

## **Open Budget Systems and Participatory Budgeting in Africa: A Comparative Analysis of Nigeria and Ghana, 2012 and 2015**

**By**

**<sup>1</sup>Emeka C. Iloh, <sup>2</sup>Michael E. Nwokedi and <sup>3</sup>Chikamso C. Apeh**  
**<sup>1,3</sup>Research Fellow, African Heritage Institution, Enugu**  
**<sup>2</sup>Lecturer, Department of Political Science, Madonna University, Okija**

### **Abstract**

*Nigeria and Ghana have so many things in common. Apart from sharing the same colonial history and being located in the same West African sub-region, they also practice the same executive presidential system of government. However, this study is an attempt to do a comparative analysis of the budgetary systems of both countries, with a view to understanding how open and transparent the processes are, and the extent to which they allow for public participation. The aim is to identify the differences and similarities (if any). The study was anchored on the Marxist theory of the state. Our analysis showed that in terms of openness and transparency of the system, budget processes in Ghana were more open and transparent both in 2012 and in 2015 than what obtained in Nigeria in those years. As regards public participation in the process, the study also discovered that the government of Ghana created more opportunities for the public to participate in the process than the government of Nigeria. The comprador bourgeois class in Nigeria, because of its interest in primitive accumulation, ensures that budgeting in Nigeria is its exclusive preserve. This is because it is through the budget that it allocates funds to service the interest of its members. Conversely, the national bourgeoisie in Ghana, to a large extent, carries the citizens along in the budget process. However, though Ghana has made appreciable progress in this regard, there is still room for improvement. Finally, the study made a case for participatory budgeting for both countries.*

**Keywords:** Budget, Participatory Budgeting, Budget Process, Citizens' Participation, Governance

Corresponding Author's Email Address: [iloh.emeka@gmail.com](mailto:iloh.emeka@gmail.com)

## Introduction

The concept of budget has been variously defined by different authors in different ways. Most of these definitions have been articulated by Igbuzor (2011). However, a more comprehensive definition of the concept of budget has been offered by Kwanashie, 2003 (cited in Igbuzor, 2011, pp. 4-5). Thus:

*The budget is a key instrument for macroeconomic management in most economies and its efficacy determines the success of governments in meeting societal goals. The budget is also a tool for the implementation of social, political and economic policies and priorities which impact on the lives of the population...A budget is a plan and we know that plans depend heavily on information, analysis and projections. A successful budget must be a product of a process that is based on sound and quality information, rigorous impact analysis and an effective feedback mechanism to internalize lessons of past budgets. The budget is an integrated output of a dynamic process in which the connections between the various sectors are critical for its ultimate impact and should be looked at in a holistic manner.*

From the above, it is clear that government budgets have crucial roles in the planning and control of the economic activities of a nation. However, there are divergent opinions regarding the definition of participatory budgeting. This is because procedures called participatory budgeting in some places would not get that label in others. Goldfrank (2007) has noted that a broad definition of participatory budgeting usually describes it as a process through which citizens can contribute to decision making over at least part of a governmental budget, and that narrow definitions usually derive from particular experiences of participatory budgeting. According to these definitions, participatory budgeting is a process that is open to any citizen who wants to participate, combines direct and representative democracy, involves deliberation (not merely consultation), redistributes resources toward the poor, and is self-regulating, such that participants help define the rules governing the process, including the criteria by which resources are allocated. As a result of these divergent opinions on the meaning of participatory budgeting, therefore, Sintomer *et.al* (2012) have argued that there needs to be a definition that includes a set of minimal requisites to clearly differentiate this participatory procedure from others, while giving sufficient leeway to enable different specificities. Such minimal definition includes the participation of non-elected citizens in the conception and/ or allocation of public finances.

Hence, Zhang and Yang (2009) defined participatory budgeting as a process of democratic policy-making in which the government invites citizen inputs during the budget process and allow their influence in budget allocations. According to Wampler (2007), participatory budgeting is a decision-making process through which citizens deliberate and negotiate over the distribution of public resources. Participatory budgeting programmes are implemented at the behest of governments, citizens, Non-Governmental Organizations (NGOs), Civil Society Organizations (CSOs) to allow citizens to play a direct role in deciding how and where resources should be spent. Participatory budgeting creates opportunities for citizens to understand and relate to the budget as an instrument for influencing and monitoring service delivery and

government performance, creating an environment where citizens can make demands both on how money is generated and how it is used (CIRDDOC, 2012).

Naturally, what is contained in a country's budget should elicit interest among citizens. This is because budgets determine the direction for the financial year, and as a result, there should be mechanisms for public participation and accountability to keep the budget decisions on track. The openness of the budget process or transparency is an important condition for ensuring that a full budget discussion and appropriate budget monitoring is able to take place. It is not, however, a sufficient one. Creating the conditions under which governments are consistently held to account for managing public funds efficiently and effectively also requires establishing meaningful opportunities for citizens and civil society to participate in the budget process; and requires strong formal oversight from the legislature and the national audit office.

According to the International Budget Partnership (2012c, p.3):

*... for public budgets to be managed efficiently, and in accord with a country's needs, comprehensive budget information needs to be widely available, meaningful opportunities for civil society and citizens to actively participate in budget decision making and oversight need to be provided, and strong independent oversight from the legislatures and auditors needs to exist. The census around the importance of open budgets is stronger than ever before.*

Despite the compelling need for citizen participation in the budgetary processes of their countries, IBP noted that the Open Budget Survey (OBS) 2012 found that the state of budget transparency and accountability is generally dismal. Only a minority of governments publish significant budget information. Fewer still provide appropriate mechanisms for public participation, and independent oversight institutions frequently lack appropriate resources and leverage. In other words, budgets are still considered the exclusive preserve of government and budget processes remain closed to external participation. The same goes for OBS 2015, with minimal improvement.

In the light of the above, this study compares the extent of the openness of the budget process as well as the level of public participation in the budget processes of Nigeria and Ghana, in 2012 and 2015. It argues that with the nature and character of the comprador state in Nigeria, the ruling class in Nigeria has not allowed, and cannot allow the practice of participatory budgeting in the country. However, because the bourgeois class in Ghana is national in character and orientation, the development of institutions occupies a central place. In other words, majority interests, rather than sectional interests, are given due consideration. The state in Ghana, to a large extent, therefore, not only allows for an open budget system but also encourages the participation of the citizens in budget processes. The study, therefore, discovered that in 2012 and 2015, the budget process in Ghana was more open and transparent than that of Nigeria. Also, it found out that in terms of public participation, the government of Ghana provided more opportunities for the citizens to participate in the process more than the government of Nigeria.

The remaining part of the study is grouped as follows: Theoretical Perspective; Budget Processes in Nigeria and Ghana; International Budget Partnership's Open Budget Survey on Nigeria and Ghana; and Conclusion.

### **Theoretical Perspective**

The study adopted the Marxist theory of the state as the theoretical framework. This theory, in essence, arose as a counter to the proposition of the western liberal theory of the state which implies that the state is an independent force and an impartial arbiter that caters for the overall interest of every member of the society and regulates equitably their socio-economic transactions and processes (Okolie, 2006). On the contrary, the Marxist theory views the society as divided into two main classes: first, the minority ruling class, who controls both the economic and political power of the society, and thus, dominates and exploits the second class, the governed, the dominated and exploited working class, who have neither economic nor political power, and who are in the majority. The state in this society mainly functions as an instrument of class domination, with which the ruling class protects itself and exploits the working class.

The relevance of this framework to the comparative analysis of the level of openness and the extent of public participation in the budget processes of Nigeria and Ghana is evident. It enlightens our understanding of the nature and character of the Nigerian and Ghanaian states and gives us insight into the dominance and roles of comprador bourgeoisie in Nigeria and national bourgeoisie in Ghana, and their differential impact on the budget processes of both countries.

The Nigerian state plays a dominant role in the national economy. Unlike the Ghanaian state, this throws up the Nigerian state as a primary instrument of accumulation and as a facilitator of the capitalist development process. It is a major owner of the means of production (Nwosu, 2016). Because of the expanded oil revenues, the Nigerian state has become the greatest spender of resources, which, in most cases, it uses to satisfy the narrow interests of the ruling class. Unlike in Ghana, the Nigerian state plays a dominant role in national political economy. It dominates all aspects of life. It is everywhere and its power appears boundless. There is hardly any aspect of life in which the state does not exercise power and control (Ake, 1996, cited in Nwosu, 2016). National budgets, being the biggest singular avenue for the allocation of resources, are, therefore, firmly and securely under the power and control of the Nigerian state, represented by the ruling class. The citizens are completely alienated in the generation and distribution of these resources. This is to enhance the allocation of the resources to sectional/ private interests.

On this note, therefore, the reluctance of the ruling class in Nigeria to introduce participatory budgeting or to carry the masses along in the budget process, unlike what obtains in Ghana, is explained using the Marxist theory of the state. The budget is the most important instrument of economic policy of the state. It contains details about how revenue for the fiscal year is generated and allocated. It is, therefore, very crucial to the ruling class for it to be allowed for the masses to dictate its form and content, especially how the money is to be spent. This is because the ruling class has always depended on the budget to corruptly enrich themselves or to settle members of the class, at the detriment of the masses. The scandal that recently rocked the House of Representatives over the "padding" of the 2016 Budget is a classical example of how the ruling class, over the years, has been using the commonwealth for personal aggrandizement. The

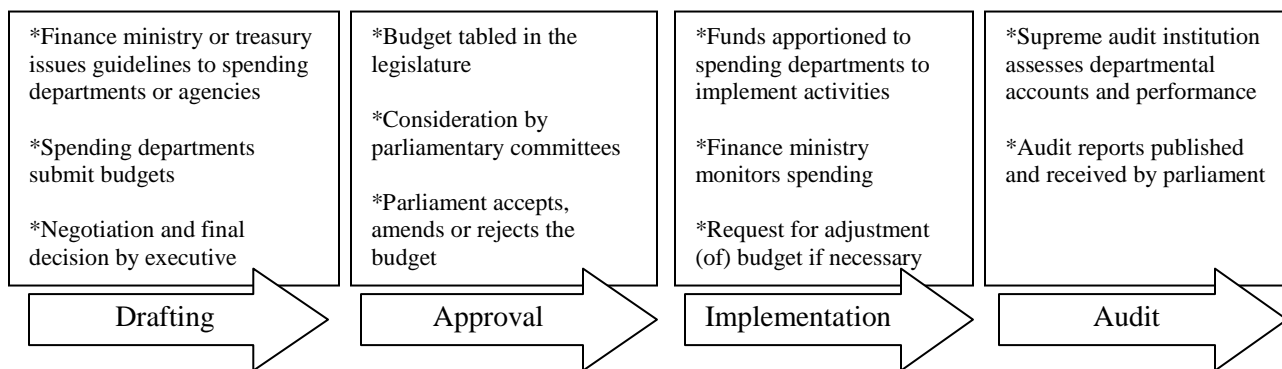
seeming misunderstanding among some members of that class arose out of disagreement about the sharing formula, which eventually they settled in their own way, because through the state, the ruling class normally resolves intra-class conflicts. The masses are the eventual loser.

This theory also suggests that the reason the masses cannot be allowed to participate in the budget process in Nigeria is because it is through the budget that the ruling class allocates wealth, which is their main instrument of dominance on the masses, to themselves. Without this wealth, it will be very difficult for the ruling class to exert their dominance on society. Therefore, the budget is too important to them to be allowed for the citizens to dictate and direct its course. For the ruling class in Nigeria, encouraging participatory budgeting, therefore, is like one arming his own enemy or signing one's death warrant. This is unlike what obtains in Ghana, where to a large extent, the processes are open and there are mechanisms put in place by the government to allow for public participation.

### Budget Processes in Nigeria and Ghana

The budget process is about events and activities in the budget cycle involving the determination of resources and their uses for the attainment of government goals (Parliamentary Centre, 2010). It is a system of rules governing the decision-making that leads to a budget, from its formulation, through its legislative approval, to its execution and evaluation (Ekeocha, 2012). The budget cycle itself is a year-round process involving formulation (establishing budgetary policies, parameters and allocation priorities) by the executive, legislative approval by the Parliament, implementation involving Government Ministries, Departments and Agencies (MDAs) and even Civil Society Organizations (CSOs), and evaluation and audit including the role of the Auditor-General. Essentially, most countries follow the same processes in their budget administration. Figure 1 shows the different stages of the budget cycle.

**Figure 1: Stages of the Annual Budget Process**



**Source:** Extracted from Parliamentary Centre (2010, p.11).

In Nigeria, the budget (referred to as the Appropriation Act) is a shared responsibility of both the executive and the legislative arms of government. It is introduced by the executive, approved by the legislature, signed into law by the President (executive), implemented by the executive, and implementation monitored by the legislature and other relevant agencies of the executive through budget oversight. In an ideal situation, all these processes are made open and public participation

in all the stages is taken for granted. However, in Nigeria, most of these processes are not made open, active public participation is not also being encouraged. The openness of the budget process is determined by the extent to which important budget documents are made available to the public or how transparent the process is, while public participation is determined by the degree to which the government provides opportunities for the public to engage in budget processes.

At the planning or formulation stages of the budget in Nigeria, it is the responsibility of the Budget Office of the Ministry of Finance to develop the budget in accordance with the Federal Government's fiscal policy. The Budget Office meets early in the fiscal year with key revenue generating agencies (including the Federal Inland Revenue Service, Nigerian Customs Service and the Nigerian National Petroleum Corporation) as well as key economic agencies (including National Planning Commission, National Bureau of Statistics, and Central Bank of Nigeria) to assess and determine trends in revenue performance and macroeconomic indicators and the implication of such trends for the next three fiscal years. This discussion leads to the preparation of a Medium-Term Revenue Framework (MTRF) pursuant to which projected revenue from various oil and non-oil sources is determined over the medium-term. Following this determination with respect to revenue, the Medium-Term Expenditure Framework (MTEF) is developed outlining key areas of expenditure (statutory transfers, debt service, MDAs' Expenditure) as well as the projected fiscal balance. If this fiscal balance is a deficit, sources of financing this deficit are also considered. MDAs' expenditures comprise both capital and recurrent expenditures (Ekeocha, 2012).

Once the MTEF and MDAs' expenditure ceilings have been approved by the Federal Executive Council, the Budget Office, under the supervision of the Minister of Finance, issues a "Call Circular" instructing the MDAs to allocate their allotted capital expenditure ceilings across their existing and new projects, programmes and other initiatives. MDAs are also required to submit estimates of their recurrent expenditure requirements for personnel costs and overhead. The Budget Office evaluates and consolidates the submissions of the various MDAs and prepares the draft budget, which is further presented to the President for approval by the Minister of Finance. The President then presents the draft budget, with other supporting documents, to the National Assembly, usually at a joint sitting of the Senate and the House of Representatives, for scrutiny and approval.

At this stage of the budget process, there is hardly any room for public participation, as the activities at this stage are conducted within the executive. The citizens are not given the opportunity to make inputs into the formulation of the budget, neither is there a forum for engaging with them to determine their priorities for the fiscal year. It is mostly an executive affair.

The second part of the budget process starts with the legislature. The budget is considered separately by the House of Representatives and Senate of the National Assembly in accordance with the legislative practice and procedures, mostly through the Appropriation Committees. It is mostly at the public hearings conducted by these Committees that public participation in the budget process is allowed. At this stage, the public is not only encouraged to participate during sittings/ meetings of the Committees, but also to submit memoranda. They also participate

during budget defence by the respective MDAs. The two chambers of the National Assembly eventually harmonize their drafts and the recommendations of the various committees are considered and collated. The harmonized budget is approved separately by each chamber of the National Assembly, after which it is presented as the Appropriation Bill to the President for assent. Once the President assents to the Appropriation Bill, it becomes an Act of Parliament.

The third stage of the budget process is the implementation stage. The implementation of the budget is carried out by the various MDAs of the federal government. Funds for capital projects are released on a quarterly basis to the relevant spending MDAs in line with what is allocated to them in the budget. As the implementation progresses, monitoring and oversight functions are carried out by the different organs of government responsible for that. Ekeocha (2012) has enumerated these governmental organs to include the Ministry of Finance, the National Planning Commission (NPC), the National Assembly, the National Economic Intelligence Agency (NEIA), the Presidential Monitoring Committee (PBMC), the Offices of the Auditor General of the Federation and the Accountant General of the Federation. However, actual inspection of the capital projects is carried out by the Ministry of Finance; the National Planning Commission and National Assembly.

At this stage of the budget process, the citizens are mere onlookers. With the exception of contractors who bid for contracts during the implementation stage, the citizens are neither aware of when funds are released by the Ministry of Finance to the respective MDAs nor do they have any mechanism for monitoring the implementation of the budget, except of course, through the oversight function of their representatives at the National Assembly.

The fourth and final stage of the budget process in Nigeria is the evaluation or auditing stage. The office of the Auditor-General of the Federation and that of the Accountant-General, as well as the National Assembly, play the most prominent role here. The Accountant-General of the Federation is required by law to prepare and submit to the Auditor-General at the end of each financial year the Annual Financial Statements showing fully the financial position of the Government on the last day of each year. The Projects Audits Department of the Office of the Auditor-General is charged with the responsibility of monitoring and evaluation of Federal Government's capital projects, capital releases and implementation of Government budget thereof. Other Departments in the Office handle other aspects of the audit work. The Auditor-General at the end of the financial year, also submits to the National Assembly, the audited accounts of the Government, for its scrutiny. This is in accordance with Section 85(2) and (5) of the Constitution of the Federal Republic of Nigeria, 1999 (as amended). At this stage also, there is no mechanism for the public to participate in the budget process.

As in Nigeria, the budget process in Ghana is a shared responsibility of both the executive and legislative arms of government. Basically, the processes in both countries follow the same pattern. But unlike in Nigeria where there is no time frame, in Ghana, the process of planning for the budget of the next fiscal year normally begins in May and ends in November. This is to ensure that the budget is ready as the financial year kicks off. The budget in Ghana derives its authority from three main legal documents. These are the 1992 Constitution (specifically articles 174-182); the Financial Administration Act (FAA, 2003); and the Financial Administration

Regulations (FAR, 2004), (Parliamentary Centre, 2010). Killick (2005) has identified eight steps that are involved at the planning and formulation stage of the budget in Ghana.

**Step I: Macro-Economic Framework:** The development of a macroeconomic framework which forecasts aggregates like GDP, domestic revenue and the availability of donor resources. It primarily involves personnel in the Ministry of Finance and Economic Planning (MFEP), assisted by Ghana Statistical Services, the Bank of Ghana, the Planning Commission and the Revenue Agencies.

**Step II: Policy Review (Simultaneously with Step I):** MDAs undertake a review of their policies, objectives, outputs and outcomes in order to estimate their broad expenditure requirements. Reports are submitted to MFEP and these constitute the information base for Step III.

**Step III: Cross-Sectoral Meetings** Groups of MDAs are brought together to discuss their policy review reports in order to achieve coordination among them. The Chief Director of a lead ministry is responsible for the production of a report to MFEP.

**Step IV: Ceilings:** MDA expenditure ceilings are determined by MFEP in the light of revenue estimates. These ceilings are conveyed to MDAs as part of the guidelines for the preparation of the MDAs' budgets.

**Step V: Review of MDA Strategic Plans and Budget:** MDAs review their strategic plans including outcomes, objectives and costs.

**Step VI: Prioritization and Presentation of MDA Budgets to MFEP:** MDAs prioritize their activities and prepare their estimates to fit within the guideline ceilings.

**Step VII: Budget Hearings:** MFEP conducts budget hearings with each MDA to ensure that their estimates are within the ceilings and are consistent with their strategic plans.

**Step VIII: Finalization and Approval of Estimates:** MFEP submits estimates to Cabinet and then to Parliament for approval. The deadline for submission to Parliament is 30th November.

Killick (2005) also notes that any consultations with non-government parties occur outside the above processes, an indication that the public, either as individuals or organized as civil society, are consulted, and, therefore, take part in the process. However, the paper works are left for the experts in government to do.

The second stage of the budget process is the approval stage. The constitution provides that the Minister of Finance on behalf of the President must present the budget to parliament at least one month before the end of the financial year. The budget is thus presented to the legislature in November on the floor of Parliament. The debate on the budget is adjourned for not less than three days after the presentation. On the appropriate date, Parliament first debates the overall budget policy following the introduction of the Executive's budget proposal and the estimates are forwarded to the relevant Committees for further debates and approval. The Committees which have been constituted into specific sectors such as finance, agriculture, health and



education, meet to scrutinize the policies and budget estimates of MDAs in terms of the current year's actual expenditures and performance as well as the ensuing year's estimates (ceilings) and programmes. At this stage of the approval process, technical officers from MDAs appear before specific committees to explain the significance of their proposals and how it will affect the overall national priorities. Memoranda from individuals and the public are allowed at this stage to appear before the Committees in Parliament to make presentations on specific issues in the budget proposals. The sub-committee on Finance discusses the main document concerning the macroeconomic targets, resource mobilization and recommends acceptance by the full house of Parliament.

In passing the appropriation bill, Parliament first votes on the total amount of expenditure before it votes on specific appropriations. The Appropriation Bill is passed into an Act to give legal backing to the budget to be implemented. Parliament effectively has one month to pass the bill. In the event that the budget is not approved by the Legislature before the start of the fiscal year, interim measures are voted on by the Legislature. According to Article 180 of the Ghanaian Constitution and Standing Order 145 of Parliament, where it appears to the President that the Appropriation Act in respect of any financial year will not come into operation by the beginning of the financial year, he may with the prior approval of Parliament signified by a resolution, authorize the withdrawal of money from the consolidated fund for the purpose of meeting expenditure necessary to carry out the services of government in respect of period expiring three months from the beginning of the financial year or on coming to operations of the Act whichever is earlier (Parliamentary Centre, 2010).

At this stage of the budget process, an opportunity is also provided by the government for the public to participate in the process. They are allowed to take part during the hearings or budget defence by the respective MDAs as well as submit memoranda to the Committees which they consider during their sittings.

The third is the implementation stage. Government Ministries, Departments and Agencies implement the budget by presenting applications to the Ministry of Finance for the release of funds. MDAs are required to submit work plans, cash plans and procurement plans to the Ministry of Finance immediately the Appropriation Law comes into effect. Once this is done, monthly releases are made to MDAs to honour commitments, and expenditures are recorded and published by the Controller and Accountant General's Department in the final public accounts within three months of the end of the financial year for public scrutiny. At this stage, the public also participates since the relevant budget documents are available for the public to scrutinize. The availability of these documents also underscores the openness of the process.

The final stage is the auditing stage. Ghana's Constitution mandates the Auditor General to audit budget implementation and report to Parliament. The Auditor General performs both financial and performance audit by providing an independent check on information and compliance with the legal provisions that guide the use of public funds. The Auditor General reports to Parliament its findings on all areas including procurement lapses. The audited reports are published six months after the end of the fiscal year. This enables the citizens to have first hand information on the performance of the previous budget.

The Public Accounts Committee of Parliament studies the reports of the Auditor General, and where necessary, invites Directors of MDAs or persons found culpable to a live telecast of the Committee's sittings to answer questions relating to the audit findings. The PAC then makes recommendations to the full house to take remedial actions on any irregularities uncovered by the audits. At this stage, the process is open and highly transparent as the audited reports are not only made public, but the sittings of the Public Accounts Committee are televised live.

From the foregoing, it is evident that budget processes are more transparent and open in Ghana than in Nigeria. While there is a specific timeframe for the executive to submit the budget proposal to the legislature in Ghana (latest by 30<sup>th</sup> November), in Nigeria, there is no such rule. Most times, the executive does not submit the budget proposal to the National Assembly till after the first quarter of the fiscal year. Again, in Ghana, the legislature must conclude the budget scrutiny within one month to enable the new budget take effect at beginning of the financial year which is usually January 1<sup>st</sup>, or take further measures to provide the executive with a fall-back plan. But in Nigeria, budget approval by the National Assembly takes ages, and in some cases, the budget does not come into force till the second quarter of the fiscal year. In Ghana, these timelines and dates are well-known to the public as they are encapsulated in the relevant laws, unlike in Nigeria where such timelines does not exist. When to submit the budget to the legislature is entirely the prerogative of the executive and when to approve it is the business of the National Assembly. In other words, the budget process in Ghana is not only more open and participatory, it is also more streamlined and time-bound.

### **International Budget Partnership's Open Budget Survey on Nigeria and Ghana**

The International Budget Partnership (IBP) is the only international budget monitoring group that conducts assessments of national budgets. Since 2006, it has been conducting assessments of the extent of openness of national budgets all over the world, termed Open Budget Survey (OBS). The OBS is the world's only independent comparable measure of budget transparency, participation and oversight. While other public finance assessments mostly rely on government self-reporting, the OBS is implemented by independent researchers based in each of the countries surveyed (IBP, 2015).

The OBS uses three indices to measure the overall accountability of the budget system. These include the Open Budget Index (OBI) or Transparency, Public Participation, and Oversight, and these are the three pillars of budget accountability. Transparency is an important condition for ensuring that a full budget discussion and appropriate budget monitoring is able to take place. It is not, however, a sufficient one. Creating the conditions under which governments are consistently held to account for managing public funds efficiently and effectively also requires establishing meaningful opportunities for citizens and civil society to participate in the budget process; and requires strong formal oversight from the legislature and the national audit office, or what the IBP refers to as 'Supreme Audit Institution'(SAI).

On Transparency, the OBS uses standard indicators to measure the extent of the openness of national budgets. These indicators are used to assess whether the central government makes the eight key budget documents available to the public in a timely manner and whether the data contained in these documents are comprehensive and useful. These eight key budget documents

include: Pre-Budget Statement; Executive’s Budget Proposal; Enacted Budget; Citizens Budget; In-Year Reports; Mid-Year Review; Year-End Reports; and Audit Report. The table below describes what each of these documents stands for.

**Table 1: Description of the Budget Documents**

S/N	Budget Document	Description of Document
1	Pre-Budget Statement	Discloses the broad parameters of a country’s fiscal policies in advance of the Executive’s Budget Proposal. It outlines the government’s economic forecast, as well as anticipated revenue, expenditures, and debt.
2	Executive’s Budget Proposal	The document or documents that the executive submits to the legislature for approval. It details the sources of revenue, the allocations to be made to all ministries, proposed policy changes, as well as other information important for understanding a country’s fiscal situation.
3	Enacted Budget	The budget that has been approved by the legislature.
4	Citizens Budget	A simpler and less technical version of the government’s budget, specifically designed to convey key information to the public. Citizens versions of other documents are also desirable.
5	In-Year Reports	Include information on actual revenues collected, actual expenditures made, and debt incurred at different intervals in the fiscal year. These reports may be issued on a quarterly or monthly basis.
6	Mid-Year Review	Contains a comprehensive update on the implementation of the budget as of the middle of the fiscal year, including a review of economic assumptions underlying the budget, and an updated forecast of the budget outcome for the fiscal year.
7	Year-End Report	Shows the situation of the government’s accounts at the end of the fiscal year and ideally includes an evaluation of the progress made toward achieving the budget’s policy goals.
8	Audit Report	Issued by the country’s supreme audit institution and examines the soundness and completeness of the government’s year-end accounts.

**Source:** Extracted from IBP (2015, p.21).

The Open Budget Index (OBI) is composed of sub-scores for each of these eight key budget documents assessed in the survey. These sub-scores represent the average of the scores received on a set of questions in the Survey that measure the public availability of, and amount of information in the documents (IBP, 2012a).

Transparency alone is insufficient for improving budget governance. Public participation in budgeting can also maximize the positive outcomes associated with greater budget transparency. Therefore, the OBS also assesses opportunities available to the public to participate in national budget decision-making processes. To measure public participation, the OBS assesses the degree

to which the government provides opportunities for the public to engage in budget processes. Such opportunities should be provided throughout the budget cycle by the executive, the legislature, and the supreme audit institution (SAI). The OBS also examines the extent to which legislatures and the SAI are able to provide effective oversight of the budget. The table below compares the budget documents the governments of Nigeria and Ghana made available to the public in 2012.

**Table 2: Availability of Budget Documents in 2012: Nigeria and Ghana Compared**

S/N	Budget Document	Nigeria	Ghana
1	Pre-Budget Statement	Published	Not produced
2	Executive's Budget Proposal	Published	Published
3	Enacted Budget	Published	Published
4	Citizens Budget	Not Produced	Not Produced
5	In-Year Reports	Published	Published
6	Mid-Year Review	Produced for Internal Use	Published
7	Year-End Report	Published	Not Produced
8	Audit Report	Produced for Internal Use	Published

**Source:** Extracted from IBP (2012a, p.1 & 2012b, p.1).

According to the IBP (2012a), for the Open Budget Survey of 2012, Nigeria had an overall score of 16%. This was well below the average score of 43% for all the 100 countries surveyed in that year. Nigeria's score indicated that the government provided the public with scant information on the national government's budget and financial activities during the course of the budget year (IBP, 2012a). On public participation in the budget process, the survey indicated that out of the twelve indicators used to measure public participation in the budget process in Nigeria in 2012, six were non-existent. Of the six that were in existence, one was strong, two were weak, while three needed further strengthening, as shown in Table 3. On oversight functions by the legislature and the office of the Auditor-General, eleven indicators were used to measure the former while four indicators were used to measure the later. However, findings showed that both categories of oversight functions were strong in Nigeria, based on the 2012 survey (IBP, 2012a).

In that same year, Ghana had an overall score of 50% in the Open Budget Survey. This was a little higher than the average score of 43%. It was also the highest in the West African region. The score indicated that the government of Ghana provided the public with only some information on the national government's budget and financial activities during the course of the budget year (IBP, 2012b). On public participation in the budget process, the 2012 survey showed that opportunities for public participation in the budget process in Ghana did exist, but follow up after consultation process was very limited (IBP, 2012b). Out of the twelve indicators used to measure public participation, five were non-existent in Ghana. Of the seven in existence, one was strong, two were weak, while four needed further strengthening, as shown in Table 3. On budget oversight by the legislature and the national audit office, both also came out strong.

**Table 3: Indicators of Public Participation in the Budget Process 2012: Nigeria and Ghana Compared**

S/N	Indicators of Public Participation	Nigeria	Ghana
1	Formal requirement for public participation	Existed but was weak	Existed but could be improved
2	Articulation of purposes for public participation	Existed but was weak	Existed but was weak
3	Communication by the SAI of audit findings beyond publication of audit reports	Did not exist	Did not exist
4	Mechanisms developed by the executive for participation during budget planning	Existed but could be improved	Existed but could be improved
5	Public hearings in the legislature on macroeconomic budget framework	Existed but could be improved	Existed but could be improved
6	Public hearings in the legislature on individual agency budgets	Existed and was strong	Existed and was strong
7	Opportunities in the legislature for testimonials by the public during budget hearings	Existed but could be improved	Existed but was weak
8	Mechanisms developed by the executive for participation during budget execution	Did not exist	Existed but could be improved
9	Mechanisms developed by the SAI for participation in audit agenda	Did not exist	Did not exist
10	Feedback by the executive on use of inputs provided by the public	Did not exist	Did not exist
11	Release by the legislature of reports on budget hearings	Did not exist	Did not exist
12	Feedback by the SAI on use of inputs provided by the public	Did not exist	Did not exist

**Source:** Extracted from IBP (2012a, p.4 & 2012b, p.4).

These same indices (Transparency, Public Participation and Oversight) were also used by the IBP to measure the overall accountability of the budget system in 2015. The table below shows the scores of Nigeria and Ghana in the different indices.

**Table 4: Open Budget Index 2015: Nigeria and Ghana Compared**

Country	Indices			
	Transparency	Public Participation	Budget Oversight	
			By Legislature	By Audit
<b>Nigeria</b>	24%	25%	67%	50%
<b>Ghana</b>	51%	29%	54%	67%

**Source:** Extracted from IBP (2015)

From the table above, in the OBS of 2015, Nigeria scored 24% in the Transparency Index. This indicates that the Government of Nigeria provided the public with minimal budget information. For Ghana, the country scored 51% in the same index, which indicates that the Government of Ghana provided the public with limited budget information. This is higher than that of Nigeria by 27%. It is also moderately higher than the global average of 45%. Table 5 shows the budget documents the two countries made available to the public in 2015.

**Table 5: Availability of Budget Documents in 2015: Nigeria and Ghana Compared**

S/N	Description of Document	Nigeria	Ghana
<b>1</b>	Pre-Budget Statement	Published Late	Not produced
<b>2</b>	Executive's Budget Proposal	Published	Published
<b>3</b>	Enacted Budget	Published	Published
<b>4</b>	Citizens Budget	Published	Published
<b>5</b>	In-Year Reports	Published Late	Published
<b>6</b>	Mid-Year Review	Produced for Internal Use	Not Produced
<b>7</b>	Year-End Report	Published	Published
<b>8</b>	Audit Report	Produced for Internal Use	Published

**Source:** IBP (2015:69-70).

According to the IBP 2015 Survey, the Government of Nigeria has been inconsistent in which documents are made publicly available in a given year. Since 2012, Nigeria has increased the availability of budget information by publishing the Citizens Budget; improving the comprehensiveness of the Executive's Budget Proposal; and improving the comprehensiveness of the Enacted Budget and the Year-End Report. However, the government has decreased the availability of budget information by failing to publish a Pre-Budget Statement and In-Year Reports in a timely manner in 2015, as they were done in 2012. Moreover, the government has failed to make progress by continuing to produce both the Mid-Year Review and the Audit Report for internal use only, and not making them available to the public. Nigeria's score of 24% in the Transparency Index in 2015 was substantially lower than the global average score of 45%, but higher than its score in 2012 (16%).

In Ghana, IBP also reported that the government has also been inconsistent in which documents are made publicly available in a given year. Since 2012, the government has increased the availability of budget documents by publishing the Citizens Budget and the Year-End Report, and improving the comprehensiveness of the Enacted Budget. However, it has decreased the

availability of budget information by failing to produce a Mid-Year Review. Also, it has failed to make progress by continuing not to produce Pre-Budget Statement. Nevertheless, Ghana's score of 51% in the Transparency Index in 2015 was largely the same as its score in 2012.

In the Public Participation Index, Nigeria scored 25%, meaning that the government was weak in providing the public with opportunities to engage in the budget process. This is the same as the global average score of 25%. For Ghana, the score was 29%, 4% higher than that of Nigeria, and the global average. However, it shows that the Government of Ghana was also weak in providing the public with opportunities to engage in the budget process.

In the Budget Oversight Index by the Legislature, Nigeria scored 67% in the survey, meaning that budget oversight by the legislature in the country in 2015 was adequate, especially at the implementation stage of the budget. But during the planning stage of the budget, legislative oversight function was limited. As regards budget oversight by the Audit Office, it scored 50%, meaning that oversight function on the budget process by that office was limited. For Ghana, the legislature provided weak oversight during the planning stage of the budget cycle and adequate oversight during the implementation stage. But on the average, the legislative budget oversight by the legislature in Ghana was limited, as it scored 54%, 13% lower than that of Nigeria. However, budget oversight function by the Audit Office was adequate, as it scored 67% in the survey, 17% higher than that of Nigeria.

## **Conclusion**

This study did a comparative study of the level of openness as well as the extent of public participation in budgetary processes of Nigeria and Ghana in 2012 and in 2015. It employed the use of the Marxist theory of the state as framework of analysis, and discovered that because of the nature and character of the comprador bourgeoisie in Nigeria, the state, represented by the ruling class, has not been disposed towards allowing a transparent and participatory budget governance in Nigeria. Unlike in Nigeria, however, the national bourgeoisie in Ghana has been more disposed towards openness and public participation in budget processes. Thus, an analysis of both countries' budgets indicates that budget processes in Ghana in 2012 and in 2015 were more transparent and open than those of Nigeria. Empirical evidence also indicates that the government of Ghana provided more opportunities for the citizens to participate in budget processes in both years than the government of Nigeria. However, both countries need to increase their level of transparency and participatory practices in their budget governance.

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