



# Budget demystification needed

**JUDITH STREAK**, a researcher in the Children's Budget Unit (CBU), a unit in IDASA's Budget Information Services programme, made a presentation on the challenges facing the incorporation of human rights in budgets, using the case of child socioeconomic rights. The aim of the CBU was to monitor the link between the rights enshrined in the Constitution and the budget, examining specifically the legal implications for government to provide services for children.

Children are afforded a comprehensive set of rights under the Constitution. These rights fall into two sets: Section 28 of the Bill of Rights is for children specifically and provide for food, basic health, shelter and other rights; Section 29 deals with the right to education.

Significantly, the rights given to children were not made subject to the limitation of reasonable legislative and other measures to achieve the realisation of the rights. However, the different formulation of the two sets of rights has led to a debate about which is the higher-level obligation regarding child rights.

In the past 10 years government prioritised children by implementing a plethora of child-specific programmes. Children are seen as a highly vulnerable group. Nevertheless, child poverty remains extensive and severe. Child poverty is intertwined with poverty among adults, which in turn is related to unemployment. The implication is that measures directed exclusively at children are not sufficient. In South Africa prospects for rapid advancement of child socioeconomic rights are dependent on more resources being transferred to poor families.

No explicit system exists for linking constitutional child socioeconomic rights to budgets. However, it is important to emphasise the link between socioeconomic rights and budget outcomes. The most obvious problem that undermines a rights-based approach to budgeting is that too few people know what the content of these rights include. Children's rights aim to ensure that no child lives without dignity. But there are no clear standards for each right.

Another challenge is the interdependence of rights and trying to define what the state's obligations are. The Constitutional Court has adopted a reasonable-

ness test for deciding if programmes should be regarded as meeting the standard for constitutionally enshrined socioeconomic rights. The dominant view is that the obligation to unqualified child socioeconomic rights should be defined by a higher-standard, "reasonable-measures test" (RMT). The RMT interpretation has been criticised by some who view the obligation as a direct claim for a basic standard to be delivered immediately.

Monitoring of the link between rights and the budget still needs to be improved. Speaking from her experience in the CBU, Streak said that this work raised many questions. Which programmes do you focus on? Child-specific programmes covered one aspect, but there were many others. There was too little analysis of equity and too much focus on children out of the context of poverty. Often there was a strong concentration on budget inputs and not enough on outputs. The quality of outputs needed to be taken more seriously, she said.

Adèle Wildschut, of Catholic Welfare and Development, asked if it was correct to talk about socioeconomic rights as "outputs, rather than the starting point. Are rights an obligation or a nice result at the end of the day?" Streak said government policy documents made strong references to rights principles, but that it was a continuing challenge to integrate rights into the budget process.

A few participants commented that socioeconomic rights could not be met by the market and that they had to be realised by government intervention. Samantha Fleming, of IDASA, approached the matter from a different angle: "The role of the state needs to be discussed alongside the role of citizens. When the state does not take responsibility for the care of the child, community structures spring up. What support does government provide for these initiatives? The state and citizens can play complementary roles."

Anna McCord, a labour economist at the University of Cape Town, followed with a presentation on the Expanded Public Works Programme (EPWP). She said unemployment in South Africa was structural, chronic and mass. While public works programmes held tremendous potential, the greatest weakness of the

EPWP was that it represented a response to unemployment as a short-term rather than a chronic problem. It would deliver temporary employment opportunities for 2% to 4% of the unemployed. As such the EPWP was a small-scale response to the problem. It was therefore important to target public works employment opportunities carefully.

McCord said there had been a lot of research internationally on the cost of public works programmes, but there was much less work examining their economic effect. It seemed clear, however, that the effect of public works programmes was greatest when they targeted the poorest of the poor. One South African case study showed a significant effect on non-income poverty. As little as R350 a month made a difference. The main item purchased was food and there was a reduction in skipped meals. Regular school attendance increased.

Of considerable importance, she said, was that public works programmes could build a certain amount of human and social capital. For instance, the fact that people were employed, if only temporarily, resulted in a reduction of shame.

However, up to 90% of the beneficiaries of short-term public works programmes still lived below the poverty line, despite having received monthly wages of between R350 and R650 for a time. People were obliged to "eat" their capital because of the short duration of employment. Public works programmes needed to be integrated with other development strategies.

One of the arguments in favour of public works programmes was that people acquired skills that could lead to other employment. Unfortunately, research showed there was poor labour market performance following participation in public works programmes.

McCord said there were no quick fixes in the fight against unemployment. The fundamental strategy in South Africa was to create economic growth. She argued that as far as the EPWP was concerned, there was a contradiction. While acknowledging that there were no quick fixes, the government planned to create only a short-term public works programme. For this reason there would be a significant gap between people's expectations of the EPWP and what it was able to deliver.

Albert van Zyl, of the Western Cape provincial treasury, pointed out that the estimated costs of taking the EPWP to scale were roughly the same as the estimated costs of implementing a Basic Income Grant (BIG). On balance, however, the benefits might be greater. Leonie Nyman, of the Black Sash, said the EPWP idea should not have to compete with the BIG idea. She emphasised that EPWP could have important additional spin-offs for black economic empowerment through preferential procurement policies, for example.

Harry Boyte, of the University of Minnesota, said an important dimension of public works programmes was the potential they held to increase civic agency. Referring to the 1930's New Deal programmes in the US, Boyte said: "Public works programmes can be designed consciously to have an impact on participants' sense of civic identity, confidence and pride."

Hildegard Fast, from the Fiscal and Finance Commission, gave the final presentation, focusing on budgeting at local level. She began by picking up on a statement in Alta Fölscher's address that democracy was a development question. When talking about budgets, she said, it was useful to keep in mind the links between democracy, development, the Constitution and government. The idea of democracy required consideration of the influence of all stakeholders on the budget process: NGOs, the legislatures and government. Budgeting was primarily about prioritisation. It was crucial to know where debates about priorities were taking place and how they filtered through into decisions.

Fast said that where space had been given for citizens to influence the budgeting process, they had often failed to take advantage of this. The Medium-Term Expenditure Framework (MTEF) was an example. There had been some initial frustration with the MTEF, but it provided space to influence longer-term priorities. It was important to maximise the opportunities available in the system.

Who checks on the spending of the budget? This was where civil society could play an important over-

sight role, Fast said. If government expenditure did not tally with the budget, then the budget itself would be undermined.

It was at local level that the greatest opportunities existed for citizens to influence budgets. In fact public participation in the budgeting process was required by law. There were formal opportunities to influence the process through ward committees and Integrated Development Planning (IDP) forums.

The IDP process held genuine potential for participation. It allowed communities to say "this is what needs to be done" and for numbers to be attached to these ideas. However, it had to be admitted that the IDP process had been developed unevenly across the country and had been dominated by consultants so far. To complicate matters further, other spheres of government were beginning to "piggy-back" on the IDP process, because so many hopes had been pinned on it.

Fast said budgets were ultimately about delivery, but there were many obstacles to delivery at the local level. As a result of human capacity problems, there was a strong outsourcing trend. This meant that there were many different delivery agents and this had a huge effect on participation and the public's ability to influence decisions.

Fast said inter-governmental transfers played an important role in promoting critical development. They helped to ensure equitable allocations to provinces and municipalities. New legislation on inter-governmental fiscal relations would enhance the role of various stakeholders in budgets, highlighting the importance of the interaction between the executive and legislative branches of government. For people to work effectively together on these matters, it would help to have a formula for inter-governmental transfers that was easy to understand. This formula should not preclude civil society organisations from playing their important oversight role.

Neil Cole, of the National Treasury, said: "Local authorities sometimes feel paralysed because IDPs are not being funded. They paralyse service delivery because people are waiting for the IDPs to come through."

Others spoke of a lack of political will to implement IDPs. "Many IDPs substitute volume for substance. They are thousands of pages long and officials are incapable of explaining the overall strategic vision they contain," said Tanya Ajam, of the University of Cape Town.

She also commented on the work of financial officers in government. "Finance people tend to see themselves only as bean-counters. They are chosen because they understand figures, not because they know how to deal with people. We need financial managers who know how to communicate and relate information to the community."

Marie-Louise Ström, a former manager from IDASA, said there was a lot of politics involved in the IDP and budgeting process, but people did not understand this sufficiently. "Balancing human rights and budget priorities is a political process. Choices have consequences. If there is sufficient transparency, it is possible for citizens to understand this and to participate in negotiations around priorities," said Ström.

The discussion closed with a round of comments about participation. Wildschut remarked that participation was generally "invitational". Civil society was not asserting itself and saying: "We want to participate and this is what we want to do."

This begged the question of "whose democracy is it?" said Boyte. "There are many powerful examples of citizen organisations that have learnt to work effectively with government and to negotiate within budget constraints. Demystifying

things like budgets and IDPs also makes it possible to create a culture of accountability."

International respondent Inyambo Mwanawina from the University of Zambia concluded by highlighting the theme of transparency.

"To enable even basic forms of participation by non-state actors in budget processes, transparency has to function. Demystification is necessary. Information builds capacity." Since budgets were highly technical, it was easy for experts to dominate without giving a thought to the contributions of citizens.

However, if the goal of democracy was to build people's power, few things could be more empowering than understanding budgets and learning how to influence them.

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