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Case Study: "Health Care: A Social Right, not a Privilege"

Fundar, a Mexican budget NGO, recently released a report on the Mexican health budget entitled: "Health Care: A Social Right, not a Privilege." The report evaluates the Mexican national health budget relative to the guiding principles on the Right to Health as established by the UN Committee on Economic, Social and Cultural Rights. Although the progressive realization of universal access to health care has been a central objective of the present Mexican administration, Fundar's report shows that large inequalities persist between those covered by social security and those that have to rely on a patchwork of other public health services. These disparities are reflected in health funding to Mexican states. States with higher income and higher standards of health tend to also benefit from a higher per capita public health spending. In contrast, in those states where the poorest are concentrated, per capita health spending is lowest. As might be expected, these inequalities also tend to entrench the urban-rural divide. On a per capita basis, rural Mexicans receive less than half to less than a quarter of the health care resources available to urban residents covered by the national health program.

In addition, urgently needed health infrastructure is falling behind in the poorest states, where much of the unprotected population is concentrated. Without the availability of local facilities, vulnerable sectors of the population will have little chance of benefiting from the services the system offers at the national level. Together, these inequities lead to very

different health outcomes: in the poorest states, child death rates are 58 percent higher and maternal death rates three times as high as in the rest of the country.

This report was presented along with other case studies at the "Exploratory Dialogue on Applied Budget Analysis as a Tool for the Advancement of Economic and Cultural Rights," which took place in Mexico on 23-26 January. Read the report in [English](#). Read the report in [Spanish](#). To see the complete list of case studies go to the new [Themes Section](#) on the IBP site. For more information on this case study, contact Helena Hofbauer at helena@fundar.org.mx.

Should You Engage in Applied Tax Work? Government Thinks It's a Good Idea!

To date, applied budget work in most countries has focused more on the expenditure side of the ledger than the revenue side. As a result, the perspective of civil society, with its interest in protecting equity and redistribution in the tax code and in the budget generally, is missing from the public discussion of tax issues in many countries. With tax analysis from a pro-poor perspective absent, the only voice outside government commenting on tax policy is the business community. Under these circumstances, when the public debate on tax issues unfolds in the media or during the legislative process, it is typically lopsided. A debate that is dominated by the business sector will tend to favor tax cuts and dismiss tax increases as harmful; rarely will such a debate take into account broader public policy issues, such as the need to provide adequate funding for social services or the desire to implement a more progressive tax system.

Interestingly, government itself may be happy to have civil society join the tax debate. An IBP staff member recently discussed this issue with a senior official in the South African Treasury. The official noted that government often finds itself on one side of an issue, with the tax lawyers and accountants funded by business on the other side. This is particularly the case when government attempts to pursue broader public policy goals through tax policy. If civil society were to add its voice to the debate, according to this official, the policy discussion would improve. Even if civil society were not in agreement with government, at least it would offer a different perspective than business (on most issues, presumably). Indeed, as a government becomes more democratic and open to public pressure, it is important that civil society involves on tax policy debates, so that the business sector is no longer the dominant outside influence.

For more information on working on tax issues see section 8.6 of *A Guide to Budget Work for NGOs*, or contact Joel Friedman at friedman@cbpp.org.

Public Budget Policy Conference in Egypt

The Public Administration Research and Consultation Center (PARC) at the University of Cairo recently held a conference on public budgeting policies in Egypt (21-23 April 2002). The focus of the conference was on performance budgeting and the role of civil society and parliament in the budget process. Participants were drawn from universities, civil society organizations, and parliaments in Egypt, Jordan, Lebanon, Morocco, and Syria.

The agenda included presentations and discussions on several related topics including gender budgeting, pro-poor budgeting, the role of parliament and civil society in the budget, and budget advocacy. A fascinating concluding session covered recent Arab experiences with the role of parliament in public budgeting. The conference was closed by the Minister of Finance, Dr. Medhat Hassanaim, who fielded questions from the floor for a full two hours.

For more information on the conference and the papers presented, contact Dr. Salwa Gomaa, the director of PARC, at SGomaa@cics.feps.eun.eg.

Budget Watchdog in Argentina by CIPPEC

The Center for the Implementation of Public Policies for Equity and Growth (CIPPEC), based in Argentina, is implementing a program called "Budget Watchdog" (Lupa Fiscal). It aims to provide constant, accessible budgetary information in order to strengthen analysis, debate, and broadcasting about the budget; encourage civil society's understanding of and access to public budget issues; and place spending allocations and resource management issues on the public agenda.

The initiators of this program at CIPPEC argue that Argentina's structural fiscal imbalance has helped cause recurring crises and contributes to the inefficient and unequal allocation of public resources. This has led to an unsustainable debt burden and inflation and exchange rate instability. Together these factors prevent the country from following towards economic growth.

CIPPEC argues that a main cause of these problems is politicians' incentives to "overspend" and the lack of civilian control over public officials' spending patterns. Politicians often have incentives to overspend because they do not have to bear the negative consequences of it. Many provinces collect less than 20 percent of their own revenue with the remaining resources transferred from federal government coffers.

Along with this lack of accountability, there is little control of or sanction for misallocations of public spending. For example, if a politician hires a relative or a political leader from his own neighborhood to perform a task within the government, citizens are frequently not informed about this, have no means to monitor this, and the judiciary does not exert effective control. Therefore, irresponsible politicians do not run any political or legal risks.

For these reasons, CIPPEC believes that it is necessary to encourage citizen control over public spending and to improve the rules that impair fiscal behavior, such as those contained in the "Ley de Coparticipación Nacional" (National Provinces Sharing Act).

CIPPEC's Budget Watchdog seeks to reinforce independent monitoring of the state through transparency and citizen involvement. The project was initiated last year with the release of the organization's 2001 Budget Report, which was timed to coincide with the legislature budget process. The report was distributed to more than 1,000 people, including legislators, mass media, NGOs, and citizens, in order to contribute to a public debate and analysis of the budget. CIPPEC is currently drafting a 2002 Budget Report. Read the [2001 Budget Report](#).

For more information, contact Miguel Braun at mbraun@cippec.org.

Participatory Budgets Workshop, Buenos Aires, Argentina

The city of Buenos Aires is discussing how to activate a clause in the city's constitution requiring a participatory budget approach in order to create strategies that will allow civil society groups to monitor financial international aid and formalize their participation in the formulation of public policies.

One recent discussion was organized by the World Bank on April 3rd. Marcia Ribeiro from the Pontifícia Universidade Católica in Rio Grande do Sul (PUCRS) and Jose Valdir from the municipality of Porto Alegre described how participatory budgets operate. Municipal authorities and technical experts work with the people through consulting and debating processes to make decisions about the collection of taxes, budget revenues and allocations, how and when to make investments, and what are the priorities, plans, and actions that the local government should engage in. These practices started in 1989 with the victory of the Worker's Party in the state and are now applied in seventy cities around Brazil. Inputs to the conference claimed that participatory budgeting has helped to reduce corruption and improve the effectiveness of government spending.

Poder Ciudadano ("Citizen Power") has been working for a year on citizen participation in the budget process for the city of Buenos Aires (see: <http://www.internationalbudget.org/resources/newsletter5.htm>) following a methodology presented by Carlos March. This methodology includes the monitoring of five aspects. 1) Citizen understanding of how government institutions work in order to be able to identify who is responsible for different departments. 2) The application of laws to ensure that citizen's rights are observed. 3) Limits on public spending and private financing, including electoral campaign funding. 4) Public contracts for projects with high social impact. 5) Participation of Buenos Aires citizens in the budget process.

This is not the first test for citizen participation in Argentina. The success of this type of methodology can be seen in the ongoing monitoring of institutions such as the Magistrates National Council and the National Senate. Another example at the municipal level is the public hearings to monitor the disposal of household waste in the municipality of Morón, where citizen involvement substantially modified the initial contract and saved US\$ 13 million over a period of four years.

Read Marcia Ribeiro's presentation [[in Portuguese](#)].

Read Carlos March's presentation [[in Spanish](#)].

New World Bank Loan to Peru

The next World Bank loan to Peru of \$100 million will be accompanied by innovative mechanisms to strengthen transparency and the role of civil society in the budget process. In addition to traditional support to the government, the agreement will include resources to enable civil society organizations to monitor public opinion of service delivery, participate more fully in local government budgeting, and catalyze the work of civil society groups in monitoring public budgeting. The Bank has raised resources in addition to the loan that will be channeled to civil society groups that submitted proposals for this work in a competitive

bidding process. Further, a set of questions aiming to test citizen perceptions of government transparency will be integrated into the national annual household survey.

For more information on these innovations, contact Roby Senderowitsch at rsenderowitsch@worldbank.org.

New Papers on the IBP Online Library

New Strategies, Old Loan Conditions. Do the New IMF and World Bank Loans Support Countries' Poverty Reduction Strategies? The Case of Uganda

By Warren Nyamugasira (RESULTS Educational Fund) and Rick Rowden (National NGO Forum)

The study, presented on the occasion of the Spring 2002 World Bank and IMF meetings, looks at the new structural adjustment loans to Uganda in light of the poverty-reduction goals outlined in Uganda's PRSP. The authors suggest that economic policy reform prescriptions contained in the loans may impair Uganda's ability to realize these poverty reduction objectives. The study also questions whether the PRSP process allows the effective participation of civil society.

Participation in Poverty Reduction Strategy Papers. A Retrospective Study

By the World Bank

The World Bank has recently completed its own review of the PRSP process, which included regional and international meetings to gather and discuss stakeholder responses to the initiative. The results of this process are reflected in the following reports.

Parliamentary Budgeting in Hungary and Slovenia

By Lance L. LeLoup [National Council for Eastern European and Eurasian Research (NCEEER)]

This paper evaluates the overall impact of the legislature on budgeting in Hungary and Slovenia and questions whether the role of the legislature in public budgeting should be strengthened.

Budgeting in during the Democratic Transition

By Andrea Dietz, Mihaly Hogye, Lance T. LeLoup, Zoltan Papai, Laszlo Urban, and Laszlo Varadi

This article is posted with PrAcademics Press' permission (www.pracademicspress.com). The article examines budgeting in Hungary since 1989. It looks at the general economic conditions and constraints on the budget, the budgetary institutions and processes, and the impact of parliament on the budget. It concludes with an assessment of the problems and prospects for budgeting in Hungary.

Other IBP Website Updates

NEW THEMES SECTION

Reflecting the growth of civil society budget work, a new section has been established on the IBP website. It organizes resources according to major themes or categories of budget work. The first theme has just been launched and covers materials that illustrate the interaction between Applied Budget Analysis and Economic Social and Cultural Rights. Future theme pages may include Transparency and Participation in the Budget, the Role of Legislatures in the Budget, and Gender Budgeting. Visit the new [Themes Section](#).

ABOUT THE IBP

The description of IBP's mission and activities, formerly available in Bengali, English, French, Italian, and Spanish, has also been translated into Portuguese and Russian. To read about the IBP in Portuguese, go to:

<http://www.internationalbudget.org/about/IBPPortuguese.htm>.

To read about the IBP in Russian, go to:

<http://www.internationalbudget.org/about/IBPRussian.pdf>.

NEW GENDER RESOURCES ON THE IBP WEBSITE

The Gender, Youth, and Development Section of the IBP website has been updated with four links. To visit these links, go to

Http://www.internationalbudget.org/resources/sites/gender_youth.htm.

The four gender related websites are:

Commission on gender equality in South Africa

This website contains links to publications and press releases that examine the national budget and gender equity concerns in public expenditure in South Africa. It also offers a gender and media directory.

International gender responsive budgeting websites

This website is a collaborative effort between the United Nations Development Fund for Women (UNIFEM), The Commonwealth Secretariat, and Canada's International Development Research Centre (IDRC). It offers links to organizations and publications, details on related workshops and conferences, and a document library.

High level conference on gender responsive budgeting

This UNIFEM site contains a full description of a conference held in Brussels in October, 2001 to build political and financial support for gender-responsive budgets. It also includes links to the groups that organized the event.

Parliament and the budget process from a gender perspective

This site highlights some key points to consider in the process of creating the budget from the point of view of parliamentarians. The points were raised at a regional seminar for English-speaking African parliamentarians organized by the Inter-Parliamentary Union held in Nairobi, Kenya in May, 2000.

Announcements

IV BUDGET WORK ANNUAL CONFERENCE. SOCIAL TECHNOLOGY. "TRANSPARENT BUDGET"

14-15 June, 2002, St.Petersburg-Pushkin, Russia

Since 1998, the St.Petersburg Humanities and Political Studies Center "Strategy" has implemented a program to encourage citizen involvement in local budgeting. The work to date has focused on citizen participation in the budget process in St.Petersburg, Murmansk, Petrozavodsk, Pskov, Samara, Novosibirsk, and Yuzhno-Sakhalinsk. These experiences serve as model projects for budget groups in other Russian cities and in Newly Independent States (NIS) and will be reviewed in a conference organized by Strategy. For more

information on this conference, contact Denis Torhov at torhov@strateg.spb.su or at budget@strateg.spb.su.

FISCAL POLICY SUMMER TRAINING COURSES, GEORGIA, USA

July-August, 2002, Georgia, U.S.

The Andrew Young School of Policy Studies at Georgia State University is offering three courses specifically designed for policy makers and public officials from developing countries and transition economies. 1) A three-week course on Fiscal Decentralization in Developing and Transitional Economies will be held July 15-August 2. 2) A two-week course on Fiscal Analysis and Revenue Forecasting will be held July 1-12. 3) A two-week course on Public Budgeting/Fiscal Management will be held August 5-16. The application deadline is June 25th.

For more information, contact Paul Benson at paulbenson@gsu.edu, or go to <http://isp-aysps.gsu.edu/training/summer2002/index.html>.

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