Civil Participation by Means of Participatory Budgeting: Checking of Possibilities for Decentralised Cooperation in Belarus

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Abstract

The process of civil participation and the participative approach used by them are the most challenging issues of the last few years in the post-soviet countries and in Belarus. Thanks to a participatory approach, the mutual cooperation between Civil Society and Local Governments has occurred and it is possible to develop projects and activities that support local democracy and economic and social development. They are also creating strong links between communities and citizens, creating dialogue and trust.

One of the civil participation forms is public participation in the local budget process where citizens and active groups of the population set up the local budget and include it in their projects. Thanks to participatory budgeting, citizens have the right to say how part of public resources should be spent. By doing so, they “embed their voice” in local government, ensuring the process of civic participation in public administration.

This paper pursues the following purposes: a) to show the importance of civil participation by means of participatory budgeting (PB) for attaining decentralised cooperation between a local authority and its citizens; b) to check the hypothesis that participatory budgeting is a form of citizen participation in local development in Belarus, and to show key success factors of PB. The scope of policy issues discussed is extremely broad and covers not only civic participation, in the form of its public budgeting, but also decentralised cooperation development between the authorities and citizens, fiscal decentralisation development, and the integration of participatory budgeting into the local budget process. The

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paper covers targeted groups who are citizen of localities, local authority offices, local associations, and NGO’s.

The research methodology is based on approaches made by Manor, Nemec, Selee, Tulchin, Souza, Sedmihradská, Raulda, Rodgers, Wampler, Wilmore and other researches. Empirical studies will be linked with participatory budgeting pilot projects in Slovakia, Poland, and Ukraine where they were developed. Statistical data from official sources, such as the Ministry of Finance, regional financial departments, NGOs and databases in this area, etc. will also be used.

**Keywords:**
civil participation, decentralised cooperation; fiscal decentralisation, participatory budgeting; local budget; local democracy; public finance

**Introduction**

Civil participation and the participative approach used by them are the most challenging issues of the last few years in post-soviet countries and in Belarus. Thanks to a participatory approach, the mutual cooperation between Civil Society and Local Governments occurs and it is possible to develop projects and activities that support local democracy and economic and social development. They are also creating strong links between communities and citizens, creating dialogue and trust.

Why is civil participation important? The Belarusian official authority began to realise that the country could not develop on the basis of rigid, centralised, and vertical and badly needed approaches from the “bottom” through civil society corrections. On the other hand, citizens very often wonder why they pay taxes but their voice is not heard in the public administration process. Therefore, citizens wish to participate in several forms of public administration.

One of the civil participation forms is public participation in the local budget process where citizens and active population groups set up the local budget and include in it their projects. This is participatory budgeting. Thanks to participatory budgeting, citizens have the right to say how part of public resources should be spent. By doing so, they “embed their voice” in local government, ensuring the process of civic participation in public administration. Participatory budgeting is a tool for further civic education which leads to a higher awareness of public issues and related policymaking.

Participatory budgeting is both the form of citizen participation at the local level and an instrument of fiscal decentralisation. The benefits from participatory budgeting are in “pushing” the development of fiscal decentralisation in Belarus through the expansion of local democracy tools, one of which is “participatory budgeting”. This enhances openness, transparency, and accountability in the local budgetary process.
Participatory budgeting acts as a form of citizen participation at the local level and simultaneously as an instrument of fiscal decentralisation. Here, participatory budgeting acts as one of the innovations in local financial management in central and eastern European countries today. This innovation did not evade Belarus, which in the simplest forms began to carry out participatory budgeting and delegate it to more difficult models in the local budget process. The initiative of such an advance belongs, first of all, to public organisations in Belarus, including the NGO “Lev Sapieha foundation” which attempted to create an “embryo” of decentralised cooperation between citizens’ initiative groups and local authorities in budgeting and financing projects which were traditionally performed by local authorities.

For many years, scientists and experts from Belarus had attempted to introduce fiscal decentralisation in local financial management from the “top”, through the various approaches and tools for the official government such as tax power expansion for local government, transfer of more revenues and responsibilities to the localities etc. However, it did not bring about the desired results because each of the initiatives and proposals came up against the existing rigid centralised vertical system, penetrating from top to bottom all levels of power. Nevertheless, in recent years it has succeeded in creating a starting point for fiscal decentralisation. This is in the mutual interest and interaction of local groups of citizens representing civil society and local authorities. Through this alliance, the funding of the project performed by many citizens’ initiatives, by means of allocated grants from the EU, means that direct budgeting by citizens has succeeded.

Thus, these projects were a prototype for the future participatory budgeting model, the details of which for drawing up a local budget with citizens’ participation can be used.

**Background of the Problem**


the research background was introduced through study projects of public budgeting in the countries of Central and Eastern Europe: “Capacity Building of NAPA for Open Local Governance” (2017), supported by the Programme SlovakAid, Slovak Ministry of Foreign Affairs and also the experience of the Visegrad countries in the engagement of citizens in the processes of budgeting and examples of using forms of participatory budgeting in Poland, Hungary, Slovakia and the Czech Republic. They are helping to compare the efficiency and a legal framework of public budgeting, promote the development of proposals on the simplification of budgeting procedures, and inspire us to think about the successful prospects of introducing a participatory budget in Belarus. Showing what tools and practices are effectively used in neighbouring countries supports the introduction of the corresponding changes in the Belarusian legislation and their subsequent practical application.

Finally, the background research is based on project analyses funded by the EU for the support of citizens’ initiatives in the development of local tasks in Belarus. The sectors of welfare, social infrastructure improvement, green projects, and fitness facilities are included. At the same time, these spheres were projected and budgeted by initiative groups on the basis of competitions by means of selected projects. All projects were carried out with the collaboration of the NGO “Lev Sapieha Foundation” and the European Association of Local Democracy – ALDA.

Alternative Types of Participatory Budgeting in Visegrad Countries

Participatory budgeting is a democratic process which presents opportunities to each citizen to participate in the distribution of local funds or part of the local budget. This form of citizens’ participation has not been introduced into Belarus legislation, but other countries’ experience can be borrowed to begin interaction and dialogue between local authorities and citizens. Participatory budgeting allows residents of cities and villages to decide how to use local funds and part of the local budget for local development purposes. Visegrad group countries’ experience in engaging citizens in the budgeting process shows that participatory budgeting permits the harmonisation of relations between citizens and authorities in many aspects. Therefore, the introduction of participatory budgeting in Belarus may be considered as a possible instrument of citizen participation and method of direct local democracy.

Positive examples of participatory budgeting in Poland, Hungary, Slovakia, and the Czech Republic help to compare the efficiency and a legal framework for consulting citizens and inspiring them to reflect upon the successful prospects of participatory budgeting’s implementation in Belarus.
Showing how such instruments and practices are effectively used in Poland, Slovakia, Czech Republic, and other Visegrad countries, we strongly support proposals for changes in the Belarusian legislation for their subsequent practical application.

It is known that participatory budgeting began to be applied in 1989 in Brazil in the city of Porto Alegre and then became widespread across the American continent, especially in the USA (Empowerment Case Studies, 2015). For the last 15 years, it has taken root in Europe (Lisbon, Berlin, Leipzig, Hamburg, Bonn, Seville, Cordoba, Rome, a number of cities in England, France, and the Scandinavian countries). At present, participatory budgeting is being used in 1,500 cities around the world. There are also approximately 100 cities in Poland (Warsaw, Lodz, the city of Dabrowa Gornicza, etc.) where it is used. In the Visegrad group of countries, with the exception of Prague and Warsaw, participatory budgeting is also applied in Bratislava, Ružomberok, Banska Bystrica and many other cities (Adam Jareš, Aneta Jarešova, 2018).

It is evident that the approach to enhance civil participation in local development through participatory budgeting should begin in Belarus and it should be given ample scope for various forms of public budgeting to be introduced.

Poland Experience

Soletsky fund

The Soletsky Fund is a tool which allows the gmina’s local council to allocate money from the gmina budget to projects offered by locals. Thus, the Soletsky fund is a form of participatory budgeting. However, the important difference is that it consists of a legal basis, and it is difficult for officials to change decisions made by inhabitants. In other words, the rules of the Soletsky fund were established by national law and give major power to the people (Dz. U. 2014 pos. 301).

The right to submit applications for financing from the Soletsky fund extends to the inhabitants of the local council and the decision to create a Soletsky fund is taken by local council members. However, to encourage local officials to carry out such a form of citizens’ engagement, part of the money placed in the Soletsky fund is taken from the public budget. The Soletsky fund gives village residents the chance ((a soletstvo (“solectwo”) – the name of an auxiliary unit of a gmina)) – via a meeting of the villagers to make decisions about the use of the fund without the participation of gmina politicians (gmina’s local deputies). Thanks to this they can solve local problems and take responsibility for the local community (Adam Jareš, Aneta Jarešova, 2018)
Budgeting on the basis of the participation principle in several Polish cities and towns

Advantages

One of the most important advantages is simplicity. The submission of projects is simplified. A simple application questionnaire is developed and people are informed that to be initially approved a project had to be signed by 15 supporters. In addition, as opposed to classic elections, the right to vote is given to those who declare living in a particular location. It increases participation in the participatory budgeting, based on local legislation. For example, in Polish cities and towns, participatory budgeting is adopted by City council resolution and there is no need to adopt any Laws at Central government level. Projects are selected in a residents’ direct vote, with no intermediary organisations which would vote on their behalf. The participatory budgeting procedure includes mainly three stages: submitting projects; verifying projects and selecting projects. In some cases there may be a fourth stage which includes discussions of projects prior to residents voting (Markovska – Bzducha Ewa, 2013).

Shortcomings

Participatory budgeting is not an easy tool to use. One necessity is to ensure the widespread participation of the local community so that no social group is excluded and public debate is not dominated by one or several such groups. Therefore, no one group, especially the poorest groups of citizens, should be excluded from voting and public debate. Participatory budgeting requires the involvement of local politicians, local government officials, and the local community. Different perspectives of judgment and different levels of knowledge about the financial capacity of local government units require negotiation skills as well as the goodwill of each of the parties involved. Another challenge is the politicians’ fear of losing their influence on forming the budget, a fear stemming from their belief that they are thus losing their monopoly on budgetary decision-making. A difficult problem is civil budget drafting. The civil budget must begin many months before the traditional budgeting procedure to make sure there is time to prepare information for citizens, carry out public consultations, and then select projects that will be included in the local government budget (Markovska – Bzducha Ewa, 2013).

Financing

The size of the participatory budgeting is defined by the city government. Usually, it is a percentage of local budget expenditures. The biggest allocations in the participatory budget have been in Lodz city. A participatory budgeting feature is the possibility of its replenishment by local residents (the case of Lodz city). In 2013, for the requirements of participatory budgeting, 20 mln. zloty (PLN) were allocated. In 2014, this figure increased to 40 million zloty (PLN), and in 2018 the city govern-
ment promised to increase the relevant allocations of the city budget to 100 mln. zloty (PLN) (Daniel Klimovsky, eds, 2017).

Slovakia – Participatory Budgeting in Municipalities

**Advantages**

Budgeting on the basis of the participation principle has several advantages, which can be favourable to municipalities in Slovakia. First of all, it allows citizens to solve important municipal problems directly during the four-year period between local authority elections. The essence of the process also helps create closer relations between politicians and the local community. It is very important for politicians to accept the decisions made by the local community, and for inhabitants to accept reasonable solutions (for example for whom to vote in the next elections).

**Shortcomings**

However, the high-quality process of budgeting on the basis of the principle of participation is expensive. The process demands much time and effort on the part of the administration as regular meetings with the local community are necessary to arrive at a consensus. It can lead to inhabitants being disappointed, especially in the case of the small amount of resources distributed within the budget on the basis of the participation principle. Budgeting on the basis of this principle also demands the presence of a qualified moderator, capable of carrying out discussions with the locals with impartiality.

**Financing**

Experiments with budgeting on the basis of the participation principle in the Slovak municipalities began in 2011 in the city of Banska Bystrica. One of the main problems of participatory budgeting in the Slovak municipalities is the percentage of allocated resources for participatory budgeting. Whilst the common practice in other countries is an allocation of 1–10% of the municipal budget for participatory budgeting, only in Slovakia – the district of Nova Mesto in the city of Bratislava – managed to approach close to 1% in 2017 (only 40,000 Euros in 2016 were allocated). The Bratislava capital allocates very few funds for participatory budgeting (Adam Jareš, 2018). However, the small amount of the assigned sums is not the only shortcoming of public budgeting in Slovak municipalities. The other essential principles of public budgeting are also often broken and this can be linked to public discussion, promotion of projects, and periodic repetition of the reception of competitive projects from citizens.
Procedure example

The procedure looks as follows:

- At first, the municipality collects the project offers through “the Market of Ideas” ("Idea Market").
- After that the projects are estimated by experts and publicly discussed by the Local Council for participatory budgeting (generally consisting of NGO representatives).
- Then selected projects go through by electronic vote.

Shortcomings

The vote does not work properly as any person can vote, including inhabitants of other municipalities, and it is possible to vote several times because the votes are not connected to a certain address or an IP address. In addition to these problematic aspects, since 2016, several winning projects have not yet been carried out.

Participatory Budgeting in the Czech Republic

Budgeting on the basis of the participation principle is often applied at various political levels (urban area, municipality, local government unit, the state, etc.), and not only in public management. For example, it can also be used in schools (in the centre of Brno), and in various public institutions and organisations which have their own budgets. Therefore there is no universal model of participatory budgeting which can be used everywhere.

Legislative base


The participatory budgeting features in the Czech Republic are that the public participation budget does not work via the principles of a re-granting system or grant redistribution. The main goal is that citizens should participate in discussions about the locality’s development in which they live, and the municipality demonstrates the available opportunities for fund allocation. In this case the Mayor’s office trains citizens to communicate with local authorities effectively and structurally.

The process forms and the size of the allocated funds for public budgeting differ from city to the city in Slovakia. Frequently it concerns civil projects connected
to the improvement of public places and gardens but also charitable projects, such as education, holiday events or a neighbouring meeting (Adam Jareš, Aneta Jarešová, 2018).

**Stakeholder analysis**

Participatory budgeting in Belarus has been carried out since September, 2006 with the cooperation of the NGO “Lev Sapieha foundation” and the European Association of Local Democracy – ALDA. In the last decade, experience of participatory budgeting was obtained through projects which were successfully implemented through: ACSOBE, REACT, TANDEM I, TANDEM II, TANDEM III, TANDEM IV with the support of the EU and other European institutions and funds (Organizatsia sotrudnichestva, 2018).

Within each project, complex actions were taken for the solution of local government problems through the broad participation of citizens, through the creation of regional civic centres, informational, educational and volunteer activity and also through the support of 10–15 citizens’ initiatives for mini local development projects’ implementation.

All projects which are performed in collaboration with the NGO “Lev Sapieha foundation” and the European Association of Local Democracy (ALDA) attracted keen interest, not only from organisations’ and civil society initiatives but also from local authorities. This could be seen by the active participation of public associations, citizens’ initiatives, and local authorities in all the competitions held for mini-projects.

In the contest of competitive commissions for winner definition from amongst the submitted design applications, the experts – representatives of ALDA and NGO “Lev Sapieha foundation” and a number of Belarusian and foreign partner organisations also entered. After careful study of the applications received, the competitive commissions selected the winners via several steps. The selection took place in each case on an impartial and competitive basis. At the same time, the competitive commission was guided by the published requirements of the competition conditions and the criteria system, which were both stipulated in advance.

After the completion of the mini-grants competitions and the winners being announced, the work was successfully and effectively implemented according to the provided terms and requirements of national and international character.

It consisted of specialists of the NGO “Lev Sapieha foundation” and the ALDA group providing consulting assistance and organisational support by drawing up contracts between each recipient organisation of grantees and sponsors and also preparing target distribution plans of foreign free aid and other documents for obligatory registration of a grant by the Department on Humanitarian Activity of
Stakeholder analysis has shown the true potential of participatory budgeting by civic participation and public initiatives in the Belarusian civil society. The experience of the NGO “Lev Sapieha Foundation” by means of support for the design activity of public associations and initiatives of groups on citizens’ participation in decision-making at the local level demonstrates that this sphere needs support. Analysis has also shown mutual interests for both citizens and local authorities in continuing the participatory budgeting process. On the one hand, citizens have an opportunity to improve the quality of their lives through their ability to implement their own projects and carry out their financial administration. On the other hand, local authority motivation is to receive the additional possibility for local development financing and the ability to better complement the needs of the local population for public services. All together it creates a mechanism of decentralised cooperation and enhances civil participation in local development.

Assessment of the Possibility of Participatory Budgeting in the Future

The developed ability of participatory budgeting within the re-granting projects in Belarus is testimony to the opportunities for the transfer of experience in the local budget process by citizens on the basis of the participation principle. The key success factors in the implementation of participatory budgeting in setting up local budgets should be noted.

1. The presence of active citizen groups who will be capable of taking the lead in project implementation to be included in the local budget. The importance of this factor is that without it, it is impossible to announce participatory budgeting implementation in local budgets and furthermore to take responsibility for drawing up the budget control and monitoring of budget spending. Increasing initiative groups and active citizens can promote an increase in that share of the budget which is allocated for participatory budgeting by citizens. Experience in participatory budgeting in other countries shows, even if a small initial sum of participatory budgeting exists, initiators of this measure can attract interest from both citizens and business (Daniel Klimovsky, eds. 2017). However, it is also necessary to mention certain obstacles in the development of civil activity in budgeting. First of all, there is a civil society weakness and unwillingness to participate in public affairs. The experience of the central and eastern European countries demonstrates that this model requires high political activity by the population and politicians who are ready to concede considerable powers in the adoption of public decisions. However, even with the weakness of civil society, the involvement of citizens in consultations in public and local finances and...
implementation of pilot participatory projects on drawing up the local budget would be the more realistic model (Daniel Klimovsky, eds. 2017). It is also necessary to bear in mind that citizens’ participation in drawing up the local budget can be substituted by the quasi forms of participatory budgeting. For example, citizens’ autonomy in drawing up the local budget can be substituted by special public platforms created by the official authorities for collecting applications and requests from citizens, who will promise to include them in the expenditure assignments of the local budget. In this case, the independent principle of citizens in public budgeting is lost.

2. Capacities of local budgets to execute a participatory budgeting mission.

This factor may be regarded, to a great extent, as being in the competence of the Ministry of Finance, which acts as the regulator and observer of local budgets because today conditions are such that local budgeting using the participation principle, are not yet included in the Budgetary Code of the Republic of Belarus. Therefore to consider recommendations about the size and shares of the budget of participation in the general local budget this is referred to the regulator.

In their approach regarding the choice of local budgets for participatory budgeting projects, the main recommendations from the Ministry of Finance come down to the involvement in pilot drafts of those local budgets which have the maximum self-reliance of own revenues. In other words, these are local budgets with a maximum share of own revenues in the total local budget revenues and the minimum share of central government transfers allocated from the central budget. This is explained by the fact that an increase in the share of transfers from the central budget potentially decreases the possibilities to implement the projects chosen by citizens and initiative groups for financing. It must be borne in mind that the allocation of transfers for equalisation of fiscal capacity has a strictly special-purpose character and cannot decrease because of the increasing initiatives of citizens. Thus, with the increasing dependence on central budget transfers, the effect from participatory budgeting will be decreased. The possibilities of local budgeting using the participatory budgeting principle are estimated by means of the analysis carried out on the degree of regional self-sufficiency by the NGO “Lev Sapieha Foundation” experts. Informal consultations with the Ministry of Finance were held where their experts recommended that for the pilot project selection, local budgets of cities with high self-sufficiency and low transfers from the Central budget should be selected.

3. Political will of the central power and the desire of local authorities to introduce participatory budgeting in practice.

The political will, courage, absolute understanding of the need for innovation and a belief in its success are necessary for the implementation of participatory budgeting. The examples of many countries of Central and Eastern Europe show how a lack of political will, accompanied by the general interest of citizens, led
to disappointment and an early end to participatory budgeting projects. Other completely different examples showed how the existence of political will, even the small initial budget sum for participatory budgeting, could attract interest from citizens, business and authority. It could convince local authorities to deal more seriously with this problem and to increase a share of participatory budgeting funding in the local budget process.

It is also necessary to obtain political support of this innovation from the central and local authorities of the country, and beyond its borders: EU Commission, Council of Europe, international organisations and funds, and neighbouring countries, etc. If the process of participatory budgeting is to be advanced it also means activity directed to the professional development of active citizens’ groups in the sphere of the public and local financial management.

With the implementation of participatory budgeting in Belarus, the threats could be the following:

- resistance of officials ("incompleteness" of the measures put in Laws, Decrees of the President, Resolutions of Council of Ministers, bureaucratic procedures;
- discrediting of the participatory budgeting idea among citizens through the distortion of its purposes and tasks;
- mistakes and miscalculations made at the adoption stage of participatory budgeting projects;
- conflicts of interest both across (between public bodies), and down (between public administration and local governments) in the decentralised cooperation course and financing of participatory budgeting;
- fear of change and, as a result, a lack of support for participatory budgeting in civil society;
- staff deficiency for innovations of participatory budgeting.

Therefore, participatory budgeting's initiators undertake a huge political responsibility for its successful performance because discrediting the decentralisation idea cannot be admitted in the fiscal and budgetary sphere. At a certain stage, it can lead to a complete refusal of innovations in local financial management.

**Policy Recommendation**

Participatory budgeting is a good tool for Civil Society development and direct local democracy in Belarus. It was confirmed by the continued interest of both citizens and local authorities. In this sense, it is worth continuing this movement in the form of new pilot projects and experiments to develop participatory budgeting. The motivation of citizens in participatory budgeting manifests itself in opportunities
to improve the quality of their lives through the ability to implement their projects and carry out their financial administration. The interests of local authorities are the additional possibilities of financing local development and the ability to better complement the needs of the local population for public services. For those reasons, citizens and local authorities, aware of public budgeting experience in municipalities, insist on its permanent implementation.

However, the further development of participatory budgeting requires a shift to more complex forms of public budgeting, based on the participating approach of active groups of citizens in the development of the local budget and allocation of a certain share of expenditures in the local budget for the budgeting of their projects. This form of public budgeting will further strengthen decentralised cooperation between citizens and local authorities, civil participation in public administration and local democracy. However, it will require the political will and consent of the Central government.

At the same time, Central government’s behaviour regarding the introduction of participatory budgeting may be obstructive and conservative. However, in future, civil society and local authorities in Belarus should initiate and promote both existing and new forms and methods of participatory budgeting. It is necessary to introduce participatory budgeting into the “institutional shell”, to create a legislative framework for it, to put it into the Budget code. The EU, international financial organisations, and international reputable NGO’s should provide full technical assistance and support to this process for municipalities, the Ministry of Finance, Associations of Local Authorities, NGO’s and active citizen groups.

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