

INITIATIVE BUDGET AS A TECHNOLOGY OF LOCAL SELF-GOVERNMENT

Galunets Nataliia

Mykolaiv National Agrarian University, Mykolaiv

ORCID ID: 0000-0001-7709-9238

Abstract:

The initiative budget is one of the important tools of modern local self-government, which allows citizens to directly influence the processes of formation and usage of local budget funds. The study focuses on analyzing the role and significance of budget initiatives in the development of democracy, increasing transparency and efficiency of management at the local level. The study examines the main stages of implementing budget initiatives, their advantages and challenges, and also proposes recommendations for improving this mechanism in the context of modern economic and social changes.

Introduction:

Local self-government is the basis of democratic processes in Ukraine. In the context of modern transformations and the need to improve local governance, new mechanisms for involving citizens in decision-making at the local level are especially important. One of such mechanisms is the initiative budget, which allows citizens to directly influence the process of forming the local budget and implementing projects that meet their needs. The public initiative budget originated at the end of the 20th century in the Brazilian city of Porto Alegre and has since gained popularity in many countries around the world. The main idea is that part of the budget is allocated for the implementation of projects proposed by community residents, and the final decision on their implementation is made through voting [1]. We believe that this process increases budget transparency, allowing local authorities to directly address the needs and desires of community residents.

According to the concept of democratic budgeting, budget initiatives not only improve the management of budget funds, but also stimulate citizen activity, which contributes to strengthening social cohesion and the development of civil society. The process of involving residents in determining the directions of using budget funds for the implementation of their projects is a vivid example of the direct application of democratic principles. The main goal of the initiative budget is to integrate residents into the discussion and solution of problems that arise in their community. A study of the scientific literature has shown that the initiative budget is an effective approach to budget formation, which involves the active participation of citizens in determining priority areas and distributing funds. Scientists believe that the essence of this approach is to provide citizens with the opportunity to actively influence decision-making regarding the expenditure of budget funds, whether at the state or local level. Citizens can submit their own ideas and projects, which, if approved, can be financed from the budget [2].

At the same time, the initiative budget may include various tools, such as public discussions, consultations, voting and other mechanisms. These tools are key elements that ensure the effective implementation of this democratic process in local financial management. They cover a wide range of methods, technologies and procedures that promote the active involvement of citizens in making decisions on the allocation of budget funds.

Implementation of the initiative budget involves a sequence of stages [2; 3]:

- ✓ the first stage is the organization of the process of collecting proposals and initiatives from citizens regarding projects that should be financed from the local budget. This can be done through online platforms, surveys, public hearings or other forms of feedback;

- ✓ after collecting proposals, local governments proceed to the second stage. In close cooperation with public organizations or special commissions, they evaluate and select initiatives. Accordingly, they assess the feasibility and realism of projects. Financial constraints and social needs of the community are also taken into account;

- ✓ the most important is the third stage, which involves voting for projects and their subsequent approval, in which all citizens can participate. This allows you to directly influence the distribution of budget funds and contributes to the development of local democracy.

- ✓ at the last, fourth stage, project implementation takes place. After the approval of projects, local government bodies organize their implementation. An important component of this stage is monitoring and evaluation of project implementation.

The public budgeting process is a complex but important component of democratic governance, ensuring the active participation of citizens in making decisions on the distribution of budget funds. The cyclical nature of this process allows for constant improvement of its effectiveness, taking into account feedback and the results of previous stages. Each stage is important for achieving the final result - transparent, effective and fair distribution of resources, in accordance with the needs of the community [3; 4].

The benefits of budget initiatives are evident in a number of aspects, from improving governance efficiency to strengthening social cohesion. First, one of the main advantages of budget initiatives is that they contribute to increased civic engagement. When people can directly participate in deciding how the local budget will be spent, this creates a sense of personal responsibility for community development. Citizens become not only consumers of services, but also active participants in governance processes, which contributes to the formation of a democratic culture at the local level.

Secondly, the introduction of the initiative budget significantly increases the transparency of local finances. When the community participates in determining spending priorities, local authorities are forced to clearly justify their decisions and explain why some projects receive funding and others do not. This reduces the opportunities for abuse and corruption, as the process becomes more open and accountable to the community.

Thirdly, initiatives proposed by citizens themselves are often aimed at improving social infrastructure. They allow solving specific problems that directly affect the quality of life of residents. Such initiatives, as a rule, respond to the real needs of the local community, rather than abstract state programs, which makes services more user-oriented.

Fourth, budget initiatives can significantly strengthen social cohesion in a community. When residents work together on ideas that affect their environment, this helps to strengthen ties between people, increase their sense of unity and shared responsibility.

However, despite the numerous advantages, the implementation of such a mechanism faces a number of challenges that can reduce its effectiveness or complicate the implementation process [3; 4]:

- ✓ funding restrictions, negatively affecting the number of funded projects. This can lead to competition between projects and dissatisfaction among part of the community;

- ✓ low participation of citizens in the process of submitting and voting for initiatives can limit the effectiveness of this technology;

- ✓ there is a risk of manipulation of the voting results by local authorities, when certain projects receive support due to administrative pressure or unfair practices.

To overcome these barriers, it is necessary to improve the organizational and legal framework, increase the digital literacy of citizens, and ensure transparency and fairness in decision-making processes. Solving these problems will allow realizing the potential of budget initiatives and contribute to their effectiveness in the development of local communities.

Conclusion:

Budget initiatives are an important step towards the development of democratic governance at the local level. They contribute to improving transparency, accountability, and efficiency in spending budget funds. At the same time, they create opportunities for active participation of citizens in resolving issues that directly affect their daily lives. The implementation of budget initiatives is an important step towards the development of democratic governance at the local level, but in order for this mechanism to become as effective as possible, it is necessary to take into account modern economic and social challenges. Increasing civic engagement, improving information accessibility, improving the project selection system, involving youth, and ensuring financial stability are just a few recommendations that can help realize the potential of budget initiatives in practice.

REFERENCES

1. Sotnyk I.M., Us Ya.O. Participatory budget: experience of application and prospects of improvement in cities of Ukraine. Mechanism of economic regulation. 2018. No. 1. Pp. 31–44.
2. Bozhuk I. I., Fomenko Yu. O., Public budget as a tool for the development of local democracy. Comparative and analytical law. No. 1 2020. P.297-299
3. Kravchenko T.A. Innovative tools for citizens to exercise their rights to participate in local self-government in Ukraine. URL: [http://www.dridu.dp.ua/zbirnik/2015-02\(14\)/22.pdf](http://www.dridu.dp.ua/zbirnik/2015-02(14)/22.pdf).
4. Public budget: plan development and relieve social tension: U-LEAD Program URL: <https://u-lead.org.ua/news/37>