

## **ABSCHNITT 14. STAATLICHE GOVERNANCE UND ÖKOLOGIE**

### **PARTICIPATORY BUDGETING AS AN EFFECTIVE TOOL FOR SUSTAINABLE DEVELOPMENT OF COMMUNITIES**

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Ensuring transparency of the budget process and public participation in its organization envisages the timely and accurate disclosure of information on the use of budget funds, as well as the ability of the public to participate in the formation and implementation of the budget, which is an indisputable sign of democracy in many countries around the world. [3, p. 318]

Participatory budgeting is an effective tool for public participation in making decision and successful cooperation with local authorities. The participatory budget is a democratic process that enables everyone to participate in the distribution of local budgets through the creation of projects for the development of a territorial community and / or voting for them.

Advantages of group making decision are shown in the following:

- More knowledge and information affecting the decision;
- More ideas (suggestions), as well as possible alternatives;
- Compliance with the requirements of a democratic society;
- The communicative benefits that appear in communicating decisions to all stakeholders and contributes to a wider understanding of its usefulness. [9]

For the first time, the participatory budget appeared in the Brazilian city of Porto Alegre in the late 80's of the last century. At that time, corruption in this city, low level of tax revenues to the participation budget, and social problems such as unemployment, housing problems, lack of necessary communal infrastructure flourished. Implementing the practice of the participation budget in Porto-Alegre, apart from improving the infrastructure, were also:

- reduced political tension in the community;
- improved payment of taxes by residents of the city;
- raised knowledge of citizens on the using of budget funds;
- led to the practice of voluntary participation of citizens in the implementation of projects at the expense of their own contributions;
- Reduced administrative costs;
- Reduced corruption due to greater community activity;
- Created a new civic culture;
- Ensured the participation of women in the community life. Today, women make up 51% of the number of participants in social events, whereas previously

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they were virtually excluded from the world of politics and public life. [2, pp. 172-173]

The diversity of forms of participatory budgeting is quite significant. It is used in large cities such as Seville with a population of more than 700 thousand people, and in small, where there are no more than 30 thousand inhabitants.

Today, more than 1500 cities on all continents of the Earth introduce "participatory budget" mechanisms, which are a form of direct democracy, and represent an open process of discussion and making decision, in which every citizen of the community decides how to spend part of the local budget through voting.

For example, in Poland, participation budgeting was introduced only in 2011. At that time, few believed that the inhabitants of Polish cities would be allowed to make decisions on the distribution of budget funds by direct voting. However, today, in almost a hundred cities in Poland in various forms this principle of the participation of inhabitants in city budgeting is realized. [1, c.1998]

In Paris, the party's budget is 5% of the city budget, which is approximately 100 million euros. Voting is conducted both in writing and in electronic form. In 2015, the participation budget amounted to 0.06% of the city budget, which was \$ 31 million in New York. The voting procedure here has its own peculiarities. First, voting is carried out only in printed form. The process is based on the selection of delegates representing projects and public discussion. In addition, voting is held separately in each district.

In Cologne, the participation budget has been implemented since 2007. Already in the first year of work, 11,000 people took part in the process and 300 projects were selected as a result of online voting, and the final decision on their implementation was made by the city council. Citizens who do not have access to the Internet can submit their projects in writing. The budget for the second year of work amounted to 311 million of the 4 billion euro total budget. [6]

In Ukraine, the mechanism of the participation budget was funded through the foundation of the Ukrainian-Polish partnership PAUCI at the end of 2015. Pioneers have become three cities - Cherkassy, Poltava and Chernihiv. In Cherkassy, the participation budget was fixed in the target program for 2017-2019, within the framework of which each year it is planned to allocate 5 million UAH. In this case, the estimate of one project should not exceed 1 million UAH. The feature of the program was the possibility of voting both in electronic form and in paper. Of the 54 projects, six were selected. In Poltava, as well as in Cherkassy, they decided to adopt the provisions on the participation budget in the form of a targeted program for five years: 2016-2020. The city budget allocates 1% annually. Small projects - up to 300 thousand UAH, which is 60%, and large - from 300 thousand UAH. up to 1 million UAH - 40%. In 2016, 3633 city residents took part in the budget of the participation of Poltava. 19 large projects and 34 small ones were selected. In general, today, the participation budget is actively implemented in more than 45 cities, 23 of which are regional centers. [6]

Specific provisions and rules for the process of participative budgeting should be developed taking into account local conditions, in particular, the size of the area, the traditional division of its various parts, etc. However, budgeting is only

participative if decisions on the final form of the procedure will be taken not only by local authorities, but also directly by community members. The constant provision of the public's ability to influence existing problems and their solution is ensured by its activity. [9]

In Ukraine, a predominantly Polish model of participatory budgeting is introduced, according to which projects submitted by citizens are checked by employees of the city council that are responsible for this direction. The main requirements for the participation budget are prescribed in the Provision on the participation budget, which is approved by the decision of the local council. The funds for the financing of projects according to the participation budget are allocated from the local development budget. The minimum funding, as a rule, is 0.1% of the development budget for the public budget projects and may be increased by the decision of the local council.

The participation budget is not regulated by the regulatory framework in Ukraine. At the local level, the document regulating this process is the Provision on the budget of participation, which is approved by the decisions of the council. Each community implements it on its own, developing its own rules and documentary forms. On the one hand, this is a great opportunity to create your own unique tool, which will take into account all the local features that are most relevant to your priorities and help you solve the tasks of your community. On the other hand, in the absence of experience, without clear instructions, you can easily make mistakes.

Projects must meet the following criteria: to be part of the city's competence, as well as to comply with local strategies and programs; have a public character; be implemented during the year; match the budget within the stated amount; To be realized on the territory which is the property of the city. If this is a private area, then there should be permission from a private person. The project that does not meet the requirements is rejected. Rejection of the project can be challenged or refined.

The themes of the projects themselves can be diverse, but most importantly, they should not contradict the existing programs of the city. These may include issues of improvement, the arrangement of children's and / or sports grounds, festivals and / or contests, and the solution of socially significant issues.

The issue of participative budgeting arises in a context of decentralization, when new united territorial communities receive not only powers, but also additional financial resources for their implementation. [5, c.25]

Based on foreign experience and already worked out in Ukraine, it is possible to propose the following recommendations, which are desirable for the implementation of the budget of participation.

1. The budget of participation is not one of the programs of the city council, but is a key cyclical process of the local self-governance body of the community. The cyclical and recurring nature of one of the main conditions of participative budgeting.

2. A definite amount or percentage of the community budget to fund selected projects must be explicitly defined (usually from 0.1% to 1% of the general fund of the community budget).

3. There should be a simple editorial rule for the whole process, so that people understand what is happening. However, the rules should not be unchanged, there should be a possibility to make changes and adjustments if in the course of performance one of the tools proved to be imperfect.

4. At the first stage, it is very important to provide an effective information campaign with the involvement of Internet resources and local media. [5, c.7]

5. Must be a person or unit in the local council, who will provide communication with anyone, who is interested in the process and wants to get information.

In fact, participatory budgeting provides many opportunities for the development of a territorial community, namely: supporting the authorities, increasing the level of trust of citizens in the authorities, avoiding social conflicts, the ability to quickly get information about emerging problems and solve them constructively. In case of non-compliance with the principle of transparency, the idea of participatory budgeting is completely offset, as there is increasing distrust of power, and the budget itself is perceived as another game of democracy. [10]

Thus, the participation budget is an effective instrument of interaction between the authorities and the public, which combines the principles of democracy and transparency. In the context of decentralization, the implementation of the participation budget provides significant benefits, in particular: contributes to the transparency of the budget process as a whole, and as a result, reducing corruption in spending budget funds, raising public awareness, raising awareness of local self-governance among the population, increasing trust between the authorities and a community that enables the successful implementation of joint programs and projects of sustainable community development.

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## PROFILING CLIENTS AS AN EFFECTIVE INSTRUMENT OF THE ACTIVITIES OF PUBLIC INSTITUTIONS

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Foreign proficiency profiling shows its wide application in some countries for decades. For example, in the United States, almost twenty years of profiling is a key to accelerating the search for freelance workers who would be responsible for their characteristics, in particular, for the level of remuneration, to the level of the previous one. The US profiling approach allows you to identify the most «problematic» category of citizens and pick up exactly the ones that they most need, given the current situation and providing exactly the list of public employment services that will ensure the fastest possible employment. Consequence of the client's refusal from the offered services and participation in specially selected programs may be termination of payment of unemployment benefits. The US Employment Service has developed a model based on identifying the individual characteristics of the unemployed and assessing their impact on the risk of long-term unemployment.

Profiling is seen as a measure aimed at reducing the level of long-term unemployment, as well as preventing its proliferation and growth. Its essence is the distribution of unemployed people into groups taking into account the factors of the risk of long-term unemployment, based on individual characteristics of the individual, her labor potential. The main task of profiling is to identify persons with a high risk of long-term unemployment as early as possible and to select special programs for them, measures to implement an active employment policy taking into account the situation on the local labor market [1].

The study of modern technologies for profiling the unemployed is dedicated to a separate study of Ukrainian scientists [2].

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