IMPORTANCE OF CITIZENS PARTICIPATION IN BUDGETING

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Abstract: The paper examines the importance of citizen participation in budgeting process by the different governments. The factors discussed which influence the participation in this study are the legislation provisions, the civic education of the citizens, the publicity given by the budgeteers and the motivations that result out of the participation. The study intends to make a case on the importance of citizen participation in the budgeting process which depend on the civic education on the operations of government and the budgeting process which is supported by the sensitization or publicity given by the governments and the motivation that comes by the citizens’ opinions considered in the allocation of resources. The paper concludes by confirming that participation is the only way the governments may reduce strain with its citizens.

Keywords: Participatory Budgeting; Citizen Participation; Civic education; Publicity and Motivation

1. Introduction

The Importance of citizen participation in Budgeting process is a study to find out the factors that influence the Citizen Participation in different government bodies in the Republic of Kenya.

Background of the Study

Citizen participation in governance decisions has gained momentum in many world democracies (Khobe, 2012). Participation takes many forms from citizens electing representatives who participate in major governance decisions on behalf of the citizens to citizens themselves formally participating actively in the decision making processes in governance. This aspect has been advocated for since the 19th Century but it has gained momentum in the recent past. Kenya adopted a more elaborate citizen participation in governance in the year 2002 when it introduced the CDF Act, where citizens were expected to be incorporated in the decisions on the use of Constituency Development Fund. Citizen participation is conceived to be a situation where citizens are accorded an opportunity to determine their priority areas in terms of resource allocation. In the year 2010 Kenya enacted a new constitution where the aspect of citizen Participation has even been made more elaborate.

In the 2010 Constitution Kenya introduced a devolved system of government with the country divided into 47 devolved systems of governments known as counties. Each county operates a government with the Legislative arm known as the County assembly with elected members of the county assembly knowns as MCAs and the Executive arm of the county government headed by the governor who is elected by the citizens. The Governor nominates members of his cabinet known as County Executive Committee members (CECs) who are vetted by the County assembly before they are formally appointed.
The Law provides that the National government devolves funds to the counties and the counties generate their own resources by introducing some taxes. The budget preparation and all operations of a county government are all required to incorporate citizen participation all the way. The Law defines how these engagements of the citizens is supposed to take place and the timelines are defined. The county government and the National governments are supposed to adhere to this strict legal deadline and timeline.

It has been observed that despite these legal provisions the degree of participation by the citizens is still minimal. The citizens have not taken hold of this opportunity to have their views and opinions captured by the governments at the National and County levels. This study therefore is intended to study the various variables that determine the rate of citizen participation in the area of budgeting with specific reference to Different government entities in the Republic of Kenya. The media has captured less or sometimes no participation at all by the citizens in the budgeting process. It is the intention of the researcher to share the findings of with the County Government of Nyamira so that effort is made to have this law that requires citizen participation be adhered to by encouraging and providing mechanisms to encourage more citizens to participate.

**Problem Statement and Gap in Research**

Citizen Participation in Budgeting theory has received attention for many decades. This theory advocates for citizens to play a role in determining the budgetary decision making together with the governments (Franklin, 2006). Calls for citizen participation in resource-allocation decisions have been heard in the past. During the early 1900s, Frederick Cleveland, one of the founders of the New York Municipal Research Bureau, noted that government should be both responsive and efficient and that ensuring effective government was the duty of both elected officials and citizens (Franklin, 2006). Governments have gone ahead to even put in place legislation requiring the various levels of governments to ensure citizen participation (Chitere & Ngundo, 2015). Article 174 of the constitution of Kenya gives the powers of self-governance to the people and enhances the participation of the people in the exercise of the powers of the State and in making decisions affecting them. Citizen participation is not a favor but a constitutional obligation that the governments must adhere to (National Tax Payers Association, 2013). The Kenya Constitution 2010, Provides and requires that Citizens be accorded an opportunity to participate in the budget process at both the national and county governments (Kimeli, Wawire, Manyibe, & Nafukho, 2014).

Despite of all these efforts the level of participation remains very low. The case is the same from other countries in Africa and in other developed democracies (Simiyu, 2015). In Kenya for example research done to find out the degree of participation in more than 50% of the 47 counties found out that participation is very low marked with no participation in about 50% of the counties surveyed as is the research by Matovu (Matovu, 2014); (Institute of Economic Affairs, 2015b) There is no doubt that the researchers have taken great interest on this area. According to the empirical research done by Janet Follay Orosz (Orosz, 2002), finding out the reasons for low participation, the complexity of the budget accounts for 50% of the barriers for non-participation of the citizens in the budgeting process. Other reasons like Lack of interest, Contentment, Busy schedules by citizens, preference for representative democracy and lack of encouragement from the budgeteers account for the other half (Maiga, Nilsson, & Jacobs, 2014). Advantages of participation vary by the type of mechanism used.

Public meetings are open to all, but turnout is often low and attendees might not be representative of the community (Ebdon, 2002).
Therefore, in response to this chronic problem of low participation of citizens in the budgeting process in the different government bodies in Kenya, the study proposes to look at the importance of citizen participation in budgeting. The legislation exist that puts it mandatory for governments to elicit citizens’ participation in the budgeting cycle. The study proposes to endeavor to identify the variables that influence the participation of citizens in the budgeting process. This study looks at the following questions amongst others; when and how are citizens involved in the budget process? Why are citizens not using participation more so as to let their influence get felt by the governments? Are there any observable effects of the citizen participation? Does the citizen understanding or literacy about the government and the budgeting process affect the level of participation? Are the benefits of participation a motivation to encourage more participation? Are the governments doing enough in terms of publicity to encourage the citizens to participate in the budgeting process?

Many state and local governments are currently struggling with fiscal stress in some cases, the worst they have experienced in decades. Painful decisions are required regarding spending and service reductions or tax and fee increases. This appears to be an important time for citizens to play a role in helping elected officials determine the best solutions for government and the community(Franklin, 2006). The world is experiencing major revolutions and rebellions by citizens of different countries in the world. The example of the revolution in Northern African and part of Asia countries that almost brought economies of the countries on their knees, is reason enough to take the aspect of citizen participation one of the modern ways to have citizens have a say on how they want the resources allocated.

In response to this problem of low citizen participation, the study addresses the importance of citizen participation in the budgeting process by the devolved units in the republic of Kenya.

**Objectives of the Study**

The objectives of the study are:

a) To point out the importance of Citizen Participation in the Budgeting process in Different government entities in the Republic of Kenya.

b) To establish if there is a relationship between Civic Education and rate of Citizen Participation in the budgeting process in the Different government entities of the republic of Kenya.

c) To establish from different sources whether Publicity has a direct relationship with the rate of Citizen Participation in the budgeting process in Different government entities of the republic of Kenya.

d) To review whether the benefits of citizen participation can motivate the citizens into improving the rates of Citizen Participation in budgeting process in Different government entities of the Republic of Kenya.

**Important Questions**

1. How are citizens participation related to the budget process?

2. What is the relationship between citizen’s non-participation in budgeting process and the government’s decision making?

3. What is the relationship between the community development index and citizen participation in budgeting process?
4. What is the relationship between citizens’ understanding or literacy about the government/ budgeting process and the level of participation?

5. What is the relationship between benefits of participation (motivation) and the rate of citizen participation in the budgeting process?

6. What is the relationship between the level of publicity about citizen participation in budgeting process and the rate of citizen’s participation in the budgeting process?

Definition of Terms

**Participatory Budgeting:** This term refers to the intentional according of the people to be affected by the budget an opportunity to make their contributions on how they propose the budget to look like when approved.

**Civic Education:** This refers to giving the citizens of a country instructions regarding their duties and rights as citizens of that country.

**Budget:** This refers to the document that defines the plans of an organization or entity expressed in financial terms.

**Motivation:** For the purpose of this study it refers to the services provided to the citizens by their government which encourages them to continue participating in the budgeting process.

**Budgeteers:** for the purpose of this study it refers to the persons whose responsibility is to prepare the budget and present it to the relevant bodies for approval.

**Legislatures:** for the purpose of this study it refers to the elected members at different levels of government whose responsibility is to make laws governing that particular level of the government.

**Citizen:** for purposes of this study it refers to the persons, natural or legal who belong to a particular democracy or country to whom the government is accountable to.

**Democracy:** for this study, it refers to the system of government in which all the people are involved in making decisions on how they want the affairs of the state to be conducted.

2. Review of Literature

Citizen participation in budgeting is the attempt by the government at all levels to engage the public in the budgeting process (Miller, Gerald J; Evers, 2014). It is through budgeting that the governments define where their priority in the provision of services to the citizens is. Most governments of different countries appreciate the necessity of engaging its citizens in all its governance decisions. The laws have been put in place that define the engagement rules meaning citizen participation is not a privilege that a government gives its citizens but a right (National Tax Payers Association, 2013).

**Civic education and Citizen Participation:**

Informed citizens will always make informed decisions. Citizens who have civic education will always perform their civic duty without fail. The purpose of civic education is to create awareness of the civic duties of the citizens and it takes many forms one of them being participation in the government processes like budgeting (Omolo, n.d.). The constitution of Kenya (2010) has an elaborate citizen participation mechanisms through two basic ways namely; elected representatives of the people who are the members of parliament in
the National and Senate Assemblies and in the County Assembly; and secondly direct participation of citizens in forums provided by the National and county governments. If citizens are given timely and regular civic education then the rates of participation will always be higher. Currently the rates are very low and this has become something of greater concern to both the constitutional commissions and the governments themselves (Kimeli et al., 2014). The civil society has taken up this challenge to find out the reasons behind non-participation of citizens and preliminary findings indicate lack of civic education (Anwar Shah (World Bank), 2014). Therefore, civic education significantly determines the rate of citizen participation in budgeting process of both the county and National government.

Marketing/Publicity and Citizen Participation in the budgeting process:

Marketing/publicity refers to the action of sensitizing and making participants know of the event and its benefits. Citizen participation in budgeting process is one such event that the relevant offices and governments should make effort to ensure the citizens know the specific venues of the forums, the expectations of each participant and the perceived benefits out of the participation (Omolo, n.d.). Citizen participation is one of those ways that the level of citizen distrust of the government is reduced and such forums can be used to educate people about the operations of government (Ebdon, 2002). The governments at all levels should employ participation elicitation schemes to encourage the citizens to participate in the budgeting process. It has been proved that governments that have more of their citizens participating in the budgeting process less cynical about the government (Ebdon, 2002). This is reason enough that publicity/sensitization/marketing should be used more to improve the numbers of citizens who participate in the budget process at various levels of governments. Governments have been observed to conduct sensitizations that do not meet the threshold just as a formality while the process of budgeting is just a closed system only for the government without consideration of the input received from citizens (Carlitz, n.d.); (Demicco & Dempsey, 1988).

Motivation and Citizen Participation:

In one research citizens were asked why they chose the community where they were settled, “Good schools and low taxes.” Nearness to work and closeness to extended families are added factors, but public budgeting decisions to have safe, clean streets, vibrant downtowns, friendly and livable neighborhoods, and good housing decisively affect where people want to live.” (Miller, Gerald J; Evers, 2014). If citizens find their proposals captured in the annual budget by the government, this works as a motivation for them to continue and scale up the level of participation. On the other hand the slightest indication that the government listens to them and considers their plight in the allocation of resources is a greater motivator to participate more in the budgeting process. If they find that instead of the government taking into consideration projects funded which benefit citizens the government does not focus on them then they will be demotivated to continue participating in the budgeting process (National Tax Payers Association, 2013).

On the other hand most democracies have put in their laws a requirement for governments to ensure citizens participate at all stages in the budgeting process. In Kenya participation has been give very strict deadlines (Institute of Economic Affairs, 2015a) on the stages where citizens are required to give their input. Again some government budgeteers look at this as unnecessary as they argue because they think they are the technocrats where citizens lack expertise in this area and rationalize participation as to be that of parliament (Njeru, 2012). However, the Constitution of Kenya 2010, specifies that both parliamentarians and ordinary citizens should participate. Therefore when a government accords its citizens this opportunity the citizens look at the government as observing the rule of law and this reduces the tension between the
government and its citizens. This obviously motivates citizens to participate in the government budgeting cycle and process (Institute of Economic Affairs, 2015a).

Civic education, Publicity and Motivation in relation to citizen participation:

Participation by citizens in budgeting process is an indicator of improving social and economic outcomes of a community which translates into increased confidence in public institutions (Heimans, 2002). Participatory Budgeting depends on the effective engagement of the Citizens, government and the legislatures. Both groups need to be well informed of their roles and rules of operation for this collaboration to bear fruit. Once they have been given enough civic education, there should be effective communication from both groups as this is what can motivate all the participants to effectively discharge their responsibility. These three variables are to be tested in this study whether they can explain the variance that exist in explaining citizen participation.

Historical Setting of the Study/Situating the Study in the Discipline

Citizen participation in governance decisions has gained momentum in many world democracies (Khobe, 2012). Participation takes many forms from citizens electing representatives who participate in major governance decisions on behalf of the citizens to citizens themselves formally participating actively in the decision making processes in governance. This aspect has been advocated for since the 19th Century but it has gained momentum in the recent past. Kenya adopted a more elaborate citizen participation in governance in the year 2002 when it introduced the CDF Act, where citizens were expected to be incorporated in the decisions on the use of Constituency Development Fund. Citizen participation is conceived to be a situation where citizens are accorded an opportunity to determine their priority areas in terms of resource allocation. In the year 2010 Kenya enacted a new constitution where the aspect of citizen Participation has even been made more elaborate.

Theoretical Framework

The concept of citizen participation in budgeting in this study has been founded on two major theories namely:

- Citizen Participation in budgeting theory as advanced by Ebdon (2002)
- Social capital theory as advanced by Tristan Claridge (2004).

Citizen participation in Budgeting theory:

Citizen participation in budgeting theory focused on citizen participation in budgeting process as having a significant effect on the citizens (Ebdon, 2002). According to this theory the assumption is that the opportunity for participation is accorded at all times by the budgeteers. The argument for this opportunity is because there exist laws in almost every democracy that provides that citizens are supposed to be engaged in the decision making process by governments (Bilge, 2015). The existence of these laws provide no excuse even when the participation is zero. The theory does not put any degree of responsibility on the part of the government to ensure this law is followed and adhered to. The governments made the process a formality by making invitations for participation on media without consideration or looking at the success or reaching the citizens in their areas.

The evolution of Citizen Participation theory is shown in the table below:
Table 1: Development of participatory processes (adapted from Kelly 2001)

<table>
<thead>
<tr>
<th>Era</th>
<th>Trends in participatory processes</th>
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<tbody>
<tr>
<td>1950’s &amp; 60s</td>
<td>Rapid industrialization and growing influence of technological expertise; supremacy of scientific knowledge. Chambers (1992) said that this era was characterized by the diffusion model of adoption in agriculture. Extension agents were involved primarily in teaching farmers, and in the transfer of technology.</td>
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<td>1970s</td>
<td>Concern expressed about ‘giving a voice to the voiceless’ specifically the poor in developing countries (Friere 1972). Increasing focus on learning, adult learning principles and group extension. Early experimentation of participatory approaches in development. Frustration over the ineffectiveness of externally imposed &amp; ‘expert’ orientated forms (Chambers 1992). Participatory Rural Appraisal (PRA) grew out of Rapid Rural Appraisal (RRA)</td>
</tr>
<tr>
<td>1980s</td>
<td>Change from top-down to bottom-up; acknowledgement of the value of local indigenous knowledge. The 1980s witnessed flourishing of activity, particularly amongst nongovernment organizations (NGOs) in seeking alternatives to top-down outsider driven development. The emphasis was on participatory appraisal and analysis in rural communities. Proliferation of participatory methodologies, including PAR (participatory action research) and tools such as rich pictures and venn diagrams.</td>
</tr>
<tr>
<td>1990s</td>
<td>The fervor about participation continued in the early 1990s. Participation became synonymous with ‘good’ or ‘sustainable’ in the development field (Guijt and Shah 1998:4). As Green (1998:71) emphasized, the popularization of participation is dangerous, as the problems are often glossed over. Funding bodies began demanding participatory processes as a condition for funding. The push for participation stimulated a proliferation of guidebooks and courses on ‘how to’. A growing interest in natural resource monitoring and evaluation has led to community involvement in these activities.</td>
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Another theory as advocated by technocrats who work in the governments argued that the citizens elect representatives to the legislative assemblies who represent them. Therefore there is no need to have ordinary citizens participate directly in the budgeting process (Bilge, 2015). The fault in this argument is founded in the law. The law has defined the Legislatures as participants on their own right as legislatures, the Citizens as participants on their own right and the budgeteers as participants on their capacity as experts (Kimeli et al., 2014). Therefore there is no excuse for this argument.

Despite the attention that the Participatory Budgeting theory has attracted by many scholars, civil society and writers, the participation has not improved. This calls for the attention of the scholars, civil society, writers and government on the factor of civic education, publicity and motivation as the additional variables that should be tested to improve the level of citizen participation in the budgeting process (Anwar Shah (World Bank), 2014).

Tristan Claridge states that, ‘Despite significant claims to the contrary, there is little evidence of the long-term effectiveness of participation in materially improving the conditions of the most vulnerable people, or as a strategy for social change’ (Cleaver 1999) page 597. Cleaver (1999) suggested that there is some evidence of efficiency but little regarding empowerment and sustainability, and appropriateness is often reliant on evidence
of the rightness of the approach and process rather than outcomes. Other issues include whether many rural people want to participate more comprehensively in development projects or whether they are satisfied by an outside organization functioning in ‘traditional’ ways (Hussein 1995) (Claridge, 2004).

**Social Capital theory:**

This theory builds citizen participation in governance on the context of measuring social capital (Claridge, 2004). The idea is connected with thinkers such as Tocqueville, J.S. Mill, Toennies, Durkheim, Weber, Locke, Rousseau and Simmel (Bankston and Zhou 2002; Brewer 2003; Lazega and Pattison 2001; Portes and Sensenbrenner 1993; Putnam 1995).

Bourdieu defines social capital as ‘the aggregate of the actual or potential resources which are linked to possession of a durable network of more or less institutionalized relationships of mutual acquaintance and recognition – or in other words, to membership in a group – which provides each of its members with the backing of the collectivity-owned capital, a ‘credential’ which entitles them to credit, in the various senses of the word’ (Bourdieu 1986, web page). Robert Putnam, a political scientist was responsible for popularizing the concept of social capital through the study of civic engagement in Italy (Boggs 2001; Schuller et al. 2000). In *Making Democracy Work* (Putnam et al. 1993) the authors explore the differences between regional governance in the north and south of Italy, the explanatory variable being civic community. The next of Putnam’s work focused on the decline in civic engagement in the United States (Schuller et al. 2000). Like Coleman, Putnam was extensively involved in empirical research and formulation of indicators and was responsible for the development of the widely applied measure so-called ‘Putnam instrument’ (Adam and Roncevic 2003; Paldam and Svendsen 2000). Putnam’s arguments have been criticized as circular and tautological – simultaneously a cause and effect (Pope 2003; Portes 1998). The theory is multi-dimensional, it has been located at the level of the individual, the informal social group, the formal organization, the community, the ethnic group and even the nation (Bankston and Zhou 2002; Coleman 1988; Portes 1998; Putnam 1995; Sampson et al. 1999).

Social capital is charged with a range of potential beneficial effects including: facilitation of higher levels of, and growth in, gross domestic product (GDP); facilitation of more efficient functioning of labor markets; lower levels of crime; and improvements in the effectiveness of institutions of government (Aldridge et al. 2002; Halpern 2001; Kawachi et al. 1999b; Putnam et al. 1993).

Social capital is a complex theory with many dimensions, types, levels and determinants and although different authors identify different dimensions of social capital, all authors seem to agree that social capital is multi-dimensional. There is much work left to conceptualize social capital to develop a workable framework for its operationalization. Without this, the purported benefits of social capital cannot be tested and social capital activities will continue to be questioned and criticized.

These two theories that advocate for citizen participation have taken an approach that looks at citizens as critical agents that aid governance. They all put citizens at the center of governance but the area of addressing how to effectively address the role of the citizen participation is what this study has addressed in the conceptual framework taken for this study.

**DV Concept, Definition and Indicators**

A dependent variable is the variable that a researcher is interested in. The changes to the dependent variable is what a researcher is trying to measure using different statistical methods. In this case the dependent variable is
the rate of Citizen Participation in budgeting upon manipulation by the Independent variable. The manipulation of civic education, Publicity and Motivation on the Citizen participation in the budgeting process will have a significant effect or non-significant effect. Therefore what is observed is the change that occurs on the dependent variable upon the manipulation of the Independent variable.

**IV Concept, Definition and Indicators**

An independent variable believed to affect the dependent variable. This is the variable that the researcher manipulates to observe whether it makes the dependent variable change. The researcher has control over the independent variable and can be able to manipulate. In this study the independent variables are the Civic education, the publicity and the motivation. The researcher manipulates to observe their effect on the dependent variable.

**Relationships between DV and IVs**

The dependent variable in this study and according to the conceptual frame work is the citizen Participation in the budgeting process. The independent variables are the Civic education, the Publicity and the motivation. Each of the Independent variables have a relationship with the Dependent variable in that it causes some change in the behavior of the dependent variable.

Civic education makes the citizens informed of their civic duties and thus the assumption is it will affect a change in the levels of citizen participation in any direction. All the three independent variables will cause some change in the dependent variable.

**Conceptual Framework – Quantitative Study**
Table 2 Showing Literature Support for the Conceptual Framework

Relationship among variables in the Conceptual framework:

<table>
<thead>
<tr>
<th>Relationship among Variables</th>
<th>References of Literature Support</th>
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<tbody>
<tr>
<td>Citizen (Civic) Education and Citizen Participation</td>
<td>(Franklin, 2006); (National Tax Payers Association, 2013); (Orosz, 2002); (Simiyu, 2015); (Omolo, n.d.)</td>
</tr>
<tr>
<td>Motivation and citizen participation</td>
<td>(Heimans, 2002); (Carlitz, n.d.); (Chitere &amp; Ngundo, 2015); (Orosz, 2002); (Ebdon, 2002)</td>
</tr>
<tr>
<td>Publicity and Citizen participation</td>
<td>(Institute of Economic Affairs, 2015a); (Omolo, n.d.); (Miller, Gerald J; Evers, 2014)</td>
</tr>
<tr>
<td>Law and citizen participation</td>
<td>(Action Aid International Kenya, 2012); (Khobe, 2012); (Carlitz, n.d.); (Miller, Gerald J; Evers, 2014)</td>
</tr>
<tr>
<td>Participation elicitation and citizen participation.</td>
<td>(Action Aid International Kenya, 2012); (Khobe, 2012); (Anwar Shah (World Bank), 2014); (Omolo, n.d.)</td>
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</tbody>
</table>

Conclusion

It is observed that public (citizen) participation in the budgeting process is not only a legal requirement but also good practice that will promote better working relationship between the government and its citizens. The government bodies should provide a framework which defines the parameters of citizen participation in its annual financial and fiscal plans. The process of incorporating or not incorporating the views and opinions of the citizens should equally be understood so that the citizens understand that their views are not just disregarded but valued. Regular updates should be conducted to the public on the progress of the plans and budgets so that timely information is made available to the public to appreciate the working of the government. This will encourage citizens to always participate in the budgeting cycle of their government.

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