

PROSPECTS FOR THE DEVELOPMENT OF PARTICIPATIVE BUDGETING

Ismailova Nasiba Komildjanovna

Senior Lecturer, Department of "Finance", Tashkent Institute of Finance

ismailovank1275@gmail.com

Relevance of the Research Topic

The state budget is an important instrument of macroeconomic management in the economy, the effectiveness of which determines the success of the government in achieving socio-economic goals. The state budget is an instrument for the implementation of socio-economic policy and priorities that affect the life of the population. One of the modern methods of budgeting, based on the participation of citizens in the budget process, is the practice of "Participatory budgeting", which is used by many countries at the present stage of development of budgetary relations.

Participatory budgeting is a form of direct participation of the population in the implementation of local self-government by putting forward initiatives for the purpose of spending a certain part of the budget [1].

International experience shows that participatory budgeting was first used in 1989 in the city of Porto Alegre, Brazil. The administration gave the townspeople the opportunity to decide how to distribute part of the city budget. Today, after thirty years of successful practice, the inhabitants of Porto Alegre contribute 20 percent of the city's budget [2].

This budget practice is successfully used by more than 20 countries of Western and Eastern Europe, Latin America, the USA, China, India, South Korea and many others. In the state of Kerala in India, for example, participatory budgeting was fully implemented in 1996 and citizens have been participating in the budget process for over 24 years. Consulting assistance at all stages of the launch was provided by 373 state instructors.

In Russia, the term "proactive budgeting" has become established - "a common name used to refer to a set of practices of involving citizens in the budget process in the Russian Federation, united by the ideology of civic participation, as well as the sphere of state and municipal regulation of public participation in the definition and selection of projects financed by funds of the relevant budgets, and subsequent control over the implementation of selected projects by citizens" [3].

The presence of problems within the research topic

It is generally recognized in the international community that citizen participation in public decision-making is linked to a sustainable development. Promoting an inclusive and just society involves organizing participatory processes based on shared decision-making and shared responsibility to achieve global sustainability. In addition, it is noted that the developed

and executed state budget without public participation cannot guarantee sustainable development.

World experience shows that the implementation of this practice by local governments is based on specific principles, mechanisms and procedures. How carefully and perfectly they are designed will ensure the successful execution of the process. In recent years, the main trends in its development in several countries are the use of Internet technologies to increase coverage, the use of the mechanism of participatory budgeting, taking certain target groups (youth, migrants), the integration of participatory budgeting in budget transparency policies and a number of innovative practices based on participatory budgeting into account.

Ways to solve those problems

In recent years, Uzbekistan has also adopted a number of legal acts on the issues of participatory budgeting. In accordance with the Decree of the President of the Republic of Uzbekistan dated April 13, 2021 "On additional measures to ensure the active participation of citizens in the budget process" PP-5072, an additional 57.9 billion soums will be allocated to the regional budget of the Republic of Uzbekistan, and an additional 59.5 billion soums will be allocated to districts and cities with the receipt of more than 100 proposals through the information portal "Open Budget". From January 1, 2022, 50% of the funds allocated for the maintenance of internal roads of regional significance in the parameters of the district and city budgets will be directed to the maintenance of internal roads identified on the basis of public opinion through the information portal "Open Budget"[4]. Participatory budgeting in Uzbekistan called "Proactive Budget". The "Proactive Budget" process will be implemented twice in 2022. Its first season was as follows:

- From February 1 to February 22, the initiative was postponed in detail;
- Initiatives were moderated from February 23 to March 4;
- From March 5 to April 1, citizens voted on selected initiatives.

According to the results of this season, about 70,000 initiatives were received from citizens. More than 6.7 million people took part in voting on these projects. Of the submitted initiatives, 2 215 were declared as winners. In total, more than 1.1 trillion soums were allocated for these winning initiatives. Tashkent region (220) was the region with the most initiatives. It is followed by Fergana, Namangan and Surkhandarya regions.

According to the results of the first season, 760 or 34% of the winning initiatives were for the renovation of general education schools, 549 or 25% for the maintenance of internal roads and 89 for the improvement of drinking water supply and sewerage systems. However, it should be noted that during the voting process, votes were collected by the population in various ways that are illegal. There were cases when advertising banners were distributed, markets and other places of mass congestion of people had an initiative link to a QR code, their banners were put

up and even money prizes were offered for votes. Therefore, when distributing the state budget, the government should focus on mechanisms that systematically solve these problems. The Ministry of Economy and Finance announced the start of voting on the initiative budget in Uzbekistan. Citizens can take part in the distribution of part of the local budget for a total of 1.7 trillion soums by voting for projects to improve infrastructure, build roads, renovation and equipment of schools, and others.

As part of the first season of 2023, about 1.7 trillion soums are expected to be allocated throughout the country to finance projects put forward by citizens. According to the “Open Budget” portal, 55,970 initiatives were received from the population, of which 33,678 were approved.

In October 2022, the President of the Republic of Uzbekistan instructed to allocate an additional 335 billion soums to finance 364 projects of the initiative budget, which received more than 2,000 votes. From 2023, citizens will be able to distribute 30% of the additional revenues of the regional budget (before that, only the district and city), and funds for the infrastructure of villages will be distributed only through the “Initiative Budget”. As a result, 3.5 times more funds are expected to be allocated in 2023 - up to 8 trillion soums.

Evidence-based suggestions and recommendations.

Thus, participatory budgeting, as a process in which citizens are directly involved in the distribution of a certain part of the state budget, is a new modern approach to the relationship between government and citizens, an effective mechanism for involving the public in the budget process. This practice will ensure a more equitable distribution of public resources.

In our opinion, the following should be done to ensure the active participation of the population in the budget process in the medium term:

First, to develop and implement measures for wide use of public participation mechanisms in the process of preparing the budget and discussing medium-term budget priorities;

Secondly, to study the impact of the current budget policy on different segments of the population and announce their results so that the decisions made within the framework of the budget policy are better understood by the population;

Thirdly, by supporting citizens' initiatives, increasing their participation in the budget process is one of the important tasks.

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