e-Newsletter

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The Campaign for a Basic Income Grant in Brazil and South Africa

The idea of a "citizen's income," or basic guaranteed income for all citizens (with no means test or work requirement), has gained ground in several middle-income countries in recent years, including Argentina, Brazil, the Philippines, and South Africa. Previously, proposals for a basic income had been confined to developed countries, such as Austria, Belgium, Canada, Denmark, France, Finland, Ireland, Italy, Portugal, Scotland, Spain, the Netherlands, and the United Kingdom. As part of the developed country efforts the Basic Income European Network (BIEN) was founded in 1986 to link individuals and groups interested in promoting a basic income. Its members include academics, students, and social activists as well as political, social, and religious organizations. Given the growing interest in developing countries around this issue BIEN's tenth congress last September in Barcelona, unanimously decided to transform BIEN into a worldwide network named the Basic Income Earth Network. (See http://www.etes.ucl.ac.be/BIEN/Index.html.)

BASIC INCOME IN BRAZIL

Almost 50 million of Brazil's 181 million people live below the poverty line. The idea of a basic income entered the country's political agenda in 1991, when a proposal by Senator Eduardo Suplicy of the Workers' Party to provide a "citizen's basic income" of equal value to all citizens received initial approval by the Senate.

Given the lack of presidential initiative to approve the proposal it was kept in limbo for ten years in Congress. Meanwhile, the discussion about the introduction of a guaranteed minimum income stimulated a variety of municipal, state, and federal programs that were introduced starting in the mid-1990s, such as the Zero Hunger Program as described below. (Also see: *Legitimizing Basic Income in Developing Countries: Brazil or the Answer is Blowin' in the Mind* by Eduardo Suplicy presented at the NGO Global People's Forum organized by the Basic Income Grant Coalition in August 28, 2002 at: http://www.sacc-ct.org.za/suplicy.html).

Surprisingly, in January 2004, the Suplicy law was finally approved by federal Congress and signed by President Lula. The new law establishes "the right of all Brazilians residing in Brazil and foreigners residing in Brazil for at least 5 years, regardless of their socioeconomic condition, to receive an annual monetary benefit." The benefit is to be implemented in phases, starting in 2005.

The executive sets the value of the benefit according to the minimum amount each person needs for food, education, and health care, while taking into account the nation's development level and the availability of budget resources. Supposing it starts at R$40.00 per month or US$16 per person, in a family of six would receive R$240.00 or US$97 per month. If the head of the family receives the minimum wage in Brazil of R$260.00 or US$105 per month, and the family has no other source of income, then the basic income will raise the family's monthly income to R$500.00 or US$202.

During the law's approval ceremony, President Lula stated: "It is our role to transform this law into one that works because in Brazil there are laws that work, and laws that do not work."Unfortunately, no data yet exist to evaluate the law's implementation. Previous initiatives in Brazil have had only limited success.

In 1995, Campinas and Brasília became the first cities to adopt basic income programs, though both programs were limited in scope. In 1997, the federal government began implementing a set of similar income transfer programs, such as "Bolsa-Renda" (lifelong minimum income aid) and "Renda Mínima Vitalícia" (pensions, and unemployment benefits).

Under President Lula, most of these programs were integrated into the Zero Hunger program, an effort to combine monetary benefits with broader policies aimed at developing social capital. Unfortunately, the government has been unable to implement this plan fully, and Zero Hunger has gradually shrunk to its core component, "Bolsa-família" or family aid. The economic impact of "Bolsa-família" is not negligible, however: today it provides 6.5 million families with school-age children — half of the country's families living below the poverty line — with an average of $26 per month, and the government aims to reach 11.6 million families by the end of 2006.

According to Sergio Baierle of the Urban Studies and Advice Center (CIDADE), a Brazilian NGO based in Porto Alegre, the tardy approval of Suplicy's law doesn't seem to bring new light to the debate, as it does not challenge Zero Hunger. Baierle comments that "although we should not abandon the idea of universal rights, it would be very questionable to an inequality champion like Brazil to pay a basic income even to the rich people. Maybe it could address people earning below the national revenue average, but the fundamental question remains: people don't want only food; they don't want only a survival minimum. They want life opportunities." (For further information, contact Sergio Baierle at baierle@ongcidade.org.)

Nevertheless, Suplicy's achievement can provide hope and inspiration to other middle- and low-income countries that have spent years trying to promote similar proposals. In

Argentina, for example, a proposal was submitted to Congress in 1997 to create a "Citizen's Income Fund for Children" (*Fondo para el Ingreso Ciudadano de la Niñez,* or FINCINI). A revised version of this proposal was submitted last year, and it is now part of the budget debate.

For further information on the debate in Argentina, and for resources in Spanish, go to: http://www.ingresociudadano.org/novedades.htm.

BASIC INCOME IN SOUTH AFRICA

South Africa is an upper-middle-income country, yet roughly half of its people live in poverty, a legacy of the deep socio-economic divisions created under colonialism and apartheid.

In 2001, the Basic Income Grant (BIG) Coalition was formed to push for a basic income that would cover all South Africans from the cradle to the grave. The coalition includes a broad range of civil society organizations, including the labor movement, churches, and human rights groups; groups that have joined the coalition recently include those focused on HIV/AIDS, the elderly, and other marginalized populations.

Isobel Frye of the National Labour and Economic Development Institute (NALEDI) observes that; while South Africa is hailed internationally for its social assistance programs, which provide a means-tested old-age pension and a child-support grant there is no permanent social assistance for people between the ages of 14 and 60 (65 for men). Moreover, the government's short-term social security measures are aimed at external crises and do not address the needs of people living in chronic poverty.

The BIG coalition believes that a universal basic income would enable South Africans to begin addressing their basic needs, help people develop sustainable livelihoods, and stimulate economic development in poor communities by injecting a regular cash income. In addition, addressing the country's very high levels of inequality would reduce social marginalization and improve social cohesion in a country that has been polarized by segregation for so long. Moreover, research commissioned by the coalition suggests that a universal income grant is both affordable and feasible for South Africa, despite official objections that insist in portraying the basic income as impossible to implement and sustain. In words of Ministry of Finance Trevor Manuel the basic income is "unaffordable economic populism." (See *Business Day* Vol.2 No.21, 20 August 2002 http://www.sane.org.za/docs/views/showviews.asp?ID=55.)

The coalition has undertaken numerous efforts to promote a basic income. It has made presentations to both houses of the national parliament and to provincial legislatures, conducted workshops and training sessions in communities across the country, and launched a media campaign. A number of economists and trade union officials who support a basic income have added their voices to the campaign as well.

In addition, during 2000, the Minister of Welfare (now Social Development) appointed a Committee of Inquiry, chaired by Professor Viviene Taylor, to recommend ways in which the government could best meet its constitutional obligation to implement a comprehensive system of social security, including appropriate social assistance. One of the mechanisms it was mandated to consider was a basic income grant or solidarity grant. The Taylor Committee organized public hearings, commissioned research, and consulted widely with domestic and international experts revealing that the poorest 10 percent of the population, in particular those living in destitution, are completely excluded from current grants because of barriers to grants such as means testing, complicated application procedures, uncertainty regarding eligibility and lack of funds for transport to visit social services offices. Hence, the Taylor Committee called for a non-means tested basic income grant of not less than R100 or US$15 per month to be given to all South Africans.

The Taylor Committee's call has been supported by the BIG coalition and has become part of South Africa's national agenda: many academics, policy analysts, and commentators have expressed support for the idea, and the People's Budget Campaign (a coalition of South African NGOs) called for a basic income as part of its annual budget recommendations. (Also see: *Basic Income Grant Coalition Reacts to Manuel's Budget* http://www.big.org.za/index.php?option=news&task=viewarticle&sid=68)

To read BIG Coalition publications, go to: www.big.org.za. For further information on BIG's research, contact Isobel Frye at isobel@naledi.org.za.

The use of basic income grants to address the needs of specific populations, such as HIV/AIDS infected sectors in South Africa or children in Argentina suggests an alternative advocacy opportunity for CSOs interested in promoting the basic income grant as middle and low-income country governments face the pressure of meeting the Millennium Development Goals (MDGs) by 2015. Inserting the basic income debate in the MDG framework - to combat HIV/AIDS, malaria, and other diseases (MDG6) or reduce child mortality (MDG4) - means that basic income campaigns should be more aware of MDG targets and of government approaches to satisfy those targets.

Budget Process and Civil Society in Kazakhstan

Thirteen years after gaining independence, Kazakhstan has transformed itself from an agriculture-based republic of the Soviet Union to one of the fastest-growing economies in the region. Recent years have also witnessed improvements in budget processes and in civil society participation in the budget. However, much room remains for further improvement.

In April 2004, Kazakhstan Revenue Watch of the Soros Foundation-Kazakhstan held an international roundtable conference at which civil society groups discussed the need to strengthen Parliament's role in the budget process. Problems cited by MPs at the forum included their lack of budget knowledge to analyze the president's draft budget, their inability to hire external experts to help them do this job, and the limited time they have (normally three months) to review the draft budget, negotiate amendments with the government, and approve the budget.

According to Anton Artemyev Program Coordinator of the Kazakhstan Revenue Watch a vivid demonstration of Parliament's weak role in the budget process occurred last November, when the lower house of Parliament was dissolved ahead of schedule after the parliamentary elections. This meant that the 2005 budget was approved by MPs who had been elected in late September and were only superficially familiar with the draft budget. There were no legal obstacles to the removal of the former MPs before they had finished their work on the budget.

Other sources of concern are the accountability and decision-making processes of the National Oil Fund of Kazakhstan, which was created to stabilize the country's socio-economic development and accumulate savings for future generations. Although the fund's transparency has significantly improved with the publication of monthly reports over the past two years, the few accountability channels now in place lead to the executive, and there is no long-term strategy that shows how and when money from the fund will be spent. In short, much remains to be done in order to keep up with similar stabilization funds in Alberta, Alaska, and Norway.

Kazakh legislation clearly states what budget information should be made public and provides penalties for violating the people's right to information. Last year a civil society organization, (CSO) the Tax Standards Formation, compiled a list of these legal requirements in the report "Analysis of Expenditures on Healthcare, Education and Social Protection in the Budget of Almaty City" (available at http://www.taxpayers-kz.freenet.kz).

However, this legislation often does not work in practice. Public officials sometimes hide cases of misappropriation and embezzlement or resist cooperating with civil society. Also, only a limited number of Kazakh CSOs are involved in the budget process due to lack of knowledge about the budget, inexperience in dealing with the appropriate officials, and difficulties in obtaining professional legal assistance when authorities refuse to provide the required information.

In spite of this, some CSOs have started to play an effective role in the budget process. Kazakhstan Revenue Watch and the Eurasia Foundation's Open Budget Program have been working to establish a network of budget groups throughout the country that could turn into resource groups around which new groups would emerge. These groups include Tax Standards Formation in Almaty and Justice (*Spravedlivost*) in Taraz. Other organizations, such as Sana-Consulting, conduct budget analysis and make policy recommendations at the local level for the regions of Astana city, Akmola, and Kostanai.

Kazakhstan Revenue Watch and Tax Standards Formation carried out a comparative analysis of the 2004 and 2005 budgets to assist MPs and inform the public about the main features of the new budget. In addition, earlier this year the Soros Foundation–Kazakhstan and Tax Standards Formation launched a project to raise public awareness and interest in the budget, build the capacity of MPs and CSOs interested in budget monitoring and analysis, conduct budget analysis where extractive industries operate, cooperate with local authorities on budget issues, defend CSOs' right to information in court, and carry out comparative analyses of the 2005 and 2006 budgets. As part of its work, the project is developing a manual to help interested citizens and CSOs understand the budget.

According to the chairman of the CSO Justice, Sholpan Aitenova public participation has already proven effective in influencing policy change. For example, youth organizations affected the government's youth policy program by organizing public hearings and meetings with public officials to discuss local draft budgets. CSOs also have started to monitor the efficiency of health and education programs aimed at specific populations, such as pregnant women and people with disabilities. But in order for public participation in the budget to become more effective, she argues, the government needs to recognize the benefits of regular collaboration.

For more information, contact Anton Artemyev aartemyev@soros.kz.

Workshop on Budget Work and International Financial Institutions

In April, the IBP and the Bank Information Center, with support from the Ford Foundation and the Open Society Institute, sponsored a three-day workshop entitled "International Financial Institutions, Budget Policy, and Social Justice: An Opportunity for Civil Society." The more than 25 participants came from 14 countries and a number of backgrounds, including academia, international financial institutions, donors, and civil society. The workshop explored ways to promote more people-centered and sustainable forms of development by improving links between civil society organizations (CSOs) that conduct applied budget analysis and those that monitor international financial institutions (IFIs).

These two civil society networks have much in common. Both are dedicated to social justice and poverty reduction; both deal with overlapping issues of public services, debt, and privatization; and both work to empower citizens, promote democracy, encourage transparency and accountability, and expand participation. These commonalities mean that both networks could benefit from greater collaboration with one another by improving the effectiveness of both.

The focus of budget work is to build up the capacity of citizens to understand and shape the budget decisions of their governments, among the most important policy decisions that a government makes. Yet in poor countries, often highly dependent on loans and aid from abroad, government officials do not make key budget decisions on their own. The IFIs – through their policies on deficit reduction, structural adjustment, and other economic and fiscal policies – are key actors involved in setting the framework within which budget decisions take place. Budget advocates cannot fully engage the budget process without understanding the role of IFIs.

Similarly, groups seeking to influence the policies and programs of IFIs to ensure sustainable development are likely to be more effective to the extent that they can articulate the specific, real-world budget impacts of IFI proposals. Deficit reduction policies that lead to cuts in education and health care programs, for instance, are unlikely to contribute to the long term economic health of a country or its people. Budget analysts can make concrete estimates of the specific costs of what may otherwise be abstract budget goals.

Workshop participants examined ways in which budget groups and IFI monitoring groups can help one another in bringing about positive policy changes. For example, budget groups can document the budget impact of IFI demands and provide perspective on what influence IFIs should have over a country's fiscal policies. IFI groups, in turn, can help budget groups to understand and track the conditions and impacts of IFI agreements and the process by which these facilities are negotiated and can be influenced. Meeting participant Ernesto Tomas from the Freedom from Debt Coalition in the Philippines observed that "both groups have a lot to share, i.e., tools and experiences that are in demand especially in developing countries. In addition, debt is a cause of serious concern for the Philippines and a hundred more nations whose national budgets are tied to this malaise. NGOs must further reexamine this issue and draw resources from both budget and IFI networks."

The workshop featured four case studies: two from applied budget analysis and two from IFI monitoring. Topics discussed included using budgets to track policy commitments in India, the human development impacts of IFI structural adjustment policies in the Philippines, the political economy of the budget process in Argentina, and lessons for budget and IFI work from the creation of the Chad-Cameroon oil pipeline.

Participants also discussed ways to strengthen the partnerships between budget groups and IFI groups, such as by teaming up to examine issues related to macroeconomic policy, IFIs and the budget process, and social service delivery. Participants will use these initial ideas to develop project proposals over the next few months.

Reactions to the workshop were very positive. Manish Bapna, Executive Director of the Bank Information Center, stated, "I am encouraged by the interesting and constructive ideas about strong concrete activities for moving forward with this work."Luciana Badin from the Brazilian Institute of Social and Economic Analysis (IBASE) observed that this meeting "allowed for a joint reflection on the connection between the policies driven by International Financial Institutions and the public budgets of developing countries providing a chance to focus on more effective ways to reach our common goal: overcoming all kinds of inequalities and building a society oriented to the values of social justice and environment sustainability."

A report on the conference will be available later in 2005. For more information, email info@internationalbudget.org.

New Report on Measuring Oil and Gas Revenue Transparency

Oil and gas companies have generated enormous revenues for a number of developing countries, yet rather than improving the lives of ordinary families; there revenues have often fuelled wars and corruption, weakened economic development, and worsened poverty. A new report by Save the Children *Beyond the Rhetoric. Measuring Revenue Transparency in the Oil and Gas Industries* evaluates both the revenue transparency policies followed by multinational oil and gas companies and the transparency requirements imposed on these companies by ten home governments (Austria, Canada, France, Italy, the Netherlands, Norway, Russia, South Africa, United Kingdom, and the United States). The study is based on a 'Measuring Transparency' framework created by Save the Children to set standards for key actors and to measure their progress in achieving them.

The ten home countries were ranked according to their requirements for disclosure of revenue payments, requirements for disclosure of supporting financial information, legislation on access to information, and broader governance issues. Ratings for these countries, as well as for the multinational corporations, were disappointing.

The report offers a number of recommendations for home governments. For example, since many governments are reviewing and reforming their financial regulations, they should take this opportunity to ensure that the companies based in the country publish what they pay to the government in each country in which they operate. The report also recommends that legislation guaranteeing public access to information cover information held by the private sector as well as the public sector, so citizens can obtain information about payments that companies make to host governments.

To read the report, go to: http://www.savethechildren.org.uk/mt/Linkage.pdf

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Ghana's 2005 Budget Goals and CSO Reactions

Ghana's 2005 budget, submitted by the government in February 2005, aims to build on the country's progress in 2004 by accelerating economic growth and reducing poverty. According to the Finance Minister, the 2005 national budget is based on three priorities: human resource development, private sector development, and good governance.

In the area of education, the country's Education Strategic Plan, now over a year old, has had mixed results. Access to education expanded last year, but national pupil-to-teacher ratios increased and the targets for pupil-to-textbook ratios were not achieved. The main education goals in the 2005 budget are to achieve universal primary school completion by 2015 and gender parity by the end of the current year. Planned educational improvements include expanding preschool enrollment, making infrastructure improvements, reducing geographical inequities, and abolishing public school fees in 53 poor districts.

In the health sector, Ghana had several accomplishments last year: the tuberculosis cure rate went up, the malaria fatality rate in young children went down, and the Ghana College of Physicians and Surgeons was established to help improve the quality of health care provision. The government's main goals for 2005 are to improve access, affordability, and efficiency of health services, especially those related to communicable diseases (such as HIV/AIDS, malaria, and tuberculosis) and services related to reproductive and child health. Another focus will be improving community-based health care in the country's poorest regions.

To discuss the 2005 budget priorities, the Centre for Budget Advocacy (CBA) at the Integrated Social Development Center (ISODEC) held a debate on March 17th in Accra, where participants raised some serious concerns about the budget's inability to meet pro-poor goals. For instance, the introduction of the government's policy of deregulation of the petroleum sector started with a 50 percent increase in fuel prices with a large portion of this increase going into taxes. Ghana's experience has shown that increases in fuel prices negatively impact all sectors of the economy particularly the poor. According to ISODEC pro-poor policy cannot start with increases in consumption taxes, especially on highly volatile areas like the oil sector. Vitus Azeem from the Center for Budget Advocacy at ISODEC, observed that the so-called mitigating measures are not adequate, considering the increases in fuel prices/taxes relative to the volume of the mitigating measures. This area is of great economic and social concern as seen in the many demonstrations throughout the country calling for a reduction of oil prices.

The ISODEC forum also highlighted the fact that the budget is highly donor-driven, which does not allow the government the freedom to create and implement policies that address pro-poor priorities.

For more information on this meeting, go to: http://www.isodec.org.gh/isodec/Research-Advocacy/budget-advocacy/budganalysis2005GTA.htm.

The Ghana Parliamentary Committee Support Project (GPCSP) works to strengthen accountability, transparency, and participation in the parliamentary governance of Ghana to achieve more effective poverty-reduction efforts in the country. GPCSP develops committee strategies for working more effectively in Parliament. In preparation for Parliament's review of the budget, the 2005 edition of the Annual Committee Workshop of the Ghana Parliamentary Committee Support Project Phase II was held in February 2005 in Swedru, Ghana, on the theme of "Strategies for Pro-Poor Budgeting."

Here, participants agreed that CSO led monitoring is an effective tool but has yet to achieve its full potential. The workshop also encouraged discussions on how to increase the collaboration between Parliament and CSOs, such as CSOs presentations to parliamentary committees; and joint monitoring activities between parliamentary committees and CSOs.

To learn more about this workshop, go to:
http://www.parlcent.ca/africa/ghana_propoor_e.php

Public Expenditure Inefficiency in Peru

Given Peru's limited resources and overwhelming needs, the fact that only 75 percent of the national budget was executed last year is unacceptable, the watchdog group *Vigila Perú* states. Some sectors, such as housing were only able to spend about half of their allocated budget.

Vigila Perú recommends the following steps to address the inefficiency of central and regional governments:

- The accountability hearings held by regional governments twice a year should include information on how the central government has used public funds in the region.
- Public hearings should take place every six months so that citizens can discuss the achievements and failures regarding regional administration of public expenditures.
- Executive summaries should be distributed before the accountability hearings with information on the regional government's progress.
- Government data provided to the public should clearly distinguish between funds that are generated from within the country and funds that come from abroad.

To read *Vigila Perú*'s National Report No. 4 (in Spanish), go to:
http://www.participaperu.org.pe/apc-aa/archivos-aa/417998ae5ff694558b490dd9881a624c/Reporte_6_completo.pdf

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Should Civil Society Organizations Partner with Auditors-General?

To explore the potential collaboration between civil society organizations (CSOs) and supreme audit institutions (SAIs)/auditors-general (AGs), the IBP presented a set of case studies to the Sixth Global Forum on Reinventing Government, held in Seoul, South Korea, in May. Attendees included the SAI/AG heads from South Korea, Morocco, Saudi Arabia, and Yemen, as well as representatives of internal auditors from Australia, the United Kingdom, and the United States.

While civil society budget work in developing countries has grown dramatically over the past decade, most efforts have concentrated on examining the passage of the budget through the legislature and the subsequent implementation of the budget by the executive. To date, few civil society efforts have addressed the auditing stage of the process, despite the fact that both civil society and SAIs/AGs have much to gain from joint efforts to improve budget transparency, accountability, and external oversight.

For example, SAIs/AGs collect information on the execution of the budget that can prove invaluable to civil society efforts to monitor the budget's impact on poor people. Similarly, CSOs sometimes find evidence of corruption or mismanagement of public funds that can be useful to an external auditor in deciding whether to launch an investigation.

The IBP presented its case studies at a workshop entitled "Auditing for Social Change," which explored how the audit function can be made more open and participatory and used to empower citizens. The IBP used four case studies of innovative work in India, the Philippines, and South Africa to demonstrate that CSOs can play an important role in strengthening the practice of external public audits:

- In India, the peasant and worker union Mazdoor Kisan Shakti Sangathan (MKSS) uses an innovative methodology of public hearings in village communities to obtain information about government projects, disseminate this information to local residents, and enable residents to provide feedback.
- In the Philippines, the national Commission on Audit and the non-governmental organization Concerned Citizens of Abra for Good Government (CCAGG) have jointly conducted a participatory audit. CCAGG has built a significant reputation in the region as an effective watchdog of public infrastructure projects.
- Also in the Philippines, the nongovernmental organization Procurement Watch, Inc. (PWI) has conducted a successful campaign that enabled the passage of a new Government Procurement Reform Act. PWI utilizes its expertise in contracting and procurement practices to help public agencies reform their procurement systems; it also trains citizens on the new law to enable them to monitor government contracts.
- In South Africa, the research and advocacy organization Public Sector Accountability Monitor (PSAM) has created a database that tracks government responses to allegations of misconduct contained in the AG's reports and uses this information to inform citizens about public finance management issues. PSAM initiatives have successfully forced public agencies to act upon audit recommendations.

On the basis of these case studies, the IBP offered a series of recommendations to SAIs that are interested in working more closely with CSOs.

- SAIs should produce understandable reports that are widely distributed to the public in a timely manner. This will assist CSO efforts to expand citizen literacy on public financial management issues and create a cadre of activist citizens.
- SAIs should create communication channels with CSOs so that when CSOs detect potential cases of corruption, they can report these cases to SAIs as potential subjects for formal audits.
- CSOs can augment SAIs' limited capacity to undertake performance and procurement audits. SAIs need to create additional spaces for CSOs to participate in these audits.
- While SAIs are traditionally prevented from engaging in policy processes, CSOs (together with legislatures) can add political weight to SAIs' audit recommendations, pressuring the executive to implement those recommendations. SAIs need to provide timely, accessible, credible information, and clear audit recommendations to strengthen CSO advocacy initiatives.

- Where appropriate, SAIs should augment their own audit procedures by adapting and adopting the innovative audit methodologies that CSOs have pioneered to monitor public projects and programs.

To read the paper, go to: http://www.internationalbudget.org/SAIs.pdf. The proceedings of the workshop and the conference will soon be available on the 6th Global Forum on Reinventing Government website at http://6thglobalforum.org/eng/main.asp.

New Budget Watchdog Website, CIPPEC Argentina

The Budget Watchdog Initiative of the Center for the Implementation of Public Policies for Equity and Growth (CIPPEC), an NGO based in Buenos Aires, Argentina, works to improve the transparency of public expenditure decision making and train civil society to monitor the budget process. The initiative recently launched a Spanish-language website, www.lupafiscalprovincial.org. Resources available on the site include budget reports, presentations, and materials used during trainings and workshops on the execution of state budgets for Buenos Aires, Mendoza, Misiones, Tierra del Fuego, and Tucumán.

New in the IBP Library

Cash and Vouchers in Emergencies
by Paul Harvey/Humanitarian Policy Group
This paper addresses the suitability of cash and vouchers as forms of international humanitarian relief in cases of emergency such as natural disasters or war. It examines cash programs in Ethiopia, Goma, India, Kenya, Mexico, Somalia, and Uganda. The author analyzes the impact and cost effectiveness of such a program and concludes that cash and voucher-based responses are effective and should be considered as alternatives to agricultural inputs, shelter and non-food items, as well as an alternative to food aid.

It is Possible to Just Give Money to the Poor
by Joseph Hanlon/Development Policy and Practice Group at Open University
The article explores two instances in the past decade where Mozambique adopted cash grant programs, which proved, according to USAID "that households make very prudent use of the money."In the first instance, cash was given to demobilized soldiers and in the second to flood victims. In both cases, the money was used prudently by the poor to raise their standard of living and on productive investments, thus stimulating the local economy. This supports Desai's theory that money should be given directly to the poor rather than to government officials who often gain more from foreign aid than the population for whom it is intended. Mention is made of South Africa's basic income tax grant, which has been lauded by the Economic Policy Research Institute as "feasible, affordable and supportive of poverty reduction, economic growth and job creation."

Who Decides on Public Expenditures? A Political Economy Analysis of the Budget Process: The Case of Argentina
by Emmanuel Abuelafia, Sergio Berensztein, Miguel Braun, and Lucuano di Gresia/Center for the Implementation of Public Policies for Equity and Growth
The study is an examination of Argentina's budget process, its cadres, political influences and key actors. The paper is divided into seven sections which address different facets of

the issue such as the political and economic environment of the budget process, an analysis of its actual workings and fiscal policy reforms and outcomes. Argentina's president is undoubtedly the major player in the budget process and this together with other constraints such as the strength of some recent macroeconomic shocks - and to a lesser degree, fiscal rules, agreements with International Financial Institutions (IFIs) and the influence of other actors such as governors, legislators and lobbies - have limited the ability of the Executive to substantially modify the budget process. The paper highlights the fact that Argentina has improved its budget process and fiscal outcomes significantly by engaging in several avenues of reform such as coordinating mechanisms between the federal and provincial governments, capacity building in Congress and the improving of expenditure evaluation.

Exceptionality and Paradox in Brazil: From Minimum Income Programs to Basic Income
by Lena Lavinas/ Institute of Economics (IE) at the Federal University of Rio de Janeiro, Brazil
In this article, Lavinas analyzes the likelihood of Brazil's adoption of Basic Income and proposes a country-sensitive model for its implementation. Likely challenges and possible solutions in the transition from the absence of universal policies of income transfer to the adoption of an unconditional basic income are addressed in depth. Several notable paradoxes are pointed out such as the fact that Brazil, not traditionally a provider of universal coverage of social policies, has managed to preserve a somewhat universalistic scope in the midst of a dynamics of dismantling public services and budget restrictions that are incompatible with the legal scope of coverage and care for all. The author concludes by saying that despite Brazil's rampant instability and highly acerbic environment towards the implementation of genuinely redistributive policies, universalism, if given a chance, can indeed have a positive effect.