

## The Importance of Community Participation in the Budgetary Process in the Eastern Cape of South Africa

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**KEYWORDS** Community Participation. Budgetary Process. ADM

**ABSTRACT** This paper analysed the importance of community contribution in the budgetary procedure in the Eastern Cape Province. The aim of the paper was to establish if the Amathole District Municipality (ADM) budget is fully operational. The study reviewed documents for data collection in order to debate, criticize, review, and discuss various constraints affecting the community members' participation in the budgeting process. The findings shows that most of the community members were rejected and totally excluded from community participation in the budgetary process. It is pertinent that finding of this paper would be useful to various Local Government Areas (LGAs) across the nation in order to embark on effective and efficient community participation in the budgetary process. The paper finally suggested that vigorous and dynamic programs of lectures, seminars and workshops should be initiated by the government to promote the concept of community participation in the budgetary process.

### INTRODUCTION

According to Municipal Systems Act of 2000, "the community has a significant role to play in the decision-making processes of the municipality (South Africa Local Government Act 2000). In particular, the Municipal Finance Management (MFM) Act of 2003, promotes community participation in the budget process and the determination of rates policies respectively", which states that "to secure sound and sustainable management of the financial affairs of municipalities and other institutions in the local sphere of government; to establish treasury norms and standards for the local sphere of government; and to provide for matters connected therewith" (South Africa Local Government Act 2003). "Although community participation has been legislated, how it is to be implemented is left largely to the discretion of individual municipalities. The manner in which municipalities have approached community participation varies according to the capacity and structure of the municipality. Furthermore, there are many challenges associated

with community participation especially when dealing with budgetary issues. Large portion of the community have not had the opportunity to build financial literacy skills and understanding the budget process is a complex" task.

Earlier, black South Africans were not allowed to participate in any government activities, especially black communities. After South Africa obtained its independence, the new democratic government emphasized the need for critical engagement between itself and its citizens. In facts, the constitution has made it possible to address those imbalances of the past by involving community participation in government activities (South Africa Constitution 1996). The constitution "promotes the idea of community participation, with each municipality giving priority to the basic needs of the community" (South Africa Constitution 1996). "The Municipal Structures Act of 1998 entrenches community participation by stating that the executive committee must report on the involvement of the communities in municipal affairs and ensure public participation" as well as discussion on decision made by local councils (South Africa Local Government Act 1998).

### Problem Statement

There is poor participation of the public in the budget speech of the municipality and the

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Local government budgeting “and spending on information contained in the public domain is more limited and fragmented compared to national and provincial” level (Smith 2005). Smith also emphasised that currently one of the major barriers to community participation in municipal fiscal processes is lack of sufficient information. Lack of resources for effective community contribution in the budgetary decision-making procedure was also seen as an other obstacle.

### Objectives

- To establish if the Amathole District Municipality budget is fully operational.

### Research Questions

- Is the Amathole District Municipality budget fully in operation?

## METHODOLOGY

This paper used a review of literature from journals, books, dissertations and Internet sources. Also, the researchers used their experience and knowledge in Public Administration discourses on issues pertaining to the value of community participation in the budgetary process in the Eastern Cape of South Africa.

## OBSERVATIONS AND DISCUSSION

“Local government is the sphere of government closest to the community, and this strategic position makes it an ideal tool for developmental government. No other sphere of government can exert more meaningful development than what local government can deliver. Development is a participatory process that encompasses all sections of the community, local business and other interested stakeholders. In fact, no local authority can effectively make a meaningful and productive contribution to improve the standard of living of its community without the necessary support and commitment from other stakeholders”. Realistically, the community comprises both ratepayers and consumers of services; and businesses as investors in the local economy are entitled to have a say on how their municipality operates. It is, therefore, very important to stress that the community mem-

bers are usually the end users and receivers of the services provided by the municipalities and “this makes them more aware of the impact of these services. Municipal councillors and officials, cannot on their own, ensure that effective services will be delivered. Continuous feedback from the community is imperative in improving service delivery since every member of the community has a constitutional right to enjoy a satisfactory quality of life. Regular consultation is imperative in ensuring that all the policies and developmental projects undertaken by local authorities are easily accepted by the community”. As a result, municipal inhabitants must be provided with accessible, timely and accurate information to make informed decisions.

### Community Involvement

“The concept community public participation has a variety of meanings. On one hand it could describe the relationship between local government and the community, while on the other, it could describe the extent to which the community influences decisions that affect their well-being (Bekker 1996). Meaningful community participation requires the involvement of all stakeholders, including the marginalised groups such as women and youth. In addition, it also requires involvement of all the stakeholders from initiation to the implementation of policy”. This way, community participation will enhance political indices “of popular sovereignty, political equality, popular consultation, and majority rule” (Bekker 1996). It is very interesting to point out that “community participation entails the involvement of the community in a wide range of administrative policy-making activities, including the determination of levels of service, budget priorities and other issues that affect the welfare of the community” (Freysen 1998). Craythorne (1997) “is of the opinion that community participation means allowing the community, if it wishes, to state in a general way what it considers some or important issues or policies”. Thus strategies need be evolved to translate such wishes into reality.

### Constitutional and Legislative Provision for Citizens’ Participation

South African has laws that require community input as a part of the decision making processes of local government. The legislation emphasizes the involvement of community in the

budgeting process as well as on the decision making processes (South Africa Constitution 1996). Section 152(1)(e) of the Constitution, 1996 says that one of the objectives of local government is to encourage the involvement of communities and community organizations in local government affairs (South Africa Constitution 1996). In addition, the public must be encouraged to participate in policy making processes. This puts responsibility on to local government to actively work out ways to include the community in decision making. The basic constitutional requirements are made even clearer in the Local Government legislative frame work.

#### ***The White Paper on Local Government Act, 1997***

Section B of the *White Paper on Local Government Act, 1997* goes further by stating that “municipalities require the active participation by its community at four levels: first and foremost as voters to ensure the maximum democratic accountability of the elected political leadership for the policies they are empowered to promote; then as the community who can express views through different stakeholder association, before and after the policies have been implemented to ensure that such policies benefit the community” (South Africa Local Government Act 1998). Also “as consumers and end-users who expect value for money, affordable service and, courteous and responsive service, and ultimately at the same time as porters involved in the mobilization of assets for developmental local government” (Beiske 2007: 221).

#### ***The Local Government: Municipal Structures Act, 1998***

In terms of Section 16(1) of the Local Government: *Municipal Structures Act, 1998* (Act of 1998), this Act entrenches “community participation by stating that a municipality must develop a culture of municipal governance that complements formal representative government with a system of participatory governance” (South Africa Municipal Structure Act 1998). In addition, “these roles include establishing and encouraging conditions for effective community participation”. As indicated by the constitution, 1996 community participation can either be

individually or collectively. The Constitution also stipulates that community participation is a legislative obligation in the formulation of integrated development plans and “in strategic decisions that relate to the provision of municipal services”.

#### ***The Local Government: Municipal Systems Act, 2000***

“In terms of section 73 of the Local Government: *Municipal Systems Act N. 32 of 2000*” defines “legal nature of municipality as the political structures, the administration and the community, thus enshrining the community as an integral part” (South Africa Local Government Act 2000). In addition, “Chapter four of this act is dedicated to community participation stating that municipality must foster participation in the integrated development planning process: the evaluation of its performance through performance management: the budget process: and strategic decision around service delivery”.

#### ***The Municipal Finance Management Act, 2003***

In terms of section 215 of “the *Municipal Finance Management Act 56, of 2003* requires that immediately after the annual budget is stabilised in a municipal council, the accounting officer of the municipality must make public the budget and all supporting documentation, and invite the local community to submit comments on what is contained in the budget” (South Africa Local Government Act 2003). The “Municipal Property Rates Act has a direct impact on community as property owners and allows for a process of community participation” (South Africa Local Government Act 2004). “Section 4 of the Act states that before municipalities adopt its rate policy, the municipality must follow a process of community participation in accordance with Chapter 4 of the *Municipal Systems Act*” (South Africa Local Government Act 2003).

#### ***The Promotion of Access to Information Act, 2000***

“Other relevant laws include The Promotion of Access to Information Act, 2000 which gives access to state and other information required

for the protection of rights. Within the context of local government, the community has a right to access any information or records of a municipality. *The Municipal Finance Act, 2003* outlines ways in which the community can be informed of the financial situation of a municipality" (South Africa Local Government Act 2003).

"South Africa's *White Paper on Transformation Service Delivery, 1997*, considers the citizens or public as customers who must be given priority in terms of the Batho Pele (People First) principles" (South Africa Local Government Act 1998). "Section 1.3.3 stipulates the enhancement of public participation. This implies listening to their views and taking account of them in making decision about what services should be provided, treating them with consideration and respect, and making sure that the promised level and quality of service is always for the highest standard".

### Challenges in Community Involvement

"There are challenges of public participation in Local Governance (LG) especially in the Ward committees such as (Ntlemeza 2007):

- Failure to convene monthly ward committee meetings – this is another delay for the delivery of services. Community will not know about the services that the government delivers to the people unless there are informed. If there are a conflicts between the communities that emanates from the representative who belongs to one political party, the meetings may fail because of being blocked or sabotaged by the other group.
- The determination of ward committees – The issue of determining the members of ward committees evoked mixed feelings and suspicions that ward councillors are a mere extension of the ruling party program. This is because the ward councillors belong to the political party that is governing that municipality and others who belong to other political parties are not allowed to take part even by the community in those wards.

These problems need to be addressed by informing the communities that this initiative of ward committees is a vehicle for an inclusive participation in local governance. It is also voluntarily as in the case of CDWs".

### CONCLUSION

The study has succeeded in revealing to the communities the procedures involved in budget preparation, the reasons, the roles of individuals and the beneficiaries.

### RECOMMENDATIONS

- Intensive campaign through seminars, lectures and workshops should be organised to enlighten members of the community. If this is done, all will be clear to everybody and members of the community will also be given the opportunity to air their views.
- The government should ensure that members of the communities are well informed about most of the government programmes as their involvement in some government projects will contribute to the nation building.

### ACKNOWLEDGEMENTS

First and foremost, the researchers would like to thank the Almighty God. It would not have been possible to complete the research without His guidance and protection.

The researchers would like to thank the University of Fort Hare. This research would not have been possible without its funding.

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**Paper received for publication on July 2016**

**Paper accepted for publication on November 2016**