

## The Power of the Purse in Botswana, Namibia, South Africa, and Zimbabwe

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### Abstract

A legislature holds the power of the purse when it controls a country's public finance system. Apart from being one of the core functions of legislatures, such control is of considerable significance to the process of democratic consolidation. This essay comments on the state of and the scope for enhancing the power of the purse in Botswana, Namibia, South Africa, and Zimbabwe. It makes two points. First, it uses quantitative measures to show that the *de jure* budgetary powers of these legislatures vary markedly. Second, it argues that aspects of the political institutions and cultures of these countries present formidable hurdles to attempts to strengthen these powers.

**Keywords:** Botswana, legislatures, Namibia, national budgeting, South Africa, Zimbabwe.

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A country's legislature holds the power of the purse when it controls the public finance system, that is, "the system whereby a society decides what level of resources should be made available to fund what public goods and ensures that the funds are used as indicated."<sup>1</sup> The achievement of control over government budgets by legislatures was one of the milestones in the development of democratic political systems. The power of the purse remains one of the core functions of legislatures in democracies and its potential contribution to accountable governance makes it particularly significant for the process of democratic consolidation.

This essay discusses the budgetary roles of the legislatures of Botswana, Namibia, South Africa, and Zimbabwe—four countries in southern Africa that are ruled by dominant political parties. The following section highlights the scope for fortifying democratic institutions in these countries. Next, the essay

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<sup>1</sup> Alta Fölscher, "A Balancing Act: Fiscal Responsibility, Accountability and the Power of the Purse," *OECD Journal of Budgeting* 6, no. 2 (2006): 3.

argues that one of the avenues for doing so is to enhance the budgetary powers of the four countries' legislatures. The same section of the essay also comments on the argument that strengthening the power of the purse could place the maintenance of fiscal discipline at risk. This is followed by the presentation of quantitative measures of the *de jure* budgetary powers of the four legislatures. Against this background, the essay addresses the scope for expanding these powers, before offering final comments.

## Scores on Liberal Democracy and the Dominant-Party Phenomenon

This section on the state of democratic institutions in Botswana, Namibia, South Africa, and Zimbabwe presents and interprets the countries' 2014 scores on the liberal democracy index in the V-Dem database,<sup>2</sup> and complements this information with comments on the dominant-party phenomenon in the four countries. The Codebook for the V-Dem Database<sup>3</sup> states that the purpose of the index is to answer the question: "To what extent is the ideal of liberal democracy achieved?" It adds the following about the conceptual underpinnings of the index:

The liberal principle of democracy emphasizes the importance of protecting individual and minority rights against the tyranny of the state and the tyranny of the majority. The liberal model takes a "negative" view of political power insofar as it judges the quality of democracy by the limits placed on government. This is achieved by constitutionally protected civil liberties, strong rule of law, an independent judiciary, and effective checks and balances that, together, limit the exercise of executive power. To make this a measure of liberal democracy, the index also takes the level of electoral democracy into account.

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<sup>2</sup> Michael Coppedge, John Gerring, Staffan Lindberg, Svend-Erik Skaaning, Jan Teorell, David Altman, Frida Andersson, Michael Bernhard, Steven Fish, Adam Glynn, Allen Hicken, Carl Henrik Knutsen, Kyle Marquardt, Kelly McMann, Valeriya Mechkova, Farhad Miri, Pamela Paxton, Josefine Pernes, Daniel Pemstein, Jeffrey Staton, Natalia Stepanova, Eitan Tzelgov, Yi-ting Wang, and Brigitte Zimmerman, "V-Dem [Country-Year/Country-Date] Dataset v6," Varieties of Democracy (V-Dem) Project, <https://www.v-dem.net/en/data/data-version-6-2> (accessed July 6, 2016).

<sup>3</sup> Michael Coppedge, John Gerring, Staffan Lindberg, Svend-Erik Skaaning, Jan Teorell, David Altman, Frida Andersson, Michael Bernhard, Steven Fish, Adam Glynn, Allen Hicken, Carl Henrik Knutsen, Kyle Marquardt, Kelly McMann, Valeriya Mechkova, Farhad Miri, Pamela Paxton, Daniel Pemstein, Jeffrey Staton and Brigitte Zimmerman, "V-Dem Codebook v6," Varieties of Democracy (V-Dem) Project, 6, [https://www.v-dem.net/media/filer\\_public/d1/24/d124efd5-7ff5-4175-a1ed-f294984084d0/v-dem\\_codebook\\_v6.pdfz](https://www.v-dem.net/media/filer_public/d1/24/d124efd5-7ff5-4175-a1ed-f294984084d0/v-dem_codebook_v6.pdfz) (accessed July 6, 2016).

Table 1 presents the index scores and country ranks. The V-Dem Project placed Botswana and South Africa in the second quintile of the 104 countries as far as the achievement of liberal democracy was concerned, Namibia near the top of the third quintile, and Zimbabwe near the bottom of the fourth quintile. Broadly speaking, the four countries' rankings on other high-level V-Dem indicators of democracy (the electoral democracy index, the participative democracy index, the deliberative democracy index and the egalitarian democracy index) were quite similar to those on the liberal democracy index. These ranks and scores suggest that Botswana, Namibia, and South Africa possess the most important democratic institutions, but have considerable scope for strengthening these. The numbers paint a dire picture of the state of democracy in Zimbabwe and emphasize the imperative of institutional reform.

Table 1. V-Dem Liberal Democracy Indices (2014)

Measures <sup>1</sup>	Botswana	Namibia	South Africa	Zimbabwe
Score	0.580	0.479	0.538	0.177
Rank	30	44	36	82

Source: Compiled from information in Coppedge et al., "V-Dem [Country-Year/Country-Date] Dataset v6," <https://www.v-dem.net/en/data/data-version-6-2> (accessed July 6, 2016).

Note 1: The scores range from 0.907 in Switzerland (the highest) to 0.017 in Eritrea (the lowest). The countries are ranked from first (highest) to one hundred fourth (lowest).

The impression that the democratic institutions of the four countries require strengthening is reinforced by other characteristics of their political landscapes. One of the most important of these is the existence of dominant political parties. The Botswana Democratic Party has won all eleven elections held since Botswana obtained independence from Great Britain in 1966. Parties formed by liberation movements have ruled Zimbabwe, Namibia, and South Africa ever since these countries transitioned from white minority rule to majority black rule in 1980, 1990, and 1994, respectively. The African National Congress (ANC) and the South West Africa People's Organization (SWAPO) still hold large majorities in the legislatures of South Africa and Namibia, respectively. The Zimbabwe African National Union Patriotic Front (ZANU PF) experienced stiff competition from the Movement for Democratic Change (MDC) in the 2008 elections and the two parties shared power until ZANU PF regained a large majority in the legislature in the 2013 elections. Hermann Giliomee and Charles Simkins<sup>4</sup> acknowledged that dominant-party

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<sup>4</sup> Hermann Giliomee and Charles Simkins, "The Dominant Party Regimes of South Africa, Mexico, Taiwan and Malaysia: A Comparative Assessment," in *The Awkward Embrace: One Party Domination and Democracy*, ed. Hermann Giliomee and Charles Simkins (Cape Town: Tafelberg Publishers, 1999), 36.

rule can be a “regime innovation in the direction of a liberal democracy.” They warned, however, that it might also lead to two set-ups that undermine the consolidation and maturation of democratic systems, namely a “semi-democracy stuck half way between authoritarianism and liberal democracy” and an “eroding liberal democracy in the direction of mere majoritarianism and electoralism.”<sup>5</sup> A later section of this essay comments on the implications of dominant-party rule for the power of the purse in the four countries.

### **The Scope, Potential Benefits, and Risks of the Power of the Purse**

Government budgeting processes consist of four stages: preparation and submission; approval; execution; and audit and evaluation.<sup>6</sup> The power of the purse is most often associated with the second stage, which entails the enactment of the executive’s budget proposal by the legislature. This remains a core element of the budgetary powers of legislatures, but there is considerable scope for parliamentary involvement in other stages of the budget process.<sup>7</sup> A growing number of legislatures recently have assumed roles in the first stage by engaging members of the executive on budget priorities; in some cases, legislatures must now approve *ex ante* fiscal frameworks such as medium-term expenditure plans. In addition, many countries have reformed aspects of the second stage, for example, by adopting restrictions on the extent to which the executive can change budgets approved by legislatures. Finally, many legislatures have long had a tangential role in the fourth stage as recipients of audit reports on the accounts of governments. In recent years, a growing number of legislatures have used the information generated by the increasing focus on performance audits and value-for-money audits to enhance their *ex post* oversight of the activities of executive organs of state. The indicators of the power of the purse presented later in this essay reflect a similarly broad conceptualization of the scope of parliamentary involvement in the budget process.

There are a number of reasons why the power of the purse is regarded as one of the foundations of democratic dispensations and, hence, why it is important for the consolidation and maturation of democracy in the southern African countries discussed in this essay. Control over the budget is a vital mechanism by means of which legislatures fulfill their core functions, namely to represent the interests of citizens, make laws that reflect policy priorities, and oversee policy making and policy implementation by the executive.<sup>8</sup> Joachim

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<sup>5</sup> *Ibid.*, 37-38.

<sup>6</sup> Robert Lee, Ronald Johnson, and Phillip Joyce, *Public Budgeting Systems*, 9<sup>th</sup> ed. (Burlington, MA: Jones and Bartlett Learning, 2013), 117.

<sup>7</sup> Paul Posner and Chung-Keun Park, “Role of the Legislature in the Budget Process: Recent Trends and Innovations,” *OECD Journal of Budgeting* 7, no. 3 (2007): 8-9, 15-20.

<sup>8</sup> Fölscher, “A Balancing Act,” 4.

Wehner<sup>9</sup> elaborated on the link between the power of the purse and the core functions of legislatures by formulating four arguments for parliamentary involvement in budget process:

- The three functions of the legislature imply an obligation to ensure the prudence, careful prioritization, and efficient implementation of fiscal measures.
- Such involvement is a vital element of the checks and balances that are essential for good governance in democracies.
- Scrutiny of budgets by legislatures contributes to openness and transparency in democratic systems.
- The involvement of legislatures creates opportunities for the participation of civil society in budget processes and for consensus building around budgetary issues.

These arguments suggest that the power of the purse matters for the nurturing of a democratic political culture, which, in turn, is a requirement for democratic consolidation. An empirical study that linked the endurance of democracies to rapid economic growth and reductions in income inequality<sup>10</sup> suggests another argument for active involvement by the legislature in national budgeting. In the long run, fiscal policy is a powerful tool for boosting economic growth and reducing income inequality;<sup>11</sup> hence, effective use of the power of the purse may also contribute to democratic consolidation via this mechanism.

Some economists, however, have warned that active involvement by legislatures in budget processes may undermine fiscal discipline. The premise of this claim has been that national budgeting is a common-pool problem: most government spending programs are financed from general tax revenues, but benefit specific groups of voters (such as the inhabitants of particular geographical areas<sup>12</sup>). This implies that the beneficiaries of government spending programs often pay for mere fractions of the benefits they receive. Hence, the argument goes, politicians and voters overestimate the net marginal social benefits of such programs and demand excessive levels of public

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<sup>9</sup> Joachim Wehner, "Back from the Sidelines? Redefining the Contribution of Legislatures to the Budget Cycle," World Bank Institute Discussion Paper (Washington, DC: World Bank, 2006), 3-4.

<sup>10</sup> Adam Przeworski, Michael Alvarez, Jose Antonio Cheibub, and Fernando Limongi, "What Makes Democracies Endure?" *Journal of Democracy* 7, no. 1 (1996): 42-43.

<sup>11</sup> Vito Tanzi and Howell Zee, "Fiscal Policy and Long-Run Growth," *IMF Staff Papers* 44, no. 2 (1997): 179-209.

<sup>12</sup> Barry Weingast, Kenneth Shepsle, and Christopher Johnsen, "The Political Economy of Benefits and Costs: A Neoclassical Approach to Distributive Politics," *Journal of Political Economy* 89, no. 4 (1981): 644.

spending.<sup>13</sup> Andrés Velasco<sup>14</sup> showed that the effects of the common-pool problem could include excessive budget deficits and public-debt burdens.

Jürgen von Hagen<sup>15</sup> argued that the common-pool problem in fiscal policy making can be mitigated by concentrating decision-making authority in the hands of ministers of finance and prime ministers—the participants in budget processes who are most likely to recognize the overall budget constraint and to enforce it against the demands of spending ministers, legislatures, and interest groups. One of the aspects of the argument is that the budget process should be “top-down,” which means that ministers of finance should determine the aggregate spending envelope and the budget balance before decisions are made about allocations to the various expenditure programs. The implication of these ideas is that fiscal discipline would be enhanced by strengthening the policy-making powers of finance ministers and treasuries vis-à-vis those of spending ministers and departments, as well as those of executive branches of government vis-à-vis those of legislative branches. The claim that such centralized, top-down systems of budgeting facilitate the maintenance of fiscal discipline was supported by the results of empirical studies of countries in Africa, Europe, and Latin America.<sup>16</sup>

Neither the common-pool argument nor the supporting empirical evidence should be ignored when enhancement of the budgetary powers of legislatures is contemplated. It is debatable, however, whether the legislative branches of governments are everywhere and always more inclined to fiscal profligacy than the executive branches.<sup>17</sup> Furthermore, centralized, top-down budgeting systems also carry risks. Referring to the Latin American experience with such systems, Carlos Santiso<sup>18</sup> expressed it as follows:

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<sup>13</sup> Jürgen von Hagen, “Fiscal Rules, Fiscal Institutions, and Fiscal Performance,” *Economic and Social Review* 33, no. 3 (2002): 264.

<sup>14</sup> Andrés Velasco, “A Model of Endogenous Fiscal Deficits and Delayed Fiscal Reforms,” in *Fiscal Institutions and Fiscal Performance*, ed. James Poterba and Jürgen von Hagen (Chicago: National Bureau of Economic Research and University of Chicago Press, 1999), 37-58.

<sup>15</sup> Jürgen von Hagen, “Budgeting Procedures and Fiscal Performance in the European Communities,” Economic Papers No. 96 (Brussels: European Commission, 1992).

<sup>16</sup> Alberto Alesina, Ricardo Hausmann, Rudolf Hommes, and Ernesto Stein, “Budget Institutions and Fiscal Performance in Latin America,” *Journal of Development Economics* 59, no. 2 (1999): 255; Holger Gleich, “Budget Institutions and Fiscal Performance in Central and Eastern European Countries,” ECB Working Paper No. 215 (Frankfurt am Main: European Central Bank, 2003), 34-35; Sophia Gollwitzer, “Budget Institutions and Fiscal Performance in Africa,” *Journal of African Economies* 20, no. 1 (2010): 113; and Mark Hallerberg, Rolf Strauch, and Jürgen von Hagen, “The Design of Fiscal Rules and Forms of Governance in European Union Countries,” *European Journal of Political Economy* 23 (2007): 356.

<sup>17</sup> Carlos Santiso, “Legislatures and Budget Oversight in Latin America: Strengthening Public Finance Accountability in Emerging Economies,” *OECD Journal on Budgeting* 4, no. 2 (2006): 51.

<sup>18</sup> *Ibid.*

They tend to allow for excessive executive discretion in public budgeting, especially in presidential systems of government, and thus impede the emergence and consolidation of institutions of accountability and self-restraint in governmental financial management ... . Unfettered executive discretion in public budgeting has not only hindered the consolidation of mechanisms of self-restraint in public budgeting, but has also tended to circumvent or neutralize the few mechanisms that existed. Indeed, the greatest risk of hierarchical budget institutions resides in their replicating the mechanisms of autocratic government in public budgeting in democratic regimes.

### **The Power of the Purse in Botswana, Namibia, South Africa, and Zimbabwe**

As highlighted above, there is scope for strengthening democratic institutions in Botswana, Namibia, South Africa, and Zimbabwe and an enhancement of the power of the purse would benefit such efforts. As was also pointed out earlier, attempts to strengthen the power of the purse might, but need not, complicate the maintenance of fiscal discipline by exacerbating the common-pool problem in budgeting. The budgetary powers of legislatures in the four countries of interest here will be discussed against this background.

#### ***The Current Situation***

The following overview of the budgetary powers of the four legislatures draws mainly on the results of the International Budget Partnership's (IBP's) Open Budget Surveys from 2006 to 2015.<sup>19</sup> First, it presents indicators of the strength of the power of the purse in the four countries in 2015. Following Wehner<sup>20</sup> and others, these indicators were obtained by assigning scores to countries for aspects of their legislatures' formal budgetary powers as well as their capacity to meaningfully exercise these powers. Appendix table 1 lists the twelve questions from the 2015 Open Budget Survey used to compile this measure and the scoring systems for each. The first question has to do with the capacity of legislatures to analyze budgets, while the remaining eleven pertain to specific aspects of their roles in the four stages of budget processes. There is no obvious way to weight the responses; hence, the overall index score is calculated as the simple mean of the scores for the twelve questions.

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<sup>19</sup> International Budget Partnership, "Open Budget Survey," <http://www.internationalbudget.org/opening-budgets/open-budget-initiative/open-budget-survey> <http://www.internationalbudget.org/opening-budgets/open-budget-initiative/open-budget-survey> (accessed July 28, 2016).

<sup>20</sup> Joachim Wehner, "Assessing the Power of the Purse: An Index of Legislative Budget Institutions," *Political Studies* 54, no. 4 (2006): 769-772.

Table 2 contains the 2015 scores and rankings of the four countries. The budgetary powers of the four legislatures clearly differed markedly. South Africa's index score of 86.08 was the fourth highest among the 102 countries included in the survey and the highest among the thirty-one African countries. The only blemishes on this measure of the power of the purse in South Africa were scheduling aspects of the approval stage of the budget process: the legislature receives the executive's budget proposal less than two months before the start of the budget year and approval takes place more than one month after the start of the budget year. Botswana also fared well. Its index score of 63.92 ranked fourth among the African countries and twenty-seventh among the full group of countries included in the survey. Botswana's legislature had strong powers in the approval and execution stages of its budget process, but its capacity to analyze budgets was limited and it had insignificant roles in the preparation and submission as well as the audit and evaluation stages.

By contrast, the budgetary powers of the legislatures of Namibia and Zimbabwe were weak. The index scores for these two countries were 22.08 and 19.33, respectively; these were the eighty-ninth and ninety-fourth highest scores among the 102 countries included in the survey. Namibia had the twenty-seventh highest and Zimbabwe the twenty-ninth highest score among the thirty-one African countries. The Namibian legislature had strong amendment powers and scope for an active role in the audit and evaluation

Table 2. Indices of the Budgetary Powers of Legislatures (2015)

Aspects of the budget process	Question	Scores			
		Botswana	Namibia	South Africa	Zimbabwe
Capacity for analysis	1	33	33	100	67
Preparation and submission stage	2	0	0	100	33
	3	0	0	100	33
Approval stage	4	67	33	33	33
	5	100	0	0	33
	6	67	100	100	0
Execution stage	7	100	0	100	33
	8	100	0	100	0
	9	100	0	100	0
	10	100	-1	100	0
	11	100	0	100	0
Audit and evaluation stage	12	0	100	100	0
Average score		63.92	22.08	86.08	19.33
Rank (31 African countries)		4	27	1	29
Rank (102 countries worldwide)		27	89	4	94

Source: Compiled from information in International Budget Partnership, "ibp\_data\_2015.xlsx," <http://survey.internationalbudget.org/#downloadhttp://survey.internationalbudget.org/#download> (accessed July 28, 2016).



stage of the budget process. It had little scope for influencing the preparation and submission stage and the execution stage, however, and limited capacity for analyzing budgets. In Zimbabwe, the legislature had access to a specialized budget research office, albeit one with inadequate resources. It also had the authority to have some influence in the preparation and submission stage of the budget process, but could not amend the budget proposal of the executive. Furthermore, it lacked the power to have been an important participant in the execution and the audit and evaluation stages.

The roles of legislatures in national budgeting diminished for much of the twentieth century. Allen Schick ascribed this development to a general weakening of the roles of legislatures linked to three trends:

- i) The rise of disciplined political parties which set the legislative agenda and compel legislators to vote the party line;
- ii) the enormous escalation in public spending, and the concomitant shift away from spending on housekeeping and security functions to spending on entitlements and income support; and
- iii) the rise in interest groups and corporatist political arrangements.<sup>21</sup>

From the early 1990s onward, there has been renewed interest in legislatures' budgetary powers, however, and many countries have embarked upon legal and institutional reforms to enhance these powers. In view of this, it is important to get a sense of trends in the four southern African countries. Changes to the questions of the 2015 Open Budget Survey make comparisons with earlier surveys hazardous. The fifth question used for the compilation of the 2015 scores ("When does the legislature approve the executive's budget proposal?") was not included in earlier surveys, while some others were rephrased. Nonetheless, data from the Open Budget Surveys in 2006, 2008, 2010, and 2012 can be used to infer recent trends. Table 3 contains index scores calculated for this purpose.

Table 3. Indices of the Budgetary Powers of Legislatures (2006–2012)

Year	Average Scores			
	Botswana	Namibia	South Africa	Zimbabwe
2006	42.09	45.09	48.09	–
2008	51.18	39.00	45.09	–
2010	51.18	39.00	57.27	–
2012	57.64	27.09	87.91	21.09

Source: Compiled from information in International Budget Partnership, "ibp\_data\_2006-2012.xlsx," <http://survey.internationalbudget.org/#downloadhttp://survey.internationalbudget.org/#download> (accessed July 28, 2016).

<sup>21</sup> Allen Schick, "Can National Legislatures Regain an Effective Voice in Budget Policy?" *OECD Journal on Budgeting* 1, no. 3 (2002): 23.

Table 3 shows that the budgetary powers of the South African legislature strengthened markedly from 2008 onward. Two changes occurred before 2010. The first weakened these powers (the requirement that the legislature should approve expenditures from contingency reserves prior to the actual spending of the funds was dropped between the 2006 and 2008 surveys), but the second empowered the legislature to amend the budget proposals of the executive. The following reforms between the 2010 and 2012 surveys further enhanced the budgetary powers of parliament: the establishment of a parliamentary budget office provided it with internal capacity to analyze budgets; formal debating of budget policy in the legislature prior to the tabling of the executive's budget proposal was introduced; and the executive lost the authority to shift funds between line items without the approval of the legislature and to spend higher-than-budgeted revenues before submitting a supplementary budget to the legislature.

In Botswana, too, this period was marked by changes that enhanced the power of the purse. Scrutinizing of audit reports by a committee of the legislature was introduced between the 2006 and 2008 surveys. Moreover, an external body with the ability to perform budgetary analyses became available to the legislature between the 2010 and 2012 surveys, and the executive lost the authority to spend higher-than-budgeted revenues without the approval of the legislature. Consultations between the executive and members of the legislature on budget priorities were introduced between the 2006 and 2008 surveys, but this practice had ended by the time of the 2012 survey. On balance, the power of the purse weakened in Namibia between 2006 and 2012. Here, too, parliamentary scrutiny of audit reports was introduced (between the 2006 and 2008 surveys) and the legislature gained access to an external body with the ability to analyze budgets (between the 2010 and 2012 surveys). The drop in the aggregate index score mainly reflected countervailing developments in the execution stage of the budget process, namely termination of the requirements that the legislature should provide input on decisions by the executive to spend contingency funds and to shift funds between administrative units.

Zimbabwe was included in the Open Budget Survey for the first time in 2012; hence, IBP data cannot be used to trace longer-term trends in the budgetary powers of its legislature. However, the findings of a survey of budget processes conducted by the Organization for Economic Cooperation and Development (OECD) and the Collaborative Africa Budget Reform Initiative (CABRI) in 2008 suggest that these powers waned during the past decade. CABRI and the African Development Bank<sup>22</sup> used the responses to eight questions in this survey to calculate indices of legislative budget institutions for twenty-five African countries. The elements of these indices were very similar to those of

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<sup>22</sup> CABRI and African Development Bank, *Budget Practices and Procedures in Africa 2008* (Pretoria: CABRI, 2009), 14.

the indices presented earlier in this section. Given that Zimbabwe had a higher index score for legislative budget institutions than Botswana, Namibia, and South Africa in 2008, the country's relatively poor budgetary powers in terms of the legislature index score in 2015 indicates a weakening of the power of the purse.

### ***The Scope for Expanding and Strengthening the Power of the Purse***

One of the aims of many of the surveys and analyses that produce quantitative measures of legislatures' budgetary powers is to identify weaknesses in budget processes. At first blush, it seems that such measures are ideal tools for assessing the strengths and weaknesses of budget processes and for identifying remedial reforms. It would be a simple matter, for example, to use the content of the previous subsection to identify reforms by means of which Botswana, Namibia, South Africa, and Zimbabwe could strengthen the *de jure* budgetary powers of their legislatures. In fact, the website of the IBP already contains assessments of the Open Budget Survey results of each participating country, with reform proposals.<sup>23</sup>

Yet, the four countries would not necessarily reap the governance and accountability benefits associated with strong powers of the purse merely by adopting the budget process laws of the countries with the highest scores for the IBP's Strength of the Legislature Indicator. The recent experience of South Africa is a case in point. One of the main reasons for the country's high Strength of the Legislature Index scores in 2012 and 2015 was the passage of the Money Bills Amendment Procedure and Related Matters Act (No. 9 of 2009). Section 76 of the 1996 constitution defines a money bill as a draft law that appropriates money or imposes national taxes, levies, duties, or surcharges. Although the power to introduce such bills in the National Assembly remains vested in the minister of finance, Act 9 of 2009 empowered parliament to amend money bills. As was pointed out by Wehner,<sup>24</sup> the passage of the act represented a major enhancement of the budgetary powers of the South African legislature. Its influence has been marginal, however. The number of recommendations on money bills by the Finance and Appropriations committees of parliament increased from five in 2013 to twenty-eight in 2016 and the finance minister tended to accept them,<sup>25</sup> but these did not represent substantial changes to the bills in question.

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<sup>23</sup> International Budget Partnership, "Results by Country," <http://www.internationalbudget.org/opening-budgets/open-budget-initiative/open-budget-survey/country-info> (accessed July 28, 2016).

<sup>24</sup> Joachim Wehner, "South Africa's New Parliamentary Budget Process," in *Parliament, the Budget and Poverty in South Africa*, ed. Len Verwey (Cape Town: Idasa, 2009), 38.

<sup>25</sup> Bongani Khumalo, "Fiscal Oversight by Legislatures and the Role of Parliamentary Budget Offices," presentation at the African Parliamentary Budget Office Conference, Cape Town, August 17-18, 2016, [http://www.parliament.gov.za/content/African\\_PBO\\_Conference\\_RSA\\_FFC.pdf](http://www.parliament.gov.za/content/African_PBO_Conference_RSA_FFC.pdf) (accessed October 14, 2016).

Why has Act 9, a potentially powerful piece of legislation, not had a larger impact? The answer to this question lies in Ian Lienert's<sup>26</sup> statement that "electoral and voting systems, bicameralism, constitutional and legal constraints, voluntary contracts of political parties, and long-standing traditions all influence the relative budgetary powers of executives and legislatures." The *de jure* powers reflected in indicators such as the Strength of the Legislature Index represent only a subset of these, and may not be the dominant influences on the *de facto* budgetary role of a country's legislature. In South Africa, the legislature has been dominated by the executive with regard to fiscal and other matters throughout the post-apartheid period.<sup>27</sup> Political institutions, such as the closed-list proportional representation voting system that encourages party loyalty and deters attempts to challenge the policies and actions of the executive,<sup>28</sup> have contributed to this state of affairs. Another important factor has been the dominant party's emphasis on centralization of state power in pursuit of its transformation agenda, which sits uneasily with the liberal democratic principles of constitutional supremacy and separation of powers.<sup>29</sup>

The legislatures of Botswana, Namibia, and Zimbabwe also have played second fiddle to the executive branches of government.<sup>30</sup> In these countries, too, the distribution of *de facto* powers has reflected the effects of combinations of political institutions and aspects of political culture. Thus, David Sebudubudu and Nicola de Jager<sup>31</sup> state that "the dominance of the executive (presidency) and indeed the weakness of parliament are embedded in the Botswana Constitution," and add that democratic consolidation is retarded by the authoritarian nature of Tswana culture, which "emphasizes deference and submissiveness to authority."

With reference to the liberation movements-come-governments in Namibia

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<sup>26</sup> Ian Lienert, "Who Controls the Budget: The Legislature or the Executive?" IMF Working Paper No. WP05/115 (Washington, DC: International Monetary Fund, 2005), 1.

<sup>27</sup> Nicola de Jager and David Sebudubudu, "Towards Understanding Botswana and South Africa's Ambivalence to Liberal Democracy," *Journal of Contemporary African Studies* 35, no. 1 (2017): 28.

<sup>28</sup> Ibid.

<sup>29</sup> Joel Barkan, "Emerging Legislature or Rubber Stamp? The South African National Assembly after Ten Years of Democracy," Centre for Social Science Research Working Paper No. 134 (Cape Town: Centre for Social Science Research, 2005), 7, and Roger Southall, "Threats to Constitutionalism by Liberation Movements in Southern Africa," *Africa Spectrum* 49, no. 1 (2014): 91-93, 97.

<sup>30</sup> Bill Lindeke, "Namibia's Parliament in a Presidential Age: Analysis and Opinion," Institute for Public Policy Research Opinion No. 21 (Windhoek, Namibia: Institute for Public Policy Research, 2007), 2; John Makumbe, "Zimbabwe," *South African Journal of International Affairs* 12, no. 1 (2005): 219; and David Sebudubudu and Bertha Osei-Hwedie, "Pitfalls of Parliamentary Democracy in Botswana," *Africa Spectrum* 41, no. 1 (2006): 38-39.

<sup>31</sup> De Jager and Sebudubudu, "Towards Understanding Botswana and South Africa's Ambivalence to Liberal Democracy," 23.

and Zimbabwe, Roger Southall<sup>32</sup> argued that these movements “have used their domination of the political arena in a manner which... significantly shifts the balance of powers in favour of the executive, justifying the movements’ actions by reference to their possession of majorities in parliament.” Piecemeal reforms to such complexes of formal institutions and political cultures often have little impact. In present circumstances, enhancement of the formal budgetary powers of legislatures of the four southern African countries can remove some of the constraints to more constructive involvement in national budgeting (for example, by strengthening their capacity to analyze budgets and by providing more time for them to deliberate on budgetary matters). Yet, substantive strengthening of the power of the purse is unlikely in the absence of wider-ranging institutional change and, especially, changes to aspects of the countries’ political cultures that redress imbalances between the executive and legislative branches of government.

### **Concluding Comments**

In a well-known passage in *The Federalist Papers*, James Madison<sup>33</sup> argued as follows: “This power over the purse may, in fact, be regarded as the most complete and effectual weapon with which any constitution can arm the immediate representatives of the people, for obtaining a redress of every grievance, and for carrying into effect every just and salutary measure.” This essay confirmed the importance of a strong role for the legislature in national budgeting and argued that enhancement of this role could be of considerable benefit to the democratic projects in Botswana, Namibia, South Africa, and Zimbabwe. It also maintained that the common-pool argument for centralized budgeting systems and associated empirical evidence should not be interpreted as an irrefutable affirmation of the necessity of truncating the budgetary roles of legislatures. While there is considerable scope for expanding the formal budgetary powers of the four southern African countries, genuine enhancement of the power of the purse is likely to require more fundamental reforms of the political institutions and, especially, of the political cultures of these countries.

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<sup>32</sup> Southall, “Threats to Constitutionalism,” 86.

<sup>33</sup> James Madison, “Federalist No. 58: The Same Subject Continued in Relation to the Future Augmentation of the Members,” in *The Federalist Papers*, ed. James Madison, Alexander Hamilton, and John Jay (London: Penguin Books, 1987 [1788]), 350.

Appendix Table 1. Elements of the Budgetary Powers of Legislatures Index (2015)

Questions and Responses	Score
1 <i>Does the legislature have internal capacity to conduct budget analyses or use independent research capacity for such analyses?</i>	
1.1 Not applicable/other.	-1
1.2 No, the legislature has neither internal capacity nor access to independent research capacity for budget analyses.	0
1.3 Yes, there are independent researchers outside the legislature who can perform budget analyses and the legislature takes advantage of this capacity, but there is no specialized office attached to the legislature.	33
1.4 Yes, there is a specialized budget research office, but its staffing and other resources, including adequate funding, are insufficient to carry out its tasks.	67
1.5 Yes, there is a specialized budget research office attached to the legislature, and it has sufficient staffing, resources, and analytical capacity to carry out its tasks.	100
2 <i>Does the legislature debate budget policy prior to the tabling of the executive's budget proposal?</i>	
2.1 Not applicable/other.	-1
2.2 No, neither the full legislature nor any legislative committee debates budget policy prior to the tabling of the executive's budget proposal.	0
2.3 Yes, the legislature debates budget policy prior to the tabling of the executive's budget proposal, but the legislature does not approve recommendations for the budget.	33
2.4 Yes, the legislature both debates budget policy prior to the tabling of the executive's budget proposal and approves recommendations for the budget, but the executive is not obliged to reflect the legislature's recommendations in the budget.	67
2.5 Yes, the legislature both debates budget policy prior to the tabling of the executive's budget proposal and approves recommendations for the budget, and the executive is obliged to reflect the legislature's recommendations in the budget.	100
3 <i>Does the executive hold consultations with members of the legislature as part of its process of determining budget priorities?</i>	
3.1 Not applicable/other.	-1
3.2 No, the executive does not consult with members of the legislature as part of the budget preparation process.	0
3.3 Yes, the executive holds consultations with only a limited number of legislators.	33
3.4 Yes, the executive holds consultations with a range of legislators, but some key members are excluded.	67
3.5 Yes, the executive holds consultations with a wide range of legislators.	100

Appendix Table 1. Elements of the Budgetary Powers of Legislatures Index (2015)

Questions and Responses	Score
4 <i>How far in advance of the start of the budget year does the legislature receive the executive's budget proposal?</i>	
4.1 Not applicable/other.	-1
4.2 The legislature does not receive the executive's budget proposal at least one month before the start of the budget year.	0
4.3 The legislature receives the executive's budget proposal at least one month, but less than two months, before the start of the budget year.	33
4.4 The legislature receives the executive's budget proposal at least two months, but less than three months, before the start of the budget year.	67
4.5 The legislature receives the executive's budget proposal at least three months before the start of the budget year.	100
5 <i>When does the legislature approve the executive's budget proposal?</i>	
5.1 Not applicable/other.	-1
5.2 The legislature approves the budget more than one month after the start of the budget year, or does not approve the budget.	0
5.3 The legislature approves the budget less than one month after the start of the budget year.	33
5.4 The legislature approves the budget less than one month in advance of the start of the budget year, but at least by the start of the budget year.	67
5.5 The legislature approves the budget at least one month in advance of the start of the budget year.	100
6 <i>Does the legislature have the authority in law to amend the executive's budget proposal?</i>	
6.1 Not applicable/other.	-1
6.2 No, the legislature does not have any authority in law to amend the executive's budget proposal.	0
6.3 Yes, the legislature has authority in law to amend the executive's budget proposal, but its authority is very limited.	33
6.4 Yes, the legislature has authority in law to amend the executive's budget proposal, with some limitations.	67
6.5 Yes, the legislature has unlimited authority in law to amend the executive's budget proposal.	100
7 <i>Does the executive seek input from the legislature prior to shifting funds between administrative units that receive explicit funding in the enacted budget, and is it legally required to do so?</i>	
7.1 Not applicable/other.	-1
7.2 The executive shifts funds between administrative units without seeking prior approval or input from the legislature, and there is no law or regulation requiring it to obtain such prior approval or input from the legislature.	0

Appendix Table 1. Elements of the Budgetary Powers of Legislatures Index (2015)

Questions and Responses	Score
7.3 The executive is required by law or regulation to obtain approval or input from the legislature prior to shifting funds between administrative units, but in practice the executive shifts funds without seeking prior approval or input from the legislature.	33
7.4 The executive obtains approval or input from the legislature prior to shifting funds between administrative units, but is not required to do so by law or regulation.	67
7.5 The executive is required by law or regulation to obtain approval or input from the legislature prior to shifting funds between administrative units, and it does so in practice.	100
8 <i>Does the executive seek input from the legislature prior to shifting funds within administrative units that receive explicit funding in the enacted budget, and is it legally required to do so?</i>	
8.1 Not applicable/other.	-1
8.2 The executive shifts funds within administrative units without seeking prior approval or input from the legislature, and there is no law or regulation requiring it to obtain such prior approval or input from the legislature.	0
8.3 The executive is required by law or regulation to obtain approval or input from the legislature prior to shifting funds within administrative units, but in practice the executive shifts funds without seeking prior approval or input from the legislature.	33
8.4 The executive obtains approval or input from the legislature prior to shifting funds within administrative units, but is not required to do so by law or regulation.	67
8.5 The executive is required by law or regulation to obtain approval or input from the legislature prior to shifting funds within administrative units, and it does so in practice.	100
9 <i>Does the executive seek input from the legislature prior to spending excess revenue (that is, amounts higher than originally anticipated) that may become available during the budget execution period, and is it legally required to do so?</i>	
9.1 The executive is required by law or regulation to obtain approval or input from the legislature prior to spending excess revenues, and it does so in practice.	-1
9.2 The executive obtains approval or input from the legislature prior to spending excess revenue, but is not required to do so by law or regulation.	0
9.3 The executive is required by law or regulation to obtain approval or input from the legislature prior to spending excess revenue, but in practice the executive spends these funds without seeking prior approval or input from the legislature.	33



Appendix Table 1. Elements of the Budgetary Powers of Legislatures Index (2015)

Questions and Responses	Score
9.4 The executive spends excess revenues without seeking prior approval or input from the legislature, and there is no law or regulation requiring it to obtain such prior approval or input from the legislature.	67
9.5 Not applicable/other.	100
10 <i>When was the most recent supplementary budget approved?</i>	
10.1 Not applicable/other.	-1
10.2 The most recent supplementary budget was approved after the funds were expended, or the executive implemented the supplemental budget without ever receiving approval from the legislature (please specify).	0
10.3 The most recent supplementary budget was approved before the funds were expended.	100
11 <i>Does the executive seek input from the legislature prior to spending contingency funds or other funds for which no specific purpose was identified in the enacted budget, and is it legally required to do so?</i>	
11.1 Not applicable/other.	-1
11.2 The executive spends contingency funds without seeking prior approval or input from the legislature, and there is no law or regulation requiring it to obtain such prior approval or input from the legislature.	0
11.3 The executive is required by law or regulation to obtain approval or input from the legislature prior to spending contingency funds, but in practice the executive spends these funds without seeking prior approval or input from the legislature.	33
11.4 The executive obtains approval or input from the legislature prior to spending contingency funds, but is not required to do so by law or regulation.	67
11.5 The executive is required by law or regulation to obtain approval or input from the legislature prior to spending contingency funds, and it does so in practice.	100
12 <i>Does a committee of the legislature hold public hearings to review and scrutinize audit reports?</i>	
12.1 Not applicable/other.	-1
12.2 No, a committee does not hold public hearings to review and scrutinize audit reports.	0
12.3 Yes, a committee holds public hearings to review and scrutinize a small number of audit reports.	33
12.4 Yes, a committee holds public hearings to review and scrutinize the main audit reports.	67
12.5 Yes, a committee holds public hearings to review and scrutinize a wide range of audit reports.	100

Source: Open Budget Partnership, "ibp\_data\_2015.xlsx," <http://survey.internationalbudget.org/#download> (accessed July 28, 2016).