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**Brief of the presentation at the international expert online conference  
“Open budget: state policy and ideology of civil participation” April 8-9, 2021<sup>2</sup>**

As a researcher and as a professor I have been researching government accountability, fiscal and budget transparency and public participation both at the national and at subnational levels. Thanks to the UN-CEPA membership I have been more focused on Sustainable Development Goals (SDGs), particularly the SDG-16 on building strong institutions and budgeting for SDGs. Thanks to Croatian Science Foundation support for projects on local government budget transparency, I have been focused more on subnational budget transparency. Covid pandemic and its consequences only emphasized my interests and activities.

To start with a definition, budget transparency means providing an insight into complete, accurate, timely and understandable budget information, which is an essential prerequisite for public participation in budgetary processes and a key element of good governance.

Now, in times of Covid pandemic budget transparency has been more important than ever and these extraordinary circumstances cannot serve as an excuse for the lack of transparency. Governments' decisions affect efficiency and equity of revenue and expenditure, and consequently, the wellbeing of citizens, particularly marginalized and excluded ones.

For governments, pandemic means decreased revenue and increased expenditure, but for citizens, it might mean life or death, causing drastic changes in access to health, jobs, education, welfare, security, etc.

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<sup>2</sup> Organised by: School of Social Sciences and Oriental Studies, St. Petersburg Branch of the Higher School of Economics; Financial Research Institute of the Ministry of Finance of Russia; Interregional Humanities and Political Studies Center «Strategy»; Committee of Finance of Saint Petersburg; Department of Management and Public Administration, Saint Petersburg University of Management Technologies and Economics

Governments are undertaking various pandemic related measures like direct transfers, tax expenditures, etc., all at national, subnational and international levels.<sup>3</sup>Globally, amounts are enormous.

How will all these funds be spent? Who will benefit? Who will bear the cost?

With the support of Global Initiative for Fiscal Transparency (GIFT) and International Budget Partnership (IBP), Institute of Public Finance (IPF) has been trying to support Croatian Ministry of Finance efforts to transparently publish the Covid responses and recovery related data

What we noticed that worked well in Croatia, were the online detailed explanations of most emergency measures, quick application for tax reliefs and job preservation measures and release of beneficiaries of these measures. Based on that experience, we can only warmly recommend the usage of GIFT's [Fiscal Data for Emergency Response Covid19 Guide](#) and looking for GIFT's support in these matters.

The basic suggestions would be (1) to identify, consolidate and publish data necessary for achieving greater transparency of emergency responses (e.g. on tax reliefs measures and tax deferrals), (2) to provide relevant, timely and understandable data, (3) to target data for different users (e.g. media, MPs, NGOs, general public), and (4) to establish one central place for disclosing all information at one place. The fact is that only the full disclosure could enable public participation and scrutiny over these extraordinary, but also over all budgetary funds.

Unfortunately, majority of countries still have insufficient overall budget transparency, even in normal times. According to the IBP's [Open Budget Survey](#), around three quarters of world population can't appropriately access the overall B info. Particularly worrying generally and particularly worrying now in pandemic is that:

70% of countries is not presenting expenditure by gender, age, income, where necessary religion, to illustrate impact of policies on different groups of citizens, nor the differences between enacted funds for policies intended to benefit the most impoverished and the outcomes of these policies.

85% is not presenting information on tax expenditure, tax exemptions, preferences, etc. for entities, individuals, activities, with statement of purpose or reason, nor listing beneficiaries and estimates of the foregone revenue.

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<sup>3</sup> See the International Monetary Fund's [Policy Responses to Covid-19 Tracker](#) which summarizes the key economic responses governments are taking to limit the human and economic impact of the COVID-19 pandemic. The tracker includes 197 economies.

These are the facts. However, with political will, overall budget transparency could be rapidly improved, as we can see from the examples of countries like Guatemala, Indonesia, Kyrgyzstan or Ukraine.

There are countries, like Bangladesh, UK, S. Africa, Pakistan, particularly transparent regarding e.g. redistribution by gender, households, incomes, or giving detailed breakdowns of pro-poor expenditures, policy priorities, expected outputs, estimates of past and future spending for poverty alleviation, financial and performance information of anti-poverty schemes, etc. Often mentioned is the example of New Zealand's Wellbeing Budget.

IPF could also offer numerous suggestions for improving local governments budget transparency, as we have been measuring and analyzing whether Croatian local governments are regularly publishing five key budget documents (executive budget proposal, enacted budget, citizens budget, mid-year report and end-year report) and publishing our Open Local Budget Index (OLBI). Thanks to our constant annual rankings of Croatian local governments and ensuing competition among them, we have been witnessing unbelievable improvements in average local governments budget transparency.

However, there are still huge differences among local governments, bigger and richer ones are more transparent. As Croatia has numerous small and poor local governments (20 counties, 128 cities and 448 municipalities in a country of around for million people), that means that it desperately needs a reform, as numerous local governments are not sustainable.

We are well aware that the sheer publication of budgetary documents does not in itself guarantee absolute transparency, but it should be both prescribed and encouraged as an effort towards higher transparency levels necessary for public participation and scrutiny over the usage of public funds, and the impact and outcomes of policies intended to benefit the most impoverished, excluded or marginalized.

So, despite the globally insufficient average budget transparency, we have examples of countries striving to improve transparency plus the Covid19 related Guide made by GIFT, we just need national, subnational and international political will for the full disclosure of budget data.

It means that all governments' budgetary decisions, information and data should be fully transparent to all parts of governments, parliaments, oversight institutions and general public.

Challenging issues are how to motivate: (1) executive – to be more transparent even in normal times and now in pandemics particularly (e.g. related to beneficiaries of subsidies, grants, in kind support or public investment) and to enable conditions and mechanisms for public participation, (2) legislative – to more actively participate in budget processes

(demanding demand from executive to provide them with timely, understandable data and understandable narratives of these data), (3) media – to educate themselves about budgetary topics, and (4) citizens – to use published data and provided conditions and mechanisms for public participation.

To summarize, we need immediate, subnational, national and international political will for full fiscal and budgetary disclosure, particularly of measures and policies relevant for marginalized and excluded citizens. With these words, I thank organizers, hoping that this gathering will be a step in that direction!

Please feel free to visit [IPF web site](#), subscribe to IPF alerts, submit your work or simply attend our [Public Sector Economics 2021 Conference – Does fiscal openness pay off? The political and socio-economic effects of transparency, participation and accountability](#) to be held this October, read and submit your articles to our journal [Public Sector Economics](#) and contact me whenever you wish.