

## OPEN GOVERNMENT

### **Brazil does not advance in the Open Budget Survey**

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Brazil occupies the 12th place among 100 countries assessed in the Open Budget Survey conducted by the International Budget Partnership (IBP). The classification itself is not bad: with 73 points of a possible 100 in the Open Budget Index, Brazil is in the second tier of countries budgets more transparent. What is preoccupying is the lack of progress in recent years. The points obtained in 2006 (74) exceed those obtained in 2010 (71) and 2012 (73). So, there is nothing to celebrate.

The research seeks to measure the state of transparency, public participation and fiscal control worldwide.<sup>2</sup> Released recently, it is held every two years by the IBP. The last, published in 2012, used 2011 data. This year data will be collected for the 2014 report.

Researchers from academic institutions and civil society organizations respond to questions about the existence and publicity of budget documents and the participation and popular control in the preparation of these documents. The information is compared to other reports on fiscal transparency issued by the IMF, the World Bank and the OECD, among other international institutions. Moreover, it is offered to every government the opportunity to participate in the survey, despite the low level of commitment shown by the.<sup>3</sup> From 95 governments invited, only 41 commented on the survey results.

The survey also brings many innovations and best practices that can be adopted in Brazil to promote popular participation in the development of public budgets, an area where, despite the Brazilian pioneering,<sup>4</sup> has not shown great progresses in recent years. As successful practices of innovation were mentioned initiatives in South Korea

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<sup>2</sup> International Budget Partnership - IBP. Open Budget Survey. Available: <<http://internationalbudget.org/wp-content/uploads/OBI2012-Report-English.pdf>>.

<sup>3</sup> This low commitment of public authorities to transparency can also be observed in a research of the Center for Fiscal Studies, available: <<http://www.fiscosoft.com.br/a/5www/percepcao-da-transparencia-da-legalidade-concreta-fiscal-dos-municipios-da-copa-eurico-marcos-diniz-de-santi-isaias-coelho-mariana-pimentel-basile-georges-campos-christopoulos-daniel-le>>.

<sup>4</sup> GENRO, Tarso & SOUZA, Ubiratan. *Orçamento Participativo: A Experiência de Porto Alegre*. Editora Fundação Perseu Abramo. São Paulo, 1997.

and Trinidad and Tobago in the creation of public spaces, the use by New Zealand satisfaction surveys and the creation of telephone lines exclusive to clarify tax issues.<sup>5</sup>

Transparency and public participation go together so that the state finances become more democratic, and, according to the IBP research, they may have a number of benefits: transparency could help attract cheaper international credit;<sup>6</sup> opacity on tax matters can undermine fiscal discipline, transparency and public participation can help identify corruption and improve the efficiency of public spending, and transparency and public participation promote equity in making national resources to meet national priorities.

The study suggests that any country, regardless of geographic location or income level, can have a good performance in budget transparency. Countries in Africa, for example, notably South Africa, have superior performance than European countries. A survey conducted by the Center for Fiscal Studies (NEF, in Portuguese) with cities that will host matches of the World Cup in Brazil reached similar results: cities located in the poorest Northeast outperformed the rich South and Southeast cities.

Brazil loses points for not presenting an evaluation system of budget execution in the middle of the fiscal year, which allows to introduce necessary changes to the rest of the year. More important than climbing the index of most transparent countries, it is necessary to intensify the use of mechanisms of popular participation at all levels of government. IBP's research is restricted to federal data, therefore, does not cover the situation of subnational governments.

The Center for Fiscal Studies (NEF) strives to meet and get to know the reality of the fiscal transparency of the states and municipalities in Brazil. The goal is to disseminate good governance practices and promote public awareness of the decisions and actions that are taken by the government for its finances, and that have direct impact on people's lives.

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<sup>5</sup> The state of Santa Catarina in Brazil has introduced a similar system to the New Zealand exclusive telephone lines to information in the tax area

<sup>6</sup> The same results were found in: CARLITZ, Ruth. *Improving Transparency and Accountability in the Budget Process: An Assessment of Recent Initiatives*. Available: [http://r4d.dfid.gov.uk/PDF/Outputs/Mis\\_SPC/60827\\_DPRCarlitz\\_preprint.pdf](http://r4d.dfid.gov.uk/PDF/Outputs/Mis_SPC/60827_DPRCarlitz_preprint.pdf).