



**BUDAPEST**  
INSTITUTE

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# **OPEN BUDGET – Where are the stakeholders?**

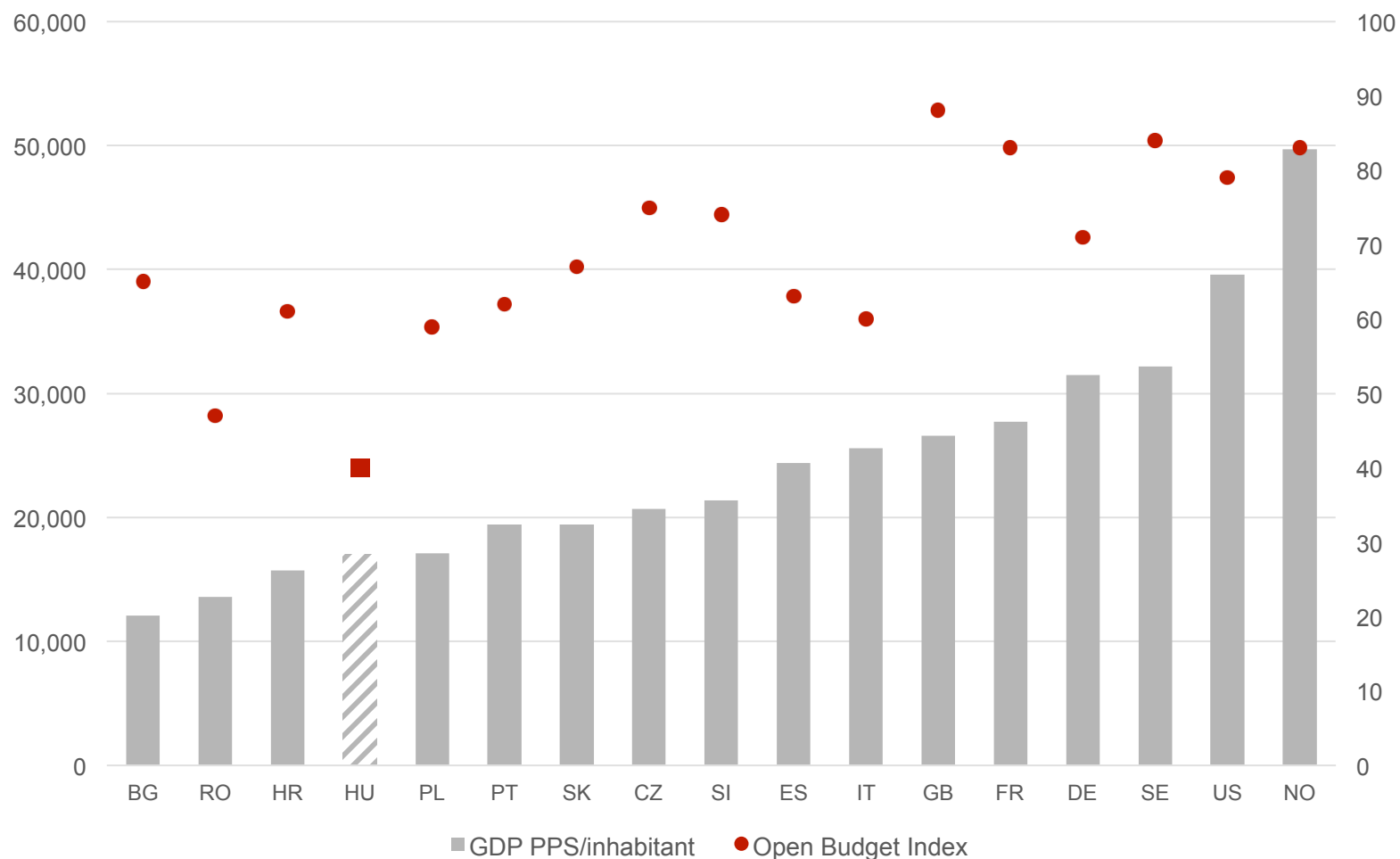
## **Case of Hungary**

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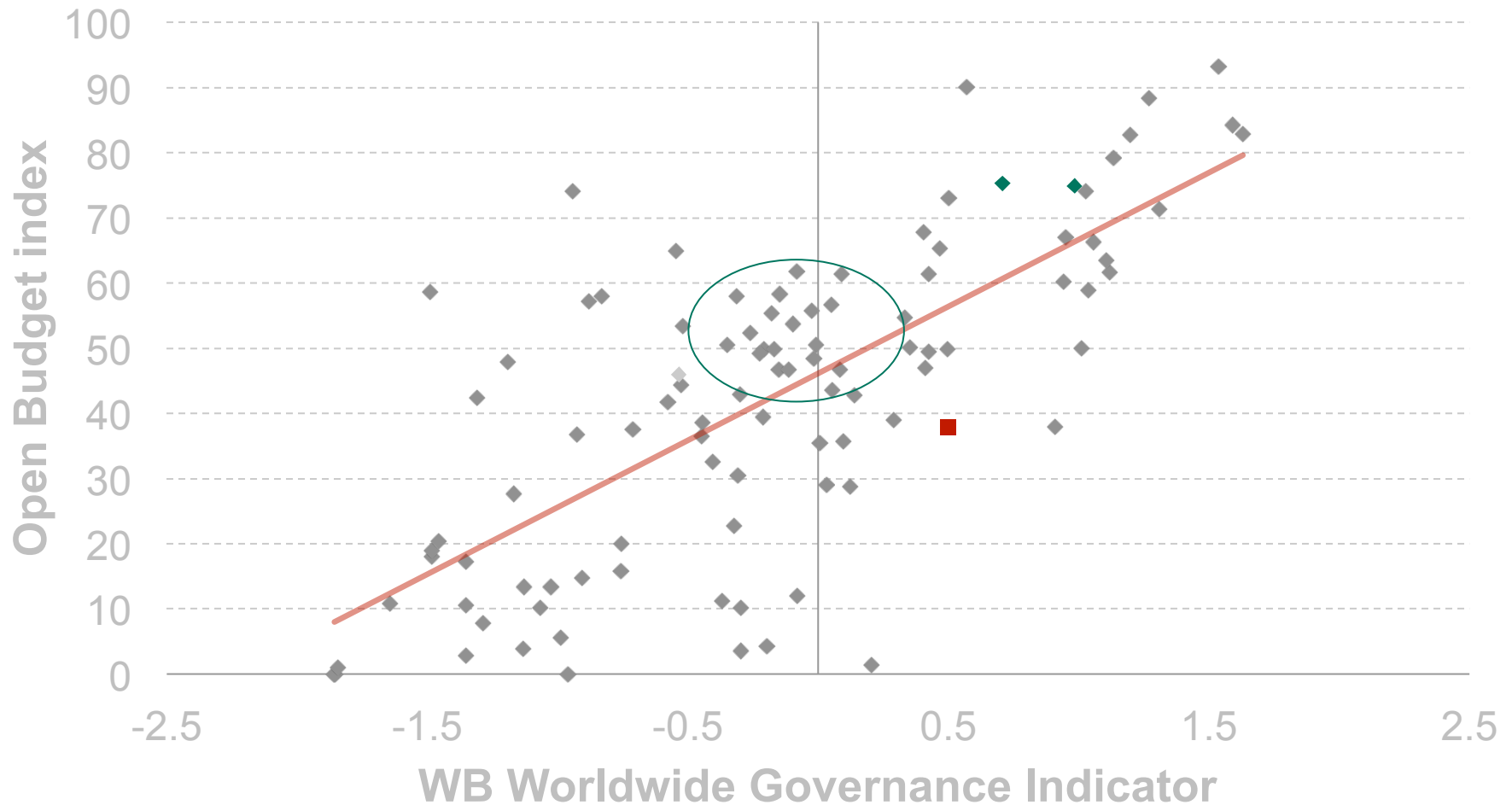
**Petra Edina Reszkető**  
**Director**  
**Budapest Institute for Policy Analysis**

May, 2015

# Economic development and open budget



# Government effectiveness and open budget

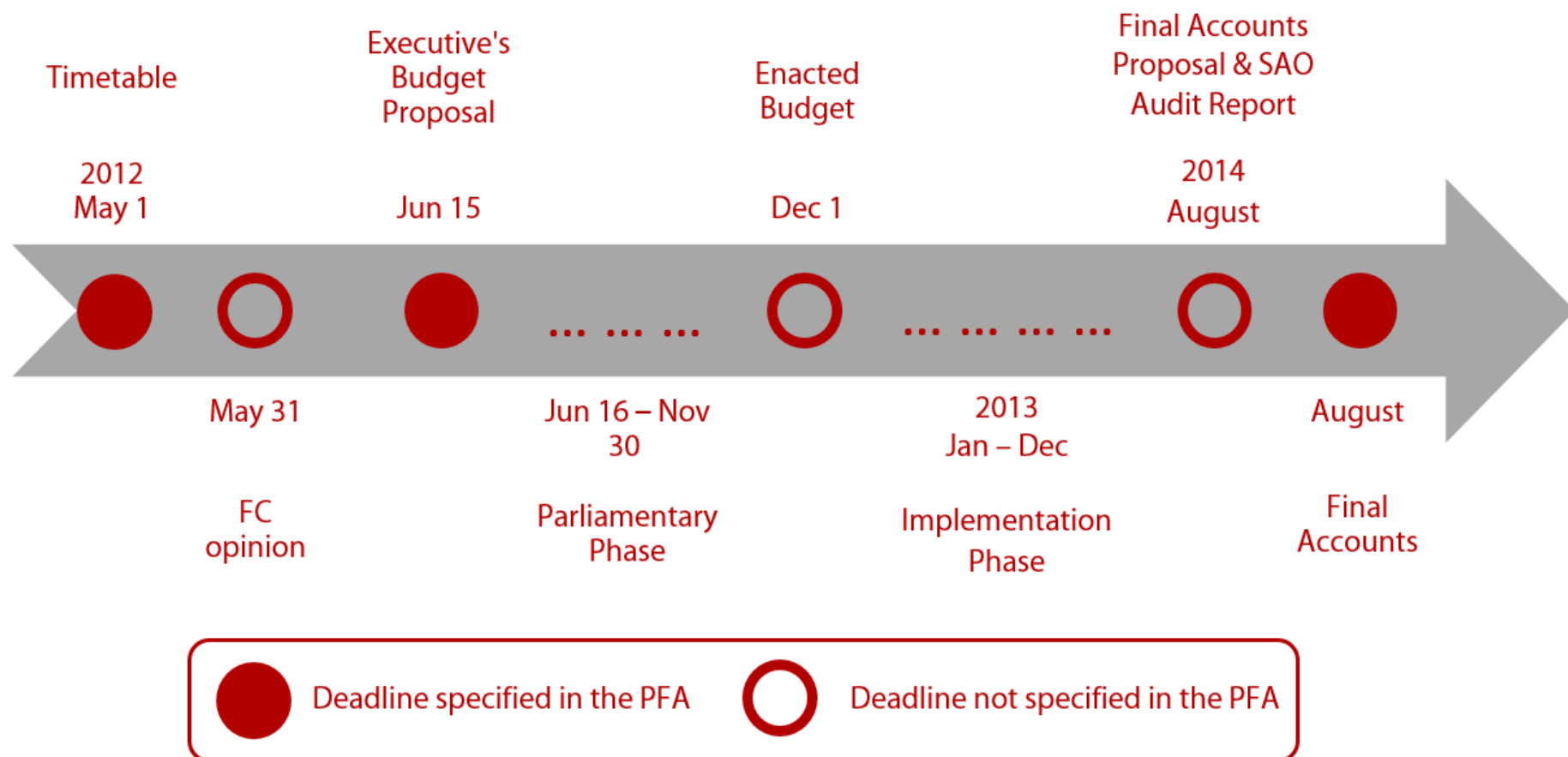


# Stylised facts: key open budget docs, 2014

| Document                    | Current Status       | Date of Publication | Next Publishing Period  |
|-----------------------------|----------------------|---------------------|---|
| Pre-Budget Statement        | ● Not produced       | Unavailable         | Before 30 Nov 2014  |
| Executive's Budget Proposal | ● Publicly available | 30 September 2013   | Before 31 Dec 2014  |
| Enacted Budget              | ● Publicly available | 21 December 2013    | Before 31 Mar 2015  |
| Citizens Budget             | ● Not produced       | Unavailable         | Same as either the Executive Budget Proposal or Enacted Budget.                                 |
| In-Year Report              | ● Publicly available | 21 August 2014      | Publishing period for each report is one to three months after a particular month/quarter ends. |
| Mid-Year Review             | ● Not produced       | Unavailable         | Before 31 Dec 2014  |
| Year-End Report             | ● Publicly available | 29 August 2013      | Before 31 Dec 2014  |
| Audit Report                | ● Publicly available | 29 August 2014      | Before 30 Jun 2015  |

Source: Open Budget Survey Tracker, 2014 <http://obstracker.org>

# Stylised facts: Timeline



# Our focus

- Budget transparency in Hungary, assessment of:
  - the **engagement, awareness, and perceptions** of the key **national stakeholders**
  - the scope and nature of the **media attention**.
- Plan: to compare the national baseline case with the state-of-play in 2015 (*after some advocacy actions sponsored by International Budget Partnership and run by Fiscal Institute Budapest*)

# Our methodology

- Online survey among HU stakeholders
- Interviews with key national stakeholders
- Media content analysis with focus on the 2013 budget cycle

Observation period: 2013 and 2014 budget cycle  
(baseline case: June 2012 – June 2014)

# Stylised facts: Stakeholder map



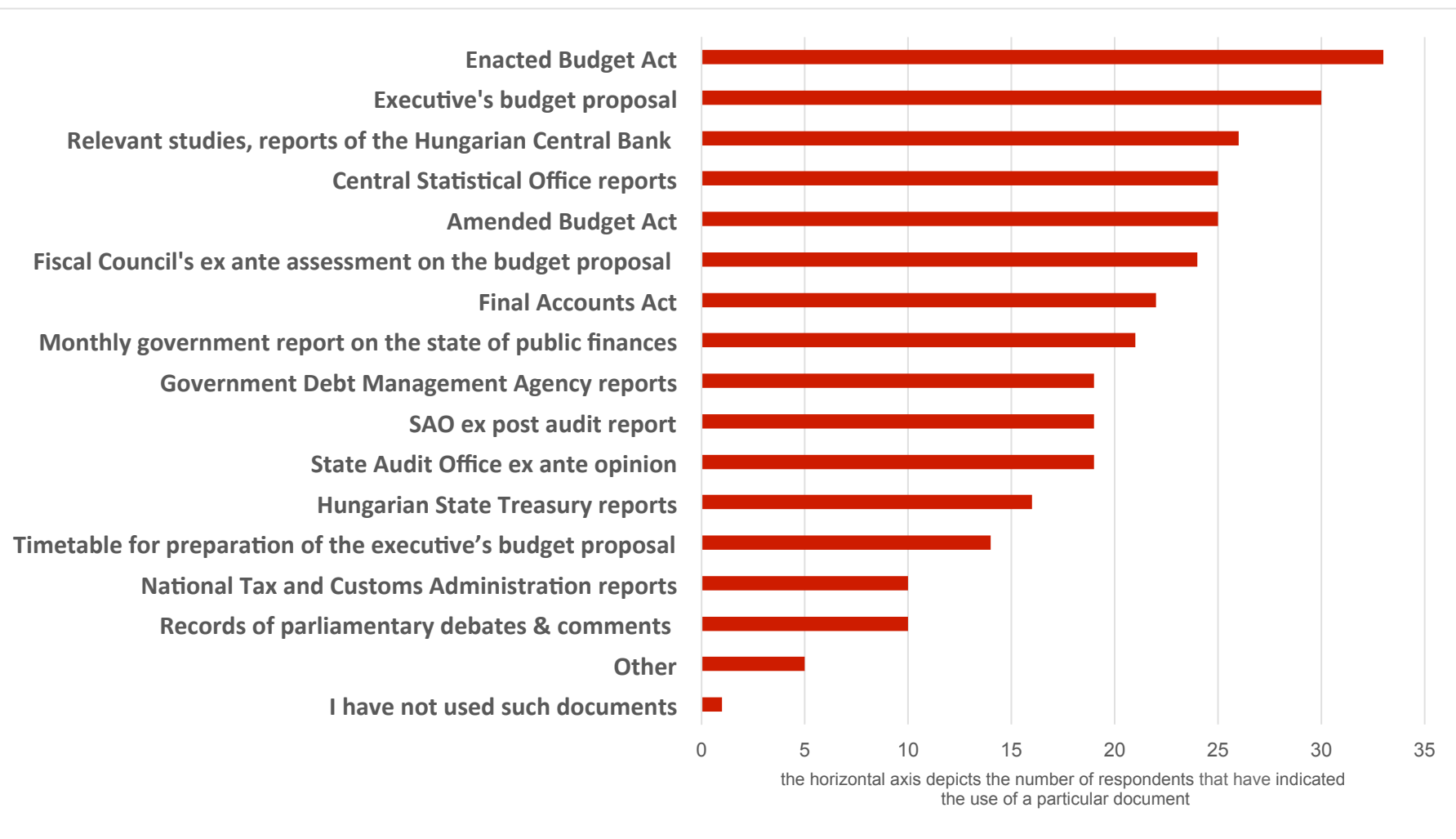


# Stakeholder survey

1. Access and user experience
2. Opinion on the quality of docs & data
3. Advocacy & cooperation with the government
4. Information and knowledge on the relevant international assessments & sources
5. Relation with the OGP / IBP

90 stakeholders have been invited, 65% response rate (though variation across stakeholder groups)

# Stakeholder survey: frequency of use



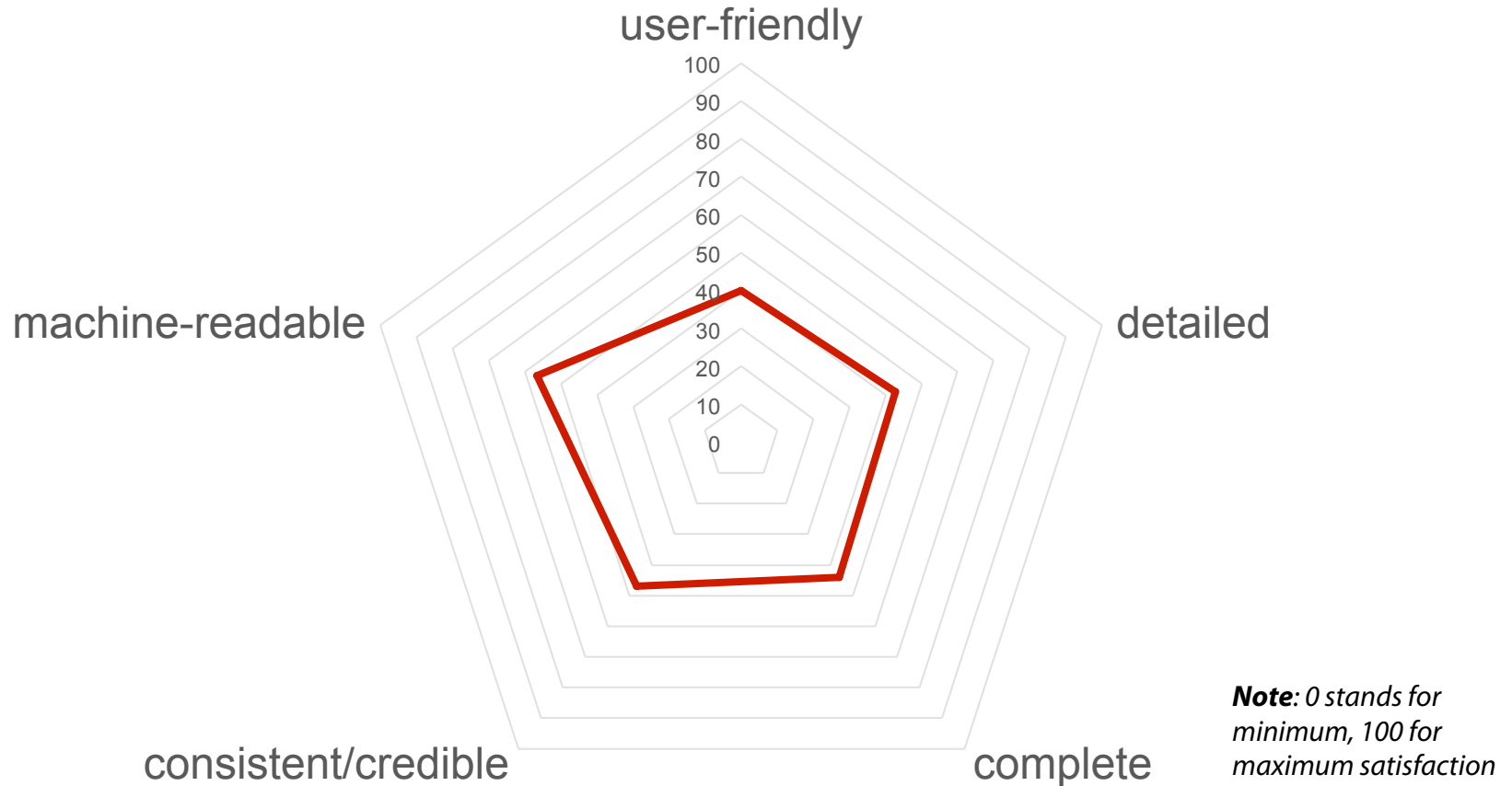
Source: BI 2014

[http://budapestinstitute.eu/index.php/projektek/adatlap/a\\_koezponti\\_koeltsegyetes\\_atlathatosaga\\_a\\_magyarorszag\\_i\\_helyzet\\_felterkepez/en](http://budapestinstitute.eu/index.php/projektek/adatlap/a_koezponti_koeltsegyetes_atlathatosaga_a_magyarorszag_i_helyzet_felterkepez/en)

# Stakeholder survey: quality of the docs

| Label               | Statement in the survey   |
|---------------------|---|
| User-friendly       | The document is logically and clearly structured – i.e.: specific information is easy-to-find.  |
| Detailed            | All necessary and expected data appears in the appropriate breakdowns and with proper references.   |
| Complete            | The document can be used for the user's initial purpose without any additional information (no need to link to other info sources).                                 |
| Consistent/credible | There is no need for double checks and the data/ information involved is consistent across time and sources.  |
| Machine-readable    | The document is easy to process – i.e.: data / information involved is easy to extract and the format helps the user to re-use the information in an efficient way. |

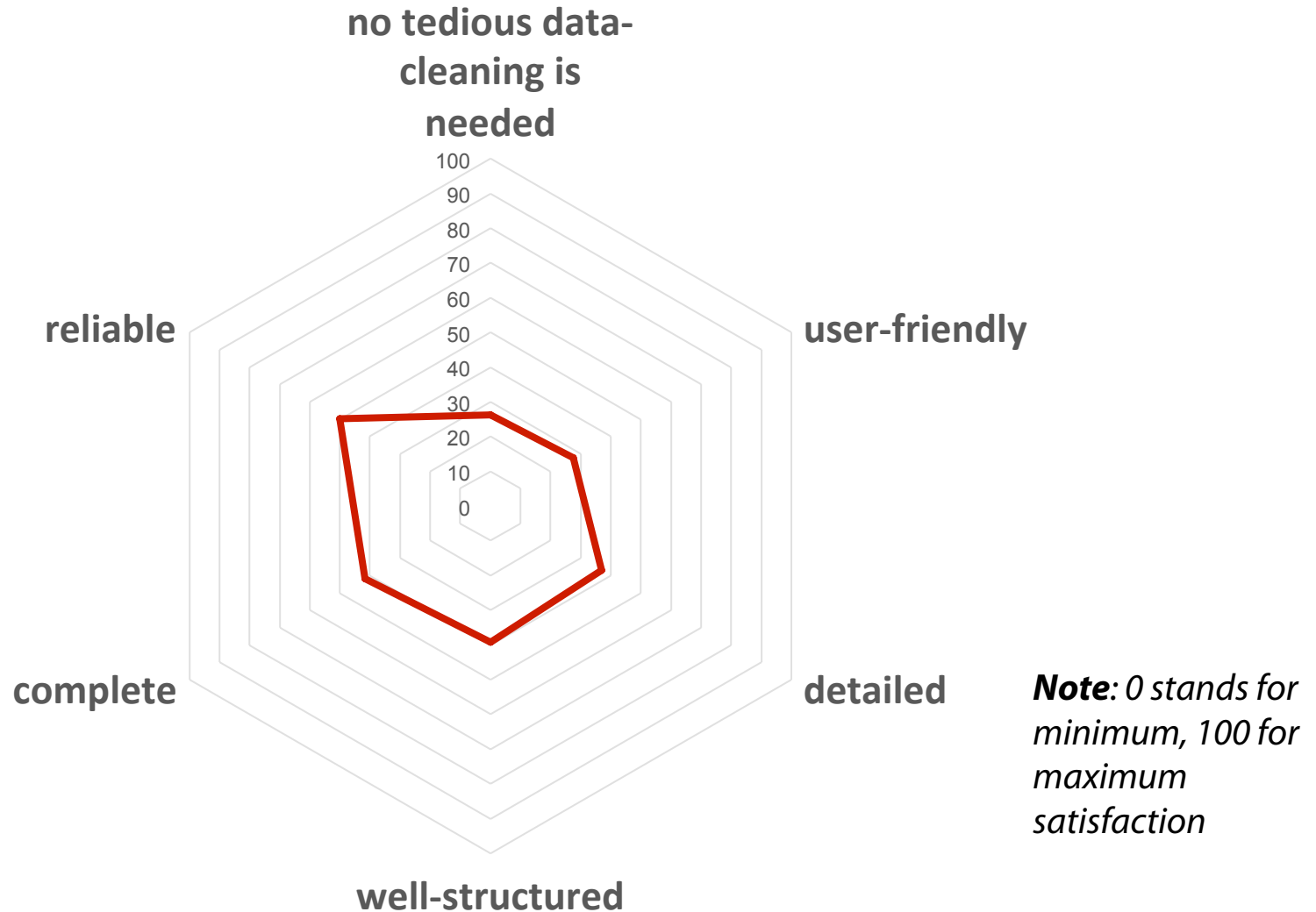
# Stakeholder survey: quality of the docs



# Stakeholder survey: quality of the data

| Label                              | Statement in the survey  |
|------------------------------------|--|
| No tedious data-cleaning is needed | The data is more or less ready to process – no need of extended quality checks.  |
| User-friendly                      | The document is easy to process – ie the data is easy to extract/ download and the format helps the user to re-use the the datasets in an efficient way. |
| Detailed                           | All necessary and expected data appears in the appropriate breakdowns and with proper references.  |
| Well-structured                    | The available data are transparent and logically structured.   |
| Complete                           | The document can be used for the user's initial purpose without any additional information.  |
| Reliable                           | There is no need for double checks and the data involved is consistent across time and sources.  |

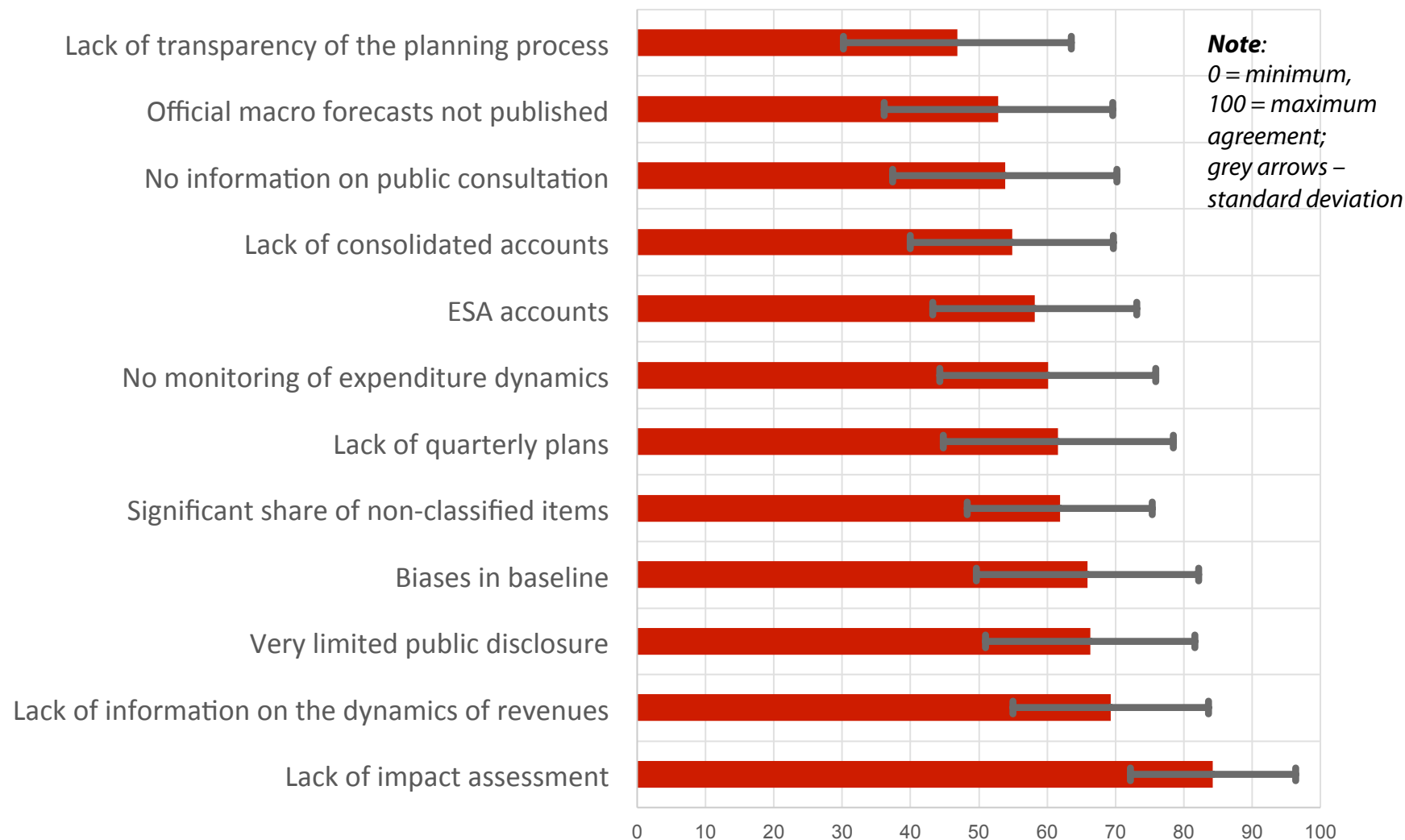
# Stakeholder survey: quality of the data



# Stakeholder survey: challenging issues

| Label   | Statements in the survey   |
|---|--|
| Lack of transparency of the planning process    | The planning process, the ministerial and governmental negotiations cannot be easily tracked.  |
| Official macro forecasts not published          | Information on the macro forecasts and calculations used for the accepted appropriations is not publicly available.  |
| No information on public consultation           | The information available on the procedure and content of negotiations with the civil and business sector actors is very limited.  |
| Lack of consolidated accounts                   | The central budget lacks consolidated accounts.  |
| No monitoring of expenditure dynamics           | It is difficult to track the changes of specific revenue/expenditure items real time.  |
| Lack of quarterly plans                         | The time period of analysis in budgeting documents is mostly annual and there are only a few documents referring to shorter time periods (i.e.: quarterly reports).                                    |
| Significant share of non-classified items       | Summary tables of the different budgetary documents (tables in functional / institutional break-down) often contain figures lacking a specific classification (i.e.: "other expenditures").            |
| Biases in baseline                              | In the different assessment reports planned budget items are compared to previous years and not to the accepted appropriations' figures (final accounts, monthly reports, State Audit Office reports). |
| Very limited public disclosure                  | The documentation of the budgeting process is not accessible by the general public.  |
| Lack of information on the dynamics of revenues | There is very little available information on the dynamics of certain revenue items (i.e.: tax revenue)  |
| Lack of impact assessment                       | Impact assessments establishing the basis of measures impacting certain budget line items are not available / not public.  |

# Stakeholder survey: challenging issues





# Stakeholder survey: main results

## Most frequently used budget documents:

- *Primary* - the enacted Budget Act and the budget proposals, *secondary* - reports of the Hungarian Central Bank, of the Hungarian Central Statistical Office
- Ex-ante assessments of the Fiscal Council (FC)

## Most popular sources

1. Informal channels (based on personal networks)!
2. [www.parlament.hu](http://www.parlament.hu) and websites of government agencies
3. EUROSTAT, OECD

**... cont.**

## **Purpose of using budget documents**

- (applied) research objectives
- media appearance
- *advocacy and lobbying – very rare!*

## **Barriers to effective use of the relevant documents**

- lack of detailed data on expenditures
- lack of credibility and consistency of the relevant government docs
- low level of openness of and cooperation with the public officials

# Media content analysis: online sources

| ONLINE SOURCE                  | SHORT DESCRIPTION   | UNIQUE VISITORS/<br>DAY* | PAGE VIEWS/<br>DAY* | CLAIMS IDENTIFIED<br>(%) |
|--------------------------------|---|--------------------------|---------------------|--------------------------|
| <b>Origo</b>                   | Leading news portal   | 161,076                  | 381,750             | <b>25.68</b>             |
| <b>HVG</b>                     | Economic and political magazine, centre   | 110,023                  | 323,467             | 6.72                     |
| <b>NOL<br/>(Népszabadság)</b>  | Online version of one of the leading daily newspapers in terms of readership, left-leaning  | 30,279                   | 73,579              | <b>20.05</b>             |
| <b>Portfolio</b>               | Leading financial and economic online journal   | 20,616                   | 90,300              | <b>25.32</b>             |
| <b>MNO<br/>(Magyar Nemzet)</b> | Online version of one of the leading daily newspapers in terms of readership, right-leaning | 9,367                    | 25,948              | 7.71                     |
| <b>Mandiner</b>                | Blog written by active right-leaning players of the political blogosphere                   | 2,370                    | 4,265               | 7.08                     |
| <b>Figyelő</b>                 | Business and news online journal  | 527                      | 1,685               | 7.44                     |

\*based on HypeStat estimation <http://www.hypestat.com/>

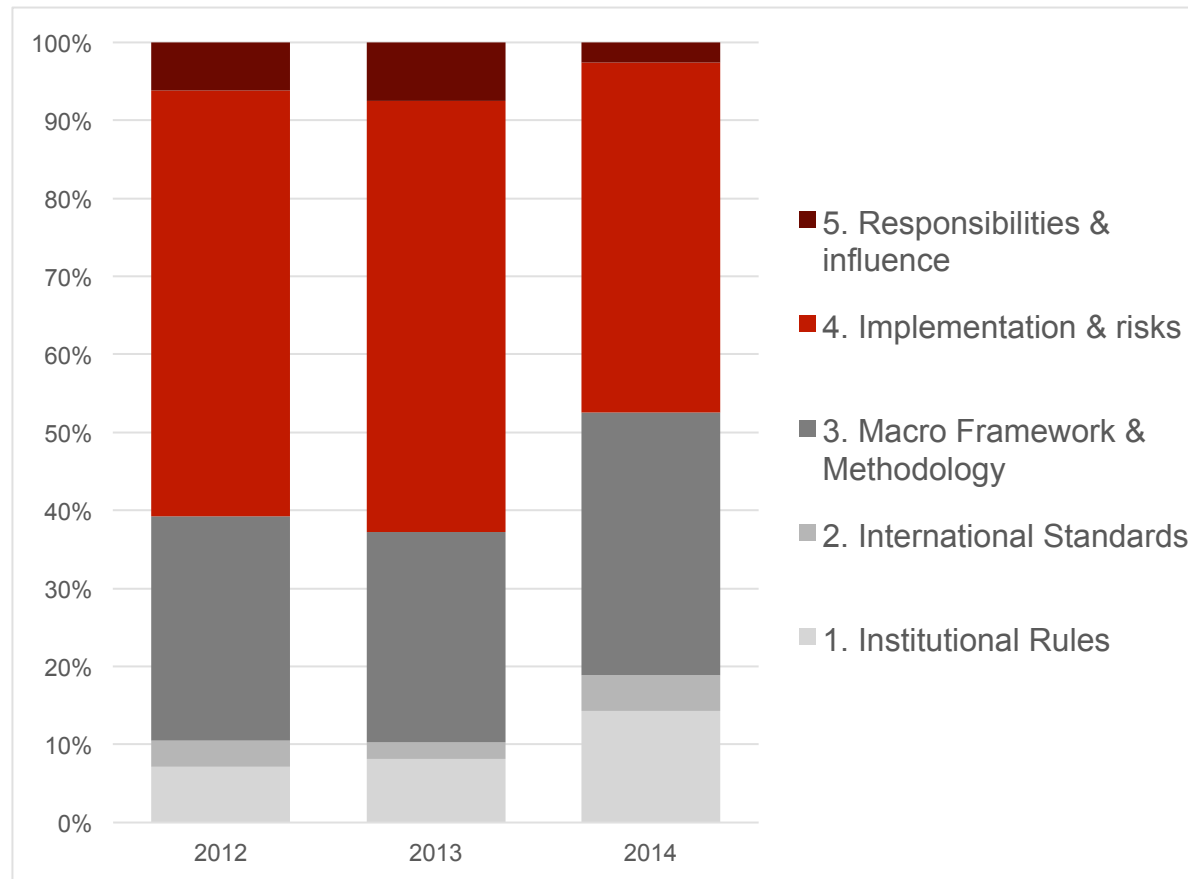
Sample size: Number of articles – 138, Number of claims: 385

# Media content analysis: hot issues

| CLAIM GROUP                                 | CLAIM  | # OF CLAIMS<br>(%)         |
|---|--|----------------------------|
| <b>1. Institutional Rules</b>               | <ul style="list-style-type: none"> <li>Numerical rules enhance the stability and the credibility of the national fiscal policy.</li> <li>Constitutional rules on fiscal policy (esp. the public debt ceiling rules) improve the fiscal discipline.</li> </ul>  | 96<br>(8.7%)               |
| <b>2. International Standards</b>           | <ul style="list-style-type: none"> <li>Budget planning documents meet the international standards and recommendations.</li> <li>Budget documents published in the implementation phase international standards and recommendations.</li> <li>Publication of budget data complies with the international standards and recommendations.</li> <li>Accounting rules and practices comply with the international standards and recommendations).</li> </ul>  | 31<br>(2.8%)               |
| <b>3. Macro Framework &amp; Methodology</b> | <ul style="list-style-type: none"> <li>Short- and medium-term (1-3 years) fiscal objectives are well-defined and justified.</li> <li>The budget is based on short- and medium-term macroeconomic forecasts.</li> <li>The forecasting methodology is well developed and adequate.</li> <li>The budget items are based on appropriate background calculations and analysis (e.g. on macro-effect estimations and on impact assessments).</li> <li>The actual revenues and expenditures are consistent with the baselines assessments and estimations.</li> </ul> | 313<br>(28.4%)             |
| <b>4. Implementation &amp; risks</b>        | <ul style="list-style-type: none"> <li>Frequent amendments to the actual budget are due to government failures.</li> <li>Risks associated with a particular budget revenue item are not significant.</li> <li>Risks associated with a particular budget expenditure item are not significant.</li> </ul>   | <b>591</b><br><b>(54%)</b> |
| <b>5. Responsibilities &amp; influence</b>  | <ul style="list-style-type: none"> <li>The legal framework clearly defines the responsibility of the different government authorities in the budgeting process.</li> <li>The Fiscal Council supports consistency and predictability in the budgeting process.</li> <li>A business organization / actor enforced its own position /opinion on a budgetary question.</li> <li>A civil organization / actor enforced its own position /opinion on a budgetary question.</li> </ul>  | 71<br>(6.4%)               |

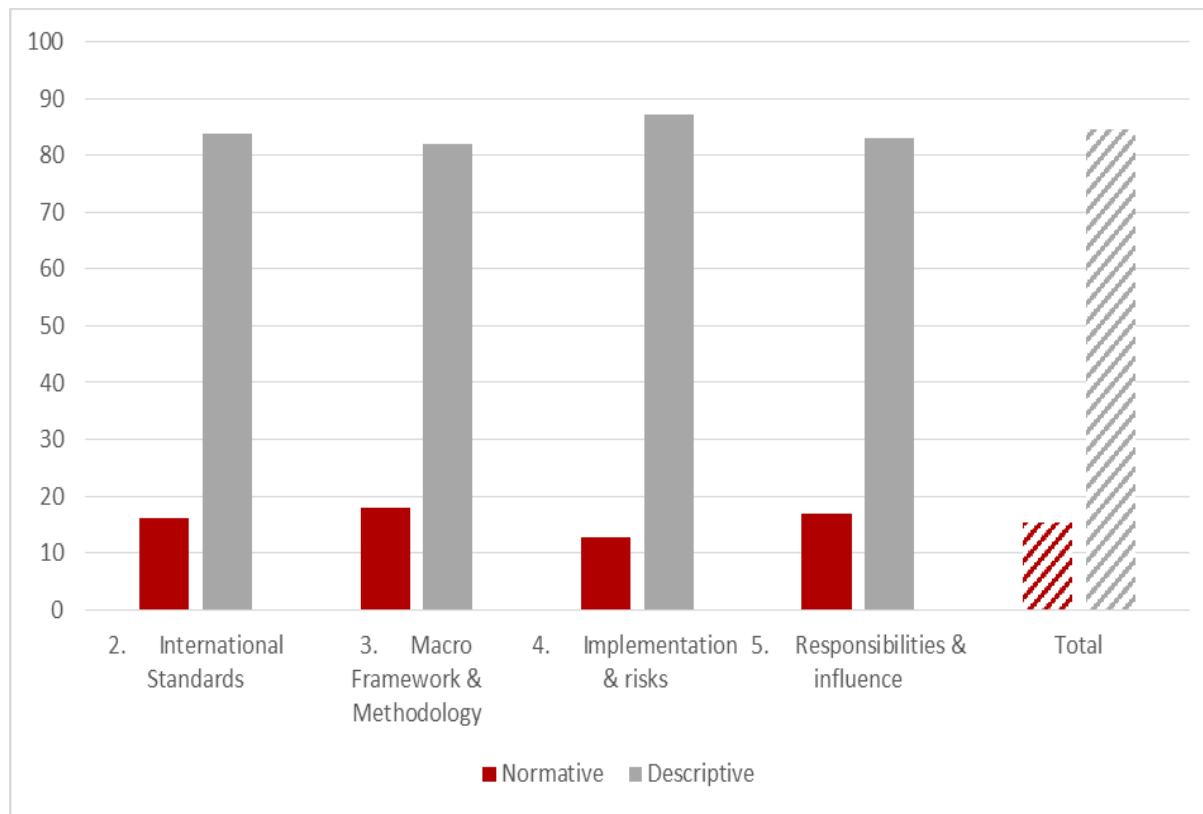
# Media content analysis: hot issues (cont.)

## Distribution of the claims



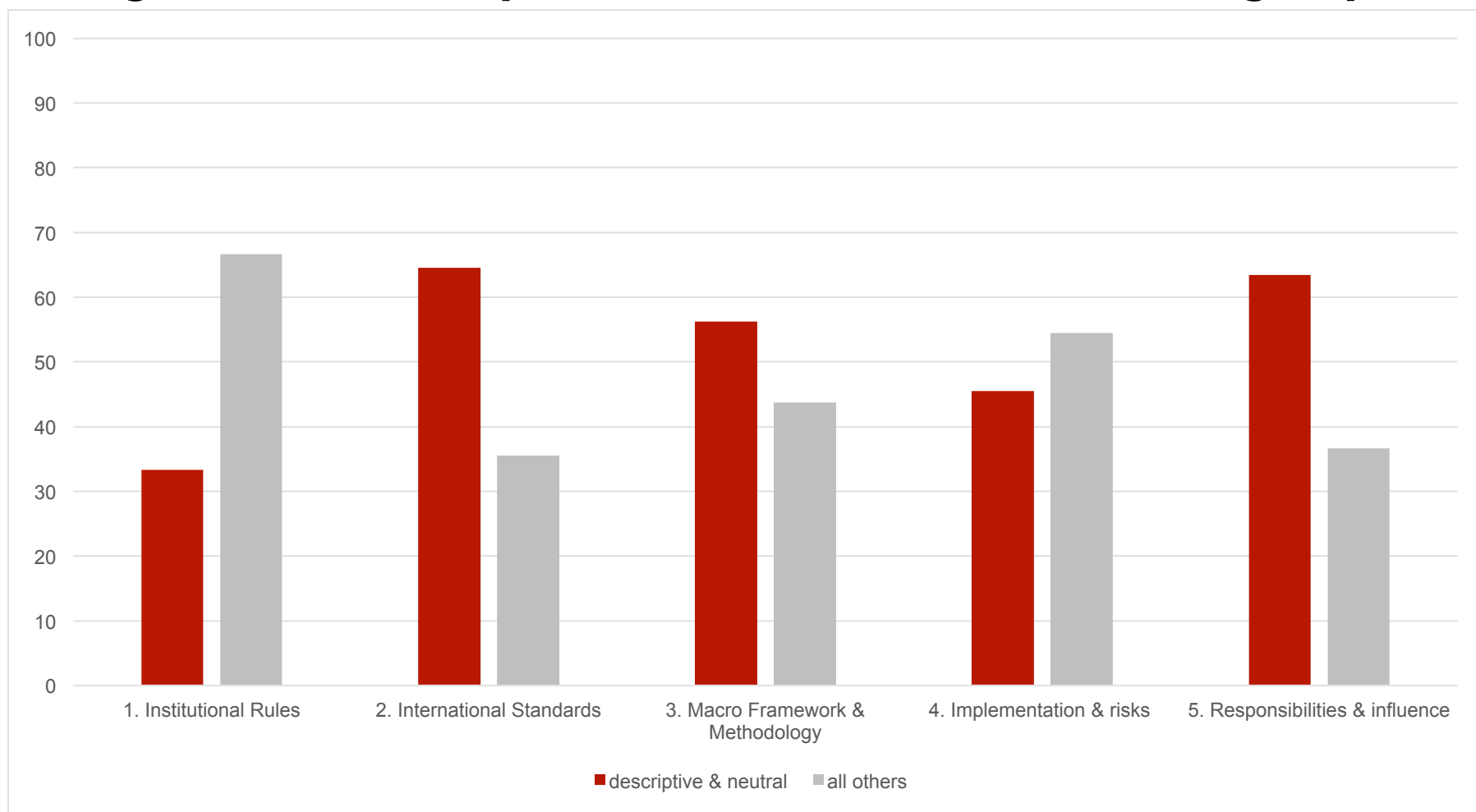
# Media content analysis: normative claims

## Low share of normative claims



# Media content analysis: information sharing

## High share of descriptive & neutral claims across claim groups

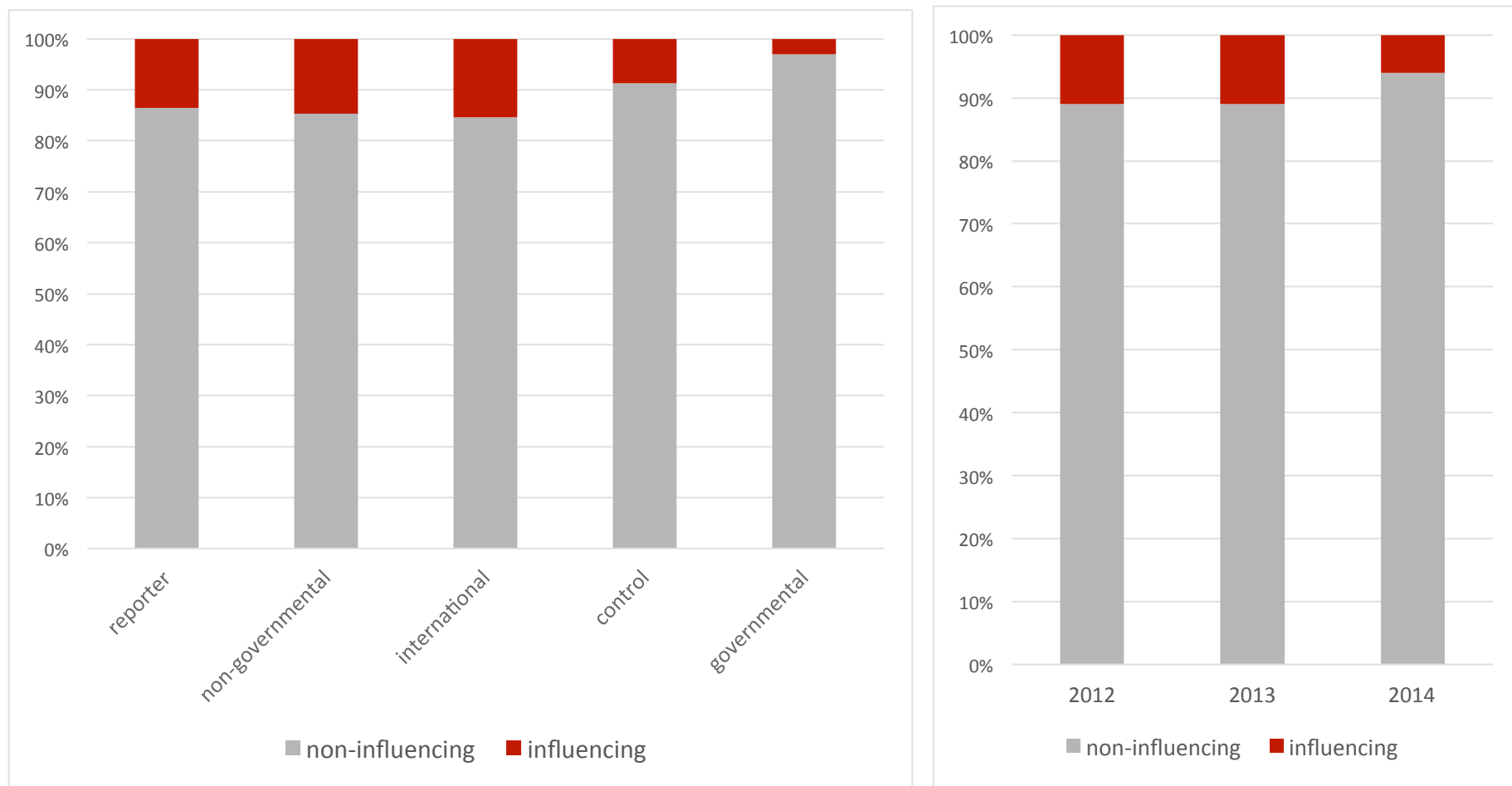


Source: BI 2014

[http://budapestinstitute.eu/index.php/projektek/adatlap/a\\_koezponti\\_koeltsegyetes\\_atlathatosaga\\_a\\_magyarorszagi\\_helyzet\\_felterkepez/en](http://budapestinstitute.eu/index.php/projektek/adatlap/a_koezponti_koeltsegyetes_atlathatosaga_a_magyarorszagi_helyzet_felterkepez/en)

# Media content analysis: influencing messages

## Very low share of influencing claims



Source: BI 2014

[http://budapestinstitute.eu/index.php/projektek/adatlap/a\\_koezponti\\_koeltsegyetes\\_atlathatosaga\\_a\\_magyarorszagi\\_helyzet\\_felterkepez/en](http://budapestinstitute.eu/index.php/projektek/adatlap/a_koezponti_koeltsegyetes_atlathatosaga_a_magyarorszagi_helyzet_felterkepez/en)



# Media content analysis: regression analysis

## **Information-sharing:**

descriptive and neutral claims

## **Influencing / challenging:**

normative claims with a neutral or negative tone

## **Confirming:**

normative claims with a positive tone

**Reporter**

**2012**

**NGOs, experts**

**2013**

**International actor**

**2014**

**Control agencies  
(FC, SAO)**

**Government actors**

# Media content analysis: who promotes what?

## Information-sharing (descriptive/ 0)

- Compliance, responsibility and influence issues were more likely represented in a descriptive way in 2014
- Control agencies (i.e.: Fiscal Council and the State Audit Office) and the journalists
- Government actors pressed on the institutional rules less likely in a descriptive and neutral way across time than they did it in case of implementation and budgetary risks in 2013

# Media content analysis: who promotes what?

## **Influencing or challenging messages** (normative, 0/-)

- All the actors other than the government actors and the state control agencies (highest in likelihood - international actors, NGOs though rare voice)
- 2012 budget messages related to implementation failures and the division of government responsibilities than in later years

## **Confirming messages** (normative/+)

- Government actors

# Summary

| STATE OF PLAY  | NOTES  |
|--|--|
| Bad access to low quality and not reliable data      | Tedious data-cleaning, .jpg or .pdf formats, lack of details and transparent structure                               |
| Lack of user-friendly and detailed budget docs       | Low satisfaction with information-value of budget docs, though relatively better assessments regarding formats       |
| Very limited advocacy                                | Few actors in play<br>Advocacy is primarily based on informal channels and networks                                  |
| ... with very limited impact on government practices | Mostly informal, not documented meetings with key government officials<br>No significant impact on business as usual |

# Summary

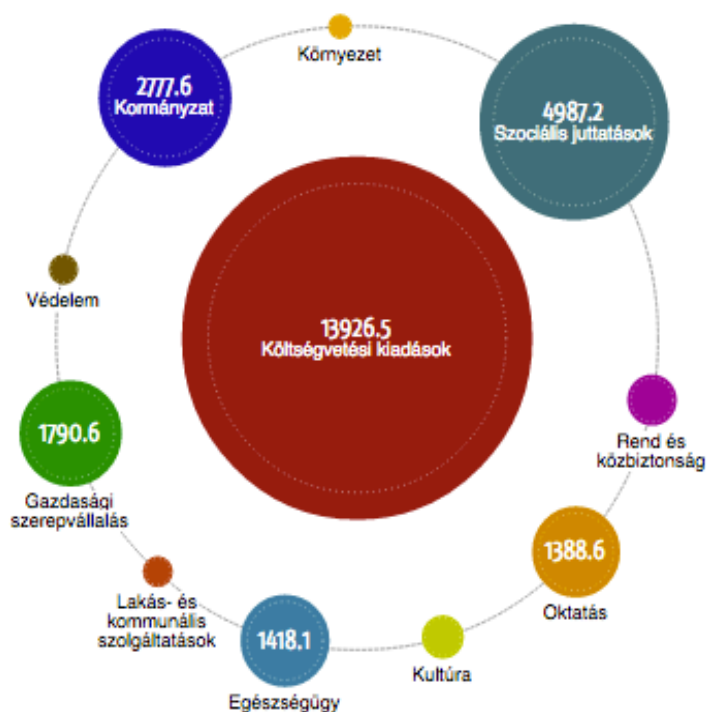
| STATE OF PLAY   | NOTES  |
|---|--|
| Sporadic media coverage,<br>low relevance, rarely<br>influencing          | Extremely high share of descriptive and in the<br>supermajority neutral messages, lack of analytics, and<br>low proportion of really relevant articles |
| Some critical voice,<br>minimal impact                                    | Only some national non-gov actors (NGOs, experts)<br>and international actors  |
| Sporadic reflections on<br>international assessments,<br>selective impact | Positive impact only in case of stakeholders already<br>committed to budget transparency issues  |
| Lack of formal<br>international support                                   | In effect only the EU emerges as sponsor to any civil<br>activity in the field   |

# Our Money! - amipenzunk.hu

## A MI PENZUNK

Mire költik az adóforintjainkat?

A projekt Adatok Elemzések Poszter Alkalmazások Kapcsolat



### Álomköltségvetés

Válassza ki, hogy Ön szerint melyik ország költségvetési eloszlása lenne ideális számunkra!

- Ausztria
- Dánia
- Egyesült Királyság
- Szlovákia
- Lengyelország



### Kvízkérdések

Tegye próbára tudását és válaszoljon Ön is!

**Igaz-e, hogy az egészségügyi kiadások GDP-arányosan minden évben nőttek 2000 óta?**

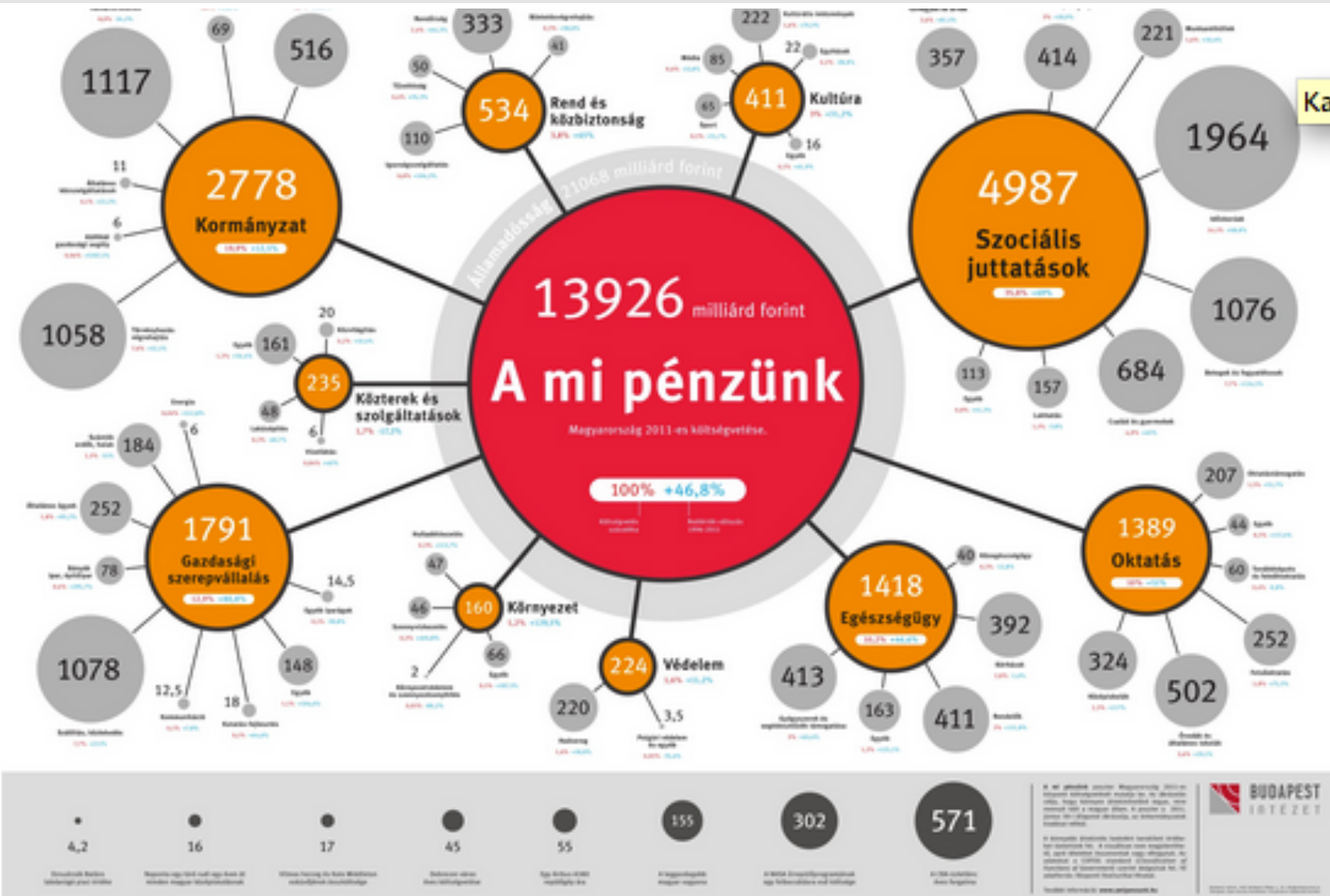
**Igaz-e, hogy a hátramaradottakra csaknem 20%-kal kevesebbet költünk a GDP-ből ma, mint a 90-es évek végén?**



folyó áron 2011-es áron GDP arányosan

1995 1996 1997 1998 1999 2000 2001 2002 2003 2004 2005 2006 2007 2008 2009 2010 2011 2012

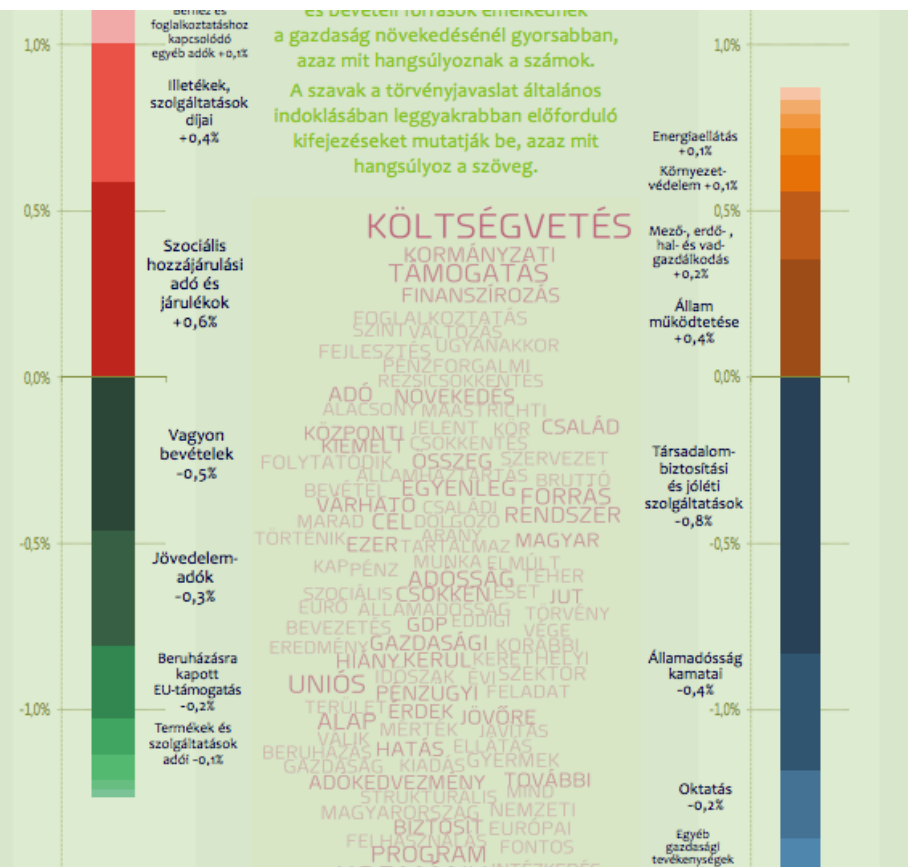
# Our Money! – amipenzunk.hu



# Responsible Budget! – feleloskoltsegvetes.hu

**#kölségvetés2016**  
www.feeloskoltsegvetes.hu

A Költségvetési Felelősségi Intézet és számos más civil szervezet, köztük az Átlátszó új, közös projektje az állami költségvetést szeretné még átláthatóbbá tenni, valamint elérni azt, hogy a büdész kialakításakor a szakmai és civil érdekeltségeket is széleskörűen bevonják a munkába.



#költségvetés2016

DOKUMENTUMOK

ELEMZÉSEK

SAJTÓANYAGOK

## RÉSZTVEVŐK

#KÖLTSÉGVETÉS2016

Q





# Recommendations

- Access to impact assessments
- More information regarding the revenue side (esp. tax revenues)
- More transparency in the planning and implementation phase,
- Opportunity to monitor public finances on a regular basis
- Improvements in technical issues (ESA, consolidation, base year-comparison)
- In sum: more regular and detailed public disclosure

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**Thank you for your attention!**

For more information - check our website

[www.budapestinstitute.eu](http://www.budapestinstitute.eu)

[Open Budget – Baseline report, Hungary](#)

[petra.reszketo@budapestinstitute.eu](mailto:petra.reszketo@budapestinstitute.eu)

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# Annexes – I.

## Distribution of the statements with respect to their direction compared to the original claims

| Claim group                   | exact (%) | opposite (%) | Total (#) |
|-------------------------------|-----------|--------------|-----------|
| Institutional Rules           | 74        | 26           | 96        |
| International Standards       | 19        | 81           | 31        |
| Macro Framework & Methodology | 44        | 56           | 313       |
| Implementation & risks        | 44        | 56           | 591       |
| Responsibilities & influence  | 80        | 20           | 71        |

## Low share of explicit claims

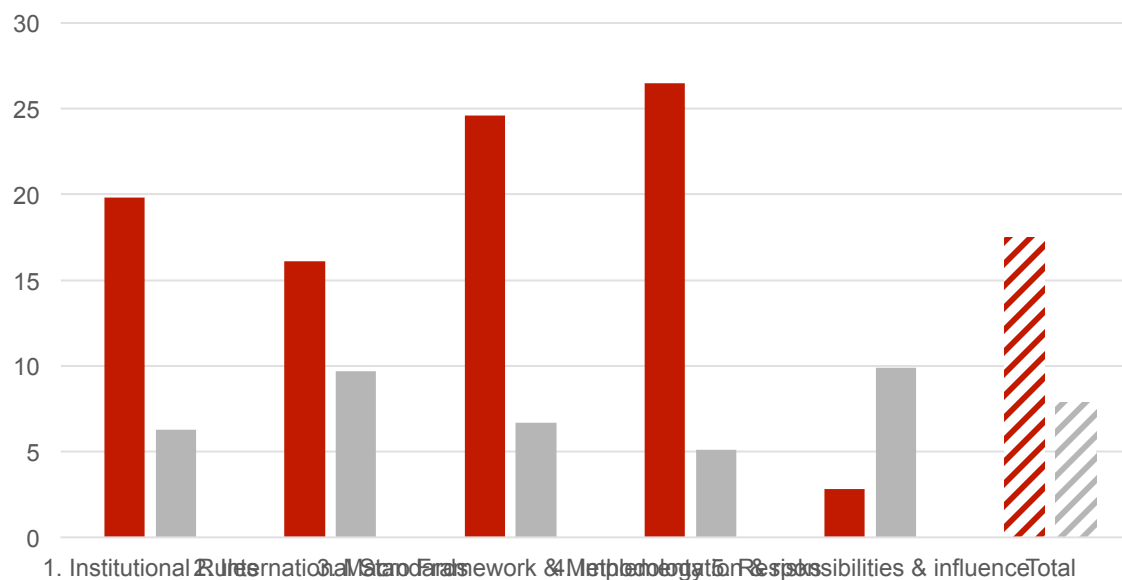
| Claim group                   | Implicit (%) | Explicit (%) |
|-------------------------------|--------------|--------------|
| Institutional Rules           | 68.75        | 31.25        |
| International Standards       | 77.42        | 22.58        |
| Macro Framework & Methodology | 82.75        | 17.25        |
| Implementation & risks        | 63.96        | 36.04        |
| Responsibilities & influence  | 81.69        | 18.31        |

# Annexes – II.

## High share of neutral statements (with respect to claim group)

| Claim group                   | Negative (%) | Neutral (%) | Positive (%) |
|-------------------------------|--------------|-------------|--------------|
| Institutional Rules           | 19.79        | 43.75       | 36.46        |
| International Standards       | 25.81        | 64.52       | 9.68         |
| Macro Framework & Methodology | 23           | 63.58       | 13.42        |
| Implementation & risks        | 28.43        | 47.21       | 24.37        |
| Responsibilities & influence  | 19.72        | 64.79       | 15.49        |

## Low share of analytical statements



# Annexes – III.

## High share of neutral statements (with respect to source of information)

|                            | Negative (%) | Neutral (%) | Positive (%) | Total (#) |
|----------------------------|--------------|-------------|--------------|-----------|
| Reporter, journalist       | 35.29        | 58.82       | 5.88         | 408       |
| Ministry of Economy        | 3.15         | 38.98       | 57.87        | 254       |
| Line Ministries            | 71.43        | 28.57       | 0            | 7         |
| State Audit Office         | 33.33        | 46.67       | 20           | 15        |
| International institutions | 21.79        | 56.41       | 21.79        | 78        |
| Fiscal Council             | 29.13        | 60.63       | 10.24        | 127       |
| CSO                        | 19.05        | 69.05       | 11.9         | 42        |
| NGOs                       | 4.76         | 90.48       | 4.76         | 21        |
| Business actor             | 18.52        | 61.11       | 20.37        | 54        |
| Other                      | 47.92        | 37.5        | 14.58        | 96        |
| Total                      | 25.5         | 53.18       | 21.32        | 1,102     |