J-PAL
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CASE STUDY 1: VOTER AWARENESS IN BRAZIL

Program Theory and Measuring Outcomes

This case study is based on "Exposing Corrupt Politicians: The Effects of Brazil's Publicly Released Audits on Electoral Outcomes," by Ferraz, C. & F. Finan. (2008), The Quarterly Journal of Economics: May 2008.

J-PAL thanks the author for allowing us to use their paper as a teaching tool.

KEY VOCABULARY

Hypothesis: a proposed explanation of and for the effects of a given intervention. Hypotheses are intended to be made ex-ante, or prior to the implementation of the intervention.

Indicators: metrics used to quantify and measure specific short-term and long-term effects of a program

Logical Framework: a management tool used to facilitate the design, execution, and evaluation of an intervention. It involves identifying strategic elements (inputs, outputs, outcomes and impact) and their causal relationships, indicators, and the assumptions and risks that may influence success and failure

Theory of Change: describes a strategy or blueprint for achieving a given long-term goal. It identifies the preconditions, pathways and interventions necessary for an initiative's success

INTRODUCTION

In response to widespread corruption, the government of Brazil has increased punishments for corrupt politicians, barred them from running for public office, and increased audits of public finances. Meanwhile, the Brazilian media has exposed several high-profile corrupt politicians and zealously pursued the issue. This, however, might not be enough to solve the problem at a local level, where corruption cases do not garner much national attention and people do not have easy access to information about the way their municipal leaders use public funds and resources. This case study deals with an intervention aimed at decreasing corruption levels and making politicians accountable. The intervention included carrying out random audits and releasing the audit reports to the media.

CORRUPTION AND RANDOM AUDITS

At a local level, corruption takes many forms. Local politicians use fake receipts in their projects, create phantom firms, over-invoice the value of products or services, or simply use government resources for their own personal benefit. And while many people in municipalities may suspect these fraudulent activities, few have the necessary information to evaluate their local leaders' performance and hold them accountable at the polls. As a result, the behavior of local politicians goes by unchecked and corruption becomes rampant.

In 2003, in an effort to create a more transparent and accountable system, the Brazilian government started conducting random audits of municipal government expenditures. Each month, small municipalities (those with a population below 450,000) are randomly chosen from a national draw. A team of 10 to 15 auditors from the Controladoria Geral da União (Office of the Comptroller General; CGU) are then sent to the selected municipalities to examine accounts, records, the existence and quality of public work construction, and public service delivery. In addition, the team also meets with members of the local community to register direct complaints about corruption.

Based on its findings, the auditing team produces reports that are posted online and sent to the CGU, the Brazilian accountability office, public prosecutors, and the municipal legislative branch.

Discussion Topic 1

1. In a democracy, what tools and mechanisms exist to address the problem of corruption? What would be the ideal? What about real-life examples of well-functioning accountability tools?

2. What are the strengths and weaknesses of the audit program implemented by the Brazilian government? Do you think such a program would be successful? Why or why not?

3. Looking at your list of weaknesses, what are some different interventions that you could try? What are some ways of reducing corruption?

THE INTERVENTION

For the audit reports to raise awareness and influence voters, they have to somehow reach the population at large. Even though the government posts the audit reports online, few people check them. As a result, the government decided to disclose the reports to the media for dissemination.

During the project, however, researchers noticed that, in Brazil, newspapers are not an efficient medium of transmitting this type of information because of low education levels and a very limited reach of newspapers across the country. Consequently, newspaper coverage of the audit reports would only have an impact in the big cities, not in the small municipalities. Local AM radio, on the other hand, is one of the main sources of information for people in small municipalities.

Your team has been tasked with evaluating the impact that disseminating this information has on accountability within municipal governments. Your team should consider all the different dimensions by which access to information about corruption can affect voter behavior and accountability. What is the best way to disseminate the audit reports to the population? What are the most important outcomes to consider and how can you measure them? What data has to be collected?
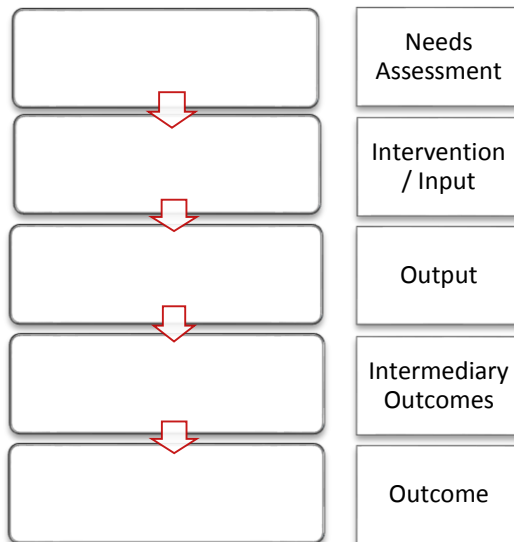
Discussion Topic 2

1. Before starting their evaluation, the researchers carefully analyzed the problems surrounding the dissemination of the audit reports and identified efficient ways of communicating information in Brazil. Why do you think this is important as a starting point of any evaluation?

2. What are the intermediate and long-term goals of disseminating the audit reports?

3. Can the timing of the release of the audit reports to the media affect voter behavior and accountability? Is there an ideal time to release the audit reports to maximize their impact?

4. What is the key hypothesis being tested in this evaluation?

THEORY OF CHANGE

A theory of change (ToC) identifies the causal link between the intervention and the final outcome. Figure 1 shows one way in which a ToC can be structured.

FIGURE 1: THEORY OF CHANGE

	Needs Assessment
	Intervention / Input
	Output
	Intermediary Outcomes
	Outcome

Discussion Topic 3

1. Draw out a causal chain using the format presented in Figure 1 that connects the dissemination of the audit reports through the media to your expected intermediary and final outcomes.

2. What are the necessary conditions/assumptions underlying this ToC? What needs to occur or be present for this chain to work?

WHAT DATA TO COLLECT? DATA COLLECTION AND MEASUREMENT

Before deciding which data to collect, you need to be very clear on the outcome you are targeting and in what way the intervention is believed to impact this outcome. In other words, defining a main hypothesis and theory of change at the beginning of an evaluation helps you decide what information to collect.

For each step of the theory of change, you need to identify indicators (what to measure) and instruments (how to collect the data). In addition, you also need to collect data on your assumptions to see whether or not they hold true.

Discussion Topic 4

1. Which indicators would you measure at each step of your ToC? What are the outcome indicators? Intermediate outcome indicators? Indicators related to assumptions?

2. How would you collect data for these indicators? Do you expect any challenges during the data collection process?

INTERPRETING THE RESULTS

Imagine that the evaluation found that, when the audit reports were released before to the 2004 municipal elections in municipalities with a local radio station, corrupt politicians were significantly less likely to be reelected compared to those municipalities for which the reports were released after the elections. In municipalities without a local radio station, the performance of corrupt politicians at the polls also suffered, but not as much as in those with radio stations.

The results of the evaluation could have been significantly different if researchers had not considered the timing of the release of the reports or the reach of different mediums of communication.

Discussion Topic 6

1. Why is it important to interpret results in the context of a program theory of change?

2. Imagine that the evaluation had failed to find any effects that disseminating the audit reports helps keep politicians accountable. How would you interpret these results? If you were a policymaker, would you cancel the program? Why or why not?