

The Imperative of Participatory Budgeting in the Wake of Tax Reform in Nigeria: Lessons from Kenya

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Abstract

A new tax regime was introduced in Nigeria by the Tax Administration Reforms of 2025. The reforms seek to improve tax administration efficiency by widening the tax net. The net effect of these reforms is a more robust tax administration, resulting in increased government revenue. This brings into focus how such resources will be utilized, and raises the fundamental issue of budgeting in the process of public expenditure. In Nigeria, budgeting decisions are largely government-controlled, with no room for public participation in the process. Lack of public participation in the budgeting process means citizens are not at the decision-making table, and this causes citizens to be marginalized in the allocation of resources and securing of public goods. The question therefore is: should citizens, who are required to contribute more to national development in the wake of this robust tax administration, continue to be excluded from budgeting decisions? This research answers this question in the negative. The aim of this research is to examine the role of citizens in the process of budgeting, against the backdrop of participation theory and participatory budgeting frameworks, and its application in the African state of Kenya, and to suggest the introduction of institutional mechanisms for participatory budgeting in the Nigerian constitution. The research finds that even though participation is one of the ideals of the Nigerian constitution, the constitution fails to provide for clear mechanisms for citizen involvement, and citizens have no role to play in the budgetary process. This research contributes to the discourse on participatory budgeting by comparing the provisions of the Nigerian and Kenyan constitutions on budgeting, with a view to drawing policy-relevant lessons to enhance public involvement in the process of budgeting public expenditure.

Keywords; Participatory Budgeting, Citizen Participation, Public Finance Governance, Tax Administration Reforms and Constitutional Reforms

Introduction

The year 2025 ended with apprehension and concern on the part of Nigerians, mainly due to speculation on the effect of the new tax regime which came into operation on the 1st of January, 2026. Diverse analyses and financial advice surfaced and were massively circulated on the internet, even necessitating a response from the government. The implications of the new tax regime are the widening of the tax net, and this involves bringing more people and entities within the framework of taxation in Nigeria. This structural reset may not be unconnected to the fact that the tax to GDP ratio is low, due to a multiplicity of factors, including previous inability to capture the informal sector which accounts for at least 60% of the GDP. With the tax reforms leading to the widening of the tax net and a more robust and effective tax administration, more tax revenue is anticipated. This raises a corresponding responsibility on the part of the government to ensure that public revenue is utilized transparently, prudently and accountably, for the benefit of taxpayers, in line with the social contract between the government and citizens. Constitutionally, taxation and other public revenue accumulate into the Consolidated Revenue Fund of the federal

government or state as applicable and thereby constitute part of public revenue. Access to public revenue is strictly by appropriation, which is the budgeting process, and the decision on how to use this accumulated public revenue, which is the budgeting process, is examined in the course of this research. At the moment, budgets in Nigeria are the exclusive preserve of government: initiated by the executive, passed as a bill by the legislature, and assented to by the President in the case of the national budget, or by the state governor in the case of the states of the federation. Ordinary Nigerians are excluded from the process of budgeting and decision-making in the allocation of resources, as the same is viewed as the exclusive preserve of government, and by extension the elite class. Sadly, this sole government control of the budget process has not benefited ordinary citizens. Nigeria has a history of budget inefficiency, and big budgets have not necessarily translated into significant development outcomes. Massive amounts of money have, in the past, been voted as budgets every year, but with little or no impact on the lives of citizens. Massive amounts voted to security have also not resulted in a more secure Nigeria, as people continue to lose their lives to insurgency and banditry irrespective of huge security votes.

Financial mismanagement which starts with the budgeting process in Nigeria is so severe that even during economic downturn, resources are not spared from diversion. Tough economic conditions compounded by ever mounting public debt, removal of fuel subsidy, increase in taxation are situations when prudence in management of resources is both required and expected. However, Nigeria has experienced increasing profligacy and waste of resources even in these debilitating conditions.¹

As shown above, Nigeria clearly has a flawed budgeting system. Due to this flaw, increase in revenue from a more effective tax administration system may not necessarily result in an increase in proper use of resources, nor will it positively impact citizen welfare. The expected increase in revenue from tax administration therefore necessitates a revisiting of the budget process, to ensure that increased revenue translates to more effective use of resources and better welfare for the citizens.

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For instance, there was a lot of talk around narrations on bank transfers and how they could save the recipients of transfers from being taxed if the purpose of the bank transfer was specified: Punch, 'Tax Reforms: Bank Narrations to Determine Liability' 31 Dec 2025 available at <https://punchng.com/tax-reforms-bank-narrations-to-determine-liability/> accessed 22 Feb 2026.

²Tribune, 'Tax Laws: We've no Business with your Transfer Narrations, FG Tells Nigerians' available at <https://tribuneonlineng.com/tax-laws-weve-no-business-with-your-transfer-narrations-fg-tells-nigerians/> accessed 2 March 2026.

Presidential Villa State House, 'New Tax Laws will Commence on January 2026 as Planned' available at <https://statehouse.gov.ng/new-tax-laws-will-commence-on-january-1-2026-as-planned/> accessed 22 Feb 2026.

J E Stephen, 'The Difficulties Nigeria faces in Collecting Taxes' The Guardian, 6 November, 2024 available at <https://guardian.ng/opinion/the-difficulties-nigeria-faces-in-collecting-taxes/> accessed 22 Feb 2026.

S. 80 and 120 of the Constitution of the Federal Republic of Nigeria, 1999 (as amended) hereinafter referred to as the Nigerian constitution.

Punch, 'Profligacy: Govs Spending Spree Amid Economic Downturn' 23 Nov 2023. The removal of fuel subsidies for instance led to increase in funds available for development, but increase in revenue did not lead to prudent management of resources. Rather, waste and profligacy increased, just like during the oil boom. The budgeting process, which is supposed to bring succor to citizens, became a channel for diversion of funds.

This research investigates the role of citizens in the process of budgeting in Nigeria. The aim is to ensure that increase in revenue from tax reforms actually translates into development and enhancement of the welfare of citizens. The work suggests public participation in the process of making budgetary decisions as the safeguard to ensure that decisions on the allocation of resources are actually made in the best interests of the citizens. This is extremely important now that even more revenue is anticipated from the robust tax administration put in place by the tax reforms.

Budgeting

This research focuses on participatory budgeting, and thus a look at the concept of budgeting is required. A budget is a statement of expected income and expenditure of a person or entity over a specified period of time.² It has also been described as a principal instrument of fiscal policy used to encourage stable growth, sustainable development and prosperity in an economy.³ It has been described as a comprehensive document that outlines what economic and non-economic activities a government plans to undertake with special focus on policies, objectives and strategies for accomplishment that are substantiated with revenue and expenditure projections.⁴

An understanding of budgeting is critical to any political society. This is because the allocation of resources necessarily reflects the distribution of power.⁵ It has been described as “translating financial resources into human purposes”⁶ and “a mechanism for allocating resources.”⁷ Its necessity exists in the face of unlimited wants competing with limited resources. Budgets are therefore plans of present actions with future consequences.⁸

From the above, a budget is a financial plan via which society allocates resources to the needs which it considers foremost, against the background of unending wants and limited resources. Since budgets are plans, the issue relevant to the current discourse is who should make these plans? According to Wildavsky, budgets can be made by a centralized ruler, a set of decentralized or delegated rulers, or non-centralized independent and competitive rulers.⁹ Thus, the formation where power is domiciled within the particular social context is responsible for making financial decisions.

Participation

A key theory relied on in this research is participation, which, just like many concepts, has no clear definition. However, within a broad political context, it has been described as political involvement of citizens through elections, and activities affiliated with political parties or demonstration and protest culture. Beyond elections and protest, participation is an approach to foster consultation and active involvement of citizens in a project, programme or activity.¹⁰ It refers to the involvement of persons in, and the influence of processes, decisions and activities.¹¹

² Obo Effanga, ‘Making State Budgets Participatory and People Centered’ Presented at a Training for Government MDAs on Resource Mobilization, 29 November, 2016.

³ Iloh and Nwokedi (n.6).

⁴ S C Ugoh and W I Ukpere, ‘Problems and Prospects of Budgeting and Budget Implementation in Local Government Systems in Nigeria (2009) 3(12) *African Journal of Business Management* 836.

⁵ A B Wildavsky, *Budgeting: A Comparative Theory of the Budgeting Process* (Transaction Publishers, 2002) 2

⁶ Ibid, 7

⁷ Ibid, 8.

⁸ Ibid, 7

⁹ Ibid, 8.

¹⁰ CBM, ‘What is Participation’ available at participation.cbm.org accessed 17 February 2026

¹¹ INEE, ‘Minimum Standards for Education: Preparedness, Response, Recovery’ (2024) available at inee-org/eie-glossary/participation accessed 17 February 2026

Barber distinguished between representative non-participatory democracy or “thin democracy” on one hand, and participatory democracy on the other, describing the former as a form of zoo keeping which separates elites and the governed. On the other hand, he identified democratic forms which enable citizen involvement are described as “strong democracy.”¹² Pateman posited that representative institutions are insufficient for democracy, pushing for democracy in its pure form. She argues that apathy stems from non-involvement and unavailability of opportunities for participation, thus the need for participation.¹³

Participation, by nature, is consultation and involvement, as opposed to symbolic or fake participation, which has been described as tokenism. Tokenism is a mere “perfunctory effort or a symbolic gesture which offers no opportunities to impact or change the status quo.”¹⁴ For a process to be truly participatory, it must enable actual contribution to and influence of policy decisions. Participation thus gives citizens the opportunity to be both involved in a process, and have the ability to contribute to the making of policy decisions.

Participatory Budgeting

Participatory budgeting results from the combination of participation, and budgeting. It is a democratic process which allows members to decide how to spend part of a public budget, giving people real power over money.¹⁵ It is the making of budgeting decisions by means which allow public participation in the process. This is distinguishable from the traditional view which is that only governments should be involved in public financial decision making. According to Iloh and Nwokedi participatory budgets lead to high level budget performance, as the involvement of citizens curtails the excesses of the ruling class. Relying on the Marxist theory, they contended that participation ensures the budget meets the aspirations of the citizens rather than serve the narrow interests of the ruling class. It is also accounted for by fostering better implementation of the budget when citizens see themselves as part of the process.¹⁶

Citizen participation in all stages of the budgetary process ensures probity, accountability, transparency and good service delivery, offering citizens the opportunity to contribute to the debate on the allocation of resources. It enables them to prioritize policy choices that meet the needs of the citizens; and empowers them to monitor public spending, seeing as they are part of the process from the formulation to implementation.¹⁷ Folscher expressed the view that it enhances development outcomes as citizens have the best knowledge of their needs. It also improves accountability, as officials become more accountable for the choices made on behalf of citizens, and provides a more meaningful relationship and interaction between the government and citizens than that offered by pure representative democracy.¹⁸

¹² Benjamin Barber, *Strong Democracy: Participatory Politics for a New Age* (University of California Press, 2003).

¹³ Carole Pateman, *Participation and Democratic Theory* (Cambridge University Press, 1970)

¹⁴ CBM (n.20)

¹⁵ Participatory Budgeting Project, ‘Learn About Participatory Budgeting’ available at www.participatorybudgeting.org/aboutpb accessed 2 March 2026. According to the publication, Participatory budgeting started in Porto Alegre, Brazil, in 1989, as an anti-poverty measure that helped reduce child mortality by nearly 20%.

¹⁶ Iloh and Nwokedi (n.6)

¹⁷ Civil Resources Development and Documentation Center, ‘Enabling Communities to Monitor Government Expenditure in the Educational Sector in Enugu State’ (2008) CIRDDOC Public Education Series 29.

¹⁸ A Folscher, ‘Participatory Budgeting in Asia’ in A Shah (ed.) *Participatory Budgeting* (World Bank, 2016).

Budgeting and Finance under the Nigerian Constitution

The Nigerian constitution contains provisions directing how public money is to be received and expended. Sec 80¹⁹ provides that all revenues accruing to the federation shall be received into the consolidated account of the federation, with the exception of certain payments.²⁰ Withdrawal from the consolidated account is only by an appropriation act, supplementary appropriations act, or by procedure authorizing expenditure from the consolidated revenue fund.²¹ Therefore, the only means via which public revenue can be accessed by the government is by the budgeting process.

Budgets are initiated by the president who presents financial estimates of revenues and expenditure for the federal government to the national assembly.²² In practice however, the president causes the budget office to call for budget submissions by each ministry, departments and agency of government (MDAs), in line with overarching budgeting strategies reflecting the priorities of the administration. The budget office and the Ministry of National planning harmonize submitted proposals and MDAs are required to justify their presentations before an inter-ministerial budgetary committee headed by a permanent secretary, after which it is submitted to the Federal Executive Council for review. Strategic meetings between the government and the leadership of the national assembly to discuss the budget before presentation were initiated from 2011-2015.

The budget estimates in the form of an Appropriation Bill is laid before both chambers of the national assembly.²³ It contains heads of expenditure other than expenditure charged on the consolidated revenue fund of the federation by the provisions of the constitution.²⁴ It is to be noted that appropriations are only budget estimates and may differ from actual expenditure. A supplementary budget is presented in the event of shortages in estimates provided for in the appropriations act, or for purposes which were not contemplated at the time of passing the budget, which is also placed before both houses of the national assembly and passed in the same manner as the regular appropriations bill.²⁵

In the event of delay in passing the appropriation act, the constitution enables the president to authorize withdrawals to cover necessary government for not more than six months, or until the passage of the appropriation act, whichever is earlier. However, extra budgetary withdrawals are capped at the amount authorized by the national assembly in the immediately preceding budget or appropriations act. This enables the president to access funds and keep the government running while awaiting passage of the appropriations act.²⁶

¹⁹ Nigerian constitution contains provisions for Federal revenue. Similar provisions governing state revenue are provided in s. 120.

²⁰ The exceptions are moneys payable under the constitution or an act of the national assembly into any other public fund of the federation established for a specific purpose. See s.80 Nigerian constitution. An example of such an exception is money paid into the contingencies fund established by virtue of s. 83 of the Nigerian constitution.

²¹ S. 80(2) Nigerian constitution.

²² Ibid, s. 81. This role is played by the governor in the case of the state: s. 121.

²³ Ibid, s. 81

²⁴ Ibid, s. 81(2). Amounts standing to the credit of the Independent National Electoral Commission (INEC), the National Assembly and the Judiciary are charged and paid directly from the consolidated account, by virtue of s. 81(3) of the constitution. This is to guarantee financial autonomy for these organs with a view to maintaining their independence within the democratic structure. Originally, s. 81(3) only provided for the judiciary. However, this was altered to include the national assembly and INEC by virtue of the First Alteration (No. 6 of 2010).

²⁵ Ibid, s. 81(4) *ibid*.

²⁶ Ibid, s. 82

Passage of regular bills require concurrence by both chambers of the national assembly.²⁷ For money bills, where the budget is passed by one chamber and not passed by the other within two months after the start of the fiscal year, the president of the senate refers the bill to the joint finance committee of the national assembly to resolve the differences between both chambers. In the event that they are unable to harmonize the bill, a joint session of both chambers is convened to pass the bill, after which the same is presented to the president for assent.²⁸

In the budget procedure highlighted above, all the players are government functionaries. The executive initiates the process, while the national assembly approves the same. After passage, the president then assents to the appropriation bill to make it an act. Budget implementation is primarily the responsibility of the executive arm, while the national assembly plays the role of oversight.²⁹ The entire procedure neither contemplates the involvement of citizens, nor does it create any opportunity or pathways for public participation in the process of budget preparation and approval.

A system of budgeting handled entirely by government officials, with little or no citizen input assumes that the government has superior knowledge and knows the needs of the people better than the people whose needs are allegedly intended to be met by the budget. According to Iloh and Nwokedi, budgeting in Nigeria is the exclusive preserve of the government, with the only opportunity for participation being public hearings at the approval stage. They argued that a participatory budget may be resisted by the ruling class in Nigeria with a view to protecting vested interests.³⁰

The exclusion of citizens from the budgetary process contrasts, on face value, with sec 14 of the constitution which provides that sovereignty belongs to the people, and participation shall be ensured in accordance with the provisions of the constitution.³¹ On the contrary, a critical look at the constitutional provisions cited displays an ingenuity in drafting which is aimed at paying lip service to public participation, while at the same time maintaining citizen exclusion.

For instance, sec 14 is contained in chapter 2 of the constitution.³² Sec 13 mandates all organs of government to conform to the provisions in chapter 2. However, the constitutional intention to empower the non-observance of the contents of chapter 2 is displayed by the provisions of sec 6(6)(c) which makes the entire chapter 2 non-justiciable.³³ By implication, although chapter 2 contains laudable objectives, including popular sovereignty and public participation, the effect of sec 6(6)(c) is that no court in Nigeria can adjudicate over any issue premised on chapter 2 of the constitution. By extension therefore, even though the government has responsibilities stated in the chapter, they cannot be enforced by citizens against the government in the event of breach or non-observance.³⁴

²⁷ Ibid, s. 58.

²⁸ Ibid, s. 59.

²⁹ Ibid, s. 88

³⁰ Iloh and Nwokedi (n.6)

³¹ S. 14(2)(a) and (c) of the Nigerian constitution

³² Which is described as fundamental objectives and directives of state policy (FODPSP for short)

³³ S. 6(6)(c) of the Nigerian constitution provides that the judicial powers of the courts established for the constitution shall not extend to any issue or question as to whether any act or omissions by any authority or person, or any law or judicial decision is in conformity with the Fundamental objectives and directive of principles of state policy.

³⁴ Non justiciability of chapter 2 of the Nigerian constitution is discussed in O Ikpeze, 'Non-Justiciability of Chapter II of the Nigerian Constitution as an Impediment to Economic Rights and Development' (2015) 5(18) Developing

Another clear example of the constitutionally entrenched lack of commitment to public participation is contained in sec 14(2)(c). which provides that “*the participation by the people in their government shall be ensured in accordance with the provisions of this constitution.*”³⁵ This provision acknowledges popular participation, but reduces its efficacy to procedures for participation provided in the constitution. The only provisions for participation in the constitution are those empowering a person to vote and contest in elections, and emerge as the president,³⁶ vice president,³⁷ governor,³⁸ deputy governor,³⁹ or member of a legislative house.⁴⁰ Hence, unless a citizen is elected into any of these positions, he or she cannot participate in government, and in particular, budgeting in any manner recognized by the constitution.

Applied to the issue of participation as an expression of popular sovereignty, it is clear that the constitution evinces a clear intention and policy to exclude citizens from participation in decision making, particularly in matters of budgeting as reviewed in this research. While the constitution acknowledges popular sovereignty and participation as “rights”⁴¹ of citizens, it gives these “rights” to the citizens with the right hand and takes it away with the left.

This tone of exclusion of the public from participation, particularly in financial decision making is maintained by fiscal statutes in Nigeria, particularly the Fiscal Responsibility Act.⁴² As stated in its long title, the Act provides for prudent management of the nation’s resources, and amongst other aims, seeks to secure greater accountability and transparency in fiscal operations. The Act provides a structure for fiscal management in Nigeria. However, this structure carefully leaves out public participation from its elaborate processes. For instance, sec 48⁴³ states that the federal government shall ensure that its fiscal and financial affairs are conducted in a transparent manner and that there is wide circulation and publication of its transactions and public finance decisions. The national assembly is also mandated to ensure transparency in the process of budget preparation.⁴⁴

However, transparency does not mean participation. Transparency allows citizens to see summaries of financial decisions made; participation allows them to contribute to the making of these financial decisions. Transparency without participation says to the citizens, “*you can look, but you cannot be involved.*” This goes against the grain of democratic practice, which is constantly evolving and gravitating towards public participation in governance and in particular in the making of public finance decisions.

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Country Studies, 48; D O Agwor, ‘The Non-Justiciability of the Fundamental Objectives and Directive Principles of State Policy Under the Constitution of the Federal Republic of Nigeria, 1999 vis-à-vis its Justiciability in the Spirit of the Law (2022) 10(1) International Journal of Innovative Legal and Political Studies, 117.

³⁵ Emphasis supplied.

³⁶ S. 131 Nigerian constitution

³⁷ Ibid, s. 141-142

³⁸ Ibid, s. 177

³⁹ Ibid, s. 186

⁴⁰ Ibid, s. 65,66 for the national assembly (senate and house of representatives) and s. 106 for the state house of assembly.

⁴¹ Rights in this instance is used in an extremely loose sense of the word.

⁴² No. 31 of 2007

⁴³ Fiscal Responsibility Act, 2007

⁴⁴ Ibid, s. 48(2)

The constitution of Kenya, like its Nigerian counterpart, also provides for the nation's budgetary process. To appreciate the difference between the two jurisdictions in this regard, comparison must commence from popular participation. The Kenya constitution states the essential constitutional principle that sovereignty inheres in the people.⁴⁵ Unlike its Nigerian counterpart however, the Kenyan constitution has no disabling clauses.⁴⁶

There is also a significant and marked difference in the manner of exercising said sovereignty. While popular sovereignty has no means of expression beyond participating in elections under the Nigerian constitution, sec 1(2) of the Kenya constitution gives the people the option to exercise their sovereignty directly or through representatives. While the citizens of Nigeria can only elect their representatives, Kenyans have the option of expressing their sovereignty via direct participation, and being part of the decision-making process beyond the holding of elections. Thus, the constitutional recognition of popular participation is a functional one, enabling participatory budgeting as will soon be demonstrated.⁴⁷

In the area of budgeting, the Kenya constitution is unpretentious about giving popular participation its pride of place, and involving Kenyans in the process. Sec 201(a) of the Kenya constitution states that there shall be openness and accountability, and public participation in financial matters. The process of budgeting is described in the Kenya constitution. At least two months to the end of the current budget cycle or financial year, the cabinet secretary⁴⁸ submits estimates of revenue and expenditure to the national assembly for the next financial year.⁴⁹ After submission, a committee of the assembly considers and reviews the estimates of revenue and expenditure. In the process of said review, the committee is mandated to seek representations from the public.⁵⁰ These representations are not perfunctory, as the constitution provides that “...*the recommendations (from the public) shall be taken into account when the committee makes its representations to the national assembly.*”⁵¹ The national assembly then receives the recommendations of the committee, and after its approval, includes the same in the appropriations bill.⁵²

Beyond budget formulation, the Kenya constitution mandates parliament to enact legislation to ensure control and transparency in all government establishments, and to establish mechanisms to ensure their implementation. The control measures required by the constitution are so severe

⁴⁵ Constitution of Kenya, 2010 s.1(1).

⁴⁶ By disabling clauses, we refer to provisions like s. 6(6)(c) of the Nigerian constitution which makes popular sovereignty, and indeed all the rights contained in chapter 2 of that constitution, non-justiciable.

⁴⁷ Another area of comparison is in the application of national values, particularly popular participation. While the Nigerian constitution reduces these values into fundamental objectives and locks them up in the cage of non-justiciability under chapter 2 of the constitution as illustrated in our earlier analysis, the Kenya constitution specifically dictates that “the national values and principles of governance...bind all state organs, officers and all persons whenever any of them applies or interprets the constitution, makes or interprets laws, or makes or interprets policy decisions: see s. 201 Kenya constitution. One of these national values listed is popular participation. The Kenyan constitution, as stated earlier does not have any provision making these responsibilities non-justiciable, unlike its Nigerian counterpart. In comparison, the Nigerian constitution displays a clear intention to keep the citizens out of policy making via means of ingenuity in constitution drafting, while the Kenyan constitution commits to the opposite.

⁴⁸ The equivalent of the minister for finance and budget in Nigeria

⁴⁹ S. 221(1) Kenya constitution

⁵⁰ S. 221(4) and (5) Kenya Constitution. The

⁵¹ S. 221(5) Kenya constitution (portion in parenthesis supplied)

⁵² S. 221(6) Kenya constitution

that said legislation may empower the cabinet secretary for finance to stop transfer of funds to a state organ or any other public entity in cases of serious and material breaches.⁵³

Confirming commitment to public participation in financial management, the Kenya Public Finance Act 2012 mandates that regulations be made to provide for participatory governance in financial matters.⁵⁴ The Act stipulates the content of regulations to include structures, mechanisms, processes and procedures for participation; public meetings and hearings, catering for people with special needs; matters where community participation is encouraged; the rights and duties of citizens, and any other matter that enhances participation.⁵⁵

These constitutional provisions have significantly shaped budgeting and participation culture in Kenya. Quite recently, the Kenya Finance Bill 2024 was repealed in response to protests by Kenya's "Gen Z" population, underscoring the growing demand for accountability and participation in the making of finance decisions. In line with relevant constitutional provisions allowing for participation of both citizens and civil society in budgetary processes, civil society was mobilized under the auspices of the Center for International Private Enterprise and the Expertise Global. This led to the making and submission of representations for changes to the Finance Bill 2024 to parliament, which is a practical example of public participation working in the process of finance policy making in Kenya, as allowed by its constitution.⁵⁶

At the subnational level, the practice of participatory budgeting in Kenyan counties is building foundations for accountability, robust public participation and good governance. Citizens have the opportunity to attend a series of meetings in which they first deliberate and then vote on which policy projects or social programmes the local government will implement.⁵⁷ In Kenya, participatory budgeting is a feature of county finance administration, in compliance with constitutional provisions mandating public participation in budgeting processes. Citizens are able to propose and select developmental projects amounting to up to half of the county's budget.⁵⁸

Both the Kenya constitution and the Kenya Public Finance Act can be contrasted with the Nigerian constitution and the Nigerian Fiscal Responsibility Act respectively, as seen in the analysis above. While the Kenya constitution and the Public Finance Act allow public participation in the process of budgeting and creates structures to ensure public participation in the process of budgeting, the Nigerian constitution simply ignores the issue of participatory budgeting, while making even public participation in general governance a mirage. The Nigerian Fiscal Responsibility Act merely mentions transparency and accountability, but makes no real commitment by putting structures in place to ensure the same, save for the option of filing an action to enforce the provisions of the Act.⁵⁹ This option, though potentially effective, is but remedial, applicable only

⁵³ S. 225(2) and (3) Kenya constitution

⁵⁴ S. 207(1) Public Finance Management Act, 2012

⁵⁵ S. 207(2)(a)-(i) Public Finance Management Act

⁵⁶ Center for International Private Enterprise, 'Participatory Budgeting is Key to Good Governance in Kenya' (2024) available at cipe.org accessed 3 March 2026.

⁵⁷ M Touchton and B Wampler, Participatory Budgeting in Kenya: Piloting New Techniques for Project Monitoring (World Bank) available at documents1.worldbank.org accessed 3 March 2026.

⁵⁸ Ibid, 2.

⁵⁹ S. 51 of the Nigerian Fiscal Responsibility Act provides that a person shall have legal capacity to enforce the provisions of the Act by means of the prerogative orders in the Federal High Court, without having any particular interest in the matter.

when breach of the Act has occurred, and cannot substitute for public participation in the budgeting process.

Conclusion

This research has argued that merely widening the tax net through recent tax reforms, *simpliciter*, is insufficient to guarantee improved welfare outcomes for Nigerians. Increased revenue generation, in itself, does not necessarily translate into the judicious use of public resources. Participatory budgeting is therefore identified as the critical missing link needed to ensure that revenue derived from more efficient tax administration is allocated in a manner that reflects citizens' needs, consistent with the principles of the social contract.

There has been a clear ideological shift from the traditional assumption that governance should be left to a select few, toward more inclusive democratic models that encourage public participation. This shift is particularly evident in the sphere of public finance, where global trends increasingly support citizen involvement in financial decision-making. Such participatory approaches have gained traction in Africa, notably in Kenya, where they are constitutionally recognized. Nigeria, therefore, stands to benefit from adopting similar mechanisms.

This need is further underscored by the enhanced revenue potential arising from the digitization of tax administration. As more funds are generated, it becomes imperative to involve citizens in determining how these resources are utilized. The persistence of waste, profligacy, and lack of accountability in public finance underscores the urgency of transitioning to a more inclusive system in which public expenditure is guided by public welfare. Such accountability can only be effectively ensured through meaningful citizen participation in financial decision-making processes.

Recommendations

First, legal barriers to enforceable public participation in governance, particularly in public finance decision-making, should be removed to facilitate participatory budgeting. This may be achieved by repealing section 6(6)(c) of the Nigerian Constitution, which currently limits the justiciability of certain constitutional provisions. Its removal would enable the enforcement of Chapter II of the Constitution and give practical effect to the principle of popular participation enshrined in section 14(2)(c), thereby laying a foundation for citizen involvement in budgeting.

Second, the budgeting process should be reformed to formally incorporate public participation. Drawing from the Kenyan model, provisions could be introduced to allow citizens to contribute to budget proposals during their consideration by legislative committees, prior to deliberation by the National Assembly. Under this framework, while the executive retains the authority to propose budgets, the public would play an active role at the formulation stage, ensuring that legislative deliberations reflect both executive proposals and citizen input. This would institutionalize the role of taxpayers as key stakeholders in the budgeting process.

Third, to ensure genuine commitment to participatory budgeting, a constitutional provision similar to section 221(5) of the Kenyan Constitution should be adopted. Such a provision would mandate that recommendations arising from public participation be taken into account in legislative budget deliberations. This would prevent tokenistic engagement and ensure that public input meaningfully influences decision-making. Ultimately, sustained citizen involvement in public finance will strengthen democratic culture, enhance accountability, and promote the effective utilization of resources generated through improved tax administration.

