BUDGET ANALYSIS AND POLICY ADVOCACY: THE ROLE OF NON-GOVERNMENTAL PUBLIC ACTION

Mark Robinson
Institute of Development Studies
m.robinson@ids.ac.uk

Paper prepared for a panel on ‘Negotiating Change and Striving for Justice: the Role of NGPA Actors’

6th CIVICUS World Assembly
Glasgow, June 21-25 2006

Abstract

This paper examines the impact of independent budget analysis and advocacy initiatives that are designed to improve budget transparency and government expenditure priorities. It draws on six case studies of independent 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 the most significant impacts achieved by independent budget groups include improvements in the transparency of budgetary decisions and the budget process; increased budget awareness and literacy; and enhanced 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 can directly contribute to positive impacts on budget allocations and implementation. 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.

June 2006
Introduction
This paper reviews the substance and impact of applied budget work through case studies and comparative analysis of independent civil society initiatives. The paper 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.

The past decade has witnessed a significant change in perceptions about the nature of the public budget process in developing countries. Until recently the budgetary process was viewed as the exclusive preserve of policy makers and administrators and treated as a technical matter for expert consideration. In many countries legislators had limited involvement in budget debates by virtue of limited comprehension and partial information. The scope for deliberating and changing budget priorities is often very limited on account of constitutional provisions that circumscribe the scope for legislative review 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 exclusive domain of the political executive and technical specialists. Civil society organisations have acquired the skill and confidence to intervene in the budget process. Legislators in many countries are increasingly active in budget debates and reviewing expenditure priorities.

Greater openness in public budget processes has resulted from a confluence of several factors. At its broadest, the good governance agenda promulgated by aid donors the 1990s has focused attention on accountability, transparency and participation as desirable attributes of effective states. Opening up budget processes to improved legislative and citizen oversight is increasingly viewed as integral to improved government accountability and activities designed to achieve this as increasingly legitimate.

A related 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 range of non-governmental initiatives aimed at deepening citizen engagement in processes of budget analysis and public expenditure management in the

---

1 Research Fellow and Governance Team Leader, Institute of Development Studies, University of Sussex. The research project on which this paper is based was conducted in conjunction with Warren Krafchik, Director of the International Budget Project (IBP) in Washington, D.C.
context of wider processes of democratisation and greater openness to pressures for increased accountability from below. The objective of these initiatives is to improve the effectiveness and poverty focus of expenditures on public services, and to increase the accountability of government officials and politicians in decisions concerning the allocation and utilisation of public resources.

A third factor is domestic 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 has been adopted by reformist municipal governments elsewhere in Latin America and further afield. The emphasis on participation in public budgets was perceived to be central to a democratic project of widening citizen engagement and oversight in public affairs. Fourth, there is a growing emphasis on the centrality of public budgets in reflecting government policy preferences at a time that public expenditure management has become increasingly important in development policy, with its corollary in general budget support as a preferred instrument for development assistance on the part of major aid donors.

There is growing recognition that independent analysis, advocacy and capacity-building efforts have the potential to influence government budget priorities and improve the transparency of the budget process, but there is as yet limited evidence on the efficacy and impact of this work. Cross-country comparative research has the potential to contribute to understanding and knowledge of this form of public action, and to provide budget practitioners with insights on the tools, methods and approaches that work best in specific national and institutional contexts.²

**Participation and public policy**

Independent budget analysis has a number of parallels in existing practices among civil society organisations designed to enhance societal deliberation in public policy formulation. Analytical and empirical work on participation in economic policy making, participatory budgeting, and on tools and approaches for promoting social accountability all offer important points of reference, and serves to highlight the relevance of comparative research that seeks to investigate the impact of independent budget work.

One strand of research examines the nature of economic decision-making, and the role of organised interests in shaping policy priorities. Until the late 1990s macro-economic economic policy in developing and transitional countries was largely dominated by technocratic elites in government and aid donors (Brinkerhoff 1996). There was limited societal engagement in policy making 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 to this rule are where civil society

---

² The research project placed equal emphasis on generating independent research insights on the impact of budget work and dissemination of lessons to the community of budget practitioners. The research was funded by the Non-Governmental Public Action Programme of the UK Economic and Social Research Council, the Ford Foundation, the Hewlett Foundation and SIDA.
organisations representing poor and economically disadvantaged groups gain access to decision making through structured engagement with the state through corporatist arrangements or through preferential access to government officials by virtue of political linkages established through ideological affinity and political struggle (Robinson and Friedman 2005).

There is some recognition on the part of governments and donors that citizen participation in macro-economic policy deliberation and priority setting can help to improve allocative efficiency and the legitimacy of the policy process (Brinkerhoff and Goldsmith 2003). There is also growing appreciation of how political factors shape priority setting and budget priorities. Democratic institutions are found to perform an important function in strengthening budget accountability in multiparty 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). Interest in the potential of citizen participation to influence budget priorities has stemmed in part from the Porto Alegre experiment which has focused attention on the potential of a state-sponsored process of participatory budgeting to influence spending and revenue priorities in Brazilian municipalities with potential for replication elsewhere (Navarro 1998, Baiocchi 2001). 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).

A third strand of enquiry has focused on civil society initiatives designed to promote greater social accountability by injecting greater citizen oversight on government spending priorities and outcomes and efforts to curb corruption at the local level (Goetz and Jenkins 1999, 2005). There is growing experimentation with methods that foster state accountability using tools such as citizen report cards to gauge perceptions of quality, adequacy and efficacy of public services which have been employed to great effect in India (Paul 2002).

**Independent budget initiatives**

Budget analysis and budget advocacy are regarded by many commentators as potentially important contributions to a growing arsenal of approaches developed by civil society organisations for fostering government accountability to citizens (Waglé and Shah 2001, Norton and Elson 2002). Despite the spread of such initiatives there has been no independent verification of the impact of applied budget work to date, despite increasing interest from aid donors and governments. The expectations concerning potential impact are high, with practitioners seeking to learn from successful efforts designed to influence both the budget process and budget priorities (International Budget Project 2002). Aid donors have an expectation that independent budget work can strengthen accountability and participation in the budget process and influence budget priorities. Hence, there is a compelling case for a deeper investigation of the impact of this type of non-governmental public action through a comparative research enquiry which can
both highlight the value of this line of work and provide a guide to future action.

The research summarised in this paper centres on 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 are the impact of non-governmental public action on budget processes, priority setting, and expenditure outcomes; the strengths and limitations of 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 disadvantaged groups.

The research draws on six case studies of independent budget work in Brazil, Croatia, India, Mexico, South Africa and Uganda, where non-governmental organisations have been engaged in budget analysis and budget advocacy for a period of 5-10 years.\(^3\) The range of organisations engaged in this type of work varies from development NGOs, networks and social movements, through to research organisations. For most of these, budget work forms only a part of their overall set of activities, and in some cases they have created special units for this purpose.\(^4\)

Located in the Indian state of Gujarat, DISHA is a social movement based on unions of tribals and labourers which developed budget work as a means of supporting claims for land and labour entitlements. At the other end of the spectrum the Institute of Public Finance in Croatia is a publicly-funded research organisation that analyses a range of public policy issues. IDASA in South Africa is a leading NGO that established a 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 in Brazil 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 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 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 of this constituency. This is reflected in the social groups and issues prioritised in their research and advocacy work: women, children, and tribals (in India), and education, health, and HIV/AIDS.

---

\(^3\) Full-length versions of the six case studies are available on the IBP website at [http://internationalbudget.org](http://internationalbudget.org).

\(^4\) These units have no more than ten staff and budget groups are usually small in terms of specialist staff and resources.
The six organisations all work on different aspects of public budgeting. The principal activities on the budget process include work to promote the availability of budget information, budget transparency, and broadening societal participation. All undertake capacity-building to promote awareness and understanding of public budgets among legislators, NGOs and citizen groups. Several organisations work to improve budget outcomes through advocacy work designed to influence budget priorities (allocations between major items of expenditure), the quality of implementation (the targeting of expenditures and the proportion of the allocation actually expended) and the utilisation of expenditures (how far budget allocations translate into physical outcomes, and the efficiency and effectiveness of expenditures). Most of the work centres on national and state-level budgets, though several organisations are engaged in activities at the local level (notably in India and Uganda), mostly on tracking expenditure outcomes (Heimans 2002). Four of the six groups focus mostly on the expenditure side of the budget.5

The research drew on a combination of methods and data sources to establish evidence of impact. For investigating impact on budget priorities the research drew on official budget data assembled and synthesised by budget groups with a view to establishing trends in government spending on social welfare, education and health as areas of expenditure that matter most to the poor. Data on budget outturns 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 other factors such as interventions of other actors and broader economic trends.

For evidence on the impact 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 with some certainty to the activities of these groups. Secondary documentation and media reports were used to supplement interview data.

5 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 http://www.revenuewatch.org.
Field visits of 10-15 days duration were undertaken by pairs of researchers. 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 in these areas of activity and to develop explanations for the observed impacts, as a means of generating broader lessons from groups operating in different institutional and political contexts.

The impact and significance of applied budget work
The emerging findings from the case study research lead to a number of conclusions on the impact 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 policy 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. The research finds 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 their utilisation on the other.

The case study findings provide evidence that the analysis carried out by independent budget groups can directly lead to positive improvements in budget policies. The 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, India. 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 sanction.

In the Mexican case, Fundar managed to achieve a ten-fold increase in the budgetary allocation for a national programme designed to combat maternal mortality through emergency health care provision in 2003 as a direct result of its analysis and lobbying efforts. This represented an additional increase in the order of US$50 million for a programme that would 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 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.

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 had an economist and a political scientist to combine different analytical skills.
IDASA’s Children’s Budget Unit in South Africa has used budget analysis as to monitor federal budget allocations and programmes designed for children and to highlight challenges regarding the delivery of services in active collaboration with other organisations advocating for children’s rights. The campaign spearheaded by the Alliance for Children’s Entitlement to Social Security and which drew on budget information provided by the CBU successfully led to an increase in the resources originally committed in the budget for the Child Support Grant when it was first introduced and to an increase in the 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.\(^7\) 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.

A third example, from DISHA in India, concerns the allocation and utilisation of an existing budget line designed for the socio-economic advancement of tribals, namely the Tribal Sub-Plan (TSP). In Gujarat, 15% 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 collective action by the unions and social movements affiliated with DISHA highlighted the extent of the under-spend and 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 the TSP budget, from an under-spend of the 1993 budget of 20% to an over-spend of 20% in 1996 (in excess of budget commitments), settling down to level implementation thereafter. While it is difficult to attribute this improvement in budget implementation to DISHA’s interventions with a high degree of certainty, commentators confirm that its advocacy efforts contributed in some measure to more effective utilisation of budget allocations for tribal welfare.

There was greater success in tracking expenditure outcomes which can be determined with greater certainty and result in substantial savings. 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 tracking of government budget commitments and implementation in a number of localities across the country (35 sub-counties in 7 districts) through community-based monitors. This includes the quality of building materials for the construction of classrooms not being in conformity with the relevant specifications due to the use of poor quality or inadequate materials, the

\(^7\) 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.
absence of drugs from health centres, and teacher absenteeism. The community monitors report such cases to the local authorities to ensure appropriate action and resource allocations in line with budget provisions.

DISHA developed a method for tracking expenditure allocations in the state budget for use in local council (panchayat) jurisdictions. It would inform elected councillors in village panchayats in writing of specific allocations under the state budget for local infrastructure purposes and ask if the implementation was taking place. Where there was no knowledge of the allocation or implementation (as was often found to be the case), DISHA would write to the relevant minister in the government who would then put pressure on the local administration to release the designated allocations. This proved to be a very effective way of placing pressure on the local government machinery to ensure that financial resources for local development purposes were being utilised for the designated purpose.

These examples demonstrate that applied budget work can produce significant quantitative results in terms of increasing financial allocations for specific programmes, and ensuring that expenditure allocations are implemented fully and used efficiently. Moreover, the additional expenditures were in areas that directly contribute to social justice and equity outcomes by increasing the resources available to poor indigenous women for emergency obstetric healthcare and contributing to a reduction in the prevalence of maternal mortality in Mexico, and increasing child welfare support for low-income black households in South Africa. Expenditure tracking improved the utilisation of development resources for the benefit of tribal and other rural communities in Gujarat and Uganda. Advocacy work helped to ensure that these expenditure commitments were sustained rather than one-off commitments which were then eroded over time.

These are significant 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 shifts in budget policies through the shift 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 line 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.

One lesson 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 accompanied by targeted advocacy are the most probable outcome in countries where legislative discretion is limited. However, achieving significant increases in budget allocations where there is substantial benefit to poor and marginalised social groups is a major achievement, and the case studies present evidence that demonstrates such changes are possible through independent budget work. The challenge is how to replicate and scale-up these achievements through a variety of strategies, including advocacy to influence executive action and improve legislative oversight.

Information, transparency and participation
In addition to efforts to influence budget policy, 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 groups with a view to improving understanding of the importance of budgets as a critical policy instrument and building budget literacy among a range of actors in political and civil society. Budget groups carry out these activities through training and capacity-building initiatives to broaden the 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 unfamiliarity 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 demonstrate the importance of this type of work, in that more informed and legislators can take a more active role in budget debates, scrutinise and review budget policies, and hold government decision-makers to account.

For example, in Gujarat state legislators are provided with short summaries of the main departmental reports the evening before the debate by DISHA, and responses to specialised questions on various aspects of the budget and implementation updates to enable them to play an active role in budget approval and review. 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 IPF do not have a face-to-face engagement with legislators but tend to provide information that is used to feed into political debate on budget priorities.

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 equip them with the skills to assist them in understanding budgets and their policy implications. IBASE in Brazil focuses on long-term public education on budget issues. For this purpose 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. Fundar works with local organisations in several states to strengthen skills in budget analysis and policy advocacy. DISHA conducts training for elected local government representatives in Gujarat on a large scale which feeds into 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 specialised 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 Institute for Public Finance in Croatia is regarded as authoritative by policy makers and academics that constitute the primary audience for its information products in an environment where civil society is weak. IDASA’s analysis is also valued by policy makers and academics, but it also reaches a broader range of stakeholders through its work.

Other organisations produce a wider 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 example IBASE published a quarterly ‘Budget & Democracy’ Bulletin over a ten-year period from 1991 which was distributed to 1500 organisations in order to increase the general awareness and understanding of budget issues, provide 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.

---

8 The IPF also reports that its reports are used by trade unions which share the material with their members.
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 2000, primarily politicians, government officials and the media. UDN’s newsletter has a circulation of over 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 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. In this manner 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), highlighting a 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. UDN in Uganda have provided material on government budgets for use by local radio. 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.

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 governments.

9 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.
Several groups contribute to 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 summary reports provided to the media and to parliamentarians for use in budget debates. But this data is not provided in a comprehensive or accessible manner to the general public and its contribution to transparency is 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. It has successfully used the new right to information law to extract data from the ministry of finance which in turn acknowledges the valuable role that Fundar has played in this regard. 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.  

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 setting up of the Anti-Corruption Coalition of Uganda (ACCU), which has been established to mobilise 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.  

A further area where budget groups have sought to make a contribution is in broadening participation in budget process, especially 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 which are attended by politicians, government officials and civil society organisations which leads to a wider 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. But this has generally not extended to widening the scope for involvement of

---

10 Several groups are involved in the preparation of regional budget transparency indices which use country-level indicators to document the transparency of public expenditure management systems.

11 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, manifestations, effects of corruption, and it regularly publishes booklets on corruption in several local languages.
ordinary citizens and there are only a few examples 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 leaders and activists in Gujarat.

However, 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 invalidate the significance of their work 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 may not be a feasible goal of this type of work. The structure of the budget process, especially in federal and presidential systems may not be amenable to wider participation. In such a situation, 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 the participatory budgeting exercises in Porto Alegre and other Brazilian municipalities appear to indicate. 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 from tribal welfare in India and maternal mortality in India clearly demonstrate.

**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 the budget process; and the openness and flexibility of the budget process. The first three factors are dimensions of organisational strategy while the latter two relate to the nature and structure of the budget process itself.

Independent budget groups in the six countries had all acquired legitimacy for their work through the production of timely, accurate and accessible data, and were 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 policy makers and politicians. But other types of non-governmental organisations 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 organisations with wider constituencies the potential to achieve positive impact is much greater. Fundar in Mexico formed a coalition with feminist organisations and reproductive health groups in pursuing a successful campaign for a dedicated 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 campaign for changes in budget priorities and monitoring 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 policy-making sphere. The experience of DISHA, Fundar and IDASA shows that the systematic building of relationships with legislators, especially those serving on special congressional committees responsible for public expenditure or 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.

While organisational capacity and strategic alliances have a significant bearing on the impact of budget work, there are features of the budget process that govern what is possible in different environments. In some countries the budget process remains relatively impervious to legislative policy oversight, especially in those characterised by strong executive authority and weak parliamentary traditions; this can limit the extent to which a strategy for working in 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 priorities. 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 established by the executive during the formulation stage may not be amenable to legislative amendment. In such contexts, advocacy over budget
priorities during 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 in some contexts for influencing executive decisions at an earlier stage of the budget process through direct leverage and influence on the executive.

**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. 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 challenge of either continuing to prioritise budget information and transparency or they can complement these activities by building alliances with like-minded organisations to broaden citizen participation in the budget process which may require additional skills and resources.

Budget work can have a positive impact on budget policies by influencing the allocation and use of public expenditure in a manner that contributes to equity and social justice outcomes. The challenge 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. 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.
Bibliography


Annex: List of case studies*

Vitus Azeem, Paolo de Renzio, and Vivek Ramkumar, *Budget Monitoring as an Advocacy Tool: Uganda Debt Network (UDN) Case Study*

Paolo de Renzio and Jim Shultz, *Budget Work and Democracy Building: The Case of IBASE in Brazil*

Helena Hofbauer, *Sustained Work and Dedicated Capacity: IDASA’s Experience in Applied Budget Work in South Africa*

Laura Malajovich and Mark Robinson, *Budget Analysis and Social Activism: The Case of DISHA in Gujarat, India.*

Jim Shultz and Albert Van Zyl, *Case Study of the Institute of Public Finance*

Mark Robinson and Vinod Vyasulu, *Lessons from Civil Society Budget Analysis and Advocacy Initiatives: The Fundar Story in Mexico*

*Available on the IBP website from July 2006, www.internationalbudget.org*