

Exploration of Participatory Budgeting Approach for Implementation in the Local Government of Bangladesh

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Abstract: Active citizen participation in budgetary planning allows citizens to prioritize their need and demands which strengthens the accountability of local government authorities and pave the road for good governance. The purpose of this study theoretically explores the implementation of Participatory Budgeting (PB) in the Local Government of Bangladesh. The qualitative study suggests that obstacles are preventing successful public engagement from being implemented. The findings of the study would help to understand citizen participation in the budget process, their perception, intention, and accessibility in the budgetary decision and fill the gap or connect the missing link of knowledge with a real case, which will enrich the existing theory of public participation.

Keywords: Citizen, Budgeting, Local Government, Participatory Budgeting.

1. Introduction

Engaging citizen in the decision-making process is a fundamental principle of good governance and has been given importance as a tool to accomplish a variety of aims. Among them promoting transparency and ensuring the distribution of resources to low-income neighborhoods are the most notable aims of good governance. When people interact with the government and share recommendations during the development or execution of policies, this is considered citizen participation (Moynihan, 2007). Even though it provides information to the government on citizen preference, many countries still struggle to ensure citizen participation.

To ensure active participation, many governments around the world have employed several reform programs at both central and local levels. Some countries have legal requirements or regulations to address citizens' voices in policymaking. For example, the case North Carolina General Statute mandates that the government solicit input from the public before making budgetary choices and that the public be given the right to use budgetary-related information. Bangladesh Local Government Act 2009 has provisions for citizen participation in decision-making processes. But Studies showed that citizens have limited access to participate in the governmental decision-making process. For example, Chowdhury & Panday (2018) report that public participation in the decision-making processes of the local government bodies is rather negligible. To overcome these challenges, Callahan (1999) emphasizes the presence of clearly articulated goals and

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objectives in achieving more meaningful involvement of citizens and the importance of effective communication among the Citizens, public administrators, and elected officials. Participatory budgeting is one of the mechanisms of good governance where citizens have an opportunity to discuss and make decisions on budget allocation for public activities is considered. It also increases social accountability, restores public faith in government systems, and makes financial decisions transparent and available to residents (Tanaka, 2007). Participatory budgeting, which was first used in Brazil in the 1980s as a way to enhance the competence and transparency of public institutions, tries to inject the principles of participatory democracy into the systematic way of government.

A budget describes the extent of the government's obligations in terms of resource distribution and revenue collection. When the government solicits public feedback during the budgeting process and grants citizens the ability to influence budgetary decisions, this is referred to as "citizen engagement in budgeting" (Zhang & Yang, 2009). Unlike some other governmental functions budgeting is relatively complex and technical, and a certain level of knowledge is required for participation in the process (Berner et al., 2011).

Lately, Scholars have concentrated more on how participatory budgeting works in practice. Both researchers and policy-makers around the globe are more concerned than ever to address citizen participation in the governance process, especially at the local government level (Huq, 2014). As good governance begins at the municipal level and citizens' participation is considered an important element at the grass root level. The purpose of this study is to explore of participatory budgeting (PB) approach for implementation in the local government of Bangladesh.

2. Literature Review

Lorsuwannarat (2017) mentioned that a financial innovation that promotes citizen engagement and enhances accountability and transparency in financial management is citizen participation in budgeting. It serves as "a citizenship school" and it empowers them with knowledge of their rights and duties. This initiative not only enhances the possibility of accomplishing various aims but also incentivize the citizen. For example, citizen access to decision-making in local government builds a sense of citizen empowerment. Besides, Citizen input is generally viewed as a way to reduce the level of citizen distrust in government (Wang, 2001), and to educate people about government activities (Ebdon & Franklin, 2004). Moreover, Citizen participation operates as an external check on bureaucracies and advocates the development of a "strong democracy," characterized by increased citizen participation (Barber, 2003). The research on the design of budgetary participation, the impact of the political environment on budget participation, and the mechanisms that encourage budget participation may all be found in the literature on participatory budgeting.

The effectiveness of participatory budgeting is influenced by a variety of factors, including its design and the political, sociological, and economical contexts in which it is implemented (Goldfrank, 2007). Several factors are necessary for engaging citizens in local government budgeting. They are strong government official support, willingness and competence of civil society to contribute to budgeting decisions, a generous amount of financial support, and supporting political environment. It is worth noting that government assistance is essential because decision-makers in government must

determine whether to assign authority. After that, they must create the administrative, financial, and informational infrastructure required for participatory budgeting to operate. Early in the process and when there is a two-way deliberate discussion rather than just information sharing, participation is most effective (Kathlene & Martin, 1991). In the same line of research, Ebdon and Franklin (2004) suggest that “participation is valuable because it provides an opportunity to gather input and encourages two-way communication”. Whereas most literature states the use of single-budget input methods, such as citizen surveys (Ebdon & Franklin, 2004). The study also reports that by balancing the benefits of one technique with the drawbacks of another, cities that regularly employ many methods may have a higher chance of achieving successful participation. Government officials have a lot of freedom in deciding how public involvement programs are set up and how the public is influenced. Studies have looked into how government leaders directly affect citizens' involvement in budgeting (Zhang & Yang, 2009; Zhang & Liao 2011). Government officials may have varying attitudes toward citizen participation in government decision-making, perceiving it as a critical mission or perceiving the pressures to engage the public as especially burdensome (Zhang & Yang, 2009). Public administrators could be resistant to promoting citizen involvement in decision-making because it raises administrative costs and reduces their power to control in making decisions. As a result, through design and implementation, government representatives exercise a significant impact on municipal budgeting. They influence how citizens participate. Therefore, questions addressing the perception of public managers to value and facilitate citizens' participation in government decision-making are of great theoretical and practical significance that city managers' intention to incorporate citizens in budgeting will have a direct effect on citizen participation in budgeting.

The majority of Bangladeshis are illiterate, divided, and unaware of their constitutional rights, in contrast to the populace of modern nations. The engagement of the poor in social and political institutions is not supported by rural Bangladeshi social values, belief systems, and customs. The level of citizen participation is very limited, even though several NGOs and development partners in Bangladesh have earned great praise for organizing and motivating rural residents to raise awareness of participation in group activities (Huq, 2014) and these participations continue to be ineffective. So, finding what causes the perceived limitations of the conventional forms of citizen participation in Local government in Bangladesh would be a good contribution to existing literature. Despite being largely regarded as desired and influential, citizen involvement in the budget process is nevertheless underutilized (Ebdon & Franklin, 2004). In a study of the South African context, Leduka (2009) reports a remarkably low level of participation in budgeting decisions despite the strong legislative framework to support such participation.

3. Methodology

The purpose of this study is to theoretically explore the implementation of participatory budgeting in the Local Government of Bangladesh. The qualitative research method with an analytical approach is used to review the existing data regarding the participatory budget. The data for this study was collected from secondary sources (Mainly from 2005

to 2022) namely various articles, government acts, and policies published reports from national and international agencies. An analysis of the current practice of the budgeting procedure of local government in Bangladesh and the international practice as well as opportunities and threats to adopt the PB approach is presented in the paper.

4. International case of PB

A large number of worldwide organizations support PB. Organizations like the UNDP, World Bank, Open Society Foundation, UN-Habitat, Ford Foundation, and International Observatory of Participatory Democracy are at the top of the list (Wampler, McNulty, & Touchton, 2018). Participatory budgeting is becoming more popular among international organizations and countries as a way to enhance service delivery; it turns into a technique through which the government may more effectively address demand and reduce corruption (Wampler & Touchton, 2017).

The effectiveness of participatory budgeting is influenced by a variety of factors, including its design and the political, social, and economic environments in which it is applied (Goldfrank, 2007). While at an initial point, the international donor agencies may guide the design and initial adoption of participatory budgeting in many cases (Wampler & Touchton, 2017). Like Government officials and political actors, key local contextual elements including the administrative prowess of municipal administrations, the might of political opponents of PB, and the vibrancy of neighborhood civil groups are all practically unaffected by international donors. Therefore, powerful political figures who worry about losing control as a result of PB may obstruct effective involvement or choose not to carry out PB decisions (Mundial, 2011). One important takeaway from research on participatory budgeting is that the outcomes are typically different from what the proponents had in mind (Goldfrank, 2007). A study to unearth the underlying reason for the little success of PB in developing countries would be a substantial contribution to the literature.

However, research shows that municipalities and cities that have adopted participatory budgeting are likely to perform better than comparable cities that have not (Touchton & Wampler, 2014). However, it is insufficient to assert that PB fundamentally alters state-society relations or enhances living circumstances throughout an entire area. However, the tension between a county's legislative and executive branches can cause the success of PB. A recent study mentioned, PB exists in a "culture of participation and ties between local government and society," not in a vacuum (Rwigi et al, 2020). So, the study regarding the exploration of the participatory budgeting approach in LDCs and its impact on local politics and budgets would be a notable contribution to the literature.

5. Local Government Structure in Bangladesh

The local government bodies in Bangladesh have undergone significant changes to their structure and functions since Bangladesh became an independent nation in 1971. These changes have been made following the change of constitution under different government regimes. However, those governments have undertaken reform initiatives to increase public participation in the local government process. (Panday & Rabbani, 2011). The institutions and nature of people's engagement in local government changed, particularly

with the shifts in power during 1976, 1982, 1991, 2001, and 2006. (Waheduzzaman, 2010). However, the Bangladeshi government never stops working to improve the effectiveness and participation of local government entities. The Local Government Act of 2009 was the government's landmark initiative in the history of local government, among other reforms. Poor stakeholders have been taking part in various ways in development projects, but the impact of their participation still seems to be a little imperative (Aminuzzaman & Sharmin, 2006).

The Bangladeshi constitution outlines provisions for a system of independent local administration and options for citizen participation (Huq, 2014). Local government has some direct (when residents are directly involved and actively involved) and indirect (when voters elect others to represent them) routes of popular engagement strategies that increase its accountability and transparency to the community. The introduction of participatory budgeting (open budget session), community-based gatherings (Ward Shava), standing committees and other special committees, and information access by the stakeholders are a few examples of the direct avenues. The Local Government Act of 2009 guarantees the inclusion of locals and elected leaders in various committees, meetings, Ward Shava, and other council events. All of these requirements are designed to ensure accountability and openness throughout the entire process as well as the participation of citizens in the decision-making process. The primary goal of such a provision is to invite the public to a public event to debate economic priorities. At such events, the public can participate in discussion and consultation to help define the ratio of expenditures to investments and priorities to uses of public resources. Despite local self-government acts giving individuals the opportunity to directly participate at the local level, they have not very clearly established the legal sanctity of such involvement. (Siddiqui, 2005).

5.1 Budgetary Process of local Government in Bangladesh

International development organizations have required stronger governance through meaningful involvement as a requirement for financial support for local development initiatives in developing nations since the 1980s (Hout, 2002). Like other International donor agencies, The World bank places a priority on aspects of democratization, empowerment, and poverty reduction (Goldfrank, 2012) and believes participatory budgeting can increase budgetary transparency, reduce corruption and encourage accountability (Rumbul et al., 2018).

In traditional system budgeting planning, it is possible to develop a budget focusing only on a few elite groups of society ignoring the largest groups of the society. So, it urges the active participation of all groups of society in every stage of development and implementation of the budget to increase the efficacy of budgetary planning. In the literature, the most common Participatory Budgetary Planning process cycle follows the following stages: Where, the citizen prioritized their requirements in the first stage, and in the second stage, they determine if the budget was created following the government's social promises or not. The third stage involves disseminating information through the media, publications, and public forums about how money is distributed from the government, donor organizations, or other sources and how it is used for various projects.

Finally, individuals may keep an eye on how projects are being carried out and how well public services are performing.

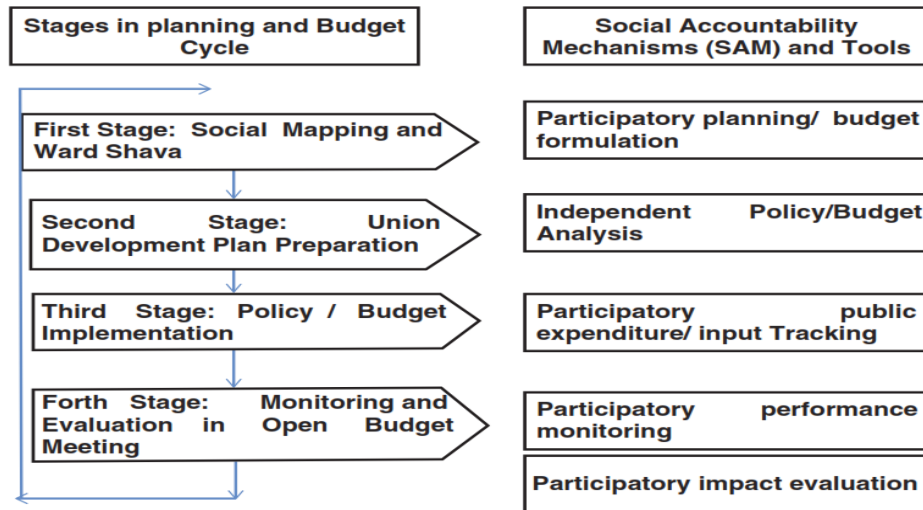


Figure: 1: Application of participatory budget cycle. (Chowdhury & Panday, 2018)

5.2 Participation Scope in Local Government

Governments in developing nations have actively worked to create pro-people development through community involvement in local development projects as a requirement for accepting foreign funding (Waheduzzaman & As-Saber, 2015). Bangladesh as the largest foreign aid recipient also tries to comply with this condition. However, the study indicates that the local government official and elected representatives, the actors ensuring participation, often work together to reap unjustified shared benefits from these initiatives while avoiding interacting with area citizens. (Blair, 2005). Whereas Local communities largely remain indifferent due to the power and status of local communities in an elite-controlled society. As a result, it prevents local communities from speaking out against irregularities in local administration and presents a barrier to effective community participation (Waheduzzaman & As-Saber, 2015).

The situation in Bangladesh is complex because local government interference and mismanagement undermine a bureaucratic process, leading to a situation where all important decisions are made at the top by elected officials and government officials, while intended beneficiaries are only informed but are not given any details of the project planning and execution. Thus, the resulting relationship between elected officials and public servants may effectively restrict regular community people from taking part in the administration of local development projects. Therefore, it is clear that more work needs to be done before community engagement can be used effectively in Bangladesh's local government development projects to enhance overall governance processes.

Local government has to provide service to citizens on their demand and ensure active participation in several local government decisions, for example in the budgeting process. Citizens' participation is important in the budgeting process as their demands are addressed to allocate required resources and priorities for public spending. However,

without the willingness and commitment of all actors, Successful implementation of participatory budgeting is hard to obtain. The following table summarizes the key influential factors and the current scenario of developing and implementing participatory budgeting.

Key influential factors	Current scenario
Citizen access in Participatory budgeting	Local Government Act (2009) established Open budget for allowing effective participation of the people irrespective of age gender and class. However, it is only adopted on a small scale with a select group of local elites who meet in a small cabin to discuss and produce a budget proposal. (Uddin, N. 2019).
Citizen awareness of Participatory Budgeting	Many citizens are not unaware about their duties and responsibilities to participatory budgeting. Limited access of information is major setbacks of citizens' active participation in budgetary decision.
Local Government official commitment to participatory budgeting	However, local government officials are not committed to make participatory budgeting successful. Their responsiveness is influenced by the formal avenues for public input, the public's ability to hold public officials accountable, and the transparency of local government institutions' internal operations (Panday & Chowdhury, 2020).

5.3 Does Citizen Involvement in Budgeting Lead to the Desired Results?

The desired outcomes from participatory budgeting can be achieved if public organizations recognize the rights and responsibilities of citizens and allow the citizen to be directly involved in the decision-making process through active participation (Kasozimulindwa, 2013). Only a small number of local authorities were involved in the implementation of PB when the initial trials in this field first appeared in the sub-Saharan region of Africa. Ten years later, the area had 162 PB experiments, and the future seemed promising (Porto de Oliveira, 2014). It is argued that the dissemination process of the PB in Africa is the result of a set of forces mobilized by individuals and institutions in constant transnational action. But the proliferation of PB cannot achieve what it intended due to various reasons.

A Study on the sub-Saharan African region states several challenges to the success of PB. One of them is a low level of literacy among citizen which pave the road for the elite group to influence the budget-making process. Moreover, the roles and responsibilities of the different actors are not clearly understood. In addition, too much dependency on donor funding to run participatory processes makes the participation process tenuous. Civic engagement is negatively impacted by a subnational government's inability to effectively communicate with its citizens (Shall, 2007).

A Study in Mozambique mentioned that the inadequate financial capability of municipalities is a factor in the sustainability of the PB's implementation. Many municipal budgets are financed by external funding or government funds, which limits efforts to adopt PB. In addition, greater creativity and continued supervision are required to remain functional in this good practice (Nguenha, 2014). In a similar study on Cameroon's mismanagement in the relation to different actors (government, private

sector, and civil society), the absence of a legal framework and political willingness are difficulties that hinder the development of PB (Nguebou & Noupeou, 2014).

The Ministry of Finance Planning and Economic Development MFPED has integrated participatory budgeting into Uganda's local government process. The study reports that the only existence of legal and institutional frameworks cannot confirm effective public participation. In addition, Evidence shows that these frameworks are used for soliciting donor funds (Kasozi-Mulindwa, 2013). The study also finds the dictating role of the ministry of local government on effective public participation in Uganda which implies the influential role of the central government over local government budgetary decisions. This study also highlights the involvement of technical staff and political leaders in corruption since the inception of PB in Uganda. Evidence shows that the appropriate design of PB cannot ensure successful implementation of PB. It requires enforcement of the existing legislation and policies which have been created for the successful implementation of PB. When a budget is created by the government as opposed to the target groups, implementation gaps in the budget result from the budget itself. This suggests that the intended beneficiaries are not involved in the creation of the policies that have an impact on their daily life.

One prominent criticism is that the implementation of PB initially raises citizens' hopes, which frequently don't come true, leaving individuals who took part in it feeling dissatisfied and disappointed (Paulin, 2019). According to a study on Sri Lanka's local government units, PB has turned into a practice of control and authority rather than developing grassroots democracy and encouraging political emancipation, which was PB's primary goal. (Kuruppu et al., 2016). In Kenya, Citizens are participating but the selection of projects to be implemented remained at the discretion of government officials, based on no formal criteria (Omolo et al., 2018). So Citizen Outputs are however guided to align with pre-set spending priorities and Citizen Participation becomes conditioned to rubber-stamp government priorities. (Rwigi et al., 2020). Political culture has contributed to the ongoing power disparities between government bureaucrats and the populace in PB. It also emphasizes that government bureaucracy can hinder PB's capacity for co-governance. Successful public participation is said to be largely dependent on the political will to include the public in decision-making (Omolo et al., 2018).

6. Conclusion

This study theoretically explores the successful implementation of Participatory Budgeting for Implementation Local Government of Bangladesh. The successful implantation of participatory budgeting requires addressing the key influencing factors such as citizen access in decision-making, and commitments of local government officials. To make the budgeting process more effective and for better citizenship of the people of Bangladesh participative budgeting approach is explored and recommended to adopt. Moreover, the result of the study fills the gap or connects the missing link of knowledge with a real case, which will enrich the existing theory of public participation.

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