



CSOs and Budgets: Linking Evidence and Pro-Poor Policies

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Introduction

Recent years have seen an increased interest and impetus about civil society involvement in macro-level policy processes in developing countries. PRSP processes in low-income countries have brought attention to the need for civil society involvement in policy formulation and monitoring. Budget research and budget advocacy are also growing areas of interest, as different stakeholders realise that the processes through which public financial resources are collected and distributed are a key factor in the potential impact of government activities on poverty reduction¹.

There are a number of Southern CSOs now active in the area of budget research and budget advocacy, covering different activities such as carrying out budget awareness training initiatives, doing research on budget policies and priorities, writing briefings and papers to disseminate information and influence policy, and lobbying governments to adopt a more poverty-oriented focus in budget formulation and implementation (IBP, 2004).

Many of these organisations are affiliated to the International Budget Project (IBP, a Washington-based organisation), which assists Southern CSOs and researchers in their efforts both to analyze budget policies and to improve budget processes and institutions. The project is especially interested in assisting with applied research that is of use in ongoing policy debates and with research on the effects of budget policies on the poor. The project works primarily with researchers and NGOs in developing countries or new democracies.

The purpose of this short paper is to explore the link that CSOs working on budgets make between research-based evidence and the policy process². Budget groups in different countries conduct research (defined as '*systematic efforts to increase the stock of knowledge*') to collect and analyse data on public expenditure and its effects on social and economic indicators, and identify entry points at the different stages of the policy process ('*purposive course of action followed by an actor or set of actors*'), be it the agenda setting, formulation, implementation or evaluation stage. These entry points, largely determined by the overall

¹ See for example Brautigam (2004), Wagle and Shah (2002), Foster et al. (2002).

² See Crewe and Young (2002) and ODI (2004).

context in each country, form the basis for the strategies that different organisations decide to pursue to advocate for policy changes.

This short paper will look at three organisations linked to the IBP network to better understand how they utilise research-based evidence to influence budget policies and priorities in their own countries. These are: (a) the Institute for Democracy in South Africa (IDASA), (b) the Brazilian Institute for Social and Economic Analysis (IBASE), and (c) the Integrated Social Development Centre in Ghana.

Civil society organisations can be defined as *‘organisations that work in an arena between the household, the private sector and the state to negotiate matters of public concern’*. The organisations covered in this paper occupy this arena focusing mainly on advocacy and capacity-building activities, trying to build increased public awareness of budget processes and policies, and advocating for certain more specific policies which reflect their assessment of the social and economic reality in their country, based on research evidence and/or on a representation of citizen voice through different consultation mechanisms.

The case studies are based on a review of existing documentation and interviews with the organisations involved, aimed at analysing the context in which these organisations act, describing some of the main initiatives that they took and the policy impact that they managed to achieve, and identifying the ways in which research-based evidence was generated and used, and the links to the policy process. As is true in many cases, the direct link between analysis and dissemination of research-based evidence and specific changes in policies is very difficult to trace, and is often determined by a number of factors that go beyond a single organisation’s advocacy strategies. Nevertheless, some of the examples cited below are an attempt to show some of the potential uses of budget analysis in shaping pro-poor policy outcomes.

The Budget Information Service (BIS) at IDASA

IDASA was founded in 1986 to help find an alternative to the politics of repression and to explore new ways of addressing polarisation between black and white South Africans. IDASA’s early work included facilitating meetings between meetings of the then banned political organisations and prominent white South Africans. After the unbanning of political organisations in 1990 and democratic elections in 1994, the focus of IDASA’s work shifted to the creation of a democratic culture in South Africa and strategic interventions to help the new democracy take root.

The Budget Information Service (BIS) was established in 1995, and is today formed by the following projects and units: Africa Budget Project, Aids Budget Unit, Children’s Budget Unit, Sector Budget Analysis, Tax Initiative, and Women’s Budget. The main areas of work, as stated on IDASA’s website, are: (a) pro-poor budget analysis and advocacy, (b) independent research (c) networks, (d) training in budget literacy, and (e) budget transparency and participation. BIS produces and disseminates papers and reports, budget briefs, toolkits and policy submissions.

Based on interviews carried out with some of the people involved from the early days of BIS, and from the Sector Budget Analysis and Africa Budget Project units, IDASA seems to have had more impact on the definition of public financial management rules and regulations in the years immediately following the end of the apartheid regime, rather than on actual budget

allocations and expenditure in specific areas in more recent years. Issues related to transparency, availability of information, accountability, and local government finance, were the focus of early BIS work, and influenced the drafting of parts of the legislation, and some of the practices that followed thereafter.

Part of the reason for this success is due to the specific historical moment. In the early post-apartheid years, rules were being redefined to shape a more inclusive, accountable government that would underpin South Africa's new political regime. IDASA identified clear opportunities, and engaged in the process of redefining budgetary rules and practices by providing evidence and analysis from international experience, focusing on systemic requirements necessary to improve policy processes, raising the level of the domestic debate and pointing out existing contradictions. Research was mainly aimed at adapting international standards to the South African case. Parliamentary committees were identified as the main entry point, and submissions were presented and discussed with them in order to argue for specific changes to be inserted in the legislation.

On the basis of this early success, IDASA now enjoys a very good reputation for serious analysis and constructive engagement, which has facilitated its more recent budget work on specific issues. BIS members are invited to participate in a number of government technical groups which provide advice and guidance on policy matters. It also enjoys good access to government officials, especially at lower levels (provincial and municipal), partly due to the fact that it runs training courses at local government level, which create more opportunities for interaction and relationship-building. BIS members also argue that better quality budget information is now available, and that this might partly be due to their efforts at providing constant feedback and reaction in budget hearings and on budget bills.

IBASE's Budget Work

IBASE, the Brazilian Institute for Social and Economic Analysis, was founded in 1981 in Rio de Janeiro by a group of activists who were exiled during the years of dictatorship. IBASE calls itself an 'organisation of active citizenship', whose main objective is 'to contribute to a democratic society, where all relations are based on the ethical principles of equality, freedom, participation, diversity and solidarity'. Democracy, participation, rights and citizenship are words which recur very frequently in all of IBASE's documents, and in the discourse of its staff. Since the early days of political struggle for the return to democracy in Brazil, IBASE has promoted a number of local and national campaigns, to which its name is very closely associated, such as those for Agrarian Reform (1983), against Racism (1989), for Ethics in Politics (1992), for Childhood (1992), for the Rio Social Agenda (1996), and for Social Audits in private enterprises (1997). IBASE is also one of the main promoters of the World Social Forum, which annually brings together citizens' groups from around the globe to discuss and share more democratic alternatives to the existing dominant socio-economic order, under the lemma 'another world is possible'.

Since the beginning of its involvement in budget work IBASE has been active in a number of different areas. The first years, in the early 90s, were mostly focused on stimulating public debate on national budget issues and developing training modules to capacitate other civil society organisations. A second phase has seen a much closer involvement with local-level activities in Rio de Janeiro, involving the creation of forums for budget analysis and advocacy, and the development of online databases to access municipal budget data. More recently, since 2003, IBASE has shifted its focus back to national level, partly as a response

to Lula's election as president, and partly as part of a renewed emphasis on questioning the broad development choices made by the federal government.

IBASE's impact is much more evident in the area of building awareness and capacity among civil society groups around budget issues, rather than directly on government policy. Over the years, IBASE has pioneered a number of innovative activities and created the basis for further involvement by other organisations. Its early bulletins ('Budget & Democracy') have been taken up and imitated by other organisations; its work at municipal level has been replicated in a number of other Brazilian towns; and in many areas where it has been involved, IBASE has left behind a network of other organisations that keep taking forward its initial work. The lack of more direct policy impact can probably be traced to the wider context. Despite Brazil's famous piloting of Participatory Budgeting (PB), this approach is only feasible where there is a progressive local government which is willing to open up decision-making on (at least part of) the allocation of budget resources to wider public consultation, involving citizen groups at different stages of the policy-making process. Excluding the few cases where this has happened, Brazil has a very non-transparent budget process, and budget rules that give the executive arm of government at different levels a great degree of flexibility in reallocating resources without seeking the approval of the legislative branch. In a situation where the executive is not open to listening to civil society concerns, and where procedures do not allow legislators to effectively control budget execution, the scope for influencing budget policy is greatly reduced. And this is the situation that IBASE faced both at national level during the 90s and at local level in Rio de Janeiro, where for the past 15 years the municipality has been governed by conservative right-wing parties. The recent election of Lula as Brazil's president generated lots of expectations among civil society groups that the PB approach was going to be adopted at national level, which prompted IBASE to shift its attention back to the federal level, along with a number of other CSOs which created the Brazil Budget Forum (FBO). However, these expectations were soon thwarted by the government itself, which decided to adopt a very tight fiscal stance and did not accommodate civil society inputs into the Multi-Year Plan.

The lack of adequate entry points, and the decision not to engage in more direct campaign work where advocacy had failed, may have prevented IBASE from reaching more direct policy impacts. It can be argued, however, that its work with other civil society groups, including lots of more recent work training the media in budget-related matters, is contributing to longer-term change processes that may create further capacity and opportunities for engaging more constructively with the policy process.

The Centre for Budget Advocacy (CBA) at ISODEC

ISODEC is a Ghanaian NGO founded in 1987. Its mission is promoting social justice and fundamental human rights, especially of the poor and those without organized voice and influence. ISODEC currently provides basic needs services (health, education and micro-finance) and is also an advocacy organization. The main campaigns it is involved in at the moment regard water privatisation, free basic education, the right to ARV treatment, trade and extractive industries.

The Centre for Budget Advocacy was set up in 2000 as one of ISODEC's rights-based advocacy units, to consolidate ISODEC's ongoing work on improving the budget process and the efficiency in the use of public resources by spreading budget activism and promoting a better budget process through consultation and participation of all stakeholders, accountability

of public officials and transparency in public financial transactions. Its aim is to create public awareness and interest in the budget process, not only in Ghana but in the sub-region. CBA also engages in the tracking of central government transfers to local government authorities.

The main activities of the CBA consist in the ongoing production of a series of advocacy tools, such as annual pre-budget and post-budget statements providing a commentary on government budget policy, and yearly forums held across the ten regions to collect public voices and opinions on the annual budget and send them to the President. More recently they have also included specific research on tracking district assembly funds, transparency in the budget process, and tracking education expenditure. Training activities on budget issues for NGOs and local government officials are also a recurrent feature for CBA. Media coverage of CBA products and activities is quite good, both through their own means (the 'Public Agenda' bulletin) and through staff being invited on radio and TV programmes or journalists covering CBA press conferences.

The scarce interaction possible with CBA staff in the context of this synthesis study has highlighted a limited impact of CBA activities on budget policy matters. Some issues included in Open Letters to the President and in CBA budget statements have been later adopted by the government, but with lack of a clear attribution. These include both revenue and expenditure measures that CBA advocated for. At national level, there are very few direct advocacy linkages that CBA entertains with government. This is slightly different at local government level, where training courses provide a much better chance to interact directly.

Common Issues and Challenges

The brief case studies above can hardly do justice to the budget work carried out by the three organisations covered. However, it is interesting to try and tease out some common issues and challenges which could be useful for future work in this area.

The importance of context

Unsurprisingly, the analysis above reinforces the basic point that civil society capacity to influence policy is heavily shaped by the political and institutional context. South Africa's historical moment provided opportunities and openings that were not available elsewhere, e.g. in Ghana. In Brazil, despite the hopes raised by a change in government, it soon became clear that there were few real openings of democratic space at the national level to allow for genuine dialogue around budget priorities. At the local level, more 'windows' seemed to be open. In Brazil, by the executive branch in municipalities where PB approaches were being promoted, and by the legislative branch in others. In contexts with little transparency and openness by government, often the best role that CSOs can play is that of increasing general awareness of budget issues, enabling civil society actors to put increased pressure on governments to be open and responsive. The institutional framework is also an important part of the context that shapes opportunities for policy influence. In the South African case, the provision of significant inputs into the design of institutional rules facilitated further work in other areas.

The nature of the evidence

In the specific policy arena that budgets and budget policies represent, numbers are vastly predominant. Most of the evidence that budget groups use is directly or indirectly based on government budget data, either analysed and 're-packaged' in order to highlight specific areas of interest or concern, and disseminate user-friendly information, or used as a basis for

assessing its impact on specific groups, such as women, children, or poor communities in certain geographic areas. In very few cases does the research involved include other types of information or methodologies (i.e. participatory assessments can be used to seek inputs into budget policies at local level). The real challenge therefore becomes one of ‘packaging’, of translating the often obscure language of numbers, trends and statistics into targeted products and clear messages that are able to effectively disseminate key information and/or present issues in a way that furthers the prospect of a specific policy change. IDASA, IBASE and CBA are all quite aware of this challenge, and have put significant effort into packaging their research in ways that are targeted to specific audiences, be it trainees at local government level, parliamentarians or newspaper readerships.

Finding entry points

One of the main challenges for CSOs seems to be that of identifying the right links for affecting policy change, or making sure that ‘the right messages get to the right people at the right moment’ when an opportunity to influence policy choices presents itself. Two dimensions seem quite important here, which reflect some basic characteristics of the budget process. Firstly, depending on the institutional system and on the overall context, working with the legislative arm of government, rather than directly with the executive, can sometimes be more effective. In turn, this effectiveness clearly depends on the degree of control that legislators can exert on the executive’s policy choices. Secondly, again depending on the political and institutional framework, local governments may present opportunities for interaction and advocacy that may not be present at national level, where accountability linkages are weaker and where more powerful lobbies and interests may be at play. Apart from IDASA, which seems to have a much more developed strategy in this respect, both IBASE and CBA seem to have experienced difficulty in identifying more appropriate entry points for ensuring that their policy demands are heard. For IBASE, this has been a quite deliberate choice in terms of focus, given the priority it gives to building civil society capacity for promoting democratisation. For CBA, this seems to be an area that still needs to be directly tackled. As highlighted above, in situations where linkages with policy-makers are difficult to establish, it may make more sense for CSOs to focus on building budget awareness among other civil society actors, and creating networks with other organisations that can be helpful in putting more pressure on governments.

Advocacy or Capacity Building?

Again in terms of strategy, the focus of activities for different organisations has taken different shapes, with some focusing their attention on advocacy activities (IDASA), targeting specific desired policy outcomes, and others putting a lot more emphasis, as already stated, on ‘spreading the message’ and building wider networks of civil society groups with a more general focus on tipping the balance in favour of democratisation and accountability (IBASE). It is unclear how these choices are made, and if they are the result of the organisations’ histories and principles, of available funding opportunities, or of the wider political context. However, they certainly influence their ability to effectively influence policy processes.

Conclusions

This brief review of three case studies of CSOs involved in budget work points to interesting opportunities for the PPA to engage in an area where there is a growing interest and a growing body of knowledge and evidence being built. Public expenditure and budget policies more in general, are some of the key aspects that determine the impact of public policies on poverty. Civil society’s role in advocating for and monitoring pro-poor budgets represents an

under-researched area with great potential for future policy impact. The brief case studies highlight how some organisations are much more advanced than others in building the necessary links between research-based evidence and policy impact, and how the PPA can play a role in capacitating southern CSOs in areas that are key to their analysis and advocacy capacity. A potential collaboration with the International Budget Project, which has been active in this area for a number of years, could ensure further synergies and impact.

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People interviewed

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