompassing an extensive network of partners, former staff and students across the development community worldwide.



For further information on IDS publications and for a free catalogue, contact:
IDS Communications Unit
Institute of Development Studies
at the University of Sussex
Brighton BN1 9RE, UK

Tel: +44 (0) 1273 678269
Fax: +44 (0) 1273 621202
E-mail: bookshop@ids.ac.uk
Web: www.ids.ac.uk/ids/bookshop

IDS is a charitable company, limited by guarantee and registered in England (No. 877338).

IDS WORKING PAPER 279

Budget Analysis and Policy Advocacy: The Role of Non- governmental Public Action

Mark Robinson
September 2006

Budget Analysis and Policy Advocacy: The Role of Non-governmental Public Action
Mark Robinson
IDS Working Paper 279

First published by the Institute of Development Studies in September 2006
© Institute of Development Studies 2006
ISBN-13: 978 1 85864 625 1
ISBN-10: 1 85864 625 1

A catalogue record for this publication is available from the British Library.

All rights reserved. Reproduction, copy, transmission, or translation of any part of this publication may be made only under the following conditions:

- with the prior permission of the publisher; or
- with a licence from the Copyright Licensing Agency Ltd., 90 Tottenham Court Road, London W1P 9HE, UK, or from another national licensing agency; or
- under the terms set out below.

This publication is copyright, but may be reproduced by any method without fee for teaching or non-profit purposes, but not for resale. Formal permission is required for all such uses, but normally will be granted immediately. For copying in any other circumstances, or for re-use in other publications, or for translation or adaptation, prior written permission must be obtained from the publisher and a fee may be payable.

Available from:
Communications Unit
Institute of Development Studies
at the University of Sussex
Brighton BN1 9RE, UK
Tel: +44 (0) 1273 678269
Fax: +44 (0) 1273 621202
E-mail: bookshop@ids.ac.uk
Web: www.ids.ac.uk/ids/bookshop

Printed by Imagedata Group, Brighton UK
IDS is a charitable company limited by guarantee and registered in England (No. 877338).

Budget Analysis and Policy Advocacy: The Role of Non-governmental Public Action

Mark Robinson

Abstract

This paper examines the impact and significance of independent budget analysis and advocacy initiatives that are designed to improve budget transparency and the poverty focus of government expenditure priorities. It draws on case study research of six budget groups in Brazil, Croatia, India, Mexico, South Africa, and Uganda, which include non-governmental organisations, research institutions and social movements. The findings demonstrate that civil society budget initiatives contribute to improvements in the transparency of budgetary decisions and the budget process, increased budget awareness and literacy, and deeper engagement in the budget process on the part of legislators, the media and civil society organisations. While the structure of the budget process makes substantial changes in expenditure priorities difficult to achieve, budget groups directly contribute to positive impacts on budget allocations and improved implementation, thereby increasing the accountability of decision-makers. Tracking of budgetary expenditures and impacts was also found to be effective in ensuring effective utilisation of education and health expenditures. Increased budget allocations and improved utilisation of public funds that benefit poor and disadvantaged groups can ensure greater equity in budget priorities and further social justice objectives. The activities of budget groups strengthen democracy by fostering accountability, enhancing transparency and deepening participation and voice.

Keywords: civil society; budgets; public expenditure; advocacy; accountability; transparency.

Mark Robinson is a Research Fellow and Governance Team Leader at the Institute of Development Studies. He is a Political Sociologist with 18 years of research, teaching and operational experience in South Asia and sub-Saharan Africa. Mark previously worked in India for the Ford Foundation as Programme Officer for Governance and Civil Society and as a Research Fellow at the Overseas Development Institute. Broad areas of research expertise include governance, democracy and civil society, with particular interests in state capacity and the politics of governance reform.

Contents

Abstract, keywords	3
Author note	4
Acknowledgements	6
1 Introduction	7
2 Accountability, transparency and participation in the budget process	10
3 Assessing the significance of civil society budget initiatives	15
4 The impact and significance of applied budget work	18
4.1 Budget policies and implementation	18
4.1.1 Budget allocation	18
4.1.2 Expenditure tracking	20
4.1.3 The significance and limitations of budget analysis	20
4.2 Information, transparency and participation	22
4.2.1 Budget awareness and literacy	22
4.2.2 Budget transparency	25
4.2.3 Participation in the budget process	26
5 Accounting for success	27
6 Conclusions	29
References	31

Acknowledgements

The research for this paper is funded by the Economic and Social Research Council, the Swedish International Development Agency and the Ford, Hewlett and Rockefeller Foundations. The ESRC is the UK's leading research and training agency addressing economic and social concerns. ESRC aims to provide high-quality research on issues of importance to business, the public sector and Government.

1 Introduction ¹

The past decade has witnessed significant changes in the nature of the public budget process in developing and transition countries. Until recently the budgetary process was viewed as the exclusive preserve of policymakers and administrators and treated as a purely technical matter for expert consideration. In many countries legislators had limited involvement in budget debates by virtue of executive dominance, inadequate comprehension of budget issues, and partial access to budget information. The scope for deliberating and changing budget priorities was further constrained by constitutional provisions that circumscribe the scope for legislative oversight and intervention. Civil society involvement was generally confined to specialised lobby groups and business associations who possessed the knowledge and power to exercise influence.

Much has since changed. Budgets are no longer perceived to be the select domain of the political executive and technical specialists. Legislators are increasingly active in budget debates and in reviewing expenditure priorities. Civil society organisations have acquired the skill and confidence to intervene in the budget process in a large number of countries. The media is more active in reporting on budget issues and the misuse of public expenditures.

Greater openness in public budget processes has resulted from the confluence of several factors. First, the democracy and good governance agenda from the 1990s has focused attention on accountability, transparency and participation as desirable attributes of effective states, reflecting growing appreciation among aid donors that political imperatives fundamentally shape budget priorities and budget outcomes. Democratic institutions are found to perform an important function in strengthening budget accountability in multi-party political systems, but legislatures and media organisations do not function effectively in the absence of organised interests exerting pressure on budgetary priorities (Healey and Tordoff 1995). Opening up budget processes to improved legislative and citizen oversight is considered by commentators as integral to government accountability and activities designed to achieve this objective are viewed as increasingly legitimate (Waglé and Shah 2001; Norton and Elson 2002; Songco 2001).

The second factor is the emergence over the past decade of a large number of independent budget groups in developing and transitional countries that constitute the focus of this analysis. The 1990s saw the emergence of a large number of non-governmental initiatives aimed at deepening citizen engagement in processes of budget analysis and public expenditure management in the context of wider processes of democratisation and pressures for increased accountability from civil society.² A closely-related set of non-governmental

1 The research project on which this paper is based was carried out in conjunction with Warren Krafchik at the International Budget Project (IBP) in Washington, DC.

2 The IBP estimates that close to 100 organisations in 70 countries were engaged in this type of activity in 2005, compared to less than 10 organisations a decade earlier.

initiatives surfaced in this period to expose gender biases in government budgets, often under the auspices of budget groups with a wider remit.³ The objective of all these initiatives was to improve the poverty and gender focus of public expenditures and to increase the accountability of government officials and politicians in decisions concerning the allocation and utilisation of public resources. Civil society budget groups engaged in these types of activities form part of an expanding range of legitimate accountability seekers in pursuit of what some describe as the 'new accountability agenda' (Goetz and Jenkins 2005: 15).

A third factor is the political momentum around participatory budgeting with its origins in Porto Alegre in the mid-1980s, which has now spread to one hundred municipalities in Brazil and been adopted by reformist municipal governments elsewhere in Latin America. In this influential Brazilian experiment the emphasis on mass participation in deliberating public budgets was central to a democratic project of widening citizen engagement and oversight in which budget priorities would more closely correspond to local priorities and popular needs (Abers 1998; Navarro 1998; Baiocchi 2001).

Fourth, there is growing recognition of the centrality of state budgets in reflecting government policy preferences at a time that public expenditure management has become an increasingly important facet of development policy, with its corollary in general budget support as a preferred instrument for development assistance on the part of the major aid donors. This trend emanates from a concern with predictability and transparency in the utilisation and deployment of scarce public resources and measures to ensure that expenditure commitments reflect domestic policy priorities and are supported by appropriate revenue-raising strategies. In low-income countries the Poverty Reduction Strategy Paper process provides some degree of deliberative access to the budget process for non-governmental and business interests but with modest scope for influencing priority setting and resource allocations (McGee and Norton 2000).

Budget analysis and budget advocacy are now widely regarded as a central component of a growing arsenal of approaches developed by civil society organisations for fostering government accountability (Waglé and Shah 2001; Norton and Elson 2002). Independent budget analysis has a number of parallels with existing practices fostered by civil society organisations that are designed to expand societal deliberation in public policy formulation. Lessons from experience with efforts to increase citizen participation in economic policy-making and with tools for improving public accountability offer important points of reference for this body of work.

3 See, for example, UNIFEM (2002). Several of the groups reviewed in this research played a pioneering role in gender budgets, notably IDASA in South Africa and Fundar in Mexico (Hofbauer 2006; Robinson and Vyasulu 2006).

One strand of related activity is centred on economic decision-making and the role of organised interests in shaping policy priorities. Until the late 1990s macro-economic policy in developing and transitional countries was largely dominated by technocratic elites in government and aid donors (Brinkerhoff 1996). Generally there was limited societal engagement in economic policymaking and priority-setting, with inputs largely confined to well-organised business lobbies with the capacity to undertake informed analysis and to exercise influence. The only exceptions were civil society organisations representing poor and economically disadvantaged groups which gained access to decision-making through corporatist arrangements and consultative mechanisms or through preferential access to the policy domain by virtue of political linkages resulting from ideological affinity or political struggle.⁴ There is now growing recognition on the part of governments and aid donors that citizen participation in macro-economic policy deliberation and priority setting can help to improve allocative efficiency and strengthen the legitimacy of the policy process with the result that opportunities for access and influence are expanding (Brinkerhoff and Goldsmith 2003).

Civil society initiatives designed to promote social accountability and curb corruption through citizen oversight on rural public works in India have been influential in informing and galvanising similar approaches elsewhere (Jenkins and Goetz 1999). In particular, the right to information movement in the Indian state of Rajasthan has demonstrated the importance of supportive legislation to facilitate public access to government financial records and employment rosters (Goetz and Jenkins 1999). Civil society organisations in several Indian cities have experimented with methods that foster state accountability using tools such as citizen report cards to gauge citizen perceptions of the quality, adequacy and efficacy of public services (Paul 2002). These approaches have opened up decision-making and service delivery to greater public scrutiny and demonstrated the value of independent citizen action in fostering improved accountability. However, beyond 'naming and shaming' the perpetrators of corruption, they generally lack the power to enforce sanctions on public officials found guilty of indulging in illegal practices and promoting organisational improvements that would improve service delivery outcomes (Goetz and Jenkins 2005: 107–9).

While there is growing acknowledgement that independent analysis, advocacy and capacity-building efforts have the potential to influence government budget priorities and improve the transparency of the budget process, there is limited evidence on the efficacy and impact of this body of work. The potential impact of civil society budget work raises high expectations in view of its significance

4 The best examples of this come from South Africa where businesses, trade unions and government are represented in tripartite consultative mechanisms on economic and social policies, and where mass organisations like the trade union movement and the national civics association have direct access to the ANC government (Robinson and Friedman 2005).

both for improved public expenditure management and stronger democratic accountability. Aid donors believe that independent budget work can strengthen the efficiency of the budget process and improve the pro-poor orientation of budget priorities. Practitioners and civil society activists want to learn from successful efforts designed to influence the budget process and budget priorities as a means of legitimising their work and improving its effectiveness. At the same time, there is some scepticism among academics of the potential impact of budget activism on account of the difficulty of accessing audited government accounts.⁵ Hence, there is a compelling case for a deeper investigation of the significance of this type of non-governmental public action through comparative research on what works where, how and why. Independent verification of international budget work in this vein can both contribute to understanding and knowledge and provide budget practitioners with a guide to future action by generating insights on the tools, methods and approaches that have proved most effective in different national and institutional contexts.

This paper reviews the substance and impact of applied budget work through case studies and comparative analysis of independent civil society initiatives. It presents evidence on the impact of activities that seek to improve the availability of budget information, transparency, and broader societal participation in the budget process on the one hand, and the content of budget priorities, quality of implementation and expenditure outcomes on the other. In the process it assesses not only the significance of this body of work for pro-poor budget formulation and social justice outcomes, but also its contribution to a larger democracy-building agenda centred on accountability, transparency and participation.

2 Accountability, transparency and participation in the budget process

The more immediate goals of applied budget work are to ensure that government budget priorities are consistent with declared policy objectives and that the financial resources allocated to priority areas are expended fully and properly. But budget work also has a larger purpose, namely to contribute to democracy-building in developing and transitional societies where state capacity is weak and formal political institutions remain unconsolidated. In such contexts civil society budget initiatives have the potential to strengthen the accountability of state actors responsible for formulating and implementing public budgets,

5 Goetz and Jenkins (2005: 89), for example, state that 'when it comes to scrutinising public spending, the near-impossibility of obtaining certified government accounts means that citizen efforts can go no further than participatory budget formulation at the local level ... or else budget analysis at high levels of aggregation, identifying the likely impact of proposed public spending on categories of people such as the poor, children or women.'

improve the transparency of the budget process, and diversify the range of actors engaged in the deliberation of budget priorities.

There are two dimensions of accountability that are relevant for budget work. Answerability requires decision makers having to provide information about their actions and to justify the reasons for their choice, while enforcement implies the application of sanctions from those dissatisfied with these actions or the rationale provided to justify them. In practice those entitled to demand answers from decision makers are not the same as those responsible for imposing sanctions and in most political systems these are carried out by discrete institutions that are independent of the executive (Goetz and Jenkins 2005: 9). Legislatures usually perform the answerability function in democracies whereas enforcement is the responsibility of specialised accountability institutions such as auditors-general, parliamentary accounts committees and anti-corruption agencies which are empowered to investigate the actions and decisions of bureaucrats and politicians. In a further layer accountability the judiciary subjects all these mechanisms to scrutiny to ensure their conformity with legal norms and constitutional provisions (*ibid.*: 12).

These horizontal forms of accountability within state institutions are complemented by vertical forms of accountability in which citizens can hold decision makers to account for their actions. Horizontal accountability is typically achieved through elections in which citizens have the ability to sanction governments for poor performance by ousting them from power. But electoral systems in many countries, especially in transitional or weakly embedded democracies, have structural deficiencies which can produce governments that are vulnerable to elite capture and generate policy priorities that do not conform to the wishes of electorates (*ibid.*: 18–20). For this reason, other mechanisms also play an important role in promoting vertical accountability, in particular the means by which citizens organise themselves into associations to lobby governments for taking action against errant officials or reviewing or reversing decisions that do not conform to stated intentions. However, while civil society organisations can promote answerability by advocating sanctions, providing information to legislators and state accountability agencies and threatening adverse publicity through the media, they generally lack enforcement powers.

A further distinction that has relevance for the role and activities of civil society budget groups is between *ex-ante* and *ex-post* accountability. *Ex-post* accountability is the more familiar form in which power holders are held to account for their decisions and actions concerning expenditure priorities after the fact by the legislature and oversight agencies. But *ex-ante* accountability exists when decisions are subject to scrutiny before an action is taken – in the budget domain this relates to questioning of budget priorities in legislative debates once the executive has formulated its priorities. Depending on constitutional provisions governing legislative discretion, legislators can reject or demand substantial amendments in the government's budget proposals before granting approval, which is tantamount to the exercise of enforcement power in this form of *ex-ante* accountability (Goetz and Jenkins 2005: 12). Both forms of

accountability are pursued through the activities of civil society budget groups, and correspond respectively to the influence they can exert on the executive through lobbying and influence at the approval stage and subjecting government expenditure priorities to scrutiny and analysis during budget implementation.

Enhancing the accountability of decision-makers is a fundamental objective of budget work; improving the transparency of the decision-making process is an equally important goal, centring on how governments formulate priorities and turn these into actions in the form of expenditure allocations. Executive dominance and secrecy are common characteristics of the budget process in many countries, especially at the formulation stage in which expenditure priorities are determined. A further problem is that closed budget processes in unequal societies can result in priorities that are biased towards elite interests and not tailored to the needs and priorities of the poor, which underscores the significance of transparency from the perspective of equity and social justice.

Two dimensions of transparency are especially pertinent to the budget process. First, budget transparency can mandate the executive to divulge the sources of data and information used to frame decisions on revenue priorities and expenditure allocations. Budget transparency improves the ability of politicians and citizens to scrutinise government actions by subjecting the factual basis on which allocative decisions are made to questioning by legislators, the media and civil society organisations. The prospective legitimacy arising from this form of openness can incentivise governments to be vigilant in ensuring that the data supporting their decisions is timely, accurate and verifiable. Second, improved transparency in the budget process can reveal in the public domain the basis on which priorities are formulated and clarify the roles of and responsibilities of individuals in the executive who take these decisions. Hence, a more open budgetary process both confers legitimacy on the budget process and the validity of executive decisions. Both forms of transparency can help to reduce the scope for corruption through the misallocation of expenditures or the diversion of public resources for private ends.

There are several means by which budget transparency can be improved. One is simply an executive decision to strengthen fiduciary oversight mechanisms to improve transparency and to make information more freely available in the public domain. But in practice governments are reluctant to open up the budget process to greater scrutiny as this would undermine their discretionary power. Despite this in-built resistance to improve budget transparency there are two mechanisms by which budget information becomes more freely available and the decision-making process more open to public scrutiny. One takes the form of legislation on access to information and the second is peer pressure resulting from international surveys of budget transparency. The former can be a powerful tool for improving the transparency and accountability of government and often results from organised civic pressure to compel governments to introduce legislation as much as the benign intentions of reformist politicians who recognise the intrinsic benefits of right to information provisions.⁶ The latter takes the form of cross-country comparisons of budget transparency

undertaken by international organisations like the International Monetary Fund and the International Budget Project which has sponsored civil society assessments in Latin America and elsewhere. These have proved to be a powerful tool for persuading governments of the need to improve their rankings, especially when existing provisions for budget transparency are shown to be deficient the results are widely disseminated in national and regional media.⁷

The third criterion that has resonance for assessing the wider significance and impact of budget work is that of participation and voice. Participation in the budget process in many countries is typically confined to the executive and, to a lesser degree, the legislature. The scope for widening participation to include citizens more generally is usually very limited. The participatory budgeting experiments of Porto Alegre and other Brazilian municipalities have not been scaled-up to the national level despite ostensible federal government commitment. Governments are often reluctant to create opportunities for extending participation to citizens and their associations on the grounds that it would render the budget process inefficient and unmanageable. Elected representatives in the executive are viewed as those best equipped to manage the budget process and citizens can lobby individual legislators or vote for a change of government if they are unhappy with executive decisions. Moreover, budget implementation is treated by officials in finance and planning ministries as their exclusive prerogative, requiring technical skills that are not possessed by ordinary citizens and only to a limited extent by legislators.

These views are challenged by proponents of participation in government decision-making processes. In addition to the intrinsic virtues of increased participation on substantive grounds, there are a number of modalities by which citizen participation in decisions relating to taxation and expenditure can be enhanced. These opportunities may be greater at the local level where there is scope for more intensive interactions with decision makers and where the powers of local governments are delimited by legislation concerning fiscal decentralisation (Blair 2000; Robinson 2004). The distinction between direct and indirect forms of participation serves to distinguish how far it is realistic to expect citizens to exert tangible influence over expenditure decisions as opposed to indirect influence through their elected representatives in the legislature. In this respect it would be unfair to judge the significance of budget work in developing and transitional countries by standards of participation that are not achievable in established representative democracies. At the same time,

6 In a noteworthy example, state and national legislation on the right to information in India was driven in significant measure by a campaign waged by civil society activists led by the Mazdoor Kisan Shakti Sangathan (MKSS) in Rajasthan to facilitate its work on exposing corruption in local public works programmes (Goetz and Jenkins 1999).

7 The third Latin American Index of Budget Transparency completed in 2005, reports on results from eight countries in the region and highlights progress by governments over time on different dimensions of budget transparency. See www.internationalbudget.org/themes/BudTrans/LA05.htm (accessed 5 September 06).

there is sometimes scope for more direct forms of participation, for example in tracking expenditure outcomes in which the poor and their representatives are able to monitor whether allocations have resulted in physical outputs that can be independently verified.

There are, in addition, two indirect ways in which opportunities for participation in the budget process can be extended through organised citizen engagement. One is by enhancing the capacity of elected representatives to participate more actively in the budget process by arming them with accurate and accessible information to scrutinise expenditure decisions and budget implementation. This is especially important for legislators who occupy key roles in official accountability and oversight mechanisms such as legislative budget and public accounts committees which review internal audit reports on government spending, often with the power to recommend sanctions and of enforcement. Budget groups can assist legislators in becoming more active participants in budget debates through training in fiscal literacy and by equipping them with independent sources of data and information.

The second approach to deepening indirect participation in the budget process is by providing voice to socially-excluded and marginalised citizens to ensure their priorities are taken into account in budget debates and reviews of implementation. Conventional forms of voice and accountability – voting in elections and expressing preferences through political parties – have worked imperfectly as means of safeguarding the interests of the poor and have not systematically challenged elite bias in decision making (Goetz and Jenkins 2005: 28). Some states have established consultative mechanisms to solicit the views of the poor on policies and programmes that affect them directly but these are only of limited efficacy in obliging officials to take action or in holding them to account. Defined by Goetz and Jenkins (*ibid.*: 29) as ‘the variety of ways in which people express beliefs, articulate preferences and advance their interests’, voice provides a medium through which questions about government decisions and actions can be articulated by ordinary citizens outside the realm of formal electoral politics. When translated into mobilisation and collective action it becomes a form of political participation in its own right. But in practice, voice is typically mediated by organisations that represent the poor, either as membership organisations (such as unions and social movements) or civil society groups that advocate their interests in public forums (Robinson 1998). This type of mediated voice represents an indirect form of participation that is typically articulated by civil society budget groups which advocate for budget priorities from the vantage point of the poor and socially-excluded and whose analysis is informed by the needs and priorities of this constituency.⁸

To summarise, budget work has the potential to deepen democracy by strengthening accountability, fostering transparency and encouraging

8 This is best exemplified by DISHA in Gujarat, which is a social movement that uses budget analysis to advocate for positions that advance its members’ interests as one strategy alongside mobilisation and direct forms of collective action (Malajovich and Robinson 2006).

participation. Independent budget work can improve vertical accountability by questioning the decisions and actions of politicians and officials who are responsible for formulating and implementing budget priorities, and improving the efficacy of horizontal oversight mechanisms that form part of the state accountability machinery. Budget transparency has the potential to open up decision-making to greater public scrutiny and influence and to make the sources of data and information on revenue flows and expenditures available in the public domain, which can improve the legitimacy of the budget process and help to curb corruption. Right to information legislation and international comparisons of budget transparency strengthen the political case for more rigorous standards. While the scope for enhancing direct participation in the budget process remains limited, there are a variety of ways in which legislative participation can be enhanced and voices of the poor articulated by civil society organisations by strengthening capacity, providing information, and identifying avenues through which influence can be exerted through targeted lobbying and advocacy efforts. The next section examines the range of initiatives promoted by civil society organisations in different parts of the world.

3 Assessing the significance of civil society budget initiatives

The findings presented in this paper draw on comparative cross-country research which entailed the analysis and dissemination of budget data, advocacy initiatives designed to influence budget priorities and efforts to improve the transparency of the budget process. Key questions investigated in the course of the research were the impact of non-governmental public action on budget processes, priority setting, and expenditure outcomes; the strengths and limitations of different approaches and methods for independent budget analysis and advocacy work; and the contextual factors and institutional features that explain successful impact and engagement. In particular the research set out to determine how far government budget priorities and expenditure allocations and outcomes have been influenced by civil society budget initiatives in a manner that benefits poor and socially-excluded groups.⁹

The research centres on six detailed case studies of independent budget work in Brazil, Croatia, India, Mexico, South Africa and Uganda, where non-governmental public actors have been engaged in budget analysis and budget advocacy for a period of 5–10 years.¹⁰ The type of organisations engaged in this type of work

9 The research was supported by various funding bodies. For details see Acknowledgements (p 6).

10 Full-length versions of the six case studies are available on the IBP website at www.internationalbudget.org/casestudies.htm. These are listed by author in the References (from p 31).

ranges from non-governmental organisations (NGOs), networks and social movements, through to research organisations. For many of these organisations budget work forms only a part of a broader set of activities, and in some cases they have created special units for budget work.¹¹

Located in the Indian state of Gujarat, DISHA (Developing Initiatives for Social and Human Interaction) is a social movement representing unions of tribals and labourers which developed budget work in the mid-1990s as a means of supporting their claims for land and labour entitlements. At the other end of the spectrum the Institute for Public Finance (IPF) in Croatia is a publicly-funded research organisation which analyses a wide range of public expenditure policy issues. IDASA (Institute for Democracy in South Africa) is a leading South African NGO that established the Budget Information Service in 1995 to coordinate its work on budget analysis with a focus on women, children and HIV/AIDS. Fundar in Mexico and IBASE (Brazilian Institute for Social and Economic Analysis) are NGOs with a broader mandate for promoting human rights and government accountability on the one hand and citizen education and empowerment on the other, in both cases within a broader project of democratisation. The Uganda Debt Network (UDN) is an NGO that emerged out of a coalition working on debt and poverty reduction.

Despite differences in perspective and organisational type, they all share a commitment to social justice and upholding the rights of the poor, and their approach to budget work is shaped by these normative principles. Budget analysis and advocacy is motivated by a commitment to increasing the influence of the poor and marginalised in the budget process and to ensuring that budget priorities reflect the needs and priorities of this broad constituency. This is evident from the social groups prioritised in their analysis and advocacy work – low-income people, women, children, and dalits (former untouchables) and tribals in India – with employment, education, health and HIV/AIDS as focal issues.

The six organisations all work on different aspects of public budgeting around a common core of activities centred on information, analysis, advocacy and capacity building. The principal activities within the budget process include work to promote the availability of budget information and measures to improve budget transparency and broaden participation. All six organisations undertake capacity-building to promote awareness and understanding of public budgets among legislators, NGOs, journalists and civic leaders. Several organisations work to improve budget outcomes through advocacy work designed to influence budget policies (i.e. allocations between major items of expenditure), the quality of implementation (the proportion of the allocations actually expended and the efficiency and effectiveness of expenditure targeting) and the utilisation of expenditures (how far budget allocations translate into physical

11 These units have no more than ten staff and budget groups usually have a limited number of technical specialists and modest financial resources.

outputs). Most of the work centres on national and state-level budgets, though several organisations are engaged in activities at the local government level (India, Mexico and Uganda), mostly on tracking expenditure allocations and outcomes (see, for example, Heimans 2002). Four of the six groups focus mostly on the expenditure side of the budget and only two address revenue issues.¹²

The research used a combination of methods and data sources to establish evidence of impact. For investigating impact on budget policies the research drew on quantitative data assembled and synthesised by budget groups with a view to discerning trends in government spending on social welfare, education and health as areas of expenditure that matter most to the poor. Data on budget out-turns provide evidence of implementation, while physical verification of investments carried out by budget groups was the main source of information to ascertain expenditure outcomes. The main challenge was to establish attribution of any observed changes in budget allocations, quality of implementation and outcomes to the activities of the budget groups independent of the interventions of other state and non-state actors and broader economic trends.

For evidence on the influence of the groups on the budget process the research drew primarily on qualitative data gathered from key informant interviews with politicians, government officials and representatives of civil society organisations. Qualitative interviews and focus group discussions were the principal method used to determine the impact of capacity-building and efforts to broaden participation, especially where insights gathered from different actors served to corroborate the findings. Further evidence was available from laws and procedures governing budget transparency, especially where changes could be traced with some certainty to the activities of these groups. Secondary documentation and media reports were used to supplement interview data.

Field visits of 10–15 days' duration were undertaken by pairs of researchers.¹³ The case studies set out to document the full range of activities undertaken by budget groups, with a focus on interventions centred on data analysis and dissemination, capacity-building, advocacy efforts designed to influence budget policies and the transparency of the budget process, and expenditure tracking. The intention of the research was to establish what impacts had been achieved

12 The IPF in Croatia focuses both on tax and expenditure policies while Fundar undertakes analysis of government revenues through its work on the oil sector funded by Revenue Watch, an initiative supported by the Open Society Institute. For details see www.revenuwatch.org.

13 The six research teams each consisted of an academic and a budget practitioner from another continent in the interest of maximising the value of different perspectives to promote cross-learning. In most cases the teams included an economist and a political scientist to combine different analytical skills.

in these areas of activity and to develop explanations for the observed impacts, as a means of generating broader lessons from the activities of groups operating in different institutional and political contexts.

The following section draws on the findings of the research to consider the impact of applied budget work through changes in budget allocations and implementation and influence on the budget process on the one hand, and its broader significance for accountability, transparency and participation on the other.

4 The impact and significance of applied budget work

4.1 Budget policies and implementation

The findings from the case study research lead to a number of conclusions on the impact and significance of applied budget work and point to several explanations for how various impacts were achieved. The impacts fall into two principal categories: changes in budget policies and changes in the budget process. Changes in budget policy are reflected in increases in expenditure allocations, the quality of implementation or execution (i.e. the efficiency and effectiveness of expenditures), and expenditure outcomes in terms of physical outputs. Overall, the research found that the most significant impacts achieved by independent budget groups lie in improving budget transparency and budget awareness on the one hand, and enhancing budgetary resources for existing programmes and improvements in the efficiency of expenditure utilisation on the other.

4.1.1 Budget allocation

The case study findings provide evidence that the analysis carried out by independent budget groups can directly lead to positive improvements in budget policies in the form of increased allocations for social welfare expenditure priorities by highlighting the inadequacy of existing allocations and discrepancies between commitments and actual disbursements. The most significant documented impacts take the form of increased allocations of budgetary resources for reproductive health in Mexico, child support grants in South Africa, and tribal development expenditure in Gujarat. These important precedents demonstrate that budget advocacy has the potential to influence decisions to introduce new programmes and to leverage additional financial resources for programmes that have already received legislative approval.

In the Mexican case, Fundar managed to achieve a ten-fold increase in the 2003 budgetary allocation for a national programme designed to combat

maternal mortality through emergency health care provision as a direct result of its gender budget analysis and lobbying efforts. This represented a budgetary increase in the order of US\$50 million for a programme that has the potential to directly benefit pregnant women, especially those from poorer, indigenous communities. However, the difficulties in accessing budget data from state governments where the problem of maternal mortality is most acute meant that it was difficult to track the use of the enhanced budgets and establish whether they had been invested in improved obstetric care. Ultimately the impact of this work would be evident in a reduction in maternal mortality which is one of the Millennium Development Goals which has particular resonance in Mexico (Robinson and Vyasulu 2006).

IDASA's Children's Budget Unit in South Africa used budget analysis to monitor federal budget allocations and programmes designed for children from low-income families and to highlight challenges regarding the delivery of services in active collaboration with other organisations advocating for child rights. The campaign was spearheaded by the Alliance for Children's Entitlement to Social Security and drew on budget information provided by the CBU. The campaign was successful in its objective of increasing the resources originally committed in the national budget for the Child Support Grant when it was first introduced in 1998 and raising the maximum eligibility age to fourteen years. The level of the grant has since kept pace with inflation, partly as a result of ongoing monitoring and advocacy work by IDASA and its allies.¹⁴ As with the Mexican case, civil society advocacy predicated on robust analysis successfully contributed to an increase in the budget envelope for a new government initiative (Hofbauer 2006).

A third example, from DISHA in Gujarat, concerns the allocation and utilisation of an existing budget line designed for the socio-economic advancement of tribals (indigenous peoples), namely the Tribal Sub-Plan (TSP). In Gujarat 15 per cent of the state government budget is channelled through the Sub-Plan in line with the tribal share of the population, either directly for special programmes earmarked for this group or as a geographical share of large infrastructure investments. Detailed analysis of state expenditure patterns from the mid-1990s revealed that government spending commitments fell below this level and that allocations were not being utilised effectively. Sustained mobilisation by the unions affiliated with DISHA through marches and demonstrations publicised the extent of the under-spend and placed pressure on the government to respond. This combination of collective action and analysis contributed to a modest increase in allocations as a percentage of total expenditure over the five-year period from 1994–99, though this increase largely reflected a proportionate increase in the gross state domestic product and overall public spending. More significantly, there was a steep increase in the level of implementation of

14 The government proposed to set the level of the grant at ZAR90 per month when it was first introduced in 1998/99 and this was raised to ZAR100 per month as a result of pressure from child rights groups. Warren Krafchik, pers. comm.

the TSP budget, from an under-spend of the 1993 budget of 20 per cent to an over-spend (in excess of the budget allocation) of 20 per cent in 1996, settling down to level implementation thereafter. While it is difficult to attribute this improvement in budget implementation to DISHA's interventions with complete certainty, informed commentators in Gujarat confirm that its advocacy efforts contributed in some measure to more effective utilisation of budget allocations for tribal welfare (Malajovich and Robinson 2006).

4.1.2 Expenditure tracking

There was more widespread success in tracking expenditure outcomes which can result in substantial savings through improved efficiency and reduced corruption. Both DISHA and the Uganda Debt Network (UDN) provide good illustrations of how tracking expenditure outcomes generated substantial additional resources by reducing misallocations or enhancing resource availability for development investments at the local level. In the UDN case, systematic monitoring of government budget commitments and implementation in a number of localities across the country (35 sub-counties in 7 districts) through community-based monitors identified a number of shortcomings. These include the quality of building materials for the construction of classrooms not being in conformity with technical specifications due to the use of poor quality or inadequate materials, the absence of essential drugs from health centres, and teacher absenteeism. The community monitors report such cases to the local authorities to ensure appropriate action against errant officials and to increase or reassign resource allocations in line with budget provisions (Azeem *et al.* 2006).

DISHA has developed a method for tracking expenditure allocations in the state budget for use in local council (panchayat) jurisdictions. Following legislative approval of the state budget, DISHA informs elected councillors in village panchayats in writing of specific allocations under the state budget for local infrastructure purposes and asks if physical implementation is underway. Where there is no knowledge of the allocation or implementation (as is often found to be the case), DISHA writes to the relevant minister in the government who then compels the local administration to release the designated allocations. This has proved to be a very effective way of placing pressure on the local government machinery to ensure that financial resources for local infrastructure development are being utilised for the designated purpose.¹⁵

4.1.3 The significance and limitations of budget analysis

These examples demonstrate that applied budget work can produce significant quantitative results in terms of increasing financial allocations for specific

15 This process is set out at length in Annex 3 of the DISHA study (Malajovich and Robinson 2006).

programmes and in ensuring that expenditure allocations are implemented fully and used efficiently. Moreover, the additional allocations were in areas that directly contribute to social justice and equity outcomes by increasing the resources available to poor indigenous women for emergency obstetric health-care and contributing to a reduction in the prevalence of maternal mortality in Mexico, increasing child welfare support for low-income black households in South Africa, and improving the efficiency of expenditure allocations for tribal welfare in India. Expenditure tracking improved the utilisation of development resources for the benefit of tribal and poor rural communities in Gujarat and Uganda. Advocacy work helped to ensure that incremental expenditures were sustained rather than one-off commitments which were then eroded over time.

It is also important to recognise that the benefits resulting from budget analysis and budget tracking are not confined to changes in budget allocations and more efficient utilisation of funds, important as these are from the perspective of pro-poor spending priorities. Civil society budget initiatives also contributed to improved accountability by enhancing the answerability of the political executive in relation to policy decisions and budget commitments. The failure of governments to devote adequate budgetary resources in line with policy commitments required legislative intervention in Mexico and Gujarat, in which legislators held the executive to account in budget debates using the analysis and information provided by independent budget groups, thereby strengthening *ex-post* accountability. Budget tracking in Uganda provided an opportunity for legislators to raise concerns on the utilisation of government resources and to enforce expenditure commitments at the local level. In the South African case, lobbying and analysis by a civil society coalition led to enhanced budgetary commitments prior to legislative deliberation, thereby serving as a case of *ex-ante* accountability. All these examples demonstrate that the significance of budget analysis and budget tracking extends beyond financial benefits, carrying with it more fundamental implications for executive accountability.

These are considerable achievements, but three caveats should be noted with respect to the overall impact of these initiatives on budget policies. While the Mexican and South African cases demonstrate that the additional resources generated from successful advocacy initiatives can be in the order of tens of millions of dollars, these remain relatively small as a proportion of overall government spending. Second, it was not possible to test whether there were major changes in budget policies through the reallocation of resources from one line of spending to another.

Furthermore, it may be unrealistic to expect major changes in budget priorities on account of structural and procedural limitations built into the budget process in many countries. Substantial changes in expenditure priorities are difficult to achieve on account of constitutional provisions governing legislative review and approval. In Mexico, for example, the budget formulation period leading up to the congressional debate is a closed process in which expenditures are matched with plan priorities by technical staff in the line departments in conformity with the six-year Presidential Plan. Consequently, legislators and civil society more

generally have limited scope for intervention in this stage of the process. The legislature cannot propose new projects and budget lines and is only able to recommend changes up to 5 per cent of the total budget, subject to executive veto. In Gujarat, as with other parliamentary systems, the government would fall in a vote of confidence if the budget was not approved in full. Hence, the structure of the budget process limits the scope for legislative review and significant revisions outside the electoral cycle in presidential systems like that of Mexico or in the annual budget cycle in parliamentary systems. At the same time, groups in India and South Africa have successfully intervened to influence executive decisions governing budget allocations at the budget formulation stage, through lobbying and providing information on under-spends and misallocations in the previous financial year.

A key finding emerging from this analysis is that advocacy efforts to revise budget allocations or to introduce new budget lines have limited room for manoeuvre outside electoral or budget cycles. For this reason, small adjustments in overall budgetary allocations and improved implementation through systematic budget analysis and tracking and targeted advocacy are the most likely outcome in countries where the scope for legislative discretion is limited. Achieving significant increases in budget allocations where there is substantial benefit to poor and marginalised social groups is therefore a major achievement and the case studies present evidence that demonstrates such changes are possible through independent budget work. The challenge for budget groups is how to replicate and scale-up these achievements through a variety of strategies, including advocacy to influence executive action and improve legislative oversight.

4.2 Information, transparency and participation

4.2.1 Budget awareness and literacy

In addition to efforts to influence budget policies, independent budget groups undertake a range of activities designed to promote awareness of budgets, improve budget transparency and deepen participation in the budget process. Awareness-building work mainly focuses on legislators and civil society organisations with a view to improving understanding of the importance of budgets as a critical policy instrument and building budget literacy. Budget groups pursue this objective through training and capacity-building initiatives to broaden the range of actors and organisations that are engaged in deliberations on budget priorities.

In many developing countries only a small proportion of legislators are actively involved in budget debates, partly on account of limited understanding of the significance of the budget and lack of familiarity with technical content. Budget groups assist legislators in becoming more conversant with budgets in several ways: by organising special training seminars, providing information about budget policies in an accessible form, and responding to queries about the

nature and content of budget proposals. The case studies from India, Mexico, South Africa and Uganda demonstrate the importance of this type of work, in that more informed and legislators play a more active role in budget debates, scrutinise and review budget policies, and hold government decision-makers to account, in the process contributing to improved *ex-post* accountability.

For example, DISHA provides individual state legislators in Gujarat with short summaries of the main departmental reports the evening before the budget debate, containing information on various aspects of budget policies and implementation, to enable them to play an active role in budget review and approval. Opposition legislators are able to hold ministers to account and raise questions during debates on budget priorities. In Mexico Fundar provides orientation sessions for legislators on various aspects of the federal budget and provides members of the congressional budget committee with a steady supply of information and analysis. Other groups such as the IPF in Croatia do not have face-to-face engagement with legislators but provide information that is used to feed into political debate on budget priorities, thereby providing an authoritative and critical source of independent budget information (Shultz and Van Zyl 2006).

Capacity building efforts extend beyond legislators to include a wider range of civil society organisations. Budget groups in Brazil, India, Mexico, South Africa, and Uganda conduct training for their partners and other NGO representatives by conducting budget literacy workshops to assist them in understanding budgets and their policy implications. IBASE in Brazil focuses on long-term public education on budget issues. It has developed various training packages for the general public and citizen leaders to promote budget awareness and strengthen capacity for budget monitoring, initially in Rio de Janeiro and then to other municipalities. More recently it has developed distance learning packages which reach 350 participants annually (de Renzio and Schultz 2006). Fundar works with local organisations in several southern states in Mexico to strengthen skills in budget analysis and policy advocacy. DISHA conducts training for elected local government representatives in Gujarat on a large scale which complements its budget tracking work. Similarly UDN trains community monitors in budget tracking in the districts in which it has a presence and offers training to NGOs in budget analysis at the national level.

All the groups produce specialised information products on different aspects of the budget. Five groups produce accessible information on budget analysis from the vantage point of the poor, focusing on sectors and programmes that are oriented to their needs. In several countries the budget groups are the sole source of public information regarding budgets outside government. Their analysis is regarded as solid, timely and reliable and provides an important analytic contribution to public debates on the budget. In this regard, the analysis produced by the IPF in Croatia is regarded as authoritative by policymakers and academics that constitute the primary audience for its information products in an environment where civil society is relatively weak.¹⁶ IDASA's analysis is also valued by policymakers and academics, but it also reaches a broader range of stakeholders through its work.

Other budget groups produce a wide range of publications that contribute both to knowledge and advocacy efforts. These range from short pamphlets for campaigning purposes to in-depth studies along the lines of the influential series on gender budgeting produced by IDASA, designed for a range of policy, academic and activist audiences. For instance, IBASE published a quarterly 'Budget & Democracy' Bulletin over a ten-year period from 1991 which was distributed to 1,500 organisations in order to increase the general awareness and understanding of budget issues, provide an independent analysis of government policies, and publicise initiatives to increase civil society participation in budget processes, monitoring and advocacy. Fundar also produced a regular quarterly bulletin (*Pesos y Contrapesos*) for a wide range of stakeholders concerned with budget issues, while DISHA focuses its attention on a Gujarati publication in a broadsheet format which is designed to reach elected representatives and activists working at the local level. The IPF produces regular newsletters on tax and expenditure issues that have a circulation of 2,000, primarily politicians, government officials and the media. UDN's newsletter has a circulation of in excess of 10,000. The case studies documented several innovative methodologies and dissemination tools that are employed by budget groups to this end, including the use of the internet to spread budget awareness in Brazil through to the production of citizen guides to expenditures and taxes in Croatia.

While it is difficult to quantify the impact of capacity building and information products it was apparent from interview responses in each country that these had a major effect in raising awareness and understanding of budget issues among legislators and civil society organisations. Budget groups provided an authoritative source of information on budget issues and in several cases were the only source of information and expertise outside government. Legislators learned more about the technical dimensions of the budget process from these activities than from political parties or resources and information provided through government auspices (such as legislative information services), which highlights the critical role played by budget groups in strengthening budget literacy at this level.

The media provide a valuable outlet for budget information in several countries and are actively cultivated as an ally for advocacy purposes. Evidence from Gujarat demonstrates that DISHA is regarded as the sole source of legitimate budget information and analysis by the leading newspapers which use this on a regular basis in their reporting on budget issues. In Mexico the press has actively utilised reports and briefings produced by Fundar and its allies to highlight budget issues and cases of misuse of government funds.¹⁷ The UDN has

16 The reports produced by the IPF are used by trade unions which share the material with their members as an input into policy dialogue with the government (Schultz and Van Zyl 2006).

17 The Mexican press prominently reported the results of investigations carried out by Fundar and its allies over a two-month period in 2004 over the misallocation of HIV/AIDS funds to the leading anti-abortion organisation which contributed to a successful campaign to recover the money (Robinson and Vyasulu 2006: 19–22).

provided material on government budgets for use by local radio in Uganda. In these various ways the press and broadcast media not only provide a platform for disseminating budget information but they also contribute to improved transparency where the availability of official government information is limited.

4.2.2 Budget transparency

Improved budget transparency is a major objective of several budget groups and the research evidence confirms that this is an area of significant and positive impact. Budget groups contribute to enhanced budget transparency in two ways: through the provision of information on government budget policies in the public domain and by using right to information legislation to access and publicise official data. Training legislators in budget issues also contributes to improved transparency by enabling them to engage more effectively in budget debates and demand information from the executive.

Several groups contribute to enhanced budget transparency by publishing budget data in summary or complete form through publications or on the internet. DISHA undertakes a thorough analysis of all the departmental reports in Gujarat as a basis for its budget summaries that are provided to the media and to parliamentarians for use in budget debates. DISHA also cross-checks the accuracy of government data and publicises the large number of factual errors that appear in official reports each year. But this information is not provided in a comprehensive or accessible manner to the general public and its contribution to transparency is therefore more limited. Fundar has made an acknowledged contribution to budget transparency over the past few years by publishing government budget data on its website as a resource for use by legislators, the media and civil society actors.

Improving budget transparency is closely linked to anti-corruption efforts. Several budget groups have managed to identify cases where public resources have been misused by placing government budget data in the public domain. Some are active partners in anti-corruption networks, drawing on their specialist skills in budget analysis and advocacy. For example the UDN was instrumental in the creation of the Anti-Corruption Coalition of Uganda (ACCU), which was established to mobilise local citizens and local communities to demand government action to combat corruption. Since 1999, ACCU has been sponsoring an annual 'anti-corruption week', during which it organises phone-in radio talk shows on corruption issues, broadcasts television programs on how corruption can be eliminated, and organises participatory anti-corruption events like art exhibitions, essay competitions, and public rallies.¹⁸

18 UDN staff revealed that the Inspector General of Government (IGG) – Uganda's ombudsman – had acknowledged that the ACCU's anti-corruption week had raised the profile of corruption and, as a result, the IGG had received many official complaints from local communities regarding acts of corruption by local officials. In 2000, UDN compiled a dossier that comprehensively examined the causes, incidences,

Budget groups contribute to larger transparency objectives by facilitating the creation and functioning of official mechanisms to guarantee access to information and accountability, in some cases with strong enforcement powers. In Mexico Fundar's early work on exposing secrecy in government influenced the implementation of federal legislation to ensure public access to information and the creation of a review and enforcement agency to compel government departments to comply with the provisions of the legislation. It successfully used the new right to information law to extract budget data from the finance ministry which in turn acknowledges the valuable role that Fundar has played in this regard. It has also worked with a new independent accountability agency to further its efforts to access government information in pursuit of its advocacy work on maternal mortality and misallocation of funds for HIV/AIDS prevention. In recognition of the critical importance of access to information to budget work at the federal level, Fundar is also part of wider efforts to secure legislation in states where budget information remains inaccessible outside government.¹⁹ Conversely, the absence of supportive legislation significantly constrains the contribution that civil society groups can make to budget transparency, by denying access to official budget data, exemplified by DISHA's experience in Gujarat.

4.2.3 Participation in the budget process

A further area where budget groups have sought to make a contribution is in broadening participation in the budget process, especially on the part of poor and marginalised people who lack voice and access. Several groups have successfully contributed to deepening legislative participation in budget debates and have facilitated the involvement of other civil society organisations in budget deliberations with government. For example, UDN presents the results of its budget monitoring work to forums at local and national levels attended by politicians, government officials and civil society organisations which leads to a wider and more inclusive debate on the use of government funds for development purposes. The production of a simple citizen's guide to the budget has further broadened civil society participation in budget dialogue at the local level. But this has generally not extended to widening the scope for involvement of ordinary citizens and there are only a few instances where this has occurred. IBASE in Brazil provides a rare illustration of an organisation that has prioritised citizen engagement in the budget process through its training and information activities for the general public and civic leaders in Rio de Janeiro. DISHA produces a newsletter which explains the significance of the budget to local

manifestations, effects of corruption, and it regularly publishes booklets on corruption in several local languages (de Renzio and Schultz 2006).

19 Fundar's leading role in the compilation of a Latin American Transparency Index in association with budget groups in other countries in the region formed the basis for advocacy work on budget transparency in Mexico (Robinson and Vyasulu 2006). See footnote 7.

politicians and activists in Gujarat. But the extent to which better information and improved awareness translates into broader participation is more difficult to determine.

The tendency of budget groups to focus their capacity-building and advocacy efforts more narrowly on legislators, the media and other civil society groups does not diminish the significance of their efforts to broaden participation in the budget process. The relatively small size of the budget groups in terms of staff and resources and the technical content of the budget may mean that broad-based participation is not be a feasible goal of this type of work. The structure of the budget process, especially in federal and presidential systems, is often not amenable to broader participation. In such contexts, specialist intermediaries with the appropriate technical skills and access to decision makers, as well as linkages to a broader array of groups in civil society, may be in a better position to exercise influence. Broader engagement in deliberating and influencing expenditure priorities may only be feasible where there is government commitment and political space for this to happen, as in the case of the participatory budgeting exercises in Porto Alegre and other Brazilian municipalities. At the same time, budget groups have the potential to leverage broader participation where their analysis can directly feed into wider campaigns where the scope for participation is much greater, as the examples of tribal welfare in India and maternal mortality in India clearly demonstrate.

5 Accounting for success

The key explanatory factors that shape the positive impact of independent budget groups appear to be as follows: the legitimacy acquired from quality analysis and timely and effective dissemination; the strength and flexibility of broader alliances in civil society; the quality of relationships established with government and the legislature; the depth and extent of legislative engagement in budget deliberation and review; and the openness and flexibility of the budget process. The first three factors represent various dimensions of organisational strategy while the latter two relate to the nature and structure of the budget process.

Independent budget groups in the six countries have all acquired legitimacy for their work through the production of timely, accurate and accessible data, and are often the sole source of budget information outside the government. Technical aptitude combined with effective communications skills are essential ingredients for any successful budget organisation and strengthen their ability to engage effectively in the budget process. The high intellectual standing of the IPF in Croatia as an independent research organisation was a critical element in its ability to reach and inform policymakers and politicians. But other types of non-governmental budget groups also acquired credibility on account of the quality and timeliness of the data they produce in a form that is accessible to legislators, the media and other civil society organisations.

The formation of flexible alliances with other civil society organisations was a critical ingredient in successful budget advocacy. Budget groups tend to be small and have limited human and financial resources at their disposal. Their ability to acquire specialised knowledge and organisational capacity for mounting effective campaigns is limited. But when budget groups form alliances with other specialised advocacy organisations with wider constituencies the potential to achieve positive impact is much greater. Fundar formed a coalition with feminist organisations and reproductive health groups in Mexico in pursuing a successful campaign for a dedicated budget line for a programme of emergency obstetric care to prevent maternal mortality and for successfully uncovering illegal misallocations of HIV/AIDS funds. The alliance of child rights organisations that worked alongside IDASA in South Africa was critical to its ability to campaign for a new child support programme with adequate budgetary resources. Similarly, DISHA drew on its network of unions and social movements in its efforts to increase government expenditure on tribal development programmes. The lesson emerging from the evidence is that budget analysis can contribute to improved knowledge and understanding through the development of appropriate tools and communications strategies but a wider coalition of interests is invariably required to successfully campaign for changes in budget policies and to monitor implementation.

The case studies indicate that effective alliances with other civil society organisations are integral to successful campaigns. But the evidence also demonstrates that strategies designed to build direct relationships with legislators and government officials can help to ensure access to legislative debates and the policymaking sphere. The experience of DISHA, Fundar and IDASA shows that the systematic building of relationships with legislators, especially those serving on special legislative committees responsible for public expenditure or the social sectors, can play a major role in ensuring that the materials they produce feed into budget debates and decisions on expenditure allocations. Linkages between budget groups in civil society and legislators in political society form the basis for tactical interventions in the budget process and strengthen the legitimacy of applied budget work.

The provision of independent budget information and making this more accessible to citizens was also well-received in some instances by government policymakers. For example, government officials in the finance ministry in Mexico welcomed the efforts of Fundar to make official data more accessible and open to scrutiny as it complemented their interest in improving accountability in the use of government funds at the national and state levels and in ensuring that executive policy commitments were reflected in budget allocations. In regard to leveraging additional resources for programmes to tackle the problem of maternal mortality it was perceived to be a critical ally. Similar commonalities of interest were also evident in South Africa and Uganda. In other cases civil society engagement in the budget process was regarded as a nuisance since successful advocacy could place greater demands on the executive and bureaucracy from the legislature to be more open and transparent in decision-making.

While organisational capacity and strategic alliances have a significant bearing on the impact of budget work, there are structural features of the budget process that govern what is possible in different environments. In some countries, especially those with political systems characterised by strong executive authority and weak legislative traditions such as Mexico and Croatia, the budget process remains relatively impervious to legislative oversight; this can limit the extent to which a strategy of prioritising the legislative domain can substantively influence budget priorities. In such contexts, work on deepening budget awareness in civil society and the media and promoting budget transparency may hold greater promise. An active legislature which can engage in budget debates and influence executive decisions offers a more receptive environment for work on budget policies. Finally, as the case studies have demonstrated, the openness and flexibility of the budget process shapes the scope of independent budget work to influence expenditure allocations, since priorities set by the executive may not be amenable to legislative amendment. In such contexts, advocacy over the budget priorities in the formulation stage and budget tracking may have greater traction than efforts to influence legislators' contributions to budget debates. At the same time, there may be greater scope for influencing executive decisions at an earlier stage of the budget process through direct leverage and influence over the formulation of expenditure priorities by exposing allocation and implementation deficiencies in previous financial years.

6 Conclusions

The case studies reviewed in this paper point to firm evidence of success in a number of areas of applied budget work, both in terms of the budget process and budget policies, demonstrating what is achievable in different political and institutional contexts. Budget groups have achieved considerable success in providing an independent and authoritative source of budget information that has broadened awareness and understanding of public budgets. Several groups have contributed to improved budget transparency by making this data available in the public domain through publications and electronic databases on the internet. In some cases they have contributed to the introduction of measures designed to improve public access to budget data in the form of freedom of information legislation which has in turn contributed to greater budget transparency. Broadening the basis of participation to a wider group of citizens is more difficult to accomplish, either because the budget process does not provide ready access or because budget groups choose to focus scarce organisational resources on targeted analytical and advocacy work. Budget groups working in different contexts face the strategic option of either prioritising budget information and transparency or complementing these activities by building alliances with like-minded advocacy organisations to broaden citizen participation in the budget process which may require additional skills and resources. It is also a political choice: providing objective information in the public domain for other organisations to draw on and utilise is an indirect

approach favoured by many budget groups but others combine objective analysis with purposeful advocacy to directly influence budget policies for the benefit of poor and marginal constituencies.

Budget work can have a positive impact on budget policies by influencing the allocation and use of public expenditure in a manner that directly contributes to equity and social justice outcomes. Increasing the level of spending on social welfare schemes and the efficiency of implementation has direct benefits for poor and socially-excluded people. The challenge facing budget groups is how to scale up and replicate the successful impacts achieved to date in areas such as child budgets, maternal health and tribal welfare across other sectors and in other contexts. While not all groups have managed to exert influence over budget policies, these achievements constitute significant precedents which can inform and inspire similar work elsewhere, based on a combination of sound technical knowledge, effective communications and strategic alliances which lie at the heart of successful budget work.

The significance of applied budget work extends beyond the immediate sphere of budget policies and the budget process by contributing to more enduring change through the strengthening of democracy. In particular, budget work contributes to fostering accountability, enhancing transparency, and deepening participation and voice, each of which are constitutive elements of healthy democratic societies. Budget analysis contributes to vertical accountability through *ex-ante* questioning of executive decisions and actions, and *ex-post* tracking and monitoring of expenditure outcomes, both of which contribute to improved answerability of power holders in the executive. In some case budget work has also contributed to improved enforcement by securing redress on the part of state accountability agencies which punish officials for misconduct in flouting budget procedures or exposing corruption in budget execution through misappropriation of resources.²⁰ The contribution of budget work to enhanced transparency is well-established: it contributes to greater openness in decision-making and makes government information accessible in the public domain.

Finally, deepening legislative and civic participation in budget monitoring can indirectly strengthen citizen voice. Strengthening the capacity of legislators to scrutinise budget priorities and to take a more active role in budget debates deepens political participation. It also provides an important accountability function and improves the deliberative process. Civil society budget groups with a strong grounding in a wider political constituency can amplify the voice of poor and socially-excluded people indirectly by ensuring that their demands are reflected in budget policies and that budget advocacy is supported by sustained collective action. Promoting voice in this manner may be as important as exerting influence over budget policies for the purpose of strengthening democracy.

20 These are best exemplified by the actions taken by the Mexican government to recover misallocations of HIV/AIDS funds to an anti-abortion organisation and exposing misappropriation by local officials in India and Uganda.

References

- Abers, R. (1998) 'From Clientelism to Cooperation: Local Government, Policy, and Civic Organizing in Port Alegre, Brazil', *Politics and Society*, 26.4: 511–38
- Baiocchi, G. (2001) 'Participation, Activism and Politics: The Porto Alegre Experiment in Deliberative Democratic Theory', *Politics and Society* 29.1: 43–72
- Blair, H. (2000) 'Participation and Accountability in the Periphery: Democratic Local Governance in Six Countries', *World Development* 28.1: 21–39
- Brinkerhoff, D.W. (1996) 'Process Perspectives on Policy Change: Highlighting Implementation', *World Development* 29.9: 1395–401
- Brinkerhoff, D.W. and Goldsmith, A.A. (2003) 'How Citizens Participate in Macroeconomic Policy: International Experience and Implications for Poverty Reduction', *World Development* 31.4: 685–701
- de Renzio, P. and Shultz, J. (2006) *Budget Work and Democracy Building: The Case of IBASE in Brazil*, Report for the 'Lessons from Civil Society Budget Analysis and Advocacy Initiatives' Project, www.internationalbudget.org/Brazil-IBASE.pdf (accessed 5 September 2006)
- de Renzio, P., Azeem, V. and Ramkumar, V. (2006) *Budget Monitoring as an Advocacy Tool: Uganda Debt Network (UDN) Case Study*, Report for the 'Lessons from Civil Society Budget Analysis and Advocacy Initiatives' Project, www.internationalbudget.org/Uganda-UDN.pdf (accessed 5 September 2006)
- Goetz, A.M. and Jenkins, R. (2005) *Reinventing Accountability: Making Democracy Work for Human Development*, Basingstoke: Palgrave Macmillan
- (1999) 'Accounts and Accountability: Theoretical Implications of the Right to Information Movement in India', *Third World Quarterly* 20.3: 603–22
- Healey, J. and Tordoff, W. (eds) (1995) *Votes and Budgets: Comparative Studies in Accountable Governance in the South*, Houndmills: Macmillan
- Heimans, J. (2002) *Strengthening Participation in Public Expenditure Management: Policy Recommendations for Key Stakeholders*, Policy Brief 22, Paris: OECD Development Centre
- Hofbauer, H. (2006) *Sustained Work and Dedicated Capacity: IDASA's Experience in Applied Budget Work in South Africa*, Report for the 'Lessons from Civil Society Budget Analysis and Advocacy Initiatives' Project, www.internationalbudget.org/SAfrica-IDASA.pdf (accessed 5 September 2006)
- International Budget Project (2002) *A Guide to Budget Work for NGOs*, Center for Budget and Policy Priorities, Washington, DC: The International Budget Project
- Jenkins, R. and Goetz, A.M. (1999) 'Constraints on Civil Society's Capacity to Curb Corruption', *IDS Bulletin* 29.4: 39–49

- Malajovich, L. and Robinson, M. (2006) *Budget Analysis and Social Activism: The Case of DISHA in Gujarat, India*, Report for the 'Lessons from Civil Society Budget Analysis and Advocacy Initiatives' Project, www.internationalbudget.org/India-DISHA.pdf (accessed 5 September 2006)
- McGee, R. and Norton, A. (2000) *Participation in Poverty Reduction Strategies: A Synthesis of Experience with Participatory Approaches to Policy Design, Implementation and Monitoring*, IDS Working Paper 109, Brighton: IDS
- Navarro, Z. (1998) 'Participation, Democratizing Practices and the Formation of a Modern Polity – The Case of 'Participatory Budgeting' in Porto Alegre, Brazil (1989–1998)', *Development* 41.3: 68–71
- Norton, A. and Elson, D. (2002) *What's Behind the Budget? Politics, Rights, and Accountability in the Budget Process*, London: Overseas Development Institute
- Paul, S. (2002) *Holding the State to Account: Citizen Monitoring in Action*, Bangalore: Books for Change
- Robinson, M. (2004) 'Resources, Citizen Engagement and Democratic Local Governance: A Background Paper', mimeo, LogoLink, Research on Resources, Citizen Engagement and Democratic Local Governance (RECITE), Brighton: IDS, www.ids.ac.uk/logolink/initiatives/projects/recitebackground.htm (accessed 5 September 2006)
- (1998) 'Democracy, Participation, and Public Policy: The Politics of Institutional Design', in M. Robinson and G. White (eds), *The Politics of Institutional Design: The Democratic Development State*, Oxford: Oxford University Press: 150–86
- Robinson, M. and Friedman, S. (2005) *Civil Society, Democratisation and Foreign Aid in Africa*, IDS Discussion Paper 383, Brighton: IDS
- Robinson, M. and Vyasulu, V. (2006) *Democratizing the Budget: Fundar's Budget Analysis and Advocacy Initiatives in Mexico*, Report for the 'Lessons from Civil Society Budget Analysis and Advocacy Initiatives' Project, www.internationalbudget.org/Mexico-Fundar.pdf (accessed 5 September 2006)
- Shultz, J. and Van Zyl, A. (2006) *Croatia and the Institute of Public Finance: Budget Work in a Transitional Democracy*, Report for the 'Lessons from Civil Society Budget Analysis and Advocacy Initiatives' Project, www.internationalbudget.org/Croatia-IPF.pdf (accessed 5 September 2006)
- Songco, D. (2001) 'Accountability for the Poor: Experiences in Civic Engagement in Public Expenditure Management', mimeo, Washington, DC: The World Bank
- UNIFEM (2002) *Gender Budget Initiatives: Strategies, Concepts and Experiences*, New York: UNIFEM
- Waglé, S. and Shah, P. (2001) 'An Issue Paper on Participation in Public Expenditure Systems', mimeo, Washington, DC: The World Bank

