

ANALYSIS OF THE EFFORTS FOR THE IMPROVEMENT OF GOVERNMENT BUDGET TRANSPARENCY IN SLOVENIA

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Abstract:

The complexity of budgets in modern economies allows the practices of hiding the real budget balance, taxes, overemphasize the benefits of spending and hide government liabilities since that could require future taxes. Since politicians have little incentives to disclose simple, clear, and transparent budgets on one hand and a moral obligation to their citizens to be transparent about their handling of taxpayers' money on the other, accountability mechanisms are required to verify that governments meet their duties.

There are several methods and research approaches for measurement of budget transparency. Open Budget Index (OBI) is widely spread methodology of the International Budget Partnership's Open Budget Initiative, a global research and advocacy program, which promotes budget transparency and public access to budget revenues and expenditures, and other relevant information. There are three pillars summing up the final score ranking; transparency, public participation and budget oversight. In 2019 Slovenia was ranked as 22nd among 117 countries and Open Budget Initiative formed several recommendations for the Slovenian government in order to improve overall budget transparency according to achieved ranking.

This paper is striving to analyse the barriers for the implementation of the recommendations provided by the OBI assessment report. Since the Slovenian ranking has not been improved significantly in the last few years, the main aim of the paper was to isolate and evaluate the most important barriers to government budget transparency. The methodology of the paper was based on the on-line survey among practitioners (NGOs, journalists, members of the Parliament, senior public officials, etc.) and academics dealing with the issues of budget transparency. The results were obtained through the intensive process of the survey response collection that resulted in 251 fully resolved surveys.

The results have revealed that respondents perceive the political will as the most responsible barrier enabling the improvement of budgetary transparency measured according to the OBI index in Slovenia.

The factors raising from political will could be one of the potential challenges for further research, while this paper is analysing the reasons for OBI index stagnation in general. 75% of respondents believe that lack of political will is responsible for the situation, in which Slovenia has not implemented the recommendation to publish its draft budget online in a timely manner. 66% of the respondents more or less strongly believe that the lack of political will has prevented the implementation of the recommendation that all interested parties (ex. non-governmental organizations, vulnerable groups, associations) should have the right to participate in the discussion of the Finance Committee in the National Assembly about the draft budget and annual accounts for the previous year. And finally, 76% of the respondents perceive the political will responsible for the fact that public has not been more involved in the budget preparation process (participation in the parliamentary session when discussing the draft budget and final accounts).

Points for Practitioners: According to the authors' practical experiences and knowledge, there were some critical points and suggestions made in the discussion part, which might help government and the Ministry of Finance to improve the Slovenian budget transparency position, specially in the context of OBI index.

Keywords: transparency, budget, accountability, barriers