

# Where Your Taxes Go: Fiscal Education for Citizenship (Brazil)

## Summary

An informed citizenry is crucial to preventing corruption and waste in public finance. To build public knowledge in fiscal matters, and raise in particular students' awareness of their rights and duties as citizens and as taxpayers, the Education and the Treasury Secretariat<sup>1</sup> in Brazil's state of São Paulo have joined forces and designed a Fiscal Education for Citizenship programme.

Currently, 518 state schools in the State of São Paulo are participating in a pilot project that introduces fiscal education as a permanent subject. From 2005, all 6,000 state schools in São Paulo are expected to carry out these activities.

The programme is financed from the budget of the State Treasury Secretariat.

## Background

"Fiscal education clears up our minds and leads citizens to understand the importance of paying taxes. Also, it stimulates the citizen participation in the political life of our country, and helps citizens to control public expenditure. This project is a fundamental contribution to improve the quality of life of our community."

*Huquette Theodoro da Silva Faria (57), teacher*

Brazil is a country of contrasts, with extreme social inequality in many areas. The media frequently covers stories of impoverished and starving people. However, the suffering is not limited to the poor as the more affluent experience violations of their safety.

Considerable financial resources are needed to address social inequality, and to provide basic services to the poor. Brazilian citizens, who finance the budget through their taxes, should have an interest that public money is spent for the public good. However, the public treasury suffers losses due to tax evasion, corruption and waste, and, as a rule, citizens display indifference when

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<sup>1</sup> The programme is jointly organised by São Paulo's Education Secretariat (the Department of Supervision of Pedagogical Studies and Rules CENP) and the Treasury Secretariat FAZESP (Department of Supervision of Tax Administration, Department of Control and Evaluation of Public Expenditure and the Treasury School). Other partners include the Union of Tax Inspectors SINAFRESP, the Association of Tax Inspectors AFRESP and the Regional Council of Accounting CRC-SP.



A public official explaining his work

deviation of public money is exposed. In general, there seems to be lack of understanding of the concept of public good, and on the fact that state property belongs to all citizens.

To address this attitude, the State of São Paulo started a Fiscal Education programme in the beginning of the 1990s aimed at raising students' knowledge of their rights and duties related to public expenditure and tax collection. The goal was to raise awareness of the importance of preserving public goods and state property, and of the importance of social control of public expenditure.

### The project

"Everything was not play, but by playing we learnt a lot, for instance, how to use and to fill in a check, the purpose of an invoice, how to calculate percentages, how commerce works and many other things. And the most important of all, something I couldn't even imagine, is that everything I learnt I'm now using in a daily basis."

*Tamires Helena Cêra (16), a state school student.*

The Fiscal Education programme is run by a team consisting of public officials of the Education Secretariat and the Treasury Secretariat of the State of São Paulo (and its Treasury School). The programme is a long-term endeavour, aiming at a behavioural change of the population.

## Training the general public

So far, more than 35,000 taxpayers, accounting professionals, attorneys, and university students have been trained on fiscal obligations, through seminars and videoconferences. Taxpayers are trained to understand that public money is largely obtained by tax collection, that public expenditure has to be well performed and controlled by citizens, and that corruption and waste have to be avoided.

The training is delivered through various formats: Lectures, seminars, videoconferences, theatre plays, videos, books, and debates.

The main messages transferred:

- Public spaces and state property belong to all citizens. They do not lack ownership and are not properties of the governors.
- Public officials play an important role in the process of helping citizens to effectively exert their civil rights and duties.
- Public services and buildings can only be provided if taxes are collected; the paying of taxes is a part of citizenship.
- Public expenditure needs to be performed according to certain priorities and with social control. Society has limited tax-paying capacity and corruption and waste must be avoided.

In 1997, the programme produced a video for children named *Betinho's Dream*. In this video, a little boy dreams about a place where milk was freely distributed to poor children. In his dream there are two horrible witches: one that obstructs the cow receiving grass (the tax avoiding and corruption witch) and another that distributes the cow milk without criteria (the waste and corruption witch). Children usually enjoy the video and often produce beautiful essays or drawings about the video, which demonstrate their understanding of the message delivered.

## Training school teachers

Teachers were trained to use *Betinho's Dream* in their classroom teaching. Two state teachers from each school were invited to attend a workshop consisting of a video screening and a lecture on budget laws and the Fiscal Responsibility Law<sup>2</sup>. In addition, there was a debate between public

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2 The Fiscal Responsibility Law prevents public administrators spending more than the budget allowance.



Students visiting the historic state safe in the Treasury Secretariat

officials of the Treasury Secretariat and the participants. Teachers were given several books and videos to promote fiscal education activities in their schools. Between 1999 and 2002 more than 70 workshops were carried out.

### **Visiting programme: Open Treasury**

Since 2001, the Treasury Secretariat has been organising group visits to the Treasury, including teachers, students, elderly people and others. Public officials have also visited schools to debate public finance and citizenship with students and teachers. The two visiting programmes are called Opened Treasury and The Treasury Goes to the School. The aim is to familiarise citizens with the operations of the Treasury, and to facilitate a hands-on understanding on how public money is administered. From January 2001 to July 2004 there were more than 25,000 participants.

## Mainstreaming fiscal education into regular school curricula

“The school is a place where awareness is raised. Besides disseminating knowledge, a teacher is responsible for transferring principles and feelings to students, promoting awareness-raising towards citizenship, and, as Paulo Freire says, ‘exercising in the pedagogical practice the political action of educating’ ”.

*Luciana Mazucante Guanais, state tax inspector*

Fiscal education for youth is most effective if it is part of the school pedagogic plan. To mainstream fiscal education into regular school curricula, the involvement of the Education Secretariat is indispensable. Therefore, as outlined above, the recipe of success for the school fiscal education programme was the co-operation between Treasury Secretariat and its school with the Education Secretariat. The aim of their joint programme now is the introduction of fiscal education as a permanent subject in all courses in primary and secondary state schools. At present, a pilot programme is being developed with 518 state schools from nine cities within the state.

The state teachers in charge of pedagogic co-ordination of these 518 schools have been given training by means of videoconferences and workshops. The training themes are: Fiscal Education and the New Vision of the School Curriculum; Economic, Social and Fiscal Indexes of Brazil and the State of São Paulo; Where Public Money comes from; and How Public Expenditure is Performed.

The trained state teachers are responsible for disseminating materials and carry out fiscal education to their colleagues and all the students in their schools. In this semester there have been videoconferences monitoring the activities which are being developed, and at the end of this year there will be an event sharing the experiences.

Over the next two years these activities will be extended to all the state schools in São Paulo.

## Results and recommendations

To measure the impact of the fiscal education programme, teachers’ reports and student essays written since 1995 have been evaluated. This material is interesting to read and demonstrates the teachers’ and students’ understanding of fiscal obligations and social control mechanism for expenditure monitoring.

A good relationship with the media has been very important. The Treasury Secretariat publicised the fiscal education programme through the local media, which in general, is very receptive to this type of activity.

Integrating fiscal education permanently in school pedagogic plans has not been easy. Initially, the inconsistent and fragmented way in which public finance and citizenship has been treated by schools presented a challenge, as the topic was not part of the regular curriculum. As a result, many teachers considered fiscal education to be the privilege of the Treasury Secretariat. However, as the partnership between Treasury School and the Education Secretariat matures, this perception is changing.

One lesson learned is that fiscal education activities should not be linked with the current government, since this association may present problems. For example, the programme was suspended in 1995 by the State of São Paulo's new government because the books destined to the students had the mark of the previous administration.

In conclusion, the co-operation between treasury and state education institutions has proved to have a positive effect on general awareness about tax and expenditure monitoring issues. There is no doubt that this awareness is a fundamental element for the construction of Brazil's democratic nation.

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