

NOTES FOR PLANACT ON PARTICIPATORY BUDGETING INITIATIVE IN MAKHAKO MUNICIPALITY

Prof. Claire Bénit-Gbaffou

29 March 2012

First I would like to thank you for inviting me to be a discussant in this session. It is a very interesting and courageous initiative, a very important one too, and I am very excited to be (even minimally) part of it! I read the documents with interest, it gave me the urge to reengage with an international literature I had read long ago, that I could re-read today with different perspectives.

I want to praise PLANACT for driving this pilot initiative, an experiment really as there are no clear no unique guidelines – only sets of reflections from very different contexts and experiences. What I liked in the way PLANACT brings Participatory planning in SA is the emphasis on 2 specific SA features in local government:

- 1) The fact that the current IDP processes (participatory planning processes at the local level, with a regional and municipal upscaling) are dysfunctional because they are disconnected from any budgetary / financial commitment; PLANACT initiative attempts at articulating participatory budgeting processes with IDPs – this is the way to go, this is exactly what local adaptation of global models means...
- 2) The fact that residents are often disillusioned at best, discontent at worst, towards local government, service delivery, public expenditure. This is true in most SA, this is especially true in Makhado as the IDASA survey has shown, and this is something Makhado mayor has decided to tackle upfront in embarking into this experiment of participatory democracy.

I would like to make a few suggestions on issues that I think are incompletely or too implicitly addressed in the documents I read/ presentations I heard. Not sure how far PLANACT is in the process, and if this suggestions could also influence the initiative in some key directions. I make them in a constructive spirit – because I believe this type of project can work and is deepening democracy, accountability, and citizenship; and fully knowing how complex it is to translate a good idea into a functional structure and process...

1) First and foremost, I think it is crucial not to raise residents' expectations only to disappoint them. It is a key feature of SA local democracy as said earlier – the amount of expectations, sometimes direct promises, that have led to disappointment and frustrations. The worst PB could do would be to add on another layer to this, you certainly do not want to do that.

I think this risk should be taken more seriously and addressed upfront, by a series of clarifications that I do not see featuring in the document (they might have been addressed in practice)

- a) What is clear is how Makhado municipality DOES NOT have resources. What is missing is a clearer picture of
 - a. How much the capital budget is
 - b. What type of external funding the municipality could rely on for project (municipal infrastructure grant, housing subsidy, EPWP)- of course it might be difficult to know in advance, but at least an idea based on previous years/ applications for funding.
- b) Based on the level of capital available, the literature is quite clear that different types of participatory budgeting are recommended:
 - a. The easiest to implement (and closest to the typical SA IDP structure) is discretionary budget for each ward (either distributed equally amongst wards, or distributed according to a formula – I will come back to this later); municipalities (elected reps and officials/ technicians) then assist each ward to prioritise how they will spend their discretionary budget; and there is a need for regional engagement so that maybe some wards can combine their discretionary funds to build something bigger in common.
 - ⇒ Is this the choice made? If yes, what is the amount devoted to discretionary ward funding? How much is it per ward?
 - b. More ambitious is to prioritize capital investment at municipal level, around bigger projects. This can be left out of the participatory process (and in any case one needs to define the percentage of the capital budget that is going to be ‘distributed’ through PB). Wampler (2000) gives the example typically of 10-15% of the available budget for New public work.
 - c. IF THERE IS NO PUBLIC FUNDING available, or it is extremely limited, Wampler suggests two key elements:
 - ⇒ “Government must first dedicate considerable time and energy to explaining to the participants the dire financial situation of the municipality.” (p.7)
 - ⇒ The participants must then vote on the general policy priorities of the government” (p.7), and not necessarily on small projects as funding is scarce.

What ever the choices and the processes are, for me it is crucial to address 2 things urgently:

1. Clarify what is the capital budget available for the PB process;
2. Clarify in what form the municipality wishes to distribute it (discretionary funding per ward; project based funding with prioritization)
3. Before wards engage into prioritization, these choices must be clear; and the financial situation of the municipality, its own development plans, its constraints and priorities, should be presented at a regional level.

Otherwise it might be a recipe for unreasonable expectations and thereafter

disillusion with the whole PB process. It actually would serve the Mayor as he is explaining how difficult it is to make residents understand how constrained the municipality is. It is a very necessary step (not only for the trainers, but for the population as a whole).

2) My second point is related to the first, but also somehow different.

One of the risks of PB, highlighted by Mike, is parochialism – each ward focusing on their own need, short term, not seeing the overall municipal picture, not understanding that they are not the only ones to have pressing needs. Each ward then fights for its own turf, and this leads to counter-productive investments. (ex each ward wanting its clinic or high school... where several wards might be able to share some services). A desirable outcome would rather be several wards making alliances to propose one bigger investment that would benefit the whole.

In order to facilitate and encourage alliances rather than fragmentation, broad view rather than parochialism, Wampler recommends two things:

- 1) One is, as already mentioned – an initial municipal / regional meeting to explain the budget constraints, what is going to be distributed and how (before the ward meetings)
- 2) The second is, after each ward has prioritized its needs, and as an outcome of the regional meetings where all ward representatives meet to present their own priorities and hear the others' priorities, that there is a regional tour: ward representatives to be taken to the different wards/ projects sites, to get a sense of priority, a sense of the others' needs, a sense that they are not alone having dire needs. This is not very difficult to organize: it has proved crucial for many CBOS to 'get out of the local trap', understanding what they want and don't want, sympathise and possibly create alliances and build a deeper sense of a municipal citizenship.

3) My third point is about the need to clarify how the wards competing claims will be arbitrated. This is a key and complex issue. Mike has delineated a few principles according to which projects should be debated and prioritized:

- Whether or not the projects fit into the municipal broader development plan (but this raises the question of:
 - o When are these broader development plans presented to the community? Should be before they engage into IDP/PB processes at the ward level)
 - o What if people want something different from the municipal priorities (the point of PB is to allow for some discussion and debate about this)
- Whether or not they are feasible technically and affordable
- Whether it is a need or a want (but this is difficult to measure – a degree of 'common sense', but in case of tough competition, common sense may be missing)
- Whether it has the full support of the community (again, how to measure that? Petition?... there are ways)

I have no solutions for this but I think it is important it is clarified, to avoid

running into political trouble/ chaos. Wampler (2000) suggests different ways:

- A 'quality of life' index – areas with higher poverty, higher population, lower level of infrastructure, receive a higher proportion of the resources; (but this might discourage other wards from participating)
- The number of representatives per ward, sent to regional meetings, is proportional to participation in the ward meetings. This encourages participation and in a way the strengthening of ward committees, but might be complex to use... especially difficult when municipal resources are low.

Again, it depends how public resources are made available (per ward/ area: discretionary fund; or per project/ sector of intervention).

4) To take the question differently, there are in fact two questions that need to be answered:

- a. A question on sector: what sector should be prioritized? Housing, infrastructure, transport, etc.
- b. A geographical one (where do we spend in priority? For each sector- housing, transport, service infrastructure, etc.)

The first question is addressed at the ward level (prioritization of local needs), and then aggregated at the regional level (if 100% wards want to prioritise water reticulation in their own wards it is definitely a regional priority). This is in away already happening in the IDP process...

The second question is not sufficiently addressed as there is no clear allocation/ arbitration rule between wards – who will directly benefit from capital investment. What could help a lot would be **thematic regional meetings** (all wards send a rep on housing to a regional housing meeting; all wards send a rep on services to a regional service meeting, etc). the advantage of this would also be that they could be an administrator/ technician in all these sectoral/ thematic meetings, that explains the regional needs/ constraints/ budgeting issues and interacts with ward representatives.

This might be too costly to organize... but

- it is not difficult;
- it brings also administrators, officials, technicians into the picture and I have not seen them a lot in the current plan: it helps residents making realistic requests/ it helps administrators better understand the people they are servicing / and it helps having a regional vision on housing, service delivery, sanitation, ... which in case of scarce funding might be the best thing to do.

To summarise my key recommendations:

- 1) a regional meeting to kick start the process
 - a. where municipal plans, and financial resources/ budget constraints are explained to residents;
 - b. where the amount of capital budget to be debated is presented
 - c. where it is decided whether this is for sharing amongst wards (on an equal basis OR according to a formula prioritizing the most

- needy); OR if this is a regional exercise on what to prioritise at the municipal/regional level, given the limited funds available
- 2) Depending on 1c), ward meetings can be organized:
 - a. If it is a discretionary fund for wards (equal or not for each ward), then ward meetings indeed are about prioritizing local needs locally;
 - b. If this is rather a regional discussion on how the limited funds should be used, it is more about constructing a ward position on the debate (without expecting necessarily the capital to be spent in the ward). What could encourage people to participate is the idea that each ward send delegates to the regional meeting in proportion to the participation level in the ward meeting.
 - 3) Regional thematic meetings to be set up (housing, with admin/ technicians, where all ward housing reps attend; transport; water; etc.). this helps refining expectations/ seeing the broader picture for these investments that are sometimes of regional nature
 - 4) A general regional meeting where all wards send their delegates, to discuss their ward's position and select municipal priority projects (already in the project) – through vote / formula/ equal discretionary funding. What is suggested in this phase is to include (before the vote/selection) a tour of the different sites/ projects/ ward discussed for all participants.

References

- Goldfrank B, Schneider A, 2006, Competitive institution Building: the PT and participatory budgeting in Rio Grande do Sul, Latin American Politics and Society, 48(3), pp. 1-31.
- Makwela M, 2012, A case for Participatory budgeting in SA, report prepared by PLANACT for GGLN.
- PLANACT, 2011, Makhado municipality participatory budgeting pilot project: project implementation Plan. PLANACT report.
- Wampler B, 2000, A guide to participatory budgeting. Accessed online

Prof. Claire Benit-Gbaffou,
Acting Director: CUBES
Associate Professor: School of Architecture and Planning, Wits University
T 0117177718
C 0839685444
E claire.benit@wits.ac.za