UNLOCKING THE GOVERNMENT DOOR:
AN OPEN BUDGET FRAMEWORK AS A GOVERNANCE KEY

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Abstract: Although open actions related to budget originated in the ancient Greece, governments still maintain their budgetary decisions in secrecy. In spite of that, the interest in how budgetary tools could help in reducing poverty is increasing, opening a window of opportunity to debate the open budget in the public administration domain. Hence, this paper contributes to show a definition of the open budget, to develop an open budget framework of governance, to present the literature review, and to propose a research agenda. Altogether, collaborative stakeholder influences, as well as the open budget actions and the available resources, should promote social development. In spite of the open budget field growing in recent academic literature, it remains an incomplete subject, what means that more studies are very welcome.

Key Words: Collaborative Stakeholders; Open Budget Actions; Budget Constrains, Governance Outcomes, Theoretical Framework.

1. Introduction

The ancient Athenians already decided on public issues (such as the ones related to the public budget) for themselves, negotiating collective consensus, before public policies were executed (Tanaka, 2007). However, governments have maintained the secrecy of their budgetary information and their respective decision-making, involving only a few agents in the process (Abreu & Gomes, 2013; Khagram, Fung, & De Renzio, 2013).

Recently, Khagram *et. al.* (2013) stated that an open budget approach relates to transparency, participation, and accountability as actions of governance. However, its consequences are still unclear. Contemporary government transitions to democratic regimes have been seen as windows of opportunity to warrant more open budget initiatives and to stimulate new reflections on social progress (Acemoglu & Robinson, 2012; Avritzer, 2009; Kasymova & Schachter, 2014; Khagram et al., 2013; Ling & Roberts, 2014; Yilmaz, Beris, & Serrano-Berthet, 2010).

The open budget actions increase collaboration in the public budget arena independently of the budgetary process phase (drafting, approval, execution, and audit). For instance, budgetary information freedom, participatory budget, budgetary advocacy, budgetary monitoring, and social audit are some open budget actions mentioned in the literature (Gaventa & McGee, 2013; Khagram et al., 2013; Ling & Roberts, 2014).

Budgeting is historically one of the most important decision-making processes in the government domain (Hughes, 2003; Hyde, 2002; You & Lee, 2013), and in order to make public budgeting more effective, people should take part of such process (Hyde, 2002). In spite of that, such secrecy has been the subject of much discussion since the adoption of open budget approach for improving government results (Gaventa & McGee, 2013; Khagram et al., 2013; Ling & Roberts, 2014). Consequently, this paper is interested in the open and collaborative theoretical perspectives of governance as a means of improving open budget actions around government decision-making processes to support further empirical investigations in the public administration field.

Actually, according to Denhardt and Denhardt (2007, pp. 25-29), greater discretion, responsiveness, and openness are on evidence in new public governance, which is based on 'citizens' engagement, focused on 'public interest,' and structured in a 'democratic citizenship' environment. In the new public governance model, the management of the public budget allows interaction between non- and governmental stakeholders, in a network of public, civic, and business institutions (Bovaird, 2005).

Considering that the management style influences the performance of public organizations (O'Toole & Meier, 1999), the public budget is strategically used as a tool for managing resource constraints, inducing co-production, combining with the available resource. Moreover, it is a key to achieving better social outcomes (Holland, Ruedin, Scott-Villiers, & Sheppard, 2012; Osborne, 2006). Following this line of thought, we should expect a better public organization's performance in states that have mature governance initiatives, such as the open budget actions (Ling & Roberts, 2014).

The recent growing interest in the open budget approach is a focus on the possible link with better social development outcomes (Gaventa & McGee, 2013; Khagram et al., 2013; Ling & Roberts, 2014). However, before carrying out a broad empirical investigation to confirm the mentioned relationship, we identified a higher relevance in reviewing the current evidence on the open budget literature. Hence, based on an open budget state-of-the-art, this paper's aim is to develop a theoretical framework, as well as discuss possible consequences for governance theory building and empirical applications.

It is important to notice the United Nations Resolution #67/218 (adopted in 2012), which recognizes the fundamental role that transparency, participation and accountability in fiscal policy are likely to play in the pursuit of financial stability, poverty reduction, equitable economic growth and the achievement of social development. Therefore, we highlight the possibilities of the open budget framework for academic building and practical applications.

This paper is based on the examination of empirical pieces, searching evidence to validate the open budget framework. On the other hand, pondering that open budget is still a theme in development, we consider theoretical and working papers, as well as academic books, to support a better understanding of the most recent insights and practices in the open budget field.

From an open budget review, the gathering of collaborative stakeholders and available resources with open budget actions to explain social development is the most valuable and innovative research contribution. However, it is early to mention that the proposed framework is definitively conclusive, because of the necessity to discuss it more and to test it statistically. Moreover, we consider that the identification of forms to measure the levels of collaborative stakeholder influences and open budget actions is a previous and relevant issue.

Finally, we introduce the paper's structure: in the next section, we present a definition of an open budget. Afterwards, we show the methodological aspects of the research. Furthermore, we develop an open budget framework of governance. In the final considerations, we suggest a research agenda and highlight this paper's key contributions.

2. Defining an Open Budget

An open budget approach considers the non-governmental stakeholders as theirs drivers in the budgetary process in a collaborative mode. Hence, it is more than only a process based on transparency, participation, and accountability actions. In addition, the literature suggests that open budget helps in improving social development in a governance approach (Abreu, Gomes, & Alfinito, 2015; De Renzio, Gomez, & Sheppard, 2009; De Renzio & Wehner, 2015; Friis-Hansen & Cold-Ravnkilde, 2013; Gaventa & McGee, 2013; Khagram et al., 2013; Ling & Roberts, 2014; Shah, 2007).

For instance, the open budget can result in financial stability, poverty reduction, economically equitable growth, and the achievement of sustainable social development (Justice & McNutt, 2013; Siau & Long, 2006). Furthermore, it should curb corruption by ameliorating resource allocation by improving performance spending results (Denhardt & Denhardt, 2007; Gaventa & McGee, 2013; Justice & McNutt, 2013; Khagram et al., 2013; Ling & Roberts, 2014; Osborne, Radnor, & Nasi, 2013; Wehner & de Renzio, 2013). As the International Budget Partnership (2014) states, open budget ensures that people can judge good fiscal and social policies.

The collaborative stakeholders should first negotiate decisions regarding a country's governance by elaborating social commitments in the budgetary process. In this arena, disputes and tensions are usual, but after the consensus is built and the right opportunities devised, budget performance results can happen faster with the respective results for social development (Burge, 2010; DFID, 2006). In this context, not only does the amount of available resources is important, but also the collaborative stakeholder influences and the open budget actions affect the budgetary allocation in order to promote the public policies for ensuring governance outcomes (Ansell & Gash, 2008; Bovaird & Löffler, 2009; Emerson, Nabatchi, & Balogh, 2012).

Although the open budget approach is recognized as a fractionated arena, the open budget actions are acknowledged by their synergic power (Ling & Roberts, 2014; Meijer, 2013). Open budget actions have a high association with the democratic environment and logical links among them, as well as ongoing loops, in a mutually integrated and reinforcing model (Khagram et al., 2013; Ling & Roberts, 2014). Hence, the identification of the open budget framework elements should be the 'starting point for developing a sophisticated approach to a fragmented field of study' (Meijer, Curtin, & Hillebrandt, 2012, p. 24).

3. Methodological Aspects

Based on what the open budget definition suggests, we collected pieces related to transparency, participation and accountability actions with governance perspective in order to develop a framework for the open budget approach. Our sources were the journals with an impact factor in Public Administration section of Thomson Reuters' 2014 Journal Citation Reports, as well as pieces available in the Google Scholar. Afterwards, to prioritize the analysis of the findings, we selected to the scope of this review the empirical and theoretical articles using the NVivo software, focusing on pieces, which were achieved by a peer-reviewed academic process. Nevertheless, we also considered working papers and books from academic presses or well-known publishers.

The investigation focused on the contribution that each of the piece findings brought to support the development of an open budget framework. We recognized 14 piece findings with the highest relevance contributions that gather transparency, participation, and accountability in a governance view, according to the open budget definition. Next, we complemented this review with 71 findings related to open budget approach, in general, to identify possible isolating conceptions and models, such as the ones by Gaventa and Barrett (2012), Touchton and Wampler (2014), and Friis-Hansen and Kyed (2009).

Despite all findings have great reflections, some of them present contributions outside the scope of this paper's aim, such as Funaki and Glencorse's (2014). Almost all empirical studies present robust methods; however, some of them are not achieved by a peer-reviewed academic process, as Petrie's (2012), what demands attention before citing their results. The theoretical papers help us in understanding definition details of each framework element. Furthermore, some of the books and working papers, in general, show overviews of the open budget, as well as practices that should support new studies on this theme – for instance, Khagram *et al.* (2013) and Ling and Roberts (2014).

We acknowledge that these findings give us an updated view, mainly because of the: (1) literature review presented; and (2) empirical evidence that supports the development of an open budget framework. In addition, we discuss the implications of the framework for theory, research, and practice. For that, we emphasize the main contributions of this paper, propose a research agenda, and show practice examples highlighted in the extensive literature, and present some final considerations.

4. An Open Budget Framework

The open budget actions are strategically used as a tool for managing resource constraints, inducing co-production, and combining available resource in order to stimulate governance outcomes (Bovaird & Löffler, 2009; De Renzio & Wehner, 2015; Khagram et al., 2013; Ling & Roberts, 2014). In addition, the stakeholder management style influences the performance of public organizations (O'Toole & Meier, 1999). Moreover, the available resources could limit the achievement of government policy results (Holland et al., 2012; Osborne, 2006). Consequently, social progress (De Renzio et al., 2009; De Renzio & Wehner, 2015; Friis-Hansen & Cold-Ravnkilde, 2013; Gaventa & McGee, 2013; Khagram et al., 2013; Ling & Roberts, 2014; Shah, 2007) ought to occur from an open budget framework (Figure 1), as a specific governance outcome.

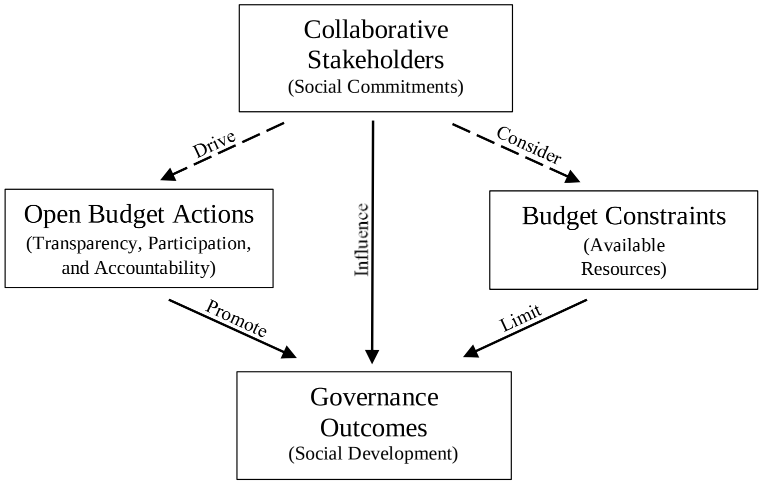

Figure 1: The Open Budget Framework of Governance
Source: Authors' Development

The literature suggests that transparency (Gaventa & McGee, 2013; IBP, 2013; Islam, 2006; Khagram et al., 2013; Ling & Roberts, 2014; Wampler, 2012), participation (Friis-Hansen & Kyed, 2009; Gaventa & Barrett, 2012; IBP, 2013; Kasymova & Schachter, 2014; Khagram et al., 2013; Ling & Roberts, 2014; Shah, 2007; Touchton & Wampler, 2014; Wampler, 2012), and accountability (Friis-Hansen & Cold-Ravnkilde, 2013; Gaventa & McGee, 2013; IBP, 2013; Khagram et al., 2013; Ling & Roberts, 2014; Wampler, 2012; Yilmaz et al., 2010) are open budget actions of an open budget core. In addition, collaborative stakeholders are also an element of this core (Abreu & Gomes, 2013; Khagram & Ali, 2008; Khagram et al., 2013; Ling & Roberts, 2014).

On the other hand, considering the budget constrains, the available resources allocated to public policies are a fundamental variable by themselves to produce social gains, to the extent that it stimulates or limits governance results in certain circumstances (Foster & Fozzard, 2000; Friis-Hansen & Cold-Ravnkilde, 2013; Friis-Hansen & Kyed, 2009; Gruber, 2009; Kasymova & Schachter, 2014; Shah, 2007; Sullivan, Downe, Entwistle, & Sweeting, 2006; Wampler, 2012; WB, 2011; Yilmaz et al., 2010).

Furthermore, the literature describes examples of governance outcomes such as community capacity to solve public problems like crime, homelessness, health care, improved integration of critical services for vulnerable populations, regional development, and social inequality (Bovaird, 2005; Provan & Kenis, 2008; Provan & Milward, 1995; Siau & Long, 2006). Ling and Roberts (2014) consider social development as a category of governance outcomes related to open budget approach. Following, we show this framework in a logical approach (Table 1).

Table 1: A Logic Model Approach to the Open Budget Framework

Collaborative	Open Budget Actions	Budget	Governance

Stakeholders	Transparency	Participation	Accountability	Constraints	Outcomes
- Non- and government actors working for budgetary collaborative social commitments	- Budgetary disclose information - Government free access by citizens	- Budgetary stakeholders' engagement - Society's voice to support policy decisions	- Authorities' public answerability - Social budget controls enforceability	- The available resources, for instance, guides the level of expenditures or revenues	- Social development in a cooperative approach, supported by budgetary performance gains

Source: Authors' Development

5. Final Considerations

This article provides an examination of the open budget state- of- the- art literature, and analyzes results into propositions. It is grounded in public administration theories, such as governance, social science, public budget, and stakeholders. From the open budget definition, we argue that collaborative stakeholder influences, as well as the open budget actions and the available resources, should promote social development in an open budget framework of governance.

We acknowledge that the open budget framework covers several grounds. Consequently, it became possible due to the incorporation of concepts from a broad range of literature. The framework identifies points, which could use in either quantitative or qualitative analysis. Although this is not a complete or conclusive thesis, it provides grounds for further empirical investigation.

Therefore, the theoretical framework can support the development of new studies, for instance, exploring approaches considering different levels of government, or for specific public policies. Following, we suggest an agenda for further researches:

- Particularly about the collaborative stakeholders, one would investigate the profile they need to have in order to be more cooperative to induce social commitment;
- Cluster analysis is likely to produce findings that could better identify initiatives of transparency, participation, and accountability;
- A strategic model is required to enhance governance outcomes, which would arise from the maximization of the open budget outputs and the available resources in order to achieve higher and balanced social development results; and
- Comparative studies based on two levels (low and high) of open budget actions and the available resources would produce four government clusters (low/low, low/high, high/low, and high/high), and they should be used to confront governance outcomes.

In terms of theoretical contributions of this paper, the first one is to present and discuss, based on literature, a new governance framework from an open budget perspective. The second is to highlight the collaborative stakeholders as the drivers of the open budget actions. The third is to gather the budgetary constraints in the open budget approach, due to its capacity of moderating the governance outcomes.

Despite the open budget field growing in recent academic literature, it remains an incomplete subject, which means that empirical studies are very expected. Therefore, the contributions we presented here can help to attract more attention to producing knowledge on this new paradigm in public administration.

Finally, we do not know if the open budget is a transitory trend. Nevertheless, we could argue that governance frameworks for reducing poverty are always welcome. Unfortunately, poverty remains a worldwide problem without a plausible solution. Hence, we hope that this article will stimulate the use of the open budget approach for the growth of new theories to focus on governance outcomes.

6. References

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