



BUDAPEST
INTÉZET

OPEN BUDGET?

BASELINE REPORT - HUNGARY

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Our focus

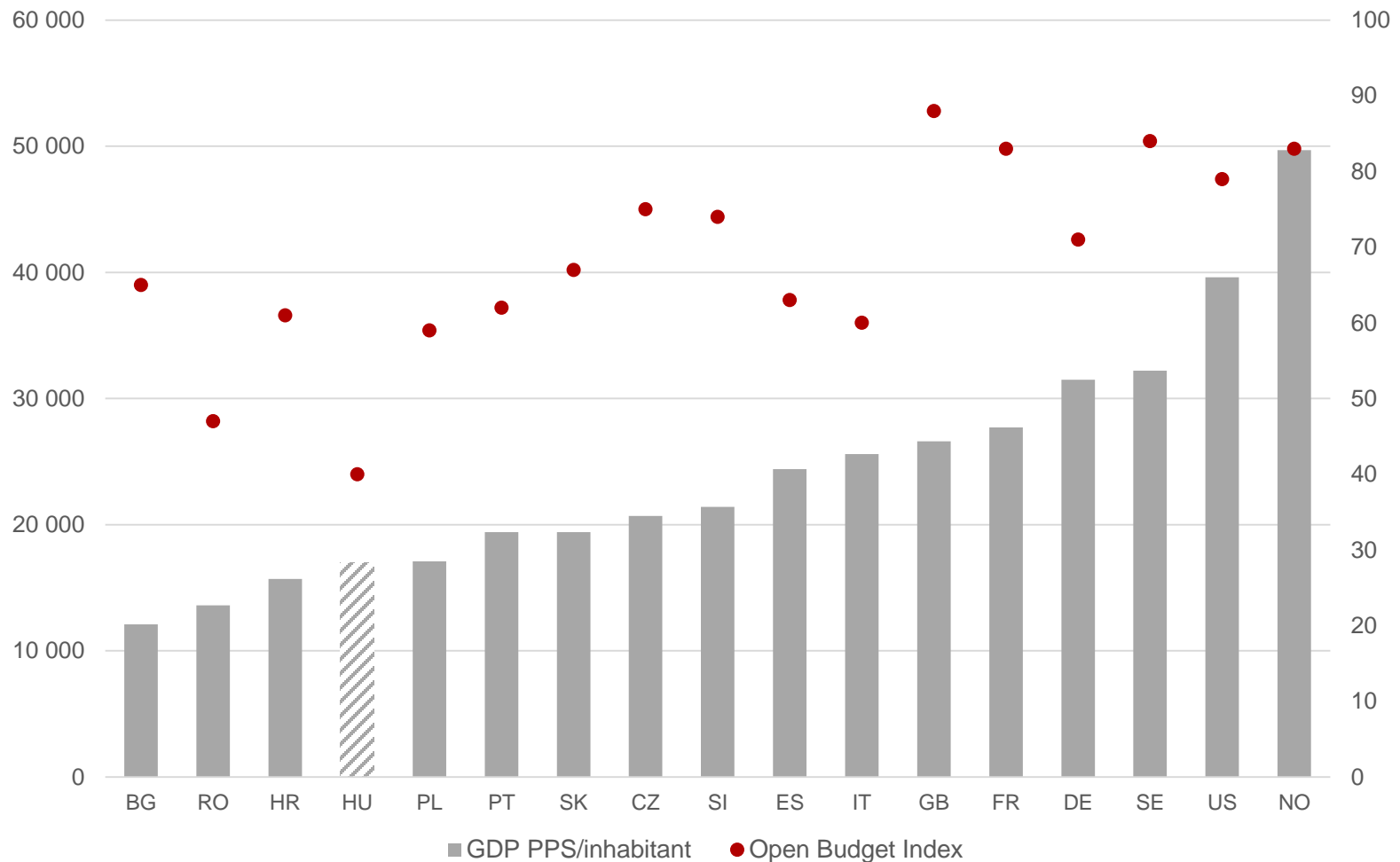
- Baseline report on budget transparency in Hungary, assessment of:
 - the **engagement, awareness, and perceptions** of the main **national stakeholders**,
 - the scope and nature of the **media attention**.
- Aim: to compare the national baseline case with the state-of-play in 2015 (*after the OBS tracker has been in operation for one full year*)

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 budget cycle
(June 2012 – June 2014)

Stylised facts: Open Budget in the EU



Sources: OBI 2013: <http://survey.internationalbudget.org/#rankings>, EUROSTAT, FRIB 2013: http://www.kfib.hu/uploads/up_20130314_111107_7468_Fiscal_transparency_in_Hungary_measured_by_the_methodology_of_the_Open_Budget_Ind_ex_merged.pdf

Az Open Budget Index értékei 2012-ben

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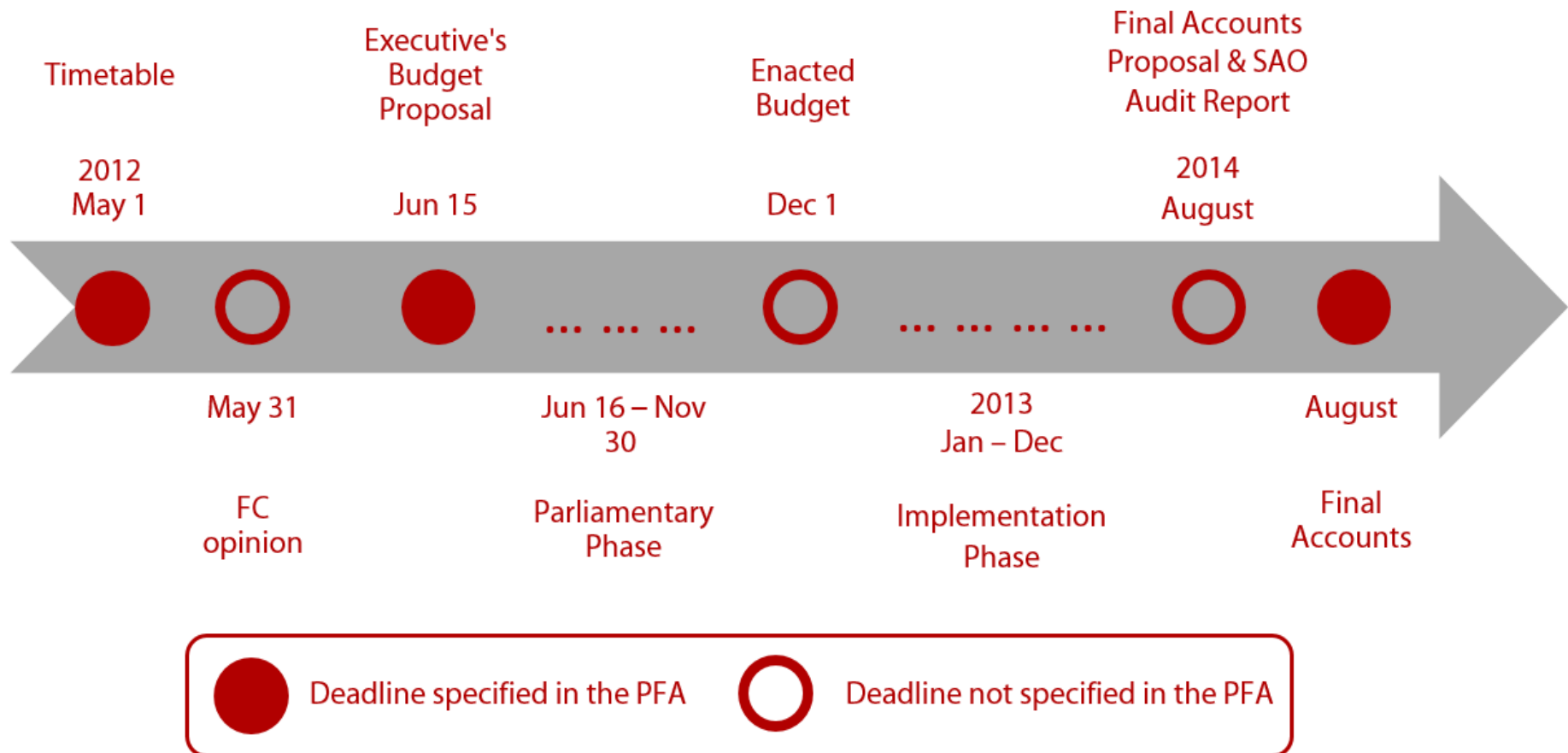
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Mianmar	0
Katar	0

* nem-hivatalos OBI adat

Forrás: KFIB, Portfolio.hu

Stylised facts: Timeline



Stylised facts: OGP Tracker, Hungary, July 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: <http://obstracker.org>

Stylised facts: Stakeholder map

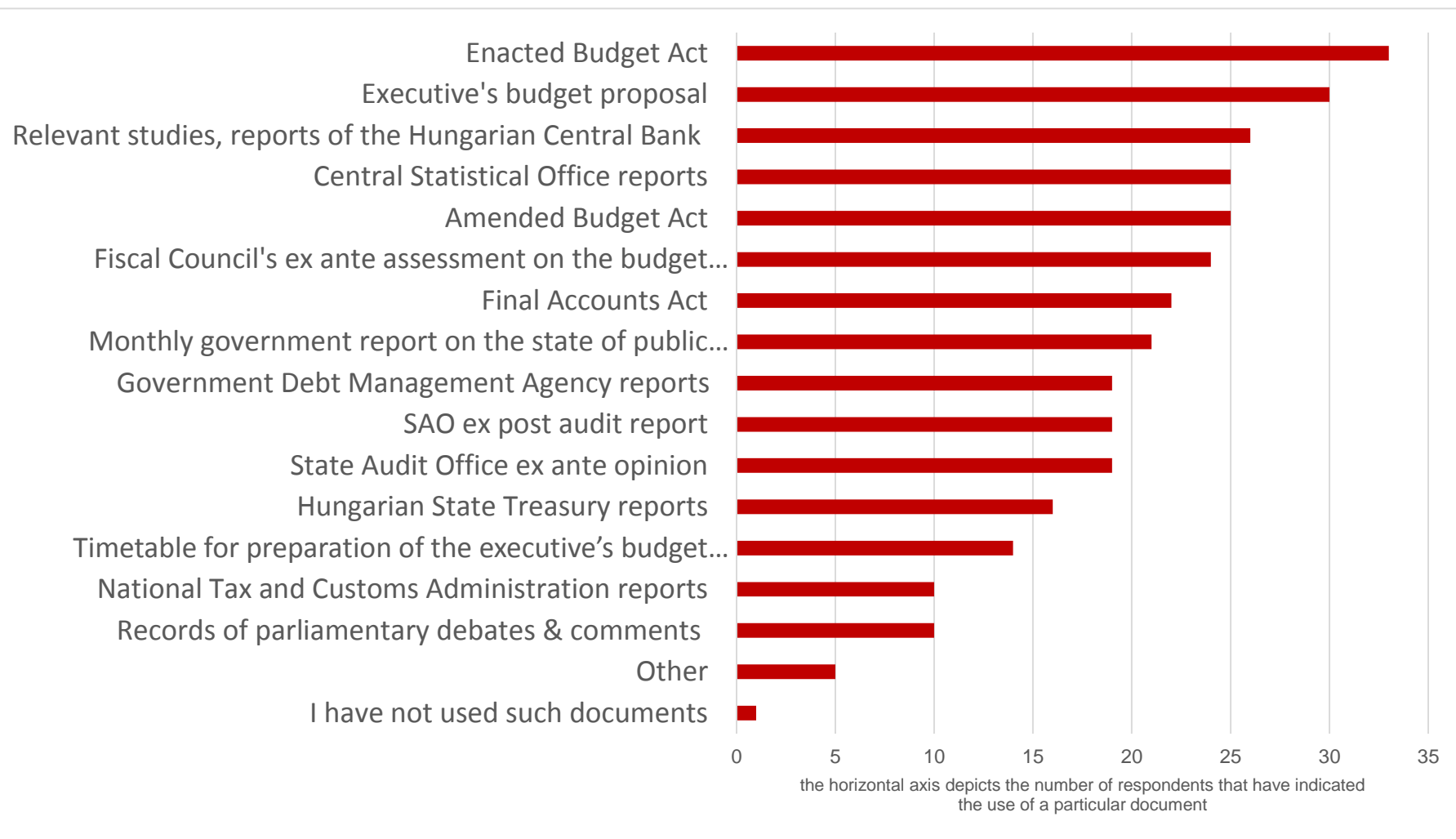


Stakeholder survey

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 it varied significantly through the different stakeholder groups)

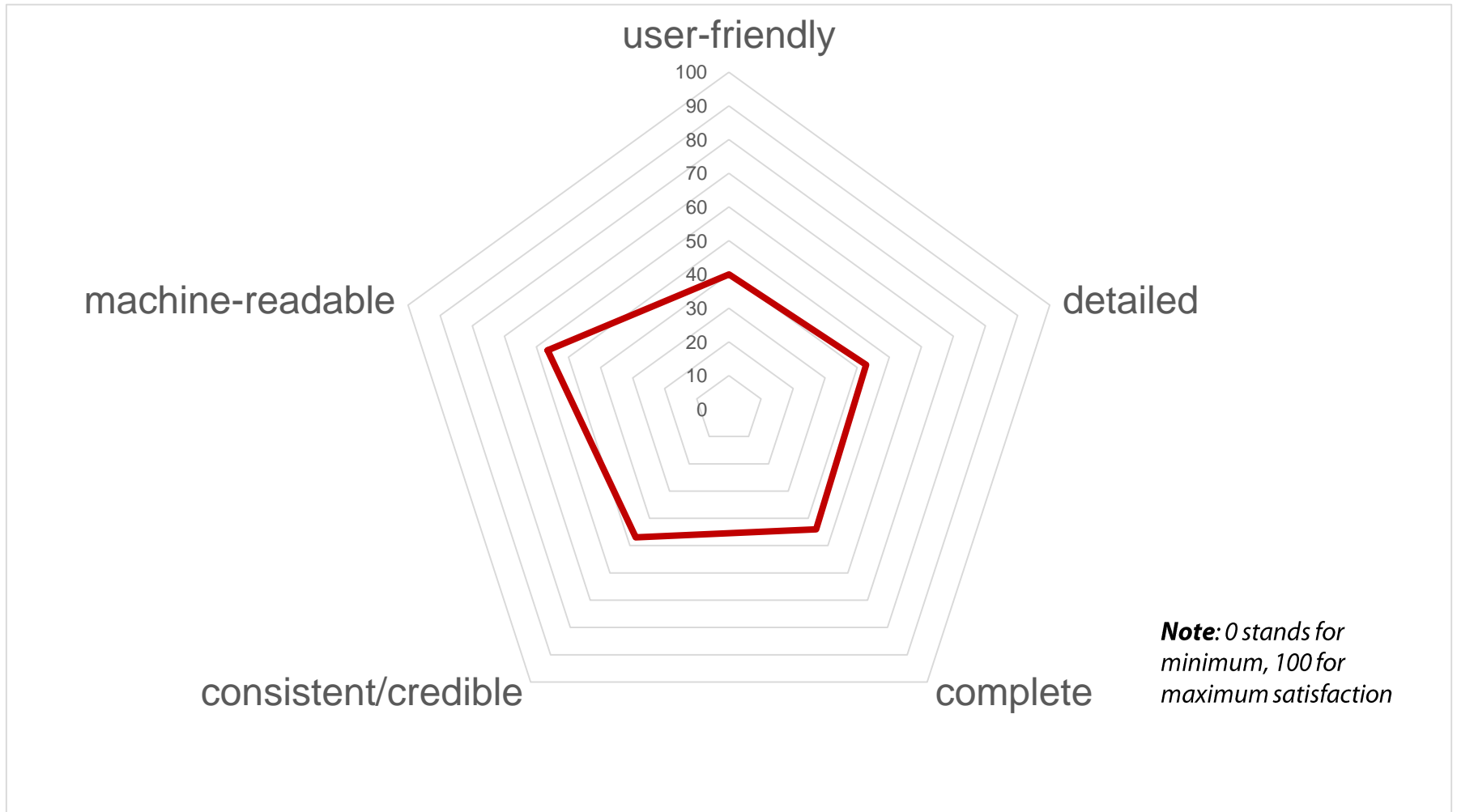
Stakeholder survey: frequency of use



Source: BI 2014

http://budapestinstitute.eu/index.php/projektek/adatlap/a_koezponti_koeltsegetes_atlathatosaga_a_magyarorszagi_helyzet_felterkepez/en

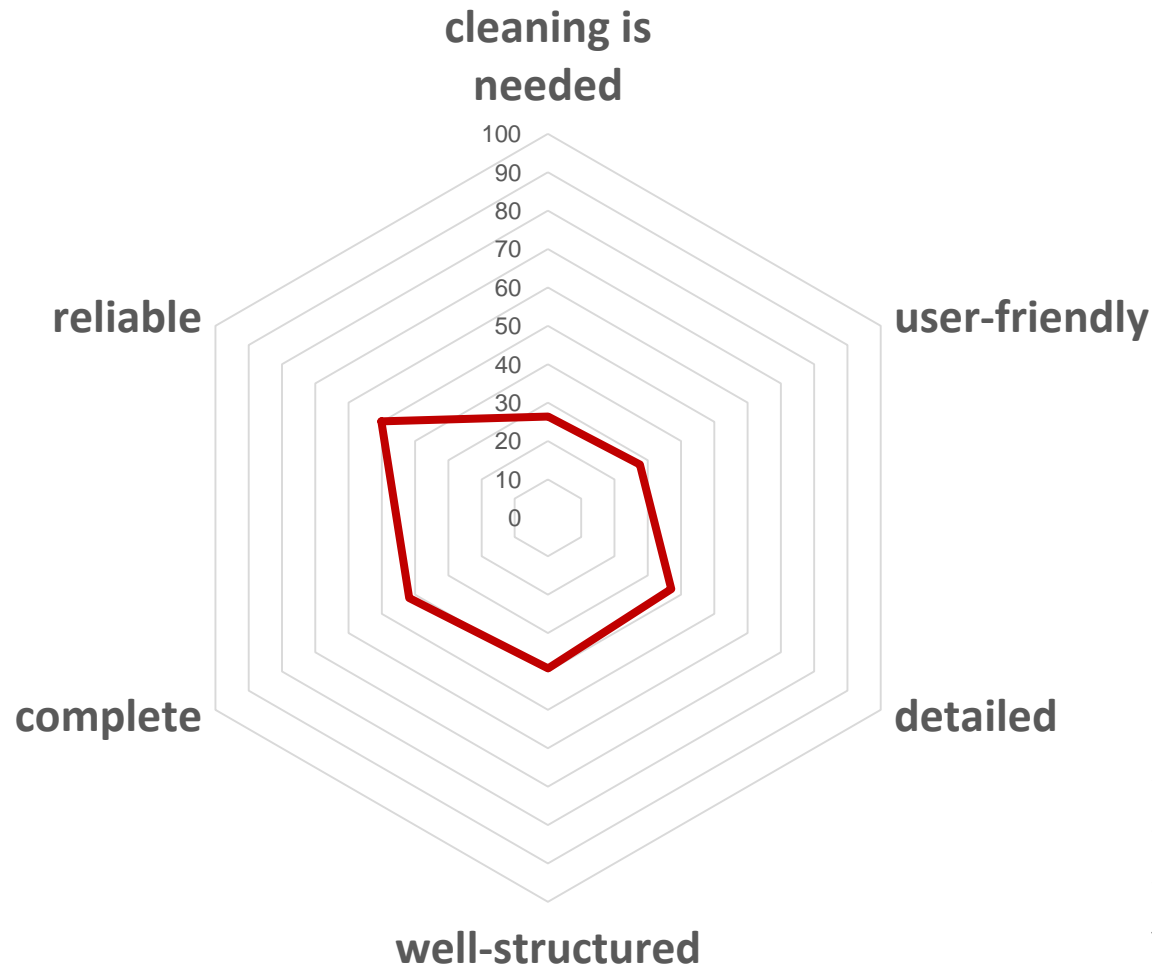
Stakeholder survey: quality of the docs



Stakeholder survey: quality of the docs

Label	Statement in the survey
User-friendly	The document is clearly structured and user-friendly – i.e.: the information in it is easily accessible and easy-to-find.
Detailed	The document is detailed – i.e.: all necessary and expected data appears in the appropriate breakdowns and with proper references.
Complete	The document is complete – i.e.: it can be used for the user's initial purpose without any additional information.
Consistent/credible	The document is reliable – i.e.: 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.: the 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 data

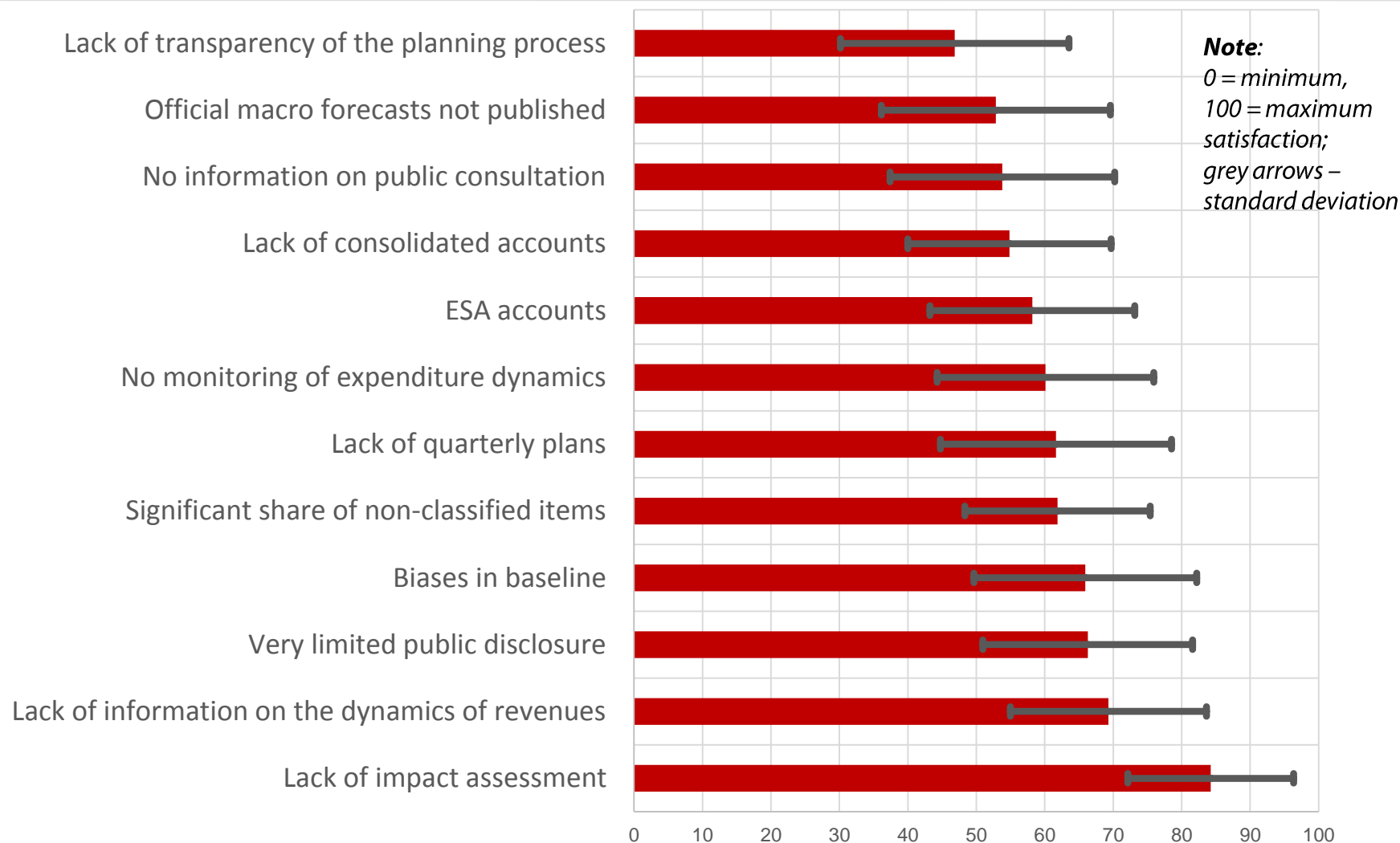


Note: 0 stands for minimum, 100 for maximum satisfaction

Stakeholder survey: quality of the data

Label	Statement in the survey
No tedious data-cleaning is needed	The document is easy to process – ie the data / information involved is easy to extract and the format helps the user to re-use the information in an efficient way.
User-friendly	The document is clearly structured and user-friendly – ie the information in it is easily accessible and easy-to-find.
Detailed	The document is detailed – ie all necessary and expected data appears in the appropriate breakdowns and with proper references.
Well-structured	The available data are transparent and well-structured
Complete	The document is complete – ie it can be used for the user's initial purpose without any additional information.
Reliable	The document is reliable – ie there is no need for double checks and the data/information involved is consistent across time and sources.

Stakeholder survey: challenging issues



Stakeholder survey: challenging issues

Label	Statement 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: 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

- www.parlament.hu and websites of government agencies
- 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

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

Media content analysis: online sources

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

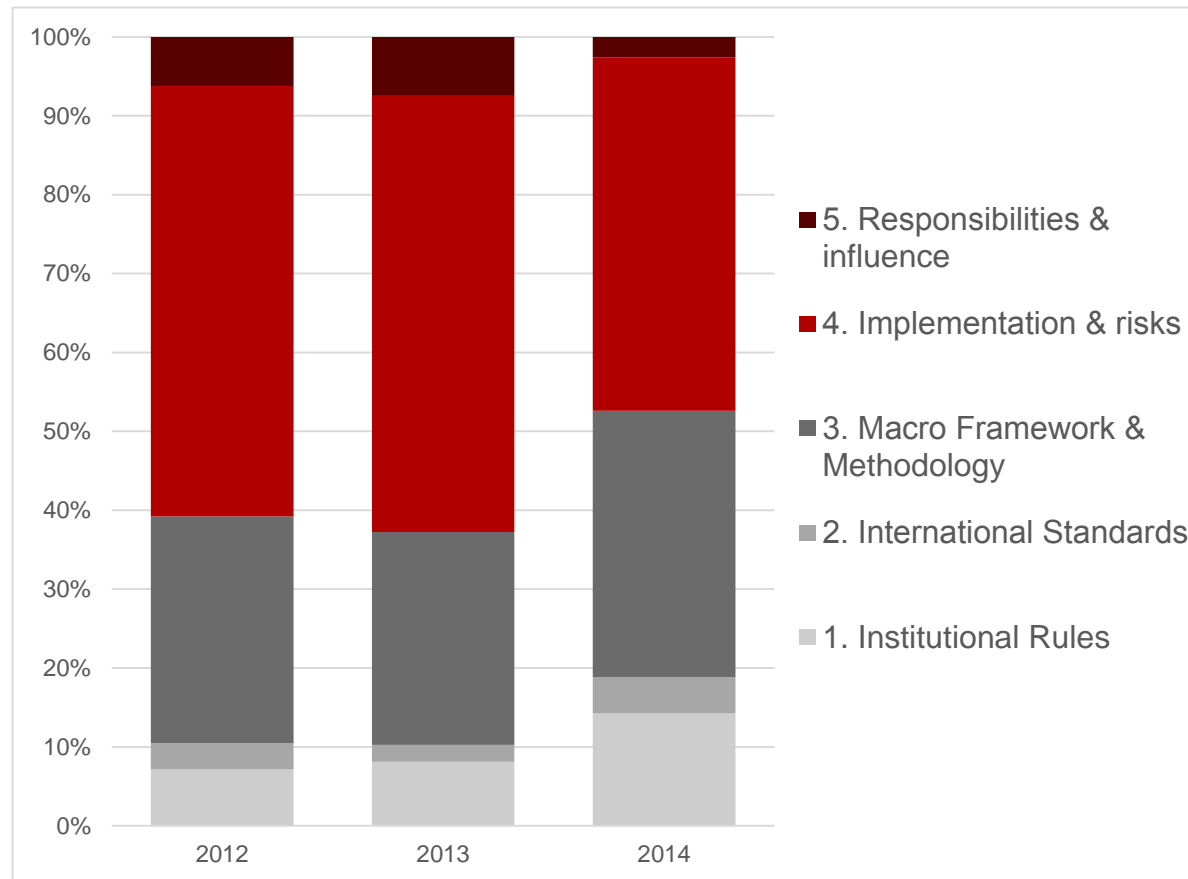
*based on HypeStat estimation <http://www.hypestat.com/>

Media content analysis: hot issues

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

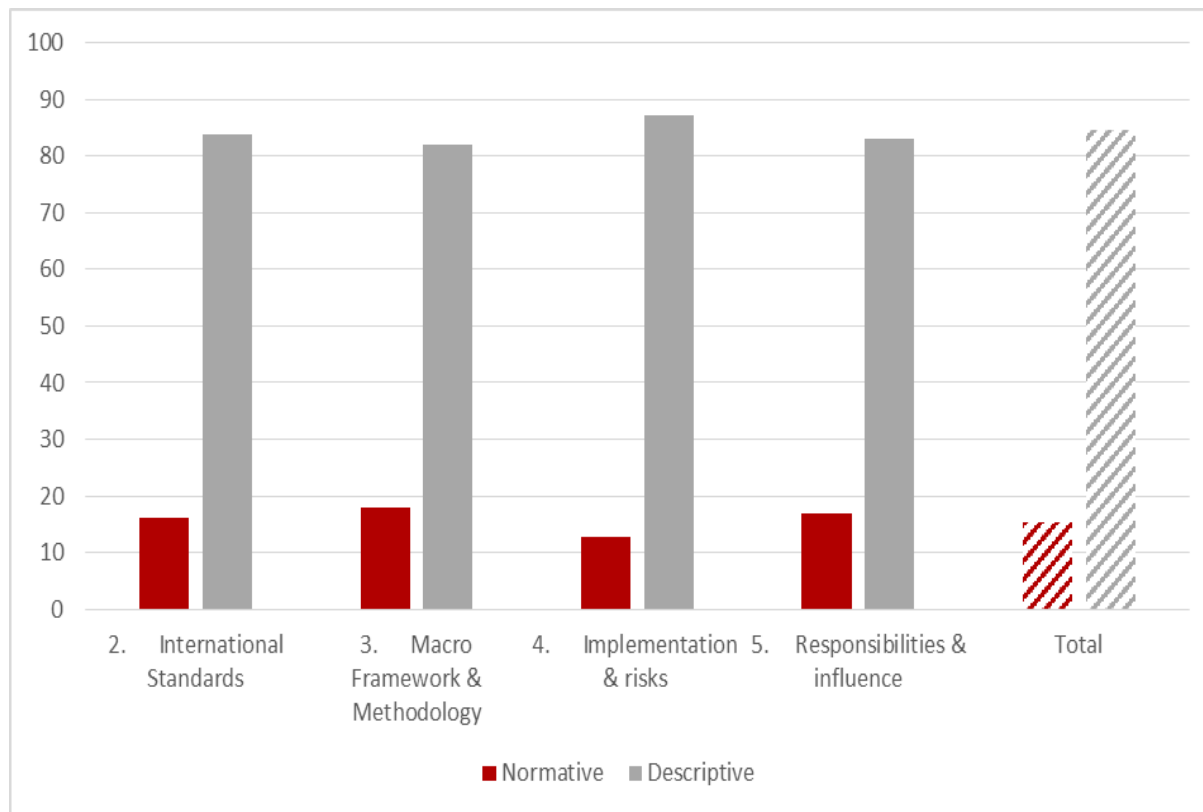
Media content analysis: hot issues (cont.)

Distribution of the claims



Media content analysis: normative claims

Low share of normative claims



Media content analysis: 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

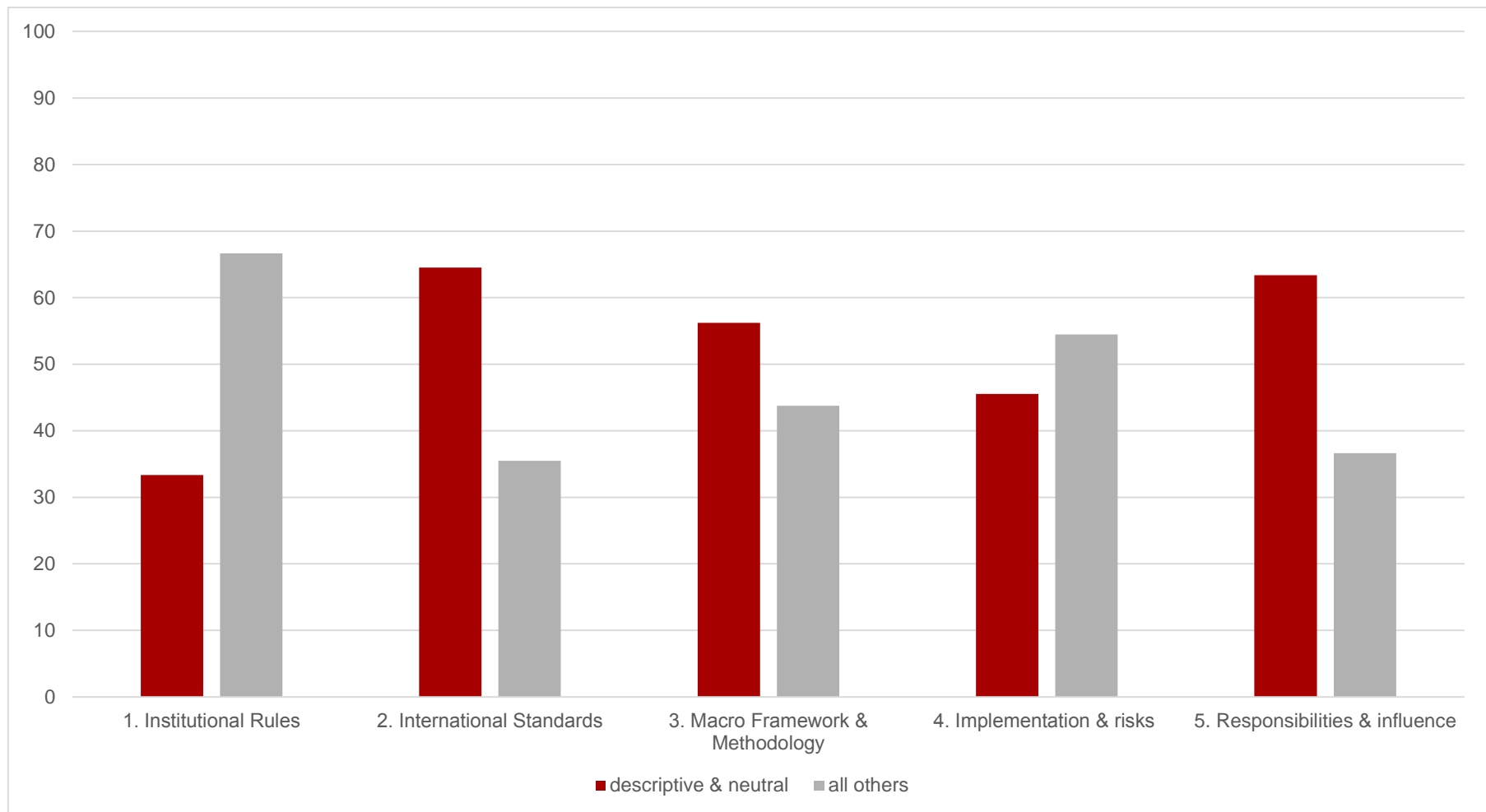
2014

**Control agencies
(FC, SAO)**

Government actors

Media content analysis: information sharing

High share of descriptive & neutral claims across claim groups

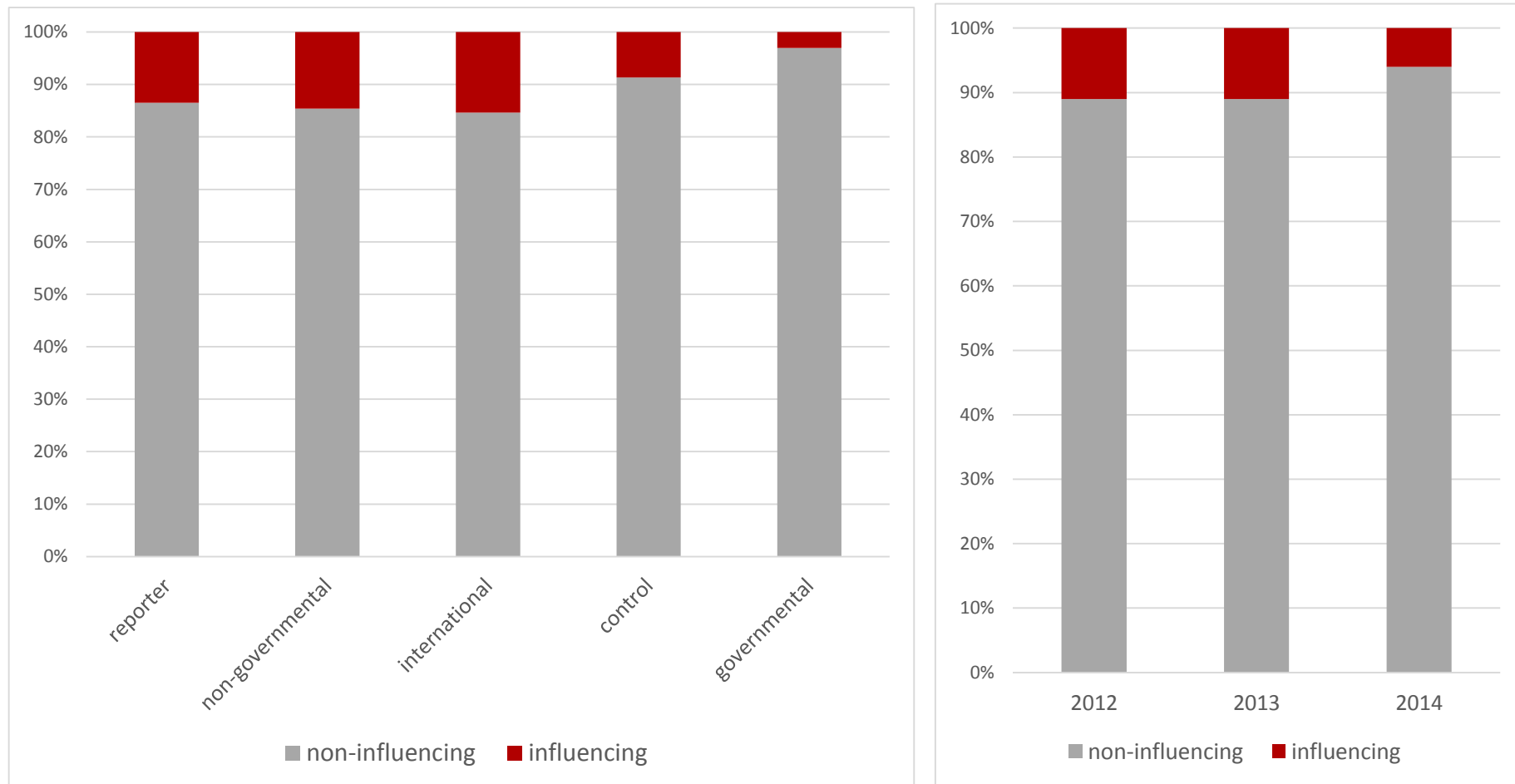


Source: BI 2014

http://budapestinstitute.eu/index.php/projektek/adatlap/a_koezponti_koeltsegyetes_atlathatosaga_a_magyarorszagi_helyzet_felterkepez/en

Media content analysis: influencing messages

Low share of influencing claims



Source: BI 2014

http://budapestinstitute.eu/index.php/projektek/adatlap/a_koezponti_koeltsegyetes_atlathatosaga_a_magyarorszagi_helyzet_felterkepez/en

Media content analysis: who promotes what?

Information-sharing

- 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 are more likely to talk about budgetary issues in a descriptive and neutral way than the government actors
- 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

- All the actors other than the government actors and the state control agencies are significantly more likely to put forward normative messages with a neutral or even negative tone
- 2012 budget messages related to implementation failures and the division of government responsibilities were more likely framed in an influencing way, though this fades away later

Confirming messages

- All the stakeholders (even the state control agencies) are less likely to deliver confirming messages than the government actors.

Conclusions

STATE OF PLAY	NOTES
Low quality and reliability of budget 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 Advocacy is primarily based on informal channels and networks
Some engagement, but very limited in impact	Mostly informal, not documented meetings with key government officials No significant impact on the government's practices

Conclusions

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

Good practices

Open Budget – state level

- [New Zealand budget data](#)
- [United Kingdom](#)

Open Budget – local level

- [Amsterdam municipal budget](#)
- [Berlin Offenerhaushalt](#)

Thank you for your attention!

For more information - check our website

www.budapestinstitute.eu

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

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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

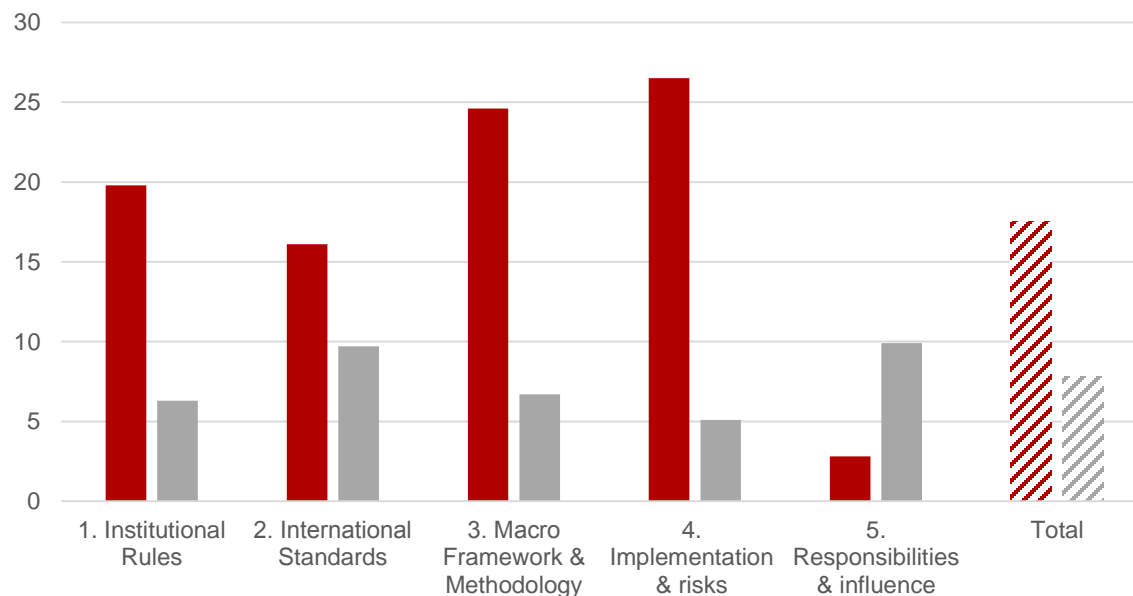
Claim group	Implicit (%)	Explicit (%)
Institutional Rules	68.75	31.25
International Standards	77.42	22.58
Macro Framework & Methodology	82.75	17.25
Implementation & risks	63.96	36.04
Responsibilities & influence	81.69	18.31

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