

## **Participatory Budgeting in Local Government: Prospects for the Hungarian Municipalities**

The publication of K-Monitor, the Friedrich Ebert Stiftung and the Progressive Hungary Foundation explores the possibilities of participatory budgeting in the Hungarian Municipalities. The 2019 municipal elections were marked by a departure from top-down politics towards a more inclusionary, more participatory approach. During the campaign the oppositional parties and candidates organised primary elections which proved to be a big success. The many different political ideologies and stances were brought together which opened a door for deliberation and allowed the locals a greater voice in the whole process. The elected candidates promised to carry on incorporating the participatory approach into their governing as well. The purpose is to show how the economic processes can be democratised and modernised through the involvement of the public.

The paper first lays out the concept of participatory budgeting, continues with detailed examples from seven cities around the world, to then move on to laying out the context of the Hungarian municipalities and finally give detailed suggestions for the Hungarian case. The latter covers the process from planning, over communication, drawing up and developing a concept, to voting, execution and channelling feedback.

Participatory budgeting is a broad concept, which can be outlined by the following characterisation: The community itself is the creator and owner of the results of the project, direct participation and access is open to all members of the community, the procedure supports rather than undermines mechanisms of representation - for it is crucial to ensure that the procedure does not render the work of representatives impossible and that it does not create unequal relationships among them. Further criteria are transparency, deliberation, communal responsibility taking while participatory budgeting has to be part of the long-term budgetary plan, not a one-off project and it has to endow the whole community with power and additional capacities rather than certain groups.

The positive outcomes for both the community and the local government can be summarized as the following: Participatory budgeting is a school of democracy in the sense that it provides a personal experience in the process of decision-making, which allows for understanding the logic of that and enables the community with tools for detecting political manipulation. Additionally, it increases the efficiency of allocating public funds for the community for that is the most reliable source for information about what is most needed. It enhances transparency of the work of the local authorities which in turn deepens trust from the public. Participatory budgeting is a more effective way to encourage tax payment than penalties, while it may attract donations. Those who are left out from the voting procedure for any reason are likely to be spoken to by the participatory procedures, thus it opens a door for them to take part in the political decision-making. In effect, a sense of local identity is deepened, communities are strengthened and best practices shared.

In the case of Hungary, where the scope of duties and the financial resources have been and are being centralised and taken away from the municipalities, locals are confused about which areas belong to which administrative authority. The ever-shrinking budget of the municipalities allows only for allocating financial resources from the existing discretionary budgets. For their participatory projects have not been carried out in the past, local civic organisations could play a crucial role in building a bridge between the locals and the authorities. The fact that the participation in local elections is below 50% shows that masses are left out of the democratic decision-making processes. Thus, in the light of the country-specific difficulties, the publication offers a collection of main aspects to focus on in the process of launching a participatory budgeting project. The above-mentioned section of detailed suggestions focuses on the country-specific guidelines. Namely, that representatives have to unanimously accept the principles of participatory budgeting in order to grant a voice for the locals, that financial resources must be secured to ensure that the project will be carried out, further that local society has to have an organic and autonomous structure in order to make deliberation possible. Additionally, the local areas have to be divided into small enough zones to enable local debates, a sense of belonging and for minorities' voices to be heard. The local government has to assign an adequate number of well-trained staff to carry the project out. Finally, credibility is essential, especially in today's Hungary. Therefore, significant efforts have to be made to keep the process transparent and accessible.