

An Alternative to Democratic Exclusion? The Case for Participatory Local Budgeting in South Africa



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Abstract

This article makes a case for transforming local governance to embrace inclusion and accountability through participatory local budgeting. South Africa's history of experiments with participatory local governance and policy-making, which was incorporated to some extent in post-apartheid institutions of local government, implied some intention for such practices to continue. However, despite the possibility that such an approach could advance democratic accountability and result in policies that favour the needs of the poor, the African National Congress (ANC) government has pursued a centralised, technocratic approach. Needing to regroup after electoral losses in the 2016 municipal elections, will the ANC embrace participatory local budgeting, and in doing so, transform its mode of governance? Will non-ANC and the coalition governments embrace a new approach that is more responsive to local needs and demands and potentially leads to more effective governance? This article concludes by outlining concrete steps that could be taken at the national and local levels to advance participatory local governance.

Introduction

The 2014 re-election of Jacob Zuma as President saw declining support for the ANC party in several major urban centres, which also have been sites of sustained protests against local governments and municipal policies. In the 2016 municipal elections, large numbers of voters further turned away from the ANC in favour of the Democratic Alliance (DA), the Economic Freedom Fighters (EFF) and independent candidates, leading to new forms of coalition and minority government in several of South Africa's largest municipalities as well as an unprecedented number of local governments headed by parties other than the ANC.

This uncertain political landscape potentially represents an opportunity to inaugurate a genuinely participatory local politics that champions the needs of the poor and returns to the vision of the *Reconstruction and Development Program* (RDP). I show in this paper that participatory municipal governance is feasible and desirable, but would need to allow for local experimentation, transparency, and active public involvement in all aspects of the policy process, from establishing priorities to monitoring implementation; this would require a fundamentally different approach that would be more open to public criticism and policy debate.

It would require significant commitment by local governments and would be greatly aided by the support of the national government. It is not at all clear the national ANC would be willing to risk such changes and the uncertainty they might bring, despite the apparent problems with its current local governance strategies and the potential benefits of participatory local budgeting, but individual municipal governments nevertheless could experiment with participatory local government.

Local politics and the national government

By the late 1990s, demands that the government improve social conditions in urban areas by providing free or low cost services such as housing, water and electricity were being expressed in local protests. However, the national government responded with a punitive approach that included service cut-offs, evictions and state or state-sanctioned violence (Everatt 2008; Ruiters 2007; Naidoo 2010).

Far from prioritising the needs of the poor, one of the main objectives of the ANC government was to oversee the formation of a black middle class, and one of the most important means has been the direction of state resources and opportunities to a handful of well-educated or politically connected people (Lodge 1998; Southall 2004; 2014; Hyslop 2005; Atkinson 2007; Chipkin 2013).

Although these practices were not in themselves corrupt, they have increased the social distance between leaders and constituents and reinforced a longstanding tendency to view poor people – especially those who demonstrate or otherwise advocate for their rights – as threatening progress.

Moreover, corruption and political manipulation has been routine since the late 1990s. Thus, it should be of little surprise that municipalities have seen significant civil society discontent, with vibrant neighbourhood-based political movements demanding that national and local governments improve access to basic municipal services (see for example: Heller 2001; Desai 2002; Desai and Pithouse 2004; Bond 2010; Alexander 2010; Seethal 2012; Bond and Mottiar 2013; Pithouse 2013; McKinley 2016).

Although persistent protests eventually forced the national government to respond to some of the demands, they did so by initiating changes that reinforced the *status quo* approach – central control of the policy agenda, driven by experts, with limited redistribution.

The continued presence of new urban social movements on the political landscape, and the substantial following they have attracted, points to the failure of the ANC to establish effective municipal governance and indicates it would be fruitful to explore alternative approaches. The problems with the current model are well recognised by the government, which is already casting about for options (Bond 2002; van Donk 2012; Masiko-Kambala, Gorgens and van Donk 2012).

Could participatory local development rejuvenate governance in South Africa? Using insights from Brazil's local budgeting experiments, I will show that participatory policy-making at the local level is feasible, and offers the potential to achieve better outcomes than the prevailing approach.

The case for participatory budgeting

There have been numerous attempts to introduce participatory governance in a variety of forms and different venues around the world, and some of them have been relatively successful. One initiative that has proven effective, and been widely studied and copied, has been participatory governance enacted through the municipal budget system, or participatory local budgeting.

Participatory local budgeting was developed in several Brazilian municipalities, starting with Porto Alegre, where this approach has helped support a pro-poor municipal policy agenda without incurring new debt, and built a constituency actively supporting social spending and redistribution (see, for example, Abers 1998; Heller 2001; Fung and Wright 2001; Wampler and Avritzer 2004).

It also helped reduce municipal corruption by making every citizen a potential budget watchdog and increased tax collection, including among the poor. Replicating the Brazilian initiative has appealed to some activists and ANC politicians, and could serve as a starting point for reforming and rejuvenating local governance in South Africa.

In Porto Alegre, city representatives launch the participatory budget process each year by convening meetings of neighbourhood committees that elect delegates to regional councils. The role of the council is to establish priorities for government spending on basic household, neighbourhood and community services (e.g. paving of streets, sewerage, housing, transportation), in light of available budgetary resources, with neighbourhoods prioritised by level of poverty, historic under-spending and level of mobilisation.

Later each year, local government politicians and staff return to the neighbourhoods to account for their spending and their success or shortcomings in translating the priorities identified by the

neighbourhood committees into completed projects (Jacobs and Bassett 2000; Gandin and Apple 2003). Some of the outcomes of this program include increased citizen involvement in and oversight of the local budget process, reduced political corruption, and policy priorities that benefit the poor.

Participatory local budgeting therefore has a strong intuitive appeal as a strategy for democratisation and empowerment. What has been presented here is an idealised model, but also offers a concrete example of what could be possible if the principles of participation, transparency and genuine accountability to the grassroots were made the basis for reforming municipal governance in South Africa.

Institutional framework for participatory governance

Imported models of governance have been subjected to significant criticism in Africa and with good reason: if they are not culturally appropriate they will never be accepted as legitimate, so will never be feasible, regardless of their purported desirability.

Yet the appropriateness of participatory local budgeting for South Africa cannot be dismissed simply because the most prominent examples were first developed in Brazil. Grassroots-based politics and policy deliberation has been very much a part of South African politics; in the 1980s and 1990s, anti-apartheid movements were strongly committed to participatory governance (Mayekiso 1996; van Kessel 2000; Heller 2001; Buhlungu 2010).

Participatory policy-making served as the basis for policy negotiation forums, which, at the local level, explored strategies to transform municipal governance to enable ordinary local residents to have more policy influence (Nell and Rust 2003; Negota 1994; Shubane 1994; Buhlungu and Atkinson 2007). Interest in grassroots-based governance continued under majority-rule (Ngwane 2003; Hart 2002, 254; Piper and von Lieres 2008). The design of South Africa's municipal government framework was consistent with decentralised, transparent and participatory governance at the local level (Atkinson 2003; Piper and Nadvi 2010; Piper and Deacon 2008), though commitment to participatory governance was weak in practice.

The Ward Committees, which are the current local government participatory forums, have no decision-making powers, nor control over fiscal or human resources, and are poorly integrated into the institutions of local government. Many do not operate very well and few have any resources allocated to them (Reddy and Maharaj 2008; Piper and von Lieres 2008).

Moreover, as a result of the mis-match between local government responsibilities, as outlined in the Constitution, and taxation powers, there is a patchwork of service levels throughout the country, with the most impoverished municipal governments, which are often located in rural areas in the former homelands, severely starved of resources needed to fulfill their mandates (Reddy and Maharaj 2008).

This can result in a stop-start approach to local infrastructure, poor services, and unqualified staff with high turn-over. Municipalities that cannot fulfill their mandates exclusively through their own inadequate tax revenues must turn to the national government for relief, which they have provided on an *ad hoc* basis, accompanied by policy intervention that can further undermine local accountability.

Local governments that seek assistance have been criticised as incompetent and wasteful, even though such problems are built into the very institutions of post-apartheid government (Cameron 2002). Reforming the tax regime to provide more adequate funding to local governments and permitting the Ward Committees to take on a more significant decision-making role would help support participatory local budgeting.

Transforming the Culture of Government Leadership

Post-apartheid governance has been centralised and technocratic, with national ANC party control strengthened by the proportional representation electoral system, under which the party alone selects candidates for office (see chapters by Buhlungu, Gumede and Johnson in Jacobs and Calland (eds) 2002).

Policy practices have reinforced political centralisation (Pillay 2011; Mosoetsa 2012). The process has become less technocratic and coherent under Zuma, but no less top-down (Butler 2010). Although the ANC has kept some limited spaces open for policy deliberation, most of these spaces tend to be controlled by the top executive of the party and / or the government, and debates that are likely to prove heated have been shut down or restricted to closed-door venues.

Thus far, no level of the state has utilised participatory policy processes in a committed and consistent manner, despite the constitutional and legislative provisions mandating public participation.

Although South African governments have been dismissive of participatory governance and policy processes, there remains a strong participatory counter-history in the party and among its key grass-roots constituencies, implying that a change in direction might gain support within the ANC.

Opposition parties have even more reason to embrace participatory local budgeting as a means to establish their responsiveness to local constituencies and thus boost their reputation. However, the national government would have to address some of the current impediments to participatory local governance that are structural in nature, such as improving the fiscal position of local governments, and those that have become part of the political culture, including the desire to define and occupy 'legitimate' civil society. I outline these challenges below, focusing on the importance of changing the ANC's internal culture and building a new relationship with civil society.

Redefining a relationship with civil society

The Brazilian example indicates that an informed, autonomous and engaged civil society is integral to the success of participatory local budgeting, and something sponsoring governments often need to cultivate in order to ensure the outcomes of participatory budgeting exercises transcend, rather than reinforce, prevailing power dynamics. To achieve similar results in South Africa, the government and the ANC will have to change their relationship with civil society, to cultivate a more informed public, to accept publicly aired criticism as constructive, and to foster policy outcomes that prioritise poor people's well-being.

One legacy of apartheid is that wealthier citizens often are able to participate more effectively in 'open' policy processes because their knowledge of government policy and budget processes is higher (Piper and Nadvi 2010). The risk is that expressed policy preferences will favour the needs of wealthier citizens and neighbourhoods, rather than redirecting spending to the needs and priorities of the poor. Although the radical neighbourhood movements have strong capacities to analyse, educate and mobilise people in their constituencies, they do not represent everybody, even in the communities where they are active, and they are not present everywhere in the country.

Civil society also needs to have the autonomy and political space to criticise the government and the state without being marginalised or vilified. Politicians and government agencies must accept such criticisms as legitimate, and would need to take direction from citizens and respect their views and priorities. Local governments must also commit to redistribution, and incorporate that commitment into support for participatory local budgeting by setting the parameters for policy deliberation in such a way that policies favour basic services.

Opening municipal government up to the active participation of local residents will face additional challenges following nearly two decades of local political protest led by radical township groups. For participatory local budgeting to move ahead, civil society would need to be open to engaging with the government and accepting some trade-offs.

The requirement that communities identify priorities and make choices in order to ensure budgets remain balanced may be unacceptable to contemporary neighbourhood movements campaigning for universal free, or very low-cost, access to basic services like water, electricity and public infrastructure, because they view these as basic rights of citizenship (Heller 2001; Desai 2002; Desai and Pithouse 2004; Bond 2010; Alexander 2010; Seethal 2012; Bond and Mottiar 2013; Pithouse 2013; McKinley, 2016).

Thus, the current political climate does not seem conducive to participatory local budgeting, but it should be noted that there were equally high levels of inequality, disaffection and mistrust in Brazilian municipalities. Porto Alegre succeeded because of the demonstration effect of early experiments, not

because there was a strong pre-existing base of trust – in fact, participatory budgeting was the tool that established the *bona fides* of the local government. Redefining and rebuilding a relationship with civil society would be important both to implementing participatory budgeting and also as an outcome of such processes.

The lack of trust between government and civil society groups alongside limited skills and knowledge within poor communities are additional barriers to the many structural and cultural impediments to participatory local budgeting in South Africa. Although local governments have a mandate to involve the public in all aspects of the policy process, resources are inadequate, opportunities are limited and governments have failed to show the leadership needed to counteract the tendencies towards a closed, centralised and expert-driven process, or worse, to stem corruption, clientelism and anti-poor attitudes. Redefining and rebuilding a relationship with civil society would be important both to implementing participatory budgeting and also as an outcome of such processes.

Looking ahead to participatory possibilities

Given that the prevailing model of local government has failed and participatory experiments have had some success in Brazil and elsewhere, it should be time to consider a change in direction, one that embraces a participatory policy-making approach, especially with regard to local budgeting.

I have suggested that participatory local budgeting, modeled on Brazilian examples, could rejuvenate local democracy in South Africa. This decentralised approach would require a significant cultural shift, in particular for the ANC to loosen the reins and become more welcoming of divergent viewpoints and public dissent. However, the commitment of the national government is not necessary for participatory local budgeting to proceed as an organic, voluntary approach initiated by individual municipalities on an *ad hoc* basis.

A pilot program in participatory local budgeting launched in the municipality of Makhado in Limpopo province in 2010 with strong backing from the mayor and other local officials had promising preliminary results, showing, for example, that it offered a framework for local input to move beyond a wish list of projects to allow local residents to identify real priorities within a framework of trade-offs and constraints (Makwela 2012).

In light of the 2016 municipal elections, which resulted in significant losses for the ANC, there is an opportunity for experiments with participatory local budgeting in South Africa, both in municipalities now led by other parties and coalitions, and perhaps even in some led by the ANC as the party looks ahead to the future.

The past twenty years may have set back the opportunity to introduce participatory local budgeting, but the situation is not irredeemable. Newly elected municipal governments can experiment with

participatory policy and budget processes by making better use of the Ward Committees or establishing alternative mechanisms; the process established in Brazil has been well documented, and there have been local experiments such as Makhado from which to learn.

At the national level, the government could take a leadership role by promoting participatory local budgeting as a new framework for municipal governance, or take a hands-off approach, simply revising the funding formula for municipalities and the national legislation as it applies to Ward Committees and letting municipalities experiment as they choose.

In ANC-held municipalities, the national leadership of the party would also have to reduce their involvement in selecting mayors and council members and their overall tendency to maintain centralised control. The challenges are daunting, but they pale in comparison to the kinds of changes initiated through the negotiations, institutional redesign and cultural transformation that ended the centuries-long system of race-based rule in the early 1990s.

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