MUNICIPAL BUDGETING IN THE KINGDOM OF BAHRAIN

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Budget of state government must be distinguished from that of a private or public limited company. It is not a mere exercise in the balancing of books of account. It is not a document prepared by an accountant for an accountant. It has large implications for the rate of growth of development, human resource development, reduction of poverty, provision of safety net for the poor and underprivileged, and so on. Every member of the public has, therefore, a vital stake in what finds a place in the budget and what gets omitted therefrom. Budgets are the link between resources and objectives, and are monetary records of the goals to be achieved and the resources allocated to accomplish them. In this era of reducing municipal revenues, it has become imperative for municipal governments to use their financial resources effectively and efficiently. Available municipal resources must be channeled towards satisfying the critical needs of citizens as efficiently as possible; proper budgeting and its effective implementation can play a crucial role in this endeavor. Municipal budgeting requires spending public monies based on decisions made by individuals in their roles as mayor, council or board member, administrator, finance director, head of an operational department, and (sometimes) citizens. There are no studies of municipal budgeting in the Kingdom of Bahrain. This study attempts to fill this gap by exploring the purpose and methods of the municipal budget process in the context of the practices of one of the four Municipalities in the Kingdom of Bahrain. This paper also investigates the problems and challenges faced by the Municipality in the budgeting process. The paper then provides recommendations for helping the Municipality to ensure the development of an effective and efficient budget especially in hard economic times.

Key Words: budgeting, budget process, Kingdom of Bahrain, municipal budgeting, municipalities, strategic funding