
6. ADVANCING BUDGET LITERACY

In this and the next two chapters we lay out a range of activities that could be undertaken in the first few years of budget work. Which activities are most suitable depends on a group's background, operating environment, and objectives. Some groups, for example, have traditionally focused on academic research and might want to undertake activities that are different from groups with a grassroots background. Despite such differences, budget guides and training sessions have proven useful for a variety of groups.

A Taste of Success in Advancing Budget Literacy

In 2000, the Institute of Public Finance in Croatia published a guide that provides a general introduction to Croatia's budget. It analyzed the fundamental aspects of national and local budgets, including revenues, expenditures, extra-budgetary funds, and the consolidated budget of the general government. The Croatian guide also described the different stages of the budget. It was published when the executive's budget proposal for the next financial year was being discussed in parliament, and has been widely quoted and commented upon in the Croatian media. Soon after receiving the guide, one of the members of the parliament stood up, flashing the document, and said to the deputy minister of finance: "Now we don't have to simply listen to you anymore, we have a guide!"

Groups are motivated by different reasons to undertake work on guides and trainings. Improving the group's comprehension of the national budget is a common objective. Guides and trainings are also part of efforts to advance budget literacy in society. Further, there is a large audience for easily accessible and relevant information on issues related to budgets. This audience might include different non-governmental groups, journalists, legislators, and other stakeholders.

6.1 Budget Guides

A guide to the budget typically presents the basic facts about the budget, some discussion of key budget issues, and a description of the budget decision-making process. Guides are designed to make the budget and budget process understandable to a broad audience.

A budget guide is a useful initial project from the perspectives both of organizational development and generating relevant products. Developing a guide can be an excellent learning process for the producer of the guide, and a way to lay the groundwork for in-depth budget knowledge in an organization. It can also help establish a group's status as an important source of information on the budget. In addition, in many countries a basic budget guide is lacking,

which makes it harder for a broad community to understand budget issues and their importance. A number of activities can be organized around a budget guide, such as training sessions for other groups interested in learning more about budgets.

Budget systems differ considerably and it is not possible to write a guide that could be generally applied to budget systems around the world. Some guides that are available, however, can be valuable as a starting point as groups develop manuals for their own countries. In addition to the Croatian guide (see http://www.ijf.hr/eng/budget_guide/proen.pdf version in English) mentioned at the start of this chapter, some sample guides are:

Example: “Essentials of the Budget Process of the State Government,” Centre for Budget Studies, India, 1999.
<http://www.internationalbudget.org/resources/library/essentials.pdf>

This is a basic introduction to a state budget in India. The author describes the need for a budget guide as follows: “There is an urgent need to demystify the budgets, whether of the Central or State Governments. It is also necessary to do away with a great deal of secrecy surrounding the preparation of the budget. The whole process of budget-making should be as open as possible.”

Example: “A Citizen’s Guide to the United States Budget,” U.S. Federal Government, Office of Management and Budget, 2001.
<http://www.gpo.gov/usbudget/fy2001/guidetoc.html>

This document is an example of a guide prepared by a government. The Citizen’s Guide describes “how the national government raises revenues and spends money, how the President and Congress enact the budget, and what the President hopes to accomplish with ... [the] budget.”

Example: “The Budget — A Tool for Change,” Idasa, South Africa, 1998.
<http://www.internationalbudget.org/resources/library/trainingmanual.doc>

This is an example of an easily accessible presentation of the budget and budget issues that is used as a training manual for social advocates.

6.2 Budget Training Sessions

Budget training sessions are closely related to budget guides. A well-designed budget guide is a perfect foundation for budget trainings. Training materials also can be developed for the entire budget process or for certain areas of the budget. For example, training materials can be prepared for analyzing provincial budgets, sectoral budgets, or other relevant areas of the budget.

Many groups place a heavy emphasis on budget trainings. As with budget guides, budget trainings serve several purposes at once: building an audience and allies, developing capacity within the organization, and broadening the base of knowledgeable observers of the budget. Training courses introduce participants to an organization and enhance its credibility as a future source of information in the budget. Conducting budget training improves an organization's own capacity because its staff need to become experts on the issues themselves, and on communicating those issues, if they are to be effective at training. Trainings are productive because a main objective of many budget NGOs is to improve understanding of the budget by other researchers and organizations. This educational role recognizes that a broad spectrum of a society needs to have some understanding of the budget if a constructive budget debate is to occur.

Some budget trainings have focused on other NGOs and members of civil society, but programs have also been designed for government officials and the media. The presentation noted earlier by the Mexican group CIDE includes some discussion of their work on budget trainings (<http://www.internationalbudget.org/conference/2nd/cide.htm>). The CIDE training is a comprehensive three-day course (see <http://www.internationalbudget.org/resources/howto/CIDEtrainingcourse.pdf> for a detailed agenda for the course). This intensive course provides participants with a general understanding of the broad contours of Mexico's federal budget, exposing them to its origin, approval process, administration, and effects. The course has the objective of teaching the basic knowledge that would enable one to carry out an analytic review of Mexico's budget. It is designed for members of the Congress, legislative staff, journalists specializing in budget coverage, and members of NGOs.

Two other presentations at the IBP's second conference discussed budget trainings in some depth. These concerned the work of DISHA in Ahmedabad, India, and the work of the Institute for Social-Economic Studies (INESC) in Brasilia, Brazil. The presentations are posted on the IBP website: <http://www.internationalbudget.org/conference/2nd/disha.htm> and <http://www.internationalbudget.org/conference/2nd/inesc.htm>.

Appendix IV includes a further example of a training program: "Budget Training for Journalists: A Two Day Workshop in Lusaka, Zambia, February 2000." The workshop was hosted by the Swedish embassy in Lusaka. Technical assistance was provided by several NGOs, including the Economics Association of Zambia. The objectives of the workshop were to increase awareness of the importance of the budget system and process for governance and all major policy areas, as well as to promote involvement by outside parties (NGOs and the media) in budget issues.

Finally, three examples of comprehensive courses on budgeting and public expenditure management by the World Bank are listed below. The first course focuses on intergovernmental issues, the second and third are more general. These courses — and the links they include to background papers and other materials — can be adapted to NGO training courses.

Example: “Intergovernmental Fiscal Relations and Local Financial Management,” World Bank Institute.
<http://www1.worldbank.org/wbiep/decentralization/Course%20Topics.htm>

This is a comprehensive course on Intergovernmental Fiscal Relations and Local Financial Management. It is tailored to address specific country and regional interests, and would be useful in part or in full. It provides a framework to identify key issues for strengthening the roles and responsibilities among governments. The course includes 13 major topics; for each topic there are papers and suggested readings.

Example: “Budgetary Processes and Public Expenditure Management,” World Bank Institute, 2000.
<http://www1.worldbank.org/publicsector/pe/budgetprocess.htm>

This is a comprehensive training program for senior policymakers in the World Bank’s client countries. The course might primarily be useful for its structure and as a source of information on different topics that groups want to work on. The topics include common public expenditure management and budgeting issues, such as: fiscal discipline, resource allocation and policymaking, intergovernmental relations, performance measurement, poverty reduction, evaluation, the sequencing of budget reforms, accrual accounting, and how to use public expenditure diagnostic tools.

Example: “Public Expenditure Analysis and Management Training Course,” World Bank, May 22-24, 2001.
<http://www1.worldbank.org/publicsector/pe/pemtraining.htm>

In its own words, this is the World Bank Thematic Group’s “flagship course on Public Expenditure Analysis and Management. The course was designed to introduce participants to a full range of issues associated with public expenditure — economic policy, analysis, management and institutions. Participants were introduced to concepts in these areas and provided with practical tools for use in economic and sector work and lending programs. In this latter context, current developments in the lending instruments to support public expenditure at the macro, sector and project levels were explored.”