

# Performance-Based Budgeting as a part of strategic management in the local governments in Slovakia<sup>1</sup>

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## **Abstract**

*The paper aims to present the concept of Performance-based Budgeting at the local government level with focus on its importance for the economic development of a country. Performance-based budgeting, which is clearly linked to performance management and results, has emerged as one of the partial directions for improving strategic public management, with much more attention recently paid to the importance and use of performance information and performance measures. The research was based on a literature review of the publications and official data available in the field studied, while the findings were supplemented in the form of semi-structured interviews with representatives of selected local governments. The results of the paper seek to highlight the advantages of implementing this concept, suitable ways and obstacles that are often encountered, and important recommendations for improving its use summarized based on more than 10 years of experience since the introduction of this budgetary innovation based on legislation as mandatory budgetary policy instruments for all self-governing regions and for local self-governments in municipalities with a population of over 2,000. This leads to the conclusion whether PBB is a possibility among other concepts or a real necessity for today's economic challenges but at the same time to the current need for changes in the methodology of this strategic management tool at the level of local self-government.*

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