

# Participatory budgeting in Belarus: checking of possibilities for decentralised cooperation

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## Abstract

The process of decentralisation of local communities and the participative approach is one of the most challenging ones of these last years in the post-soviet countries and in Belarus, as well. Thanks to decentralised cooperation, the mutual cooperation between Civil Society and Local Governments occur 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 decentralised cooperation's ways is the public participation in local budget process where the citizens and active groups of population are setting up the local budget and include in it their projects. Thanks to participatory budgeting, citizens have the right to say how part of the public resources should be spent.

The paper purposes are to develop technique, ways, and relevant tools which lead to participatory budgeting in Belarus. The paper investigates whether local participatory budgeting is an approach to reach the fiscal decentralization in countries with rigid centralized vertical power as it is Belarus. The paper analyses the results of the Vishegrad group countries' survey in the forms and techniques of participatory budgeting and presents the advantages and shortcomings of this process. The main determinants of the interest, awareness, and participation of citizens in participatory budgeting processes are explored as well. The study's results in Belarus have shown that the main type of participatory budgeting is a re-granting model based on EU funds presented for Belarus. The developed ability of participatory budgeting within the re-granting projects in Belarus can testify to opportunities of transfer of its experience on the local budget process by citizens on the base of the participation principle. Checking of possibilities for participatory budgeting in local budget process the paper explores. Key successes factors for participatory budgeting in Belarus are concerned.

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

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

## Introduction

Most post-soviet countries are facing the challenge of improving the functioning of their sector of public administration. Theoretically, two contrary types of reaction to this challenge exist: centralization vs. decentralization. Both of them have advantages and disadvantages. In Belarus the preference is likely to be given to the first one. But does it mean that there are no other options? We suppose that the answer is "yes, there are". Decentralisation involving engine of inter-jurisdictional competition could provide a sound solution for public sector efficiency issue avoiding many problems associated with the growing power of the central government.

The process of decentralisation of local communities and the participative approach is one of the most challenging ones of these last years in the post-soviet countries and Belarus as well. Thanks to decentralised cooperation, the mutual cooperation between Civil Society and Local Governments occur 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 ways of decentralised cooperation is the public participation in local budget process or participatory budgeting where the citizens and active groups of population are setting up the local budget and include in it their projects. Thanks to participatory budgeting, citizens have the right to say how part of the public resources should be spent. Participatory budgeting is a tool for further civic education which leads not only to higher awareness of public issues and related policy making.

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Benefits from participatory budgeting are in "pushing" development of fiscal decentralization in Belarus through the expansion of local democracy tools which is the "participatory budgeting". It will enhance openness, transparency, and accountability in the local budgetary process.

Participatory budgeting acts as one of innovations in local financial management of the Central and Eastern European countries today. This innovation did not avoid the Belarus which in the simplest forms began to realize participatory budgeting and to delegate it to more difficult models local budget process. The initiative of such advance belongs, first of all, to public organizations of Belarus among which there is NGO "Lev Sapieha foundation" who made attempt to create "embryo" of the decentralized cooperation between citizens' initiative groups and local authorities in budgeting and financing projects which traditionally perform local authorities.

For many years scientists and experts of Belarus had attempted to introduce the fiscal decentralization in local financial management through the various approaches and tools such as expansion of more tax power for local government, transfer of more revenue assignment and expenditure ones to the municipalities and other. However every time they came across the existing rigid vertical of the centralized management penetrating from top to a bottom all levels of the power.

Nevertheless, in recent years it has succeeded to grope the beginning which can create the starting point for the fiscal decentralization. It is the mutual interest and interaction of the 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 grandees of the EU, at their direct budgeting by citizens has succeeded.

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

## **1. Methodology and research hypothesis**

The methodology of paper based on the study of fiscal decentralization, which creates a ground for participatory budgeting. Among them: Ch. Tiebout (1956); Bahl, R., and J. Martinez-Vazquez..(2006); Bahl, Roy. W.(1999); Bird, Richard., Robert D. Ebel, and Christine. I. Wallich..(1995).. Ebel, R. D.. (1999); Ebel, Robert. D., and Serdar. Yilmaz.. (2003); Gabor. Peteri. (ed.),. 2002., Kenneth.Davey. (ed.),.2002.; .Oates,Wallace.E..(1972), (1985), (2003); Sevic.Z..(ed.). (2008) and other.

Contributions to methodology research are also introduced by the concrete studies devoted to participatory budgeting. They are: Crook, R. - Manor, J. (2000); Davey, K. (2012); Elsenhans, H. - Kulke, R. - Roschmann, C. (2005); Krenjova, J. - Raudla, R. (2013); Manor, J. (1999); Rodgers, D. (2010); Sedmihradska, L (2011); Selee, A. D. - Tulchin, J. S. (2004); Sevic, Z. (2006); Wollmann, H. (1980); Walzer, (1991); Wampler, B. (2007); Willmore, L. (2005);The significant practical contribution to research methodology have introduced study projects of public budgeting in the countries of Central and Eastern Europe: "Capacity Building of NAPA for Open Local Governance (2017), supported by: SlovakAid, Slovak Ministry of Foreign Affairs' Programme and also experience of the Vishegrad group's countries on engagement of citizens to processes of budgeting and examples of using forms of participatory budgeting in Poland, Hungary, Slovakia and Czech Republic. They are helping to compare efficiency and a legal framework of public budgeting, promote the development of proposals on simplification of budgeting procedures, inspire us to think about successful prospects a introduce of the budget of participation in Belarus. Showing what tools and practices are effectively used in neighboring countries, we reason the suggesting for corresponding changes in the Belarusian legislation and their subsequent practical application.

And finally, the methodology of research is based on the projects' analysis funded by the EU for support of citizens' initiatives in development of local tasks in Belarus. The sector of welfare, social infrastructure improvement, green projects, fitness facilities they 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 in collaboration of NGO "Lev Sapieha foundation" and the European association of local democracy – ALDA were performed.

The research hypothesis is based on the provision that participatory budgeting is a key for the fiscal decentralization implementation. Participatory budgeting, being a starting point, creates a powerful impulse for formation of the decentralized cooperation between inhabitants of municipality and local authorities which in turn, creates a basis for realization of fiscal decentralization. To prove it, we need to show that in Belarus there are instruments for creation of the decentralized cooperation as participatory budgeting.

The following hypothesis which should be proved is the possibility to transfer of technologies and instruments of public budgeting received on the basis of re-granting funds on the local budgetary process. Therefore characterizing a hypothesis in general, it is possible to call it as checking of existence of an opportunity and ability of participatory budgeting's development in Belarus.

## **2. Survey of participatory budgeting experience of the Vishegrad group countries**

The participatory budgeting is the democratic process which gives opportunities to each citizen to take part in distribution of local fund or a part of local budget. This form of citizens' participation is not introduced into the legislation of Belarus, but experience of other countries can be borrowed by it for interaction and dialogue between

the local authorities and citizens. The participatory budgeting allows residents of the cities and villages to decide how to use local funds and a part of the local budget for local development purposes. Vishegrad group countries experience on engage of citizens in the budgeting process shows that participatory budgeting allowed harmonizing the relations between citizens and authorities in many aspects. So, the introduction of participatory budgeting in Belarus may be considered as a possible instrument for fiscal decentralization implementation.

Positive examples of participatory budgeting in Poland, Hungary, Slovakia, and the Czech Republic help to compare efficiency and a legal framework of citizens' addressing, inspire citizens to think about successful prospects of the participatory budgeting's implementation in Belarus.

Showing how such instruments and practices are effectively used in Poland, Slovakia, Czech Republic, and other Vyshegrad countries, we argue the proposals for changes in the Belarusian legislation for their subsequent practical application.

It is known that participatory budgeting began to be applied since 1989 in Brazil in the city of Porto Alegre and then was widespread at the American continent, especially in the USA (*Empowerment Case Studies, 2015*). For the last 15 years, it took roots in Europe (Lisbon, Berlin, Leipzig, Hamburg, Bonn, Seville, Cordoba, Rome, a number of the cities in England, France, in the Scandinavian countries, etc.). Now participatory budgeting is used in 1,500 cities around the world. There are also about 100 cities in Poland (Warsaw, Lodz, the city of Dabrowa Gornicza, etc.). In the countries of Vishegrad group, except for Prague and Warsaw, the participatory budgeting is also applied in Bratislava, Ružomberok, Banska Bystrica and many other cities (*Adam Jareš, Aneta Jarešova, 2018*).

From the 1990th the newly democratic states had a problem to start a power delegation's transfer into the local governments that not always have passed flexibly. In the post-soviet countries, the measures for the weakening of centralization in favor of decision-making procedures at the local level were taken. However, they did not bring desirable results in fiscal decentralization because of a rigid vertical of central power and lack of the decentralized cooperation between citizens groups and local government have existed. Therefore approaches to fiscal decentralization in the countries with a rigid vertical of the central authority may be based on a specified scheme below (see fig. 1).

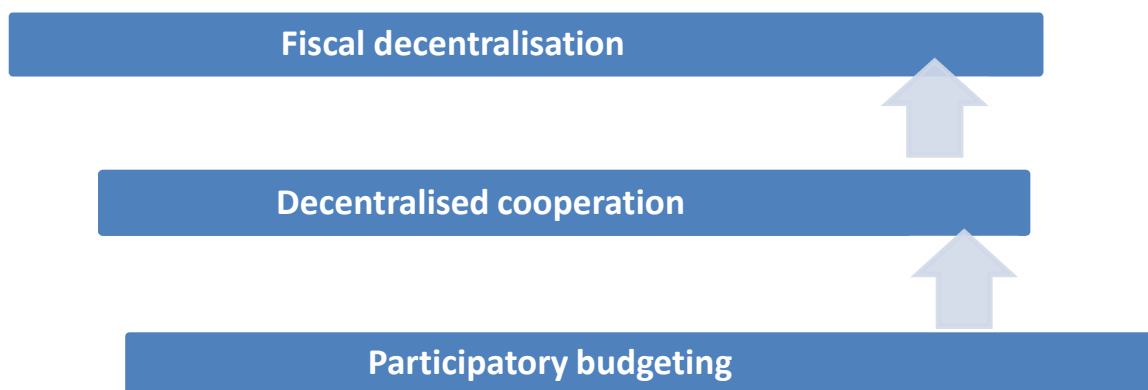


Fig. 1. Possible approach to development of fiscal decentralization in the countries with a rigid power vertical  
 Source: Compiled by the author

So, approach to implementation of fiscal decentralization through the decentralized cooperation and participatory budgeting should be obviously begun. Therefore it is necessary to give ample scope for various forms of public budgeting in Belarus.

### 2.1 Poland experience - Soletsky fund

The Soletsky Fund is a tool which allows gmina's Local Council of to allocate money from the gmina budget for the projects offered by locals. Thus, the Soletsky fund is a form of the participatory budgeting. However, the important difference consists that for it there is a legal basis, and it is difficult for officials to change the decision of inhabitants. Other words, rules of Soletsky fund were established by the National law and give the big power to people (*Dz.U. 2014 pos. 301*).

The right to submit applications for financing from Solecki fund extends to inhabitants of local council. Creation of Soletsky fund depends on the decision of local council members. However, to encourage local officials to carry out such form of citizens' engagement, a part of the money placed in Soletsky fund is compensated from the public budget. The Soletsky fund gives the chance to residents of the village (a soletstwo ("solectwo")) - the name of an auxiliary unit of a gmina) through a meeting of the village inhabitation to make decisions for use of fund without the participation of gmina politicians (gmina's local deputies). Thanks to it they can solve the local problems and learn responsibility for the local community (*Adam Jareš, Aneta Jarešova, 2018*)

## 2.2 Slovakia – participatory budgeting in municipalities

### *Advantages*

Budgeting on the basis of participation principle has several advantages which can be favorable to municipalities in Slovakia. First of all, it allows citizens to solve important municipal problems directly during the four-year period between local authorities elections. The essence of process also helps create more close relations between politicians and local community. It is very important as for acceptance by politicians of the justified decisions on the basis of desires and requirements of local community, and for acceptance by inhabitants of reasonable solutions (for example for whom to vote on the following elections).

### *Shortcomings*

However, the high-quality process of budgeting on the basis of the principle of participation is expensive. The process demands a lot of time and efforts on administration as the set of regular meetings with local community is necessary for consensus development. It can disappoint the most part of inhabitants, especially in case of the small size of the resources distributed within the budget on the basis of the participation principle. Budgeting on the basis of participation principle also demands the qualified moderator capable to perform discussion with locals, and, to do it impartially.

### *Financing*

Experiments with budgeting on the basis of participation principle in the Slovak municipalities began since 2011 and the first city which began to work by this technique became Banska Bystrica. One of the main problems of participatory budgeting in the Slovak municipalities is the percent of allocated resources for participatory budgeting. While a common practice in other countries is allocation of 1-10% of the municipal budget for participatory budgeting, only in Slovakia - the district to Nova Mesto of the city of Bratislava managed to approach to one of municipalities close to 1% in 2017 (only 40,000 euros in 2016 were allocated). The Bratislava capital allocates very few funds for the participatory budgeting.

However, the small size of the assigned sums is not the only shortcoming of public budgeting of the Slovak municipalities. Other essential principles of public budgeting are also often broken, and it can be connected with public discussion, promotion of projects, and periodic repetition of the beginning of reception of competitive projects from citizens.

Table 1.

Sizes of the participatory budgeting in Slovakia cities

Municipality	Assigned financing for participatory budgeting (2017), in Euro	Annual local budget (2017), in Euro	Share of participatory budgeting in annual local budget in 2017 (per cent)
Banska Bystrica	30 000	76 698 999	0,39
Bratislava	50 000	343 250 936	0,01
Bratislava - Nova Mesto	260 000	26 319 857	0,99
Trnava	50 000	40 468 925	0,12
Prievidza	40 000	33 592 345	0,12

Source: Adam Jareš, Jarešova, Artur Yudzitski..., *Handbook on Civil Participation in Public Affairs for Belarus, 2018, p.30*

### *Procedure example:*

The procedure looks as follows:

- At first, the municipality collects the project offers through "the Market of the Ideas" ("Idea Market").
- After that, the projects are estimated by experts and publicly discussed by the Local Council for the participatory budgeting (generally consisting of NGO representatives).
- Then selected projects are going through the 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 voices are not connected with a certain address or the IP address. In addition to these problematic aspects, several winner projects since 2016 are still not performed.

## 2.3 Participatory budgeting in the Czech Republic

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

### *Legislative bases*

Budgeting on the basis of participation principle of citizens finds support in local laws of government. In the Constitution of the Czech Republic in 1993, the local government was mentioned, but the local government laws were adopted in a package of laws in 2000: Law No. 128/2000 "About Municipalities" in the new edition, Law No. 129/2000 "About regions in the new edition, Law No. 131/2000 "About the capital city of Prague" in the new edition, and Law 250/2000 of July 7, 2000 "About the Budgetary Rules of Territorial Budgets".

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

Forms of process and the size of the allocated funds for public budgeting differ from the city to the city also as well as in Slovakia. Frequently it is the civil projects connected with improvement of public places and gardening but also charitable projects, such as education, holiday events or a neighboring meeting ((Adam Jareš, Aneta Jarešova, 2018).

### ***Sequences of the participatory budgeting process***

Usually the budgeting process on the basis of participation principle of citizens consists of the seven main steps:

1. The mayor's office allocates a certain sum of money. The municipality or the district of the city establishes basic rules on how inhabitants can be involved in the project.
2. The information campaign takes place.
3. Collecting proposals from citizens. The citizens prepare project offers in which they have to present their intentions, including the expected expenditures.
4. Expert assessment of citizens' proposals. An expert control with authorized bodies is provided which estimate whether the submitted offers correspond to the established rules or not. Experts can also decide that the project offer is accepted, but it demands completion. The authors are notified about results.
5. The presentation of proposals. Any proposal initiator has to have an opportunity to present his intentions at public meetings. For citizens it is the platform for discussion of the submitted proposals, and for representatives of municipality it is a possibility of receiving reasonable arguments for a rejection of some projects.
6. Voting for the choice of the projects are offered by citizens. Project authors need to receive time 2 or 3 weeks before elections so that they collect support at fellow citizens. All citizens have a right to vote (the age limit of 16 years is often applied). The choice has two formats - paper and electronic. Each voice is connected with identification data. The municipality chooses a form of election's mechanism.
7. Inclusion of projects in the local budget. The guide of municipality on a base of vote results receives a clear picture of citizens' preferences and number of the won proposals with which it is necessary to deal. Even if after the project was recognized by the winner, there can be situations that municipality will not support and will not perform it. If such situation occurs, then the reasons have to be explained to citizens (Adam Jareš, Aneta Jarešova, 2018).

## **3. Experience of participatory budgeting in Belarus**

Participatory budgeting in Belarus it is carried out since September, 2006 within cooperation of NGO "Lev Sapiiha foundation» and the European Association of Local Democracy – ALDA. In the last decade experience of participatory budgeting was carried out through projects of a re-granting, and they were successfully implemented through 7 projects: ACSOBE, REACT, TANDEM I, TANDEM II, TANDEM III, TANDEM IV with support of the EU and other European institutions and funds (*Organizatsia sotrudnichestva*, 2018).

Within each project, the complex of actions for the solution of problems of local government by broad participation of citizens, through the creation of the regional civic centers, informational, educational and volunteer activity and also by the support of 10-15 citizens' initiatives for mini projects' implementation of local development was provided.

All projects which are performed in collaboration with NGO "Lev Sapiiha foundation" and the European Association of Local Democracy (ALDA) attracted a keen interest not only from the organizations and civil society initiatives but also from local authorities. It was expressed by active participation of public associations, citizens' initiatives, and local authorities in all competitions of mini-projects held.

In the contest of competitive commissions for winner definition among the submitted design applications, the experts - representatives of ALDA and NGO "Lev Sapiiha foundation" and a number of the Belarusian and foreign partner organizations were entered as well. After careful studying of the arrived applications, the competitive commissions performed the selection of winners by several steps. The selection took place in each case on an impartial and competitive basis, at the same time competitive commission, was guided by the published requirements of competition conditions and the criteria system which were stipulated in advance.

At the selection process of the best project requests, members of the contest committees at the same time sought to provide the greatest possible variety of design activity directions taking into account opportunities of the applicants

from organization, regional specifics or settlement and also the interests of those groups of the population who the main recipients of its positive and socially significant results were.

After completion of mini-grants competitions and definition of winners with each of them, the individual work directed to a successful and effective implementation of the mini-project according to the provided terms and requirements of national and international character was performed.

It consisted in rendering from specialists of NGO "Lev Sapieha foundation" and ALDA group the consulting assistance and organizational support by drawing up contracts between each recipient organization of grantee and the sponsor and also by preparation of target distribution plans of foreign free aid and other documents for obligatory registration of a grant by Department on humanitarian activity of the Presidential Administration of the Republic of Belarus (*Organizatsia sotrudnichestva*, 2018). The project activity results are characterized by data of table 2.

Table 2  
Projects activity portfolio of the NGO "Lev Sapieha foundation"

Abbreviation of project	Full name of project	Applications received	Applications selected	Funds (Euro)	Duration
ACSOBE	Acting Social and Cultural Rights in Belarus	22	12	36000	September 2006- March 2008
REACT	Reinforcing Actions of Capacity Building for Civil Society	19	11	39000	April 2009- August 2010
TANDEM-I	Cooperation for Citizen Participation and Community Development in Belarus	82	10	60000	September 2011- April 2013
SPREAD-I	Sustainable Partnership for Reinforcement of Active Development in Belarus	15	10	9 000	November 2012- June 2014
TANDEM-II	Cooperation for Citizen Participation and Community Development in Belarus	54	16	120000	November 2013- April 2015
SPREAD-II	Sustainable Partnership for Reinforcement of Active Development in Belarus	44	19	54000	July 2014- June 2017
TANDEM-III	Cooperation for Citizen Participation and Community Development in Belarus	24	9	70000	April 2016 – June 2017
TANDEM-IV	Cooperation for Citizen Participation and Community Development in Belarus	160	11	85000	October 2017 – March 2019
Total	8 projects (funded by EU)	420	98	473000	September 2006 – present

Source: NGO "Lev Sapieha foundation" data.

As seen from the table above, the total amount of the involved foreign investments for financing, within the re-granting scheme consisting of 98 implemented mini-projects and aimed at the development of citizen participation in decision-making at the local level was 473 thousand Euro.

However, more remarkable are figures which illustrate initiatives and degree of activity of citizens wishing by themselves and together with local government bodies to solve own tasks at the local level. Totally within 8 projects, 420 applications that considerably exceeded possibilities of the sponsor on support of initiatives were submitted. At the same time, budgetary "appetites" of applicants exceeded the available amounts of financing in 3-4 times.

Visually this picture can be seen on the example of the TANDEM's program funding. To the present day, four projects had been implemented on which applications exceed 1.5 million euros already that is illustrated by data of the following table 3.

Table 3.  
Implementation of TANDEM's program funding

Indicators	TANDEM-I	TANDEM-II	TANDEM-III	TANDEM-IV

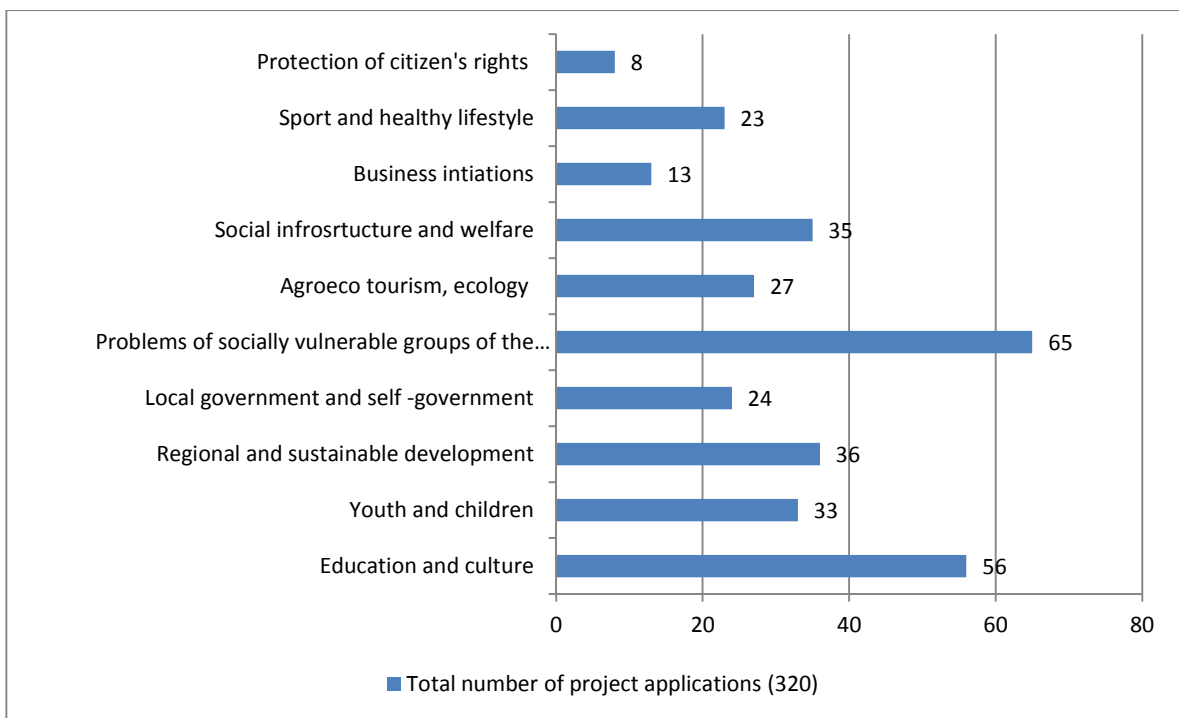
Class A “Partnership projects” (10 000 Euro)	Total project cost, EUR	250 555	247 988	100 877	1140000
	Funding requested, EUR	182 127	194 030	83 262	946000
	CO-funding	68428	53958	23615	194000
	Available funding, EUR	20 000	80 000	40 000	50000
	Number of applications/requests	33	21	8	97
	Number of projects	2	8	4	5
	<b>In average per project</b>	2074	2569	2952	2000
“Class B «Community initiatives» (5000 Euro)	Total project cost, EUR	317 332	225 438	96 560	390000
	Funding requested, EUR	264123	164 673	79 210	320000
	Co-funding	53 209	60 765	17 310	70000
	Available funding, EUR	40 000	40000	30 000	35000
	Number of applications/requests	49	33	16	63
	Number of projects	8	8	6	6
	<b>In average per project</b>	1085	1841	1082	1111
Total:	<b>Applications/ requests</b>	<b>82</b>	<b>54</b>	<b>24</b>	<b>160</b>
	<b>Projects</b>	<b>10</b>	<b>16</b>	<b>10</b>	<b>11</b>
	<b>Funding</b>	<b>567887</b>	<b>473 426</b>	<b>203 437</b>	<b>1530000</b>

Source: NGO “Lev Sapieha foundation” data.

Long-term cooperation of ALDA and NGO " Lev Sapieha foundation" allowed to performed a number of projects within the TANDEM program - "Cooperation for participation of citizens in development of local communities in the Republic of Belarus" operating since 2011. Since then the projects TANDEM-I (2011-2013), TANDEM-II (2013-2015), TANDEM-III of 2016-2017, TANDEM IV- (2017-2019) were successfully completed.

The main contents of the TANDEM's program are search, support, and realization of the local citizens' initiatives connected with the solution of local development issues in an interaction of citizens and local authorities.

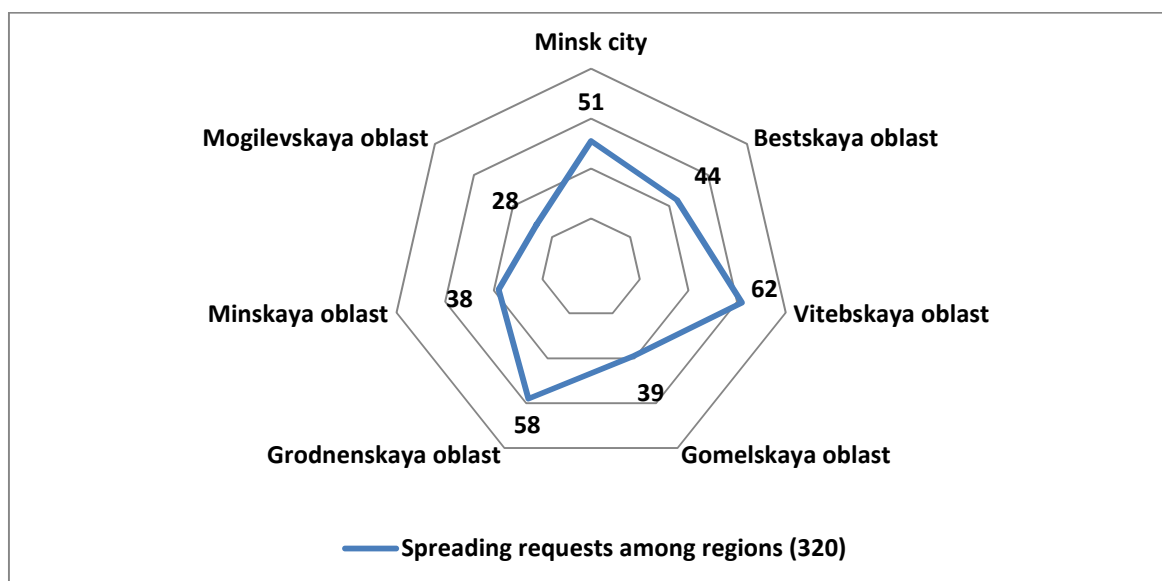
The TANDEM's program is focused on involvement in socially significant activity at local level the NGOs and initiative groups of citizens for the purpose of strengthening of citizens' influence on the solution of local development issues, adjustment of a confidential interaction with local authorities and also an effective exchange of the best practices between the partner organisations. The fact that for participation in the last TANDEM-IV 160 project applications requesting 8 mini-grants were submitted shows high public interest to this program. Among the offered initiatives various projects of ecological, social, educational, cultural and other character were presented. All thematic applications implemented by TANDEM's projects are distributed in figure 1.



Source: NGO "Lev Sapieha foundation" data.

Fig. 1. Thematic directions of project applications in frame of competitions in TANDEM I, TANDEM II, TANDEM III, TANDEM IV

The application's geography of for public budgeting by the TANDEM's projects is very various and covers practically all regions of Belarus.



Source: NGO "Lev Sapieha foundation" data.

Fig.2. Spreading requests for funding among the regions

As figure 1 shows, the leaders in providing applications for financing are: Vitebsk region - 62, the Grodno region - 58 and the capitals - the city of Minsk-51 act. Less active were Brestskaya, Minskaya, and Mogilevskaya oblasts, respectively 44; 38; 28 applications.

The competition for the winner in each competition on average made from three to five organizations and initiatives per grant. However, in some cases, the competition could reach 20 applicants per grant. Since 2006, the contest committees considered more than 450 project applications from which nearly 100 mini-projects got grant support for their implementation.



Among nearly 50 mini-projects implemented within the TANDEM's programs, 20 ones are considered as the most successful, from the position of experience reached in participatory budgeting.

The data provided here, can show the true potential of participatory budgeting by civic participation and public initiatives in the Belarusian society. Experience of NGO "Lev Sapiiha foundation" by means of support of design activity of public associations and initiative of groups on citizen's participation of in decision-making at the local level demonstrates that this sphere needs not only financial support, but also infrastructure structuring. So, there are great opportunities for many investors and sponsors working in welfare sphere projects, including the use of local authorities' internal resources through the participatory budgeting mechanisms.

#### **4. Assessment of participatory budgeting's possibility in frame of local budgets in Belarus.**

The developed ability of participatory budgeting within the re-granting projects in Belarus can testify to opportunities of transfer of its experience on the local budget process by citizens on the base of the participation principle. Among them, it should be noted the key success factors in the implementation of participatory budgeting in setting up local budgets.

1. Presence of the active citizen groups who will capable to take the lead of the projects implementation to be included in the local budget. Importance of this factor is that without it is impossible to announce participatory budgeting's implementation in local budgets and furthermore to take the responsibility in drawing up the budget control and monitoring of budget spending. Increasing of initiative groups and active citizens can promote an increase in that share of the budget which is allocated for participatory budgeting by citizens. An experience of participatory budgeting in other countries shows, even if the small initial sum of participatory budgeting exist, initiators of this measure can attract the corresponding interest both citizens and business (*Daniel Klimovsky, eds . 2017*).

However, it is necessary to note also certain obstacles in the development of civil activity in budgeting. First of all, it is civil society weakness and unwillingness to participate in public affairs. Experience of the Central and Eastern Europe countries demonstrates that this model means a high political activity of the population and the politicians ready to concede considerable powers in the adoption of public decisions. However, even under the weakness of civil society, involvement of citizens to consultations in the 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*).

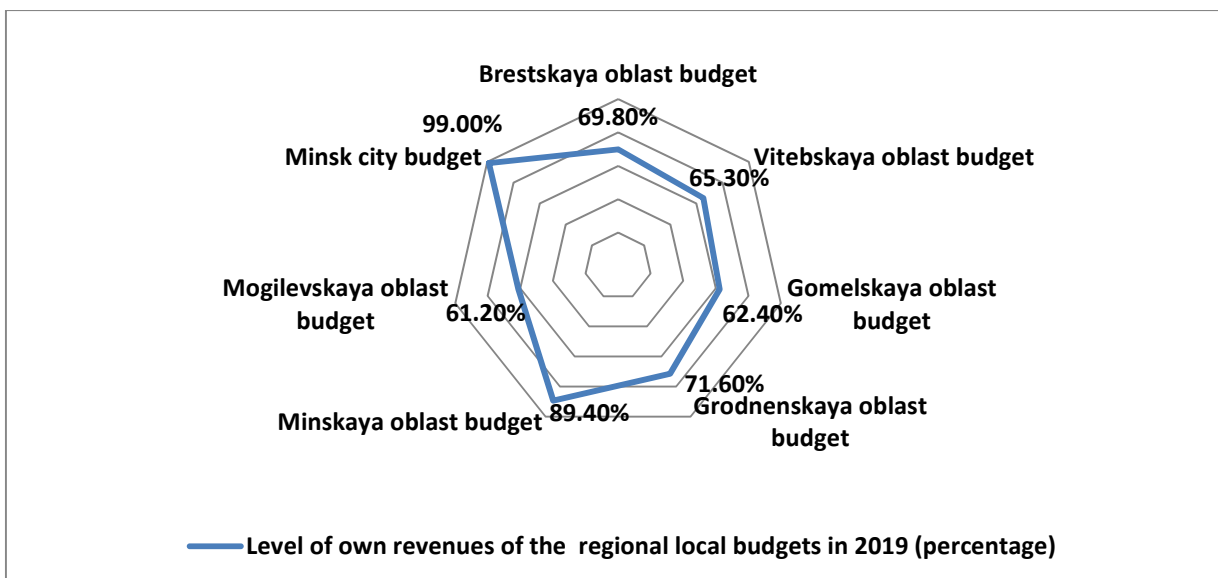
It is also necessary to bear in mind that citizens' participation in drawing up the local budget can be substituted by the quasi - forms of participatory budgeting. For example, the citizens' autonomy in drawing up the local budget can be substituted by the special public platforms created by the official authorities for collecting applications and requests of citizens which will promise to include these ones in expenditure assignments of the local budget. In this case, the independent principle of citizens in public budgeting is lost, at all.

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

This factor may be regarded in a great extent by the competence of the Ministry of Finance which acts as the regulator and the observer of local budgets for today in conditions when local budgeting with use of the participation principle is not stated in the Budgetary Code of the Republic of Belarus yet. Therefore to consider recommendations about the size and shares of the budget of participation in the general local budget it is represented to this regulator.

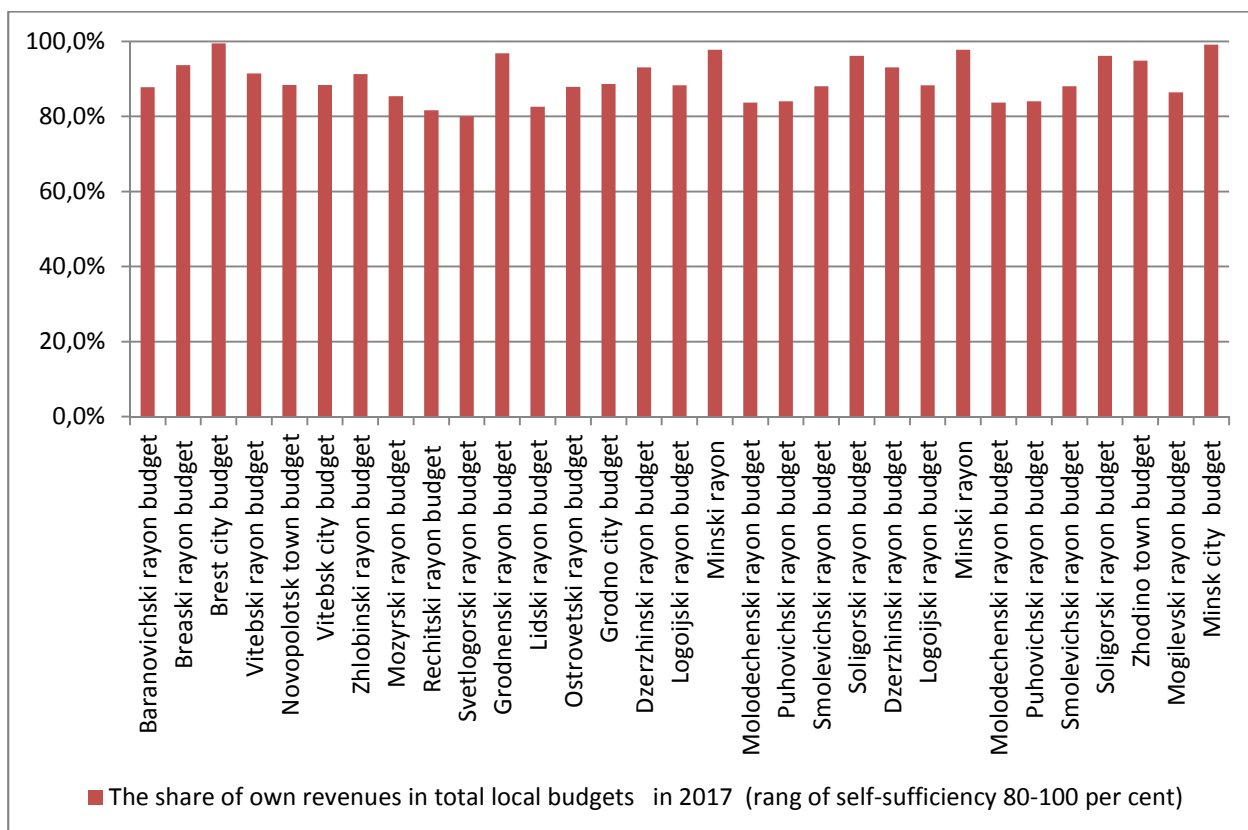
In approach of the choice of local budgets for participatory budgeting projects, the main recommendations of the Ministry of Finance come down to involvement in pilot drafts of those local budgets which have the maximum self-reliance of own revenues. Other words it is local budgets with the maximum share of own revenues in the total local budget revenues and the minimum share of the central government transfers allocated from the central budget. Explanations come down here due to the fact that an increase of a share of transfers from the central budget potentially drops out possibilities of implementation of the projects chosen by citizens and initiative groups for financing. It must be kept in mind that the allocation of transfers for equalization of fiscal capacity has strictly special-purpose character and cannot decrease because of the increasing initiatives of citizens. Thus, at the increasing dependence from the central budget transfers, the effect from participatory budgeting will be decreased.

Possibilities of local budgeting with the using of the participatory budgeting principle can be estimated by means of the carried-out analysis of the degree of self-sufficiency of regional budgets that is characterized by the following figure 2.



Source: Data of Ministry of Finance of the Republic of Belarus compiled by the author  
 Fig. 1. Level of own revenues in regional local budgets at the beginning of 2019

As seen in from figure 1, the range of self-sufficiency of own revenues of regional local budgets is from 61.2% to 99.0%. On average, it makes 71.6% in Belarus. At the same time, the data provided cannot make concrete recommendations, concerning the best choice of the budget for pilot public budgeting. Further researches showed that into regions there are self-sufficient rayon local budgets with a higher share of own revenues (own taxes and non-tax payments) and which can create more preferences for participation in an experiment of participatory budgeting. It is illustrated in figure2.



Source: Data of Ministry of Finance of the Republic of Belarus compiled by the author

Fig. 2. The range of own budget revenues of rayons and cities in total local budget revenues (rang of self-sufficiency from 80% to 100%).

As we see, fig. 2 shows 24 highly provided municipalities with a high range of own revenues in total local budgets from 80% up to 99.4%. It is estimated quite sufficiently for carrying out participatory budgeting with using of the participation principle. However, even at high the level of self-reliance of local budgets and active citizens groups' presence, the fate of public budgeting projects will be to depend on the political will of the central authorities and desire of local government authority to include them into the local budgetary process.

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

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

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

At implementation of participatory budgeting in Belarus the threats can be the following :

- resistance of officials ("incompleteness" of the measures put in Laws, Decrees of the President, Resolutions of Council of Ministers, bureaucratic procedures;

discredit of the participatory budgeting's idea among citizens through the distortion of its purposes and tasks;

- mistakes and miscalculations did at a stage of adoption of participatory budgeting projects;
- conflicts of interests both across (between public bodies), and down (between public administration and local governments) in the decentralized cooperation course and financing of the participatory budgeting;
- fear of changes and, as a result, lack of support of participatory budgeting by civil society;
- staff deficiency for innovations of participatory budgeting.

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

## **Conclusion and policy recommendation**

1. Participatory budgeting acts as one of the innovations in local financial management of the Central and Eastern European countries today. This innovation did not avoid also Belarus which in the simplest forms began to realize participatory budgeting and to delegate it to more difficult models for creation of local budgets.

For many years scientists and experts of Belarus had attempted to introduce the fiscal decentralization in local financial management through the various approaches and tools. However, every time they came across the existing rigid vertical of the centralized management penetrating from tops to a bottom all levels of the power. Nevertheless, in recent years it has succeeded to grope the beginning which can create the starting point for the fiscal decentralization. It is the mutual interest and interaction of the local groups of citizens representing civil society and local authorities by means of participatory budgeting. Through this alliance, the funding of the project performed by many citizens' initiatives by means of allocated grandees of the EU, at their direct budgeting by citizens has succeeded.

2. Experience of Vishegrad group countries showed that they use the most various forms and methods of participatory budgeting. Among them: a) budgeting of projects through separate national funds ("Soletski" Fund in Poland); b) budgeting of projects by method of re-granting financing from the EU funds; c) budgeting of the local budget on a base of citizen participation.

3. In Belarus participatory budgeting projects initiated by locals gained development of by means of re-granting funding from the EU funds. It allowed accumulating experience and skills in local budgeting and in public finance among active groups of citizens to be implicated in the local budgetary process and local financial management. In other words, re-granting funding way was the model of participatory budgeting the details of which can be extended for further advance of public participation in drawing up the official local budget. In other words, the way of re-granting funding was the model of participatory budgeting the details of which can be used for further advance of public participation in drawing up the official local budget. At the same time, this method of budgeting has created an "embryo" of the decentralized cooperation of local authorities and local citizens.

A hypothesis checking of a possibility of implementation of public budgeting in drawing up and use of local budgets and local financial management in Belarus revealed the following key success factors: a) presence of active citizen groups who capable to undertake the project implementation which will be included in local budget expenditures; b)

abilities of local budgets to execute a mission of participatory budgeting; c) political will and desire of the central authorities and local ones to enter participatory budgeting into the local budgetary process. The last key factor is representing the most difficult for Belarus as it is accompanied by an absolute understanding of financial decentralization needs and belief in its result. Besides, it is a factor conceals in itself a number of hidden threats, such as:

resistance of officials; discredit of the participatory budgeting's idea among citizens through the distortion of its purposes and tasks; mistakes and miscalculations at a stage of adoption of participatory budgeting projects were made; conflicts of interests both across (between public bodies), and down (between public administration and local governments) in course of the decentralized cooperation and drawing up of participatory budgeting ; fear of changes and as a result, lack of participatory budgeting support by civil society; staff deficiency for innovations of participatory budgeting.

Assessment of local budgets' capacities to carry out a mission of participatory budgeting has shown that in Belarus there are 24 highly provided municipalities with a high range of own revenues in local budgets from 80.0% to 99.1%. It is estimated quite sufficiently for pilot projects implementation of participatory budgeting in frame of local budgets.

Nevertheless, citizens' participation in drawing up the budget is extremely important for providing, the fact that decision-making in public finances is carried out by democratic, transparent and responsible way. From these positions, the value of our results would be the fact that public policy has to focus on an opportunity and ability of citizens to influence on drawing up the budget. And public budgeting has to become such an example. Permission of authorities and organization of participatory budgeting in Belarus could be the first step in strengthening of the decentralized cooperation between local authorities and citizens which they can play in drawing up of the local budget and in development of fiscal decentralization. At this level which is the closest to citizens, it is possible to see how the solution of local problems is performed through their influence on the local budgetary process.

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