



Do open budget institutional changes improve social development?

As mudanças institucionais do orçamento aberto melhoram o desenvolvimento social?

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ABSTRACT

Although the open budget issue is receiving growing attention in the recent academic literature, it continues to be a topic whose consequences need careful investigation. This study aims to verify whether better social development occurs when open budget institutional changes are in place and whether open budgeting and social development are related to democratic regimes. The main findings of the paper are that the combination of transparency, participation and accountability leads to higher levels of social development and that open budgets and social development are associated with democratic regimes.

Palavras-chave: Open Budget; Social Development; Democracy; Institutional Changes; Cross-cultural Analysis.

RESUMO

Embora a questão do orçamento aberto está crescendo na recente literatura acadêmica, ela ainda continua sendo um assunto que necessita de estudos mais cuidadosos sobre as suas respectivas consequências. Este artigo tem como objetivo é verificar se o melhor desenvolvimento social acontece juntamente com as mudanças institucionais orçamentarias abertas, e checar a relação entre o orçamento aberto e desenvolvimento social com os regimes democráticos. Consequentemente, as principais contribuições deste trabalho são que as associações de transparência, participação e *accountability* levam a níveis mais elevados de desenvolvimento social, e que há a combinação entre evidências de orçamento aberto e desenvolvimento social com a presença de regimes democráticos.

Keywords: *Orçamento Aberto; Desenvolvimento Social; Democracia; Mudanças institucionais; Análise Cross-cultural.*

1 INTRODUCTION

Open budgeting involves the public and social disclosure of annual financial revenues and expenditures, from the budget planning stage to the execution stage, in an appropriate manner (Jinguang & Xianyong, 2011). According to Khagram, Fung and Renzio (2013), the

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open budget approach relates to transparency, participation and accountability in a governance perspective.

Institutional changes for open budgeting come about in stages, which seems to be the case, generally, with respect to public participation in government issues. In this line of thinking, the elements of transparency, participation and accountability represent a process of people gaining access to government's procedures and becoming aware of government's accounts. In this process, it is expected that transparency comes about first, followed by participation, and then accountability (Khagram, Fung, & De Renzio, 2013).

Ling and Roberts (2014) argue that institutional changes associated with transparency, participation and accountability can promote countries' social development and that these actions are interrelated and mutually reinforcing. A country could reach the highest level of social development if it is able to put into practice high levels of transparency, participation and accountability. Democratic countries should be associated with high levels of open budget initiatives.

Therefore, this study aims to verify the existence of empirical evidence that supports the idea that social development improves to the extent that open budget institutional changes are put into practice. Another objective is to check whether democratic countries present better open budget and social development results than undemocratic ones.

Although interest in the open budget is growing at present, careful studies on the consequences of open budgeting are still rare. Furthermore, most nongovernmental stakeholders have had little or no access to information on government decision making regarding revenues and expenditures (Khagram, Fung, & De Renzio, 2013). However, the recent transitions to democratic regimes are windows of opportunity to ensure more transparency, participation and accountability initiatives and to stimulate new studies on this topic (Kasymova & Schachter, 2014; Khagram, Fung, & De Renzio, 2013; Ling & Roberts, 2014; Yilmaz, Beris, & Serrano-Berthet, 2010).

Considering the suggestions of Gaventa and McGee (2013) and Ling and Roberts (2014), we focus on the interaction of the open budget variables (transparency, participation and accountability) to advance understanding of how open budget institutional changes can contribute to higher levels of social development. In addition, we check if open budgeting and social development are associated with democratic regimes.

This paper is structured in four sections. The first considers open budget as a theoretical framework, using the perspectives of institutional and stakeholder theories. In the second, the methodological aspects are addressed. In the third, the analysis and results are presented. The fourth section presents the conclusions.

2 THEORETICAL CONSIDERATIONS

According to Gomes & Calmon (2012), the creation, transformation, maintenance and division of institutions can be explained by the influence of some stakeholders' behaviour. Depending on the type of stakeholders with which they are involved, institutions can choose to take different paths (seek different changes). Therefore, institutional actions for change need to consider the behaviour of the stakeholders involved in such processes.

Good national governance needs to ensure more transparent institutions for decision making, and citizens' free participation. (North, Wallis, & Weingast, 2009). Prosperous countries have institutions (formal or informal) able to structure and to organize themselves

(by use of enforcement), promoting inclusive public policies in a democratic framework (Acemoglu & Robinson, 2012).

The government's budget represents a consensus of multiple stakeholder interactions in trying to solve collective action problems. In this way, the availability of budgetary information provides basic transparency and accountability, inducing a more participatory process. Moreover, the budget process should be open to allow the inclusion of more stakeholders, to enable achievement of social desires (Abreu & Gomes, 2013; Khagram, Fung, & De Renzio, 2013).

In this conception, we can observe (Figure 1) that the open budget approach has four variables: transparency, participation, accountability and social development results (Ling & Roberts, 2014). These variables can be considered as the open budget decision-making core. Next, we further explore each of these open budget variables and the open budget theoretical contributions.

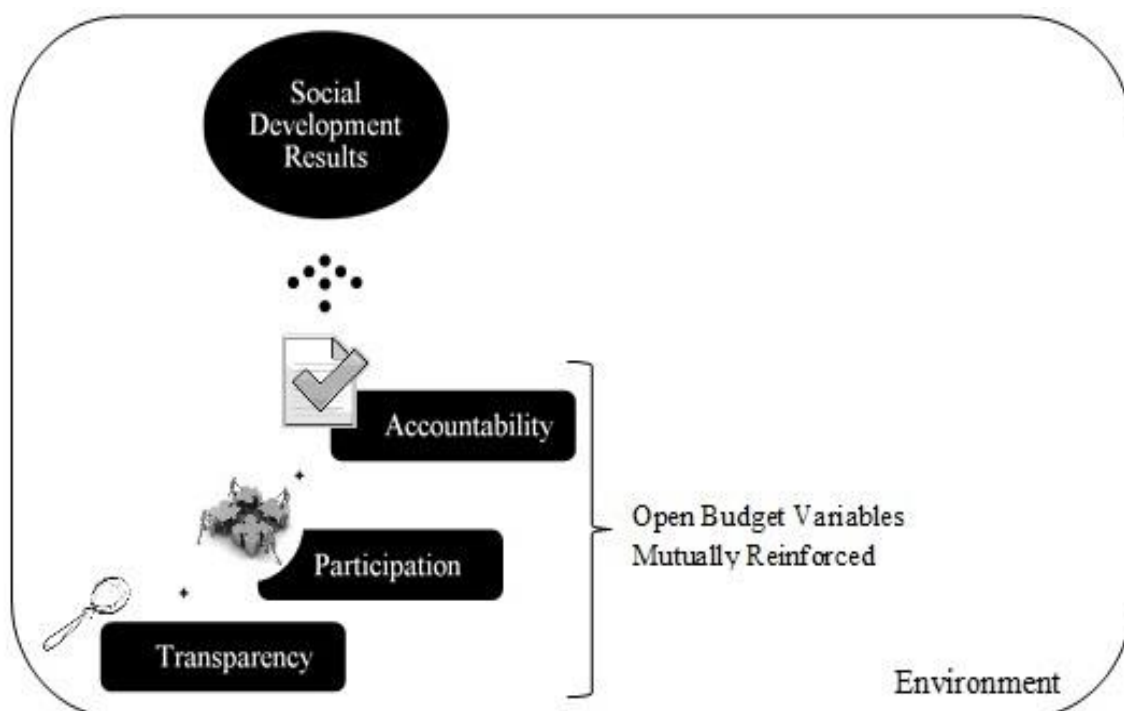


Figure 1. Open Budget Framework
Source: Adapted from Ling & Roberts (2014).

2.1 Transparency

Although there is no consensus on a final definition of transparency, we can agree upon some requirements to provide a better view of government activities and processes. Transparency can be understood as the act of making information publicly available through relevant laws, regulations and other policies; notifying interested parties about relevant laws and regulations; and ensuring that laws and regulations are administered in a uniform, impartial and reasonable manner (Kaufmann & Bellver, 2005). According to the OECD (2002, p. 7), budgetary transparency can be defined as “the full disclosure of all relevant fiscal information in a timely and systematic manner”.

The purpose of demanding transparency is to allow citizens, markets and governments to hold institutions accountable for their policies and performance. Transparency is closely related to accountability, and while it is likely to enhance participation by improving the quality of public debate, it is not always a sufficient condition to foster citizen engagement (Gaventa & McGee, 2013; Kaufmann & Bellver, 2005; Ling & Roberts, 2014).

Fukuda-Parr, Guver and Lawson-Remer (2011) and Islam (2003) proposed the use of an index to measure budgetary transparency, in order to demonstrate the relationship with social development outcomes. One such index has been developed by the World Bank.

2.2 Participation

Participation is defined as political empowerment and an incentive to assure stakeholders' engagement. It helps to strengthen civil society through institutional mechanisms, which happens through either direct citizen involvement in voting for budget allocations, or delegation to a council or other group of leaders who represent the citizenry in the budget process (Friis-Hansen & Kyed, 2009; Ling & Roberts, 2014; Shah, 2007). Participatory budgeting also strengthens inclusive governance by giving to marginalized and excluded citizens the right to have their voices heard and to influence the public decision-making process (Gaventa & McGee, 2013; Ling & Roberts, 2014; Yilmaz et al., 2010).

The rules and structures of local political representation create incentives (positive or negative) to articulate and to aggregate citizen interests, to provide channels for leader recruitment, to adjudicate disputes between conflicting interests, and to engage in government decision-making providing linkage between the ruler and the ruled as well as between policymakers and citizens (Ling & Roberts, 2014; Shah, 2007).

As argued by Schneider and Baquero (2006) and by Schroeder (2010), an index for measuring participation needs to assess the extent to which political institutions represent citizen interests, and it is, therefore, important that this index should be associated with the quality of governance, which is likely to promote better social development results.

2.3 Accountability

Accountability, based on the ideas of Friis-Hansen & Cold-Ravnkilde (2013, p. 19), can be defined as "a relationship between two parties for which one is accountable to the other". It involves stakeholders' civic engagement by participating directly or indirectly in demanding results and effectively influencing public officials.

Accountability is concerned with the responsibility and responsiveness exercised by State authorities during the period between political elections, as well as with the stakeholders' ability to make claims and to hold those who exercise power accountable for their actions (Friis-Hansen & Cold-Ravnkilde, 2013; Gaventa & McGee, 2013). Public hearing procedures for investigating public expenditures, public audits, and independent judiciaries are elements that promote budgetary accountability; and they are related to better social development results (Ling & Roberts, 2014).

According to Fukuda-Parr, Guver and Lawson-Remer (2011) and Olken (2007), an index that measures accountability needs to be related to social development outcomes,

and focused on the strength of institutional budget control, including the presence of a supply-side accountability mechanism to support government auditing functions.

2.4 Social development

This element has a dependency relationship with transparency, participation and accountability (Friis-Hansen & Cold-Ravnkilde, 2013; Friis-Hansen & Kyed, 2009; Funaki & Glencorse, 2014; Gaventa & McGee, 2013; Kaufmann & Bellver, 2005; Yilmaz et al., 2010). According to Davis (2004), social development means improving welfare and the individual quality of life by introducing institutional changes that make a society more equitable and inclusive for all its members. Thus, social development needs to prioritize people in development processes, giving them a voice and focusing on the promotion of inclusive public policies (WB, 2014a). Social development comes from accountability, capability and responsiveness to ensure opportunities to achieve social sustainability (DFID, 2006).

An emerging literature proposes that high levels of transparency can contribute to social development outcomes under the right conditions, as seems to be the case with more inclusive policy deliveries. However, high democracy and probity outcomes can become evident, for example, when also considering the quality of transparency (Funaki & Glencorse, 2014; Gaventa & McGee, 2013; Ling & Roberts, 2014).

Based on empirical evidence, the literature demonstrates that participation is associated with better resource allocation and service delivery, and with the enhancement of the quality of democratic participation (Ling & Roberts, 2014; Shah, 2007). In the same line of thinking, evidence shows that accountability can help control corruption and promote social justice (Friis-Hansen & Cold-Ravnkilde, 2013; Gaventa & McGee, 2013; Ling & Roberts, 2014).

A social development index needs to measure outcomes that matter to the lives of real people – including their essential needs, wellbeing and opportunities – improving the prevention of violent conflict, fulfilling human rights obligations, helping business grow, and delivering essential public services to citizens (Davis, 2004; DFID, 2006; SPI, 2014).

2.5 Open budget framework

The complexity of stakeholders' political and social networks, which are hard to explain and to comprehend, demonstrates how difficult it is to estimate and explain the expected legitimacy that goes with transparency, participation, and accountability. Moreover, a better understanding of the open budget process is necessary, because social development results come from a consensus of stakeholders' unlimited desires (Abreu & Gomes, 2013; Fortis, 2014). It is worth recalling that stakeholders can have power, urgency and legitimacy in their demands and expectations (Mitchell, Agle, & Wood, 1997).

The open budget decision process also corresponds to a strategy for formulation of social development; and it depends on the calculation of which predictor variable (transparency, participation or accountability) is the most important for social development. This framework reflects the complexity of the issue, which is influenced by stakeholders' power and interest (Freeman, 1984). Therefore, the institutionalization of the open budget decision process arises from laws, rules, conventions, codes of conduct, and their enforcement (Davis, Dempster, & Wildavsky, 1966; North, 1991; Padgett, 1980).

The complexity of political and social stakeholder networks demonstrates the difficulty of calculating and explaining the legitimacy of the open budget process. In this line of thinking, a better understanding of the open budget process is necessary, because social development outcomes result from the interaction and influence of a variety of stakeholders, often presenting conflicting agendas (Abreu & Gomes, 2013; Fortis, 2014; Ling & Roberts, 2014). As stated elsewhere, stakeholders are able to exert power over the budgeting process in order to achieve their objectives based on legitimate instruments and the urgency of their demands. (Mitchell et al., 1997).

Open budget processes and democratic institutions stimulate the formation of spaces of solidarity and social justice and the mobilization of society to increase knowledge of inclusive public policies, with open access characteristics, consequently supporting better social outcomes (Abreu & Gomes, 2010; Acemoglu & Robinson, 2012; De Renzio, Gomez, & Sheppard, 2009; Khagram, Fung, & Renzio, 2013; North et al., 2009). In this line of thinking, one should expect that increasing the open budget process is positively related to a democratic environment.

Starting from emerging empirical evidence about the importance of the open budget approach to social development, and observing the open budget theoretical contributions, we assume that each stage should contribute somehow to social development, as the following hypotheses suggest:

Hypothesis One: Transparency, participation, and accountability explain social development with significant regression coefficients;

Hypothesis Two: The explanatory power of each element increases significantly because of the stages of transparency, participation and accountability; and

Hypothesis Three: Democratic countries have better open budgeting, and, therefore, better social development results.

Finally, we stress the importance of analyzing the interaction between open budget variables (transparency, participation and accountability) to understand how open budget institutional changes can contribute to a higher level of social development (Gaventa & McGee, 2013; Ling & Roberts, 2014). In the next section, we present how the data were collected and analyzed.

3 METHODOLOGICAL ASPECTS

This paper examines whether transparency, participation and accountability are associated with social development by stages, and verifies how open budget variables are related to democratic regimes. Based on Shadish *et al.* (2002), we use an ex-post-facto methodology. The variables are combined in multivariate regressions to demonstrate the importance of the three open budget stages.

Table 1 - Dependent (SPI) and Independent Variables (TRA, PAR, ACC, and OBR)

Indexes	Variable	Description
SPI *	D **	Social Progress Index
TRA *	T **	Transparency
PAR *	P **	Participation
ACC *	A **	Accountability
OBR *	Factorial Reduction of T, P and A	Open Budget Reduced
DEM	Dummy	Democracy Dummy

‘**’ In a scale of 0 to 1 (when the value is closer to 1, we can expect high results).

‘***’ Equivalent variables of equations 1, 2 and 3

Source: Adapted from SPI (2014), WB (2014b), The Economist (2014), and PEFA (2014)

3.1 Dependent variable

The Social Progress Index (SPI), developed by Social Progress Imperative (available at www.socialprogressimperative.org), is the result of a two-year process guided by a team of scholars and policy experts. It synthesizes a vast body of research to identify the dimensions of the social and environmental performance of societies, divided into three dimensions, namely Basic Human Needs, Foundations of Wellbeing and Opportunity. Each dimension is split into four items as follows: Basic Human Needs encompasses Nutrition and Basic Medical Care, Water and Sanitation, Shelter, and Personal Safety; Foundations of Wellbeing comprises Access to Basic Knowledge, Access to Information and Communication, Health and Wellness, and Ecosystem Sustainability; and Opportunity comprehends Personal Rights, Personal Freedom and Choice, Tolerance and Inclusion, and Access to Advanced Education. As a dependent variable, we use the available data for the year 2012.

3.2 Independent variables

Transparency (TRA) is an index from the Financial Management Information System and Open Budget Data, which has been developed by the World Bank (available at its website) with the purpose of answering the following question: Do governments report where the money goes? For that, we created a dataset by visiting government public finance websites from 198 countries, using the available 2012 data.

Participation (PAR) is a political component index of the Democracy Index, which has been used by The Economist (see <http://www.eiu.com/home.aspx>) as a metric to assess citizen actions. The idea behind the index is to measure how citizens seek either to influence or to support government and politics. Again, we used the available 2012 data.

Accountability (ACC) is a composite index developed by the Public Expenditure and Financial Accountability (PEFA) Program (<http://www.pefa.org/>), whose focus is on institutional control. PEFA was founded in 2001 as a multi-donor partnership between seven

donor agencies and international financial institutions. Its main aim is to assess the condition of countries' public expenditure, procurement and systems for financial accountability, as well as to develop a practical sequence of reforms and capacity-building actions. We again used the available 2012 data.

Furthermore, we consider a dummy variable for democratic governance and an interaction term between democratic governance and open budgets. The democratic dummy variable just controls for differences in social progress between the two sets of countries, where countries can be seen as full democracies (1), and hybrid or authoritarian (0). In so doing, we used the 2012 data from the Economist's Democracy Index classification. Hence, we check if open budgets will have an even stronger positive relationship with social progress and test this by including the interaction term.

In order to assess how closely associated the three independent variables are, we developed the Open Budget Reduced (OBR) index, which is an index generated from the factorial analysis involving TRA, PAR and ACC. The OBR is analyzed in the cluster from a predefined classification of four groups, namely low, medium low, medium high and high. This analysis helped to identify the countries classified as having high open budget levels.

Although these observations are not available from the same year, they are close in the period and are the most recent available data. This study is applied to the area of fiscal policy, seeking to identify the relations between the indexes of transparency, participation and accountability with social progress from 80 countries, excluding pairwise cases.

This quasi-experimental design provides new evidence on the open budget approach. However, it is important to recall that the results of institutional changes take the time to happen. Furthermore, this study is limited by using data from just one year. Nevertheless, our cross-national approach involves robust data from 80 countries in different geographic regions and economic levels.

4 RESULTS

In this section, we report the results of five regressions: the first – 1st Stage – with only TRA and SPI, as independent and dependent variables, respectively; the second – 2nd Stage – including PAR as independent variable; the third – 3rd Stage – adding ACC as independent variable; and the fourth – Reduced Model – using only OBR (instead of TRA, PAR and ACC) as independent variable; and the fifth – Democracy Model – including DEM (dummy variable) to control for differing levels of development between the two sets of countries. The regression results are reported in Table 2.

Table 2 - Summary of Statistics

(Dependent Variable: SPI)	Models				
	1 1 st Stage	2 2 nd Stage	3 3 rd Stage	4 Reduced	5 Democracy
Intercept	0.429 *** 0.023	0.358 *** 0.033	0.158 ** 0.051	0.569 *** 0.008	0.333 *** 0.027
TRA	0.281 *** 0.042	0.231 *** 0.043	0.130 ** 0.044		
PAR		0.206 ** 0.070	0.181 ** 0.062		
ACC			0.416 *** 0.086		
OBR				0.083 *** 0.008	0.444 *** 0.056
DEM					0.038 ** 0.019
N	80	80	80	80	80
<u>Adjusted R-Squared</u>	<u>0.358</u>	<u>0.415</u>	<u>0.546</u>	<u>0.547</u>	<u>0.564</u>
F Statistic	45.016 ***	28.983 ***	32.627 ***	96.541 ***	52.122 ***

Sig Levels: '**' 0.05; '***' 0.01; '****' 0.001

Source: Authors

We demonstrate in Figure 3 the linear tendency between the open budget reduced independent variable and the social progress index dependent variable, which reveals a strong association of the construct proposed in model 4.

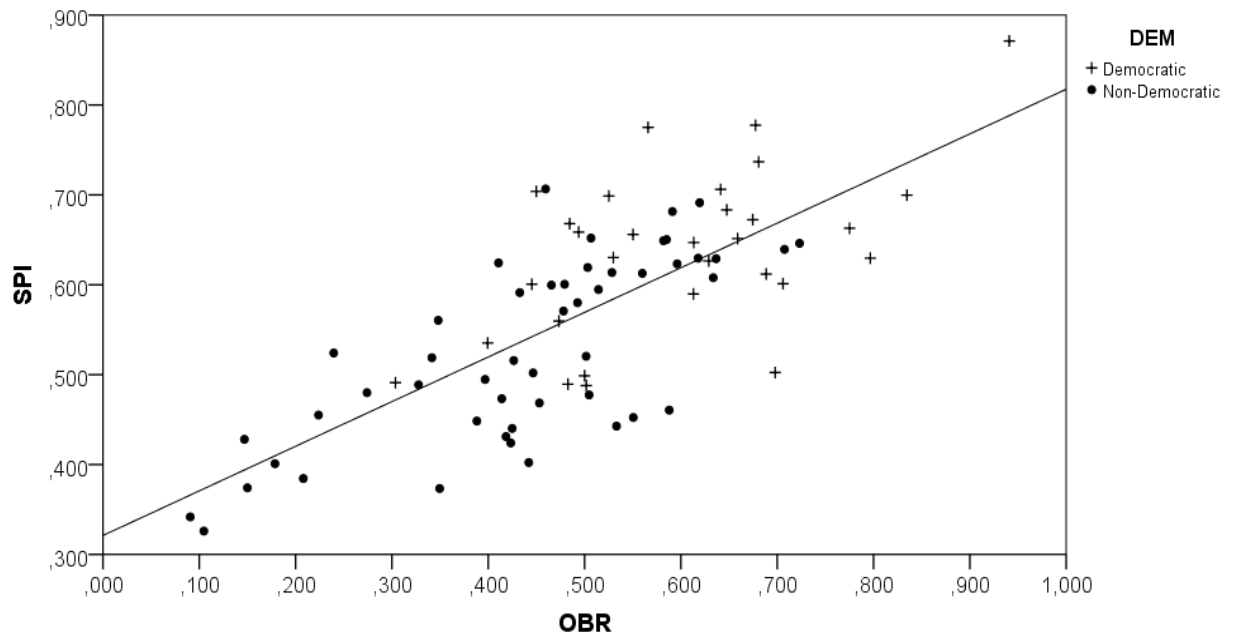


Figure 2. Reduced Model Graph
Source: Authors

Next, we present the Non- Democratic and Democratic median graphs by OBR and SPI (Figures 3 and 4).

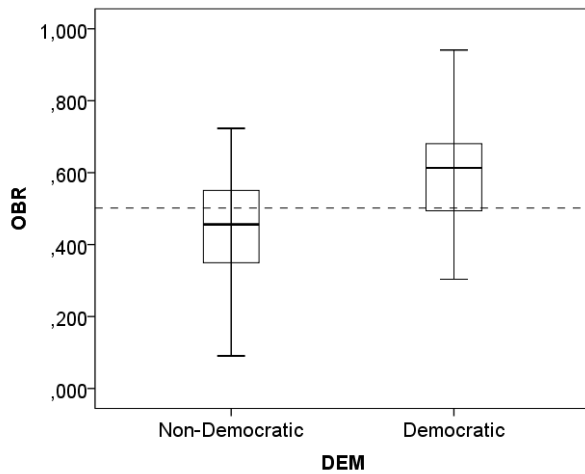


Figure 3. OBR Analysis by Regime
Source: Authors

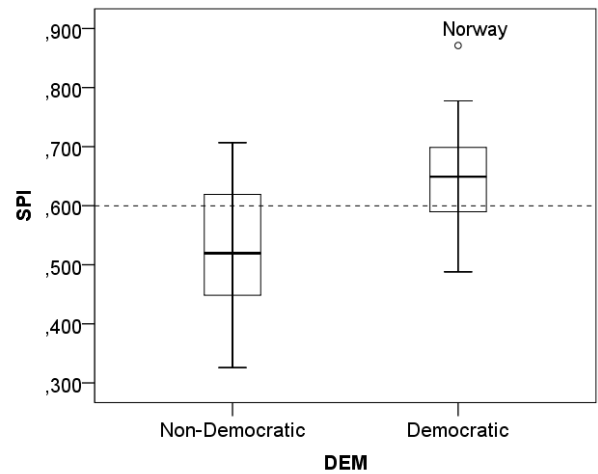


Figure 4. SPI Analysis by Regime
Source: Authors

Based on cluster analysis, Figure 5 demonstrates how many countries are regarded as low, medium low, medium high and high in terms of openness.

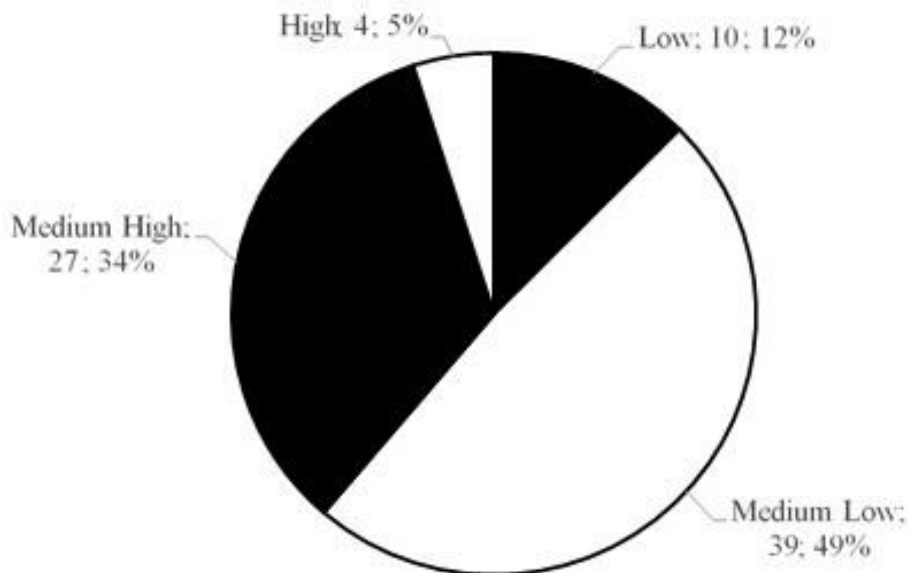


Figure 5. Open Budget Classification
Source: Authors

5 DISCUSSION

From the results of this study, we hope to shed more light on the consequences of open budgeting, especially as it relates to social development, as well as on how democracy is associated with open budgeting and social development.

First, it should be mentioned that all models in Table 2 are statistically significant. The adjusted R-squared values increase considerably and continuously from stage 1 to stage 3. In model 5, democratic countries have better open budget results than undemocratic ones. Therefore, based on these results, we have empirical evidence to accept the three hypotheses mentioned before.

According to the regression model, transparency alone is able to explain around 36% of the social development index, which can be seen in the first model. Therefore, transparency seems like the first step towards high social development, but it is not enough. Looking at the second model, including participation in the model, we can now explain over 41% of social development.

Existing open budget knowledge suggests that transparency needs to be followed by popular participation. This is corroborated by the empirical evidence gathered in this investigation. Finally, by including accountability in the model, we are able to explain around 55% of social development. This evidence is corroborated by the results of considering the three dimensions altogether, in model 4.

Figure 2 demonstrates that undemocratic countries, with lower open budget levels and fragile institutions, achieve lower levels of social development. The higher the quality of the institutions, the better social development tends to be. The cross at the top right-hand side of the graph (in figure 2) is Norway.

Next, analyzing the medians of social development and open budget, as depicted in Figures 3 and 4, provides more evidence that democracy is associated with both situations. Democratic countries have stronger institutions as well as better social conditions. Norway is an outlier regarding social development, as indicated in Figure 4.

Finally, in Figure 5, exactly 5% of the countries are regarded as having high open budget development, with strong institutions for transparency, popular participation and accountability. Around 27% are regarded as medium-high; 39.5% medium low; and 12% low regarding open budget development. The graphs in Figure 6 indicate that more than 50% of the countries studied have fragile institutions, and they have been not able to put open budgeting into practice.

Hence, the empirical evidence shows that countries with better open budget results, as well as with established democratic regimes, also present better social progress, as is supported by the theory used in this research.

6 FINAL CONSIDERATIONS

Social development has been an issue in public administration theory for a long time. With the advent of the Internet, data from local, regional and national governments is becoming more and more available to people. The implementation and effects of democracy are also a continuing discussion among practitioners and academics. Corruption is another controversial issue affecting countries. In this article, we combine knowledge of transparency, participation, and accountability trying to make more sense of the effects of these institutional changes on society. Ours is a novel approach regarding public administration and it is useful to look more deeply into the contributions made here, as we challenge some consolidated findings on the determinants of good performance.

The main contribution of this article is to corroborate that transparency, participation, and accountability are a good path to higher social development. We also found empirical evidence that institutional changes toward making government affairs more visible to the population, followed by implementation of participatory mechanisms, supported by strong institutions to hold government entities accountable to the legal framework, matters a great deal to social development. Our findings also indicate that if one country can put the three institutional changes into practice at the same time, they also will be able to achieve high levels of social development.

The evidence resulting from the first hypothesis indicates that one can expect significantly and continually better explanation for the fact that social development comes after each open budget institutional change. The analyses also proved that social development is the result of a combination of transparency, participation and accountability in this specific order. This can be regarded as a theoretical contribution to the extent that open budget theory can now be seen as a feasible explanation for social development.

According to the control variable for democratic regime, democratic countries do present higher levels of social development in comparison to undemocratic ones. These findings improve knowledge of the implications of open budgeting, especially with respect to how countries rank in terms of open budgeting and how they vary regarding budgeting techniques and social development policies.

Considering the open budget classification, it is possible to observe a new way of analyzing countries' open budgeting performance, using the Open Budget Reduced (OBR) index as a reference. Further studies would be helpful to establish best practices, using the

countries classified in the high-performance group as a reference for promoting global open budget initiatives.

In this respect, countries that increase their open budget results are likely to experience improved solidarity, social justice and social mobilization for the use of fiscal information for better decisions and improvement of social outcomes, which will promote social progress (Abreu & Gomes, 2013; Khagram, Fung, & De Renzio, 2013). Consequently, with these conditions, such countries would be able to approach a state of open access, presenting prosperous characteristics and establishing a virtuous circle for consolidating inclusive social policies (Acemoglu & Robinson, 2012b; North et al., 2009).

Further research is needed to include more data or different indexes. Despite the fact that public policymakers regularly express firm predictions about the consequences of alternative policy options, governments need to consider uncertainties, ambiguities and limitations in the social environment, using the open budget framework as a strategic tool (Manski, 2011).

Nevertheless, we emphasize that other variables must support the complementary explanation of social development results. Factors related to stakeholder influences or available resources are good examples of variables that further studies could consider to produce a better understanding of this phenomena. In the same line of thinking, inverse causality is not considered in our study, which would be a good aspect to examine in new studies.

In a nutshell, the inclusion of governance in the theoretical framework is likely to increase the explanatory power of the construct. This can be justified by the fact that open budget institutional changes explain around 55% of the social development variation. In addition, other variables can be included in the model. Therefore, we suggest that qualitative analyses be carried out seeking evidence of how stakeholders and institutions function in the open budget process.

APPENDIX

Table with countries values – in a scale of 0 to 1, when the value is closer to 1, we can expect high results – of the transparency (TRA), participation (PAR), accountability (ACC), open budget reduced (OBR), and social progress (SPI) indexes.

Table 3 - Indexes of Open Budget and Social Development Data

Countries	TRA	PAR	ACC	OBR	SPI	DEM *	OBC **
Albania	0.615	0.500	0.738	0.620	0.691	0	3
Algeria	0.346	0.389	0.655	0.433	0.591	0	2
Armenia	0.615	0.389	0.758	0.585	0.650	0	3
Azerbaijan	0.346	0.333	0.658	0.411	0.624	0	2
Bangladesh	0.654	0.500	0.530	0.502	0.520	0	2
Belarus	0.346	0.389	0.773	0.507	0.652	0	2
Benin	0.192	0.444	0.493	0.304	0.491	1	1
Bolivia	0.731	0.611	0.630	0.637	0.629	0	3
Botswana	0.346	0.667	0.655	0.550	0.656	1	3
Brazil	10.000	0.500	0.880	0.835	0.700	1	4
Burkina Faso	0.423	0.222	0.698	0.414	0.473	0	2
Burundi	0.192	0.389	0.603	0.350	0.373	0	2
Cambodia	0.346	0.333	0.548	0.342	0.519	0	2
Cameroon	0.077	0.333	0.500	0.224	0.455	0	1
Central African Republic	0.038	0.167	0.420	0.091	0.342	0	1
Chad	0.038	0.111	0.480	0.105	0.326	0	1
Colombia	0.923	0.389	0.740	0.675	0.672	1	3
Congo	0.231	0.333	0.500	0.274	0.480	0	1
Costa Rica	0.538	0.611	0.795	0.677	0.778	1	3
Dominican Republic	0.654	0.444	0.613	0.530	0.630	1	2
Ecuador	0.808	0.500	0.593	0.591	0.682	0	3
Egypt	0.385	0.500	0.613	0.466	0.600	0	2
El Salvador	0.846	0.389	0.683	0.613	0.647	1	3
Georgia	0.731	0.500	0.818	0.707	0.639	0	3
Ghana	0.615	0.500	0.505	0.473	0.560	1	2
Guatemala	0.769	0.333	0.625	0.528	0.614	0	2
Guinea	0.038	0.333	0.403	0.150	0.374	0	1
Guyana	0.346	0.556	0.563	0.445	0.601	1	2
Honduras	0.692	0.389	0.678	0.560	0.613	0	3
India	0.808	0.611	0.688	0.698	0.502	1	3
Indonesia	0.538	0.611	0.693	0.613	0.590	1	3
Iraq	0.269	0.722	0.400	0.388	0.448	0	2
Jamaica	0.346	0.500	0.608	0.450	0.704	1	2
Jordan	0.500	0.444	0.650	0.503	0.619	0	2
Kazakhstan	0.462	0.333	0.763	0.514	0.595	0	2
Kenya	0.500	0.444	0.560	0.447	0.502	0	2
Kuwait	0.269	0.389	0.738	0.460	0.707	0	2

Kyrgyz Republic	0.615	0.500	0.513	0.478	0.571	0	2
Lao PDR	0.269	0.222	0.500	0.240	0.524	0	1
Lebanon	0.500	0.722	0.425	0.479	0.600	0	2
Lesotho	0.462	0.667	0.488	0.483	0.489	1	2
Liberia	0.462	0.556	0.470	0.425	0.440	0	2
Macedonia	0.615	0.611	0.708	0.648	0.683	1	3
Madagascar	0.615	0.500	0.600	0.533	0.443	0	2
Malawi	0.462	0.556	0.593	0.502	0.488	1	2
Mali	0.192	0.500	0.693	0.453	0.469	0	2
Mauritania	0.346	0.500	0.558	0.418	0.431	0	2
Mauritius	0.692	0.500	0.795	0.681	0.737	1	3
Moldova	0.692	0.556	0.798	0.706	0.601	1	3
Montenegro	0.231	0.556	0.685	0.485	0.668	1	2
Morocco	0.500	0.278	0.745	0.493	0.580	0	2
Mozambique	0.385	0.556	0.710	0.551	0.452	0	3
Namibia	0.731	0.667	0.675	0.689	0.612	1	3
Nepal	0.577	0.389	0.525	0.426	0.516	0	2
Nicaragua	0.923	0.389	0.615	0.596	0.623	0	3
Niger	0.000	0.278	0.505	0.179	0.401	0	1
Norway	0.731	10.000	0.853	0.941	0.871	1	4
Pakistan	0.500	0.222	0.673	0.423	0.424	0	2
Paraguay	0.846	0.500	0.633	0.629	0.627	1	3
Peru	0.923	0.556	0.788	0.775	0.663	1	4
Philippines	0.615	0.556	0.500	0.494	0.659	1	2
Russian Federation	0.885	0.500	0.620	0.634	0.608	0	3
Rwanda	0.308	0.222	0.730	0.397	0.495	0	2
Senegal	0.385	0.444	0.545	0.399	0.535	1	2
Serbia	0.615	0.611	0.698	0.641	0.706	1	3
South Africa	0.692	0.722	0.830	0.797	0.630	1	4
Sudan	0.154	0.333	0.435	0.208	0.385	0	1
Swaziland	0.346	0.278	0.563	0.328	0.489	0	2
Tajikistan	0.423	0.222	0.593	0.348	0.561	0	2
Tanzania	0.577	0.611	0.633	0.588	0.461	0	3
Thailand	0.577	0.556	0.783	0.659	0.651	1	3
Togo	0.038	0.333	0.398	0.147	0.428	0	1
Trinidad and Tobago	0.462	0.500	0.668	0.525	0.699	1	2
Tunisia	0.346	0.667	0.763	0.618	0.630	0	3
Turkey	0.885	0.500	0.763	0.723	0.646	0	3
Uganda	0.615	0.444	0.593	0.505	0.478	0	2
Ukraine	0.615	0.556	0.640	0.582	0.649	0	3
Uruguay	0.731	0.444	0.630	0.566	0.775	1	3
Yemen	0.346	0.500	0.595	0.442	0.402	0	2
Zambia	0.538	0.444	0.625	0.500	0.499	1	2

‘*’ Democracy Dummy Variable (0 = Non-Democratic; and 1 = Democratic)

‘**’ Open Budget Performance Cluster Variable (1 = Low; 2 = Medium Low; 3 = Medium High; and 4 = High)

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