

PUBLIC MANAGEMENT: COMPARATIVE ANALYSIS OF THE APPLICATION OF PARTICIPATIVE BUDGET CONCEPT IN THE COUNTRIES OF FORMER YUGOSLAVIA

Ernad Kahrović¹, Veljko Dmitrović*², Zenaida Šabotić¹

^{1,3}State university of Novi Pazar

²University of Belgrade, Faculty of Organizational Sciences, Serbia

*Corresponding author, e-mail: dmitrovicv@fon.bg.ac.rs

Abstract: *Participatory budgeting (PB) is a process that enables citizens to participate in decision-making related to local governments, i.e. improving the quality of life on a micro level. This paper takes an example of the former republics of the Socialist Federal Republic of Yugoslavia, which do not have such a developed system of PB, but the process has certainly begun, with the likely tendency of expansion and development. The aim of this paper is to provide a comparative analysis of the use and role of PB in Serbia, Croatia, Macedonia, Bosnia and Herzegovina, Slovenia and Montenegro.*

Keywords: *participatory budgeting, public investment decision, former republics of the SFRY, citizens' decisions*

1. INTRODUCTION

Participatory Budgeting (PB) is a relatively new concept in the countries of the former Yugoslavia, although it has been applied worldwide since 1989, when it was first used in Porto Alegre, a city that has faced serious financial problems. There is no single definition of participatory budgeting, because the scope of the concept differs depending on the city in which it is applied. Nevertheless, what is common in all attempts to define this concept is that *it is the process by which the local population is involved in the decision-making process on the distribution of all or part of the available public sources*. The fact that this type of budgeting was implemented in Porto Alegre (Brazil), at a time of democratic challenges and following a change in the political regime with the support of the working class and the poorer segments of society, when local governments faced a major budget deficit, infrastructure problems, insufficient financial resources and managed to change the image in a relatively short period of time, indicates the effectiveness of this mechanism. The basic principles underlying this mechanism are the strengthening of democracy, social equity and civic control.

Although the definition of PB emphasizes the participation of unelected citizens in the creation and distribution of public finances, important additional criteria are related to: discussion of the financial (budget) dimension, participation of municipal bodies, repetition of the process, the existence of some form of public debate and responsibility for the achieved result (Joan Font et al., 2014).

PB is a way of investing public money according to citizens' decision, ie, public. In any case, this is a limited amount of money that is different from the budget to the budgets of individual municipalities. It represents support to the civil sector, which is also a challenge for citizens to be involved in the decision-making process for the allocation of a certain part of the budget funds. PB is the process of the most direct possible involvement of citizens in decision-making, and can be called the most democratic way of decision-making. In a word, citizens are asked what they want to finance their (public) funds. Suggestions are submitted to local administrations.

2. CONCEPTUAL DEFINITION OF PARTICIPATORY BUDGETING

It is an innovative way of involving all members of a community, and connecting them with common goals and interests, regardless of party or any other affiliation. In this lies the secret of the success of this method of distributing budgets, because individual interests are subordinate to the common good. Participatory budgeting contains the basic settings of a democratic process that is truly applied in practice, and not only serves as a dead letter on paper. Thanks to the success and results achieved in Brazil, PB is rapidly expanding in Latin America (Argentina, Chile, Uruguay, Peru, Colombia), in many African countries as well as in neighbouring countries (Albania). OECD member countries adhere to so-called The principle of information, consultation and active participation of citizens in order to create an open and inclusive public administration since 2001, with an annual evaluation of the fulfillment of these principles. Nowadays, it is used in some form in over 2,500 municipalities around the world.

The main advantages of PB can be synthesised by giving priority to the needs and goals of the most vulnerable and impoverished members of the community, strengthening social cohesion, improving the services provided, increasing the transparency and accountability of local authorities, strengthening the credibility of local authorities. Transparency of the whole process is something that makes PB attractive to all actors, and especially to citizens. The amount of the public budget itself allocated in PB varies from city (municipality) to city. Usually, these are small amounts of the city's annual budget, where citizens discuss the proposed investment projects, and make a decision on the use of available funds, but they are not legally defined costs.

Nevertheless, PB in itself carries certain risks, and practice and literature identify several limitations (Wampler, 2007), which still depend on the form of PB:

- Focus on public works / projects, which require additional learning and engagement of citizens on rights, fiscal responsibility of the government or wider social policies. The way to overcome this constraint is fairly clear - the local community should evaluate the time and invested energy of the participants through the implementation of particular projects specific to the particular current problems of the local population;
- The process depends to a large extent on local government (organisation, availability of information, implementation) and therefore requires the will and support of the mayor who appears as the main actor in the whole process. So far, there have been poor experiences with the boycott of "hostile" citizens and selective "listening";
- Citizens mainly focus on short-term plans and projects that fulfill social goals, but often it is done to the detriment of economic feasibility of projects. It is necessary, during the process of PB, to develop an understanding of the complexity of the proposed allocation decisions;
- Similarly, the focus is on local problems, ignoring the general economic and social situation in the country, because although participants dedicate their ideas to ensuring changes in local public policies, the main problems faced by communities are often related to unemployment, violence or lack of educational opportunities;
- There is a risk of abuse of the entire process, such as the use of PB to achieve its own political goals, with the concealment of information on the size and structure of the budget, the weakening of the implementation function and monitoring of the entire process.

3. PARTICIPATORY BUDGETING PROCESS

The process of PB involves the active participation of citizens in the creation and implementation of all stages of the budget cycle, starting from identifying the crucial local issues for which projects will be drawn up, through the preparation of feasibility studies and submission of proposals to local authorities, analysis, discussion and selection of a project whose implementation will be approached in the upcoming period, to monitoring and evaluating the execution of public works. Part of these activities can be all members of the community, who want to participate in the decision-making about the allocation of budget funds. In this way, local authorities and the population cease to be two separate segments of the community, and unite their efforts to contribute to the prosperity of their municipality. Local government representatives have got (or should have got) skills and knowledge that citizens may lack, while the citizens themselves, for their part, know best to identify the problems they face on a daily basis.

PB is a process consisting of several repetitive phases. As already pointed out, the participants are the local self-government and the Mayor, and citizens (with special emphasis placed on the incorporation of the most vulnerable categories of population), civil society organisations, the business community. All of them participate voluntarily, which means that the first precondition for the application of PB is the existence of the will of the mentioned participants, primarily local self-governments.

PB is a model by which citizens are given an opportunity to propose the purpose of investing public money, which is later included in the budget. The amount of funds available for this kind of decision-making and the management of funds depends on the municipality to the municipality. Concerning the legal framework, participatory budgeting or citizens' rights are supported by several laws at the international and national levels: the Law on the Budget, the Law on Financing Local Self-Government, the Law on Free Access to Information, the Budget Law, the Law on Local Self-Government, the Law on Local Self-Government the ratification of the Convention on the availability of information, the European Charter of Local Self-Government, public participation in decision-making and the right to legal protection in environmental matters (the Aarhus Convention), it is also possible to refer to the statutes of cities and municipalities. (<https://www.cdtmn.org/wp-content/uploads/2017/02/brosura-za-participative-bud%C5%BEetiranje-2-ver.pdf>)

In practical terms, the PB process differs from the local community to the local community. In the global process, it begins with an assessment of the situation, and determining the amount of available resources,

and prioritizing after identification of needs. An important role is the process of improving the mechanisms for collecting proposals, opinions and feedback. It is necessary to ensure the smooth running of all stages of the process. Then follows the analysis of the proposal, and the democratic gradation of the proposal. The final step is the realization of selected proposals.

Good democratic practice in a regulated society can facilitate the governance process, and also increase the level of citizen satisfaction. Citizens, when voting in elections, entrust their trust to representatives, but through participatory budgeting and they alone or individually can influence the improvement of the development of local communities. The model of participatory budgeting allows citizens to express their ideas and to vote for the proposals they support. In this process, several principles should be respected: responsibility, participation, transparency, tolerance, fairness, competitiveness, efficiency and effectiveness, respect for the agreements reached, equality and predictability. Also, the participatory budgeting phases should include information, consultation, inclusion, cooperation and empowerment.

PB is not a complex process, but it differs from municipality to municipality depending on the projects that enable this system and the policy of local governments. As noted above, the process came to life at the end of the last century, and more recently, the initiators of this way of allocating local financial resources are represented by non-governmental organizations, and they also contribute to the spread of this kind of decision-making.

In order to implement this procedure, it is necessary to reach an agreement with the local self-governments, whereby political organizations / parties can contribute to the process of participatory budgeting being implemented. In this process, political parties can gain on their popularization because of a democratic idea, if citizens consider that such a form of management is adequate. Mostly this process is carried out through numerous international projects.

After the local government decision has been taken that part of the budget will be entrusted to the citizens for decision-making, the process begins. Regarding the amount of money in the absolute amount or the percentage of the budget that is entrusted to the citizens for decision making, it depends on the municipality to the municipality, and also from the project to the project, i.e. source of funding.

The first premise is the available resources. After that, citizens give project proposals that can be like building or restoring children's playgrounds, sports fields, increasing the quality of life of children, or the third generation, building bicycle paths, improving lighting, paving the streets etc. It is necessary that every proposed plan should be in its package contains a sufficiently elaborated business plan, which clearly shows the effects, the value of the investment, and the projected design period.

Proposed within the agreed time, projects are considered and publicly announced according to the procedures and decisions of local governments. Project proposals can be available on local government websites, can be printed and distributed in the form of leaflets, or inserted into the most popular local newspapers. It is also possible to promote through local radio and television stations. Basically, the point is to inform as many percent of the population as possible. The interested parties are definitely responding because the process is neither demanding nor complicated. Again, depending on the local self-government, a number of days are proposed projects for insights, and after the expiration of the given period, voting is allowed.

In principle, all interested citizens can vote. In some settings, this is an adult's life, while some high school students are involved in the process of participatory budgeting somewhere. Voting can be done publicly or secretly, and the voting period may last fifteen business days, again in line with local decisions. After the voting is conducted, the most sustainable projects are selected, up to a certain amount of budgetary funds. If projects require a smaller amount of funds, more projects can be implemented during a budget year.

The process in practice takes several months. Usually begins at the end of the calendar year, when a budget is proposed and approved, and then a clear amount is dedicated to participatory budgeting. After that, project proposals and proposals are accepted, included in the selection, and publicly disclosed. Then follows the voting of the population, which is a key step in democratic decision-making on the use of public funds. Lastly, the holders of selected projects receive funds through which proposals are put into operation within the agreed time.

The PB process could be presented in the following phases:

1. Determination of the amount of funds that will be incorporated into the budget of the local community;
2. Public call for submission of project proposals;
3. Matching with projects that contain a business plan;

4. Adoption of projects, and their promotion to the citizens through various information agendas - the period for the adoption of a pardon;
 5. Citizens' voting, and selection of the most attractive projects, according to the number of votes.
 6. Assigning budget funds and putting them into practice.
- These phases must be respected, the process must inevitably be carried out in a transparent atmosphere. After that, projects selected by the citizens within a reasonable time have been put into operation.

4. MODELS OF PARTICIPATORY BUDGETING

Sintomer, Herzberg and Röcke (2008) distinguish six basic models of participatory budgeting, based on a set of criteria:

1. "Porto Alegre adapted for Europe"
2. "Participation of organized interests"
3. "Community funds at the local and city level"
4. "The public/private negotiating table"
5. "Proximity participation"
6. "Consultations on public finance".

4.1. "Porto Alegre adapted for Europe" and "Participation of organized interests"

In some European experiments where the influence of the anti-globalization movement has been particular importance, the Porto Alegre model directly influenced the setting up of a completely new procedure. For example, in the Cordoba, the participatory budget (introduced in 2001) can be considered as an ideal example of "Porto Alegre adapted for Europe". However, in other cities, the influence of the Brazilian case was more indirect in character, as is the case where participation is not directed at individuals. In the second ideal case, secondary organizations, NGOs, trade unions and other organizational groups are the main actors. This model is based on neo-corporate logic, and is called "Participation of organized interests". Very often, it develops in places where the previous tradition of participation is based on contributions from associations by stakeholders to define the policies of certain sectors. Although there have not been direct examples of models of organized interests in Europe, some experiments are moving in that direction. The budget for the participation in Albacete can be considered as a hybrid of Porto Alegre and a model of "organized interests" (Sintomer et al, 2008).

The content of discussion represents the second difference between the two types. In the "Porto Alegre Adapted for Europe" model, discussions primarily refer to specific investments and projects, while the discussion of broader policy orientations is at the heart of the process of "Participating interests" (ie, general orientation of population, education, environment or local policies related to for traffic). The subsequent difference is in the way people's proposals are treated. In the "Porto Alegre adapted for Europe" model, there is a high pressure for the implementation of proposals that arise during the process of budgeting participation, because the local self-government has to comply with the undertaken obligations to accept them. Although the municipal council is technically still responsible for the final decision on the budget, citizens are those that can be deemed to have a de facto possibility of (joint) decision-making. As in the Brazilian case, this model contains the formula for the redistribution of investments. However, the criteria are not necessarily the same as in the Brazilian context. Other factors can be used, such as the number of beneficiaries of social benefits in the district, participation in meetings or the degree to which citizens themselves implement the proposed projects. In the "Participation of Organized Interests" model, the rules can be more informal than in the Porto Alegre model, and this can lead only to a consultative process.

One advantage of both models is the potential for making quality decisions. Participants not only discuss topics in a larger space, but can do the same in smaller forums, committees or councils of representatives. In these circumstances, a fundamental discussion, which allows the development of detailed proposals for problem solving and clarification of important topics, becomes possible. This may even mean that students develop expert reports on equipment in schools or better integration of minorities. One challenge for both models, however, consists of merging procedures with extensive modernization of the entire administration. Another challenge is to address potential conflicts between individuals' participation and the participation of organized interests. In some experiments that are closer to the Porto Alegre model, this proved to be problematic, for example, when associations were already being set up afraid of adversity regarding their promotion.

4.2. "Community funds at the local and city level" and "The public/private negotiating table"

The models of "community funds" and "public/private negotiating table" have only played a marginal role in European participatory budgeting so far. Regardless, they represent a potentially strong basis for the future

development of participatory budgeting, most notably in the UK and Eastern Europe. In both cases, there is a fund for investments or projects for society, the environment or culture. Such a fund existed, for example, in the British city of Bredford and the Polish city of Płock. Another specificity of these models is that they are relatively independent of the municipal budget, since the money in question does not come, or comes only partially, from the local self-government. Accordingly, the municipal council has no last word on the acceptance of the proposal. It is already a committee, a commission or assembly of representatives that sets priorities. Organized groups, such as local associations or communities, and NGOs are in the center of both processes, but the work is excluded from one of them and is central to others. The possibility of a meeting can be considered fair, as several meetings with a sustainable group of participants take place.

In the case of a "public/private negotiating table," private firms and perhaps international organizations are collecting some money. Oil company ORLEN S.A. for example contributes 50% of Płock funds with a total of 300,000 euros, in addition to the municipality and the UN development program. This financial involvement allows the private sector to influence the design of the procedure, so that citizens who do not give money but apply for it play only a secondary role. This model can be developed when international actors try to involve civic groups or NGOs in public / private partnerships. The UN program Habitat officially adopted a participatory budgeting (Sintomer et al., 2013b), but shortly thereafter, it largely moved away from the Porto Alegre model while defining this instrument "an innovative mechanism that tends to promote the involvement of local self-governments, the private sector and civil society in process of remediation of municipal finances". The impact on Rio Grande do Sul's capital is therefore indirect.

On the contrary, the combination of a strong participative tradition with the ideas of Porto Alegre has led to the extension of the local model funded by the community to the city level. In this model, the participants decide on the rules of the joint fund independently, while the business is exempted. Funding is provided through specific policy programs, for example, for urban renewal. In this model, the promotion of socially vulnerable groups is a key feature. In 2004, for example, the fund for participatory budgeting of the British city of Bredford of more than EUR 875 000 was reserved exclusively for groups from vulnerable zones. Moreover, participants of "joint funds" ideal type realize the projects themselves. While this is also possible for a public / private negotiating table, it is not a necessary condition.

These two models have advantages and disadvantages. The connection of a local political structure, for example, is weak or non-existent, even when the municipal council retains some influence as it collects a portion of the money. At the public / private negotiating table, the influence of private investors depends on the size of their contribution, but radical reorientation towards greater social justice is unlikely. Similarly, the "common fund" model presents new opportunities for participatory budgeting. National and European programs for the promotion of cities and infrastructures can, for example, be connected at the local level with the budget of participation and promote vulnerable settlements or groups of residents. Both models have the same advantage that they enable a diverse citizen participation, as participants also implement projects.

4.3. "Proximity participation" and "Consultation on public finances"

While examples of the model of participation in proximity are mostly found in France, the model "Consultation on public finances" is a feature of the budget for participation in Germany. Both have in common that involve only consultative processes. This means that the results of the discussion were summarized by the local self-government, not by the citizens of the participants. Unlike the models that have been presented so far, participants do not vote here or develop project priorities. This is more about the process of "selective listening", that is, the local self-government can freely (and at its sole discretion) integrate some of the proposals in its public policies after the process of participation (Sintomer, 2012). What's more, civil society has only a slight influence on the design of the procedure. It has to be underlined that these models are not looking for any specific goals, and that there are no distribution criteria in this process. Another common feature is that associations can barely play any role within the procedure. Participation takes place through open-source councils where citizens are called upon to publish in media, letter or direct contact. In Germany and in some French experiments, participants were (additionally) mobilized on the basis of a random selection from the register of the right holder to vote. These persons receive a personal invitation from the Mayor to attend a civic forum. This method, among others, was applied to Emsdetten of Hilden, Vlotho and the Berlin districts (Sintomer et al., 2010).

The two procedures differ in their roots. The proximity model usually relies on pre-participant instruments, such as funds or district councils, which tend to link together with a preparatory budget together to a single instrument. This development takes place after the ideological impact of Porto Alegre, but the real resemblance to Treptow-Köpenick remains very limited. The model of "Public Finances Consultation" can keep some influence from Porto Alegre, but de facto is more similar to the trends in the participation of New Public Management strategies. In Germany, it was imported from the New Zealand City of Christchurch and the Brazilian experiment had an impact only later, which led to the emergence of mixed models. The

"proximity" model generally involves districts and refers to investments at that level. At the city level as a whole, this model no longer deals with investments, but with general political goals ("a nice city") (Sintomer et al., 2013a).

In general, the term "proximity" has two meanings. On the one hand, it refers to geographical proximity, in the sense of, for example, the organization of several meetings with quarters and not just one meeting in the city council; on the other hand, the term refers to close contact between municipal management or between administration and citizens. According to this model, Mayor Bobigny organizes open gatherings twice a year in order to respond to citizens' concerns. The model of "Public Finances Consulting" first deals with the establishment of transparency of the financial situation of the city. Information on the general budget is disclosed through brochures, the Internet, and press releases. There are two versions of the model. In a more widespread variant, public services and municipal accountability zones are presented, for example, in the form of revenue and expenditure for libraries, swimming pools and preschools and street cleaning, wastewater treatment and waste disposal, etc. Citizens can submit their proposals in an open session or in a specific forum. The second option aims to balance the budget deficit. In the city of North Rhine-Westphalia, Emsdetten, for example, the budgeting process for 2002. It is based on five options for a balanced budget: reducing personnel costs and operating costs, reducing voluntary liabilities and accountability, withdrawing from the reserve or increasing taxes and fees. Through the survey, each participant was asked to develop his or her proposal, which is based on the combination mentioned.

At the end of the event, the general recommendation of the civil forum was calculated on the basis of individual opinions. Generally speaking, the modeling aspect of the model is poor, because in most cases there is very little time for more intense discussion. Through the model of "Participation by neighborhood," contrary to the nature of considerations, can be herbs, as citizens sometimes work in small groups that meet more often over a longer period of time. The model of "Public Finance Consulting" is interesting in the sense that it is part of the general modernization of local bureaucracy, even if the promotion, limited to one or two sessions a year, can hardly produce tremendous effects. Moreover, civic participation is only a "supplement" of this modernization process, without a direct link with social problems and for the renewal of politics. The Model of "Proximity Participation" can trigger a discussion between citizens and administrations / council members, but it can hardly produce the effects of modernization at the city level. In both models, accountability is low on the implementation of the proposal and the autonomy of civil society is weak.

5. RESEARCH RESULTS

5.1. Serbia

The Municipality of Ruma recognized the importance of participatory budgeting and for the second year in a row enabled all interested citizens to get involved in budget planning for 2017. The Project Implementation Team "Participatory Budgeting" of the Municipality of Ruma carried out research among the citizens within the project activities and defined the List of Project Proposals, ie candidates to become part of the annual budget for 2017.

On June 30, 2016, Ruma adopted a Decision on including citizens in the budget decision-making process and preparing a budget guide through the budget. This Decision defines that the involvement of citizens in the budget process is carried out through the following activities of the municipal administration services: 1. Regularly informing the public about all steps in preparing the budget, such as: announcing citizen surveys, providing information to the media, setting information on the official website of the municipality (and on social networks); 2. prepares questionnaires and organizes citizens' surveys on budget priorities at the moment when the budget process starts; 3. the organization of the Local Budget Forum where the results of the survey and the Draft Budget Decisions are presented and conducts a public debate on the topic of budget revenues and local economic development and other topics of the overall development of the municipality; 4. Conclusions from the Local Budget Forum, as well as the results of the questionnaire / survey analysis, are an integral part of the explanation of the draft / proposal of the Decision on the municipal budget.

5.2. Croatia

An analysis conducted in Croatia shows that participatory budgeting (PB) of Croatian local units is not well developed. Several cities have had experience with involving citizens in the preparation of the local budget, but in most cases it is a process of "shallow consultation" without the real commitment of citizens to the decision-making process for specific financial amounts. Therefore, the types of engagement vary from a simple call for proposals to transfer the decision-making process by directing the priorities of sub-municipal projects.

Since most of the civic participation initiatives in the preparation of the local budget in Croatia have not been developed and are still elaborated, it is difficult to talk about PB and it is even more difficult to talk about specific PB models in local units of Croatia. The predominant part of the analyzed local units is primarily oriented towards making the local budget transparent and understandable to citizens, and thus only includes information in the form of one-way communication between administration and citizens. However, some of them have implemented non-binding consultation practices (in most cases e-consultation) that can be considered as one type of PB model, which Sintomer et al. (2008, 172 - 173) called "Public Finances Consultation". Half of the cities organized public sessions and discussions on local needs and necessary projects at the sub-municipal level and in cooperation with local government, which is a feature of "Participation by neighborhood". However, the model implemented in Pazin is the most developed. Since it involves the direct participation of individual citizens who decide on concrete investments and projects with a larger share of acceptance of proposals, this model is closest to the original PB model, or "Porto Alegre adapted for Europe" (Sintomer et al., 2008, 170). As the most developed local unit in PB practice in Croatia, the city of Pazin, or its PB model, is presented in Table 1. Other forms of citizen involvement in the local budget should not (still) be characterized as a developed PB practice.

5.3. Macedonia

Participatory budgeting in Macedonia is in its initial implementation phase. As a model recognised as successful by cities / municipalities around the world, representatives of some local authorities in Macedonia have decided to give a chance to this type of budget allocation, and to decide, together with citizens, about priority investment projects for the coming period of time. The PB project in Macedonia, supported by the USAID Civic Engagement Project through the East West Management Institute, is in progress (May 2017-2020). The overall objective of the project is to improve the practice and participation of local actors in the local budgeting process, as well as to increase the efficiency of spending municipal money. The specific objectives defined within the project include:

- Increasing the participation of local actors - civil society, business community, citizens, local media, in the local budgeting process;
- Increasing the awareness of the local population about how the endeavor of the local budget affects the quality of their lives;
- Increasing the credibility and efficiency of local government decisions related to the spending of public money and raising awareness of the necessary transparency in this respect.

The realisation of the project is organised so that six members of the FISCAST network (this is an acronym of FISCal Accountability, Sustainability and Transparency) plus Financial Think (independent non-profit institute for economic research founded in 2012) represent the core of the entire network. The selection of members was carried out carefully, bearing in mind their previous experience with certain municipalities, as well as the level of successful cooperation with Financial Think in the previous period.

The municipalities covered by this project are:

Kvantum Prima - Kavadarci, includes: Kavadarci, Negotino

Institute Zip - Skopje, which includes: Saraj, Gjorce Petrov

Egri Civic Center for Sustainable Development - Kriva Palanka, covering two or three of: Kriva Palanka, Kumanovo, Staro Nagoricane

Inicijalni Glas (Initial Voice) - Prilep, which includes: Prilep, Krivogastani

Institute IMAPKT - Skopje, which includes: Strumica

Center for Change Management (MCP) - Skopje, which includes: Center, Gjorce Petrov (together with Zip)

Financial Thinking: Krusevo, Centar (together with TsUP).

What is expected after the implementation of this project is more efficient allocation of budget funds, improvement of the quality of life of residents in these municipalities, as well as the expansion of PB in other cities / municipalities in Macedonia.

5.4. Bosnia and Herzegovina

Also, in Bosnia and Herzegovina (BiH), some municipalities have decided to introduce the PB process into their practice and use all its benefits. Among the innovators, and we hope for examples of successful practice, there are the municipalities of Breza, Istočna Ilidža and the municipality of Kreševo.

The Municipality of Breza is one of the municipalities in BiH which, according to the population census in 2014, has got 13,787 inhabitants. When it comes to the level of development, this municipality notes the tendency of economic growth and development measured by gross domestic product (GDP) per capita. Namely, in the period 2007-2013, according to the data of the Center for Social Research, GDP per capita is almost doubled (from 4,917.50 to 8,344.83). Data for 2014 show a GDP per capita of 13787 km, which is by 1.7% higher than the average GDP per capita in the Federation of BiH. (Federal Bureau of Development Program BiH, Macroeconomic Indicators by Cantons 2014). The implementation of the project in Breza municipality is expected in 2018, although it started with preparatory phases in April 2017. A sum of 9,000

euros (18,000 KM) is available to citizens. To date, 8 projects have been presented, with the selection and implementation of ideas for allocating separate funds.

The municipality of Istočna Ilidža, according to the 2013 census, has got 15223 inhabitants. GDP per capita in 2017 was 4,651.27, and in 2013 almost unchanged (4,668.47). The same available funds are available to residents of the Municipality of Istočna Ilidža (18,000 KM). Also, the time frame for project planning and implementation is the same (April 2017 - November 2018), but for now, residents of the Municipality of Ilidža have submitted 6 proposals.

The municipality of Kreševo is a smaller municipality by population (according to data in 2014, the number of inhabitants was 5456). GDP per capita in 2007 was 5,325.00, and in 2013 6,217.64 (Center for Social Research). However, according to the Federal Institute for Development Programming, GDP per capita in 2014 amounted to 629 KM, which is by 14.3% less than the average of the Federation of BiH. In the Kreševo municipality, the launch of the participatory budgeting process has very similar baseline settings in terms of the available funds and the time span of the implementation and completion of the project. The same amount of available resources (18,000KM), the number of received proposals, for now is 8, and the period of planning and implementation also from April 2017 to November 2018.

5.5. Slovenia

In Slovenian experience, the municipality of Ankaran can be mentioned, whose plan was reflected in sending a letter of invitation to all households, so that all inhabitants regardless of their age, sex or other belongings participate in the active decision-making on the development of the municipality. In 2016 they received suggestions of around 20% of the total population, while the following year an increase in participation of about 30% was recorded. Principals are also included.

Informal learning in the PB process was developed by self-organized local and district community assemblies in Maribor in 2013 (Gregorčič, & Jelenc Krašovec, 2016). Negative effects of the global financial crisis in correlation with local specific problems motivated the inhabitants of Maribor to protest. By the end of 2012, the residents of Maribor started a struggle for social change in order to initiate changes. After these protests, the results have already become visible.

5.6. Montenegro

In Montenegro, the process of participatory budgeting was first started in the capital - Podgorica, where almost half of the proposals were implemented. Then the municipality of Nikšić started implementing through the project "Your city, your money, your choice". For example, in the municipality of Nikšić, participatory budgeting is carried out in the following way: the draft budget by the local self-government units for the next calendar year is being prepared from July to November of the current year. After that, the draft budget is subject to a public hearing, and the adopted budget proposal is directed to the Municipal Assembly. The Municipal Assembly adopts the budget in December of the current year for the next calendar year.

Project in Nikšić "Your city, your money, your choice" is specifically based on a healthy environment and the creation of an efficient local self-government and lasts from 2014 to 2019. The project is in line with the Local Action Plan for Youth (2011-2016) where the main goal is to increase the participation of young people in the decision-making process. Also, the Ozone Environmental Movement, in cooperation with the Center for Democratic Transition, aims to motivate the younger population to get involved in decision-making and the creation of a local budget in order to increase trust. (<https://www.cdtmn.org/wp-content/uploads/2017/02/brosura-za-participativno-bud%20%BEetiranje-2-ver.pdf>)

6. CONCLUSION

The point of participatory budgeting is that citizens are not only passive observers (although they could vote in favor of the election of a political representative, perhaps he-she not voted / elected), but to actively participate in the adoption of certain decisions related to the work of local self-government.

Participatory budgeting can be included as one of the criteria (in the program) for certification of municipalities with a favorable business environment. This budgeting system is still unknown to citizens, and it does not enjoy enough confidence in terms of a potential model for improving the quality of life of citizens at the local level.

The aim of this model is to encourage the population to actively participate in deciding on the development of the local community, in particular in the process of deciding on the importance of certain investments, and

thus the allocation of public funds and the control of use. In any case, the implementation of the project leads to increasing the confidence of the population towards local institutions. The ability to create a budget represents an important step in improving democratization, and simplifying and accelerating implementation into the work of citizens' ideas.

Benefits for the local population would be reflected in freedom and the ability to express opinions and needs, i.e. influencing decision-making, clarification of the functioning of local self-government, full use of civil rights, involvement in decision-making, and sense of ownership of public funds, responsibility for the functioning of the local community, as well as the provision of timely and adequate information.

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