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Massive Impact: The First Global Assembly on Transparency, Participation, and Accountability

In a historic move toward promoting government budgeting that is open and accountable to the public, the IBP and its partners convened over 100 representatives from civil society groups in Dar es Salaam, Tanzania, in November. Actors from nearly 60 countries and international organizations laid the foundation for further building and consolidating an integrated and vibrant movement of organizations that will work together at the local, national, and international level. See article below for more details and resources.



November 18/19 2011

Dar es Salaam, Tanzania

To learn more about the Assembly and to follow the movement's progress, please visit www.makebudgetspublic.org.

areas of public finance reform, as well as detailed proposals for how to use increased revenues to boost Ghana's investment in such priority areas as health, education, agriculture, and social protection.

In May the IBP collaborated with GAEF to conduct the first workshop, which focused on understanding the Ghana budget cycle and the budget documents the government produces, reading and extracting relevant information from budget documents, and building skills in basic budget analysis. Following the workshop, each of the thematic platforms conducted sectoral analyses of the 2010 budget, which were then compiled into a report titled, "[What Is Our Purse Really Funding? GAEF Spending Wisely Campaign 2010 Budget Analysis Report.](#)"

The goals of the October workshop were to continue building participants' budget analysis skills, develop their capacity to use budget analysis to make advocacy arguments and to present budget analysis findings, produce a draft 2011 budget analysis, and prepare for engaging with the 2012 budget proposal.

In the workshop, the participants did an exercise to reproduce the key findings of GAEF's 2010 budget analysis report by referring to 2010 budget figures and replicating the calculations to come up with, and thus better understand, the findings. In the next session, they continued practicing their budget analysis skills by calculating inflation, real and nominal growth, shares, and budget execution rates, using the 2011 infrastructure budget as a case study.

The focus of the workshop then looked at how to use budget analysis findings to make advocacy arguments. The participants reviewed and assessed the strengths and weaknesses of two examples of budget advocacy writing, which allowed them to examine the ways in which CSOs use budget analysis for advocacy — for example, to check if the government is keeping its promises, to question government priorities, to assess the fairness of existing policies, to demand the implementation of existing policies, and to propose alternatives based on the cost and effectiveness of current policies.

The participants next learned how to present budget analysis findings in ways that are clear, easy to understand, and appropriate to the data. They studied examples of charts, graphs, and tables that summarize budget data, and for each example, analyzed the information that it did or did not provide and suggested improvements to maximize the clarity and amount of information it conveyed. Participants then worked in groups on two budget analysis tasks and practiced creating tables to present their findings.

The next part of the training was dedicated to sectoral analyses of the 2011 budget, with the aim of preparing a budget analysis similar to GAEF's 2010 report. On the final day, participants began preparing for the release of the 2012 budget proposal by reviewing the 2012 Budget Guidelines and discussing the Forum's strategy for responding to the 2012 proposal. (The proposal was since released on 17 November 2011.) A small working group was put together to lead in drafting a statement on both the 2011 budget and the 2012 budget proposal. Forum members decided that domestic revenue mobilization would be the focus of their analysis and response to the 2012 budget proposal, and that each thematic platform would also release a brief statement on the 2012 proposal with regard to their sector.

Fiscal Transparency of Chinese Provincial Governments: Assessment, Variations, and Drivers, by Liang Ma, Xi'an Jiaotong University School of Management

It is crucial to deepen current streams of research on transparency at the subnational and local level, particularly for large countries like China, where the government's fiscal transparency is very poor. According to the International Budget Partnership's [Open Budget Survey](#) (Survey), China scored 13 out of 100 on the Open Budget Index in 2010 and 14 in 2008. It ranked 78 out of the 94 countries studied in 2010, and 59 out of the 85 in 2008.

To advance government transparency, "Regulations of the People's Republic of China on Open Government Information" (OGI Regulations) was adopted by the Chinese State Council on 5 April 2007 and became effective on 1 May 2008. The implementation of OGI Regulations, however, has varied substantially across regions in China due to vague central directives, considerable local discretion in policy implementation, and wide regional disparities in socioeconomic status. Thus it is important to examine variations of fiscal transparency and their determinants across different regions.

Assessments of fiscal transparency in Chinese provincial governments

OGI Regulations grant citizens the right to request information from the government and require that the government reply via e-mail or post — or request an extension — within 15 business days. The mandate enables observers to assess government performance in terms of information disclosure. The Center for Public Policy Studies (CPPS) at Shanghai University of Finance and Economics has ranked the fiscal transparency of 31 Chinese subnational governments each year since 2008, covering 22 provinces, five autonomous regions, and four municipalities (excluding Hong Kong, Macau, and Taiwan). The CPPS developed a framework to assess fiscal transparency, incorporating international experiences and Chinese domestic characteristics. In total, 113 items of fiscal information requiring disclosure were requested as part of the assessments, including 66 items for government accounts, 30 items for social security accounts, and 17 items for state-owned enterprise (SOE) accounts.

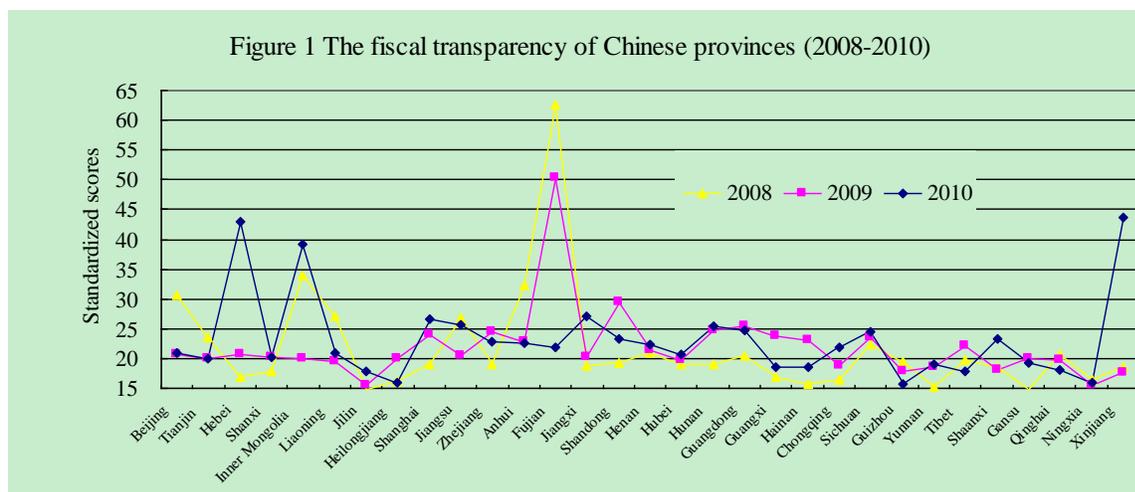
The CPPS recruited over 100 volunteers to request fiscal information from 31 provincial governments. The attitude and conscientiousness of government responses, and the comprehensiveness of disclosed information were evaluated to gauge fiscal transparency in specific provincial governments. Timeliness and accuracy of information were not taken into account in this survey. Information was independently requested five times to confirm the reliability of the assessment.

Governments were judged according to OGI Regulations, and were rated from 0 to 50 based on the attitude and conscientiousness of their responses, and the comprehensiveness of information was scored from 0 to 10 for each item, with totals ranging from 0 to 1130. The index of fiscal transparency ranged from 0 to 1180, with standardized scores ranging from 0 to 100. No province scored higher than 65.

Variations of fiscal transparency among Chinese provincial governments

The CPPS assessment shows that Chinese provincial governments are not as fiscally transparent as they should be. On average, governments responded to only 22 percent of fiscal information requests made by the CPPS over the past three years, even though the law requires full disclosure.

Fortunately, however, fiscal transparency has been improving. The average score was 21.71 in 2008, 21.87 in 2009, and 23.14 in 2010. But there are tremendous intra-country disparities of fiscal transparency among Chinese provinces (see Figure 1). 2008 scores range from 14.79 (Jilin and Gansu) to 62.66 (Fujian), and 2009 scores range from 15.37 (Ningxia) to 50.41 (Fujian). The highest score in 2010 was Xinjiang (43.65), while the lowest was Guizhou (15.74). There seems to be a subtle tendency of convergence on fiscal transparency scores, as the deviations between provinces have been narrowing. Provinces may adhere to the Confucian doctrine of “golden mean,” in that the progress of transparency in pioneer provinces (such as Fujian) slowed down while lagging provinces (such as Xinjiang) caught up.



Drivers of fiscal transparency in Chinese provincial governments

Why do provinces differ significantly in their levels of fiscal transparency? We find that the drivers of fiscal transparency are public demand (citizens' attributes and jurisdictional characteristics), fiscal performance, government resources and capacity, and provincial leaders' willingness to disclose information. The results show that economic openness, "marketization," budget deficits, institutional capacity, and the attributes of local leaders (such as the tenure of governors) are also key drivers of provincial fiscal transparency.

This information has practical implications for improving subnational fiscal transparency in China and other countries. Fiscal transparency reforms are difficult to achieve, and governments need to arrange essential resources for their implementation. Subnational and local leaders of administrative affairs are crucial players in increasing openness; their endorsements and support are very important. Additionally, transparency could be strengthened by the central government with more effective controls and incentives for local officials. Finally, economic openness and market-oriented reforms contribute strongly to fiscal transparency, and deepening institutional reforms and encouraging economic openness may benefit government transparency over the long term.

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To read the full paper, please visit:

http://spaa.newark.rutgers.edu/images/stories/documents/Transparency_Research_Conference/Papers/Ma_Liang.pdf.

The IBP: Catalyzing Activism, Facilitating Progress

Recommendations on Transparent Budgeting and Performance Reporting, by Vivek Ramkumar, International Budget Partnership

On November 14 the manager of the International Budget Partnership's Open Budget Initiative, Vivek Ramkumar, traveled to Harare, Zimbabwe, to speak to the South African Development Community Organization of Public Accounts Committees (SADCOPAC) about how governments in the region can enhance accountability through transparent budgeting processes and performance reporting. SADCOPAC is charged with the responsibility of empowering Members of Parliament (MPs) of its member states to effectively carry out their oversight functions with regard to public sector finances, as well as promoting good governance in the region.

The theme of this year's SADCOPAC conference was "The Strategic Partnership of Public Accounts Committees with other Oversight Institutions for Sustainable and Effective Public Resources Accountability." In his remarks, Ramkumar discussed the challenges faced by auditors and public accounts committees in enforcing accountability. He recommended greater collaboration with civil society and described how this can improve the effectiveness of auditors and public accounts committees. Many of these challenges could be mitigated if auditors made their work relevant to the public and involved them. The public can even help auditors by reporting problems in budget execution in their communities. For example, the state government of Andhra Pradesh in India has been implementing social audits to monitor a major rural employment program. Through this participatory monitoring process, the public has helped auditors identify approximately US\$25 million of misappropriated funds, leading to the recovery of US\$5 million and the dismissal of more than 3,000 staff members who committed improper actions.

Public accounts committees have a complementary role to play in enhancing the effectiveness of public resource accountability. Ramkumar recommended that these committees empower auditors by promoting their independence from the executive branch, by encouraging the government to increase resources allocated to audit institutions, and by reviewing audit reports in a timely manner. However, public accounts committees need to function in a nonpartisan way. They also require access to independent and reliable information, media coverage, and public participation. Many of these factors could be enhanced if