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Challenge of International Fiscal and Monetary Transparency
Assessing International Fiscal and Monetary Transparency:
The Role of Standards, Knowledge Management, and Project Design

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(with Michael Bates, Oxford Analytica)
A Teleology of e-Government

- Information dissemination
- Two-way communication
- Services and financial Transactions
- Vertical and horizontal integration
- Political participation

Source: Hiller and Belanger (2001)

Is it a true teleology?
Main Argument

Disparities in Country Institutions

Differing Methods of Project Design And Knowledge Management

Objectives of e-transparency

Long-run drivers of Fiscal and Monetary Transparency

No inevitable teleology…based on controllable factors

Project design reflects both feedback and learning…
IMF Codes of Fiscal and Monetary Transparency

- Clarity of **Roles and Responsibilities**
- **Public Availability** of Information
- **Open Budget** (Process of Policy Making)
  Preparation, Execution and Reporting
- **Assurances** of Integrity

*Code on Fiscal Transparency has 37 sub-points and Monetary Transparency has 35 sub-points*
Correlation between fiscal and monetary transparency

<table>
<thead>
<tr>
<th>Monetary → Fiscal ↓</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
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<tbody>
<tr>
<td>4</td>
<td></td>
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<td></td>
<td>Argentina Brazil Chile Hungary Czech Rep.</td>
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<td>3</td>
<td></td>
<td></td>
<td>India Malaysia Morocco Taiwan</td>
<td>Colombia Isreal Mexico Peru Philippines Poland S. Korea</td>
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<td>2</td>
<td>Venezuela Sri Lanka Egypt Jordan Russia Thailand</td>
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<td>Indonesia</td>
<td></td>
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<tr>
<td>1</td>
<td>Pakistan China</td>
<td></td>
<td>Turkey</td>
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</table>

Correlation Coefficient: 0.64

*Transparency correlates, but inter-country differences*
Correlation Between Fiscal Transparency and E-Government

Correlation: 0.57

E-government “capacity” is not the deciding factor…

Process Lessons: Knowledge Management for E-Governance

"Hard-soft indicators"

"Hard-soft indicators"

Information and knowledge processes

Adhocratic Processes

Participatory evaluation

Learning by assessor
And in-country partners

Process is key in e-government assessment (and implementation)
Managing Information and Knowledge

Internet information
- Low cost
- “Bandwidth” – more information per unit time
- Take advantage of rhizomatic information structures

“Being there” knowledge
- Observe “culture” and intentions
- Role of the Navigator
- Observe “deep institutional logics”
- Obtain more timely and accurate information

Codified knowledge

Tacit knowledge

Organise to optimally management knowledge
Changing information organisation

Network structures – orders of precedence

Rhizomatic structures – equidimensional access

Organisational structure must change with environment information structure
### Adhocracy in e-Transparency Assessment

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<td><strong>Expert Feedback</strong></td>
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<td><strong>Country Evaluations</strong></td>
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<td><strong>Presentation to Client</strong></td>
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</table>

*parallel process and “co-management”*

*Changing strategic environment requires flexible organisation*
From actor based assessment...

Bilateral bargain determines incentives for other actors
To standards based assessment...

Standards are “public goods” for use by third parties
From e-transparency targets to objectives

predictability

increased trust

credibility

politicisation

oversight

Source: Adapted from Posen (2001)

The objectives behind e-government
## An Assessment

<table>
<thead>
<tr>
<th></th>
<th>Degree of importance</th>
<th>Area of importance</th>
<th>For whom?</th>
<th>Assessment Important</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Trust</strong></td>
<td>Low</td>
<td>Neither</td>
<td>Poor</td>
<td>Not important</td>
</tr>
<tr>
<td><strong>Predictability</strong></td>
<td>Low</td>
<td>Monetary</td>
<td>Investors, business</td>
<td>Not important</td>
</tr>
<tr>
<td><strong>Oversight</strong></td>
<td>Medium</td>
<td>Fiscal</td>
<td>Civil servants, media</td>
<td>Very Important</td>
</tr>
<tr>
<td><strong>Credibility</strong></td>
<td>Medium</td>
<td>Fiscal</td>
<td>Citizens, investors, civil servants</td>
<td>Important</td>
</tr>
<tr>
<td><strong>Politicisation</strong></td>
<td>High</td>
<td>Both</td>
<td>all</td>
<td>Important</td>
</tr>
</tbody>
</table>

*E-transparency is important in every stage*
A new teleology of e-government?

E-transparency isn’t a step toward e-government, it infuses e-government