

STATE OF THE FIELD REVIEW:

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# FISCAL TRANSPARENCY AND ACCOUNTABILITY

Research Note for the Fiscal Futures'  
Scenario Planning Workshops

(March & April 2018)

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**This report has been prepared by Anja Rudiger together with staff at the Carnegie Endowment of International Peace, the International Budget Partnership and the Transparency and Accountability Initiative.**

*All would like to thank the participants in the Future of Fiscal Transparency and Accountability scenarios process on whose contributions this content is based.*

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**This century has seen an impressive increase in public access to fiscal information and civic engagement on budget issues. Norms of fiscal transparency have gained ground around the world. Yet many advocates and practitioners in the fiscal transparency and accountability (T/A) field expected more: transformation of public finance and tangible improvements to people's lives. With a host of negative global trends – from democratic backsliding to rising inequality – threatening further progress, the field now faces a critical juncture.**

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**In the spring of 2018, the International Budget Partnership (IBP), the Transparency and Accountability Initiative (TAI), and the Carnegie Endowment for International Peace convened a cross-section of key actors from 14 countries involved in fiscal T/A initiatives to take stock of the field and to engage in scenario planning to shape ideas for future work. The reflections and questions synthesized in this paper are largely drawn from interviews with the 35 individuals registered for the scenario planning workshops (prior to their participation) plus with five additional scholars selected for their academic expertise in the subject and further supplemented by a scan of recent literature.**

The focus of this research was to examine and gain a civil society perspective on the fiscal T/A field. The majority of workshop participants represented local, national, and international civil society organizations (12 country-based and eight international NGOs), along with eight scholars, five funders, one private sector representative, and one journalist.

Due to an intentional country focus on India, Mexico, and South Africa, the majority of interviewees from the global South came from these three countries. While some interviewees had past experience working in government, there were no government representatives among the interviewees. Following the first workshop in March 2018, a follow-up survey was circulated to all participants to gather additional data (results are summarized in Appendix 1). Finally, after completion of the second workshop in April 2018, yet again minor revisions were made to the paper to take into account additional input received and to ensure the accuracy of participants' views on the state of the field and key contested questions.

After a brief overview of the development of the fiscal T/A field and an outline of contextual trends, this paper presents an analysis of lessons learned and key questions about future work. The hope is that this effort will assist the actors in the field, particularly civil society, in thinking critically about future strategies for transforming public finance in ways that improve the lives of poor and marginalized communities.

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## EXECUTIVE SUMMARY

Over the last two decades, intensive field building has supported the emergence of a wealth of civil society initiatives seeking to advance transparency and accountability (T/A) in public finance at the local, national, and international level. Fiscal transparency norms have become embedded in global good governance standards. Many countries now boast greater budget transparency and participation, which, under some conditions, has improved budget allocations and spending on critical public services.

Despite this progress, there is a growing sense among practitioners and experts in the field that transparency interventions have not sufficiently translated into accountability gains, or influenced public finance processes in ways that improve people's lives. The proliferation of fiscal T/A initiatives and the discourse of government openness have yet to be harnessed into a broader political project to transform the public finance framework, redistribute resources, and change inequitable power relations. The shifting political environment adds further challenges, with democracy declining and civic space closing across the world.

At this important juncture, several key lessons can be distilled from past initiatives:

- ⊕ *There is no linear causal relationship between transparency and accountability. Disclosure of budget data is not sufficient, by itself, to achieve fiscal accountability.*
- ⊕ *Government responsiveness to accountability demands depends on political economy incentives and power dynamics. Accountability is a function of power, which civic actors can build through collective action and collaboration.*
- ⊕ *To influence governments, an integrated campaigning approach with vertical and horizontal links across the accountability ecosystem is most*

*effective; technical capacity building with governments is, at best, insufficient.*

- ⊕ *Civic participation in budgeting is more impactful when linked to empowerment and distributive goals, and less so when treated as a technical method to improve governance and civic engagement.*
- ⊕ *Global standards and mechanisms can elicit fiscal transparency gains at the country level, but also carry political risks, such as legitimizing questionable political regimes.*

Based on these lessons, many in the field are rethinking basic concepts, assumptions, and strategies. Key strategic questions include:

- ⊕ *Can we develop a new integrated approach to public finance that promotes equity goals across tax and spending policies?*
- ⊕ *Would a normative understanding of accountability, for example, be better suited for improving fiscal governance by pushing public finance systems and policies to advance equity goals?*
- ⊕ *How do we build alignment across the fiscal accountability ecosystem? Is enhanced civic participation the key to transforming public finance?*
- ⊕ *Can we drive collective action by starting with people's needs rather than budget information? Could this entail support for long-term organizing and social movements?*
- ⊕ *What should be the role of professional CSOs/NGOs?*
- ⊕ *Can we change political will by building countervailing power, forming alliances with champions inside government, enacting institutional reforms and mandates, or through a combination of these strategies?*
- ⊕ *How can we expand fiscal T/A approaches to challenge corporate power?*

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# I. STATE OF THE FIELD

## A NEW GOOD GOVERNANCE NORM

The past two decades have seen tremendous gains in budget transparency and public engagement with budget processes. Public finance used to be shrouded in secrecy and considered an exclusive domain of government officials. Today, fiscal transparency is regarded as a standard good governance practice, and citizen participation is recognized as a way to improve fiscal decision-making and oversight. Twenty years ago it was doubtful whether nascent civil societies could develop the capacity and political leverage to engage with budget processes. Now, over one hundred civil society organizations (CSOs) monitor public revenue and expenditure across different parts of the world.

This shift has been attributed to a number of factors: the response of international financial institutions to the Asian financial crisis in the late 1990s; a growing interest in good governance and anti-corruption in the international development community; and democratic transitions that reshaped relations between states and citizens in countries around the world.<sup>1</sup> Civil society actors stepped into this opening space and started pushing for budget transparency in many middle income countries, particularly in India, South Africa, and Latin America. Budget-related advocacy subsequently expanded to lower income countries as part of the international debt relief movement.

At the global level, all major international institutions, including the International Monetary Fund (IMF), World Bank, and Organisation for Economic Co-operation and Development (OECD), now endorse and promote some form of fiscal transparency and participation, and fiscal T/A goals have been incorporated into the Sustainable Development Goals (SDGs).<sup>2</sup> Human rights monitoring bodies have begun using the principles of transparency, accountability, and participation, which are enshrined in the international human rights framework, to assess

governments' fiscal processes and policies. For them, fiscal accountability includes states' obligation to mobilize the maximum available resources to advance economic and social rights, and to manage public money in ways that increase equity and reduce poverty.<sup>3</sup>

At the country level, CSOs have opened up new spaces for civic participation in budgeting, improved spending allocations in response to people's needs, and addressed leakages in spending as well as revenue collection along the fiscal chain. There is evidence, for example, that civil society-led fiscal T/A efforts have "contributed to more effective and efficient spending, leading to improved outcomes" in more than 25 countries.<sup>4</sup> Under some conditions, such initiatives have lowered corruption, built new democratic spaces for civic engagement, empowered local voices, and ensured better budget utilization and better delivery of services.<sup>5</sup>

These gains in fiscal T/A have been facilitated by two decades of field building, resulting in a diverse array of fiscal T/A groups and initiatives: from local to international, and from community groups to think tanks and multi-stakeholder initiatives. While there are other actors, especially within government, promoting innovations in fiscal governance, experts interviewed for this paper emphasize the central role of civil society actors and their contributions to improving public finance processes and outcomes. This paper thus focuses primarily on the perspectives of and challenges facing civil society organizations in this field.



The fiscal Transparency and Accountability field seeks to influence the mobilization, management, and distribution of public resources. It includes organizations engaged in budget work, which tend to focus either on expenditure or revenue, as well as initiatives relating to extractive industries, public contracting, and aid transparency. These sectors operate independently from each other, with little coordination among them.

## MAPPING THE FIELD

Defined very broadly, the fiscal T/A field seeks to influence the mobilization, management, and distribution of public resources. It includes organizations engaged in budget work, which tend to focus either on expenditure or revenue, as well as initiatives relating to extractive industries, public contracting, and aid transparency. These sectors operate independently from each other, with little coordination among them. This sectoral segmentation also reflects different levels of work: while expenditure initiatives are largely country-based and CSO-led, work on taxes often has a more international flavor, as do initiatives on extractives and contracting, which are largely led by international NGOs or multi-stakeholder partnerships.

Approaches, strategies, and agendas vary widely across the field, between and within sectors. At the country level, the field is dominated by urban, professional CSOs and think tanks focused on national budget analysis and advocacy — in short, budget groups or networks, and their emerging tax equivalents. Other relevant actors include issue or sector-focused CSOs and campaigns, national offices of international NGOs, community-based organizations, and movement-building efforts. While professional CSOs are more likely to operate in formal spaces controlled by government actors, other civil society groups engage with public finance in less formalized ways. Where the linkages between different layers of civil society are tighter, tactics tend to be more complementary, aligned, and effective.

At the international level, several multi-stakeholder initiatives (MSIs) have formed over the past decade, occupying different thematic niches. The Open Government Partnership (OGP), for example, collects and

monitors government commitments on transparency, and now has a membership of over 70 countries. The Extractive Industries Transparency Initiative (EITI) monitors the implementation of an international standard for the accountable management of extractive resources in 51 member countries.

## AN INCOMPLETE PROJECT

Yet despite the wealth of initiatives and the depth of work in many countries, there are signs that the “transparency revolution” of the past two decades may have come to a halt. Progress toward global budget transparency, though never linear, has stalled for the first time in a decade, according to the Open Budget Survey 2017. Three-quarters of the countries assessed in the survey do not publish sufficient revenue and expenditure information to enable citizens to participate in the budget process.<sup>6</sup>

Other global indicators also suggest worrisome trends. The OGP reports that only about a third of government commitments on transparency and participation actually get implemented.<sup>7</sup> The Corruption Perceptions Index 2017 shows that since 2012, many countries have made little to no progress in combating corruption.<sup>8</sup> Article 19’s Transparency Index registers an overall decline in transparency over the past six years.<sup>9</sup> The Open Data Barometer reports that open data portals often do not contain the data people need, and that few open data initiatives actively promote inclusion and equity.<sup>10</sup> And although citizens’ right to information has been adopted into law or policy in 119 countries, implementing such provisions in practice has been a challenge.<sup>11</sup>



Many interviewees seek greater clarity around the core purpose of both fiscal transparency and accountability, as well as the connection between overarching goals and specific process and outcome objectives.

Among the experts and practitioners interviewed for this project, there is a growing sense that transparency tools and technical interventions have not sufficiently translated into improved governance, better development outcomes, and tangible impacts on people's lives. While the field has built its analytic capacity and expanded fiscal transparency in a number of contexts, it appears to have been less successful in changing public finance processes and policies in ways that advance equity and reduce poverty.

Most interviewees identify this as a key challenge for the field. They consider transparency not an end in itself but a means to achieve greater accountability for raising and spending public money. Yet they diverge in their overarching goals, which can be grouped into three broad categories: democracy, development effectiveness, and human rights.<sup>12</sup>

The first category includes political participation and empowerment-related goals, the second is largely concerned with governance reforms to improve public service delivery and reduce corruption, and the third focuses on normative goals that include equity and justice. While these three goals are overlapping, they do suggest underlying fissures within the field. There are tensions between goals that lend themselves to more technical approaches and those that allow or even require more explicitly political strategies, as well as between procedural and normative goals. To some extent, different organizations' strategies reflect these tensions, with some oriented toward budget processes, some toward service delivery, and some toward priorities identified by communities. While there seems to be a desire for better coordination and collaboration,

closer alignment may be complicated by the diversity of actors and approaches, as well as differences in overarching goals.

Many interviewees seek greater clarity around the core purpose of both fiscal transparency and accountability, as well as the connection between overarching goals and specific process and outcome objectives. This desire also reflects concerns that the field has been overly technical and narrow in its approach, and insufficiently political. Interviewees argue that for fiscal T/A initiatives to be more impactful, they need to help transform inequitable power relations among and between citizens and the state. By limiting accountability to questions of institutional reform, many initiatives have proven ill-equipped to effect systemic change. This approach is sometimes attributed to the driving role of international funders, who may have pushed for more linear, discrete, and technical interventions.<sup>13</sup> Arguably, ideological differences in the use of "post-ideological" concepts such as transparency — which appeal across the political spectrum — are likely to remain unresolved. At the same time, the field now seems to appreciate the complex and uncertain relationship between transparency, accountability, and improving people's lives. There is a high level of self-criticism and a readiness for a "second generation' approach to T & A."<sup>14</sup>

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## II. TRENDS

The political environment for fiscal T/A work has shifted drastically over the past few years. In many parts of the world, democratic openings have given way to democratic backsliding. In the Economist Intelligence Unit's (EIU) 2017 Democracy Index, more than half the world's countries received lower scores than the year before, including India, Mexico, and South Africa.<sup>15</sup> When democracy declines, state oversight institutions tend to become weaker, corruption intensifies, and civil society and the media face increasing repression. As far-right and populist governments have assumed power in parts of Europe, Asia, and Latin America, many country-based budget groups can no longer count on the receptive political environments that allowed for more formal collaborations between governments and civil society in budget processes. An important question arising for advocates and practitioners is how to adapt their strategies to the global tilt toward authoritarianism. Without the original drivers of fiscal openness, is the field strong enough to live up to the challenge and deepen its work?

### CLOSING CIVIC SPACE AND POPULAR RESISTANCE

As a key symptom of democratic backsliding, the closing of civic space has become a primary concern for most interviewees. According to CIVICUS, 108 countries now suffer from 'obstructed', 'repressed' or 'closed' civic space.<sup>16</sup> This closing takes many different forms, from smear campaigns against CSOs and increased surveillance of activists, to clamping down on protests and organizing, to the killing of activists and journalists. None of these phenomena are particularly new, in and by themselves, yet they have proliferated and increased in intensity.

Many interviewees suggest that the field needs to tackle the closing of civic space head-on. While some see a role for international initiatives, such as the OGP, to increase pressure on governments, others argue for a strategic response that points in the opposite direction, toward building closer links between CSOs and communities on the ground. They argue that professional CSOs funded by international donors have been key beneficiaries of the civic space that is now shrinking. Because these CSOs are less likely to have a base in the population, they may lack popular legitimacy and can be targeted more easily by hostile governments. Yet others caution that popular roots do not necessarily offer protection, as the history of government repression against social movements shows. Some see the key to strengthening civil society resilience — and to improving the effectiveness and impact of fiscal T/A work — in creating tighter, more aligned networks among formal and informal civil society actors. By forging stronger links between professional and community-based groups as well as movements, civic actors may be better positioned to defend against divide-and-conquer tactics and to develop proactive strategies for advancing democratic goals.

Many interviewees are encouraged by popular resistance movements around the world creating new spaces for civic engagement. Globally, much collective action is targeting the rising inequality and concentration of wealth and power in the hands of a few — concerns that are clearly related to demands for fiscal accountability.<sup>17</sup> At the national and local levels, people are also mobilizing against the misuse of public resources through corruption. They have successfully pushed political changes in countries such as South Africa, where civil society groups now see an opening.

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Sustainable bottom-up mobilization is enabled by long-term organizing, base-building, and leadership development, which can raise people's expectations for a more equitable sharing of resources. The emergence of such countervailing forces could provide an opportunity for a more political fiscal T/A agenda to take root.

### **INEQUALITY AND PROGRESSIVE TAXATION**

Some interviewees suggest situating fiscal T/A work explicitly in the political narrative around rising inequality, including by promoting a redistributive fiscal agenda. They point to the increase of income and wealth inequality in nearly all regions: in the Middle East, India, Brazil, and Sub-Saharan Africa, the top 10% earned more than half of the total national income in 2016.<sup>18</sup> According to the IMF, differences in income inequality across world regions can largely be explained by diverging approaches to fiscal policy-making.<sup>19</sup> It notes that in developing economies, low levels of both taxation and social spending limit the redistributive impact of fiscal policy.<sup>20</sup>

The fiscal T/A field is showing a growing interest in country-based work on taxation. Both the Third Financing for Development Conference (Addis Ababa, July 2015) and the World Bank have recently called on countries in the South to take a lead in mobilizing the financing for their development.<sup>21</sup> Some see this new international emphasis on domestic resource mobilization (DRM) as a promising entry point for more integrated tax and spending initiatives. While there are concerns that increased DRM could result in a greater tax burden on people living in poverty, research suggests that progressive taxation combined with other fiscal measures could open up fiscal space for social protection and the realization of SDGs even in the poorest countries.<sup>22</sup> Could this be an opportunity for the fiscal T/A field? What would it take to make such a fiscal policy agenda politically possible?



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Challenges	Implications	Opportunities	Ideas for Civil Society Action
<b>Democratic backsliding, authoritarianism, populism</b>	Loss of checks & balances; loss of champions; loss of T/A gains and resistance to accountability; nationalism and xenophobia; securitization	<b>Resistance, counter-mobilization</b>	Increase distance to government; exploit divisions within government; forge links with countervailing forces, including across divisions of class etc.; disseminate counter-narratives that combat fears related to terrorism and migration; address roots of populism
		<b>Urbanization and decentralization</b>	Create opportunities at state and local levels; global cities as entry point and engine for change
		<b>Global institutions and mechanisms, SDGs</b>	Use MSIs to support civil society actors in difficult contexts and increase international pressure; link up with SDG accountability mechanisms
<b>Closing civic space</b>	CSOs, activists, journalists, and foreign funders under attack; surveillance; lack of formal participation opportunities	<b>Growing social movements</b>	Tap into bottom-up energy and mobilization and support grassroots collective action; forge closer links to prevent divide-and-conquer strategies; support organizing and leadership development
<b>State and economic capture, corporate power</b>	Corruption; weak or captured institutions; unaccountable corporations & corporate power	<b>Anti-corruption mobilization</b>	Leverage public outrage over corruption events to push for systemic change; join up with anti-corruption movements to bring a systemic lens to incidents of state capture; forge closer links with media
<b>Concentration of wealth and power</b>	Continuing increase in inequality; public finance policy focuses on economic stability and growth without consideration to equity	<b>Growing inequality discourse, equality demands and movements</b>	Situate T/A work in context of inequality; link up with equality discourse and struggles; advance public finance agenda that distributes power and resources
<b>Neoliberal public finance paradigm, pressures on fiscal space</b>	Regressive taxation; budget cuts; no international action on tax competition and avoidance; increased pressures on social spending due to shifts in demographics & nature of work	<b>Alternative public finance frame; domestic resource mobilization</b>	Create alternative, rights-based public finance frame; use push for DRM to promote progressive taxation; advocate nationally and transnationally against corporate tax incentives; capitalize on public outrage over tax havens; consider basic income guarantee
<b>New technologies</b>	Tech facilitates abuse of power by state & corporations; privacy violations; corporate “Big Tech” control data & communication platforms; digital divide (gender)	<b>New technologies</b>	Increase awareness of new technologies, such as AI and automation, and ways to harness for fiscal T/A; democratize production and control of data, including use of algorithms in fiscal decisions
<b>Geographic power shifts</b>	Free trade agreements give rise to large investment projects by countries (e.g. China) that may circumvent T/A rules	<b>New economic opportunities</b>	Influence host countries’ engagement with foreign countries’ transnational infrastructure investment programs
<b>Donor/funding environment</b>	Decreasing funding; CSO capacity challenges; project-based grants; donor-driven agendas	<b>Donor/funding environment</b>	Adopt more political and longer-term strategies; give holistic, operational support; respect community agendas; support movements

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## FUNDING CHALLENGES AND OPPORTUNITIES

A key challenge identified by interviewees is a perceived decrease in funding by international donors for fiscal T/A work — though this has also given civil society groups new impetus to engage with domestic funders in their respective contexts. In fact, there are indications that funders from the global North may be coordinating more closely with those in the South and channeling more resources to Southern funders. Moreover, philanthropic support for human rights work, in particular, appears to have grown in recent years, with an emphasis on economic and social rights.<sup>23</sup> Nevertheless, in certain countries, the growing hostility toward foreign funding of CSOs, accompanied by repressive actions against local activists, INGOs, and donors, may have caused some donors to withdraw from country-based or governance-related work. In addition, bilateral donors are under increasing political pressure to prove the relevance and impact of development and democracy aid, spurred in part by isolationist sentiments in Western countries.

Most interviewees representing CSOs point to significant capacity challenges. Some are concerned about sustaining their work, others have difficulties acquiring and retaining the right skills and scaling up. Many encourage funders to revisit their strategies for supporting the fiscal T/A field, especially in this more politically complicated context. They suggest that funders:

- ⊕ **Work more politically:** *Develop a better understanding of local political processes, ensure greater political distance to governments in aid-receiving countries, support CSOs to create their own political spaces and strategies, and demonstrate a long-term commitment to political change.*
- ⊕ **Think about results differently:** *Recognize that meaningful results (i.e. solutions to problems people care about) require long time-frames. In politically challenging times, positive impact may consist of stopping things from getting worse. Support for deep awareness-raising and leadership development may be needed to build readiness for future political openings.*
- ⊕ **Invest in local capacity:** *Provide holistic operational support rather than creating specific projects and thereby setting CSOs' agendas.*
- ⊕ **Support movements:** *Find ways to support social movements, which requires a nuanced understanding of how movements operate and mobilize in different contexts. While some interviewees suggest re-granting by CSOs or funding specific movement-support efforts, such as legal or media services, others point to the risk of distorting movements or turning movements into NGOs. Some movements explicitly reject donor funding to retain accountability to their members.*



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### III. WHAT HAVE WE LEARNED?

The following overview of lessons learned in the fiscal T/A field is based on interviewees' reflections, and is not intended to be a comprehensive assessment. It is grouped into key areas of intervention, each containing brief examples of what has worked better and what has worked less well.

#### 1. INCREASING FISCAL TRANSPARENCY AND ACCOUNTABILITY

Over the past two decades, advocates, practitioners, and funders have built a large and multi-faceted field around the broad theme of transparency and accountability in public finance. In particular, civil society capacity in many countries has received a considerable boost through the establishment of dedicated budget groups capable of fiscal research, analysis, and advocacy. Fiscal transparency norms have become embedded in international discourse and good governance reforms. Public disclosures have increased across countries and sectors, from budgets to extractive industries to public contracting. Digital technologies have helped propel a push for open data in many aspects of public finance and generated new tools to access and analyze large quantities of fiscal data. Some countries have made significant progress in embedding general transparency provisions into law. In India, for example, the Right to Information (RTI) movement successfully mobilized for a transparency law that mandates participatory tools such as social audits to be included in budget appropriations. Civil society budget analysis, including gender and children's budgeting, has led, under some conditions, to pro-poor shifts in budget allocations.<sup>24</sup> Participatory budgeting has spread around the world, opening up opportunities for communities to influence the distribution of local resources.

Yet although fiscal T/A norms and practices have clearly gained traction, improvements have been uneven, largely context dependent, and not always sustained.<sup>25</sup> The thrust of the field's efforts to date has been on technical transparency interventions, designed to facilitate information disclosures and flows, with the assumption that accountability will somehow follow. According to a simplified theory of change, the supply of information will trigger demands for accountability,

to which state actors respond by changing their behavior or policies — which in turn has a positive impact on people's lives. Yet in reality, past T/A efforts show that transparency is a necessary but insufficient condition for accountability.<sup>26</sup> In the aggregate, the push for public finance disclosures has not yielded systemic change in the functioning of fiscal governance or the relationship between public finance decision-makers and citizens. While there are positive transparency impacts that do not take the form of increased accountability, most agree that transparency is not a goal in itself. As one interviewee concludes, a key lesson learned has been that fiscal accountability is a democratic not a technical project. Harsher critics bemoan that the field has wasted many years on technical approaches, spent down on its credibility, failed to connect with broader political projects and discourses, and allowed the capture of transparency tools and participation processes by powerful vested interests.

**Examples of what we have learned about the link between transparency and accountability:**

- ⊕ *While there may be an “elective affinity” between transparency and accountability, there is no linear causal relationship.*
- ⊕ *Open data does not equal open government, and does not in and of itself open up governance. Despite a plethora of open data platforms, “openness” has not become embedded within governance cultures.*
- ⊕ *Disclosure of information is not a driver of action. Only information that meets a specific demand and fits a specific purpose and user is potentially actionable. Most recognize now “that ‘publish with purpose’ can deliver more than ‘publish and they will come.’”<sup>27</sup>*
- ⊕ *Disclosure of information can have unintended consequences when its potential impacts are not assessed from the outset (e.g. a Mexican transparency law may have driven the state oil company into offshoring).*
- ⊕ *When accountability demands are made, government responsiveness may be impeded by any number of internal and external incentives as well as systemic barriers.*

- ⊕ *Transparency is more likely to encourage accountability where functioning, independent, and empowered accountability institutions are already in place.*
- ⊕ *Information disclosure that cannot be acted upon risks inducing frustration and even cynicism, as it can foster a sense of powerlessness in the face of disclosed wrongdoing. Conversely, information that conceals rather than exposes malfeasance can lead to apathy.*

## 2. INFLUENCING GOVERNMENT BEHAVIOR AND SYSTEMS

Civil society strategies for influencing fiscal processes and systems largely depend on political contexts and opportunities, and differ based on whether governments are considered receptive, indifferent, or hostile toward accountability demands. Receptivity can be a function of political will, institutional capacity, or openings precipitated by specific political junctures.<sup>28</sup> External factors influencing government responsiveness include electoral competition, corporate lobbying, the strength of oversight institutions, international pressure, public and media discourse, and civic mobilization. How to assess incentives for responsiveness, levers for pressure, and opportunities for cooperation are questions of political economy and power analysis that are relatively new to the field.<sup>29</sup>

***Common pathways for CSO engagement with government include public finance monitoring, advocacy to influence policymakers, and collaborations with horizontal accountability actors within government, including government departments, legislatures, auditors, financial oversight institutions, and courts. Interviewees shared lessons about the effectiveness of these approaches:***

- ⊕ *The most effective campaigns integrate monitoring and advocacy, and engage with state and non-state actors across multiple policy levels, both vertically and horizontally.<sup>30</sup>*
- ⊕ *Advocacy strategies tend to be more productive if campaigners have both constructive and adversarial tactics in their arsenal, with the latter including not just popular protests but also litigation and naming/shaming.*
- ⊕ *Evidence-based advocacy alone can create policy shifts at moments of political opportunity, although such shifts may be fragile; at other times, providing analysis and evidence in support of a demand has proven insufficient to elicit government action. However, evidence can be strengthened by linking it directly to citizen voice. In South Africa, for example, one CSO reports that presenting individual experiences of corruption gives the organization an authentic public voice to speak to power holders.*
- ⊕ *While transparency tools and platforms that invite citizen voice can increase government capacity to respond, they are less suited to generate the political will to respond. Interviewees suggest that under some conditions mass mobilization may be needed to create political will and get traction for accountability demands.<sup>31</sup>*

***When faced with hostile governments, civic actors find the following strategies effective:***

Combining a strategy of disengagement at the national level with a shift to advocacy at the local, municipal, or state/provincial levels, or with building community capacity for organizing, leadership development, and mobilization.

Examples vary as to the effectiveness of using international mechanisms; however, even when governments are indifferent to international pressure, civil society capacity and cohesion can be strengthened by engaging in international proceedings.

Disengagement from traditional advocacy with national policymakers does not preclude collaboration with other state actors, since the state, and government more narrowly, is not a monolithic entity. Taking advantage of divisions within government, or engaging reform champions and independent oversight bodies, enables an inside-outside strategy that can leverage pressure points even in times of limited opportunity. It can also strengthen state accountability institutions or build new accountability pathways, for example, through strategic litigation or social auditing in collaboration with audit institutions.

At the same time, civil society efforts that rely solely on partnerships with state actors tend to have more limited impact than broader, more integrated campaigns.<sup>32</sup>

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Some fiscal T/A groups employ a systems approach geared toward understanding the institutional barriers within government that produce and sustain a culture resistant to robust accountability. In India, an effort to examine why some budget allocations never translate into spending on the ground revealed the need for a fundamental reform of administrative structures. Such reforms would have to go beyond technical capacity building with governments — whereby donors offer tools for data management or training in financial management — which has proven insufficient to embed accountability norms in institutions, and may even distract from more systemic reforms. The same applies to process changes such as implementing results-based budgeting, or integrating gender disaggregated data into budget classifications.<sup>33</sup> There is an emerging understanding, including among donors, that an analysis of political economy constraints, and how these evolve over time, is needed to enhance the capacity of local actors to navigate and shape the political dynamics around systemic governance reform.

### 3. BUILDING POWER THROUGH COLLECTIVE ACTION

Much of civil society's engagement with public finance, particularly with regard to expenditure, consists of specialized CSOs analyzing budget data and seeking out formal spaces for budget advocacy. However, formal opportunities for engaging with fiscal policy and processes are still not well developed in most countries,<sup>34</sup> nor do they necessarily trigger government responsiveness to accountability demands. A growing body of practice, referenced by many interviewees, tries to expand formal participation by connecting it to a broader range of collective action strategies that are more deeply embedded within civil society. An organized and engaged civil society — which includes community groups, unions, cooperatives, faith groups, etc. — is now considered one of the key predictors of the success of budget advocacy efforts.

The effectiveness of civic participation in fiscal governance depends on contextual factors and power relations: it matters what type of participation takes place by whom, for what, and under which conditions.

Formal, institutionalized participation may require the presence of countervailing power — in the form of informal collective action — to avoid replicating existing power asymmetries among and between citizen and the state.<sup>35</sup>

The rise of participatory budgeting — perhaps, in its diverse expressions around the world, one of the most innovative forms of participation in fiscal processes — illustrates the tension between participation as a technical, value-neutral intervention to improve governance, and participation as a political method of empowering people to change institutions and policies in the pursuit of social justice.<sup>36</sup> Experiences on the ground have been mixed. In Indonesia, for example, participatory budgeting is valued as a community empowerment tool, giving voice to marginalized groups. However, critics note that without the presence of a rights- or justice-driven community organizing effort, participatory budgeting risks being depoliticized, co-opted by governments, and turned into a competition between civic groups over limited resources. Moreover, it cannot easily be scaled up and adapted to broader budget processes that include decisions over taxation.

Building countervailing power through broad-based mobilization, especially in the form of social movements, requires long-term investments in community organizing. A number of budget groups now run capacity and leadership development programs, such as the year-long budget schools held in five Indonesian districts. Many interviewees report that taking a longer-term view and investing in people, developing leaders, and building the capacity of community groups pays off. In India, gains in transparency and pro-poor spending have been achieved by a people-led, bottom-up, self-organized movement that engages people living in poverty around everyday injustices and connects these to fiscal processes. In Nigeria, a movement-building approach has fostered people's sense of ownership over natural resources, which has led to successful demands for budget transparency. In South Africa, a rights-based community-organizing approach enabled local groups to unlock significant municipal allocations for poor neighborhoods.

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#### 4. BUILDING POWER THROUGH COLLABORATIONS

Most interviewees express concerns about the field’s segmentation into silos. This fragmentation takes different forms: professional CSOs operate separately from movements and other civil society groups; international work occurs in isolation from local and national efforts; and groups are split according to sectors and areas of focus. There does not appear to be a clear shared vision, goal, or strategy to counteract this fragmentation. Yet at the same time, examples of partnerships, coalitions, and collaborations across civil society and with state actors have emerged over the last few years (collaborations with the private sector appear less common). An IBP synthesis of case studies concludes that effective CSO campaigns need either cooperation from government stakeholders, from a wider network of non-state actors or, ideally, both, and need to engage across local, national, and international policy levels.<sup>37</sup> Interviewees emphasize that such collaborations enable the use of a wider mix of tactics, from mobilizing popular voice and advocacy to expert budget analysis and litigation, with each partner contributing according to their strengths. For example, in Indonesia, one budget group purposefully works in cross-issue coalitions and connects community partnerships to a national budget network. In Tanzania, the explicit aim of fiscal advocacy is to move beyond competing sectoral approaches and to look at the budget holistically, rather than fighting for bigger slices of a shrinking pie. In Peru, an Oxfam-led campaign seeks to connect tax justice with spending advocacy and the use of natural resources, and embed these public finance issues in a broader equality frame. These examples highlight the potential for improving linkages between groups working on different aspects of the fiscal system, especially budget and tax justice groups. Partnerships between fiscal T/A groups and social movements remain rare, yet there is evidence that wide popular cooperation can be particularly effective in building countervailing power, especially in times of limited political opportunity.<sup>38</sup>

#### 5. LEVERAGING GLOBAL INITIATIVES AND NORMS

Interviewees have very different perspectives on the lessons learned from leveraging global initiatives and norms to advance fiscal T/A at the country level. While they agree that the usefulness of global norms depends on their operationalization at the national level, they are divided over whether this has happened, or, in fact, backfired. Some point to MSIs such as EITI and OGP as platforms to influence national government actions, especially when combined with country-level civil society campaigns, pressure from peer countries, or conditions attached to IMF loans or donor aid. However, one evaluation found that even though MSIs were able to promote national transparency reforms, there was no evidence that this had led to improved government accountability.<sup>39</sup> Some interviewees are concerned that the rise of international platforms has created spaces for governments to parade their commitments or tout their rankings without making actual progress. Prominent cases of countries “gaming the system” have reinforced this view and led to the accusation of “open-washing.” Instead of producing accountability gains, global platforms may have contributed to an overly technical interpretation of transparency, disembodied from conditions and impacts on the ground. For example, when implementing digitized data portals countries may appear willing to act on transparency — e.g. through “data dumps” or showcasing information without disclosing anything — while glossing over human rights violations. Even where government officials are committed to implementing international norms, the disconnect within governments between those liaising with international mechanisms and those working on domestic policy issues may be difficult to bridge. Similar gaps exist between national commitments and provincial or local action, and between CSOs participating in national implementation platforms and groups outside the capital cities.

“Partnerships between fiscal Transparency and Accountability groups and social movements remain rare, yet there is evidence that broad popular cooperation can be particularly effective in building countervailing power, especially in times of limited political opportunity.”

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## IV. KEY QUESTIONS FACING THE FIELD

The fiscal T/A field faces several important questions. At the broadest level, the field is struggling with how to harness the proliferation of initiatives, the global discourse of openness, and the many lessons learned on the ground into a broader transformative project for changing inequitable power relations, redistributing resources, and improving the lives of disadvantaged people and communities.

The five key questions highlighted below discuss perceived gaps in the field's theories of change and its approaches to power and politics. They also explore the drivers of collective action, the role of accountability ecosystems, and a cross-cutting approach to public finance policy.

### 1. HOW CAN WE RETHINK THE PURPOSE OF TRANSPARENCY AND ACCOUNTABILITY?

Most fiscal T/A groups perceive not only transparency but also accountability as a means to an end; broadly, democracy, development, or human rights and social justice. However, it is less clear how accountability can help achieve those end goals. While there is a shared understanding that fiscal decision-making should be accountable, some ask: accountable *for what*?<sup>40</sup> There is more clarity to whom decision-makers should be accountable — citizens, the electorate, service users, the legislature. Faced with a missing link between transparency, accountability, and end goals or impact, many propose to insert participation at the start of the accountability chain. The purpose of T/A initiatives would then be to develop the processes, relationships, and tools that enable accountability stakeholders to exercise political agency and monitor government decisions (e.g. through budget analysis) and perhaps even shape decisions (e.g. through budget advocacy or participatory budgeting). The implicit assumption is that once citizens have a say in decision-making and can exercise oversight, the “right” decisions will follow

and advance democratic, developmental, or human rights outcomes. However, people's preferences can shift quickly, and participatory processes can and have been used for any purpose. Relying on participation as a proxy for good decision-making, without understanding how exactly citizen voice relates to accountability — whose voice, on what issues, in which way, to what end — risks replicating earlier mistakes in the field. Especially those interviewees grounded in human rights approaches argue that achieving broader goals such as equity may require fiscal decisions to meet certain normative or outcome criteria, not just process rules about who should be involved in making them.

***Could a normative concept of fiscal accountability improve public finance?*** There is some agreement that the field lacks the kind of core common goals that could create greater coherence, harness collective power, and guide what state actors should be held accountable for. While the concepts of T/A have provided process goals, they do not, by themselves, entail outcome goals. For example, as one interviewee put it, while transparency can help identify a misappropriation of funds, it is silent about what such funds should be used for instead. Yet to adopt specific policy or outcome goals may require a sharper foray into politics than some are comfortable with. Perhaps fiscal T/A can only go so far (especially keeping in mind that the field partly originated in efforts to promote greater fiscal discipline in order to assure markets in crisis), and a new public finance framework has to emerge from more values-based principles. In practice, however, CSOs routinely put forward progressive policy positions and goals, yet these are not usually framed as fiscal accountability demands. Some ask whether this is a lost opportunity: could a normative interpretation of fiscal accountability — as the obligation to respond to needs or rights and advance equity — improve both budget processes and policies? They see an example in



Could a normative interpretation of fiscal accountability, as the obligation to respond to needs or rights, and advance equity improve both budget processes and policies?

the human rights framework, which requires states to be accountable not just for implementing transparent and participatory processes but also for achieving specific results (such as realizing the right to education).<sup>41</sup> Others, however, consider human rights as either too contentious or too ineffective, with insufficient evidence that traditional human rights accountability mechanisms have had much impact on the ground. Yet despite such criticism, the fiscal T/A field may be able to learn from and connect with the rise of rights-based approaches that emphasize economic and social rights. This includes efforts to measure the financing and implementation of those rights, as well as a growing body of research and practice on rights-based approaches to macroeconomics and public finance.

**Could we flip the relationship between transparency and accountability?** Many in the fiscal T/A field report feeling stuck in a continuing loop of technical fixes that fail to translate into accountability gains or systemic change. They recognize that accountability failures are not caused by information deficits and that openness by itself does not drive structural transformation. Some consider the theory of change that links transparency to accountability as dead, especially in this age of authoritarian resurgence. At best, transparency is seen as an enabler of accountability, but only if other factors are in place. Yet, as one interviewee asks, if transparency is only one of many tools, wouldn't it make sense to flip the T/A chain and start with the question of accountability? What would it take to achieve fiscal accountability for a desired outcome and to a certain population in a given context? This question may resonate with those who seek to shift the focus away from the front end of the accountability chain (e.g. budget data) and are ready to jettison the assumption that actions further down the chain will simply follow those initial inputs. Yet whether the chain should be flipped, or turned into a circle, or dropped altogether

remains unclear. Which approach would be best suited to connect the many local initiatives that foreground people's needs but miss their public finance implications with the fiscal transparency tools that facilitate information disclosure but struggle to produce tangible outcomes?

**How to prevent transparency efforts from backfiring?** Many interviewees are concerned about unintended negative consequences of fiscal T/A initiatives designed as apolitical tools. They perceive the risk of transparency interventions "putting a more open face on an unjust and unaccountable status quo."<sup>42</sup> Such "open-washing" can legitimize undemocratic governments and reinforce existing power dynamics. Examples include technical projects such as open data portals that can be used for any political purpose, and global commitments or rankings that are prone to misrepresentation by governments. Can and should we distinguish between efforts that enable limited accountability in non-democratic contexts and those that end up entrenching authoritarian governments? Other concerns relate to who controls and benefits from the collection and use of data. For example, technology-led transparency improvements may largely benefit elite groups, thus exacerbating inequality and widening the digital divide. Some call for more attention to power asymmetries in the capacity to collect and use data, especially between public or corporate actors on the one hand and individuals on the other, since "[o]ne person's transparency is another's surveillance."<sup>43</sup> In India, for example, fears are growing that the force of transparency unleashed by the RTI movement is being reversed and pointed at citizens, with the government collecting data on people, rather than helping people access government data. Many of these concerns reflect the challenges of operating in a more authoritarian climate, along with questions this raises about the political nature of demands for openness.

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## 2. HOW CAN WE CHANGE POWER RELATIONS BETWEEN CITIZENS, STATES, AND CORPORATIONS?

While there is an emerging agreement that accountability is a function of power, and that accountability interventions aim to change power relations, there are tensions about how to achieve this in practice. Many interviewees point out that fiscal T/A initiatives have not explicitly situated themselves in an arena of power struggles, partly because of the field's initial preference for a more apolitical "accountancy" approach, which entailed low political costs, quick gains, and circumvented the need to forge political alignment among diverse actors. Since some T/A efforts may have simply assumed that information is power, the use of power analysis remains underdeveloped in the T/A field writ large, and with regard to public finance issues in particular. Some argue that the choice of key concepts, in particular "openness," prevents the development of a political language that can recognize power dynamics. Once something is labeled "open", it may render the operations of power, and the inevitable closures these entail, invisible. There is, however, broad agreement that fiscal T/A initiatives must pay closer attention to the political economy of particular systems and contexts.

**How to effect change in government behavior and systems?** Most T/A groups know what kind of changes they want to see in public finance, but not how to make them happen. The field has been much more successful in getting governments to supply data and information than in incentivizing government responsiveness to accountability demands, or in sanctioning governments for violations. There is broad agreement that resistance to accountability can be very strong, and that it has been easier to bolster government capacity to respond than to foster the political will to respond. Two very different but potentially complementary strategies for changing what is politically possible are debated:

⊕ *Many propose building countervailing power through horizontal and vertical alliances, grounded in a base of organized people or communities who can be mobilized across scale. Such a strategy*

*would have to be driven by issues people care about, proactively prepare for a backlash from campaign targets, and apply both constructive and adversarial tactics. A more direct connection to people most affected by injustice could potentially enable T/A efforts in a more authoritarian political context without further entrenching such a system or risking cooptation. Critics of this strategy point out that popular mobilization and adversarial tactics entail high risks, especially in more hostile contexts. Alliance-building may be stifled by repression or by divide-and-conquer narratives linked to nationalism or anti-terrorism.*

⊕ *Some prefer an inside track over a more outward-facing and constituency-driven campaigning approach. They seek to exploit divisions within government, since building political will does not only depend on external influences but also on internal power dynamics, such as the presence of champions or oversight bodies that can exert pressure from the inside. However, such approaches face the risk of being susceptible to elite capture, particularly — but not solely — in more hostile political environments.*

Yet another group views the question of political will as secondary. They understand government behavior to be a function of systems, rather than decisions by individual or collective actors. According to this perspective, specific systems of fiscal governance operate in ways that produce certain outcomes; to change those outcomes T/A initiatives need to embed accountability norms and mechanisms in governance processes and institutions.

One variant of a systems-oriented approach looks at constitutional and structural constraints imposed on horizontal accountability institutions, such as legislatures, auditors, and independent financial bodies. Designated as checks and balances for public finance decision-making, these institutions are often in need of stronger mandates, greater independence, and more capacity.



While some suggest turning to the private sector as an ally in demands for greater government transparency, others see corporate power as a main cause of state accountability failures.

For example, legislatures have a key oversight and decision-making role in budgeting, yet many lack adequate oversight practices, both due to capacity and time constraints and constitutional limitations of their powers.<sup>44</sup> Some propose establishing or strengthening independent fiscal institutions with a mandate to assess the fiscal (and possibly social or human rights) impact of policy proposals and prepare economic forecasts. However, critics argue that institutional models, tested and affirmed as good practice in specific contexts, cannot simply be transferred elsewhere, as some institutional forms may be ill-suited to a particular political economy environment. Others point to the unintended consequences of a strictly institutional approach; for example, when corruption is tackled not as a function of power but as an administrative problem to be solved, say, through tightening and thereby stifling procurement procedures rather than examining interests and incentives.

Most agree that functioning oversight institutions are a necessary but not sufficient requirement for meaningful accountability. Many look for systemic reforms that could link horizontal and vertical accountability mechanisms, for example through participatory needs and impact assessments, or through greater decentralization. Some, as noted above, would like to see fiscal accountability systems grounded in normative principles such as equity, social justice, or human rights. They ask why governance reforms, including public financial management systems supported by international donors, do not routinely feature both procedural accountability provisions and an equity lens.<sup>45</sup> And why do fiscal T/A indices measure what budget processes and data exist, rather than how these are used and to what effect? Changing what is measured in the public finance field — and why we measure in the first place — could influence how public resources are managed. Perhaps a fiscal outcomes indicator system, anchored in normative goals rather than gross domestic product, could inform all stages of the budget cycle and

measure, for example, how each public finance decision takes into account equity implications? Yet others see equity solely as a function of power struggles, which cannot be resolved through institutional mandates.

**How to engage and hold corporate power accountable?**

Many interviewees point to the lack of transparency and accountability of non-state actors, particularly multinational corporations, and consider corporate power increasingly relevant to the fiscal T/A agenda. Yet they perceive the fiscal T/A field as focused almost exclusively on state power, since advocacy is either directed at changing government behavior or at pushing governments to hold private sector parties to account (e.g. the extractive industries sector). Anti-corruption initiatives tend to concentrate on the wrongdoing of state actors rather than targeting corporate actors who may be holding the state captive. While some suggest turning to the private sector as an ally in demands for greater government transparency, others see corporate power as a main cause of state accountability failures. Given the heterogeneity of private sector actors, these two approaches are not necessarily contradictory, as long as they are based on a power analysis of the specific context. In order for fiscal T/A efforts to effectively challenge the role of big corporations as vested interests in national budget processes, both national and transnational strategies may be needed to address issues such as corporate tax competition, insufficient global financial regulation, and illicit financial flows. Specific industries may also merit further scrutiny; for example, some interviewees point to multinational accountancy firms that assist with tax avoidance schemes while simultaneously being awarded lucrative government contracts. Yet others note the increasing engagement of foreign national (e.g. Chinese) corporations in transnational infrastructure projects that seem to bypass national T/A regulations. How can fiscal T/A groups best position themselves to help impose checks on corporate power at the national and transnational level?

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### 3. WHAT DRIVES CIVIC ACTION?

The challenge of understanding what drives people to engage in civic affairs, and specifically to engage in collective action, is by no means unique to the fiscal T/A field. However, budget groups, in particular, have struggled to involve ordinary people in their work. The public finance field is steeped in technical approaches, using technical language designed to communicate with finance experts inside and outside governments. In this context, how can fiscal issues catalyze broader civic engagement?

Most interviewees want to see greater civic participation in tax and expenditure decisions. While some envision participation by individuals rather than collective action, and a few consider participation merely as a stopgap measure to address governance failures, many suggest that governments bring community groups into the budget planning process to ensure that public finance policy is based on actual needs on the ground. Yet knowledge gaps exist around what kind of participation by whom is effective in which contexts and for what purpose. How participation happens, whether in formal or informal settings, in invited, created, shared, or claimed spaces, will affect to what extent it can build power and effect change. Given the lessons learned around participatory budgeting, some propose that the field shift from promoting participation as a technical tool to improve fiscal governance to a more political understanding of participation as collective empowerment to transform public finance based on principles such as equity and social justice.

Many recognize the shortfalls of a purely supply-side approach that assumes information disclosure will galvanize civic action to demand accountability. However, some hope that mass communication and improved presentation of information, along with educational efforts around financial literacy, can help demystify the budget, convey the link between tax and spending issues, and inspire individuals to act. Others suggest flipping to the demand side and start with identifying information needs rather than communicating available data. What are people's concerns and what kind of budget data is relevant to address these? Yet others propose starting with mobilizing people rather than information, thus reversing the roles of transparency and participation. IBPs' new SPARK program appears to turn budget work on its head by seeking to engage

communities on issues they care about — at the end of the traditional accountability chain — and then identify public finance implications. This may entail partnering with community groups that take people's needs and concerns as a starting point for engagement, as India's RTI movement did when it addressed people's grievances about wage theft by demanding that officials disclose records of hours worked and take remedial action in the form of back payments. But some question whether collective action around a specific issue, often related to service delivery, can translate into broader political economy changes required to embed accountability in a systemic way.

What is the role of different segments of civil society in fostering civic engagement around fiscal issues? Formal and informal vehicles for collective engagement range from cooperatives and unions to neighborhood associations, faith-based groups, and social movements. While collective action can and does arise in any of these spaces, interviewees expressed particular interest in connecting with or even helping build social movements. If rooted in systematic organizing, rather than exhausted in a one-off mobilization during a political opportunity moment, movements can scale into national formations and constitute countervailing forces to state power. Some interviewees point to the long timelines needed to organize people and communities and therefore suggest that the field consider investing in existing movement-building efforts. Others advise that in times of limited political opportunity, organizing and leadership development, particularly if it advances an alternative public finance frame, could be a long-term strategy for fiscal T/A groups.

### 4. HOW CAN WE STRENGTHEN ACCOUNTABILITY ECOSYSTEMS?

The fiscal T/A field is fragmented into silos and has struggled to connect its different parts under a common agenda. It is also not well connected to related efforts in the human rights, democracy, corporate social responsibility, and other fields. There is widespread agreement that silos need to be busted, and that the field should pursue collaborative work that links different types of actors across different policy levels and employs a range of complementary tactics.<sup>46</sup> In the literature, the concept of an accountability ecosystem

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is used to describe such horizontal and vertical relationships that cut across the state-society divide and are shaped by power relations.<sup>47</sup> In practice, however, many point out that building integrated alliances across different parts of this ecosystem has proven difficult, as friction finds fertile grounds where goals, approaches, ideologies, and constituencies differ. Creating alignment among a broad range of groups requires significant capacity, resources, political acumen, and a common entry point that resonates with all stakeholders. Moreover, some groups may be skeptical about joining broader, more systemic campaigns that cut across fiscal spaces, as these could undermine prospects for achieving quicker, incremental wins on sector-specific issues.

⊕ **What is the role of CSOs in the accountability ecosystem?** *Some perceive professional CSOs, and specifically budget groups, as disembodied elite groups without membership or base, suited more to high-level advocacy than broad-based collaboration. A few wonder whether specialized fiscal T/A groups have been captured by state actors, and prevent real accountability to people on the ground. There is a sense that collaboration should be anchored by people-led, internally democratic bodies that are accountable to their base rather than external funders.<sup>48</sup> If international NGOs shifted toward supporting such collaborations, what would that look like in practice? Others suggest that if national CSOs operated in a more demand-driven way, they could be amplifiers of voice and assume advocacy and training roles within broader coalitions. Given that the field is facing a closing of formal spaces for engagement with government, CSOs may be more inclined to join bottom-up collaborations. Finally, a few interviewees describe a more supply-led function of national budget groups as infomediaries that translate budget information for citizens and frame public concerns for government actors.*

⊕ Interviewees are interested in different types of collaborations. Most want to see coalitions between **budget and sector/issue groups**, with the aim of integrating fiscal T/A into sectoral or issue-based advocacy and thus linking bottom-up demands with top-down fiscal accountability agendas. Many envision closer links between **CSOs and movements** to achieve sustainable change. This would require CSOs to share the space, be responsive, and embrace a

*more inclusive approach. To strengthen new movements, cross-national, cross-issue learning exchanges between movements are seen as potentially productive.*

⊕ *Some point to partnerships between **CSOs and accountability actors within the state**. Supreme audit institutions, for example, are perceived as promising allies, with some auditors beginning to establish mechanisms for civic engagement, and CSOs reinforcing auditors' work by highlighting negative findings and advocating for remedial actions by governments.<sup>49</sup> Some groups have also used strategic litigation as an accountability strategy. The courts have at times intervened in public finance issues in productive ways, especially in countries with human rights-based constitutions. However, others point out that the implementation of legal rulings has been difficult or even non-existent.*

⊕ *There may be an untapped potential for fiscal T/A efforts to harness the **media**, though some interviewees caution against journalists acting as advocates. More thinking may be needed on how formalized civil society can use information disclosures such as the Panama and Paradise Papers as political opportunities to press for reform.*

⊕ *There is no consensus on how civil society should interact with **international mechanisms and networks**. While some expect global fiscal norms and MSIs to exert political influence on national governments, others see accountability strictly as a function of the specific political economy context in each country, which cannot be easily influenced from the outside. Instead, they consider international networks valuable for capacity building, learning, and the framing of goals. Connections to global frameworks, particularly SDGs and human rights, may help foster coherence of country-level actions.*

⊕ *Finally, while this discussion focuses on civil society's contributions to improving fiscal governance and outcomes, some note that **accountability actors within government** play an important role as drivers of innovation in fiscal governance practices. More collaborative approaches might help with scaling isolated T/A gains across bureaucracies, as might the busting of internal administrative silos, such as the separation between officials working on revenue and those focused on expenditure.*

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## 5. WHAT WOULD AN INTEGRATED, ACCOUNTABLE PUBLIC FINANCE FRAMEWORK LOOK LIKE?

By and large, the fiscal T/A field's engagement with public finance has been divided into different components of the fiscal system, with groups focused either primarily on budget allocations and spending or on revenue issues. While national budget groups prioritize work on the expenditure side, tax justice organizations largely operate transnationally. In many countries, this has left a gap at the national level. Some are concerned that the failure to address the budget as a whole—and revenue options in particular— may have increased competition among advocacy groups pushing for greater spending in different sectors, thereby fueling a sense of resource scarcity and exacerbating civil society divisions. This is also a common critique of participatory budgeting, which has not been able to connect to broader spending policy, let alone revenue generation, and has not, on the whole, advanced distributional equity. There is now a definitive interest in a more holistic engagement with public finance — both processes and policy — and particularly in expanding fiscal T/A work to domestic revenue issues. Many seek to challenge the paradigm of macroeconomic stability, growth, and fiscal discipline that neglects the distributional and developmental impacts of public finance decisions and contributes to rising income and wealth inequity. They re-envision fiscal T/A as part of a broader political project of advancing equity, which would require both fiscal governance systems and fiscal policies to function in ways that redistribute power and resources.

**What would good fiscal policy look like?** Because the concepts of transparency and accountability do not by themselves provide a normative foundation for assessing public finance policy, fiscal T/A advocates do not have readymade criteria for promoting an alternative policy agenda. However, in practice, there is some

shared understanding that public finance policy should be accountable for meeting fundamental needs, advancing equity, and reducing poverty. The Commitment to Equity (CEQ) Institute at Tulane University points out that any policy assessment would have to look carefully at both sides of the fiscal ledger: who benefits from spending and who is affected by how money is raised. Fiscal incidence analysis demonstrates that in most countries, poor people tend to be further impoverished by fiscal policy interventions.<sup>50</sup> Even though the cumulative effect of taxation and social transfers tends to be equalizing, in many fiscal systems poor people end up as net payers, largely due to taxes on consumption. To ensure the net social protection of poor people (measured in cash transfers less taxes), fiscal policies would need to be designed and assessed not just for equity but also for their effect on people living in poverty.

**How to strengthen the link between taxation and accountability?** An obvious entry point for engagement with domestic tax policy is the widely shared assumption that taxation can spur accountability demands. Whereas aid dependency reinforces a disconnect between people and fiscal issues, domestic taxation is seen as strengthening the social contract between citizens and the state. Paying taxes may also give people some leverage over government, which is incentivized to maintain tax compliance.<sup>51</sup> However, some warn that this form of empowerment is likely to accrue primarily to wealthier and corporate tax payers, whose ability to negotiate special tax breaks can create new social divisions.<sup>52</sup> While taxes create a nexus between the state, citizens, and the private sector, whether this nexus encourages citizens to make accountability demands or increases their willingness to pay taxes likely depends on how tax policies are designed, how tax

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collection is implemented, and how taxes translate into public expenditures. Some argue that direct taxation is better suited to promoting accountability as it makes public finance more visible and politically salient.<sup>53</sup> A similar accountability effect may occur if policies and practices explicitly promote equity, such as progressive taxes and fair tax enforcement. Linking taxes to specific public expenditures is widely assumed to increase “tax morale,” or willingness to pay, as well as civic engagement. However, others doubt that an accountability dividend can be accrued through anything other than fair enforcement of payment. They also point out that earmarking taxes for specific purposes could undermine budget policy at large, as well as raise tensions among competing interests.

Interviewees highlight two taxation related challenges of particular interest to the field:

⊕ **How to mobilize sufficient domestic resources to meet needs?** *Many welcome the international shift from aid to domestic resource mobilization (DRM) — as reflected in the SDGs — as an opportunity for the fiscal T/A field. This support is rooted in two factors: first, taxation can produce accountability pressures, and second, it creates an opening for designing equitable and pro-poor tax policies and systems,*

*provided that the field can build sufficient political power to shape the DRM agenda. The CEQ Institute, however, cautions advocates that there may not be a sufficiently large tax base — at least in the poorest countries — to raise domestic revenue without burdening people in poverty.<sup>54</sup> Yet other studies indicate that fiscal space can be increased considerably and that even poor countries can raise their tax-to-GDP ratio without reducing social transfers, including by removing corporate tax incentives.<sup>55</sup>*

⊕ **How to combat tax evasion?** *Tax evasion and avoidance, facilitated by poor tax collection and illicit outflows, is an important driver of inequity in many countries, as wealthy individuals and companies fail to pay their fair share. The Financial Secrecy Index by the Tax Justice Network reports that since the 1970s African countries alone have lost over \$1 trillion in illicit financial flows.<sup>56</sup> Many interviewees see a role for both international and national transparency and accountability demands, such as reforming the global financial architecture, disclosing anonymized income and wealth tax records (and linking tax IDs to demographic surveys), and targeting tax administrations that fail to exercise their duties.*



Some argue that direct taxation is better suited to promoting accountability as it makes public finance more visible and politically salient.

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## V. CONCLUSION

The fiscal T/A field is facing a quickly shifting, politically difficult context. Interviews with 35 key actors in the field suggest that advocates and practitioners are responding to this challenge with a self-reflective, questioning approach, eschewing easy answers. They recognize the field's many early achievements while appreciating that it will be much harder to progress to the next level. Leaving simplistic models behind, there is a thirst for trying new approaches. The five questions discussed in this paper highlight what it might take to get from inputs to impact. They prompt reflection on how accountable public finance should function, how to build power to effect lasting change, and how to connect this work to a larger political project in times of democratic decline and growing inequity. If together civil society actors can find new answers to some of these questions, the field may be in a better position to make a difference in people's lives.

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# APPENDIX

## REVISED ASSUMPTIONS AND NEW STRATEGIC APPROACHES IN THE FISCAL TRANSPARENCY & ACCOUNTABILITY FIELD.

This paper’s review of the state of the field, along with the discussion of key questions, has suggested a need for questioning prevailing assumptions, going beyond tried and tested approaches, and provoking new strategic ideas.

Consequently, one track of the Fiscal Futures project proceeded to examine more systemically what explicit or implicit assumptions have underpinned fiscal T/A work in the past, how these assumptions have been tested in practice, and what lessons have been learned that led to a shift in assumptions. The process of articulating and examining shifts in assumptions — by means of a simplified thought experiment — then enabled reflections on how civil society groups have adapted their strategies and programming over time. It also revealed gaps in approach where strategic change has yet to happen, thus provoking collective thinking about new strategic ideas and approaches.

The table below illustrates this thought experiment, categorized into contextual and operating assumptions, along with revised assumptions and participants’ reflections on strategic adaptations, which include both current and potential future strategies. The evolution of assumptions and strategies presented here is based on retrospective learning, separate from the development of future scenarios at the core of this project.

While some assumptions (especially the original ones) may be phrased in a simplified way, this is intended to reveal important lessons and shifts that might otherwise go unnoticed. Additionally, the field may have embraced some original assumptions pragmatically, not intellectually, as part of an effort to generate political appeal. The table groups assumptions into

broad subject areas and, within those areas, lists them in order of importance for further discussion (as ranked by participants). The strategic approaches (column 3) selected for this table serve to highlight newer adaptations or ideas that address gaps, and do not represent the full scope of ongoing work. Neither the assumptions nor the strategies are intended as an exhaustive list, nor do they reflect the views of everyone who participated in this process. Many are expressions of unresolved questions, illustrating current struggles in the field, and, as such, seek to provoke new thinking and a fresh perspective on fiscal T/A work.

*Methodology:* The assumptions tool was developed by the Carnegie Endowment for International Peace. Original and revised assumptions were drafted by the project team (also drawing on interview data collected for this paper) and vetted by a subgroup of participants. After several rounds of edits, the list of assumptions was circulated to all participants, along with a survey instrument. The survey, which was completed by all but one participant, asked respondents to rank assumptions according to their relevance for discussing future strategies. It also collected qualitative data on lessons learned from the original assumptions, as well as ideas for adapting strategies and programming in response to revised assumptions. The column “new strategic approaches” entails a summary of survey responses, augmented with participants’ ideas voiced at the second scenario planning workshop (April 2018). At that meeting, original and revised assumptions were discussed in detail, which led to another round of edits, reflected in the table below. These edits include the addition of two assumptions (marked by an asterix).

Contextual Assumptions	Revised Contextual Assumptions	New Strategic Approaches
<b>GOVERNANCE &amp; CIVIL SOCIETY</b>		
<b>1</b>	Democracy is advancing globally and will tend to encourage fiscal transparency and accountability gains, championed by more established democracies.	Democracy is stagnant or retreating globally, including in Western societies, which endangers transparency and accountability gains and impedes progress toward equity and inclusion.
<b>2</b>	Formal civic spaces, e.g. for NGO engagement with government, are growing.	Formal civic spaces are under attack and shrinking. At the same time, informal collective action is expanding, e.g. through social movements. This can take different expressions, e.g. populist or progressive.
<b>3</b>	Civil society is a unified progressive force, with formal NGOs/CSOs functioning as primary change agents.	Civil society is heterogenous and divided, with multiple aims and approaches, not all of which are pro-democratic.
<b>4</b>	International openness to sociopolitical actors working across borders to help produce positive political and economic change will remain stable or increase over time.	Nationalistic sovereignty is gaining ground, resulting in closing space for sociopolitical actors, including funders, to work across borders. At the same time, access to national budget spaces has increased for some INGOs.

Contextual Assumptions	Revised Contextual Assumptions	New Strategic Approaches	
<b>ECONOMY &amp; POWER</b>			
<b>1</b>	Economic development will tend to produce political liberalization, including greater fiscal transparency and accountability.	Economic development may produce some fiscal transparency gains, but these are insufficient for meaningful accountability. There is no correlation between economic growth and political liberalization or equitable development.	Develop a vision for democratization and equitable development that is not primarily tied to economic growth but largely guided by equity, social justice, and human rights principles.
<b>2</b>	Technological change, including data and automation technology, will on balance contribute to greater transparency and accountability.	The impact of technological change, including the production, collection, and use of data, can support or undermine T/A, depending on who has the power to marshal it for what purposes.	Shift from tactical initiatives in the fiscal data and technology space to strategic campaigns for the democratic control (and production) of data and technology. Challenge corporate and/or government control of data and technology, and promote public good standards for the design, use and proliferation of data and technology.
<b>3</b>	The financialization of capitalism, along with corporate power and rising inequality, reached its peak with the global recession of 2008.	Transnational corporate power continues to increase, threatening fiscal T/A goals, capturing state apparatuses, and producing an unprecedented concentration of wealth and power.	Develop a transnational, extraterritorial strategy for corporate transparency and accountability with strong international regulatory and judicial mechanisms. Combat corporate capture of state apparatuses by supporting anti-corruption mobilizations and advancing systemic reforms.
<b>PUBLIC FINANCE</b>			
<b>1</b>	The public finance paradigm designed to foster economic growth and stability will also help advance equity and reduce poverty.	Public finance policies, including taxes, transfers and public spending, will advance equity and reduce poverty only if these objectives are explicitly built into the design.	Promote a new public finance frame and policies, rooted in equity and economic & social rights principles, that explicitly challenge the concentration of wealth and pursues redistributive goals. Advocate for an accountability mechanism that guides fiscal policy by using progress and outcome indicators beyond GDP, and promote the collection of fiscal incidence data to better measure fiscal policy impacts.
<b>2</b>	National fiscal reforms can be encouraged by international multi-stakeholder initiatives that push global T/A norms to the country level.	To give more latitude to fiscal reformers at the country level, the international financial architecture (including institutions, policies, and regulations) needs to be transformed.	Develop an interconnected, transnational approach to fiscal governance and policy, especially in the areas of taxation, and financial & corporate regulations, to remove international barriers to progressive fiscal reforms at the country level.
<b>3</b>	International development assistance will largely continue for at least a generation and provides leverage for spending-related transparency and accountability demands.	Domestic Resource Mobilization (DRM) will to some extent replace international development assistance and place greater pressure on raising funds nationally. This offers opportunities for accountability demands related to taxation, along with risks related to inequitable taxation.	Develop a domestic revenue mobilization agenda that is not only about how much revenue is raised, but also about how it is raised (equitable tax policy and administration) and how it is used (public expenditure for equitable development and poverty reduction).

Contextual Assumptions	Revised Operating Assumptions - General	New Strategic Approaches	
<b>TRANSPARENCY &amp; ACCOUNTABILITY</b>			
1	Greater accountability will follow naturally from greater transparency.	Transparency is one of many factors that can contribute to accountability gains; to advance accountability, it has to be pursued as an explicit and strategic goal.	Shift from a tactical use of transparency to a strategic understanding of accountability as an obligation to realize agreed fiscal purposes and goals. Deepen citizen empowerment and participation in budgeting as a route to accountability.
2	Open budgets are a goal.	Open budgets are a tool to advance a broader social justice agenda.	Identify the fiscal policy implications of issue-based demands, and use budget expertise to support campaigns that share the broader goals of equity, inclusion, redistribution, and sustainability.
3	Accountability is a clear, galvanizing goal.	In order to galvanize action, accountability needs to be linked to a clear normative goal (accountability for what?).	Re-envision fiscal accountability as the obligation to use fiscal policy and processes to achieve a normative purpose (e.g. social justice, human rights), goals (e.g. equity, inclusion, sustainability), and outcomes (e.g. clean air, health care for all).
*	More opportunities for participation in the budget process will follow naturally from greater transparency.	Transparency is necessary but insufficient for expanding formal participation opportunities. Increased participation opportunities, especially for marginalized/poor people, have to be pursued as an explicit and strategic goal.	Include participation in budgeting as a goal in fiscal T/A agendas. Develop new strategies for increasing formal participation opportunities and for making formal participation more meaningful and inclusive, including through supporting experimentation with participatory forms of governance.
<b>GOVERNANCE &amp; POWER</b>			
1	Governments make rational decisions based on evidence and facts.	Government decision-making is driven by complex political economy factors, trade-offs, and power constellations.	Develop a deeper understanding of political economy, power, and drivers of change. Where appropriate, create a broader civil society strategy for exposing and counteracting the corporate and elite interests that often drive government decisions.
2	Transparency and accountability are politically neutral mechanisms that most regimes can agree on and implement.	Transparency and accountability are functions of power; achieving meaningful accountability entails a shift in power relations.	Think and work politically by analyzing power and building countervailing power, e.g. with affected communities, through alliances, through the electoral system, or by targeting corporate practices.
3	Accountability gains at the local and regional levels will contribute to gains at the national level, and vice versa. Accountability gains in parts of government will contribute to broader governmental change.	Scaling or multiplying accountability gains requires intentional, concerted, and collaborative strategies at multiple levels, including at the transnational level.	Engage in work across scale — from subnational to national and vice versa, taking transnational aspects into account — by building vertical and horizontal networks and collaborations across geographies and issues, linking budget with issue or sector related work, embedding gains in legal and policy rules, organizing learning exchanges, and preparing model legislation and toolkits.
4	International norms and mechanisms will contribute to fiscal transparency and accountability at the national level.	International norms and mechanisms are more likely to have a positive impact at the national level if they are explicitly designed to empower local/ national accountability actors.	Develop a transnational fiscal accountability strategy that serves to empower country-based accountability actors.

Contextual Assumptions	Revised Operating Assumptions - General	New Strategic Approaches	
<b>COLLECTIVE ACTION &amp; COLLABORATION</b>			
1	Governments will respond to citizens' accountability demands.	Government responsiveness is influenced by various political economy factors, particularly citizens' ability to organize and build countervailing power.	Use political economy and power analysis to identify potential strategies and tactics in a given context, such as organizing, broad coalition-building, citizen mobilization, or inside/outside (sandwich) tactics.
2	Formal methods of citizen participation, such as participatory budgeting or budget hearings, will achieve greater accountability.	The impact of formal citizen participation depends on whether government is mandated to comply with results, and will differ based on who participates in what spaces with what purpose.	Develop a strategy for expanding budget participation by developing and testing creative new mechanisms of participation (both formal and informal). Expand the focus of budget participation from invited to invented spaces.
3	If we supply information on the budget and educate citizens about fiscal issues, they will become politically active and make fiscal accountability demands.	If we listen to people's own issues and demands, we can harness budget information to serve as a tool to support collective action, enabled by base-building and organizing.	Shift the emphasis from budget information disclosure to people's information needs, and from accessing and publishing fiscal information to producing and using such information in the service of campaigns that directly relate to people's needs and concerns.
4	Budget advocacy by NGOs and CSOs, supported by civic participation, will change budgets.	Vertically and horizontally integrated collaborations, which can include mass mobilizations, movements, and champions within government, are able to effect systemic change to public finance.	Situate the budget within a broader accountability ecosystem and identify whose agency can effect change, and how to strengthen those agents of change. Support organizing, leadership development, movement building, and broad coalitions rooted in values.
*	The goal of transparency will be supported by a large umbrella of donors, civil society, and some private sector actors, which will use this goal effectively in advocacy with governments.	A "lowest common denominator" coalition can only pursue a narrow interpretation of transparency. Advancing deeper, more meaningful T/A and participation requires more intentional, politically aligned coalitions.	Develop contextualized coalition strategies that build alignment based on strong and deep fiscal T/A goals and shared values. Consider that the breadth of a coalition may be less important than the relevance and power of its political ask.
<b>PUBLIC FINANCE</b>			
1	Budget allocations and spending are the key entry points for influencing decisions about public money and can be addressed separately from revenue and other fiscal issues.	All aspects of public finance are linked and require an integrated fiscal approach. Addressing revenue mobilization, budget allocations and spending, and debt together strengthens policy development, advocacy, and alliance building.	Expand the focus and expertise on expenditure to include other fiscal issues, particularly revenue. Address tax justice issues to get traction on spending proposals, advance a redistributive agenda, and spur citizen accountability demands regarding the collection and use of taxes.
2	More transparent, inclusive fiscal processes will lead to systemic change in public finance, including more equitable spending and tax policies.	Improvements to fiscal processes may lead to incremental change, but are not sufficient to produce equitable fiscal policies; other factors, such as redistributive goals and the empowerment of marginalized groups to shape both processes and policies, are needed.	Connect procedural and policy demands, ensure these are mutually reinforcing, and build civil society capacity to engage with both.
3	Taxation leads to greater citizen demand for fiscal accountability.	Taxes are more likely to spur accountability demands if they are framed, designed, and used in ways that raises citizen awareness of who pays and for what purpose. This may be facilitated through consistent tax enforcement among all payers, direct taxes, and transparency about the use of public money.	Develop a narrative and advocacy strategy that links taxation to public goods. To facilitate cross-class solidarity for financing public goods, and to counter the privatization of public services, extend public goods advocacy from services such as education and health care to civic infrastructure such as public spaces, transportation, and elections, to environmental goods such as air and water.

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## ENDNOTES

- 1** See also Ruth Carlitz, "Improving Transparency and Accountability in the Budget Process: An Assessment of Recent Initiatives," in: *Development Policy Review*, 2013, 31, s49-s67, p.s50.
- 2** The SDGs call for developing accountable and transparent institutions at all levels, ensuring access to information and participatory decision-making, reducing corruption (SDG 16), using fiscal policy to achieve equality (SDG 10), spending on poverty reduction and social services (SDG 1), and mobilizing domestic resources (SDG 17). Available at <https://sustainabledevelopment.un.org/?menu=1300>
- 3** An overview of human rights bodies' engagement with fiscal policy can be found here: Magdalena Sepúlveda/ Caroline Dommen, *The Obligation to Mobilise Resources: Bridging Human Rights, Sustainable Development Goals, and Economic and Fiscal Policies*, A Report of the International Bar Association's Human Rights Institute, December 2017. Human rights issues of taxation are addressed more specifically here: UN General Assembly, *Report of the Special Rapporteur on Extreme Poverty and Human Rights*, Magdalena Sepúlveda Carmona, A/HRC/26/28, May 2014.
- 4** Development Finance International/ International Budget Partnership/ Oxfam America, "From Numbers to Nurses: Why Budget Transparency, Expenditure Monitoring, and Accountability are Vital to the Post-2015 Framework," IBP Budget Brief, October 2014. Available at <http://internationalbudget.org/wp-content/uploads/Budget-Brief-From-Numbers-to-Nurses.pdf>
- 5** Rosemary McGee/ John Gaventa, *Synthesis Report: Review of Impact and Effectiveness of Transparency and Accountability Initiatives*, Institute for International Development, 2010, p.6.
- 6** International Budget Partnership, *Open Budget Survey 2017*, January 2018. Available at <https://www.internationalbudget.org/open-budget-survey/>
- 7** Renzo Fallo, *Why OGP Commitments Fall Behind*, Independent Reporting Mechanism, Open Government Partnership, Winter 2017. Available at [https://www.opengovpartnership.org/sites/default/files/IRM\\_Technical-Paper\\_Failure\\_Dec2017.pdf](https://www.opengovpartnership.org/sites/default/files/IRM_Technical-Paper_Failure_Dec2017.pdf)
- 8** Transparency International, *Corruption Perceptions Index 2017*, available at [https://www.transparency.org/news/feature/corruption\\_perceptions\\_index\\_2017](https://www.transparency.org/news/feature/corruption_perceptions_index_2017)
- 9** The Expression Agenda Report 2016/2017: *The State of Freedom of Expression and Information around the World*, ARTICLE 19, London, 2017, p. 27f.
- 10** World Wide Web Foundation, *Open Data Barometer Global Report Fourth Edition*, 2017. Available at <https://opendatabarometer.org/4thedition/report/>
- 11** The Expression Agenda Report 2016/2017, supra note 9.
- 12** This largely confirms the classifications offered by McGee/Gaventa, supra note 5, as well as Carothers/Brechenmacher's analysis of new development thinking, although neither authors focus specifically on fiscal initiatives. Thomas Carothers/Saskia Brechenmacher, *Accountability, Transparency, Participation, and Inclusion. A New Development Consensus?* Carnegie Endowment for International Peace, Washington DC, 2014.
- 13** See also Duncan Edwards/ Rosie McGee, "Introduction: Change, Continuity and Conceptual Ambiguity," in: *IDS Bulletin: Opening Governance*, Vol. 47, No. 1, 2016, 1-22, p.18.
- 14** Thomas Carothers (ed.), *Ideas for Future Work on Transparency and Accountability*, Carnegie Endowment for International Peace, Washington DC, May 2016, p.40.
- 15** The Economist Intelligence Unit's *Democracy Index 2017*, available at <https://www.economist.com/blogs/graphicdetail/2018/01/daily-chart-21?fsrc=scn%2Ftw%2Fte%2Fbl%2Fed%2Fdemocracycontinuesitsdisturbingretreatdailychart&%3Ffsrc%3Dscn%2F=tw%2Fdc>
- 16** CIVICUS Monitor, *People Power Under Attack: Findings from the CIVICUS Monitor*, October 2017, p.3. Available at [http://www.civicus.org/images/CM\\_Findings\\_70ct\\_v1.pdf](http://www.civicus.org/images/CM_Findings_70ct_v1.pdf)
- 17** This is also supported by IMF survey data, which finds rising public support for fiscal redistribution; International Monetary Fund, "Fiscal Policy and Income Inequality," IMF Policy Paper, January 2014, p. 9.

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- 18** Facundo Alvaredo/ Lucas Chancel/ Thomas Piketty/ Emmanuel Saez/ Gabriel Zucman, *World Inequality Report 2018*, World Inequality Lab, 2017, p. 5.
- 19** IMF, *supra* note 15, p.8.
- 20** *Ibid*, p.18ff.
- 21** World Bank, *Financing for Development Post-2015*, October 2013, p.9.
- 22** Isabel Ortiz/Matthew Cummins/Kalaivani Karunanethy, *Fiscal Space for Social Protection and the SDGs: Options to Expand Social Investments in 187 Countries*, ESS Working Paper No. 48, International Labour Office, Geneva 2017, p.1.
- 23** Jon Pattee, "Amid Tough Times for Global Human Rights Activists, Funders Are Upping Their Game," in: *Inside Philanthropy*, May 16, 2018, at <https://www.insidephilanthropy.com/home/2018/5/16/human-rights-grants-strategy-funding-trends>
- 24** For an analysis of gender budgeting efforts, see Janet G. Stotsky, *Gender Budgeting: Fiscal Context and Current Outcomes*, IMF Working Paper (July 2016).
- 25** This assessment by interviewees is also reflected in McGee/Gaventa, *supra* note 5, p.6.
- 26** This corresponds to findings in McGee/Gaventa, *supra* note 5, p.6.
- 27** Open Data Charter, *Publishing With Purpose*, Open Data Charter 2018 Strategy, January 2018. Available at <https://drive.google.com/file/d/1hYmoTZTDgFe9E8CtxAW6qfbjfj5W93DL/view>
- 28** See also Khagram et al., who identified four external drivers of change: political transitions, fiscal and economic crises, cases of corruption, and external influences that promote empowering global norms. Note that interviewees have not confirmed the influence of global norms. Sanjeev Khagram/Paolo de Renzio/Archon Fung, "Overview and Synthesis: The Political Economy of Fiscal Transparency, Participation, and Accountability around the World," in: Khagram/de Renzio/Fung (eds.), *Open Budgets: The Political Economy of Transparency, Participation, and Accountability*, Brookings Institution Press, Washington DC, 2013.
- 29** For an example of political economy questions, see Paolo De Renzio, "Creating Incentives for Budget Accountability and Good Financial Governance Through an Ecosystem Approach: What Can External Actors Do?" Discussion Paper, IBP/GIZ, May 2016, p.32. For an example of a power analysis tool, the power cube, see John Gaventa, "Finding the Spaces for Change: A Power Analysis", in: *IDS Bulletin*, Vol. 37 No. 6, November 2006.
- 30** This is corroborated by case study evidence; see Jillian Larsen, *You Cannot Go it Alone. Learning from Cooperative Relationships in Civil Society Budget Campaigns*, IBP, May 2016, p.5. See also Jonathan Fox, *Scaling Accountability through Vertically Integrated Civil Society Policy Monitoring and Advocacy*, Brighton: IDS, 2016.
- 31** See also Edwards/McGee, *supra* note 11, p.11.
- 32** Larsen, *supra* note 27.
- 33** See also De Renzio, *supra* note 26.
- 34** The Open Budget Survey 2017 shows that the average participation score for 115 countries is just 12/100; *Open Budget Survey 2017*, *supra* note 6, p.42.
- 35** For a definition of countervailing power and its role in institutionalized participation, see Archon Fung/ Erik Olin Wright, "Countervailing Power in Empowered Participatory Governance," in: Fung/Wright (eds.), *Deepening Democracy: Institutional Innovations in Empowered Participatory Governance*, The Real Utopias Project IV, London/New York 2003, p. 261-289.
- 36** See also Gianpaolo Baiocchi and Ernesto Ganuza, "Participatory Budgeting as if Emancipation Mattered," in: *Politics & Society* 42: 29, 2014, 42.
- 37** Larsen, *supra* note 27.
- 38** *Ibid*.
- 39** Brandon Brockmyer/ Jonathan Fox, *Assessing the Evidence: The Effectiveness and Impact of Public Governance-Oriented Multi-Stake-*

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holder Initiatives, Transparency and Accountability Initiative, 2015, p.7ff

**40** John Gaventa suggested that the third phase of T/A, after tools and politics, may be a normative one, asking the question of accountability for what; Carnegie Live, “Social and Political Action for Empowerment and Accountability,” November 2, 2018, at 1:24 min. Available at <https://www.youtube.com/watch?v=ZDsykH6u9rU&feature=youtu.be>. This question is also raised in Peter Newell/ Joanna Wheeler, “Rights, Resources and the Politics of Accountability: An Introduction,” in: Newell/ Wheeler (eds.), *Rights, Resources and the Politics of Accountability*, London, 2006, p. 45f.

**41** See, for example, UNHCHR/CESR, *Who Will be Accountable? Human Rights and the Post-2015 Development Agenda*, New York/Geneva, 2013, p.13.

**42** Edwards/McGee, *supra* note 12, p.18.

**43** Jonathan Fox, “The Uncertain Relationship between Transparency and Accountability,” in: *Development in Practice*, 17:4, 663-671, p.663.

**44** According to the Open Budget Survey 2017, only 28% of legislatures exercise adequate oversight; *Open Budget Survey 2017*, *supra* note 6, p.29ff.

**45** For a related argument on integrating gender equity into PFM reforms, see Samina Anwar/Anna Downs/Euan Davidson, “How can PFM Reforms Contribute to Gender Equality Outcomes?” Working Paper, DFID and UN Women, 2015.

**46** See also Fox, *Scaling Accountability*, *supra* note 27.

**47** See, for example, Brendan Halloran, “Strengthening Accountability

Ecosystems, A Discussion Paper,” *Transparency and Accountability Initiative*, 2015, p.3.

**48** The importance of internally democratic representation in addition to voice aggregation is emphasized by Fox; Fox, *Scaling Accountability*, *supra* note 44, p.17.

**49** Vikek Ramkumar, “The Rise of the Activist Auditor,” in: *International Budget Partnership, That’s How the Light Gets In: Making Change in Closing Political Environments (Essays from IBP’s 2016 Annual Report)*, IBP, April 2016. Available at <https://www.internationalbudget.org/2017/08/rise-of-the-activist-auditor/>

**50** Nora Lustig, “Fiscal Policy, Inequality, and the Poor in the Developing World,” *WIDER Working Paper 2016/164*, United Nations University-WIDER, August 2017.

**51** See also Wilson Prichard, “What Have We Learned About Taxation, Statebuilding and Accountability?” *ICTD Summary Brief No. 4*, Institute for Development Studies, 2016.

**52** See also Mick Moore, “Tax and the Governance Dividend,” *ICTD Working Paper 37*, Institute of Development Studies, July 2015.

**53** See also Prichard, *supra* note 49, p.5.

**54** See Nora Lustig, “The SDGs, Domestic Resource Mobilisation and the Poor,” *OECD Development Matters*, March 2017.

**55** See Isabel Ortiz, *supra* note 21.

**56** Tax Justice Network, *Financial Secrecy Index 2018*, January 2018. Available at <https://financialsecrecyindex.com/>



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