

## Fresh Room for Unconstitutional Budgeting Cycle

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With a shoddily prepared budget crammed with unrealistic assumptions, the National Assembly is not likely to have any option but to ask the executives to go back to the drawing table. Unrealistic assumptions will inevitably produce an unrealistic budget which will also inevitably fail. Be that as it may, how the National Assembly goes about this process is very important. When the executive has probably gone back and consulted with concerned Ministries, Agencies and Departments as well as modify the underlying assumptions in line with reasonably possible realities, will the legislature in its evaluation start all afresh to interrogate each minister? Is it not possible that the legislature can review the proposed budget without necessarily inviting each minister to come and perform the budget defence ritual which in the past was conceived as a way of coercing these ministers into parting with funds for the legislature? Is it possible that the motive underlying this ritual has very much changed or have the processes for paying for enhanced budget votes been appropriately modified in line with the ruse of law?

Both our budget preparation, execution and evaluation are known to have generated intense controversy; particularly between the executive and the legislature. The question has been about whose responsibility it is to perform what role. Constitutional separation of the functions of the arms of government appears blurred here. But one may ask, whether this is deliberately blurred because of the pursuit of certain interests. Typically, the cycle starts with the preparation of the budget by the executive arm which is afterwards passed on to the National Assembly for approval. The question again is, should the National Assembly start the process of arriving at the estimates presented by the executives again? In other words, should the National Assembly start the budget preparation process afresh? This equally includes the preparation and approval of their own budget.

For instance, although the legislature has an onerous role to play in fiscal policy, its specific responsibilities in these regards are detailed in the constitution and does not comprise the reshaping of prepared fiscal plan in line with its own (legislatures) notion of national economic objectives. Thus, whereas it can raise considerable criticisms and questions, it has no power to usurp executive responsibility of preparing the budget. For example, early this year (a) the president insisted on removing some of the clauses which the lawmakers unilaterally injected into the budget because they are inconsistent with government's macroeconomic plan and sector strategies (b) the president accused the lawmakers of unconstitutionally ballooning the allocations to some ministries and agencies in addition to (in some cases) initiating new projects while appropriating money for such. The direction of the government in 2008 is more on the completion of ongoing projects, - and less on new projects - which unveils the extent of inconsistencies with the actions of the legislature; (c) By these actions, the legislature encourages the ministries, departments and agencies to submit to them sundry projects for which they consequently voted money. These are just to mention but a few.

These fogs are very much behind the entrenched history of budget delays. The 2008 budget, for instance, was finally passed in October. Is that not shameful

enough? Akin (2008) in an article titled "Avoiding budget delays in Nigeria" published in *Businessday* newspaper on November 4 very well captured this budget-making crisis as follows: "The process for achieving the various purposes of a budget must conform to the usual management cycle of preparation, authorisation, execution, and monitoring. This process, in so far as government budgets are concerned, must be pursued in accordance with laid-down historical, constitutional legislative, political, economic and administrative procedures. Generally speaking, the body that plans and prepares may not be the one that should authorise and the one that authorises may not be the executing agency. Furthermore, the agency responsible for monitoring to guarantee good performance and accountability may again be different. Specifically, in most governmental arrangements, the principle of separation of powers between the executive and the legislature is allowed to operate with regard to the budget process. What is happening in Nigeria regarding the budget process is not new in history. It is part of the long standing constitutional struggle between the parliament and the monarch concerning the "control of the purse" dating back beyond the Magna Carta of 1215 in Great Britain.

It is an aphorism in budget parlance that while the executive proposes, the legislature disposes through appropriation. Under the British system, the House of Commons is free to reduce expenditure: this does not reflect a loss of confidence in the Cabinet. Similarly, the commons may reject a proposal for revenue and require the cabinet to return with an alternative. However, if the common moves to increase expenditure, this does reflect a loss of confidence in the cabinet and a new government must be formed. The determination of the upper limit of expenditure is regarded in that system as the most critical of the cabinet's budget responsibilities. Since 1979, in recognition of the position of the president as the chief executive, the constitution clearly places on him the responsibility for preparing and submitting the budget to the legislature. This is the duty to put squarely on the president and which must bring the president in contact with the National Assembly personally. It is a function that, he as the chief executive cannot avoid. It is one occasion when the executive and the legislature are inescapably brought together.

Under the Nigerian constitution, while the power of the legislature to levy taxes is clearly recognised, there is no indication as to the *modus operandi* of the exercise of the authorising powers of the legislature over expenditure estimates; specifically whether it can add to or delete from the proposal of the executive as distinct from mere amendments of figures. It must be emphasised, however, that our constitution recognises the "one fund" concept of government budgeting whereby all receipt and expenses are subject to the appropriation and budgeting process".

What is the end result of all these? They are: unrealistic budgets, delayed budgets, failed budgets etc. Since we cannot tell ourselves the truth, the suppositions upon which we base our fiscal plans are in themselves self-deluding. How can one expect a 2009 budget to deliver good dividends to the Nigerian people with all these unresolved issues? Let us start with the assumptions which have underscored our budgets. - I think that certain assumptions such as the achievement of a double-digit GDP growth rate, single-digit inflation rate are like building castles in the air. It approximates the very ridiculous deceit and fakery which underscore our faith in the achievement of any so-called vision 2020. Thus, whereas we all know that it is impossible to achieve these set targets given the inadequacies in macroeconomic management, national leadership as well as entrenched corruption and faulty incentive system that have made our bureaucrats turn our economy on its head,

we still gather in economic summits to proclaim that it is achievable. Projections are made, contracts are awarded and the scam is all-the-more intensified in a bid to sell to the public an obviously impossible but deceitful scam aimed at profiting only a section of the people who designed it in the first instance.

Thus, when we base our budgets on assumptions that are clearly untenable; those ones that you do not need economists and other experts to find out the probabilities of their occurring; the result is that we ab initio define a budget that will not work. How can we come to terms with the unreality that in the face of the unresolved Niger Delta crisis, the global economic crisis, the domestic financial market crisis, falling oil prices, poor budget implementation (35 percent so far in 2008) that the real output in 2009 will grow by a minimum of 10 percent?