Participatory Budgeting in Nigerian Local Government Administration: A Panacea for Rural Development in Nigeria

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Abstract- The Government annual budget is a public proclamation of its projected and actual expenditures, which provide vibrant suggestion of where a State sets its primacies. Therefore, this article seeks to show how participatory budgeting offers citizens an ample opportunity to study about government procedures and deliberate, discuss, debate, and stimulate allocation of public funds in the local government councils. Through a descriptive historical analysis, this study shows that the local government’s current budget reveals that citizens have no knowledge of how local government council is committing itself to in its policy declarations and what it does in its budgetary allocations. The extremely complicated, technical and esoteric nature of the budget-making process and documents does not allow citizens to participate, have any say in it or monitor the process. It is the position of this paper that participatory budgeting programs are implemented at the behest of governments, citizens, nongovernmental organizations (NGOs), and civil society organizations (CSOs) to allow citizens to play a direct role in deciding how and where resources should be spent.

Keywords: budget, participation, local government, nigeria.


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Abstract The Government annual budget is a public proclamation of its projected and actual expenditures, which provide a vibrant suggestion of where a State sets its priorities. Therefore, this article seeks to show how participatory budgeting offers citizens an ample opportunity to study about government procedures and deliberate, discuss, debate, and stimulate allocation of public funds in the local government councils. Through a descriptive historical analysis, this study shows that the local government’s current budget reveals that citizens have no knowledge of how local government council is committing itself to a policy declarations and what it does in its budgetary allocations. The extremely complicated, technical and esoteric nature of the budget-making process and documents does not allow citizens to participate, have any say in it or monitor the process. It is a tool for educating, engaging, and empowering citizens and strengthening the demand for good governance. It also enhanced transparency and accountability. The study revealed that participatory budgeting helps reduce government inefficiency and curb clientelism, patronage, and corruption. Besides recommending encouragement of community-based organizations, civil society and the media should be involved and be stimulated to play the role of a conscience keeper on behalf of the poor and marginalized in the society.

Keywords: budget, participation, local government, Nigeria.

I. Introduction

Budget preparations are not systems that are mechanically run by legal frameworks and rules once set up. They are more like organic processes consisting of a myriad of rules and regulations and in addition, unwritten ideas, traditions, approaches and methods formed over time. They are also highly political, having a direct impact on the distribution of income, wealth and power across society. A budget 37 can be defined as a document from the Government that sums up its revenue and expenditure for a fiscal year, which runs from January 1 to December 31. It is a financial plan which spells out the government’s estimated revenue and proposed expenditure for a fiscal year. According to section 81 of the Constitution of the Federal Republic of Nigeria 1999 (CFRN 1999) “The President shall cause to be prepared and laid before each House of the National Assembly (NASS) at any time in each financial year estimates of the revenues and expenditure of the Federation for the next following financial year”. Government revenue trends, policies and payment issues for the fiscal year are stated in the government budget. In addition, it gives a detailed spending plan as it creates its financial activities to provide important goods and services like education, healthcare, power, roads and security to the people. As a fiscal policy tool, the government budget influences many facets of the economy, for instance, prices of goods and services, interest rates, exchange rate and the rate of growth of the economy.

Since resources at the disposal of the government are not always sufficiently available enough to serve the needs and opportunities which the Government would like to serve or seize, budgeting remains the tactical instrument for both decision-making as well as allocation of resources. According to Isaksen (2007) budget is a government proposal. It is not a record of revenue and spending that has taken place, but a record of the intentions of the government. The budget expresses the objectives and aspirations of the government; it reflects the government’s policy priorities and expectations about the performance of the economy, and it translates these into revenue proposals and expenditure allocations.

The budget process is the political and technical procedures of budget making and budget implementation. The budget process includes the setting of priorities, the construction of the budget by the administration, and the political approval of the budget by the legislature. It includes the implementation of the budget provisions, and revision and reporting throughout the budget year and the final auditing.

The domain of government budgeting is an ongoing process of decision-making, in which different state bodies will have the leading role at each stage. In most countries, there is a main annual budget process, but most countries also have a budget revision after six months. The budget cycle is a process that includes at
least these four stages: drafting of budget, approval of the budget execution of budget and monitoring and evaluation of the budget.

The budget process comprises the political, bureaucratic and technical procedures of budget making and budget implementation. The budget process includes the setting of priorities, the construction of the budget by the administration and the political approval of the budget by the legislature; the implementation of the budget provisions; revision and reporting throughout the budget year and the final auditing.

Normatively, the budget process in a democratic society such as Nigeria should reflect the aims and aspirations of the people. According to Wampler (2000:1) budget process should, therefore:

- Be participatory, and involve the citizens in its formulation.
- Be transparent, so that governments can be held accountable for their priorities and over-and underspending.
- Get the priorities right, so that it takes into account the basic needs of most of the people and the country’s most pressing development issues.

Participatory Budgeting aims to infuse the values of citizen involvement into the most basic and frequently the most formal procedure of governance—the distribution of resources through the budgeting process. Citizen involvement can foster accountability, transparency, and more effective distribution of resources. Proponents of participatory budgeting also see it as a way of challenging the exclusion of non-elite groups from the process. Wampler (2000:1) describes the ambitious and multiple goals of participatory budgeting:

These programs are designed to incorporate citizens into the policy-making process, spur administrative reform, and distribute public resources to low-income neighbourhoods. Social and political exclusion is challenged, like low income and traditionally excluded political actors are allowed to make policy decisions. Governments and citizens initiate these programs to citizen participation in budgeting: promote public learning and active citizenship, achieve social justice through improved policies and resources allocation, and reform the administrative apparatus.

Through participatory budgeting, community members directly decide how to spend funds of the public budget in participating government. Accordingly, the community members can propose and vote on projects like improvements to schools, parks, libraries, public housing, and other public or community spaces.

In Nigeria, unfortunately, the process of budget preparation is not open to citizens, there is no such formal mechanism in the Local Government Council that invites and involves citizens to participate in the budgeting process. Despite many Acts and Policies on decentralization, the Local Government Council budget-making process continues to remain a secret bureaucratic exercise. The esoteric language and presentation style of the budget documents prevents the public from understanding the real content and import of the documents. Even the local government legislators, who are supposed to influence the budget, do not possess the skills and information that would enable them to engage in the critical discourse of the matter or are focusing on what they gain from its presentation. As a result, the Executive acts as the sole decision-maker, deciding the expenditure priorities on its own. The role of citizens or civil society organizations is limited due to the lack of databases and information. The absence of any formal/informal space in which to participate, debate and discuss budget issues adds to the problem (Mishra, 2014).

Examination of the government budget allocation and spending priorities of the local government council budget preparation should be a participatory process that would encompass the critical needs of the poor and the marginalized. Opportunities for citizen engagement can be imagined, devised and applied in four functions of the government (Malena et al., 2004): Policies and plans, budgets and expenditures, delivery of services and goods, and public oversight.

Although it is claimed that elected representatives play a role in a democratic system by discussing and deciding the priorities that are best suited to citizens’ needs, there is a lack of real participation by these peoples’ representatives.

Hence, this article seeks to explain the mystery surrounding the preparation, execution and evaluation of budget in the Local Government Council and the need to make government budget participatory in nature.

II. Literature Review

a) Conceptual Explication

The term public participation in the context of fiscal policy has not been unambiguously defined in the professional literature and is still vague (de Renzio and Wehner, 2015:4). The reasons for this could be the fact that the development of participation as a dimension of fiscal transparency is a relatively recent event and that numerous activities fall under its scope (Petrie, 2011: 26), but it could also be because of research dealing with this topic is scarce. For this paper, we used the definition by de Renzio and Wehner (2015: 9) who define public participation in the budgetary process as “a wide set of possible practices through which citizens, civil society organizations, and other non-state actors interact with public authorities to influence the design and execution of fiscal policies”.

According to Bräutigam (2004:654), public participation in the budget can take many forms: it can
be (a) direct (such as when citizens “meet, debate fiscal priorities, and forward their conclusions to decision-makers”), and (b) indirect (electing members of parliament). Fölscher (2010:41), furthermore, specifies the difference between consultative participation and empowered participation. In the case of the former, the government provides citizens and their representatives with “the opportunity to be heard, but there is no guarantee that participants will be heeded”, meaning that “decision-makers have the freedom to agree with citizens or not”. When it comes to the latter, the participants are “invested with decision-making power” (right) “and influence, such as having citizen representatives on boards that oversee local public services”. Generally speaking, literature does not offer a list of forms of public participation in the budgetary process. This is partially due to their (growing) number, insufficiently clear differences, and scarce research on the topic.

Citizen participation occurs when citizens or their representatives (who are not elected officials) interact with and provide feedback to the government at the policy formulation or implementation stage of governance. Citizen participation is frequently characterized as an inevitable outcome of a logical movement from insulated, bureaucratic modes of governance to more open, transparent, and participatory approaches. Democratic theorists propose that current societal conditions and an understanding of the dynamics of individuals concerning their governments in liberal democracies make it even more likely that citizens will seek to involve themselves in governments' managers' characteristics might impact citizen involvement. Some scholars hold a “positive” perspective and believe that managers are likely to encourage citizen participation. One reason is that managers tend to be “modernizers” or public entrepreneurs who seek to experiment with scientific management tools (Berman and West, 1995; Feiock, 2003; Poister and Streib, 1989). Citizen participation in budgeting could be viewed as a management innovation. Another reason is that community building and participation have become a professional norm for management professionals in government. Therefore, appointed managers may emphasize citizenship values over technocratic values (Nalbandian, 1991; 1999). We can label this first perspective as the “citizen leadership” model.

Another perspective is “negative” in that it is concerned with the tension between professional administration and citizen involvement (DeSario & Langton, 1984; Fischer, 2000; Kweit & Kweit, 1981; Simonsen & Robbins, 2000). For instance, Fischer (2000) indicates that “the tension between professional expertise and democratic governance is an important political dimension of our time” (p. ix). As public problems become highly sophisticated in modern society, policy processes are increasingly dominated by professional experts.

Such technocratic dominance, however, is likely to hamper citizen participation because administrative decision-making based on expertise and professionalism may leave little room for participatory processes. We can call this perspective the “technocratic expert” model. From this perspective, one might argue that since budgeting is a central and complex management function (O’Tool & Marshall, 1988; Simonsen & Robbins, 2000), professional administrators may fear that citizen involvement reduces administrative efficiency, and, as a result, they may discourage citizen involvement in budgeting (Bland & Rubin, 1997).

The technocratic model echoes the writings on bureaucratic personality and bureaucratic experience. In Hummel’s (1994) description, bureaucracies are in a “cold” environment in which employees are supposed to have no personal feelings, emotions, or judgments and treat various clients as cases without any distinction.

Following Hummel (1994), Alkadry (2003) contends that professional administrators become indifferent to citizen needs because of their bureaucratic personality. That is, their responsiveness to citizens is constrained by their inability to take action or their unwillingness to take action given that they are constantly watched by their supervisors and governed by strict rules and job descriptions. Alkadry (2003) and Hummel (1994) aim to build a general theory that treats all bureaucratic administrators as the same regardless of the levels of government. We can call their theory the “bureaucratic indifference” model. According to this model, city managers' personalities and behaviours are shaped by their professional experience in a way that their tendency toward citizen participation in the budget process is constrained by their inability and their unwillingness to involve citizens.

Yang and Callahan (2007) try to integrate the citizen leadership model and the technocratic expert model in examining the factors driving citizen
Participation in governments. In contrast to the bureaucratic indifference model, they suggest that chief administrative officers may internalize the professional values promoting community building and civic engagement as Nalbandian (1991; 1999) observes, and in turn, proactively seek citizen input.

However, Yang and Callahan (2007) acknowledge the technocratic expert model may also play a role, indicating that the city leadership model may explain better whether there are citizen participation activities while the technocratic expert model may explain better whether citizen input will make a difference in decision outcomes:

It is likely that professional managers treat involvement mechanisms as professional management tools and use them to obtain customer feedback and improve service quality...After the mechanisms are put into place, however, whether and how citizen input is used in strategic decisions depends on the political and institutional dynamics of a particular community. In particular, professional managers may fear that citizen involvement in strategic decisions will reduce their authority and power... (Yang & Callahan, 2007: 259).

IV. Existential Imperatives for Participatory Budgetary to the Citizens

a) Individual Citizens

Citizens have many incentives to participate in participatory budgeting programs. First, participatory budgeting increases their access to public decision-making activities. Public meetings and decision-making processes reduce the likelihood that overt, clientelistic means will be used to distribute goods. This is an obvious benefit to citizens who did not gain from clientelism under previous government regimes. The public nature of meetings empowers some citizens to speak out for the first time. This general sense of public nature of meetings empowers some citizens to gain access to information. Informational meetings provide citizens with a broader understanding of government, governmental responsibility, policy, and policymaking. Budgets and policymaking are often viewed as “black boxes” in which inputs and outputs are unknown to all but a handful of government officials. Participatory budgeting programs provide a structure for citizens to gain the necessary information to develop a better understanding of their political and administrative environments. In addition to budgetary information, citizens gain access to technical information about subjects such as zoning and land-use laws. The complex sets of rules involved in these issues are often beyond the reach of the average citizen. Participatory budgeting programs offer the opportunity for citizens to work with officials in the bureaucracy to resolve legal and technical problems.

The third benefit of participatory budgeting for citizens is the direct relationship between participation and the quality of services provided. Citizens select public works, directly shaping their neighbourhoods. They approve technical plans, for the installation of sewer systems or the construction of new housing units, as well as oversee project implementation. In Belo Horizonte, all technical plans must be presented to neighbourhood forums.

After discussion and clarifications, which may require the plan to be redrawn, the neighbourhood forum must approve the plan. This helps ensure that contractors provide the goods and services they promised. This process is widely believed to improve the quality of services because it reduces the likelihood that contractors will try to cheat on their contracts.

b) Civil Society Organizations

The primary incentive for CSOs, such as social movements to participate in participatory budgeting is indirect. Since one of the criteria for the distribution of goods is the number of citizens who attend meetings, the more citizens CSOs can mobilize, the more goods and resources their neighbourhood is likely to receive. A relationship between mobilization and outcomes is established, strengthening the importance of CSOs.

A second reason why CSOs participate is to build broader networks of supporters. Participation provides CSOs with contact with potential allies, increasing opportunities to build broader social and political coalitions.

Since many of the specific demands negotiated within participatory budgeting originated from associations around basic issues (housing or sewage problems), it is incumbent upon the associations to negotiate with other associations. One of the drawbacks of participatory budgeting discussed below is that there is an increased potential for competition among CSOs. Rather than create bonds of solidarity, contact can heighten conflict.

A third reason why CSOs participate is to influence policies. Neighbourhood associations shape the neighbourhood’s infrastructure. Associations work with government technocrats and NGO specialists to design development plans. Issue-oriented social movements participate in participatory budgeting to shape broader public policy. The process allows them to work with government officials to influence short-term funding as well as long-term planning. The close working relationship provides issue-based social movements with many opportunities to influence policy outcomes. Of course, this relationship may not be wholly positive for the CSOs.
Closer ties to the state have the potential to drastically alter the character and goals of the social movements. This is a tension that government officials and CSOs are continually forced to address.

c) Non-governmental Organizations

Participatory budgeting programs provide a mechanism for NGOs to work with citizens and the government to tackle pressing social problems. In some municipalities, NGOs play a direct role, sitting on a governing or oversight board or acting as a mediator between the government and participants. When NGOs play a direct role in the process, they tend to promote citizen empowerment and transparency in government.

In other municipalities, NGOs act in an advisory role, providing support to participants. Many NGOs have a staff of professionals with strong technical and administrative skills. Architects, accountants, social workers, and other specialists can understand policy proposals and their implications more easily than the average citizen. The NGOs’ distance from the government allows them to promote the general values of participatory budgeting while keeping an eye on the government to guarantee that it is working for the citizens. One NGO in Porto Alegre, Cidade, publishes a monthly report on participatory budgeting for citizen-delegates and citizens in general. It monitors spending and policy decisions, acting as a watchdog as well as an advocate of the participatory budgeting program.

NGOs also play a prominent role in the initial empowerment or learning meeting. Because of their skill and experience in public education, NGOs are often contracted by the government to provide this service. This can create a certain tension between NGOs and participants because it blurs the role of the NGO.

d) Business Community

The business community may support participatory budgeting programs because these programs promote transparency, reduce corruption, and increase efficiency. While participatory budgeting programs do not inherently or necessarily involve fiscal reform, the increased attention on the budget often leads the government to take better care of the city’s financial health. Better financial health is an indirect consequence of participatory budgeting programs.

Within the business community, some contractors and builders benefit directly. The selection of projects and the systematic ordering of the projects’ implementation allow contractors to bid in an open and fair system. Small contractors benefit because many of the projects selected through the participatory budgeting process tend to be small. Contractors no longer pay kickbacks and bribes to ensure that their projects will be funded and implemented. Instead, the timing and order of the projects become part of the public record. Of course, businesses that benefited from closed and corrupt practices are not enthusiastic about participatory budgeting.

When participatory budgeting programs are consolidated as the principal policy-making method, business associations must participate to secure funding for projects. A neighbourhood business association that wants to have streets paved or lighting installed, for example, would have to organize its members to attend meetings to press their demands (Wampler, 2007).

V. Participatory Budgetary in Nigeria: A Panacea for Rural Development

According to Wampler (2007), participatory budgeting is a decision-making process through which citizens deliberate and negotiate over the distribution of public resources. Participatory budgeting programs are implemented at the behest of governments, citizens, non-governmental organizations (NGOs), and civil society organizations (CSOs) to allow citizens to play a direct role in deciding how and where resources should be spent. These programs create opportunities for engaging, educating, and empowering citizens, which can foster a more vibrant civil society.

Participatory budgeting also helps promote transparency, which has the potential to reduce government inefficiencies and corruption. Because most citizens who participate have low incomes and low levels of formal education, participatory budgeting offers citizens from historically excluded groups the opportunity to make choices that will affect how their government acts. Put simply, participatory budgeting programs provide poor and historically excluded citizens with access to important decision-making venues.

Participatory budgeting is noteworthy because it addresses two distinct but interconnected needs: improving state performance and enhancing the quality of democracy. It helps improve state performance through a series of institutional rules that constrain and check the prerogatives of the municipal government while creating increased opportunities for citizens to engage in public policy debates. It helps enhance the quality of democracy by encouraging the direct participation of citizens in open and public debates, which helps increase their knowledge of public affairs.

Improving state performance and enhancing the quality of democracy are desired goals, but they are not necessarily produced by participatory budgeting programs. Participatory budgeting programs have produced results that run the gamut from highly successful to very weak.

There is broad variation in how participatory budgeting programs function, which means that the effects of participatory budgeting on accountability, the decentralization of decision-making authority, and empowerment are conditioned by the local social,
political, and economic environment. Participatory budgeting opens up obscure budgetary procedures to ordinary citizens and helps create a broader public forum in which citizens and governments discuss spending, taxation, and implementation. It is simultaneously a policy process that focuses on the distribution of resources and a democratic institution that enhances accountability, transfers decision-making authority to citizens, and empowers citizens.

Participatory budgeting programs confront social and political legacies of clientelism, social exclusion, and corruption by making the budgetary process transparent and public. Social and political exclusion is challenged, as low-income and traditionally excluded political actors are allowed to make policy decisions. By moving the locus of decision making from the private offices of politicians and technocrats to public forums, public meetings help foster transparency.

Participatory budgeting programs also serve as “citizenship schools,” as engagement empowers citizens to better understand their rights and duties as citizens as well as the responsibilities of government. Citizens learn to negotiate among themselves and with the government over the distribution of scarce resources and public policy priorities.

When participatory budgeting programs function poorly in terms of policy outputs, there is still the potential for participants to enhance their knowledge of governmental responsibilities and citizens’ rights, which can enhance their capacity to negotiate with and place demands on state officials. However, when participatory budgeting programs function poorly, increased cynicism about democracy, decentralization, and participation may be generated, as participants become disillusioned with an ill-performing institution.

By its nature, participatory budgeting is a collaborative effort between citizen participants and the government. This makes a strengthened base of popular political support a natural consequence of effective participatory budgeting programs. A reformist government is the most likely to successfully implement participatory budgeting, because of the high level of government support needed. Participatory budgeting programs subvert clientelism by providing open, transparent policy-making processes. Reformist governments gamble that by delegating decision making to citizen participants, they will weaken old clientelistic politics and strengthen their positions.

As participatory budgeting takes place outside the government itself, its activities largely bypass the legislature and the multiple patronage networks embedded therein. This is one of the most controversial aspects of participatory budgeting programs: legislators have virtually no role in the policy-making processes.

A second reason why local governments should adopt participatory budgeting is to increase the distribution of resources to low-income groups. The rules of participatory budgeting promote social justice; the emphasis on participation helps the government build support for redistributing resources among low-income and middle-class groups. Low-income citizens have access to greater levels of resources in participatory budgeting, which allows the government to provide a specific forum to address their needs.

Low-income citizens are not competing against middle- and upper-income citizens and groups in their efforts to secure desperately needed services and public works.

A third reason why local governments should adopt participatory budgeting is that mobilizing citizens provides opportunities to change their political and social consciousness. The lack of political knowledge about government, policymaking, and rights among most low-income Brazilians is an obstacle that reformist governments believe limits social change. Governments will implement participatory budgeting if they believe that improving the quality of citizens’ political knowledge is an integral part of a more expansive effort to reform political, social, and economic structures. Many citizens in the developing world lack basic information on the responsibilities and authority of different levels of government; governments use participatory budgeting as a means to provide them with these basic tools.

A fourth reason why the local government’s council should adopt participatory budgeting is to promote transparency, in the hope of reducing corruption and bureaucratic inefficiencies. Participatory budgeting may reduce corruption by increasing the number of citizens that monitor the distribution of resources. Where corruption is rampant, reformist governments use multiple public meetings and oversight committees to reduce the likelihood of corruption. In the local government council, all participatory budgeting projects should be assigned tracking numbers. Any interested citizen can use a computer terminal at a local government office to check the status of a project and verify if resources have been spent as promised.

**VI. Recommendations**

To bridge the gap between the government and the country’s citizens, civil society must play a crucial role in the process of budget analysis. This will help to generate useful information on sectoral allocations and expenditures in simple terms. In turn, this will enable not just the intelligentsia, but also the citizens and the media to discuss the budget with the council to ensure more effective allocation and spending in key social sectors like health, education and agriculture. While the importance of the budget as a country’s principal economic policy document and its critical role in ensuring equity and justice are well appreciated, serious budget work by independent groups should be initiated.
primarily to increase roles of, and opportunities for, non-
governmental actors, especially CSOs, to actively engage in development and governance agendas.

VII. Conclusion

Participatory budgeting if not well managed can also come with significant risks. Participatory processes can be captured by interest groups. Such processes can mask the undemocratic, exclusive, or elite nature of public decision making, giving the appearance of broader participation and inclusive governance while using public funds to advance the interests of powerful elites. Participatory processes can conceal and reinforce existing injustices. The Participatory budgeting can be abused to facilitate the illegitimate and unjust exercise of power. It can be used to deprive marginalized and excluded groups of having a say in public affairs (Anwar 2007).

It can do so by unleashing the “tyranny of decision making and control” by overriding existing legitimate decision-making processes—by limiting the role of elected local councils in budgetary decisions, for example. The “tyranny of group dynamics” can allow manipulative facilitators to preserve and protect the interests of the governing elites. We can use the “tyranny of method” to exclude more inclusive methods of democratic voice and can equally exit, such as parental choice in school finance, under which both government and non-government schools are publicly financed based on enrollments (Cooke and Kothari 2001). The participatory process must fully recognize local politics and formal and informal power relations if it must prevent this abuse so that the process yield outcomes desired by the median voter.

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