Perception Survey on Fiscal Rules and Councils in the Western Balkans

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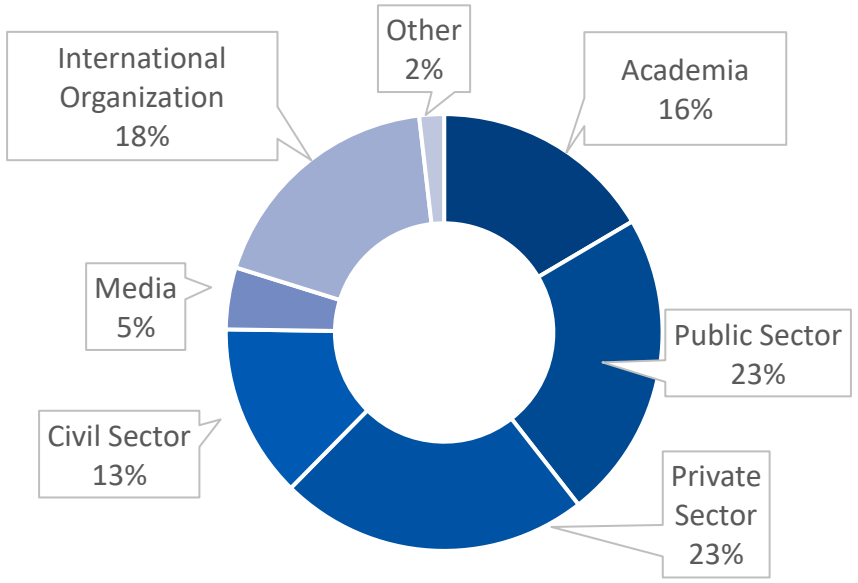
Why Perception Survey?

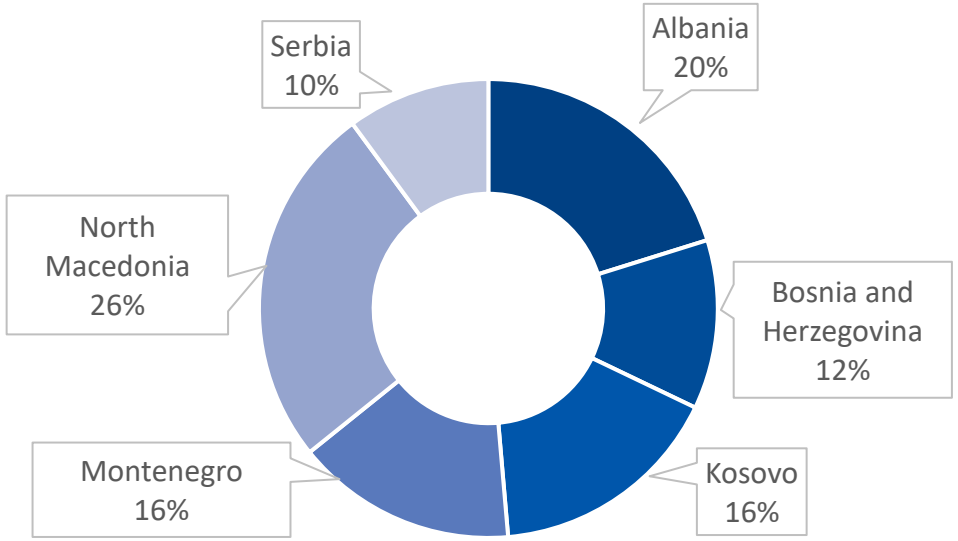
- A perception is an important element for strengthening trust and credibility; more so today than ever!
- Market perceptions of fiscal policy depend on macroeconomic conditions, policy track record, the existence of fiscal rules and watchdogs, and political factors. This directly translates into a perception of sovereign worthiness and thus lower/higher sovereign premiums.
- This is the second survey in four years on the topic: the first one done in December 2018. This time under the EU TF on Strengthening Fiscal Governance in the Western Balkans.
- The aim is to understand the perceived progress on the ground and design communication strategies around it.
- A selected sample is biased: focused on fiscal policy practitioners in the Western Balkans or groups more informed on the fiscal governance.

Survey Demographics

Structure of respondents by stakeholders



Structure of respondents by countries



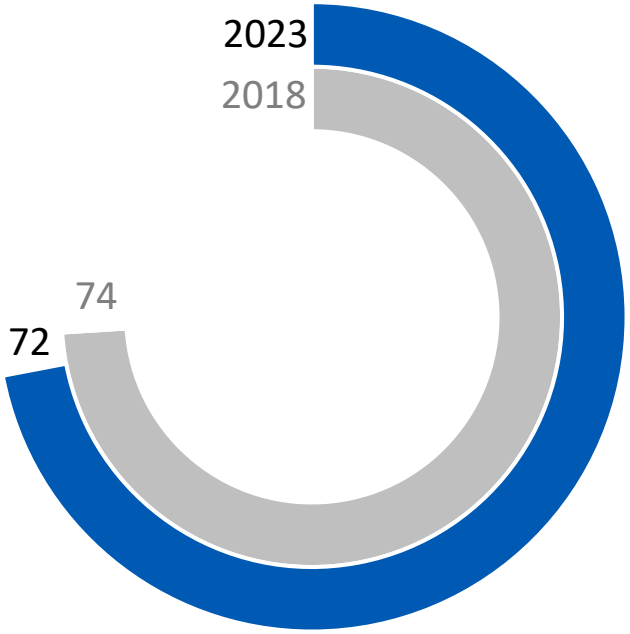
Sample size: Out of 720 reach-outs with equal representation of countries and stakeholders, only 109 respondents (a lower response rate than in 2018). A sample bias towards more informed of the fiscal governance

Method: Online questionnaire by country, disseminated via social media & direct email communication

Timing: November 6-22, 2023; processing of data collected (Nov 2023).

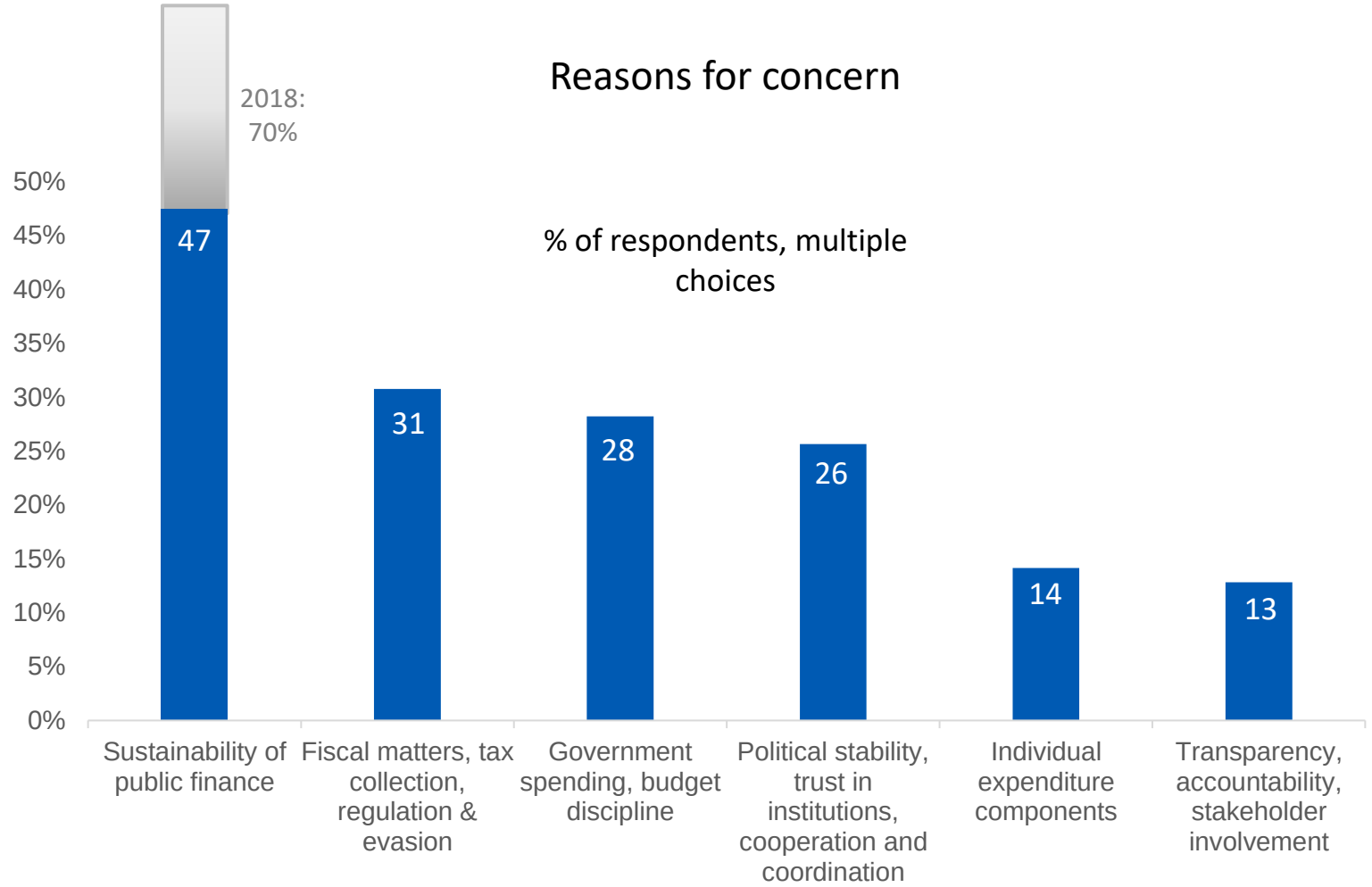
While the general level of concern about the fiscal situation remained constant, the reasons for concern became more diverse.

Concerned about fiscal situation



% of respondents

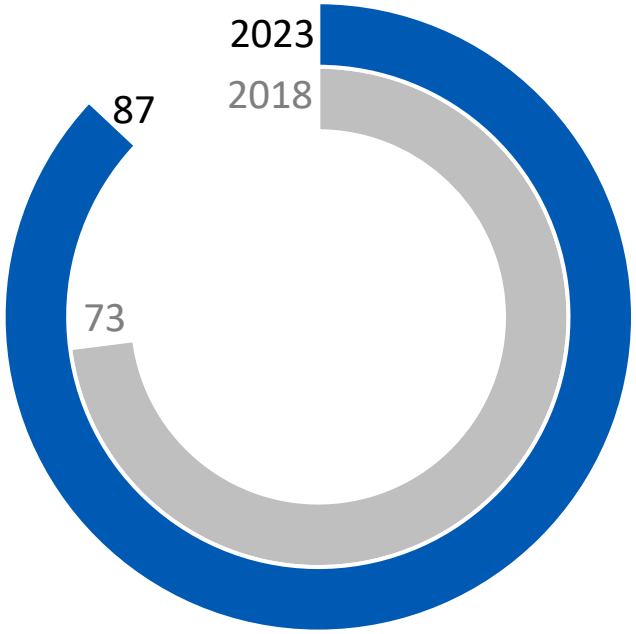
Reasons for concern



% of respondents, multiple choices

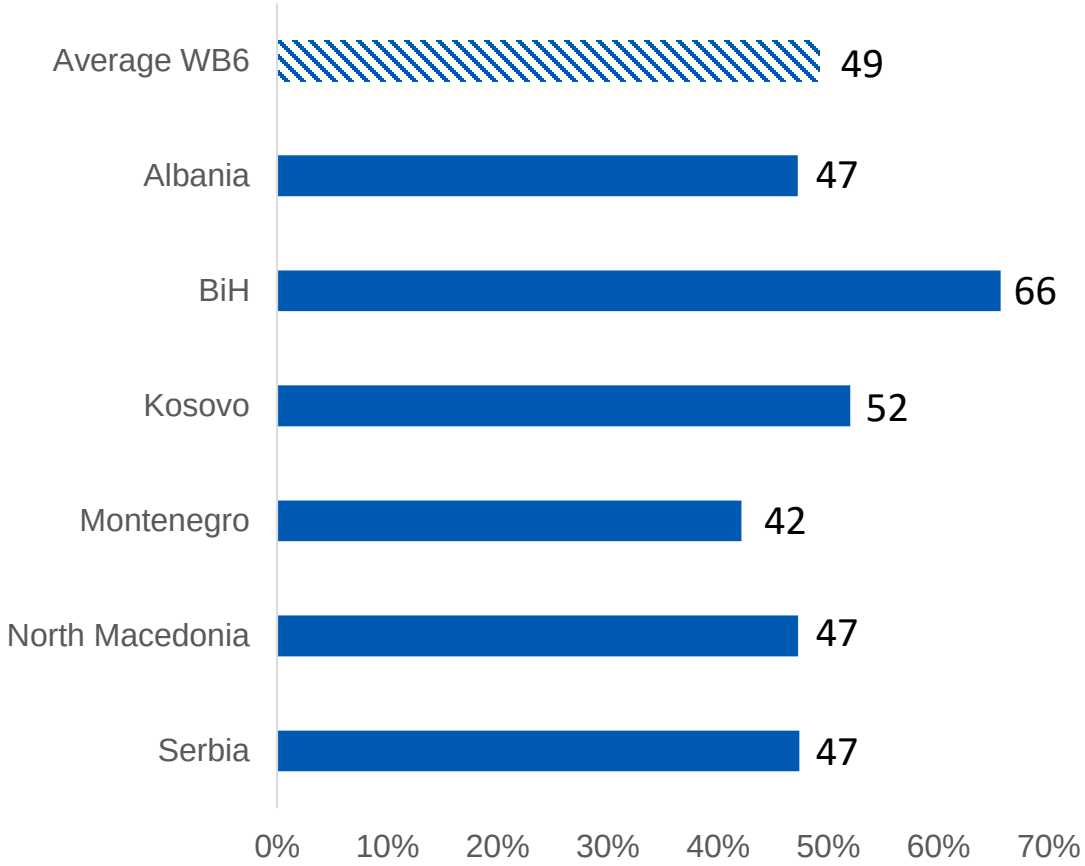
Understanding of fiscal rules and the awareness of their existence have improved. Nevertheless, only half of the participants were able to correctly name one fiscal rule of their country.

Does your country have any fiscal rule?



% aware

Select all fiscal rules that exist in your country: correct answers



% correct

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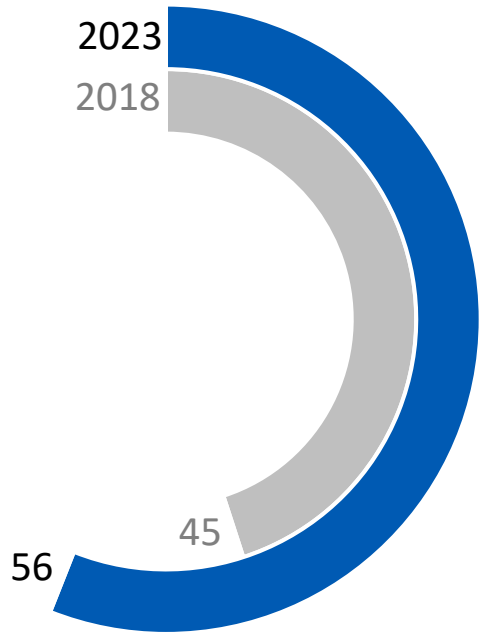
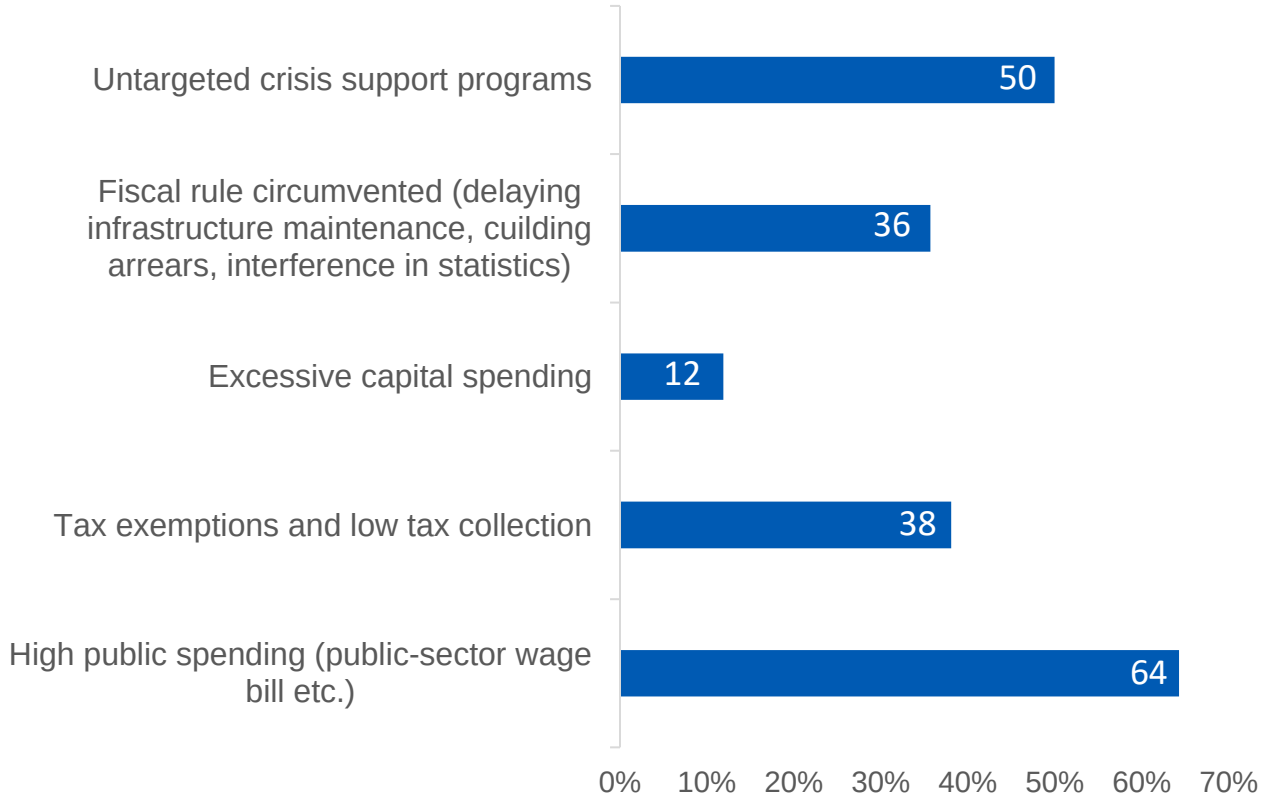
Perceived compliance with fiscal rules has improved. High public spending and untargeted crisis support programs rank highest in perceived reasons for non-compliance.

Does the government comply with fiscal rules?



% agree

Reasons for non-compliance



% agree

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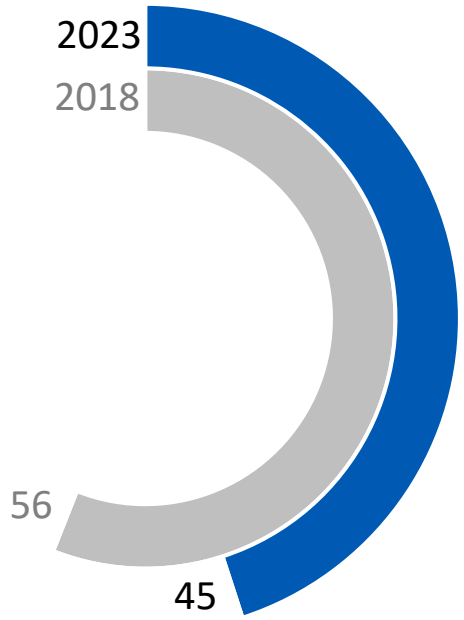
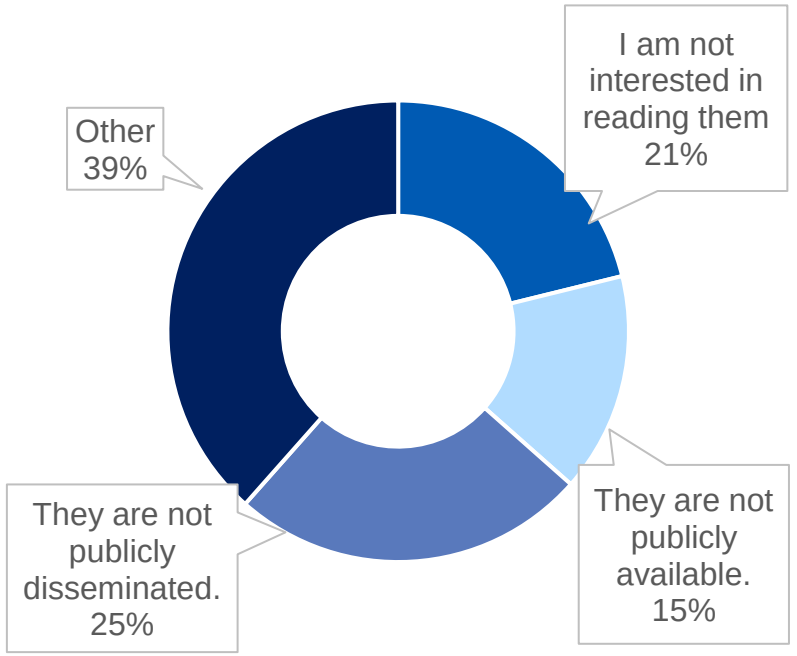
Less people read the monitoring body's reports, mostly because of decreasing interest. The availability of reports has improved, as they were accessed increasingly through annual budget reports.

Have you ever read the report of the fiscal rules monitoring body?



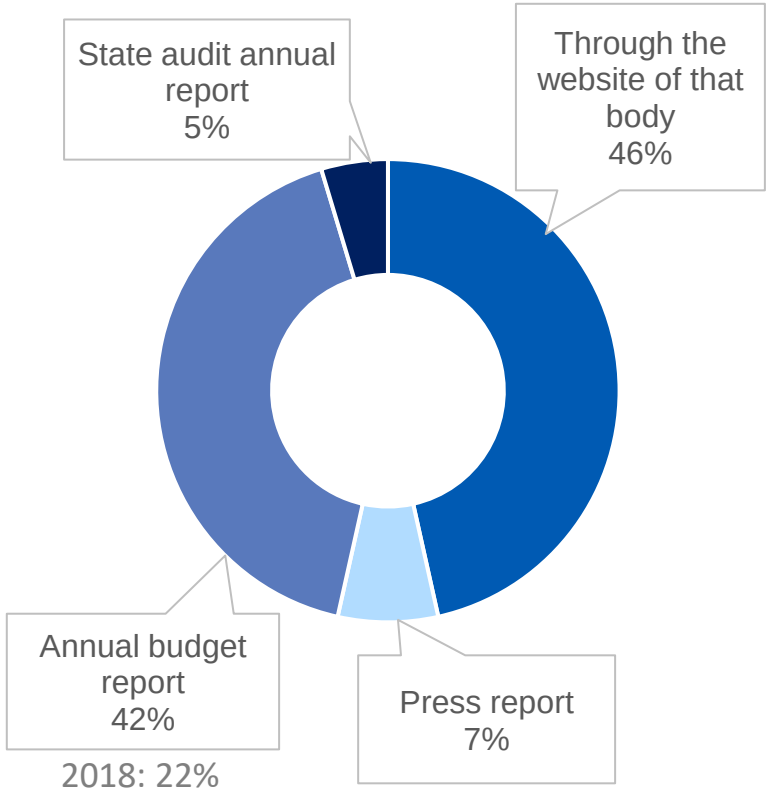
% read report

Reasons for not reading



% of total

How did you access the report?



% of total

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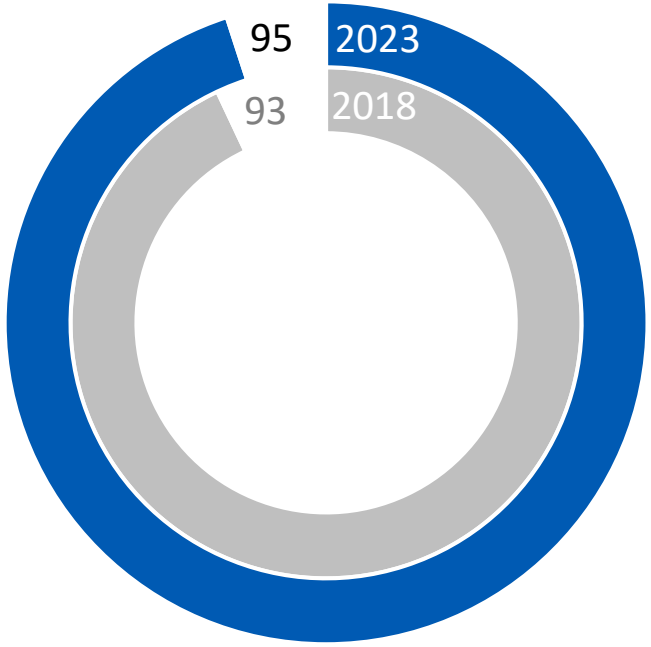
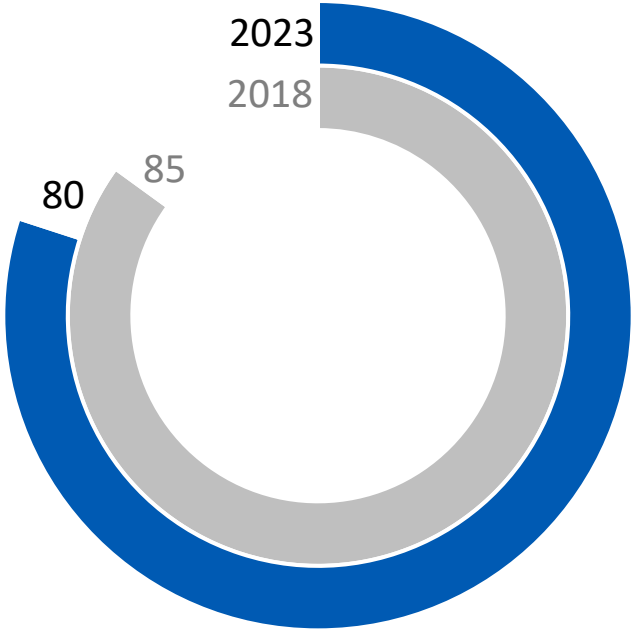
When read, understanding of the monitoring bodies' reports remains at a high level. Credibility of reports and perceived effectiveness of fiscal rules decreased slightly.

Do you understand the findings of the report?



% agree

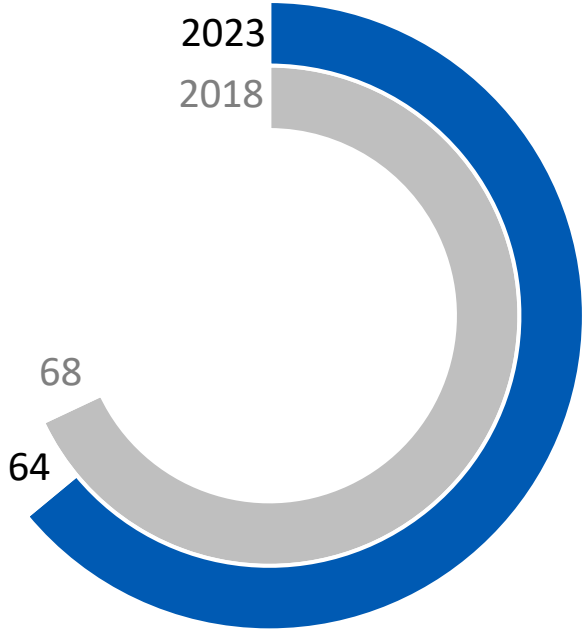
Report is credible



% agree

Not credible - main arguments:
lack of trust in the institution, fiscal data are circumvented to satisfy the rule

Fiscal rule effectiveness: prudent budgeting, government fiscal performance and accountability



% agree

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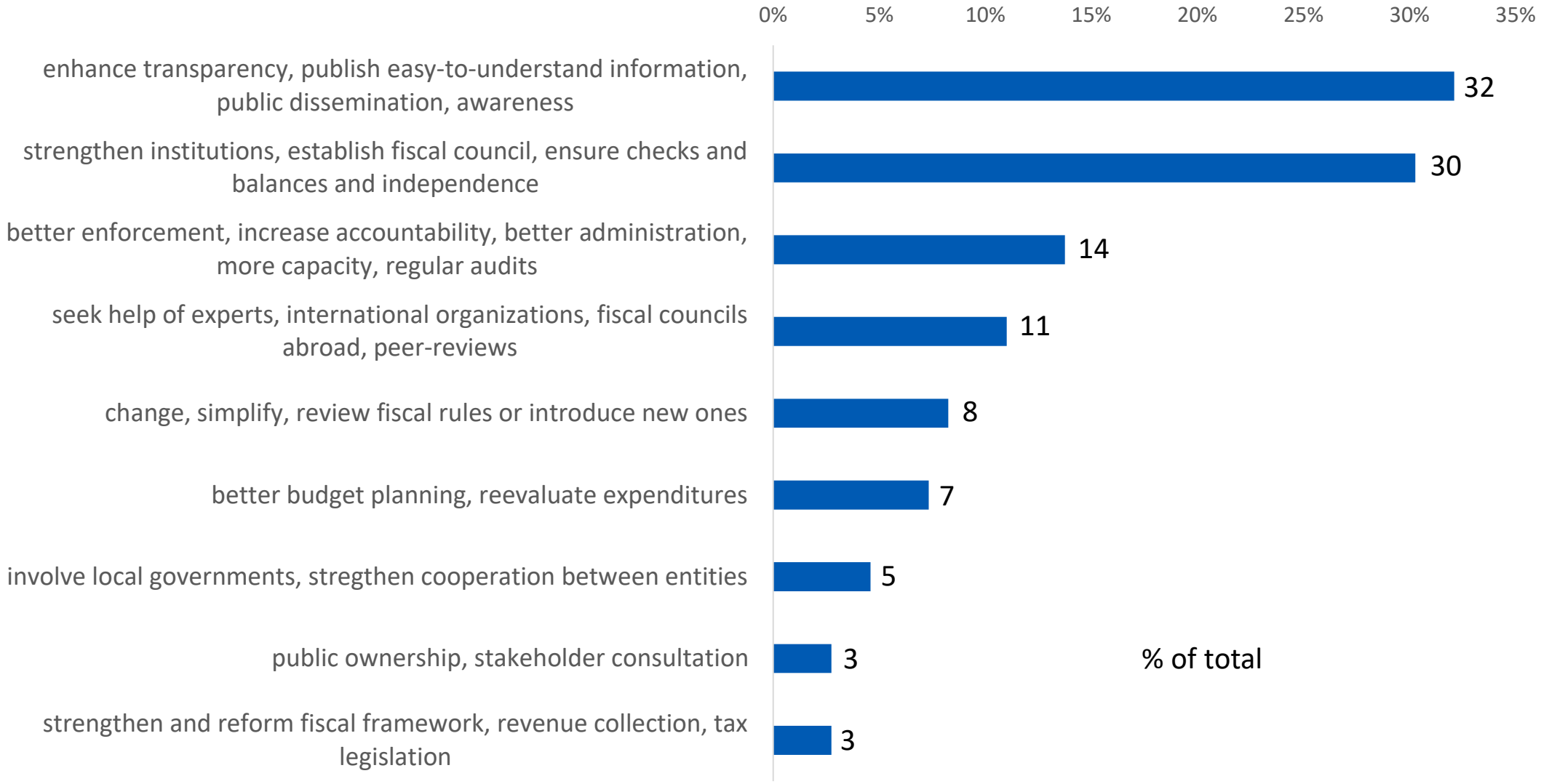
Recommendations for improving the monitoring of the fiscal rules



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What next?

- The results will be used to feed the ongoing and planned technical assistance from the Bank and the EU:
  - Help design communication strategies of the fiscal councils in the region for different stakeholders (different sophistication and instruments for different groups).
  - Help address perceived transparency concerns.
  - Help strengthen the credibility of fiscal watchdogs by engaging in methodological analytical rigor.

Thank you

Strengthening Fiscal Governance in the Western Balkans (worldbank.org)

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