

GLOBAL CIVIL SOCIETY AND BUDGET PARTICIPATION

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Introduction

One of the most important public policy trends since the turn of the twenty-first century has been the convergence of democratisation and development agendas in the context of national economic planning. The reorientation of social policy discourse and practice away from purely economic income indicators of poverty towards definitions encompassing exclusion from decision-making structures has had significant effects on economic governance at both national and international levels. One such effect has been the establishment of a link between political participation and poverty reduction in the context of resource management and allocation. Here, the engagement of wider stakeholders in the institutions and processes of local and/or national budget formulation and execution is viewed as key to ensuring that budgets promote social policy objectives, including poverty alleviation.

Budgets are important components in the fight against poverty as they determine how and where national resources are allocated. Not only do they determine how much is spent on social expenditure, such as in health or education, they also determine how much is spent on productive sectors, such as agriculture and industrial development, which have an impact on employment and livelihoods. Access to the budget process is therefore important for the articulation of material needs, for enhancing the poverty and gender focus of public expenditures, for reflecting the interests of marginalised groups and for increasing accountability and transparency in the allocation of resources. Oversight of and contribution to budgets are also important for articulating other normative objectives, such as a wider political franchise, human rights, social equity and democratisation.

Recognition of the importance of budgets as policy instruments for poverty reduction has led to an increase in civil society interest in budget processes and institutions in recent years. Civil society budget initiatives have proliferated due a combination of factors, including shifts in international aid policy, domestic political change leading to experimentation with new models of local governance, and the rise of global

citizenry networks facilitating information exchange and advocacy around participatory budgeting. Disillusionment with existing legislative processes in many countries has also meant greater support for civil society budget groups. Operating independently of political parties, civil society organisations (CSOs) are viewed as being more representative of citizenry interests in resource allocation than elected officials, and, given their increasing professionalisation, they are seen as competent interlocutors between communities and policy makers.

This chapter situates civil society engagement with budgets within the wider political economy and power relations inherent in the political process of resource management and allocation. It offers a critical reflection of the role of civil society in budget formulation, monitoring and implementation. The chapter focuses primarily on civil society budget initiatives in the developing world because this is where the bulk of participatory budgeting has taken place and because, as observed previously, the notion of participatory budgeting has been inextricably linked with the policy and practice of development. The chapter demonstrates that the pro-poor impact of civil society engagement with budgets is contingent upon a myriad of factors external to the budgetary process, including structural dynamics of power and levels of resource dependency, both domestically and internationally.

Consequently, in mapping the pro-poor impact of civil society budget initiatives, it is necessary to examine the local as well as the global context in which civil society groups operate, and the influence of both national and international factors in facilitating their engagement with national budgets. This chapter suggests that civil society input into budgets may enhance the poverty focus of budgetary policies. However, this participation in itself is insufficient for ensuring pro-poor resource mobilisation and generation and, in many cases, is not essential to poverty reduction if other institutional and political conditions are conducive to these objectives. Thus, it is argued here that the significance of civil society budget initiatives may lie not in its poverty impact but in its impact

on governance and democratisation, of which pro-poor resource allocation emerges as a positive consequence.

Rapid growth in civil society budget work

The systematic participation of civil society groups in the budget process is a recent phenomenon. While civil society organisations have engaged in the budgetary process in the past (see below), concerted global civil society interest in budgets as an advocacy tool gained momentum only in the late 1990s. Since 2000, there has been a proliferation of groups engaged in what is known as ‘applied budget work’ – budget analysis ‘undertaken with the explicit intention of advancing policy goals’ and maximising policy impact (IBP 2001: 5).

The International Budget Project (IBP), itself a pioneering capacity-building organisation,¹ estimates that in 2008 more than 100 organisations in over 85 countries were engaged in budget work of some form, with intensive budget activity undertaken in 20 countries, compared with fewer than ten organisations a decade earlier (see Box 5.1).² According to IBP executive director Warren Krafchik, while few of these groups have been active for over six years, ‘the majority of organizations have been engaged in budget work for less than three years’ (Krafchik 2001: 1). The rapid expansion in civil society budget initiatives in recent years can be attributed to a number of factors, not least those facilitated by the processes of globalisation and the growth of global civil society.

Democratisation and governance transitions

First, the advent of the governance discourse, coupled with the political transitions of the early 1990s in eastern

Europe, Africa and Latin America,³ catalysed debates on greater vertical accountability and broadening the institutions and processes of political representation. This precipitated not only changes in political systems generally but also what Castello, Lavalle and Houtzager (2006: 115) describe as a broader ‘reconfiguration of political representation’ involving shifts in traditional forms of representative government.

In the ex-socialist states of eastern Europe and former authoritarian regimes of Africa and Latin America, such reforms meant greater plurality in legislative composition in the form of multiparty elections. In these states, CSOs (where they exist) have concentrated on building the capacity of newly elected legislators, often providing basic technical assistance to parliamentary or congressional representatives in the formulation and oversight of national policies, including budget priorities. Often the legacy of centralised decision-making in these countries has resulted in a weak culture of direct citizen advocacy, particularly in transition economies, so that civil society advocacy has focused on building influence through formal and informal networks on key government players (Van Zyl and Shultz 2006: 10, 34; see also the following section).

In other places, such as post-apartheid South Africa and the larger democracies of Brazil and India, reforms have entailed expanding political representation to incorporate a diversity of actors in the policy-making process. Here, disappointment with existing representative mechanisms – including frustration with clientelism and patronage in conventional electoral politics – has led to the emergence of novel forms of political participation. This ‘participatory sphere’ has emerged as intermediate, semi-autonomous spaces, set apart from the formal institutions of politics and government but also outside ‘everyday associational life’ (Cornwall and Coelho 2006: 1). In these new spaces, civil society groups have emerged as alternative interlocutors between the state and its citizens, and allowed entry into the public policy process not just via elected legislators but through direct engagement with the executive arms of government.

In some cases, such as Bolivia, Brazil, South Africa and Uganda, the reconfiguration of state–citizenry relationships has been facilitated by constitutional innovations, notably the incorporation of strong social guarantees and provisions for participatory decision-making in reformulated constitutions (see de Renzio and Shultz 2006: 3; Norton and Elson 2002: ix–x).⁴ These innovations were often the result of broader

1 *The IBP was established under the auspices of the Washington DC-based Center on Budget and Policy Priorities in 1997 with the explicit aims of building the capacity of global civil society to ‘analyze and influence government budget processes, institutions and outcomes’, particularly groups working with low-income communities in developing countries or ‘new democracies’ (IBP URLa)*

2 *Interview with Warren Krafchik, Director of IBP, 7 July 2008.*

3 *This was the so-called third wave of democratisation, which included the fall of communism in eastern Europe, the end of apartheid in South Africa and the emergence of multiparty systems of governance in many parts of Africa and Latin America previously under authoritarian regimes.*

4 *The 1988 Brazilian constitution, for example, created mechanisms for civil society participation in public policy and formulation (de Renzio and Shultz 2006: 3), while the 1994 Bolivian Law of Popular Participation established the right to participatory development in local development plans as part of wider decentralisation reforms (UNIFEM n.d.: 8).*



political movements or projects with explicit ideological commitments to popular participation or pro-poor development policies; as discussed further below, the bulk of successful and sustainable participatory budget work has emerged from these environments (Brätigaum 2004: 654; Cornwall and Coelho 2006: 155; Norton and Elson 2002: ix–x).

The liberalisation of political governance around the world leading to this ‘profusion of new spaces for citizen engagement’ (Cornwall and Coelho 2006: 1) has contributed to the rise of civil society budget initiatives due partly to the politicised nature of budgetary decisions. As budgets have a direct impact on people’s lives, through either taxation or public expenditure, political parties have sought actively to court the support of social groups or social movements, especially in revenue allocation policies, in order to build new political alliances or generate greater political support. Correspondingly, the technical nature of budget policy making has also enabled civil society groups with research expertise to influence the direction of budget policies by providing technical assistance to legislators.

Global communications and the globalisation of civil society

The second factor contributing to the rapid expansion of civil society budget work has been the growth of communications technology and the rise in global civil society networks. The globalisation of information has enabled political momentum from local or national initiatives to spill across territorial borders and to provide impetus for reform in other countries. Increasingly, knowledge about successful experimentation with new forms of accountability mechanisms and state–society engagement is disseminated via electronic methods, such as the Internet or email communications among civil society groups, or at global or regional meetings of CSO networks. For example, the possibilities of recreating the success of the pioneering participatory budgeting initiative in Porto Alegre, Brazil in other parts of the world was widely discussed at the third World Social Forum in Porto Alegre in February 2003 (Norton and Elson 2002: 42).

The spread of civil society budget groups has also benefited from the success of gender budget initiatives. Gender-responsive budgeting (GRB), which seeks to analyse and reorder budget priorities from a gender perspective, was first pioneered by Australia in 1984 and endorsed by the UN Fourth Conference on Women

and the Beijing Platform for Action in 1995. Since then, the movement has generated a wealth of research, technical expertise and advocacy networks worldwide, including a high-level resource centre collaboratively run by the United Nations Development Fund for Women (UNIFEM), the Commonwealth Secretariat and the International Development Research Centre (IDRC) in Canada (UNIFEM URL). Aside from the success of these organisations as advocacy instruments – for holding governments to account for commitments to gender equality and women’s human rights – research into GRB has also contributed to the development of new methodologies in applied budget work, notably in analysing the impact of budgetary decisions on specific community groups.

At the same time, dedicated budget outfits, such as the globally focused International Budget Project or the regionally oriented Africa Budget Project (ABP), based on the Institute for Democracy in South Africa (IDASA), have served to provide support for CSOs engaged in or planning to engage in budget work. This support includes training in budget work for individuals and organisations, supplying budget-related information, and building regional and global networks of budget organisations (IBP URLa; IDASA URL). Programmes such as the Open Budget Initiative run by the IBP (URLb) enable groups to gauge and compare government commitments to budget accountability and transparency through rankings on the Open Budget Index⁵ and to utilise such rankings in their outreach and advocacy work.

The IBP itself draws upon the expertise of its parent organisation, the Centre for Budget and Policy Priorities (CBPP) in Washington DC, with over 20 years in applied budget work, collating data and conducting research on the how budget, tax and other government policies affect people on low or moderate incomes (IBP 2001: 11). The impact of the IBP and its regional partners, such as the ABP, on the growth of civil society budget work cannot be underestimated. Simply by providing access to information and putting groups in touch with each other, the IBP has contributed to building not just the technical capacity of CSOs keen on embarking on budget work but also their confidence to do so. As the organisation states, ‘it is important for new budget groups to remember that they are not alone’ (IBP 2001:

⁵ *The Open Budget Index assesses the availability of key budget documents, the quality of the information they provide and the timeliness of their dissemination in each of the 59 countries surveyed (IBP 2006: 8).*





14). Importantly, these umbrella organisations also aim to ensure funding for civil society budget work through building the case for such activities and raising the profile of civil society budget activities among bilateral and multilateral donors (IBP 2006: 8).

Donor influence and the new development discourse

This leads to the third but most important reason behind the recent proliferation of civil society budget initiatives: changes in aid policy and shifting rationales for development interventions in the developing world since the early 1990s. In tandem with the aforementioned discursive and political transitions at that time, there was a movement away from the reductionist approach of the Washington Consensus as a basis for development policy and practice. Identification by international financial institutions (IFIs) and bilateral donors of, firstly, 'good governance' and, latterly, 'ownership' and 'participation' as conditions for successful implementation of economic adjustment programmes has led to significant changes in aid policies and modalities.

This new disciplinary framework for regulating relationships between donors and recipients of official development assistance (ODA) represents a conceptual departure from previous aid modalities in three critical areas: a substantive emphasis on social mitigation, the broadening of constituents in policy formulation and a shift in the mechanisms for delivery of development financing. A corollary of this framework has been a growing focus on the efficacy of development financing. This includes developing mechanisms for measuring aid effectiveness in recipient countries, such as so-called performance budgeting, in which governments are required to establish targets and report on actual outcomes of budget policies, not just on figures of money spent (Budlender 2005: 7).

These changes have contributed to the increase in civil society budget work in three critical ways. First, changes in aid policies and modalities have meant greater support and opportunities for civil society delivery of social services and engagement in social and economic policymaking. Second, the focus on governance and public sector management has led to the development and consequent implementation of new financing conditionalities facilitating government oversight. Finally, these opportunities have fostered greater recognition of civil society work generally,

leading to increased donor funding for participatory initiatives, including budget work.

The confluence of the democratisation and development agendas of the 1990s has thus led to a 'new architecture of aid' which has not only normalised the participation of non-state actors in international development policy making but also conscripted them into the process of regulatory oversight under the parallel 'new accountability agenda'. This new framework of aid relations paradoxically confers autonomy on recipient governments at the same time as it problematises state structures in the process of economic policymaking and resource allocation.

For example, the movement towards budget support⁶ as a preferred means of resource transfer between donors and recipient states has correspondingly entailed the development of appropriate oversight mechanisms to police aid expenditure, notably reforms to domestic public financial management systems which open up government accounts to public scrutiny and civil society critique (see Robison 2006: 8). At the same time, the dramatic increase in public expenditure management (PEM) conditions in donor financing – around 75 per cent of World Bank loans today involve PEM conditions, compared with 50 per cent in 1999 (World Bank 2005: 11) – have provided the disciplinary (and financial) impetus for countries to adopt reforms in PEM systems, financial management and procurement structures. These developments, often in the context of a weak political oversight system in many countries, have enabled civil society groups to step in as valid intermediaries between donor funds and government expenditure.

Meanwhile, the institution of the Poverty Reduction Strategy Paper (PRSP) process,⁷ with its mandatory 'participatory' requirement, has enabled civil society groups in low-income countries limited access, either

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⁷ *Budget support differs from conventional ring-fenced development financing as it disburses non-earmarked resources directly into the recipient states' treasuries for financing state budget priorities. However, it would be mistaken to assume that budget support bypasses traditional policy conditionalities associated with donor financing as budget support is usually contingent upon agreed policy or structural reforms to be undertaken prior to the disbursement of funds.*



Box 5.1: History of the International Budget Project

Since its inception in 1997, the International Budget Project (IBP) has grown by leaps and bounds. By its own accounts, when the IBP organised its first international conference on civil society budget initiatives in 1997, only 15 countries were represented. In 2003, its fourth global conference was attended by groups from 40 countries. Currently, the organisation liaises with budget groups in over 85 countries around the world and has emerged as the focal point for much of the global civil society work on budgets.

The IBP was formed as a project within the Center on Budget and Policy Priorities (CBPP) based in Washington DC. The CBPP itself is a pioneering institution in its own right, established in 1981 to conduct research on how federal budget policies affected low- to middle-income people in the US. The center expanded its programmes to the state level in 1992 with the creation of the State Fiscal Project, providing expertise to state-based budget and tax policy groups within the US and establishing networks of information sharing and technical assistance for such organisations. The IBP was developed partly in response to the need to support groups in post-socialist states (termed 'new democracies') in the 1990s lobbying for greater transparency and accountability in their new budget systems.

The IBP states that 'the overarching aim of the project is to make budget systems more responsive to the needs of society and, accordingly, to make these systems more transparent and accountable to the public'. It does so by working with groups in developing countries and former socialist states which share a similar focus on examining the impact of budgets on the poor and low-income people in their own constituencies. According to the IBP:

The general lack of information on budget issues – and the shortage of information and analysis in widely usable, non-technical forms – has seriously hindered the efforts of national and local organizations attempting to participate in the debate on the distribution of national resources. Strengthening budget analysis is therefore an inevitable and integral part of policy work and democracy-building.

Drawing upon the expertise of the CBPP, its parent organisation, the IBP provides training and technical assistance to individuals and groups embarking on budget work, including on-site training as well as the publication of an impressive library of technical and policy briefs, almost all of them available on its website. The project boasts that it has trained more than 2,200 people from over 60 countries since 2007. Advocacy of budget transparency and accountability is pursued through active monitoring and measuring of accessibility to budget information and policymaking in different countries. The Open Budget Initiative (OBI), facilitated by the IBP, was established in 2006 to rate countries on the openness of their budget processes. Using a methodology designed and implemented by the IBP, groups in 59 countries can now access an index comparing their countries' budget openness with others in the index. This includes assessing the availability of key budget documents, the quantity of information they provide, and the timeliness of their dissemination to citizens.

The IBP has also played a significant role in ensuring adequate funding for civil society budget work. Itself funded by a range of bilateral government agencies and private foundations – the UK's Department for International Development (DFID), the Ford Foundation, the John D. and Catherine T. MacArthur Foundation, the Open Society Institute, and the Swedish International Development Cooperation Agency (SIDA) – the IBP has also helped other organisations seek financial support by providing technical assistance and raising the profile of civil society budget work among donors. In 2004 the organisation launched the Civil Society Budget Initiative (CSBI), a donor and civil society partnership to support organisations interested in 'building budget-focused work as a core part of their strategic vision' by providing a combination of financial, technical and learning/networking support to emerging budget groups.

In carrying out its mandate, the IBP relies on a strong network of regional partners – notably the Institute for Public Finance in Croatia, the Center for Budget and Policy Studies in India, Fundar in Mexico, and the Budget Information Service at the Institute for Democracy in South Africa (IDASA) – to act as hubs for leading information sharing and dissemination and capacity building activities for each region. The organisation also works closely with a number of groups in key developing countries, including Brazil, India, Indonesia and Uganda.

According to IBP director Warren Krafchik, the scale of CSO budget activity since the turn of the 21st century can be attributed to the coherence of the organisations involved and the strength of partnerships built within the networks. This has enabled many organisations to develop shrewder political advocacy and work with many different branches of government, especially the executive branch. Krafchik believes that, in order to have a significant impact on the budget process, civil society groups have to get involved in all aspects of the process, from its formulation to execution, and at both national and sub-national levels. In particular, he says organisations should pay attention to strengthening oversight institutions in the long term, including advocating for more effective auditor-general departments and more independent legislatures. Looking beyond expenditures towards analysing government revenue, including sources of leakage of funds, will also generate better understanding of the budget process in the future, he adds.

For Krafchik, the work of the IBP has come a long way since its inception, developing alongside the growth of CSO budget work in general. The challenge, he believes, is to maintain the momentum of the successes so far but also to build upon them. In this respect, he believes that donors have an important role to play in facilitating financial support for these activities and developing greater coherence in their funding policies. For example, the increased focus on public financial management (PFM) by donors in bilateral and multilateral aid has not necessarily translated into funding for civil society work in this area. 'Most donors fund government PFM work and relatively few donors are interested in getting civil society involved in public financial management', he says. 'There is still a lot more that can be done.'

Sources: IBP website: www.internationalbudget.org; CBPP website: www.cbpp.org;
OBI website: www.openbudgetindex.org; interview with Warren Krafchik, 7 July 2008.

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consultative or deliberative, to budget and other economic policy processes. As a document outlining a country's national economic policy, a PRSP must identify the nature, sources and incidences of poverty within the country and detail how the country's resources, chiefly those provided through debt relief and concessional financing, will be disbursed to ameliorate these problems. Civil society engagement in the PRSP process, along with any corollary involvement in the development of a Medium-Term Expenditure Framework (MTEF),⁸ has highlighted the importance of budgets in achieving poverty reduction and other social policy objectives, and generated civil society interest in utilising budgets as instruments for advocacy on these issues.

Decentralisation, privatisation and the retreat of the state

Donor policies have also contributed to the trends towards decentralisation and privatisation, two factors which have facilitated civil society access to budgetary processes. Devolution of fiscal and administrative responsibilities to sub-national entities has brought economic planning and budgeting closer to many communities, in both the industrialised and the developing worlds. Increasing local, municipal or state government autonomy for fiscal policies and resources, either as a consequence of progressive political alignment at the central government level (such as in Brazil or Bolivia) or as a result of IFI-imposed conditionalities (as in many parts of Latin America and Africa), has generated greater citizen interest and engagement in local budgetary processes. This is because for the most part it is at the local level that services and resources of interest to poor and marginalised communities are located, and struggles over land and other natural resource allocations occur.

For many local citizens' groups, therefore, focus on local or municipal budgets is seen as a viable means of redressing biases in resource mobilisation and allocation which contribute to poverty and gender inequality (UNIFEM n.d.:4). According to Krafchik, although decentralisation complicates budgetary oversight at the national level, it expands opportunities for citizen involvement in fiscal policymaking at the local level

(Krafchik 2001: 3). Aside from the relative simplicity and smaller scale of local budgets compared with national budgets, any of the logistical difficulties associated with nationwide budget oversight and advocacy, such as the organising public budget hearings over expenditure plans, are not as prevalent at the local level (Rajkumar 2008: 2).

Additionally, given the weak capacity of state and local institutions, decentralisation provides CSO budget groups increased opportunities for influence outside formal involvement, such as through training or policy analysis (Krafchik 2001: 3). Consequently, many private and public donors have increased financial support for local budget initiatives. For example, UNIFEM's local-level GRB programme, funded by the European Commission from 2003 to 2006, supported projects to strengthen women's representation in local policymaking processes, including budgets, in India, Morocco, Uganda and the Philippines (UNIFEM n.d.:4).

Decentralisation has also made it easier for sub-national governments to access external donor or IFI financing directly, enabling local and state authorities to supplement, or in some cases substitute, central government funds. However, while this has, to a limited extent, broadened the resource envelope for sub-national governments and created opportunities for local groups to influence public expenditure at the local level, such developments have a correspondingly problematic effect on national economic planning, sovereign debt management and universal public service provision (Tan 2005: 6). In particular, devolution of fiscal responsibilities without corresponding resource transfers from the central government to sub-national entities may lead to these entities incurring unsustainable debt as local authorities attempt to plug resource gaps by borrowing externally (Tan 2005: 6).

Privatisation policies have also played a role in generating increased civil society interest in the budget process. As the delivery of public services – health, education, water and sanitation – is increasingly outsourced to private entities, including CSOs, organisations have stronger incentives to influence local budgetary decisions as they speak not just as affected stakeholders but also as potential financial beneficiaries. New donor modalities for funding service delivery, such as social funds⁹ which channel decision making and resources directly to community groups and local governments, also mean that many civil society groups have already had experience in community

⁸ *The MTEF is a medium-term planning document providing 'the framework for allocating resources in which explicit policy choices and trade-offs are made depending on resource availability' (ODI 2005: 1).*





resource mobilisation and allocation outside formal budgetary processes prior to a formalised consultative or deliberative arrangement.

Diversity of civil society budget initiatives

Civil society budget initiatives assume a number of different forms, with organisations being involved in all aspects of the budget process – from basic budget literacy and information dissemination roles to engagement in the drafting and budget formulation stages to post-budget monitoring and oversight work. Such activities range from training and capacity building exercises to technical analysis of budget documents, to media work and input into public debates, to expenditure tracking and budget monitoring, to mobilising and coalition building of advocacy networks (IBP 2001: 8–15; ODI 2007: 1). However, as discussed further in the following section, with notable exceptions, such as in Brazil and Argentina, direct deliberative access of civil society groups to the budget process remains limited.

Multiplicity of mandates

Budget groups tend to operate at either local or municipal, state or national levels, with some operating at several levels depending on organisational capacity and focus. Most groups are engaged in monitoring all stages of the budget process, although they ‘often concentrate their interventions to a specific stage’ (Krafchik 2001: 2). Budget groups also differ in size and capacity, with some organisations undertaking budget work in tandem with other policy research, advocacy or lobbying work, and others having been established, either alone or as part of a larger organisation, as dedicated budget watchdogs.

Despite the diversity of their work, two common threads underpin civil society budget initiatives: these groups blend applied budget analysis with advocacy work, albeit to differing degrees; and the main focus of their

work has been on the impact of budget policies on the poor (ODI 2007: 1). Correspondingly, groups engaged in budget work tend to share common, long-term objectives, notably the twin aims of promoting ‘good governance’ broadly defined and improving the social and economic conditions of marginalised communities (de Renzio and Krafchik 2006: 5–6; ODI 2007: 1). Once again, the overarching normative motivations of civil society budget practitioners reflect the current trends in public policy thinking and development practice of linking active citizenship and political representation with social and economic development.

The nature and form of the budget work undertaken by individual civil society budget groups depend largely on their organisational structure and mandate and their strategic approach to the budget process. Most organisations involved in budget work would have initially encountered budgets as part of their work on substantive issues, such as gender, health, education, human rights or debt, and viewed budgets as a means of strengthening advocacy on those issues. For these organisations, budget analysis and training have focused primarily on policies directly relevant to their organisational mandate. The Zambian-based Civil Society for Poverty Reduction (CSPR) and the Uganda Debt Network (UDN) are two organisations whose engagements with budgets have stemmed from their policy work on Third World debt and development issues. Meanwhile, an increasing number of women’s groups, such as the Tanzanian Gender Networking Programme (TGNP) and the Development through Active Networking (DAWN) group based in the Philippines, have incorporated GRB as a significant part of their work programme.

Although some of these organisations have chosen to limit engagement with budgets to the budgetary impact on their substantive areas of work, others have broadened the scope of their budget initiatives to establish dedicated budget units within their organisations. Developing Initiatives for Social and Human Interaction (DISHA), a group representing tribal peoples and labourers in Gujarat, India, started budget analysis and advocacy work in the mid-1990s as a means of supporting its claims to land and labour entitlements. It has now become the only source of budget information in the state, providing budget data for use by legislators and the media ‘in an environment where a lack of legislation permitting access to information and the government’s refusal to publicize

⁹ *Social funds are part of a portfolio of new development finance modalities known as community-driven development (CDD). CDD approaches, along with vertical funds and output-based aid (OBA), are the operational result of an increasing trend for donors to bypass central governments and hand funds directly to communities and private organisations and corporations, essentially for the delivery of basic services (Tan 2005: 6). Proponents of the approaches claim that they confer greater autonomy on citizens for decision-making, but many critics argue that these instruments have the effect of fracturing service delivery and raise concerns about overall national fiscal management (Tan 2005: 6).*

Box 5.2: National Social Watch Coalition in India: a tool for governance accountability

The emphasis inspired by ascendant neo-liberal policies, especially in developing countries, has brought with it a demand for greater civil society involvement in the policy process. This has taken the form of various tools which in recent years have become widely used by civil society, for example, budget tracking, citizens' report cards, social audits etc. Social Watch India is one such initiative, intended to monitor the nodal institutions of governance such as Parliament, the Judiciary, and the civil service (the executive and the institutions of local governance). Social Watch goes beyond the monitoring of budgetary allocations and attempts to create a governance discourse starting from one end of the spectrum i.e. where policies are formulated, and continuing to the other end, to look at the effects of such policies. By mapping the journey of governance from public policy formulation through to delivery, this tool is instructive for the effective management of budgetary allocations.

The legitimacy of democracy depends a great deal upon the effective operation of institutions. The democratic process should ensure the active participation of citizens, who have the right to participate in institutional processes and ask questions about performance and delivery. Institutional health, transparency, and operation in remote areas and with regard to all citizens are valid criteria by which to evaluate the process of governance.

Institutions of governance function external and internal pressures: there are demands and requirements of ideology, policies, and the guidelines of international agencies; and it is impossible to accept them all because of socio-political and economic realities. Internal pressures are exemplified by increasing demands from the people and civil society organisations, which are often translated into policy initiatives. Inspired by the elitist neo-liberal framework, the concept of governance is loaded in favour of the proponents of macro-management of development. While this approach perceives resource use as the primary parameter of efficiency, the effective use of resources for social justice and equity is often ignored. This necessitates a critical perspective on the political dimension of governance. Unfortunately in the top-down approach towards development it is the citizen as an autonomous agent who is conspicuously absent from the picture. The neo-liberal concept of governance has to be challenged and governance itself has to be redefined to make it more inclusive so that justice, equity, participation, transparency and accountability occupy a central place.

Meeting the rising aspirations of emergent groups in Indian society, especially in the context of administrative inertia and different pressures, remains a challenge. Shaking the administrative apparatus out of its phenomenal atrophy and initiating effective reforms remains an unfinished agenda. The government has accepted the role of civil society in policy making and implementation of development programmes. Under tremendous pressures, government institutions must initiate the reform process to redefine their role as pro-active agents of development and work towards the rights of excluded and marginalised sections of the population, who constitute the majority. Amid these changes, it is appropriate for a process like 'social watch' to monitor and evaluate institutions by providing a platform for civil society. This will contribute to citizens' active participation in the process of governance rather than simply as 'passive' citizens whose political activity is restricted to voting in elections.

The National Social Watch Coalition in India (NSWC) is a broad-based network of civil society organisations, citizens and communities, which aims to build a process of monitoring governance to ensure the government's professed goals of social development, particularly with respect to marginalised sections of the country. The Social Watch process is the collective response of several development organisations, social action groups, and citizens, to ensure a critical engagement with the process of governance and to make democracy meaningful and participatory.

Since its inception, the Social Watch process in India has established its identity as a credible mechanism of evaluation and advocacy for governance accountability. Social Watch Annual Reports that critically examines the performance of key nodal institutions have created an alternate governance discourse by putting their findings in the public domain and highlighting key issues. The media has reported the key findings of these reports including, for instance, the issue of time lost in the Parliament, and declining parliamentary behaviour. This led the speakers of both Houses of Parliament (Upper and Lower) to introduce reforms. Similarly, Social Watch's longitudinal analysis highlighted inadequate budgetary allocations in some policies, and the lack

of broad impact and reach in others. By democratising knowledge - pinpointing key problems, putting such vital issues in the public domain, and catalysing debate, Social Watch has created an alternate governance discourse, to which media, government and wider civil society has contributed. The process has recently expanded to include published papers and informed discussions around them to debate and promote the issues relating to the agencies of governance.¹ The formation of a sensitive caucus group among policy makers, legislators and citizens is underway which will not only contribute to the governance reform agenda from within, but exert pressure from outside government circles.

Social Watch has impacted and attracted the attention of the highest policy-making bodies. For example, a National Social Watch Coalition delegation met with Prime Minister Dr Manmohan Singh in July 2007 to discuss the issues covered in that year's report and to explain the social watch process in India. At this meeting, Dr Singh stressed that a political watchdog such as Social Watch was necessary to monitor institutions such as the judiciary and parliament. This was followed by a meeting with the Planning Commission, whose members expressed a desire and willingness to seek the input of Social Watch, based on our recommendations in areas including micro-planning, agricultural reforms, the Voluntary Sector Bill and SEZ. The Planning Commission also requested Social Watch to provide best practices cases from the grassroots for the 11th Five Year Plan documents.

The expansion of the social watch process to 14 states (Madhya Pradesh, Orissa, Karnataka, Maharashtra, Andhra Pradesh, Tamilnadu, Rajasthan, Uttar Pradesh, Bihar, Jharkhand, West Bengal, Chhattisgarh, Kerala and Gujarat) has brought together various civil society actors, academia and concerned citizens to enrich the process as a whole and to analyse issues that capture the variety and complexity of situations in different states.

As the mechanisms of actualising democracy and development, India's institutions need drastic reforms in the light of operational aberrations and due to new challenges. There has been no dearth of serious concern, debate and proposals, often elaborate and specific, but at best they have been half-heartedly implemented and at worst, not at all. A concerted effort in the form of pressure from below, expressed by civil society initiatives such as Social Watch, is required to jolt the reform agenda back to life.

***Source: Social Watch papers and reports.**

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¹ *The first such paper in the series, entitled Law under Globalization, provides an insight into recent trends in law-making processes and judicial behaviour with a view to understanding how the logic and instruments of globalisation are affecting the rule of law. The second in this series will consider the working of parliamentary committees.*



budget data limit transparency' (Malajovich and Robison 2006: 4–5).

Meanwhile, the budget work of the Institute for Democracy in South Africa (IDASA), the base for the ABP, stems from its overarching examination of how the process of democratisation in post-apartheid South Africa was being anchored in an economic and social transformation (Hofbauer 2006: 8). Its Budget Information Service (BIS) was established in 1995 to coordinate its various budget programmes, and aimed at improving government accountability for the use of public revenue and analysing the impact of budgetary policies on specific social groups, such as women, children, people with disabilities and those affected by the HIV/AIDS pandemic (2006: 8–10). Similarly, the Centre for Budget Advocacy (CBA) was established at the Ghanaian Integrated Social Development Centre (ISODEC) to consolidate the organisation's work on budget activism and public expenditure monitoring (de Renzio 2005: 4).

Other specialist budget initiatives have focused less on issue-specific advocacy and rather on achieving wider normative goals, such as active citizenship, democratisation, government accountability, human rights or freedom of information. While these groups are also engaged in other economic policy or research work, their budget-related activities are centred primarily on data collection, policy analysis and information dissemination. The Brazilian Institute for Social and Economic Analysis (IBASE), for example, describes itself as an 'organisation of active citizenship' (de Renzio 2005: 3), and its strategic approach to budget work is focused on 'building citizen interest and understanding of budget issues' rather than on applied policy and advocacy work (de Renzio and Shultz 2006: 8). In this regard, the impact of organisations such as IBASE is evident more in the area of awareness raising and capacity building among CSOs and the general public 'rather than directly on government policy' (de Renzio 2005: 4; see also discussion below).

Organisations' decisions to concentrate on research and outreach activities as opposed to advocacy and lobbying can depend on two diametrically opposite sets of circumstances. Groups may choose to engage in purely technical analysis and policy support due to a weak civil society advocacy culture. This is common in former Eastern-bloc countries where 'advocacy' is usually limited to influencing public policy through media and public debate because of a yet undeveloped

culture of activism. For example, despite the intellectual calibre of the work of the Croatian Institute for Public Finance (IPF) on budget and public finance policies, its influence on policy makers is rooted in its networking and long-term relationship-building with key government actors rather than overt advocacy or public campaigns (Van Zyl and Shultz 2006: 10, 34). In such spaces, where access to political structures is constrained by cultural or historical barriers, such groups may feel more inclined to concentrate on building technical capacity and information dissemination than to engage directly with government structures.

On the other hand, groups may also choose to ring-fence their budget work where there is an active civil society advocacy environment, such as in Brazil or India, and focus on building the capacity of other organisations to pursue active policy work. For example, as a consequence of its 'non-sectoral approach', a significant contribution of IBASE has been to build 'the capacity of other oversight actors to intervene' in the budget process through programmes of public education and extensive media work (de Renzio and Shultz 2006). The organisation's work has had a widespread impact primarily because there is an active civil society culture within Brazil and, specifically, IBASE plays a major role in mobilising local civil society networks and spearheading policy demands which are then taken up by other groups (de Renzio and Shultz 2006 19).

Political context and representation

Another important factor in shaping the work remit of civil society budget groups is the political context in which the budget initiatives were conceived or operate. The success and sustainability of those initiatives and the level of influence of those participating in them seem to be correlated with this factor. In Brazil, Bolivia or Argentina, civil society encounters with the budget process stem primarily from spaces carved out of a larger political movement or for wider political purposes. IBASE, for example, was primarily involved in municipal budget monitoring until 2003, when it shifted its focus back to the national level partly in response to the election of Luiz Inácio Lula da Silva from the Workers' Party (PT) as president and the expectation (which has not been borne out) of deliberative participation in the federal budget (de Renzio 2005: 3–4). Meanwhile in India, where there is an embedded culture of civic activism and social movement organisation, engagement with the budget process has developed out of necessity, and inevitably subjects public





revenue to greater oversight (see Boxes 5.2 and 5.3). What is notably absent from a survey of prominent budget groups worldwide is grassroots organisations and local community associations. With notable exceptions, such as in municipal participatory budgeting in Brazil, most organisations undertaking budget work are professionalised units with dedicated research teams and organisational mandates to undertake policy work. While some organisations, such as DISHA or IDASA, may have had roots in wider social or political movements, the majority of budget groups tend to be urban-based, technically inclined research outfits. They also tend to be strongly linked into transnational or regional civil society networks and donor programmes, and they exploit the opportunities for information exchange and skills transfer that such networks offer.

Given the nature of applied budget work and the political savvy that is inherently required for sustained advocacy work, as well as the often pressing requirement to justify such work to external funders, this is unsurprising. Civil society groups are also encouraged to forge alliances with political and other state actors in the budget process in order to deliver outcomes. Most of the successful civil society initiatives can be attributed partly to the access of these groups to the corridors of power, thus requiring the craft of a specialist cadre of budget practitioners within civil society. Similarly, the technical nature of budget research and policy work demands high analytical skill, and this is reflected in the staff employed by CSOs to undertake such roles.

This general professional profile of CSO budget groups does raise concerns about how representative these organisations are of wider communities within the consultative or deliberative fora of budget negotiations. As discussed in the following section, the concerns which plague participatory approaches in general – embedded power relations, patrimonialism and clientelism, deradicalisation and skewed accountability (upwards to donors as opposed to downwards to communities) (Hickey and Mohan 2005: 244–5) – are all relevant to the background and work programmes of CSO budget units.

And yet another striking feature of budget groups, especially those operating in developing countries, is that the majority of them are indigenous organisations. While the practitioners and activists may not necessarily be strictly based in the locales in which they operate or

for which they advocate, and they may not necessarily possess a wide grassroots base, most of these groups do not form part of a wider transnational organisation. In other words, civil society budget initiatives tend to be nationally or locally bounded and are not products of branches of international non-governmental organisations (INGOs). In fact, as we have seen above, most of the organisations involved in applied budget work have significant experience in national economic policy research and advocacy.

This again has to do primarily with the localised nature of budgets in which revenue is generated and expenditure allocated in the context of national or local economic conditions and in accordance with national or local priorities. While transnational budget networks may assist in providing requisite training in research methods, information dissemination and advocacy tools, effective substantive policy analyses only be undertaken can with intimate knowledge of domestic circumstances. Similarly, the efficacy of training, capacity building and direct advocacy initiatives is also contingent upon familiarity with local bureaucratic practice and community culture. For example, the convening of community budget hearings, such as those styled after the Porto Alegre participatory budgeting initiatives, requires collaboration with local authorities to secure access to public accounts and audit records, and is also built on relationships established between organisations and government officials (see Rajkumar 2008).

Impact of civil society budget initiatives

With poverty reduction a key objective of civil society engagement with budgets, the question arises as to whether the proliferation of civil society budget initiatives in recent years has been matched by the equivalent growth of pro-poor budgetary policies. In spite of the impressive expansion in these initiatives, little systematic study has been conducted on the impact of these activities, whether in terms of poverty reduction or otherwise (ODI 2007: 1). Aside from a recently concluded joint study of six budget groups by the International Budget Project and the Institute for Development Studies (IDS) (see de Renzio and Krafchik 2007; ODI 2007; Robison 2006), and some desk-based reviews (see, for example, Brätigaum 2004), much of the research on civil society budget initiatives so far has been focused on their contributions to the emergence of a new participatory polity. Only case studies on the Brazilian participatory budgeting experience (see De





Sousa Santos 1998) have addressed the substantive fiscal effects of civil society budget initiatives.

However, several conclusions can be drawn on the efficacy of such initiatives based on the limited empirical and anecdotal research which has emerged so far. In particular, studies have demonstrated the existence of what Cornwall and Coelho (2006: 5) call 'the gap between normative expectations and empirical realities' of civil society engagement with budgetary processes, especially in relation to their impact on substantive outcomes of budget formulation. These findings complement those highlighted in scholarship on participatory policy making in general, such as the aforementioned PRSP processes, notably to the effect that the successes (or failures) of such initiatives hinge on a multiplicity of factors, within and outside the policy process. Additionally, reviews of CSO budget initiatives have also drawn attention to the potential limitations of a focus on these initiatives as policy instruments and the challenges to their impact on a wider reconfiguration of political representation and state–citizen relations.

Limited evidence of pro-poor impact

Case studies and reviews of CSO budget engagement have shown that civil society groups have had a more positive influence on budget procedures than on budget policies (Budlender 2005; Brätigum 2004; de Renzio and Krafchik 2006; ODI 2007). Budget procedures or 'budget accountability' refer to issues of budget transparency and public literacy in and engagement with budgets and budget processes, while budget policies refer to the budget systems as a whole, resource mobilisation and expenditure and budget outcomes (de Renzio and Krafchik 2006: 6; ODI 2007: 2–3).

The IBP–IDS research project found that civil society has had a greater impact on 'expanding, interpreting and disseminating budget information' in order to build capacity for advocacy for elected officials, bureaucrats and other civil society groups, than on 'improving budget systems and on pro-poor budget allocations' (ODI 2007: 2–3). In other words, the real poverty-reducing effects of civil society engagement with budgets remain unclear, especially when one takes into account factors which remain outside the control of civil society groups or, indeed, of the government entity responsible for budget formulation and execution.

According to Robison, while the IBP–IDS case studies demonstrate that additional resources can be generated from successful budget advocacy initiatives,

the amounts raised 'remain relatively small as a proportion of overall government spending' (Robison 2006: 21). Additionally, it is difficult to determine whether there have been significant changes in budget priorities as it has not been possible to test whether there have been 'major changes in budget policies through the reallocation of resources from one line of spending to another' (Robison 2006: 1). Moreover, given the structural limitations of budget systems in many developing countries, 'increasing budget allocations for pro-poor programs is no guarantee that money will be spent well and will actually reduce poverty' (de Renzio and Krafchik 2006: 12).

Studies of GRB initiatives, which have a longer history of implementation than general budget initiatives, have also shown similar concerns over substantive impact. Budlender notes, for example, that 'the more than fifty GRB initiatives around the world have probably produced relatively few budget changes' and that the majority of government commitments to pro-poor, gender-sensitive budgets have been largely symbolic (Budlender 2005: 11).

Aside from the relative infancy of such budget initiatives, one of the main reasons for their limited impact on budgets has been the difficulty civil society groups face in penetrating fiscal policies and targeting the real institutions of exclusion and marginalisation. As noted by Budlender (2005: 12), 'those involved often do not have the power to change budgets'. Not only do civil society actors have little direct authority over budget policies in the majority of circumstances, legislators themselves often have little input into budget policies which have historically been seen as the prerogative of the executive (2005: 12). The IBP–IDS case studies found that the limited power of legislatures in budgetary matters was a significant constraint on the efficacy of civil society budget work and that, while parliamentarians may often be more sympathetic to the influence of civil society, civil society groups have needed to engage directly with the executive, which can be a more difficult process (de Renzio and Krafchik 2006: 14).

More importantly, although budgets are located within the local and national sphere, in the context of developing countries external factors significantly affect civil society's access to, participation in and, ultimately, impact on the budgetary process. This is particularly true for aid-dependent countries where donor policies and practices constrain fiscal policy making by





circumscribing the policy autonomy of the state actors themselves (see further discussion below). It is also true that for many other developing countries integrated into the global economy, fiscal policy, notably on revenue generation such as taxation and trade tariffs, is often constrained by trade or investment agreements, whether bilateral or multilateral. This dimension of the budget process is inadequately captured in much of the existing research on civil society budget initiatives, which has tended to concentrate on the domestic institutional barriers to successful budget projects.

Civil society enhances oversight of budgetary systems and fiscal governance

Civil society groups may not have had a notable impact in changing budgetary policies but they have contributed to ensuring that existing resources are spent more equitably and efficiently. The work of civil society groups has certainly added to budget literacy and increased independent budget oversight. In this respect, many of the CSO budget initiatives have shown that the benefits of budget analyses and advocacy extend beyond financial gain for citizens and communities (Robison 2006: 21). Civil society groups thus play an important role in improving government accountability, especially in terms of ‘enhancing the answerability of the political executive in relation to policy decisions and budget commitments’ (Robison 2006: 21).

As noted by Warren Krafchik, ‘there is a lot of money out there that is being spent badly’, demanding civil society attention on mobilising more revenue for social and economic development purposes.¹⁰ CSOs have fought for implementation of existing pro-poor budgetary targets; for example, DISHA has campaigned for increases in public spending on tribal groups to meet the 15 per cent of government expenditure threshold mandated by law (ODI 2007: 3). Women’s organisations have also been relatively successful in promoting GRB targets, with many countries, from Australia to Sri Lanka and Rwanda, establishing some performance-oriented budget statements (Budlender 2005: 11).

An important inroad made by civil society budget work in furthering budget literacy has been to overcome the problem of access to budget information. In many instances CSOs have provided ‘an authoritative source of information on budget issues’, and in some cases ‘the only source of information and expertise outside

government’ (Robison 2006: 24). Data obtained is often quickly interpreted for public and legislative consumption by CSOs, and more technical groups are able to provide detailed technical policy analyses to encourage debate and support legislative oversight of budgets (de Renzio and Krafchik 2006: 8–9). According to Robison (2006: 24), legislators have ‘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’.

Civil society groups have also contributed to improvements in domestic governance by utilising freedom of information legislation to uncover instances of government misadventures with public resources. For example, in Mexico, the Centre for Research and Analysis or FUNDAR, a budget watchdog, used such laws in conjunction with budget analysis and financial auditing to uncover corruption and misuse of public funds in HIV/AIDS prevention and treatment programmes (de Renzio and Krafchik 2006: 8; ODI 2007: 3). Instances of corruption and waste have also been uncovered by CSOs through their data collection and publicised through media campaigns to force regulatory redress; for example, loopholes in government procurement regulations were discovered by the Ugandan Debt Network during the course of its municipal budget work (de Renzio and Krafchik 2006: 10).

Successful initiatives forged from larger political projects

The space accorded to civil society is often seen as an apolitical forum. In terms of engagement in budgets, as mentioned previously, civil society groups have gained support – from both communities and policy makers – due to their perceived detachment from communalism and the clientelism of party politics. However, studies have indicated that, to the contrary, the success of civil society budget initiatives has been based on their close relationship with a wider political project. Most notably, Brätigaum revealed that pro-poor public expenditures all shared one characteristic, that is, they were all instigated by political parties running on a pro-poor platform (Brätigaum 2004: 653–4). Her study of successful pro-poor budgets, both those involving participatory budgeting and those not, found that progressive budgeting was correlated with ideologically left-of-centre parties coming to power. This was due not only to the institutional structures put into place by these parties, including ‘strong and independent

¹⁰ Interview with Warren Krafchik, Director of IBP, 7 July 2008.

Box 5.3: Right to Information – a path to *Swaraj*¹

India has been a reasonably functioning elective democracy for nearly six decades. However, this has not translated into a governance structure that is fair, honest and truly caring for its citizens. To offer just one indicator, over 40 per cent of India's children suffer from malnutrition. Is this 'the tryst with destiny' - as Prime Minister Jawaharlal Nehru famously remarked on the eve of Indian Independence - that we expected some 60 years later? Why is it that an apparently functioning democracy has been unable to fulfill the needs of large numbers of its population?

The reason is the complete lack of empowerment or respect for the individual citizen. Elections, a constitution and the existence of the four estates, are necessary conditions for a democracy, but by themselves cannot ensure a truly participatory democracy. The essence of democracy is that the individual citizen is sovereign. Previously in India, a citizen had no effective power to question, let alone get redress for her legitimate rights. The Right To Information Act, enacted in 2005, empowers individuals to ask for information from their government, and thus has the potential of enforcing the majesty of the Indian citizen. A citizen does not have to give a reason for requesting the information or have to use a particular form. Citizens can enforce good governance from their own homes without personally visiting or telephoning a government office, and without the need for lawyers.² A person sitting in her house, at a cost of 50 to 70 Rupees (less than USD 2), and in less than an hour, can curb corruption, improve policy implementation, and occasionally secure redress for a grievance. Numerous citizens have used this tool to obtain ration cards, birth certificates, passports, income-tax refunds, pensions and so on.

The Right to Information is a fundamental right of citizens. Since 1975 the courts have ruled in various judgments that Freedom of Expression guaranteed under Article 19 (1), inherently embodies the Right to Information. A citizen cannot express herself meaningfully if she does not have information. Also, since the citizen is the sovereign and master of the government, she owns the information and has an inalienable right to it. The RTI Act codifies this fundamental right elegantly. Information can be obtained from all 'Public Authorities' as defined by the Act, which means all government bodies, government-owned institutions, as well as NGOs, state-aided schools and colleges.

The Act specifies that all offices of public authorities must appoint a public information officer (PIO) who is responsible for providing the information requested within 30 days. The fee for this process is Rs. 2 per A4 size page in most states. The efficacy of the legislation is due to a unique proviso that makes the public information officer personally liable if he does not provide the information requested without a reasonable cause. In that case, he faces the prospect of paying a penalty from his salary of s.250 per day of delay.

An example of the simple, yet very powerful uses of the RTI is illustrated by a slumdweller who had learnt of the legislation. When he applied for a new ration card he was told a Rs. 2000 bribe was required. The applicant – a RTI-empowered citizen – smiled and applied for the ration card without offering a bribe or grovelling before the officials for pity. His neighbours warned him he would never get his ration card, even if he made endless visits to the rationing office. Undeterred, the applicant found out that others who had paid bribes received their ration cards in four weeks. After eight weeks he applied for information under the RTI Act. He asked up to which date applications for ration cards had been cleared, and the progress of his application. This surprised the corrupt officials because they realised they would have to acknowledge in writing that they had given ration cards to others who had applied after him, which would be conclusive evidence that they had no justification for delaying his card. The outcome of this simple and cost effective process was that the ration card was provided immediately. This story has been repeated many thousands of times, to get a road repaired, to get electricity

1 *Swaraj generally means self-governance; it originates from Mahatma Gandhi's concept for Indian Independence from foreign domination. Swaraj emphasizes self-governance through individuals and community building rather than a hierarchical, central authority.*

2 *Requests can also be made online: <http://righttoinformation.gov.in/>*

connected, to secure admission to an educational institution, and so on.

Another example indicates how citizens can use the RTI legislation for the public good. In Madhya Pradesh, a citizen decided to check if the costs of supplies to a public hospital were at proper rates. He asked for the prices at which various medicines were supplied. The reply revealed that the medicines were being purchased at twice the market rates! Another example involves the private hospitals in rural areas who get public land at subsidised rates, on the condition that provide a certain number of beds for the poor. Often this condition is forgotten. In some places, citizens have obtained the details of such conditions from the department that gave the land, and exposed this large fraud by which the poor are cheated. Armed with this information, they are now demanding the rightful share of facilities for the poor.

Citizens have taken to the RTI with great enthusiasm and are taking upon themselves the responsibility of propagating and implementing the law. It is an evolutionary process in which thinking and experience produce new ways of improving the Act's efficacy. Citizens think of their objective and what information will help to expose the wrong: they ask a few focused queries at a time, wording them simply, so it would be difficult to misinterpret the request. Sometimes citizens decide to use the answers from one application as a starter for the next. Information exists on government files or documents. Interpretations of law or reasons for actions can be provided only if they exist. If in 30 days, the PIO does not reply, or wrongly rejects the application, the citizen can file a first appeal. If the first appellate authority does not reply within 30 days, or sends an unsatisfactory order, a second appeal can be filed with an independent Information Commissioner who has been appointed for this purpose.

We all accept that truth and transparency are good for all human beings because they expose the mistakes which can lead to improvement. The RTI process is a journey for greater truth and improvement of our government. The responsibility of implementing the RTI is largely with Citizens. The individual citizen, representing different interests, is now empowered with his Right to Information to bring about the transformation of governance in India.

Shailesh Gandhi, Central Information Commissioner (final adjudicating authority for Right to Information related issues)

auditing arms' and a conducive media environment, but also to an ideological commitment to pro-poor fiscal policies (Brätigaum 2004: 653–4).

Brätigaum's findings coincide with other analyses of successful budget initiatives which demonstrate the close connection between a favourable political environment and the efficacy of initiatives, not just substantively but also procedurally. In Brazil the Porto Alegre-style participatory budgeting initiative, which has spread to 140 municipalities, was part of a broader political collaboration between the Workers Party (PT), community activists and lay citizens organised by the PT (Brätigaum 2004: 663). Correspondingly, deliberative participation by civil society in municipal budget formulation represented part of a wider engagement with the processes of state reform and the reconfiguration of state–citizen relations (Castello, Lavalle and Houtzager 2006: 114–17). This means that in many cases, such as in Sao Paulo, CSOs have actively cultivated political support and built alliances with traditional political actors 'in order to carry out their objectives' as representatives of the public in participatory budgeting processes (Castello, Lavalle and Houtzager 2006: 127).

Similarly, in Argentina participatory budgeting in Buenos Aires emerged as a consequence of the political fallout from the Argentinean financial crisis in 2001 and the need to forge new political alliances in its wake (Rodgers 2006: 184–5). Rodgers argues that the implementation of participatory budgeting would have been unlikely in the city if not for its potential as 'a means of mobilizing political networks in the city' (2006: 195). Meanwhile, in South Africa IDASA's reputation and influence among post-apartheid policy makers stems from the role the organisation played in opposing the apartheid regime as well as the new regime's ideological commitment to popular participation (Hofbauer 2006: 7). Accordingly, Norton and Elson (2002: 42) have cautioned against the high expectations of development actors in replicating successful budget initiatives, such as the Brazilian experience, outside their historical context.

Embedded power relations and weak political initiative as barriers to success

The close link between proximity to political power structures and the locus of decision making on the one hand and the successful implementation and outcomes of civil society budget initiatives on the other invites deliberation on the dynamics of power inherent in these

activities. In industrialised and developing countries alike, embedded power relations and inherent social and structural inequalities, including lack of technical knowledge and unfamiliarity with the culture and norms of this new participatory sphere, continue to constrain the agency and impact of civil society on the budgetary process.

These dynamics also raise questions about the epistemic authority, if not the representative mandate, of civil society in the deliberative forum of budget negotiations in the absence of traditional electoral mechanisms legitimising such representation. In many cases, the question of *who* speaks for whom determines *how* the process of participation is conducted and *what* impact this participation has on social policy objectives, such as poverty reduction. Moreover, emphasis on 'civil society' participation may subvert existing domestic channels of accountability as interested groups clamour for engagement with government and donor processes while bypassing national institutions, such as parliaments or local councils.

If, as demographics suggest, CSOs involved in budget initiatives tend to consist of politically savvy, professionalised units who are increasingly engaging directly with the executive, the concerns are twofold. First, the initiatives may become too closely affiliated with traditional structures of political power – be they domestic political interests or external donor influences (see below) – to serve as effective watchdogs of government policy. Second, the participatory process may be turned into an exclusive, invited space and negatively affect wider citizen engagement in a deliberative process. As Cornwall and Coelho (2006: 13) note, social mobilisation 'may bring marginalized actors into participatory spaces, but not necessarily equip them with the skills to communicate effectively with the others they meet there'.

Both these outcomes can end up reproducing hierarchies of power, not just within communities but also between local and national governments and between states and external actors, such as donors and financial institutions. The engagement of CSOs as interlocutors between citizens and policy makers may reinforce the source of domination and disempowerment by filtering knowledge about community needs through conventional analytical frames rather than using such data to challenge existing structures and policies. Many CSOs also continue to 'lack the basic skills to engage meaningfully with budget issues' (ODI 2007: 3),



including technical and negotiation skills. This in itself carries a danger of misguided policy advice, and CSOs may inadvertently make the wrong trade-offs in budget advocacy.

Furthermore, studies have found that the scope of extending participation in budgets to a wider community has generally been limited, particularly in terms of direct access to budget processes. The Porto Alegre experiment has not been replicated at the national level, despite its relative municipal success, due to various factors (Brätigaum 2004: 659; Robison 2006: 13). One such factor is the lack of government capacity to implement these mechanisms, especially at the national level. For many developing countries, establishing formal or informal mechanisms for extensive consultative or deliberative negotiations on the budget can be relatively taxing on an already overburdened civil service. Additionally, as noted by Norton and Elson (2002: 42), 'the incentive to participate in decision-making about the public budget would be much lower in poorer countries, where the capacity of the public system to deliver benefits is lower'.

Donor interference and upward accountability

The paradox of increased civil society participation in budget processes in recent years is that this trend has been facilitated by countries' heavy dependence on external concessional financing from bilateral donors and IFIs. As discussed in previous sections, donors and international financial institutions have had a major impact in facilitating civil society participation, advertently or inadvertently, in budget processes. However, they have had a much more significant impact on the outcomes of such participation by limiting the authority of states in national policy making, thereby circumscribing the efficacy of civil society input. In many developing countries which are undergoing economic transition and are significantly dependent on ODA as a source of public finance, external authorities exercise far more power over budgetary decisions than do local or national governments.

Domestic resource mobilisation policies and public expenditure priorities and patterns are often shaped by IFIs and bilateral donors with little input from national governments and even less consultation with civil society. Countries with an IMF programme in place, for example, are subjected to considerable constraints over their macroeconomic policies, including the imposition of fiscal ceilings on government expenditure.

The IMF's traditional insistence on adherence to low-inflation targets and low budget deficits has led to strict caps on the amount available for countries to spend on development, including on social sectors such as health and education (see Tan 2005: 17). This has constrained the ability of national stakeholders to formulate policy - even if the policy space is confined to budgetary allocations - as expenditure, including pro-poor expenditure, has to be developed within those fiscal ceilings.

Reliance on donor funds as a source of revenue for budgets has also complicated budget policy making due to the unpredictability of aid flows. Donors often do not provide clear commitments as to resource transfers over a fixed period, making revenue projection difficult and spending decisions even harder. As Budlender notes, 'the whole budgeting exercise is an unrealistic exercise if the revenue forecasts are over-optimistic and donor funding is unreliable' (Budlender 2005: 12). This problem has been exacerbated, ironically, by donors' move towards budget support as an aid instrument. While aimed at devolving policy and expenditure decisions to recipient governments, budget support has had the converse effect of tying public authorities to policy conditions and structural reforms which have to be implemented before resources are disbursed (Hayes and Van Zyl 2007: 2-3).

The heavy donor influence on the prioritisation of budget initiatives also increases external donor intervention in policy making in developing countries, thereby increasing donor leverage over national economic policies, which may be detrimental to the ultimate task of poverty reduction. Donor insistence on specific modalities of participation - for example, under the World Bank and IMF-led PRSP approach - may also result in the monopolisation of the process by groups familiar with the language of 'international development' or 'development-speak', usually well-resourced transnational organisations or professionalised domestic institutions. This can lead to what is known as 'constitutional mimicry' whereby the institutions of domestic governance are restructured to fit an external model of governance that does not take into account local needs, priorities or cultural factors.

The effect of this has been the development of social and economic development strategies that are inappropriate or unsuitable within specific domestic settings. Donor priorities often take precedence over national economic needs. A 2002 study by the United

Nations Conference on Trade and Development (UNCTAD) on PRSP policies found that the contemporary emphasis on social sector expenditure at the expense of capital investment may paradoxically hinder rather than help domestic economic growth and poverty reduction (UNCTAD 2002: 6, 19).

Additionally, the focus on meeting donor targets has created a culture of upward rather than downward accountability of national governments, whereby budgetary decisions have been shaped by meeting donor demands rather than citizen requirements. In many countries donors 'have better and earlier access' to budget information than citizens or civil society groups, and participate in the budget process much earlier than domestic stakeholders, including on the fiscal framework and sectoral spending priorities (Hayes and Van Zyl 2007: 4). Correspondingly, civil society budget initiatives in such circumstances may be inadvertently conscripted into acting as watchdogs for predetermined policies, increasing external oversight of government budgets but not necessarily improving accountability for public decisions.

Conclusion

The themes of this Yearbook centre on the effects of global civil society's activities on the framing, action and impact of poverty reduction policies, both nationally and internationally. This chapter has addressed the overall research questions in the context of civil society participation in budget formulation and execution. It has demonstrated that civil society budget initiatives must be situated within a wider discourse of structural power and embedded assumptions about the nature and form of representation, as well as within the dynamics of international development policy and practice.

While civil society budget initiatives may, in many cases, reflect indigenous revision of state–citizen relationships and appear to be a home-grown governance innovation, international factors – positive or negative – which have contributed to both their successes and their limitations cannot be discounted. The growth of civil society budget initiatives has fundamentally altered the manner in which the state is made accountable for critical public expenditure and revenue generation decisions. It has subjected government authorities to greater scrutiny in respect not just of its social and economic policies but also of its practice of domestic governance. Nonetheless, significant challenges remain for budget engagement

by civil society groups and citizens generally.

This chapter has demonstrated that while civil society participation in budget processes has contributed to the opening up of democratic space – such as through increased resource transparency and political accountability – its impact on poverty reduction and other socio-economic development objectives remains limited when access to institutions and processes which affect fiscal policy is restricted. Civil society participation in budget processes has been most successful in countries that have developed substantial institutions of political governance and in countries that are less influenced by external interventions in their economic policy-making processes, primarily middle-income countries such as Brazil, India, Mexico and South Africa. In low-income countries dependent on official development financing to mobilise resources for social and economic activity, efforts to secure pro-poor budgets are often thwarted by fiscal and structural constraints imposed by IFIs and donors. Until these external constraints are addressed, the impact of budget initiatives on poverty reduction will remain significantly limited.

Nonetheless, this has not prevented groups in such environments from engaging in budget work. On the contrary, in circumstances where national budgets are highly subservient to external pressures, budget work has increasingly become transnational. Organisations in aid-dependent countries, for example, have begun to utilise the donor–recipient relationship to extract greater transparency in public expenditure and other policy reforms. According to Krafchik,¹¹ this relationship can be a double-edged sword, as donors, who often have greater access to government budgetary information, can choose to publish such information or make it available to local stakeholders. Similarly, civil society groups have used transnational networks to press donor governments on fiscal constraints resulting from aid policy conditionalities or to instigate greater revenue accountability through projects such as the 'Publish What You Pay' campaign, which advocates better management of revenue from natural resources.¹²

¹¹ Interview with Warren Krafchik, Director of IBP, 7 July 2008.

¹² *The Publish What You Pay (URL) coalition of over 300 NGOs calls, inter alia, for the mandatory disclosure of the payments made by oil, gas and mining companies to all governments for the extraction of natural resources. It also calls on resource-rich developing country governments to publish full details of revenues.*



The growth of civil society budget work has been largely shaped by a network of professionalised organisations and individuals; but this has not, so far, detracted from the continuing pro-poor emphasis of budget research and advocacy. Given the importance and, significantly, the efficacy of civil society budget projects, it is likely that such initiatives will continue to spread in the foreseeable future, driven by both community support and, crucially, donor interest.

Although there are concerns about the representativeness of groups engaged in such work, many organisations are cognisant of the balance between the technical nature of budget activity and the need to embed policy interventions within communities and localities. Krafchik, for example, is firm about the fact that CSO budget units should not displace indigenous forms of political participation or be alternatives to such processes but should complement them.¹³

It is also pertinent to note that civil society budget work has developed in a trajectory that is converse to most global policy trends – that is, it has spread primarily from the South to the North. Although there has been an established legacy of non-governmental public scrutiny of budgets in North America, participatory budgeting and other forms of civic activism around budgets have developed significantly in low- and middle-income countries since the turn of the twenty-first century. Many of the training and learning exercises have correspondingly taken place horizontally between groups and networks in the South¹⁴ rather than via the usual route of North–South capacity building.

Forms of civil society engagement in the budgetary process have subsequently gained popularity in the North, particularly in places where there has been recent fiscal devolution or local government has been granted greater financial autonomy. Some local authorities in the UK, for example, are beginning to experiment with forms of participatory or community budgeting, with many citing the Brazilian participatory budgeting experiment as a model. In this manner, civil society budget work has had the unintended consequence of changing predominant discourses of democratisation and governance at the

global level itself. By shifting attention to models of wider political franchise that originate in the South rather than the North, civil society budget work may yet deliver on its most important promise, that is, reforming embedded power relations.

¹³ Interview with Warren Krafchik, IBP director, 7 July 2008.

¹⁴ For example, Rajkumar (2008: 2) notes that the Mazdoor Shakti Sangathan (MKSS), an Indian peasant and workers' union, had recently assisted Kenyan budget groups organise a public budget hearing to discuss expenditures under the Constituency Development Fund, a decentralised government programme.



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