

Public sector budgeting

Finance



Public Sector Budgeting Public sector projects require be closely monitoring and scrutinizing in order to ensure proper implementation and delivery of services. It has always been argued that the private sector has always achieved efficiency in implementation of its contracts because of the level of participation and scrutiny that is done by the stakeholders (Nice, 2002). In executing public budget, the question of equity and efficiency causes a concern Whereas equity champions fir the protection of the interests of all members of the society with emphasis on the minority and the disadvantaged, efficiency calls for proper use of resource in attaining the objectives of the projects. Equity therefore demands fairness and justice in the awarding of contracts and the allocation of resources. In the case of LAWA, there had to be a tradeoff between equity and efficiency. To avoid the many millions of money that was incurred in the projects and to ensure that the projects are well done without compromising on quality, I believe that efficiency will be of more importance. In contracting airport services, the government should put more emphasis on efficiency component because of various reasons (Nice, 2002). First, efficiency will ensure that the projects are undertaken at the lowest costs possible without undermining the need of quality services. Users of the airports will demand security when utilizing the services and proper service delivery rather. Secondly, efficiency will reduce the costs and expenditure that is made on the airport contract. The case of LAWA is one in which large public resources was used. The only way of reducing the burden to the public is by ensuring efficiency in the execution of the project. Moreover, efficiency will also ensure that the services provided at the airports are not affected. LAWA is where more that 2 million tons of cargo move annually making efficiency an important issue to equity

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(Emerson, 2000). Inefficiencies in the operation or delivery of contract could impair the movement of the cargo and this could cause more losses to the public. Just like the private sector, the public sector should move towards a situation of improving on their quality of services rather than lag behind claiming that there is no profit motive in the delivery of public goods. There are also political factors that should be addressed in the case of contracting at LAWA. Because of the high level of political dominance the management of the airport is likely to be affected by changes in [political interests which would therefore cause political interference on service delivery. Political dominance should be reduced in the contracting of services of the airport if the intended objectives are to be achieved. By depolarizing the process, decisions will be based on improvement of service delivery rather than affiliation to a political party. Politicians should only get involved in monitoring that the interest of the public is not violated during contract allocation. Political participation will also be important in boosting the confidence of the public on the transparency and accountability of their taxes that have been allocated to the project (Emerson, 2000). However, the level of political dominance must be kept at the lowest level to ensure that efficiency and cost reduction is attained in the airport management and service delivery. In addition, political appointees need to be scrutinized to determine their qualification and ability to perform the tasks. Legislative issues need to be considered in the allocation of the contracts. There needs to be adherence to the legislation before awarding on the big contracts to ensure that the actions are not challenged in courts as this could deter or delay the delivery of the mandate. At the same time, legislation regarding the wage rates needs to be considered when determining the compensation

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to the workforce. The payments should be kept above the minimum wage rate to avoid battles and strikes that could halt the services delivery at the airport. The social factors must also be considered when allocating contracts and when administrative functions are being conducted at the airport. The adoption of the modern and strong technology at the airport had been lauded because it has improved the monitoring of some functions and in enhancing security of the services (Emerson, 2000). This has been done after assessing the cost element and the burden of acquiring and installing the technology for the first time. Secondly, the airport administration need to offer retirement benefits and other social benefits to the contractors in order to promote the welfare of the society in general. By doing so, the interest of the community will be upheld and the service delivery improved. It will also act as a motivating factor to those awarded the contract and the employees of the airport at large. Finally, the issue of pollution must also be looked into by the airport administration in conducting of their services. In delivering transport services between the airport and the bus station, the administration should ensure that the amount of gases emitted to the environment is kept as low as possible to reduce the externalities of the process. The contractors that are engaged to provide services at the airport must also remain wary of the need to keep the environment clean by reducing the negative impacts of their services in the environment. In summary, the awarding of contracts and functioning of public budgets require close monitoring of the budgets and the processes. Political, social, and economic factors will all play a significant role in the allocation of contracts. Finally, the trade off efficiency and equity must be encompassed in the decision. Reference Emerson, S. M. (2000). Promises and Pitfalls of <https://assignbuster.com/public-sector-budgeting/>

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