

Incentives research

Surmounting Obstacles to Fiscal Transparency

David Heald
April 2015

Contents

I. Introduction	3
II. OBSTACLES TO FISCAL TRANSPARENCY	5
II.1. Intrinsic Obstacles	5
II.2. Constructed Obstacles	7
III. WHAT CAN KEY ACTORS DO TO TACKLE THESE OBSTACLES?	12
IV. WHAT MIGHT GIFT CONTRIBUTE?	24
References	27

I. Introduction¹

In many democratic societies it has become unfashionable to oppose transparency claims in any context. This leads to confusion and misrepresentation as almost anything can be urged with an appeal to transparency (Meijer, 2014). However, the language used is important.

First, transparency and openness are often used interchangeably, and are also used together for emphasis. If there is to be a distinction, openness might be seen as pertaining to the 'watched' (eg information is made available) whereas transparency also requires the watcher to be able to process that information (Heald, 2006a).

Second, some claims for transparency imply a free-for-all, with uncontrolled

disclosure. To be effective, however, fiscal transparency requires both (a) disciplined release of information (Allen, 2000) and (b) clarity about what constitutes legitimate withholding of information by governments. Leaks and plants ahead of fiscal announcements (the United Kingdom is particularly predisposed to this) are tools of agenda manipulation that would be illegal if done by listed companies in relation to market-sensitive information. Commercial confidentiality about contracts and tax changes in budgets are examples of where premature release of government-held information could be damaging to the public interest (Heald, 2003).

Third, fiscal transparency is only one aspect of the 'transparency agenda': very little should be taken at face value. There is an uncomfortable tension between transparency (which sounds good) and surveillance (which can sound threatening) (Heald, 2013), with significant implications for the behaviour of particular actors in the fiscal policy process. Proposals for policy and institutional transfer need to be assessed with careful appreciation of context because how particular instruments will be used might differ markedly. Although the relationship is not straightforward, transparency can be viewed as a necessary underpinning of government accountability.

¹ David Heald is Professor of Accountancy at the University of Aberdeen Business School. He has written extensively on fiscal transparency and has just published *When the Party's Over: The Politics of Fiscal Squeeze in Perspective*, edited by Christopher Hood, David Heald and Rozana Himaz, Proceedings of the British Academy 197, Oxford University Press, 2014. He has extensive experience as an adviser to UK Parliamentary Committees and has consulted for, *inter alia*, the Asian Development Bank, the European Commission and the World Bank.

My empirical research and experience of advising practitioners has perhaps shaped this circumspection, but my position here is that the discussion of 'Incentives for Fiscal Transparency' requires both an understanding of the obstacles to fiscal transparency and an awareness that there is no magic recipe: context is massively important. Influences on the development of my views on fiscal transparency have included Wehner and de Renzio (2011) on determinants, and Alt and Lassen (2006) and Glennerster and Shin (2008) on effects.

My position is set out as follows. Section II identifies eight obstacles to fiscal transparency, separating out for analytical purposes those that seem intrinsic from those that seem

constructed. Section III considers key actors in tackling the obstacles, noting how formerly national stages have rapidly become internationalized. Section IV addresses the implications for the Global Initiative for Fiscal Transparency (GIFT) and how it might contribute to surmounting the obstacles to fiscal transparency.

II. OBSTACLES TO FISCAL TRANSPARENCY

This section categorizes the obstacles to fiscal transparency as intrinsic or constructed (Heald, 2012, 2013). ‘Intrinsic’ obstacles derive from the subject matter and institutional settings. ‘Constructed’ obstacles are created by decision-makers whose political or economic interests might be damaged by fiscal transparency. Although there could be some argument about further subdivision and classification, this approach will be shown to be productive of insights. After the elaboration of four intrinsic and four constructed obstacles, Table 1 provides a condensed summary. How these obstacles might be surmounted is then discussed in Section III.

II.1. Intrinsic Obstacles

1: Technical complexity: The obstacles to understanding and participation that technical complexity creates should never be underestimated. Although ‘cash’ sounds like a straightforward measurement basis for budgets and government financial reporting, it rarely means what would be understood as cash in everyday life. The dangers of bills being stuffed in drawers and never paid is far too great for a pure cash system to work successfully. In consequence, versions of modified cash and modified accruals have been developed. Although the concept of accruals is unproblematic to accountants and statisticians, understanding outside such communities is often poor. Moreover, the existence of two systems of accounting (financial reporting and statistical accounting) and the necessity for these to be supplemented by long-term fiscal sustainability projections bring further complications. Furthermore, political processes usually confer greater prominence to ex ante budgeting, which may or may not be on the same basis as the two systems of ex post reporting.

Some OECD countries have successfully implemented accruals reporting, though there is considerable variation in how budgeting relates to accounting. International Public Sector Accounting Standards (IPSAS) are derived from International Financial Reporting Standards (IFRS). The European Public Sector Accounting Standards

(EPSAS) proposed for 2020 implementation will be derived, to an unknown extent, from IPSAS (Ernst & Young, 2012; PricewaterhouseCoopers, 2014). Statistical accounting is based on the United Nations System of National Accounts 2008, an important regional variant being the European System of Accounts (updated from 1 September 2014 from ESA95 to ESA10). There are also IMF manuals on government finance statistics, including the recently updated Government Finance Statistics Manual (IMF, 2014b). While less prominent in OECD countries, they figure prominently in developing countries, particularly those with IMF-supported programmes.

Comprehensive understanding of either, let alone both, systems is confined to a small technocratic elite. Anyone doubting the barriers to understanding should weigh the collected volumes of IFRS and IPSAS standards before reading them.

2: The Changing Nature of State Activities: The modernization of government accounting (usually meaning close alignment to accruals accounting as practised in the corporate private sector) has been one tool in the bundle of public sector reforms known as New Public Management (NPM). This connection is somewhat paradoxical. The business model of government used to be relatively simple: buy capital assets, hire labour and incur running costs. Budgets ran on cash and financial reporting on little-regarded and often-delayed cash accounts. Accruals accounting was ideally suited to deal with the problems caused by the absence of a balance sheet, including neglect of assets bought in previous years. However, the other tools of NPM have complicated the business model of governments, including: fragmentation (eg more departmental agencies and other public bodies); outsourcing (eg contractualization of service delivery); and financialization (eg Public-Private Partnerships (PPPs) and government guarantees)². Attention must therefore shift to the liabilities side of government balance sheets, rather than concentrating primarily on assets. Accounting for liabilities, particularly when the underlying transactions are complex, is difficult at both conceptual and practical levels. Accounting standards for private sector liabilities have been shown to lack consistency (Barker and McGeachin, 2013). Structural differences between the private and public sectors accentuate such problems: for example, the absence of a sovereign bankruptcy mechanism and the fact that the government's power to tax is not

² Although the line between them is blurred, contractualization typically involves outsourcing labour-intensive parts of a service, on relatively short-term contracts, in ways that are reversible on moderate timescales. Financialization typically involves large capital assets, long time periods and long-term liabilities that are difficult to value and expensive to extinguish.

a recognizable asset, thereby discouraging putting future social benefits on-balance sheet as liabilities.

3: Fear of Numbers: The diagnosis of this obstacle derives, not from the literature, but from my 30-years' experience as a UK Parliamentary specialist adviser on public expenditure and government accounting. There is often an unwillingness to engage with numbers, despite efforts to present information in an accessible way. The result is poor understanding of the public finances by politicians, even senior ministers, as manifested in the inaccuracies they impart when not speaking from a brief prepared by a specialist. It is unclear how much this is a cognitive problem with numbers and how much a rational allocation of time (if few understand, then the political costs of ignorance are low). I do not know how generalizable this obstacle is, though the Moser Report (1999) lamented the lack of numeracy skills in the UK population. National Numeracy, a charity dedicated to this cause, has described numeracy as 'the poor relation' of literacy.

4: Media Negativity: Politics in democracies is increasingly characterized by the confrontation between government 'spin' (presenting everything in the best possible light) and media negativity (attributing the worst possible motives to what governments say and do). Today's headlines are what matters, on the assumption that most coverage will quickly be supplanted by tomorrow's. This fraught, fast-moving media environment is not conducive to reflective coverage of technically difficult matters. What matters is the construction of political narratives. Information which is supposedly confidential until a particular budget announcement is routinely 'leaked' (on a deniable basis). This situation is destructive of trust in government and reinforces internal pressures for secrecy and opaqueness.

II.2. Constructed Obstacles

Whereas the refutable assumption is that key actors in the fiscal transparency process are confronted by the above intrinsic obstacles, some of those actors are responsible for originating constructed obstacles. In practice, perspectives will be influenced by the position held by a particular actor.

5: Denial of Legitimacy of 'Downwards Transparency' claims: Put brutally, this represents the refusal of autocratic rulers to accept that they owe accountability obligations to those they rule. Downwards transparency claims are met with the

response ‘mind your own business’, or worse.³ Information about the public finances is not made available because it is regarded as a private matter. This is most likely to occur when there is family or personal rule, where there is no separation between the finances of the state and those of the ruler, especially in circumstances where religious and political authority coincide. A glance at the bottom end of the Open Budget Index country scores provides illustrations of the continuing importance of this obstacle to fiscal transparency. Irwin’s (2013) history of fiscal transparency documents its connection with the evolution of accountable government (Franz Joseph II of the Austro-Hungarian Empire is cited as an enlightened despot) and democratic institutions. To label this as a constructed obstacle is not to deny how culturally embedded the resistance to fiscal transparency is, but to emphasize that some actors have choices.

6: Volume and Opaqueness: Distinguishing between ‘nominal’ and ‘effective’ fiscal transparency (Heald, 2003) is vitally important, especially in countries which score highly on indexes that measure formal compliance with ‘best practice’. Indexes inevitably measure formal compliance, which corresponds to nominal fiscal transparency. In contexts where league tables have high profile, or where compliance with external conditionality requirements is vital, there is a danger that there will be a concentration on easy-to-do increases in nominal transparency (ie satisfying check-list items that are directly within Executive control).

In contrast, effective fiscal transparency requires that users outside government can *access, understand* and *use* the available fiscal information. Problems inevitably arise from intrinsic Obstacles 1 (technical complexity) and 2 (more-difficult-to-map state) and from the customary weakness of user communities. These are exacerbated by

³ See Heald (2006a) for an exposition of the relationships between downwards, upwards, inwards and outwards transparency, and Heald (2013) for their application to fiscal transparency. Downwards transparency refers to rulers being transparent to the ruled. Upwards transparency refers to managerial or governmental units being transparent to hierarchical superiors. Inwards transparency refers to the capacity of those outside being able to see what is happening inside government. Outwards transparency refers to those responsible for governmental units being able to view the environments in which they operate.

deliberate but deniable tactics of overwhelming users by volume (slowing down their response times) and opaqueness (making key information difficult to find). Such tactics are also used in conjunction with arbitraging of financial reporting and statistical standards, as illustrated by UK practices in relation to PPPs. Irwin (2012) documents the international use of accounting devices. Eventually such practices become difficult for governments to maintain, but not before the anticipated gains to trust in government arising from higher transparency have been compromised. In such circumstances, it is assumed that government figures are untruthful or misleading, even when this is not the case.

7: Validation of Opportunism and Cheating by Agents: Public sectors are characterized by complex networks of organizations, held together by a series of principal-agent relationships. The influence of NPM ideas has promoted moves from (relatively simple) command and control chains to contractualized relationships (within the public sector, and with the private sector). Whatever the efficiency benefits of these changes, they have led to greater identification with the organizational unit and less to the system as a whole. Legitimately, private sector suppliers to government or providers of services on behalf of government will emphasize the contractual limitations of their responsibilities. Denial of information to government and to the wider public, citing commercial confidentiality, is likely to gain prominence in such circumstances: the former could be dealt with by contractual clauses, the latter is less easily dealt with. A specific issue arises in public sector organizations when faced by constraints which are, or are perceived to be, illogical and a hindrance to efficiency and/or achievement of organizational objectives. For example, the denial of capital budgets by higher authority may lead to misrepresentation of PPPs as better value-for-money than conventional procurement, on the basis that this is 'the only show in town'. Perceptions that control systems are being manipulated against them is likely to provoke counter-manipulation. The result is that information flows within government, necessary for upwards transparency, are distorted. Such distortions have knock-on effects for downwards transparency, with cynicism about public authority a likely outcome.

8: Endemic Corruption: Why corruption is more prevalent in certain countries than others (Transparency International, 2014) is outside the scope of this paper. The difficulty for the fiscal transparency agenda is that there are good reasons not to place too much reliance on their reported accounting and fiscal data. Corruption thereby becomes a reporting as well as a probity issue. Exit from such a condition is likely to be difficult, not least because there might be widespread incrimination in corrupt practices, if only in terms of knowledge that was never acted upon. Ambitious financial management reforms are unlikely to be beneficial: what is required is the assertion of disciplined control of cash, assets, commitments and contracts.

* * *

Table 1 provides a summary of the eight obstacles, for ease of reference. Particular jurisdictions may exhibit different combinations of these obstacles, and the extent to which the constructed obstacles reflect the intentions of present decision-makers may also vary. The capacity to eliminate or reduce these obstacles will differ across key actors. Attention moves to them in the next Section.

Table 1: Obstacles to Fiscal Transparency

Intrinsic Obstacles	Constructed Obstacles
1. Technical complexity of measurement systems, both financial reporting and national accounts	5. Denial of legitimacy of claims to information (<i>downwards transparency</i>). Information about the financial affairs of state is regarded as the sole preserve of the executive, most likely in (a) non-democratic regimes, and/or (b) where the person and the role of ruler as public authority are not distinguished
2. The well-delineated ‘positive’ state (which held assets and delivered	6. Volume and opaqueness used by governments as tools for managing

<p>services) has partly given way to a more-difficult-to-map 'regulatory' and 'contract' state (which has more complex and diffused modes of governance and extensive liabilities) (Majone, 1997). This process has gone further in Anglo-Saxon countries than in much of continental Europe</p>	<p>hostile and aggressive media and for disabling and discouraging users of government financial information. High index scores for fiscal transparency may co-exist with inaccessibility</p>
<p>3. Cognitive problems about numbers that make many elected politicians switch off, and which diminish citizen understanding</p>	<p>7. Perceptions of unfairness may validate cheating in the minds of those subjected to <i>upwards transparency</i>. Those lower down the principal-agent chain manipulate data (for example, project appraisals for Public-Private Partnerships) as a means of 'doing good by stealth', within constraints they cannot challenge</p>
<p>4. Relentless media negativity that interacts with government incentives to 'spin' and 'plant', thereby reinforcing the career advancement incentives of elected politicians not to commit to a scrutiny role</p>	<p>8. Perceptions that rulers engage in fraud and corruption leads to such practices becoming endemic across hierarchical levels. In such a cultural context, all are incriminated whether by commission (personal engagement in such practices) or omission (toleration of what others do, perhaps for reasons of self-preservation). Fiscal data will lack reliability as accounting records will be falsified</p>

Source: Modified and re-sequenced version of Heald (2013, Figure 33.4 on p. 736).

III. WHAT CAN KEY ACTORS DO TO TACKLE THESE OBSTACLES?

The next step in the discussion is to identify key actors in fiscal transparency processes and to discuss what action they might take to address the identified obstacles. The relative importance of such obstacles is likely to vary across jurisdictions, as will the capacity of particular actors to make a difference. For example, it is clear that Obstacle 5 (denial of downwards transparency) raises issues far beyond the reach of most of these actors. This discussion is organized in terms of the potential contributions of the following: citizens, financial markets, governments, standard-setting bodies, legislatures, oversight institutions, media, civil society organizations, international organizations, supranational institutions and academics. Their contributions may offer synergies or they may pull in opposite directions. No particular significance should be attached to the sequencing, chosen solely for reasons of expositional clarity, nor should the relative length of discussion be taken to indicate priority among agents.

Intermediate users (Rutherford, 1992) are vital interpreters and disseminators of government financial information, in part because of the free-rider problem: the economic costs of information acquisition fall on users whereas – unlike users of private sector financial reports – they cannot privately appropriate the resulting benefits. It is therefore useful to interpret the roles of various actors in terms of how effectively they might act as information-processing intermediate users, to the benefit of the postulated end-user – citizens.

Citizens: In democratic societies, political legitimacy derives from citizen participation in electoral processes, whatever the criticisms made about the franchise, electoral system or citizen engagement. In isolation, there is a limited amount that citizens can do, faced with the resources of governments and obstacles such as technical complexity. However, in their role as engaged citizens and voters, citizens can benefit from transparent fiscal information put into the public domain. Citizens can powerfully frame their claims for downwards transparency in terms of rights (Likierman and Creasey, 1985), particularly if those claims are underpinned by the technical capacity to engage.

In non-democratic societies, citizens do not play the same role as a source of political legitimacy. A question therefore arises as to how fiscal information generated by the other actors might be used by citizens. In contexts of endemic corruption, citizens might be able to mobilize on that specific issue, under the auspices of civil society

organizations, though much is likely to depend on whether political elites genuinely wish to reduce corruption.

One should not be starry-eyed about citizens: it is likely that their enthusiasm for spending and their opposition to taxes constitute a problem for other actors. The term 'citizens' is also a shorthand expression, as other relevant populations can be identified. There may be cleavages between: present and future generations; age deciles within the existing population; those who vote and those who are eligible but do not vote; those perceived to be taxpayers and those perceived not to be⁴; and residents who have voting rights and those who do not (increasingly an issue because of international migration). The same individual may have multiple roles: for example, as elector, as taxpayer and as producer or co-producer of public services. These cleavages and complexities suggest that information needs are diverse and becoming more so.

Financial markets: It might seem odd to discuss financial markets before executive power and the public institutions of democratic accountability. However, if governments do not cover their total expenditure by taxation revenues, there will be government borrowing. Historically, large debt is often associated with foreign wars; in the twentieth century this grew with activist macroeconomic policy and, since the 2008 financial crisis, with large increases in government borrowing to support the financial system and as a result of the impact of that crisis on economic activity.

One conceptualization is that financial markets will discipline governments, a role associated with US state and local government where a no-bail-out condition has credibility, resulting in differentiated costs of borrowing. Experience in the eurozone is less promising for this view as, pre-crisis, weak eurozone countries were borrowing at modest premia above Germany (Afonso and Gomes, 2011), suggesting that the risk assessments of credit rating agencies had been unreliable. This could be interpreted either as market misjudgement of sovereign risk or as a hard-headed judgement that no country would be allowed to default and leave the euro. At the minimum, financial markets are potential users of transparent information about government finances, though countries may be nervous of whether they would be rewarded or punished for being more transparent than others.

⁴ Perceptions of who is a taxpayer tend to focus on visible income and property taxes, not on excise and consumption taxes paid by all inhabitants of a jurisdiction.

Governments: What can be expected of governments will be conditioned by the observer's view of the state. An articulation of conflicting philosophical attitudes appears in Buchanan and Musgrave (1999): Richard Musgrave saw the possibilities for benevolent public action (public finance tradition) while James Buchanan viewed politicians as vote-maximizers and bureaucrats as budget-maximizers (public choice tradition). Much darker is the 'grabbing hand' conceptualization of Shleifer and Vishny (1998) in which political decision-makers seek to expropriate public resources for private gain. Consequently, the grabbing hand analysis typically looks for ways of limiting government as opposed to expanding its scope (p. 4). Where one stands on the analysis of government will influence (a) expectations of whether fiscal transparency is possible, and (b) the uses to which fiscal transparency will be put.

Given this context, it is unsurprising how much variation there is in index measures of fiscal transparency, such as the Open Budget Index (International Budget Partnership, 2013). If ministers wish to improve the fiscal transparency of their governments, they are in the best position of all actors to do so, subject to the constraints of technical capacity in the form of professional skills and IT systems. There are international examples of what can be done, New Zealand being an exemplar for industrialized countries with a strong private sector accountancy profession. Reforms there from 1984 onwards were driven by economic crisis and by the desire of key decision-makers to restructure the state, making it more effective as well as smaller. Views about the long-term economic and social results differ, but the mobilization of resources and the technical capacity were impressive. Considerable progress on fiscal transparency can be made through the initiatives of public officials in key positions, but a key success factor is political will on the part of ministers. Genuine progress is more likely to be made if there is a realistic assessment of two sensitive areas: government capacity and government probity.

First, if governments do not have the technical capacity to implement complex financial management reforms (Allen et al., 2013), there is a serious danger that countries sign up in bad faith to the conditionalities imposed by international organizations. Then there is likely to be failure to satisfy the conditionalities, a pretence that these have been met, without lasting gain, or superficial conformity to what countries have been told is 'international best practice'. Disillusionment on all sides is likely to follow. The message should be insistent that a fundamental prerequisite for accrual accounting is the prior capacity to track cash. One can think in terms of a 'ladder of public sector accounting', with New Zealand and Australia at the top rung. Moving up the ladder will, for many countries, be hard work and will take a long time.

Second, if rulers are themselves kleptocrats or are unable to control those who are, not much can be expected from accounting and financial management reforms before these problems are addressed. In such circumstances, there are powerful incentives for false reporting. Consequently, IPSASB's lack of enthusiasm for the revision of its cash accounting standard is regrettable. If portrayed as inferior to accruals in all circumstances, then countries – wishing to be seen as modernizing – might well not gain a secure footing on the ladder (Hepworth, 2003). In such circumstances there should be an emphasis on: the control of cash and physical assets; keeping contractual forms as simple as possible (thereby diminishing the scope for pleas of commercial-in-confidence); and prompt budgetary reporting. Exposure of abuses might be as effective a deterrent as formal controls.

Now comes the bad news for most governments. There is a claim in contemporary political discourse that increased transparency (generic as opposed to specifically fiscal) will increase trust in government. This resonates because of the trend in many countries for measured trust in government to have declined substantially: many public management reforms are advocated in terms that more transparency will increase trust. Unfortunately, the reverse is possible. For example, evidence that fraud and waste are widespread, or that political decisions are messy compromises, might instead reduce trust. If the relationship between greater fiscal transparency and trust is indeed positive in the long term, that gain might be well beyond the political horizons of governments. Pressures on governments for greater fiscal transparency will be an essential part of the process.

Standard-setting bodies: The internationalization of financial and fiscal domains has had far-reaching effects, analogous to the ways that in the mid-nineteenth century railway timetables brought standardized time. This can be seen in the internationalization of private sector accounting standards (IFRS becoming the norm outside the United States and some associated countries) and public sector accounting standards (IPSASB having acquired considerable influence, now followed by the EPSAS project which can either be seen as supportive of, or antagonistic towards, IPSAS). These have been driven by the search for comparable information, prepared on a common basis, with 'fiscal transparency' increasingly a headline argument (Bergmann, 2014). Even when standards remain notionally national, they are increasingly anchored to international standards.

Two important issues arise: technical capacity (a realized or potential strength) and legitimacy (often presented in terms of 'governance'). When standards-setting was

national, this activity could be undertaken by government or by a public body, or delegated to a private body. It is difficult to construct governance structures for standards-setting that are perceived to be both independent of government as accounts preparer and having a governance structure that is accepted as legitimate. These dilemmas are genuine, though some of their appeal is that complaining about inadequate governance can divert attention from matters of accounting substance. Unlike statistical accounting, IPSAS are not mandatory on national governments, which partly explains the sensitivities surrounding the proposal for mandatory EPSAS which would shift standard setting upwards.

Legislatures: In the constitutional rhetoric of democratic societies, legislatures hold governments to account for their spending and taxing decisions. This implies that legislatures act as fiscal constraints, whereas the opposite is often the case. Away from specialized committees that may take this remit seriously, legislatures act as cheerleaders for the government of the day and may be complicit in ‘pork barrel’ with governments and lobbies. Perhaps unsurprisingly, democratic legislatures echo the duality that characterizes their citizen-electors.

‘Transparency’ has become a contemporary battle cry, but one which can be used to support almost every favoured policy. Structural tensions within legislatures are likely to influence how effectively the scrutiny function is carried out. In turn, this may depend on the effectiveness of other actors, as legislatures may not have resources, expertise or inclination without external support and pressure. Capacity strengthening at the level of legislative committees is a potentially productive use of resources to leverage fiscal transparency reforms, but only where the activities are sustainable beyond the end of official assistance. There are balances to be struck: neither weak legislative scrutiny nor government shutdowns are desirable outcomes.

Oversight institutions: Hood et al. (1999) mapped the growth of oversight institutions, sometimes inside the ‘formal’ state and sometimes outside, which represent a separation of regulation and production. They go by different names, including audit, inspection and regulation. While adding to the available information, they can also increase volume and complexity, compounding problems of navigation. Those running oversight institutions generally occupy a position exposed to political and bureaucratic attacks on their legitimacy and competence, yet those outside greatly depend upon them. Two types of institution, one long-standing and the other largely a product of the 2000s, are particularly relevant: public audit institutions and fiscal councils.

First, public audit institutions are found in most jurisdictions, taking different forms (within the executive, as an independent office linked to the legislature, or as a court

with judges). Constitutional and legal forms are no longer good indicators, either of independence from the executive or of the types of work they perform. An important issue is how far their actual activities go beyond the audit of financial statements into regularity (conformity with legislative authority), probity (safeguarding public funds), ex post value for money assessment, and ex ante promotion of performance improvement. These issues raise difficulties because (a) policy (outside remit) and implementation (inside remit) are not clearly delineated, (b) engagement comes at the risk of self-review threat (implication in activities that will later be assessed), and (c) hindsight produces knowledge that did not exist when decisions were made. Nevertheless, public audit bodies are crucially important for fiscal transparency at the micro-level, as they are situated deep inside the government data perimeter. This has added importance when those outside are increasingly frustrated by the barriers of 'commercial confidentiality' in relation, particularly but not exclusively, to outsourced activities. In countries with low fiscal transparency and endemic corruption, the first use of audit resources should be directed at cash control, asset control and the management of procurement. How successful such efforts will be is likely to depend on whether present deficiencies derive mainly from capacity limitations or from embedded dysfunctionalities.

Second, within the government data perimeter are fiscal councils (Hemming and Kell, 2001; Hagemann, 2010), which have varying remits connected with macroeconomic forecasting and data presentation. These are all recent creations, resulting from distrust of government presentations of fiscal data and from the spread of 'best practice' encouraged by various forms of fiscal surveillance. A more sceptical view, following Hood (2007), is that such institutions are in part blame-avoidance mechanisms, protecting the finance ministry and government ministers from responsibility for forecast errors.

Media: Much depends on the degree of independence that the media in particular countries enjoy from governments, political parties and business interests. Traditional print media are finding their business models under threat from the internet age, with the result that they are less well resourced, particularly in terms of specialist correspondents with sufficient technical knowledge and longevity of tenure to challenge governmental interpretations of published documents. Whereas much of the media may be biased and ill-informed, those parts that have the capacity to engage have a platform which other actors generally lack. The problem remains that interpreting the documents that fiscal transparency puts in the public domain consumes both resources and column space that might otherwise be devoted to headline-generating scandals.

Civil society organizations: This is such a diverse category that care is needed in drawing generalizations. There are many organizations which, whatever the merits of their arguments, serve as lobbies for more public spending or for reduced taxation of favoured sectors. However, there are others with a public-interest orientation, including those which support greater transparency in public policy, including the fiscal domain. The Institute for Fiscal Studies (IFS) in the United Kingdom, founded in 1969, has an enviably high reputation and is so formidable that governments and other politicians usually treat it with care. This example indicates that it is possible to construct capacity outside government; on the other hand, the prominence of the IFS is itself an indictment of the weakness in the fiscal area of UK parliamentary institutions.

The International Budget Partnership (IBP) (a network of country-based civil society organizations across the world) and GIFT (a multi-stakeholder initiative that includes the IBP, IMF, World Bank, governments and other stakeholders) can be interpreted as attempts to build capacity for comparative evaluations. However, these organizations cannot aspire to the depth of institutional knowledge that effective domestic institutions possess. Provided that such organizations have diverse funding sources and institutional support, they seem less vulnerable to political pressures and thus able to sustain activities that annoy other actors.

International organizations: The IMF, OECD and World Bank are membership organizations, constrained by their most influential members. However, they have resourcing, capacity and access far beyond that possessed by other actors. Taking the IMF as an example, it deserves credit for putting fiscal transparency on the global policy agenda in the late 1990s and early 2000s. This opened up space for others, including academics who linked fiscal transparency developments with the broader transparency agenda. The IMF agenda of Reports on Observance of Standards and Codes (ROSCs) lost momentum in the late 2000s, in part due to budget cuts but also due to loss of enthusiasm in countries and within the IMF (Staffs of the International Monetary Fund and World Bank, 2011a,b; Heald, 2013, pp. 717-8). It was then revived in the 2010s following a major review prompted by post-crisis appreciation of increased fiscal risks (IMF, 2012). Following extensive consultation, a new fiscal transparency code was launched in October 2014 (IMF, 2014a). Thus far, new-style 'Fiscal Transparency Evaluation' (FTE) reports have been issued on Bolivia, Costa Rica, Ireland, Portugal

and Russia, borrowing the dashboard idea from the precedent of the Balanced Scorecard⁵.

Supranational institutions: Although not the only such case, the European Union (EU) will be the focus of discussion here. It constitutes a powerful driver for fiscal comparability as an essential basis for fiscal surveillance under the 2-pack and 6-pack procedures (countries are bound by justiciable treaty obligations), and also as an obstacle to fiscal transparency (countries under pressure from fiscal surveillance may feel justified in cheating, not least when confronted by volatile domestic electoral dynamics). Two contemporary examples illustrate this difficulty. First, there is an ongoing public debate about the long-term viability and consequences of the euro: fiscal surveillance is seen by those hostile to the euro as the means to impose economic, fiscal and social costs on certain countries, for the benefit of others. Effective fiscal surveillance requires data to be as standardized as possible: keeping secrets from surveillers might consequently be attractive to those under pressure. Second, the European Commission is currently promoting the notion of EPSAS, to be operational by 2020 on a legally mandated basis. Quite apart from the practicalities of implementation, two issues figure prominently: the issue of which countries would incur the most costs of the upwards migration of standards from the national to supranational levels; and the issue of constrained national decision-making.

Academics: Academics are unlikely to lead the fiscal transparency agenda, but can contribute: through conceptual and normative studies; econometric investigations of variables promoting or obstructing fiscal transparency; assessments of the outcomes of fiscal transparency practices; and the conduct of theoretically-informed case studies at entity or country level. Academics have the advantage of not being bound by organizational lines-to-take, or fear of upsetting member governments, but they lack access to data and persons, being outside government information perimeters that some other actors can transcend. On the basis of what others publish, they are in an advantageous position to play the role of intermediate users.

An undoubted threat to this involvement is the way that academics in many countries are increasingly constrained by the narrowing of what constitutes research performance

⁵ To access these Fiscal Transparency Evaluations, go to: <http://www.imf.org/external/np/fad/trans/>.

within increasingly hierarchical managerial structures. What is perceived as ‘useful’ by the non-academic world does not necessarily receive recognition inside academia.

* * *

Summaries of this dense network are inevitably incomplete. However, Table 2 extracts from the above discussion some ideas about the potential contributions of particular actors. In their own way these actors may themselves constitute obstacles to fiscal transparency, particularly when confronted by what are perceived to be hostile configurations of other actors. There are likely to be complex interactions, with some synergies and some dysfunctionalities. Like transparency itself, fiscal transparency has become an umbrella term, which therefore requires unpacking. Important issues to address include (a) whether fiscal transparency relates to process, outcomes or both (Heald, 2003) and (b) whether actors are committed to fiscal transparency as something valuable (intrinsically or instrumentally) or whether it is externally imposed.

Table 2: What Key Actors Might Contribute to Surmounting Obstacles

Actors	Potential Contribution
Citizens	Citizens hold a powerful place in the rhetoric of democratic institutions, thereby giving legitimacy to their claims for fiscal information based on rights. In practice, economic interests will diverge. Much less can be expected from them in countries which are not democracies
Financial markets	Some commentators have great confidence in financial markets as a means of disciplining governments at sub-national and national levels. Others dispute this, pointing to how differential borrowing costs have at particular periods appeared to depart from country risk. Financial markets will process improved transparency information, providing a stimulus to continued production and enhancement. However, there seems to be uncertainty among policy-makers as to whether countries would be rewarded, in terms of higher ratings and lower borrowing costs, for higher levels of fiscal transparency than others, or punished because of the revealed size of their liabilities

Governments	Governments are best placed to construct or obstruct fiscal transparency. If there is genuine commitment to fiscal transparency, and the technical capacity exists, rapid progress can be made. If present rulers expect that, one day, they might themselves be out of power, there are added incentives to surmount obstacles while in power. Corrupt governments pose a significant obstacle, emphasizing that progress will depend on pressure from other actors
Standard-setting bodies	These provide the bases on which reliable comparative information can be prepared: SNA/ESA attempt this for national accounts; and IPSASB/future-EPSASB for public sector financial reporting. There are inevitable problems about governance (with tensions about independence, legitimacy, technical capacity, resourcing) and substantive progress takes years, not months
Legislatures	Legislatures are likely to disappoint if too much reliance is put upon them as vehicles for increased fiscal transparency. Parliamentarians have conflicting loyalties, to party government as well as to parliamentary institutions. If other actors have done the foundational work, they might come into their own as users of that information. A structural difficulty is that, whatever the quality of Committee investigations, that work can be overlooked at the big-picture level in the legislature's chamber
Oversight institutions	In this context, the key oversight institutions are the public audit bodies (micro-level) and – where they exist – fiscal councils (macro-level). These have two advantages: they have claims to be independent; and they are located within the government information perimeter. For example, the former can access contractual information covered by commercial confidentiality and the latter, to which economic forecasting is sometimes delegated, have access to unpublished market-sensitive data held by government. These oversight institutions occupy an uncomfortable place in relation to executive power (self-censorship is a hazard for

	audit offices), but they have a vital role in conveying trustworthy fiscal information into the public domain. Where fraud and corruption are significant problems, the probity (regularity and propriety) function of the public audit office must have greater prominence relative to performance auditing
Media	Media that have both technical capacity and a mission to inform can play an invaluable role as ‘information broker’, utilizing journalistic skills of condensation and having access to audience sizes beyond the reach of other actors. This opportunity is lost if they are pre-occupied with ideological lines or with support for, or condemnation of, incumbent governments. The internet age has threatened the business model of ‘serious’ print media, while drastically reducing the marginal cost of information dissemination (though some may go behind toll walls)
Civil society organizations	Because of diversity of purpose and context, generalization is problematic. However, at the national level, they may have the capacity to mobilize expertise independent of governments. Whether they are listened to, or suppressed, might depend on the capacity and resilience of other actors, particularly as those can both feed and feed off the activities of such organizations. Those operating on an international scale may have the capacity to produce comparative data and to engage directly with other actors, including international organizations which might out-source controversial roles to them
International organizations	Organizations such as the IMF, OECD and World Bank can mobilize resources and expertise not available to others. However, the task of undertaking fiscal transparency reviews of all IMF members within a reasonable timescale is impossible. The IMF should concentrate on the G20, other systemically important countries, and others from which generalizable lessons might be drawn. A self-assessment tool should be developed, so that countries outside the official programme can benefit and those within can use this

	<p>between periodic reviews.</p> <p>Not all countries will co-operate but self-exclusion might bring reputational risk. How to sustain such programmes in periods of calm between crises will undoubtedly be difficult, as was illustrated by the decline of fiscal Reports on the Observation of Standards and Codes (ROSCs). The World Bank could undertake parallel Public Expenditure and Financial Accountability (PEFA) evaluations, but these require realistic benchmarks of where countries of varying capacities could reasonably expect to be. The OECD's country economic surveys would benefit, given more comparable fiscal data</p>
<p>Supranational institutions</p>	<p>Post-2008, there has been an intensification of fiscal surveillance within the EU, associated with crises in peripheral countries (such as Greece, Ireland, Portugal and Spain) and deep concerns about the economic performance of certain core countries (especially France and Italy). The overriding policy priority has been to preserve the euro on the basis of existing membership, leading fiscal surveillance to become linked to programmes of externally-imposed and internally-generated consolidation packages. Such surveillance comes with sharp teeth, lacking from IMF Article 4 consultations (unless countries also have IMF programmes)</p>
<p>Academics</p>	<p>Academics can contribute but are unlikely to lead, due to other commitments (such as teaching) and professional incentive structures that mean few can afford career breaks. Unless particular circumstances intervene, they use public domain information (being outside the information perimeters of key actors) but have less need to be respectful in maintaining inter-organizational harmony as an imperative. Academics are not generally equipped to run consultancy projects, and involvement in advocacy projects can threaten academic reputation</p>

IV. WHAT MIGHT GIFT CONTRIBUTE?

Although the GIFT project has been formulated in terms of ‘incentives for fiscal transparency’, recourse to principal-agent conceptualizations should be treated with care. Formulating the issue of fiscal transparency in such an instrumental way runs the risk of reinforcing instrumental views that may be held by key actors in dense and complex policy systems. Power (2003) has repeatedly cautioned that the reaction of auditees to control systems is critical to both understanding and effectiveness. In the present context of fiscal transparency, various actors have the wherewithal to subvert or compromise imposed systems, whether through accounting arbitrage, false reporting, or the gaming of comparisons used to generate international league tables. While removing dysfunctional incentives has an important role, securing key actor commitment to fiscal transparency on value grounds is more likely to be productive.

Attention now turns to what GIFT might contribute. First, the principal contribution of GIFT is likely to be the encouragement of high standards of fiscal transparency (‘winning hearts and minds’), rather than the execution of transparency assessments or programmes. It is vital to build country and actor enthusiasm for fiscal transparency: good examples set by countries with technical capacity and strong transparency traditions are likely to be more effective than coercion of the weak. Although sounding mundane, buy-in on the part of the diverse actors is the key to success, both domestically and in terms of international spread of genuinely good practice.

Without such buy-in, reputation-protecting formal processes (few countries like to receive bad scores in international league tables) are likely to co-exist with the arbitraging of accounting and statistical standards (for example, on PPPs and on government guarantees). Heald (2003) distinguished between nominal transparency and effective transparency, the gap being partly caused by deniable-at-the-time practices, which then spread across the world into jurisdictions with less capacity to manage complex off-balance sheet obligations. International organizations then play catch-up, in the form of changing definitions and strengthening reporting obligations: this sometimes looks like closing the stable door after the horse has bolted. The IMF has done this on PPPs (Akitoby, 2007; Rial, 2012), as has the OECD (2012) on the design of PPP programmes. For understandable reasons, these member-based organizations maintain the pretence that the motive is higher productive efficiency, when it is widely admitted in private that the main driver is to place assets and liabilities off-balance sheet. The off-balance sheet Juncker Commission infrastructure plan

(European Commission and European Investment Bank, 2014) provides evidence that such arbitrage continues, now on a grander scale. Moreover, as external surveillance of fiscal policies has intensified, Quantitative Easing by central banks has blurred the once-clear distinction between monetary and fiscal policy, through which device quasi-fiscal obligations will build up.

Second, though several of the actors are constrained in how they can express this, all transparency claims, those for fiscal transparency included, are formulated within power relationships. Transparency now makes remarkably frequent appearances in political speeches and bureaucratic documents, with the putative transparency obligation being placed on others. It is often claimed that others should be rendered accountable, without consideration of the extent to which there should be reciprocal obligations of transparency.

In the context of the eurozone, Barber (2011) warned of the potential consequences of economic technocracy, in the form of external fiscal surveillance, relegating democracy with unpredictable long-term consequences. It would be highly damaging to the fiscal transparency agenda if it were to become exclusively identified with austerity programmes and the neo-liberal objective of shrinking the state. Two of the top six countries on the 2012 Open Budget Index (International Budget Partnership, 2013) are 'big state' Scandinavian countries (Sweden and Norway), with France also one of the six⁶. Fiscal transparency is also valuable to those who wish to ensure the sustainability of welfare states because this will reduce the risk of dislocating crises in which entitlements are shredded. Through the work that it commissions and is associated with, GIFT can protect fiscal transparency from austerity-aversion. Encouraging the development of intermediate users in countries where no such tradition exists could be a promising avenue for technical support. The most effective intermediate users are those who enjoy informal access to other actors such as ministries of finance and legislative committees.

Third, GIFT can articulate the values that underlie fiscal transparency. This can be more difficult for international organizations as some of their members do not necessarily subscribe to those values. There is widespread alarm in many countries about the

⁶ The other three countries in the 2012 top six are Anglo-Saxon in governmental tradition: New Zealand, South Africa and the United Kingdom.

public's diminishing respect for democratic institutions and those who operate them. Opinion surveys show low and declining trust in government, including the management of public finances, though the pattern is not uniform across countries (ICAEW and PwC, 2014). What would be dangerous would be the claim that the technocratic fix of increased fiscal transparency would necessarily reverse that trend, because that way disappointment beckons.

An analogy makes this point clear. There is a desperate attempt in relation to private sector corporate governance to prove that companies with more women board members are more profitable than other companies; therefore, increasing the proportion is in the (hitherto unrecognized) interests of shareholders. This search for instrumental evidence suggests a reluctance to make the values-based argument that those running important economic and social institutions should broadly reflect their relevant population. This is much the same as the propositions that police forces in Northern Ireland and in US cities should not depart too far from the religious and ethnic composition of the populations they police.

On a different tack, Hardin (1999) questions the desirability of high levels of trust in government. Returning to the network of actors considered in Table 2, too much trust in government might indeed weaken the challenge and scrutiny functions that other actors are expected to fulfil.

Finally, with the model of quasi-judicial independence now stretched to audit, monetary and fiscal arenas, the likelihood of pushback might grow. Fiscal and other forms of governmental transparency challenge 'official' control of information flows. A consequence of fiscal squeezes in New Zealand and Sweden has been to embed fiscal transparency in the political culture: possibly the same might now occur in Ireland (Hood et al., 2014). Two undesirable reactions to fiscal squeeze have to be guarded against: first, that the response to fiscal constraints is ever more ingenious arbitrage to put activities off-budget and off-balance sheet, with techniques including greater use of regulatory power to achieve objectives hitherto achieved via public spending; and, second, that rulers become more intolerant of criticism from other actors, particularly opposition parties, media, civil society and international organizations. Fiscal transparency is a fragile plant, which requires continuous nurturing.

References

Afonso, A. and P. Gomes (2011) 'Do fiscal imbalances deteriorate sovereign debt ratings?' *Revue Économique*, Vol. 62(6), pp. 1123-34.

Akitoby, B., R. Hemming and G. Schwartz (2007) *Public Investment and Public-Private Partnerships*, Economic Issues 40, Washington DC, International Monetary Fund.

Allen, W.A. (2000) *The Role of Transparency in the Development of Financial Markets*, Speech at the 6th Arab Investment Capital Markets Conference, May 18, Beirut, available at: <http://www.bankofengland.co.uk/archive/Documents/historicpubs/speeches/2000/speech87.pdf> (last accessed December 8, 2014).

Allen, R., R. Hemming and B.H. Potter (eds) (2013) *The International Handbook of Public Financial Management*, New York, Palgrave Macmillan.

Alt, J. E. and D.D. Lassen (2006) 'Fiscal transparency, political parties and debt in OECD countries', *European Economic Review*, Vol. 50(6), pp. 253-73.

Barber, T. (2011) 'Policymakers relegate democracy at their peril', *Financial Times*, November 10.

Barker, R. and A. McGeachin (2013) 'Why is there inconsistency in accounting for liabilities in IFRS? An analysis of recognition, measurement, estimation and conservatism', *Accounting and Business Research*, Vol. 43(6), pp. 579-604.

Bergmann, A. (2014) *Accountability. Now. We Must Enhance Government Accountability and Transparency*, 21 October, available at: <http://www.ifac.org/global-knowledge-gateway/viewpoints/accountability-now-we-must-enhance-government-accountability-and#> (last accessed 20 December 2014)

Buchanan, J.M. and R.A. Musgrave (1999) *Public Finance and Public Choice: Two Contrasting Visions of the State*, Cambridge MA, MIT Press.

Ernst & Young (2012) *Overview and Comparison of Public Accounting and Auditing Practices in the 27 EU Member States*, Brussels, Ernst & Young for Eurostat.

European Commission and European Investment Bank (2014) 'EU launches investment offensive to boost jobs and growth', Press release, 26 November, available at: http://europa.eu/rapid/press-release_IP-14-2128_en.htm (last accessed 20 December 2014).

Glennerster, R. and Y. Shin (2008) 'Does Transparency Pay?', *IMF Staff Papers*, Vol. 55(1), pp. 183-209.

Hagemann, R. (2010) *Improving Fiscal Performance through Fiscal Councils*, Economics Department Working Papers No. 829, Paris, OECD.

Hardin, R. (1999) 'Do we want trust in governments?', in M. Warren (ed) *Democracy & Trust*, Cambridge, Cambridge University Press, pp. 22-41.

Heald, D. (2003) 'Fiscal transparency: concepts, measurement and UK practice', *Public Administration*, Vol. 81(4), pp. 723-59.

Heald, D. (2006a) 'Varieties of transparency' in C. Hood and D. Heald (eds) *Transparency: The Key to Better Governance?* Proceedings of the British Academy 135, Oxford, Oxford University Press, pp. 25-43.

Heald, D. (2006b) 'Transparency as an instrumental value' in C. Hood and D. Heald (eds) *Transparency: The Key to Better Governance?* Proceedings of the British Academy 135, Oxford, Oxford University Press, pp. 59-73.

Heald, D. (2012) 'Why is transparency about public expenditure so elusive?' *International Review of Administrative Sciences*, Vol. 78(1), pp. 30-49.

Heald, D. (2013) 'Strengthening fiscal transparency', in R. Allen, R. Hemming and B.H. Potter (eds) (2013) *The International Handbook of Public Financial Management*, New York, Palgrave Macmillan.

Hemming, R. and M. Kell (2001) 'Promoting fiscal responsibility: transparency, rules and independent fiscal authorities', in Banca d'Italia, *Fiscal Rules*, Proceedings of the Fiscal Policy Workshop held in Perugia, February 1-3, Rome, Banca d'Italia, pp. 433-59.

Hepworth, N. (2003) 'Preconditions for implementation of accrual accounting in central government,' *Public Money & Management*, Vol. 23(1), pp. 37-44.

Hood, C. (2007) 'What happens when transparency meets blame-avoidance?', *Public Management Review*, Vol. 9(2), pp. 191-210.

Hood, C., D. Heald and R. Himaz (eds) (2014) *When the Party's Over: The Politics of Fiscal Squeeze in Perspective*, Proceedings of the British Academy 197, Oxford, Oxford University Press.

Hood, C., C. Scott, G. Jones and T. Travers (1999), *Regulation Inside Government: Waste-Watchers, Quality Police and Sleaze-Busters*, Oxford, Oxford University Press.

ICAEW and PwC (2014) *Trust in Public Finances: A Survey of Citizens in 10 European Countries*, London, Institute of Chartered Accountants in England and Wales and PricewaterhouseCoopers

IMF (2012) *Fiscal Transparency, Accountability, and Risk*, Washington DC, International Monetary Fund.

IMF (2014a) *The Fiscal Transparency Code*, Washington DC, International Monetary Fund, available at: <http://blog-pfm.imf.org/files/ft-code.pdf> (last accessed 18 December 2014).

IMF (2014b) *Government Financial Statistics Manual 2014*, Washington DC, International Monetary Fund, available at: <http://www.imf.org/external/np/sta/gfsm/pdf/text14.pdf> (last accessed 9 February 2015).

International Budget Partnership (2013) *Open Budgets Transform Lives: The Open Budget Survey 2012*, Washington, D.C., International Budget Partnership.

Irwin, T.C. (2012) *Accounting Devices and Fiscal Illusions*, IMF Staff Discussion Note SDN/12/02, March 28, 2012, Washington, DC, International Monetary Fund, available at:

<https://www.imf.org/external/pubs/ft/sdn/2012/sdn1202.pdf> (last accessed 9 December 2014).

Irwin, T.C. (2013) *Shining a Light on the Mysteries of State: The Origins of Fiscal Transparency in Western Europe*, IMF Working Paper WP/13/219, Washington DC, International Monetary Fund, available at: <http://www.imf.org/external/pubs/ft/wp/2013/wp13219.pdf> (last accessed 9 December 2014).

Likierman, A. and P. Creasey (1985) 'Objectives and entitlements to rights in governmental financial information', *Financial Accountability & Management*, Vol. 1(1), pp. 33-50.

Majone, G. (1997) Majone G (1997) From the positive to the regulatory state: causes and consequences of changes in the mode of governance. *Journal of Public Policy*, Vol. 17(2), 139–167.

Meijer, A. (2014) 'Transparency' in M. Bovens, R.E Goodin and T. Schillemans (eds) *The Oxford Handbook of Public Accountability*, Oxford, Oxford University Press, pp. 507-24.

Moser, Lord Claus (1999) *A Fresh Start*, London, Department for Environment and Education.

OECD (2012) *Recommendation of the Council on Principles for Public Governance of Public-Private Partnerships*, Paris, OECD.

Power, M. (2003) 'Evaluating the audit explosion', *Law & Policy*, Vol. 25(3), pp. 185-202.

PricewaterhouseCoopers (2014) *Collection of Information related to the Potential Impact, including Costs, of Implementing Accrual Accounting in the Public Sector and Technical Analysis of the Suitability of Individual IPSAS Standards*, Contract 2013/S 107-182395, Brussels, PricewaterhouseCoopers for Eurostat.

Rial, I. (2012) *Key Issues in Managing Fiscal Risks from Public-Private Partnerships (PPPs)*, presentation at 5th annual OECD meeting on Public-Private Partnerships, Paris, March 26, 27, available at: <http://www.oecd.org/dataoecd/51/41/49956737.pdf> (last accessed 23 February 2015).

Rutherford, B.A. (1992) 'Developing a conceptual framework for central government financial reporting: intermediate users and indirect control', *Financial Accountability & Management*, Vol. 8(4), pp. 265-80.

Shleifer, A. and R.W. Vishny (1998) *The Grabbing Hand: Government Pathologies and their Cures*, Cambridge MA, Harvard University Press.

Staffs of the International Monetary Fund and World Bank (2011a) *2011 Review of the Standards and Codes Initiative*, Washington DC, International Monetary Fund and World Bank, available at: <http://www.imf.org/external/np/pp/eng/2011/021611.pdf> (last accessed 20 December 2014).

Staffs of the International Monetary Fund and World Bank (2011b) *2011 Review of the Standards and Codes Initiative – Background Paper*, Washington DC, International Monetary Fund and World Bank, available at: <http://www.imf.org/external/np/pp/eng/2011/021611a.pdf> (last accessed 20 December 2014).

Transparency International (2014) *Corruption Perceptions Index 2014: Results*, Berlin, Transparency International, available at: <http://www.transparency.org/cpi2014/results> (last accessed 20 December 2014).

Wehner, J., and P. de Renzio (2011) *Citizens, Legislators, and Executive Disclosure: The Political Determinants of Fiscal Transparency*, IBP Working Papers 3, Washington DC, International Budget Partnership.