

# The Legislature and the Budget

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During the 1990s, more than a quarter of the countries of the world revised their constitutions to include an expand the role of their legislatures. This paper examines one of the most important roles for legislatures—that of financial oversight—and considers some of the lessons emerging from a decade of legislative development and reform.

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**The Legislature and the Budget**

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In most countries, the legislature is the constitutionally mandated as the institution through which governments are held to account to the electorate. In doing so, the legislature can use several means, including the questioning of senior government officials including ministers, the review and confirmation of executive appointments, impeachment and/or the power to dismiss the government, question period, the establishment of parliamentary committees and the formation of commissions of inquiry.

The accountability mechanisms available to any one legislature depends upon the constitutional provisions regarding the specific powers of the legislature, the institutional arrangements between the different branches of government and the division of authority between national, regional and local government (Dubrow 1999). Committee hearings and hearings in plenary settings and commissions of inquiry are more common in the legislatures of parliamentary systems (parliaments) while commissions of inquiry are more used in presidential systems (Pelizzo and Stapenhurst, forthcoming (a)).

Legislative oversight is nowhere more important than over the budget. The role of the legislature in most countries is to scrutinize and authorize revenues and expenditures, and to ensure that the national budget is properly implemented. How governance affects the wellbeing of the populace depends on tax levels, spending patterns, the impact of policies on investment and on interest rates, as well as on the ways that domestic priorities and choices interact with international economic and financial trends.

The evolution of legislative *power of the purse* dates back medieval times, when knights and burgesses in England were summoned to confirm the assent of local communities to the raising of additional taxes<sup>1</sup>. By the early 14<sup>th</sup> century, the English Parliament had begun to use its power to condition the voting of supply to the acceptance and redress by the monarch to public petitions presented by Parliament<sup>2</sup>. This process was confirmed in 1341, when King Edward III agreed that citizens should not be “charged nor grieved to make common aid or to sustain charge” without the assent of Parliament (White, 1908).

In parallel, the English Parliament began to take an interest in how money was collected, as well as spent. As early as 1340, commissioners were appointed by Parliament to audit the accounts of tax collectors and where public officials were found to have been deficient, the House of Commons would impeach the officials and the House of Lords would try the case (Norton, 1993).

Parliament’s power of the purse evolved gradually, and was particularly strengthened during the 16<sup>th</sup> century, when Tudor monarchs needed Parliamentary support and its voting of funds in their various political and religious battles; King Henry VIII, for example, accorded Parliament enhanced status in policymaking, in return for support with his battles with Rome (Norton, 1993).

Since that time, the *power of the purse* function has been played by legislatures around the world as a means to expand their democratic leverage on behalf of citizens. There is great variation,

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<sup>1</sup> There was, however, no suggestion that they had the power to *refuse* such assent (Norton, 1993)

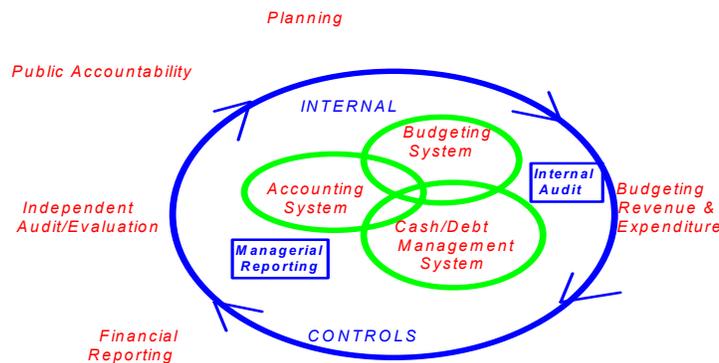
<sup>2</sup> From such petitions evolved *statutes*, which required the assent of Parliament and the King, which were distinguishable from *ordinances*, which were the product solely of the King – thus marking the beginning of the transfer of power from the King to Parliament for the development of Statute law (Norton, 1993).

however, in the nature and effect of legislative engagement. Some legislatures effectively write the budget; others tend to approve executive budget proposals without changes. In some legislatures, most of the debate takes place in plenary, on the floor of the house, elsewhere, the emphasis is on review in committee. Some legislatures fragment scrutiny of the budget across several committees while others have established a pre-eminent budget (or finance) committee that oversees the process. Ultimately, however, the final vote of approval on “the budget act” takes place in the chamber<sup>3</sup> (Wehner and Byanyima, forthcoming).

It is useful to conceptualize the overall budget system as a continuing and integrated *budget cycle process*, with legislatures playing a key role at different stages of the cycle. This cycle includes many institutions which, among others, form a country’s governance system, namely, the executive, the public service, civil society and the legislature. Certain facets of the budget process—government accounting, managerial reporting and internal audit, for example—are primarily the responsibility of the executive and the public service; these are shown *inside* the circle, in Diagram 1. But for the overall budget cycle to work in a transparent, open and accountable way within the national economy, the various functions *outside* the circle—budget planning, revenue/expenditure allocation, financial reporting, external audit and evaluation and public accounting—should involve significant interaction with civil society groups, businesses and the public at large. It is here that legislatures have a key role to play (Langdon, 1999). It is useful to consider the role of the legislature both ex-post and ex-ante in the budget process.

**Diagram 1: Heart of Executive-Legislative Relations: The Budget Process**

## Heart of Executive-Legislative Relations : The Budget Process



<sup>3</sup> It is this process, of legislative approval of the budget, that brings the rule of law to the budget process

## The Legislature and the Budget Ex-Ante

Yet if legislatures around the world have the constitutional power to consider national budgets and authorize governments to raise revenues and carry out expenditures, there is a wide variation in the actual exercise in this power.

Allen Schick, for example, has noted the long-term decline in the influence of national legislatures on budget policy in industrialized countries, due to a combination of devolution of spending to state and local governments and, to a lesser extent, of revenues and the expansion of both entitlement spending and national debt service. This budgetary decline is perhaps most evident in Britain, where Parliament has long ceased to influence budget measures proposed by the executive (Davey, 2000).

Elsewhere, there is a mixed trend, with some OECD country legislatures launching efforts to regain a more active role in the budget process. In France, for example, the National Assembly recently initiated a wide ranging budget reform which includes a reclassification of the budget in order to support parliamentary oversight and an expansion of powers to amend expenditures (Chabert, 2001).

In developing and transition countries, too, there is a trend towards legislative budget activism, reflecting the process of democratization and the opening up of possibilities for legislative involvement in what was previously closed budgetary systems. In Brazil, for example, Congress had historically played no significant role in the budget process; now, constitutional changes have given Congress powers to modify the budget (see Box 1). In Africa, too, changes are occurring: South Africa and Uganda have passed Financial Administration or Budget Acts which give more influence to the legislature during the budget formulation and approval processes.

### Box 1: Brazilian Congress

Historically, the Brazilian Congress played no significant role in the budget process, but democratization in the 1980s led to constitutional changes that gave Congress powers to modify the budget, with the result that many amendments are now proposed each year. Constitutionally, the Brazilian Congress may only increase one appropriation by decreasing another. But a 'loop hole' also allows Congress to alter revenue figures when it concludes the executive has made 'errors or omissions'. To exercise effective control, the Joint Committee on Plans, Public Budgets and Auditing has moved to a practice of imposing limits on congressional amendment activity. In a recent budget approval process, the following limits applied: (1) Up to 20 individual amendments for each representative, each one not reallocating more than a certain amount (of about \$750000). (2) Up to five amendments for each sectoral committee in each chamber of Congress, without a monetary limit. (3) Between 15 and 20 amendments proposed by two-thirds of the representatives elected from each state, with no monetary limit.

Source: Blöndal, J. R., C. Goretti & J. K. Kristensen (2003)

Even if the formal role of the legislature in amending the budget may be weak or non-existent, this does not necessarily mean that it cannot *influence* the budget. In Ghana, for instance, the Finance Committee has had some success, in particular by requiring pre-budget consultations with the Minister of Finance while the Public Accounts Committee requires quarterly statements from the Finance Minister on budget execution. One particular "success" was Parliament's influence in the introduction of a value added tax (see Box 2).

### **Box 2: Ghana's Parliament Introducing a VAT**

In 1995, Ghana's government introduced a value-added tax, in an effort to remedy the deficiencies of existing consumption taxes and to boost the revenue capacity of government. Following widespread civil unrest, which resulted in several deaths, which strengthened political opposition to the tax, Parliament repealed the VAT.

Subsequently, a National Economic Forum showed that there **was** broad agreement on the VAT initiative, but that such a tax would likely have implementation problems and—perhaps more significantly - that the opposition party in parliament increasingly believed that the solution to Ghana's chronic budget deficits were not new revenue measures but rather expenditure controls and reductions.

Despite government objections, parliament required national public hearings on the new proposals for VAT, with the result that public support was garnered for a VAT with a lower, but broader, base (10 percent compared with the previous 17.5 percent) but with the exclusion of certain basic goods such as unprocessed foods, drugs and health services. The revised tax was approved by Parliament in December 1998.

In 2000, Parliament voted to increase the VAT rate to 12.5 percent, with the additional funds being directed to a new General Education trust Fund, that guaranteed that the new revenues would be spent on education and that this fund would be operated autonomously from the Ministry of Education.

*Sources: Chapman (2001); Barkan et al (2003); Langdon (1999)*

Legislative activism in the ex-ante budget process can cause problems for organizations such as the IMF and World Bank. Von Hagen (1992), reflecting the views of many economists and an influential body of research, notes that legislative activism may weaken fiscal discipline. Wehner (forthcoming) counters this, by noting that legislatures are not the only source of overspending and that in some instances legislatures can reign in irresponsible government spending<sup>4</sup>. Wehner also argues that, even if greater legislative activism in budget formulation does lead to some fiscal deterioration, this may well be a price worth paying for greater public input into, and national consensus around, the budget.

Often, legislatures may seek public input into their deliberations on the national budget, thereby helping to develop a balance of views and inputs and providing a platform for a more broadly based consensus than would otherwise be the case. Legislatures can be the entry point into the budget process for business groups, academics, civil society organizations and policy groups and many actively solicit submissions from civil society (Wehner, forthcoming). In South Africa, the Women's Budget Initiative was established by the parliamentary Finance Committee and two non-governmental organizations; this partnership enabled parliamentarians to draw on the research skills of civil society and gave direct access by the NGOs to policy makers. The outcome is more gender sensitive budgeting (Budlender, various).

<sup>4</sup> Wehner cites the United States, Germany and the South African province of Mpumalanga where the executive initiative, rather than the legislature, caused a deterioration in fiscal discipline.

But if, on balance, legislative involvement in the budget process ex-ante is desirable, why are there still many legislatures which only play a minor role? Wehner (forthcoming) notes six explanatory variables. First, the constitutional nature of the state itself has a bearing, with legislatures in presidential systems playing a more significant role in budget formulation and examination than those in parliamentary or semi-presidential systems. (Parliamentary systems encourage a collegial approach to relations between the executive and the legislature, since the former is directly dependent on majority support in the legislature for its existence. For a parliament not to approve the budget would, in essence, be equivalent to a vote of no confidence in the government and, in Westminster-type parliaments at least, the resignation of the executive. In presidential systems, by contrast, the separation of powers can lead to conflict between the executive and the legislature, nowhere more acute than in matters relating to the budget—as, for example, in Nigeria). Second, and related, are the legislature’s powers to amend the budget—with legislatures in many of the semi-presidential and non-Commonwealth parliamentary systems having the power to amend the budget. Table 1 indicates the number of legislatures that have the power to amend the budget.

**Table 1 Legislatures’ Powers to Amend the Budget**

<b>Rights</b>	<b>No. of Countries</b>
Unlimited powers to amend the budget	32
Reductions of existing items only	17
May reduce expenditure, but increase only with permission of the government	4
Increases must be balanced with commensurate cuts elsewhere	13
Rights not specified	15
<b>Total</b>	<b>81</b>

Source: Adapted from IPU (1986, Table 38A), quoted in Wehner (forthcoming)

Thirdly, some researchers (Leston-Bandeira, 1999 and Young, 1999) have stressed that budgeting takes place in a broader political context and that is, ultimately, an expression of the power relations of political actors that participate in the process. Thus, how much *de facto* rather than *de jure* influence the legislature has is largely determined by party political majorities. If the legislature comprises several parties, none of which have an overall majority, or party discipline is weak, the executive will have to assemble a broad coalition of support for the budget, with a concomitant increase in the potential influence of the legislature in the budget (Ghana is, perhaps, a good case in point, where the government currently has a majority of only one in parliament). By contrast, where there is a strong or dominant political majority and where political party discipline is strong, the legislature’s ability to influence the budget will be weaker. In addition, informal caucuses in some legislatures, such as women’s or environmental groups, can exert influence on legislation, including budget legislation (Leston-Bandeira (1999), Young (1999) and Von Hagen (1992), quoted in Wehner and Byanyima (forthcoming)).

Fourthly, the existence of a legislative budget research capacity can enable the legislature to make informed contributions to budget formulation. Contrast, for example, the Congressional Planning and Budget Office of the Philippines, for example, which has a staff of 50 and the newly formed Parliamentary Budget Office in Uganda, staffed with 13 economists, with the parliaments of Zambia, Namibia and Sri Lanka that have no specialized budget researchers. Box 3 presents the

case of Poland. Related, Pelizzo and Stapenhurst (forthcoming, (b)) note a related factor: access to information. Parliamentarians need accurate and timely information if they are to make meaningful contributions to budget formulation.

Fifthly, Wehner notes the existence of specialized budget committees, in which in-depth and technical debate can take place, supported by adequate staff and related resources and given sufficient time for deliberation, having an important influence on the role that the legislature can play in budget formulation. In recent years, India, Uganda and Zambia, to name just three countries, have created committees to consider budget issues.

### **Box 3: The Polish Parliament's Budget Research Office**

After years of lacking any real power, democratic changes in Poland during the late 1980s and early 1990s led to a belief that Parliament should exert greater influence over the budget. In 1991, a small research unit was established, with a staff of six employees. Despite numerous start-up difficulties, including the fact that none of the researchers had previously worked in parliamentary administration, early rivalries between parliamentary committee staff and the research office and that a large majority of parliamentarians were newcomers for whom the budget process was completely unknown, the bureau's stature grew such that in 1995, the staff were increased from 6 to 12, co-operation was formalized with a university (with contracted analytical services provided by four academics) and the co-ordination by the research unit of the work undertaken by Committee staff.

The result was an ability of the research unit to undertake in-depth analysis of the government's proposed budget—with the unit now completing over 300 pieces of analysis each year, and parliament introducing some 700 amendments to the budget in 2000 and 350 in 2001.

*Source: Staskiewicz (2002)*

## **The Legislature and the Budget Ex-Post**

If there is controversy around the desirability of legislative activism in the ex-ante phases of the budget cycle, there is much less in the ex-post phases.

Following implementation of the budget, government accounts and financial statements are audited by a "supreme audit institution", such as the auditor general (in Commonwealth countries) or *Cours des Comptes* (in Francophone countries). In most countries, this audit is followed by the consideration of the audit findings—which may include value for money and performance auditing as well as financial or compliance auditing—by the legislature. If the legislatures' role in the budget cycle is effective, legislative recommendations based on audit findings are reflected in future budgets, thus allowing for continuous improvements in public financial accountability.

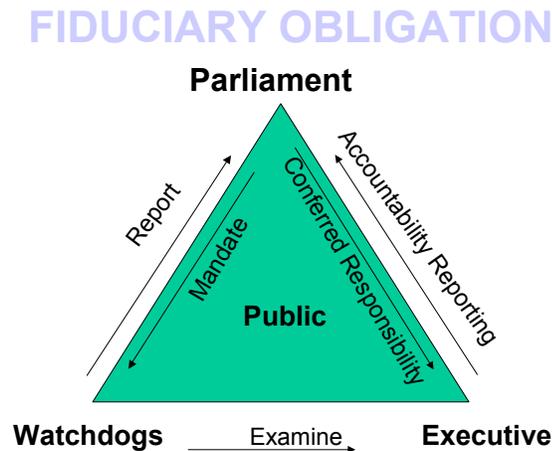
Recent research (Pelizzo and Stapenhurst, forthcoming (a)) suggests that government reporting and legislative scrutiny of public accounts is more common in parliamentary and semi-presidential legislatures than in presidential systems, although even here 84 % of legislatures do actually analyze financial reports from government.

The exact nature of the interaction between the legislature and the auditors partly depends on the model of the supreme audit institution and its reporting structure. In most Commonwealth countries, the auditor general is a core element of parliamentary oversight he/she reports directly

to parliament and a specialized committee—the Public Accounts Committee. This committee reviews audit findings, considers testimony by witnesses from government departments and sends its report to the full parliament for action; in some instances, the auditor general is an officer of parliament. In the board system, the audit board prepares and sends an annual report to the executive, which in turn submits it to the legislature while in *cours des comptes* systems, the court can pass findings on to the legislature’s finance committee, which can also request a specific audit to be undertaken (Stapenhurst and Titsworth, 2001).

The structure and function of Public Accounts Committees (PACs) dates back to the reforms initiated by William Gladstone, when he was Chancellor of the Exchequer in the mid-19<sup>th</sup> Century. Replicated in virtually all Commonwealth and many non-Commonwealth countries, PACs are seen as the legislative apex for financial scrutiny in many parliamentary forms of government and have been promoted as a crucial mechanism to facilitate transparency in government financial operations (see diagram 2).

**Diagram 2: Fiduciary Obligation**



There is a huge variation in rules and practices affecting the operation of PACs in different countries. A large majority of PAC work focuses on the reports from the auditor general—indeed, the PAC is the principal client of the auditor general. Financial oversight is greater when a cordial relationship is maintained between the PAC and the auditor general, since the PAC requires timely, high quality auditing while the auditor general needs an effective PAC to ensure that governments take audit outcomes seriously.

A recent survey by the Commonwealth Parliamentary Association (McGee, 2002) shows that several practices can enhance financial transparency by broadening access to information. More than four-fifths of Commonwealth PACs make their reports freely available to the public, while in more than half have their reports debated in the parliamentary chamber. A practice in many countries is that committee reports have to be followed by a formal response from the government, typically in the form of a Treasury (or Executive) Minute. Again, in more than half of the countries, PAC meetings are open to the public and the media, thus contributing to financial transparency.

#### **Box 4: Enhancing Financial Transparency by Broadening Access to Information**

In a Commonwealth-wide survey conducted by the Commonwealth Parliamentary Association, with WBI, it was found that 87 percent of PACs release their reports to the general public while some 57% also stated that their reports are debated in Parliament (typically with public access and media coverage). A further commitment to transparency is reflected in the fact that 55% of PACs open their hearings to the general public and the media.

While some argue that the need to political consensus within the PAC requires that hearings be held in camera, there seems to be a general trend towards opening up hearings to the public and media. Indeed, some parliaments have reported significant improvements in the responses from governments when the PAC started holding its hearings in public—and it maybe instructive that, even if there are advantages and disadvantages in holding public meetings, no PAC has reversed its decision to hold such meetings in public. After all, “...the PAC’s work is performed through the Parliament for the public benefit; it is therefore fitting that the public should know as much about [its work] as possible, without interfering with its effective performance.

*Source: McGee 2002*

Building on this survey, Stapenhurst and Sahgal (forthcoming) have sought to identify potential “success factors” that influence the effectiveness of PACs. The factors include having a broad scope and mandate, thereby giving the PAC a greater potential to deter waste and wrongdoing; having the power to choose subjects for examination without government direction or advice; the power to undertake effective analysis and publish conclusions, including having effective follow-up procedures; and having solid support both from the auditor general and from dedicated parliamentary research staff

At the same time, constraints to effective PAC performance have been identified. These constraints include a highly partisan climate, where, at an extreme, the executive may be unwilling to accept any criticism or act on valid complaints; government dislike of legislative oversight and, in some cases, its lack of interest in addressing the inherent weaknesses of the legislature; a lack of media and public involvement; and a weak ethical culture within both the executive and the legislature which leads to public distrust of politicians in general.

The examples of effective PACs are numerous. In Uganda, the Committee increased its activism by taking many more financial irregularity suspects to the courts while in South Africa the PAC and the media have kept the “defense budget scandal” in the public eye, demanding remedial action by the executive and in Ghana, the PAC was able to take its own initiatives and tighten financial administration of local school authorities (Langdon, 1999).

Many non-Commonwealth countries having established committees similar to the PACs while in some legislatures the same committee that is responsible for scrutinizing the budget is charged with considering audit reports<sup>5</sup>.

With the increasing complexity of public audit, so many PACs (or their equivalent committees in non-Commonwealth countries) have created sub-committees which examine particular subject

<sup>5</sup> For example, Germany, France, several East European, Latin American and francophone African countries. In addition, New Zealand, a Commonwealth country, does not have a PAC; its functions are incorporated into the Finance and Estimates Committee.

areas such as education or health, while in others a close relationship is forged between the PAC and the departmental or sectoral committees which are charged with the oversight and scrutiny of government *policy*.

One weakness in many countries is that, despite debates in the chamber of the legislature and reports to the executive, the government fails to address the issues raised or implement the recommendations of the committee. To overcome this problem, different countries have adopted different follow-up procedures. In Canada, for example, government departments have the opportunity to include a chapter in the Auditor General's Report on their intentions for follow-up and implementation to the Auditor General's audit findings—and Reports in subsequent years review departmental action against these announced intentions. In Germany, by contrast, the audit institution produces a regular “tracking report” which tracks the implementation of each recommendation made in earlier reports. In other countries yet again, the legislature may require interim reporting (which can take the form of regular committee briefings by relevant officials) to ensure that the government takes timely remedial action (Wenhner and Byanyima, forthcoming).

Just as in legislative involvement in the budget ex-ante, so public input may be sought by the legislature in its ex-post review of government spending; many PACs call witnesses in addition to relying on input from the Auditor General. Moreover, civil society can play a supporting role: Wehner and Byanyima (forthcoming) note a particularly innovative example from South Africa, where the Public Sector Accountability Monitor (PSAM)—a civil society initiative—follows up on reported cases of corruption and misconduct with the government departments concerned. After obtaining all relevant details, it sends a fax to the relevant departmental head; a follow-up contact is made a month later via telephone and the response, which is recorded, is made available in text and audio format on the internet. An alternative approach is for civil society groups to seek input at the *external audit* stage, prior to the submission of the Auditor General's report to Parliament and the PAC. In Colombia, for example, the Auditor General's program includes public forums and hearings in which complaints from citizens are heard and public feedback is generated regarding the work of the Auditor General; a particularly innovative program is the establishment of “Citizen Watchdog Committees” which monitor high-impact projects and report back to the Auditor General (Krafchik, 2003).

## Conclusions

That legislatures are both have, and are using, their constitutional powers to oversee budget formulation and implementation. The challenge for legislatures in so doing is to both ensure that their influence and impact both reflects national—as opposed to partisan - priorities (and allows for input from broader civil society) and that fiscal discipline is maintained. Indeed, Allen Schick noted that rather than act as controllers of public finance, legislatures should perhaps aim to promote fiscal discipline, improve the allocation of public money and stimulate public bodies to manage their financial operations more efficiently. In order to do this, it is necessary to, among other things, enhance the legislative capacity to deal with budget issues (Schick, 2002).

As noted above, resourcing the legislature involves, inter alia, strengthening the “money committees”, the establishment of dedicated research staff, the capacity enhancement of national audit offices and the encouragement of public input at the various stages of the budget cycle. Over the past decade or so, numerous organizations, including bilateral donors, multinational organizations and international financial institutions have assisted legislatures in carrying out

such financial oversight . Such assistance has ranged from supplying office and other equipment and information and training to helping establish legislative budget offices and strengthening committees. However, results have been mixed; indeed, Carothers (1999) notes that in the area of democracy assistance, it is support to the legislatures that most often falls short of its goals? Why is this—and are there any lessons learned from the 1990s that can assist legislatures and multilateral institutions alike in designing such projects in the future?

Messick (2002) highlights the needs to undertake a thorough analysis of the political environment within which the legislature operates—a fact reiterated by both Carothers, who noted that “...aid providers’ lack of knowledge about the political and personal dynamics of the institutions they are trying to reshape” was a common deficiency, as was “the lack of interest in reform among the power-holders in the legislatures of [certain] countries” (1999). Clearly, political will is a pre-requisite for legislative strengthening. In Bolivia, the multipartisan Committee for Legislative Modernization, which was established in 1995, took ownership of the reform process and functioned as the internal locus for identifying problems, setting priorities and proposing future directions; despite partisan bickering, by 1999 it had survived three national elections and three changes of parties in power and had spearheaded constitutional and rules reforms which established direct elections for half of the lower house and required Congressional committees to conduct public hearings; similar mechanisms were established, with varying success, in Colombia and Nicaragua. In Uganda, a private-member bill established an independent Parliamentary Commission, a joint parliamentary-executive board that oversees the management and modernization of the National Assembly including, *inter alia*, the creation of a permanent, independent non-partisan staff for parliament and the co-ordination of donor support to parliament (USAID, 2000). By contrast, in Nepal the first speaker was instrumental in legislative reform, but his successor showed less interest in the program (Lippman and Emmert, 1997). In the case of support to the budget oversight function, this means that the Chairs of the “money committees”, as well as the parliamentary leadership, need to be fully supportive of the capacity building efforts.

Furthermore, legislative strengthening efforts should be seen as complements to related governance improvements. To quote Carothers (1999)

“...treating legislatures as self-contained entities that can be fixed by repairing internal mechanisms is unlikely to get very far. Rather,...it is more useful to think in terms of helping a society develop the capacity to enact laws that incorporate citizens’ interests...[this means] working with many people and groups outside the legislature, including political parties, citizens groups, the media, officials from the executive branch, jurists and others.” (page 188)

In the case of money committees, this means dovetailing reform activities with broader efforts to enhance government accountability and strengthen public financial oversight and ensuring that training activities include participants from other stakeholder organizations, such as the Ministry of Finance, the Auditor General’s Office and representatives from civil society.

**Box 5: Analyzing the Political Context**

Lippman and Emmert recommend using a typology to analyze the political context within which the legislature operates:

Type 1: No democratic legislature (pre-democratic country, failed state or “rubber stamp” legislature)—here, only limited success can be anticipated (at best)

Type 2: Just after a “defining” democratic event (such as the establishment of democratic institutions or the redrafting of the constitution), such as the East European and CIS countries in the early 1990s—often, timing is of the essence and the nature and extent of the event may determine the type of assistance

Type 3: Fledgling democratic legislature. Here, helping the legislature define its basic role and function may be helpful.

Type 4: Established democratic legislature. Here, focus could most usefully be on helping the legislature become more accountable, transparent and responsive.

It is also important to analyze the legislature’s relationship with other branches of government, political parties and civil society. In particular, it is important to determine if the legislature has real power, to what extent political parties respect and cooperate with each other and how civil society organizations and interest groups interact with the legislature.

*Source: Lippman and Emmert (1997)*

And finally, legislative strengthening is a long-term process, which requires long-term commitment—but short term visible results are both possible and important. Sometimes there are time constraints in terms of training new legislators at the beginning of their term, but the requirements of sustainability and institutionalization typically require a more long-term process, and even then the results may not always be tangible. UNDP’s program in Ethiopia faced this issue by the legislature holding regular public hearings as a visible impact of the project (UNDP, 2001).

That legislative assistance will continue to evolve, with growing emphasis on, *iter alia*, training legislators on budget processes and improving research and information capabilities, is inevitable (Manning and Stapenhurst, 2002). Indeed, while it is necessary to examine the legislature’s needs holistically, including looking at the role of legislators and staff, and the legislature’s relationships with other branches of government and the public, enhancing the legislature’s role in the budget process can be a powerful tool in developing checks and balances within governance systems; in Bolivia, for example, support to the staff of Congress facilitated more capable analyses of the budget which in turn improved the ability of legislators to become more meaningfully engaged in a policy area that hithertofore had been the sole preserve of the Executive (Lippman and Emmert, 1997).

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