

Budget and Budgeting Implementation Efficiency in a Democratic System: A Study of Buhari's Administration

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Abstract

This paper examines the intricacies of budgeting implementation and efficiency within a democratic system, using the administration of President Muhammadu Buhari in Nigeria as a case. The paper explores the successes and failure of budgeting strategies; the causes of delay and inconsistencies in budget implementation; and the evaluation of the socio-economic impact of budget priorities during the President Buhari's led Administration 2015 to 2023. This is done by analysing government budgets, policies, and economic indicators, to provide insights into the dynamics of budgeting in a democratic context and to adequately achieve this, the study relied on the use of library research design. The discovered that increasing capital expenditure financing, with a focus on vital infrastructure projects including roads, railroads, and power generation, was one of the budgeting techniques' major triumphs under the Buhari administration. In a similar vein, under President Buhari, Nigeria's economy remained mostly dependent on oil despite all efforts to diversify sources of income. The government's revenue was greatly impacted by fluctuations in oil prices and production levels, which resulted in budget deficits and restricted ability to carry out planned initiatives. According to the report, Nigeria must keep pursuing revenue diversification in order to lessen its reliance on oil exports. This can be accomplished through advancing industries including manufacturing, services, technology, and agriculture.

Keywords: Budget, Budgeting Implementation Efficiency, Democratic System, Buhari Administration

1. Introduction

Budgeting is a vital component of democratic governance because it helps to allocate resources, shape public policy, and promote accountability and openness. Every Nigerian government since the country's independence in 1960 has adhered to the annual tradition of creating and carrying out the national budget. Being a statement of income and expenditure that presents an indication of the government's priorities regarding expenditures for the fiscal year, the budget stipulates in detail the annual income and expenditure of the government. As required by the Nigerian Constitution, each fiscal year's federal and state governments must create, present, and carry out budgets at their respective levels of government Elem (2016). The budget is a financial road map that shows the government's sources of income, how money is allocated, and what its top objectives are for spending. The appropriate use of the resources allotted to attain the intended socioeconomic results is ensured by an efficient budget implementation process (Olurankinse, 2017).

The budgeting process is a crucial mechanism in a democratic society for expressing the goals and principles of the elected government. It is an instrument for converting political pledges and policy goals into concrete deeds and results. In order to

promote overall development, improve public services, reduce inequality, and encourage economic growth, the budget must be executed effectively. Efficiency in budget execution is the degree to which planned results are realized and budgetary allocations are carried out promptly and effectively. It covers a wide range of topics, such as financial management, project execution, monitoring, and assessment, as well as the distribution of funds. A number of elements are necessary for effective implementation, such as strong monitoring systems, institutional competence, stakeholder participation, and coherence in policy.

The budgeting process is influenced by a variety of factors in a democratic government. To guarantee that the budget reflects the needs and aspirations of the people while upholding budgetary restraint, public participation, accountability, openness, and checks and balances are crucial. Effective budget implementation requires the participation of many stakeholders, including the public, parliament, government agencies, and civil society organizations. According to Nafisatu, Nuhu & Shizar (2019), even though proper budget administration is crucial, many democratic nations, like Nigeria, struggle to carry out their budgets and achieve the expected socioeconomic results. Democratic budgetary systems frequently have trouble guaranteeing the best possible distribution of resources. A number of things contribute to this issue, such as vested interests, political pressure, and a lackluster study of sectoral needs. Ineffective resource allocation can result in less than ideal financial use, impeding the accomplishment of development objectives and eroding public confidence in the budgeting process.

This research aims to investigate how well a democratic budget is implemented, with a particular focus on President Buhari's government. During President Buhari's administration (2015–2023), Nigeria had serious fiscal and economic difficulties. Evaluating the effectiveness of this period's budget execution offers important insights into the advantages and disadvantages of the democratic budgeting process. This study intends to advance knowledge of efficient budget management in a democratic system by analyzing the variables that affected budget implementation efficiency and assessing the socioeconomic impact of budgeting priorities.

1.1 Research Questions

- i. What are the successes and failures of budgeting strategies under Buhari's administration?
- ii. What are the causes of delays and inconsistencies in budget implementation under Buhari's administration?
- iii. What is the evaluation of the socio-economic impact of budget priorities during the president Buhari's administration?

1.2 Research Objectives

To adequately address the raised research questions, the following objectives are posed:

- i. To examine the successes and failures of budgeting strategies under Buhari's administration.
- ii. To investigate the causes of delays and inconsistencies in budget implementation under Buhari's administration.
- iii. To evaluate the socio-economic impact of budget priorities during the president Buhari's administration.

2. Literature Review

2.1 Conceptual Clarification

2.1.1 Budget and Budget implementation

Budget, according to Abolo (2023), may be described as an estimate of the projected expenses as well as the resources that are anticipated to be used in order to satisfy

those expenses over time. Therefore, a government budget is a document that outlines the intentions for government revenue and expenditure for each specific financial year, which is typically a year. In this regard, the government assesses the revenue needed to fund proposed capital and recurring expenditures. Additionally, it covers unforeseen expenses that may come up during the year's spending. An explanation of the government's spending plans and priorities for a specific time frame in order to provide public goods and services to its residents could then be found in the budget. The budget can be considered the main tool for governance, enabling the government to appropriate funds to meet the needs and goals of the citizens; therefore, it is the single most important political and policy document in governance after the constitution because it states clearly how the state is going to interact with the citizens and deal with issues of concern to them in a particular year.

In accordance with Biereenu-Nnabugwu and Odigbo (2017), implementing the budget involves assuming accountability for particular accounting functions carried out by the government or institutions. It is the process of carrying out financial plans or realizing, accomplishing, and carrying out declared government annual goals. The process of carrying out the planned activities, programs, and projects detailed in a budget within a given timeline is known as budget implementation. Funds are allocated and disbursed, projects are carried out, finances are managed, and expenses and results are tracked. Achieving the intended socioeconomic goals and converting budgetary allocations into observable results depend on effective budget execution.

Ekhaton and Chima (2015) itemized the characteristics of budgets as follows: every task that needs to be completed within the allocated budget period should be clearly identified; provide a precise assessment of the resources needed to complete the tasks assigned; distribute monies across competing departments and tasks in accordance with agendas; and creation of suitable policies to direct and assist in carrying out the budget; all of an entity's financial information, including income, expenses, assets, liabilities, and capital, is included in the budget; in order to create a budget, historical performance, current economic conditions, and other pertinent information are used to anticipate future revenues and expenses. In Igbara et.al. (2016), they further develop an operational explanation of budget as a plan for the achievement of programs related to objectives and goals within a definite time period, including an estimation of resources necessary together with an estimate of resources available, usually compared with one or more past periods and showing future requirements. Public budgeting is a strategic tool used to describe the enactment of public policy.

Budgets are a guiding instrument used by governments for planning and resource management, including financial resources. Knowing how much money you make and spend over time, especially a year is essential to using a budget. Making a strategy for spending and saving money is what it means to build a budget for an organisation, department, or ministry. In other words, according to Nwankpa (2017), budgets are utilised for public communications, management control, operational control, and motivational planning. The process of creating a budget, however, is known as budgeting. Budgeting is also about planning, or more precisely, a planning process, since the budget is a plan (Akpakpan, 2005). It is the procedure by which the budget's declared goals, rules and regulations, sources and amounts of money, and financial distribution are decided. Organization to organization and sector to sector would undoubtedly have different specifics when it comes to the activities and procedures. Planning and forecasting future income, expenses, and savings through budgeting enables people and organizations to set and work toward financial goals. It also facilitates the allocation of resources, including cash and labor, to different departments, activities, and projects according to importance and priority.

In its truest form, budgeting offers useful information for decision-making, assisting people and businesses in wisely selecting what to spend, save, and invest. One may argue that budgeting offers a methodical and disciplined way to manage finances, paving the way for success, growth, and stability for both people and businesses.

2.1.2 The Budget Process's Stages

According to CNB (2015), Nigeria's budget process must pass four crucial stages: preparation, legislative approval, implementation, and monitoring and assessment. In the drafting or formulation phase, the Ministry of Finance and other pertinent institutions lead the executive branch of government in the development of the national budget. Budget preparation instructions are released first, and then estimates are gathered from government ministries, departments, and agencies (MDAs). After that, the budget is combined while accounting for government priorities, revenue forecasts, and fiscal policy goals. Usually, the National Assembly is consulted before the final budget plan is approved. At this point, Mr. President is required by law to prepare and submit to NASS estimates of earnings and payments for the fiscal year. The Fiscal Strategy Paper (FSP), which is a summary of the government's whole budgetary policy, is subsequently produced by the Budget Office of the Federation (BoF). In addition, the macroeconomic framework, key suppositions, earnings projections, and disbursement estimations are included in the FSP.

Following its submission to the National Assembly, the budget plan is subject to a review, examination, and approval procedure. The House of Representatives and the Senate, which comprise the National Assembly, carefully examine the proposed budget, make any necessary revisions, and then approve the final version. To guarantee accountability and openness, this step frequently incorporates public hearings, discussions, and consultations. In a joint session, the Senate and the House of Representatives receive the Appropriations Bill from the President. The various budgetary components will then be reviewed and suggested adjustments by the relevant Senate and House of Representatives committees. The legislatively involved procedure is typically drawn out and necessitates cooperation between the executive and legislative branches. The parameters that were utilized to create the budget are taken into account throughout the lengthy deliberations between the Legislature and the Executive during the stakeholder consultations. For instance, topics like the proper benchmark for oil prices, financing for the oil and gas industry, gas joint venture agreements, and fiscal year reimbursement are covered. Moreover, the internal resource distribution is reviewed as part of the conversations. Civil society organizations have the opportunity to participate in and have an impact on the budget process at this point. After the NASS gives its approval, the changes are combined and finalized to become the fiscal year's appropriations bill. The bill then becomes the Appropriations Act after being signed by the President.

The budget implementation phase starts when the National Assembly approves it and the President signs it into law. Various MDAs of the federal government are involved in this process; they receive funding for their capital projects on a quarterly basis. The allocation of this money by MDAs is determined by their budgetary contribution from the Federation's Consolidated Revenue Fund (CRF). A "Cash Management Committee" was established by the FMOF in 2005 to guarantee that funds are available to facilitate smooth budget funding and to ensure that borrowing is minimized. The Ministry of Finance is essential in allocating funding to MDAs, keeping an eye on spending, and guaranteeing that budgetary restrictions are followed.

The budget monitoring and assessment phase, since 2006, the FMOF has produced an annual Budget Implementation Report that evaluates the quality of each year's budget as well as the degree of project implementation from various places across the nation. The

FMOF, NPC, the Office of the Accountant General of the Federation (OAGF), the National Economic Intelligence Agency (NEIA), the Presidential Budget Monitoring Committee (PBMC), the Office of the Auditor General of the Federation (OAGF), and the NASS are among the MDAs participating in the monitoring process. The expenditure ministries and agencies, in collaboration with the BOF and the NPC, physically check both finished and continuing projects. In a similar vein, the stage includes auditing and evaluating the implementation of the budget in order to gauge accountability, performance, and adherence to financial guidelines. Audits are carried out by the Office of the Auditor General of the Federation to make sure that public monies are used effectively, economically, and legally. The results of these audits are utilised to strengthen accountability and optimise budgeting procedures.

2.2 Theoretical Review

2.2.1 Public Choice Theory

The concept of public choice extends the economic analysis of individual behavior in the marketplace to the behavior of groups making collective decisions. When examining behavior in the private sphere, economists make the assumption that people are primarily driven by self-interest. The primary motivation for individuals' activities in the marketplace, whether they are consumers, employers, or employees, is self-interest, even though the majority of people base some of their decisions on their concern for others. Public choice economists operate on the same premise: while actors in the political sphere, be they politicians, lobbyists, voters, or bureaucrats, have a certain amount of care for others, their primary motivation is self-interest. Many economists have previously maintained that government intervention is the best method to control "market failures" like monopolies. However, public choice economists draw attention to the fact that "government failure" does exist. In other words, there are explanations for why government action does not have the intended result.

According to public choice theory, everyone, including politicians, bureaucrats, and government employees, is primarily motivated by self-interest. (Fadden, 2013) The democratic decision-making process in politics is the main subject of public choice theory. This theory can be applied to examine democratic budgetary decision-making processes. It asserts that when it comes to budgetary decisions, people and organisations elected officials, bureaucrats, and interest groups, among others act in their own best interests. The incentives and limitations faced by decision-makers during the budgeting process can be better understood with the aid of public choice theory. The application of Public Choice Theory to the analysis of democratic budgetary decision-making is useful. It acknowledges that people, including bureaucrats and elected officials, behave selfishly in an effort to maximise their own utility. The theory makes sense when considering how priorities and budget allocations are decided. It implies that policymakers might give more weight to initiatives or plans that advance their political or personal interests than to those that are most practical or efficient. The idea might be applied, for instance, to examine how political factors or the need to win over voters influenced budgetary allocations in Nigeria.

3. Methodology

Since the goal of this study is to comprehend and explain the relationship between budget and budgeting implementation and efficiency in a democratic system, qualitative research methods were used. The study relied on the use of library research design. In order to conduct a thorough study, information was sourced from official documents such as gazettes, circulars, technical reports, and government and institutional periodicals, academic

journals, and documentary files.

4. Discussion of Findings

4.1 The effectiveness of President Buhari's budgetary techniques

A number of factors related to budget creation, execution, and results are looked at in order to fully and successfully assess the achievements and shortcomings of budgeting techniques under President Buhari's administration in Nigeria (2015–2023). Regarding the administration's achievements, it is worth praising that they released comprehensive budget records and made them available to the public in an attempt to increase budget openness. This improved public scrutiny of government spending and accountability. In a similar vein, the administration gave infrastructure development first priority, devoting substantial sums of money to initiatives like building new roads, renovating existing trains, and producing electricity. The country's infrastructure deficit was to be improved, and economic growth was to be encouraged by this infrastructure-focused approach.

The administration's introduction of anti-corruption measures, such as the Treasury Single Account (TSA) system and the Whistleblower Policy, which improved revenue collection and helped stop leaks, was another accomplishment. In an effort to improve social welfare and combat poverty, the administration also introduced a number of social intervention initiatives, including the National Social Investment Program (NSIP). The administration of President Buhari also improved economic discipline by lowering budget deficits and reining in government expenditure. As a result, investor confidence was restored and the economy was stabilized.

4.2 Budgeting tactics that failed under President Buhari's leadership

The Buhari administration encountered difficulties with budget delays, since the legislature frequently received late budget proposals for approval. This hampered the delivery of government programs and services and caused delays in the budget's implementation. The administration also had trouble raising money, especially because of changes in the price of oil. The government had to borrow more money as a result, making it harder for it to pay for its fiscal priorities. Problems with the implementation and oversight of budgeting initiatives resulted in inefficiencies and financial mismanagement, which was another administrative failure. This sparked questions about how well the budget was being implemented. Infrastructure development received a lot of attention, but not much progress was made, and several projects ran into delays and cost overruns. This sparked concerns about the government's capacity to fulfill its commitments regarding infrastructure.

It's also critical to remember that the administration dealt with financial difficulties, such as recession, rising unemployment, and inflation. The implementation of fiscal strategies and initiatives was impacted by these difficulties. Overall, the administration of President Buhari encountered difficulties with budget delays, revenue generation, and project execution even if it achieved considerable gains in enhancing budget transparency, infrastructure development, and anti-corruption initiatives.

4.3 Buhari's Administration Budget Implementation Setbacks and Inefficiencies

Like any other nation in the world, Nigeria's budget process is influenced by a few different elements. Some of the following factors were noted by the Central Bank of Nigeria in 2015: The excessively large size of the budget is one of the issues with the Nigerian budgeting procedure. This is because there is a significant chance that projects funded in part will remain unfinished across the nation, notwithstanding their partial funding. The risk of neglect rises as new projects are introduced, compounding the existing poorly funded and ongoing initiatives. Certain projects receive approval without thorough engineering and costing plans, while others have inadequate oversight throughout the many phases of

completion. The Ministries, Departments, and Agencies' lax reporting standards present another difficulty for the budgetary process. Because different stages of implementation are not disclosed, their reports may not accurately reflect ongoing projects. It is challenging to personally visit every MDA project due to the sheer volume of them, and the MDAs do not follow appropriate monitoring and assessment procedures on their projects. In addition, the budgetary procedure itself frequently presents difficulties. This is a result of the requirement to review the budget at several potentially delayed phases, including preparation, legislative approval, implementation, monitoring, and evaluation.

Elem (2016) posits that sophisticated bureaucratic procedures in government organizations may also cause setbacks in the release of funding and the completion of planned projects. Timely implementation might be impeded by inefficiencies in the procurement process, approvals, and cooperation between several government offices. Budget implementation is typically impacted by political variables such as conflicts between the executive and legislative branches, shifts in the priorities of government leadership, and intergovernmental disputes. Political unrest or violence can cause governance problems and make it more difficult to carry out budgets effectively. It can also be stated how outside variables, such natural catastrophes, security concerns, or downturns in the world economy, might affect how budgets are implemented by causing disruptions to project activity, raising costs, or directing government resources toward emergency response. Lastly, another challenge with the Federal Government budget is the unplanned size of the recurrent expenditure. Particularly, increases in the wage bill and in allocation to certain MDAs have resulted in a bloated budget. This has made the budget skewed towards recurrent spending while capital expenditure remained inadequate.

4.4 Analyzing the socioeconomic effects of President Buhari's administration's budget priorities

With assistance from the work of (Nan, 2021) key areas like infrastructure development, social welfare programs, education, healthcare, and economic growth will be examined in order to assess the socio-economic consequences of the budgetary priorities during President Buhari's administration for this research. Infrastructure development was given top priority under President Buhari's government, particularly in the fields of power and transportation (roads, trains, and airports). There were started or finished projects such as the Abuja-Kaduna Railway, the Second Niger Bridge, and the Lagos-Ibadan Expressway. The objectives of these investments were to boost economic activity, increase connectivity, and generate employment. Nonetheless, some detractors contend that the pace of improvement has been sluggish and that further funding is required to effectively address Nigeria's infrastructure shortfall (Buhari, 2023).

The implementation of various social welfare programs, such as the National Home-Grown School Feeding Program (NHGSFP), Conditional Cash Transfer (CCT), N-Power scheme, and Government Enterprise and Empowerment Program (GEEP), was given equal consideration in the previous administration's budget priorities. These initiatives sought to provide access to healthcare and education, lessen poverty, and empower women and young people. Millions of people have benefited from them; however, questions have been raised over their overall impact, targeting, and transparency (Buhari, 2023). Budgetary allocations to the education sector increased under the former led administration, demonstrating a commitment to raising the standard and facilitating access to education. Inadequate school infrastructure was addressed, and teacher preparation was improved. Nonetheless, issues like low educational results, inadequate money, and subpar infrastructure continue to exist, underscoring the necessity of ongoing changes and investments. In a similar vein, the administration launched the Basic Healthcare Provision

Fund (BHCPF) and revitalized primary healthcare facilities in an effort to enhance healthcare. On the other hand, the COVID-19 pandemic revealed flaws in the infrastructure and capability of the healthcare system. To bolster the healthcare industry and enhance health outcomes, more spending and changes are required. The administration had to deal with a number of financial difficulties, such as a recession, volatile oil prices, and high rates of inflation. Initiatives like the Economic Recovery and Growth Plan (ERGP) and the Agriculture Promotion Policy (the Green Alternative) were used to try to diversify the economy. However, development has been unequal, and structural changes are required to lessen reliance on oil and promote sustainable economic growth (Buhari, 2023).

5. Conclusion and recommendations

To sum up, the budgeting tactics employed under President Buhari's leadership demonstrated both achievements and shortcomings. Enhanced allocation of capital spending, initiatives to diversify revenue streams, and improved budgetary process openness were a few of the accomplishments. There were, nevertheless, some noteworthy difficulties and mistakes as well, such as ongoing difficulties with revenue, poor budget execution, escalating debt levels, and fluctuations in inflation and currency rates. A number of issues, including poor monitoring and assessment systems, imprecise income projections, and ineffective agency cooperation, were blamed for the delays and irregularities in budget execution. These restrictions hampered the socio-economic impact of budget objectives and made it more difficult for money to be released on schedule. They also impeded project implementation. During the Buhari administration, the socioeconomic impact of budget objectives was assessed, and the results showed that better income forecasting, spending prioritization, monitoring and evaluation systems, stakeholder involvement, and institutional capacity were all required. These elements are essential to maintaining accountability, efficient budget execution, and the greatest possible socioeconomic impact.

In light of these findings, it is recommended that: to reduce Nigeria's dependence on oil revenue, it is crucial to continue diversifying revenue sources. This can be achieved by promoting sectors such as agriculture, manufacturing, technology, and services. Encouraging investments, improving the ease of doing business, and implementing tax reforms to broaden the tax base will contribute to a more resilient and sustainable revenue structure. Boost the efficiency and efficacy of budget planning and execution: Improving these procedures is crucial to addressing delays and irregularities in budget implementation. This can be accomplished through improving communication between the government departments that work together on the budget, expediting the approval procedures, and defining precise deadlines and roles for budget execution. Furthermore, providing budget officials with sufficient training and capacity building can enhance their abilities and understanding of budget administration. Bolster institutional capability: Effective budget implementation and evaluation depend on enhancing institutional capability. This entails giving budget institutions like the Ministry of Finance, the Budget Office, and pertinent oversight bodies with resources, training, and assistance. Improved budget performance and evaluation procedures will result from their increasing technological proficiency, data management skills, and analytical aptitude. Identify and address revenue challenges: It's critical to create plans to reduce revenue swings in light of the erratic nature of oil prices. To lessen the effects of revenue shocks, this may entail creating fiscal buffers or stabilization funds. Additionally, investigating cutting-edge financing options like infrastructure bonds and public-private partnerships might aid in raising more funds for development initiatives.

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