# Revisiting participatory budgeting as a potential service delivery catalyst

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## ABSTRACT

*The main objective of this article is to argue the value of public participation in budgetary process to advance the delivery of public services. Various authors have written about participatory budgeting and some of their views differ considerably. The intention of this article is not to present participatory budgeting as the acme of service delivery initiatives, but rather to assess its applicability in a community environment to achieve a measure of success. Service delivery remains a contentious issue – from this perspective public participation in the budgetary process is vital, especially in identifying and delivering high quality services in the municipal sphere. As a point of departure, service delivery is briefly discussed as a governance deficit. Public participation and participatory budgeting are assessed as interrelated concepts, where after an assessment of the legislative environment provides a baseline reference regarding participatory governance in the municipal sphere. The article then focuses on participatory budgeting, examining its development and barriers to effective participatory budgeting and distinguishing between different kinds of participatory budget.*

## INTRODUCTION

Service delivery as an action or a concept in modern public services raises numerous problems and challenges. Some of these problems relate to responsiveness, inadequate funding, gaps in communication or the unsuccessful introduction of reform measures. From a service delivery perspective, the perceived reality remains that government is unable to satisfy the demands of the broader population, due to a myriad factors which include archaic management practices,

outdated modes of governance and a focus on achieving national strategic objectives at the cost of the basic services required at grassroots level. Although a number of developments have been undertaken to address these management practices, they remain inadequate, especially in view of the perceived divide between those that deliver public services and those that stand to benefit from those services. It is in this context that participatory budgeting forms an integral part of the service delivery continuum and the practice of such budgeting is most likely to restore confidence in government entities mandated or contracted to deliver high quality public services. Two questions then remain: Is there a need for participatory budgeting in the local sphere of government? If so, then what is the likelihood that participatory budgeting will influence the delivery of essential quality public services positively?

## DETERIORATING INSTITUTIONAL TRUST

The lack of trust in public institutions which is increasingly resulting in service delivery protests underlies and is an outcome of non-participation. In this regard, Van Donk (2012:12) remarks that there is "widespread consensus that local governance in South Africa is not particularly healthy or vibrant and is most certainly not living up to the ideal expressed in the 1998 *White Paper on Local Government* … [and that] South Africa's much heralded and progressive policy framework … stands in stark contrast to recent, and other sobering, assessments of the state of local government". Protest action related to service delivery inefficiency and distrust in local government have therefore become commonplace. From a service delivery perspective, Bond (2010:1) points out that social protest has reached "high levels" since 2005, with approximately 8 000 incidents, as described annually by the *Gatherings Act,* 205 of 1993.

Figure 1 provides an indication of the major service delivery protest actions recorded by *Municipal IQ Hotspots* between January 2004 and May 2012, based on provincial data reflecting accountability, the quality and pace of basic service delivery and housing in metropolitan areas. The *Municipal IQ Hotspots* Monitor indicates that in 2012, as many as 14,28% of protests recorded since 2004 had already occurred, and that in May 2012

**Figure 1** Number of service delivery protests (January 2004 to May 2012)
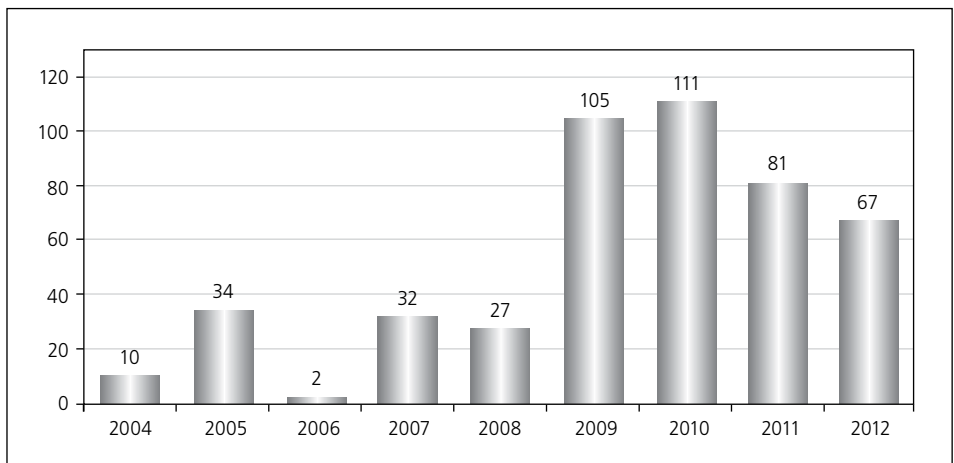
more protests were recorded than the combined annual average of 50,25 incidents between 2004 and 2011. Although there has been a slight decrease in protest actions since 2010, the available data indicate an actual increase in protests by May 2012 in comparison to the annual percentages. It is difficult to identify the actual root causes of protest actions, especially when one compares the current spate of protests with the combined number of protest actions in 2009 and 2010 which accounts for 46% of the protests recorded since 2004. Clearly, the widespread frustration with the current socio-political situation, combined with the ripple effect of service delivery protest action, cannot be ignored.

The Human Sciences Research Council's (HSRC) study *Citizenship, Violence and Xenophobia in South Africa: Perceptions from South African Communities* found that a range of perceptions on the role of government contributed significantly to the outbreak of violence during 2008. These perceptions included frustration over the insufficient pace of service delivery, a lack of consultation and the provision of housing. The study also reveals pertinent issues relating to corruption, ineffective communication, unresponsive decision-making and competition for resources such as water, sanitation and health services (HSRC 2008:6).

Institutional trust, as has been emphasised by the South African Cities Network (SACN), is also regarded as an important barometer of trust and well-being in a city where responsible governance is likely to influence party policy reforms to the benefit of the broader citizenry. When public trust deteriorates, the potential for friction and popular protest escalates; indeed, it may lead to a perception that protest action against governing institutions is legitimate and justifiable (SACN 2011:122). Therefore, it is imperative to improve service delivery, increase institutional trust and allow participatory governance.

The relationship between service delivery protests and non-participatory governance can not be refuted, regardless of the diverse viewpoints concerning service delivery. Overcoming the three basic barriers of political will, competency and the establishment of adequate structures to engage bureaucracy can accomplish meaningful public participation that is likely to yield some tangible results. Van Donk (2012:18) rightly states that "the real issue at stake here is power and influence, that is, the extent to which local communities and residents have the power to influence the development course of their municipality".

## PUBLIC PARTICIPATION AS AN INTEGRAL PART OF THE CONSULTATION PROCESS

The issue of public participation in municipal structures – often referred to as participatory governance – is receiving increasing attention in South Africa, with a wide range of institutions actively advocating democracy in action. However, government departments often implement programmes (with a strong focus on development and upliftment programmes) without following a proper consultation process. Admittedly, involving the community – or at least representative community members – might prolong the process, with a direct impact on time and costs which could have been allocated to other critical projects.

Brackertz, Zwart, Meredyth and Ralston (2005:10) and Rodrigo and Amo (2006:1) provide mutually exclusive definitions in an attempt to distinguish between consultation and participation in clarifying the process of interaction. Consultation is described as a process of informed communication (consensual interaction) between a council and the

community regarding an issue, prior to the council's making a decision or determining a specific direction on that issue. It is a process, not an outcome, and emphasises input into the decision-making process and not decision-making itself, and it involves actively seeking the opinions of interested and affected groups. By contrast, participation denotes community involvement in governance activities and refers to the facilitation process used to implement and improve compliance, consensus and political support to obtain a sense of ownership and commitment to the achievement of mutual goals in the consultation process.

It is against this background that Buccus, Hemson, Hicks and Piper (2008:301) emphasise "that the entire arena of participation in government processes is fairly new [and] may account, somewhat, for the deficiencies in the way local government practitioners facilitate participation". Furthermore, Buccus *et al.* (2008:301) argue that, regardless of the existing frameworks and mechanisms to facilitate interaction, such as the traditional *Izimbizo* (mass gatherings or meetings) and road shows, these created spaces have been largely ceremonial, and have failed to consider pertinent developmental issues. Thus, participatory governance has, so far, left much to be desired. In this regard, social movement actors are increasingly challenging government's policy and legislative framework regarding public participation as a key invited space in the sphere of local government.

There are numerous reasons for wanting to include the public in the decision-making process that are widely acknowledged in the public management and administration literature, especially in democratic states. Callahan and Kloby (2009:157) provide three important reasons:

- finding out what the public wants, effectively determining their priorities and preferences, as these values might have a positive impact on the political/policy decision-making process;
- improving the quality of decision-making by including local knowledge and experience which might lead to better outcomes; and
- promoting openness and accountability which effectively encourages fairness and justice.

A fundamental problem for local government, according to Adams and Hess (cited in Brackertz *et al.* 2005:6), is to ensure the legitimacy of decision-making based on the democratic principles of being representative and accountable, while simultaneously achieving the statutory obligation to engage in wide consultation. This remains one of the core challenges facing local government structures in most democratic states, since there are usually some groups of people who remain marginalised – either by choice or unwillingly – and are therefore not represented in council's decision-making processes. These marginalised groups are described as hard to reach communities. This segment not only includes those who face barriers to participation such as people with restricted mobility, disabilities, the elderly, the young, the culturally and linguistically diverse and the homeless, but also healthy well-resourced people who are apathetic, since they may lack the time and/or motivation to engage in the municipal processes (this is a group that is likely to object if they are not consulted about issues affecting their personal interests).

## PARTICIPATORY BUDGETING

Participatory budgeting is a relatively new concept in the governance environment of public administration. A growing body of public administration literature emphasises governance

without government, which implies that the locus of administration falls within the realm of networking and markets, negating the traditional concept of public sector administration. Participatory budgeting can therefore be aligned with the governance debate which, according to Peters and Pierre (1998:225), falls within the ambit of private sector methodology, and which effectively emphasises the importance of networks, control, influence and accountability, the amalgamation of public and private resources, the use of multiple measuring instruments (which in turn focus on competition and output control as opposed to input control).

According to the UN-HABITAT (2004:66), participatory budgets might differ in terms of their objectives, but these objectives need not be mutually exclusive. This relates to three specific areas of application: administrative, social and political. From an administrative perspective, participatory budgeting aims to improve efficiency, accountability and transparency. The primary objective is to ensure that local government finances are in order, in an effort to reduce potential maladministration. Its application in the social environment entails re-ordering priorities or generating social ties. The primary objective in the social sphere is to involve community members in all social positions to take part in the budget decision-making process. From a political perspective, participatory budgeting aims to strengthen democracy. Enhancing a democratic culture, nurturing engagement and developing social capital are critical in this context.

## Participatory budgeting in the South African context

The promulgation of the *Local Government: Municipal Finance Management Act,* 56 of 2003 effectively transformed budgeting and financial management at the local level by introducing a new budgeting format. Shall (2007:100) specifically states that municipalities now have to plan in and for an allocated financial year period (1 July to 30 June of the following year) during which various preparatory and reviewing processes need to be executed according to specific timeframes. The core change, however, is the promotion of public participation and consultation in terms of Sections 23(1) and 27(1). However, planning related to the budgetary process cannot succeed without aligning such planning to a broader strategic developmental framework. The Integrated Development Plan (IDPs), a statutory requirement depicting a municipality's strategic developmental strategy, filled this gap. The IDP essentially identifies and prioritises a municipality's vision, objectives and strategies over a five-year period through participatory processes and alignment with the budget. Participatory budgeting has now been incorporated with varied degrees of success in municipalities such as Mangaung, Msunduzi, Ekurhuleni, Mantsopa, eThekwini and Buffalo City.

Aside from acknowledged democratic processes of communication and engagement between public officials and citizens, such as public hearings, consultative sections and the South African Presidential Participation Programme (*Izimbizo*), public participation in South Africa resides mainly in the ward committee system or a sub-council participatory system in the metropolitan areas. Ward committees are mainly advisory committees without real influencing powers, where the participation of members remains voluntary. Sub-councils consist primarily of councillors who represent specific wards, according to the proportion of votes a political party receives on the proportional representation lists in the sub-council area.

# DISTINGUISHING BETWEEN PARTICIPATORY BUDGET PROCESSES

The implementation of participatory budgeting processes differs significantly not only among countries, but also among local government administrative systems. Participatory budgeting is often perceived as an interactive process and innovative management concept that can yield the maximum benefit to all the stakeholders involved in the decentralised environment. Against this background, Cabannes (2004b:1) correctly argues that participatory budgeting is "a rich but challenging field of study", while Rahman (n.d.:8) refers to it as "an innovative policy-making process" and the application, therefore, influences experiences and models according to their relevance and purpose based on either qualitative or quantitative approaches. Cabannes (2004a:33), UN-HABITAT & MDP Eastern & Southern Africa (2008) and Herzberg (2011) distinguish among four critical consolidating dimensions in which the practice of participatory budgeting is realised. These are discussed below.

## Budgetary/financial dimension

The budgetary/financial dimension effectively forms the core node of contention within the field of participatory budgeting, particularly regarding the percentage allocation of real-time resources. In most cases, municipalities only allocate a small percentage of their budgets as a "symbolic" gesture, which effectively adds up to between two and 10 per cent of the budget. Municipalities that have more experience in participatory budgeting are more likely to present their total budget for public decision-making. A major challenge regarding budgetary allocations lies in the developmental trajectory set in the national sphere, a sphere which is determined by political and economic processes – with which municipalities have to align their planning according to UN-HABITAT (2004:45). Other challenges arise in defining specific criteria regarding the allocation of resources, especially where the socio-economic and socio-political dimensions of a municipality's sphere of influence are extremely diverse.

## The participatory dimension

As a core aspect of participatory budgeting in the municipal sphere, public participation could be perceived as an acknowledgement of an individual's right to exercise some sort of influence – directly or indirectly – on municipal matters that have an impact on the individual or the community at large. Key aspects that need to be clarified beforehand include (Cabannes, 2004a:37) the following:
- the party/parties deciding on the budget;
- inclusivity and exclusivity;
- the budget implementation controlling authority;
- the exact role and function of the specific municipal entity; and
- communication and council-community interaction.

The participatory dimension therefore entails participation in what Dickson (1981:27) refers to as either direct participation (personally involvement) or indirect participation (through

a representative). In the municipal context, it can also be described as either individual- or community-based democracy mediated by delegates.

## The physical/geographical dimension

The original concept of participatory budgeting resides in the developmental domain, which allows resources to be channelled towards marginalised communities. Participatory budgeting is therefore conducted through a specific socio-political agenda to channel public resources to areas in need of development. However, the relationship between the actual municipal budget and its potential allocation in particular geographical areas remains a concern, especially where traditionally underdeveloped areas require more investment than developed areas, which might require the construction of benchmark futuristic infrastructure as part of a broader sustainable economic development trajectory set in the national sphere. Barras (1978:296) notes that "this growing emphasis on resource allocation is forcing a re-examination of the traditional functions of planning within local government".

## The regulatory/legislative dimension

The importance of a regulatory framework in which interaction within the municipal sphere takes place cannot be denied, since it serves as the baseline for participatory budgeting. The rules regulating the interaction between the individual (groups of citizens), society (organisations) and authority (the municipality) can therefore be perceived as the core concept within the regulatory dimension. This dimension relates to the modernisation of public administration, where the challenge lies in judging the degree of procedural formalisation required to achieve maximum benefits. Gaventa (2004:20) rightly states that different approaches "have created through legislation new roles for community leadership in relationship to local governance". Internal regulations are mostly formulated during the initial stages of a participatory relationship. Specific issues that are often addressed include procedural aspects relating to the election of candidates and representatives, forms of representation, criteria relating to the distribution of resources, the responsibilities of all the parties involved, the number and frequency of meetings and areas of concern.

## BARRIERS TO EFFECTIVE PARTICIPATORY BUDGETING

Participatory governance, particularly in the local government administration milieu, remains a contentious issue. Factors such as the non-existence of a participatory culture, a lack of access to institutions or organisations responsible for engagement and decision-making, the lack of a broader political will to secure public participation or the cost-benefit argument of participating in democratic activities are likely to relate to this matter. Regardless of the potential pitfalls associated with public participation, it remains pivotal in any democracy, especially when one recognises it as a requirement to construct functional structures correlating to the ideal of development, sustainability and advancement.

Putman (cited in Denhardt, Terry, Delacruz and Andonoska 2009:1274) argues that civic society is a prerequisite to public participation. In a civic society, citizens are effectively

characterised by their awareness and devotion relating to public issues, equality of rights that is rooted in horizontal relations of reciprocity, responsibility and a sense of duty, and engagement with the broader political system through participatory actions. Denhardt *et al.* (2009:1274) postulate that these conditions are often not present in developing countries, whereas citizens in long-established democracies are socialised from birth to participate in democratic institutions where their opinions, choices and experiences are contextualised as valuable contributions in terms of advancement and development. As a developing democracy, South Africa can be categorised as a country where civic society is only emerging, due to a very limited culture of productive engagement in the local sphere of government, which has only been possible in a broader sense since the 1994 democratic elections, as opposed to the pre-1994 strategic focus on political change within the realm of national consciousness and strategic politics. A democratic culture is therefore not associated only with governance processes – interactive relationships between the individual and the broader society in relation to a sense of a responsibility to interact as part of the broader collective decision-making process effectively underpin it. Moreover, there are many incremental and obtrusive barriers that may influence effective participatory governance. Offenbacker (2004:284) divides these into three specific categories of barriers: perceptual, political and logistical barriers.

## Perceptual barriers

Perceptual barriers are obstacles that may be overcome either through the personal efforts of stakeholders or through changes in the cultural climate of a community. Personal values and experiences are typical examples that might influence the development of perceptual barriers. Herzig (cited in Offenbacker 2004:284) includes the patterns of polarisation (positive and negative perceptions) which often occur within group dynamics. It is therefore essential to establish specific control mechanisms or perceptions of control as parameters for interaction, as advocated by Covello (cited in Offenbacker 2004:284). These controls include knowledge, voluntary participation, voice (as an input mechanism), trust and participatory activities. Social values can also be perceived as a potential barrier, especially where the prevailing climate of participation does not allow open dialogue enabling the various parties to reflect on critical issues. It is vital to institute parameters of engagement relating to the development of mutual trust, confidence and openness among all stakeholders.

## Political Barriers

Political barriers relate to barriers that arise from issues that require larger societal change. Offenbacker (2004:285) states that "political and electoral cycles present perhaps the greatest challenge to effective community processes, often constraining public dialogue and limiting decision-making effectiveness". This comment reflects a critique of the grandstanding and emotive processes often involved in mass campaigns. In this regard, Susskind and Cruikshank (cited in Offenbacker 2004:285) emphasise that "policy making is too often controlled by the size and majority instead of legitimate policy debate". Public officials who seek short-term solutions to structural problems often hinder community debate. It would seem that it is more important to them to "score political points" in the short run than to address actual long-standing community problems.

## Logistical barriers

Logistical barriers refer to barriers relating to the arrangement, execution and follow-up of public participation events and actions. In assessing the concept of public participation, this area presents the greatest difficulty to implement. This is due to the logistical challenges of involving as many stakeholders as possible while striving to keep the process as representative as possible. Siegal (2001:1) identifies four particular traditional shortcomings as logistical barriers: bureaucratic (red tape), the involvement of the public only late in the decision-making process, insufficient time for feedback during public meetings and the separation of topics or issues that are perceived to be interrelated, because of time constraints. Burby (2003:36) proposes five key areas that should be addressed to overcome these challenges, namely

- choices of objectives (information should be provided and citizens should be empowered by providing them with opportunities to influence planning decisions);
- timing (public participants should be involved early and continuously);
- target group (participation should be invited from a broad range of stakeholders);
- technique (a number of techniques should be used to acquire and distribute information and provide opportunities for dialogue); and
- information (more and continuous information should be provided in a clear and understandable form, free from distortion or technical jargon).

A properly conceived public participation strategy can overcome these barriers, provided that all efforts are made in a spirit of mutual trust and political commitment.

## IMMEDIATE CHALLENGES TO INSTITUTIONALISATION

Offenbacker's (2004:284) categories effectively incorporate core issues which are related to participatory budgeting and which are also identified by Heimans (2002) and Matovu (2007:9): political will, competency, structural challenges, strategic planning and visioning, knowledge of the budgetary process and resource management. The three most prominent issues of concern here are political will, competency and the establishment of adequate structures to engage the bureaucracy. Addressing these barriers requires dedication and commitment from all parties concerned.

## Political will

It is against this background that the mainstay of participatory budgeting, political will, is essential to sustain and develop the process. There is a danger that in the executive environment, public officials might become complacent in their decision-making and may disregard participatory processes for the sake of expedience. Piper and Von Lieres (2008:32) provide an example of a comment made in an interview with the former City Manager of the eThekwini municipality, who implied that he considers public participation insignificant by stating:

> …we know what people's needs are. Indeed, for the next 100 years the needs will remain the same, although the rank order might well change … communities will spend their money on

*things that do not do anything. Communities spend their money on things that have no lasting impact on their lives. All that happens is that the public feels better about developing their area. Interest groups play a more significant role in public participation as they are useful in having more practical goals for the municipality.*

## Competency

A lack of capacity-building in the municipal sphere is often a cause for concern. Capacity forms part of a broader collective construct – competence. According to Cowie (1998:234), competence refers to the suitability of an incumbent, based on the necessary ability, capacity, skills and knowledge to execute and manage assigned tasks properly. In the participatory budgeting environment, competence refers to the ability of both public officials and the broader community to understand and implement issues relating to the municipal budget according to specific rules and timescales. According to Matovu (2007:10), this entails a full comprehension of the amounts, funding mechanisms and municipal commitments in terms of expenditures. It is therefore important to expose public officials and communities to participatory approaches and to identify possible constraints to achieving the common desired objectives. Fukuda-Parr, Lopes and Malik (2002:9) explain that capacity development should be addressed at three levels, namely the individual level (self-development), the institutional level (building on existing capacities) and the societal level (creating additional capacities for development).

## Structural deficiency

Effective public participation requires dedicated and functional structures to pursue the common goals of development and sustainability. Current structures such as ward committees, sub-councils as well as public hearings and *izimbizo* are not yet optimised to address the requirements of participatory governance. Furthermore, the actual role and level of involvement of ward committees and sub-councils as institutional structures mandated to make the participatory process a reality remains a concern. Although ward committees are supposed to be structured as non-partisan spaces for community engagement, Piper and Von Lieres (2008:33) indicate that ward committees "are more commonly seen as sites for partisan contest by political elites". In short, these committees have become the political playground of political parties. Piper and Von Lieres (2008:33-35) mention three specific aspects that need to be addressed as a matter of urgency to re-assess the effectiveness of the ward committee system, namely an assessment of the need to establish ward committees, the implementation of policies and the composition and operational parameters of ward committees.

## CONCLUSION

The core of the discussion of participatory budgeting presented in this article was the dimensional characteristics of this tool in local government and the legislative framework that underpins this instrument. The public service has the responsibility and the resources

to provide services to the broader citizenry; hence, it is essential to improve the current philosophy and available structures to enhance participatory budgeting. Decentralisation, deregulation, privatisation and restructuring play an increasing role in service delivery today, so budgeting for results presents considerable challenges for public managers who need to co-opt representatives from various backgrounds. It is therefore important to start by clarifying exactly what participatory governance in South Africa actually entails, bearing in mind the developmental mandate set out at the national level. Participation in budgeting activities to enhance service delivery will promote openness, transparency and accountability, effectively empowering communities to take responsibility for their socio-economic development, including health, education, optimal trade and development, to name but a few. However, the realities relating to community involvement in budgeting activities to enhance service delivery should not be underestimated. In this context, political will, skills and inadequate structures are a few of the factors that should be addressed as a matter of urgency, since they could have a negative impact on intended interaction.

Participatory budgeting in the local sphere of government in South Africa can be applied effectively, efficiently and economically, provided that all parties commit to a process of development and restructuring to find common ground regarding municipal revenue allocation. There must be sufficient political will – the existing, past or planned structures should not be exploited to score cheap political points, but should rather be harnessed to address issues of importance collectively, guided by a specific code of conduct.

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