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## **BUDGETING AND GOVERNANCE IN TANZANIAN LOCAL GOVERNMENT AUTHORITIES**

### **Abstract:**

This paper explores how budgeting contributes towards governance in the context of local government authorities (LGAs) in Tanzania. The study sought to examine the relationship from the perspectives of the local government stakeholders, namely councilors, local and central government executives and members of the parliamentary committee responsible for LGAs. Hence an interpretive methodology was adopted and grounded theory procedures (Strauss and Corbin, 1998) were employed in gathering and analyzing data. Data was collected in two LGAs through document review, interviews, and passive participant observation over a period of four months.

The study revealed interplay between the stakeholders' perceptions of roles in local governance and budgetary practices. Budgeting was considered by all the stakeholders as a mechanism that facilitated discharge of the perceived roles in governance. Also budgetary practices influenced perceptions of their roles in governance. Such interplay is mainly shaped by the stakeholders' perspectives on governance and the nature of power relationship among these groups. Also of importance were the stakeholders' perceptions of governance, organizational arrangement, knowledge possessed by the groups of participants, policies and regulations, dependence on central government funding, availability of local revenue, interests of the stakeholders in the budgeting process, and availability of reliable and understandable budget information. Emergent findings also show that the interplay generates preferences for different budgetary practices amongst the local government stakeholders as well as development in such practices. The study makes theoretical, practical and policy contributions.

### **Keywords:**

Budgeting, Governance, Local Government, Tanzania,

**JEL Classification:** M48, M48

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