

A New Approach in Public Budgeting: Citizens' Budget¹

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Change and transformation in the understanding and definition of citizenship has led to the emergence of citizen-oriented public service approach. This approach also raised a new term and concept in the field of public budgeting because of the transformation in the processes of public budgeting: citizens' budget. The citizens' budget which seeks to ensure participation of the citizens in the budgeting process serves as a tool to ensure that the budget is shared with the public transparently and that the people take part in the budgeting processes. Citizen's budget is one of the main tools and instruments that the central and local administrations could use to ensure greater transparency and citizenship participation. This study focuses on the concept of citizens' budget, its goals and principles. In addition, the paper also analyzes the phases of budget-making and the expected outcomes out of the citizen-oriented budgeting. Furthermore, the study, referring to practices of different countries in this field, offers some insights on the citizens' budget.

Keywords: Public Budget, Citizen Centered, Citizen Based Budgeting, Citizens' Budget

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Major changes in political, social, cultural and economic fields led to significant differences in the provision of service in public and private sectors. To this end, it should also be noted that the demands and the expectations of the citizens from the public sector have also been diversified. Because of the changes in the information and communication technologies, citizens expect a high quality and efficient service and demand its provision fast.

The citizens no longer want to receive insufficient and ineffective public services that do not address their needs and priorities. They instead expect consideration of their demands and expectations in the provision of the service and flexibility by the public servants and officials in this process. They also want to file their complaints in case they find the service insufficient and receive swift response to these complaints by the public authority. This approach, referred to as citizen-oriented public service, means an approach of service provision that considers involvement of the citizens in the process, consideration of their demands, wishes and priorities and citizen

satisfaction in all phases of the process (Uysal Şahin, 2014: 113). This approach further led to change in the public budgeting processes and to a new understanding and practice in the field of public budgeting: citizen-oriented budgeting and citizen budget.

1. Citizen-Oriented Administration Approach and Citizen-Oriented Budgeting

The citizen-oriented administration approach refer to such extensive issues and matters as increasing quality of administration in public management, reinforcing accountability mechanisms, ensuring transparency in the provision of public services, involving the people and civil society groups in the making policies, improving confidence in the state and making public service quality better (Karataş, 2007: 84). In short, this approach places the citizen at the center and considers their expectations to renew itself. Table 1 illustrates the benefits of this approach for the people as well as the institutions.

Table 1: Advantages of the Citizen Model

| What it means for citizens | What it means for organisations |
|--|---|
| - citizens trust public services; | - organisational culture is outward facing and focused on outcomes for citizens; |
| - citizens receive high quality, personalised, joined-up services, planned across | - effective processes are in place for informing and engaging citizens; |
| - citizens receive speedy and appropriate redress; | - strong engagement with organisations which can articulate citizens' voice and experience; |
| - citizens are well informed and have meaningful, diverse ways to express expectations, experience and needs within all spheres of government; | - objective information about citizen perceptions and satisfaction is easily and widely available; |
| - citizens' voice is heard and listened to regardless of the ability of the individual to make their needs known and felt; | - scrutiny is respected, proactive, cross-cutting and non-party political; |
| - citizens know how well services in their area are performing and see that organisations are being held vigorously to account by their representatives; | - services are joined-up and personalised: business process between organisations and sectors is congruent and complementary; |
| - citizens understand that individual and collective needs must be balanced and that the pattern of service delivery must change in order to secure improvement; | - organisations pool sovereignty and resources to improve and deliver outcomes for citizens; |
| - citizens understand they have rights and also | - systems of complaint and redress are simple, accessible |

| | |
|---|--|
| responsibilities; | and congruent across organisational and sectoral boundaries; |
| - citizens understand how much money flows into their area as a whole, how it is spent, what the outcomes are and whether they are receiving value for money. | - organisations attract, retain and motivate talent by seeking excellence and innovation which is celebrated; |
| | <ul style="list-style-type: none"> - the public service workforce is integrated, with skills which match present needs and future challenges; - diversity of provision is embraced as a means of challenge and innovation; - performance is objectively reported, challenged, supported and developed; - efficiency and effectiveness are strong cultural imperatives; - there is a rapid response to professional, technical and demographic change; - subsidiarity at every level: local organisations have autonomy to determine local policy and are empowered to deliver national and local priorities flexibly and responsively. |

Source: Beyond Boundaries Citizen-Centred Local Services for Wales, Review of Local Service Delivery: Report to the Welsh Assembly Government, <http://www.wales.nhs.uk/sitesplus/829/opedoc/116854>

The growing needs of the people in today's world call for good governance and replacement of the traditional government style. The demands for change make modernization of the management and its employees and improvement of the service provision mechanisms. To address these demands, approaches and understanding placing greater emphasis upon the citizen are being employed (Karataş, 2007: 84). The citizen appears to be a strong element in the provision of the services and the operation of the public administration.

A number of factors have played role in the emergence of the citizen-based management approach. These are complicated processes which also interact each other. These factors can be listed as follows (Uysal Şahin & Şahin, 2013: 240):

- Globalization
- Changing roles and expectations of the citizens
- Change in information technologies
- Growing importance of civil society organizations

We live in an age of transformation. The roles the states assume change depending on the expectations of the citizens. Referred to as third sector, civil society organizations also contribute to the process of transformation and play influential roles in the decision making processes. The main factor in these changes is the improvement in the information technologies. These changes restructure the public administrations which, as a result, try to offer better, faster and uninterrupted services. The main goal of the citizen-based management approach is to improve efficiency in the public sector and to maximize citizens' satisfaction.

Public budgeting process is a process where significant public decisions are made. For this reason, it is viewed as a great opportunity for citizen participation. In the traditional budgeting approach, the roles of the citizens in the budgeting processes are limited whereas in the citizen-based approach, they play a growing role. This budgeting approach employed by central administrations is mostly used in the local administrations.

Citizen participation in government budgeting processes is a topic that has received attention for many decades. Citizen

participation in budgeting is a novel mode of governance that brings together multiple stakeholders with public agencies to engage in budgetary decision-making within the networked environment of modern public administration (Hong, 2015: 2). In many democratic societies, the role of citizens in the budget process has steadily widened over recent decades. One reason is the assumption that dialogue between administrators and citizens is a useful mechanism for increasing accountability in contested areas. Such dialogue is a valuable tool to improve citizen trust in government. It aligns budgetary decisions with actual citizen priorities and values. Moreover, participation can feed useful information into budgeting. Citizens in cities with more participation were less cynical and more supportive of local governments (Kim & Schachter, 2013: 456-457).

Ebdon and Franklin (2006: 441) summarize five beneficial outcomes of citizen participation in budgeting: 1) informing decision making, 2) educating participants about the budget, 3) gaining support for budget proposals, 4) influencing decision making, and 5) enhancing trust and creating a sense of community (see also Ebdon & Franklin, 2004; Franklin, Ho, & Ebdon, 2009; Franklin, Krane, & Ebdon, 2013).

Regarding the question of what causes a local government to involve citizens in budgeting, scholars have identified the following factors (Liao & Zhang: 2012: 20): 1) environmental factors, such as the political culture, the form of local government, community size, and heterogeneity; 2) the utilization of engagement mechanisms, such as public hearings, citizen surveys, and advisory committees; 3) policy process design, such as timing and the solicitation of participants; and 4) the role of public administrators, particularly the professionalism and attitude of city managers toward citizen participation (see also Ebdon & Franklin, 2004; Franklin & Ebdon, 2005; Ebdon & Franklin, 2006; Zhang & Yang, 2009; Zhang & Liao, 2011).

2. Defining Citizen-Based Budgeting System

Citizen-based budgeting (CBB) emerged as part of a citizen-based management approach. CBB is essentially a budgeting technique where the citizens are included directly or indirectly to the budgeting

processes of approval, implementation, evaluation and supervision (Uysal Şahin & Şahin, 2013: 238).

Mostly used in local administrations, this budgeting technique seeks to make the local administrations more accountable to the people. In fact, CBB is a newly emergent technique out of the combination of the participatory budgeting and performance budgeting. The technique which seeks to increase level of accountability offers a method through which the citizens are allowed to express their views and wishes. CBB is implemented to reinforce accountability; but this is not the only goal. Other goals include addressing the inefficiency in source distribution, the failure of distributing the sources based on the needs and the ineffective operation of the public sector (Uysal Şahin & Şahin, 2013: 244).

CBB is a system designed to encourage timely citizen participation in the most fundamental function of "govprovide," offering not only a smoother budgeting process but also smoother, more efficient governance. Even in this time of sophisticated technology and rapid communications capability, citizens still think that local governments, elected officials, and administrators are out of touch, or possibly even callous enough to be unconcerned with the public's views on how public dollars should be spent. Using technology to help improve "connectedness" with the public should be, by this time, nothing new. But using it effectively to enhance connectedness at the critical beginning point of the annual life cycle of government-the budget process-is not as commonplace as might be expected. To succeed in enhancing connectedness and achieving a smoother budgeting and governing process, CBB uses technology to gather citizen viewpoints scientifically at the beginning of the budget procedure (Stampfler, 2005: 1).

Technology gives citizens the chance to share frank and anonymous viewpoints with the governing body. In this author's experience, the discussion of sensitive issues before government officials at public meetings deters all but the most stalwart or radical citizens from coming forward publicly to share their views. In the same manner as voting in a polling booth represents the sharing of opinion anonymously and confidentially, views on formulating a budget framework deserve anonymity, too. Of course, not all matters

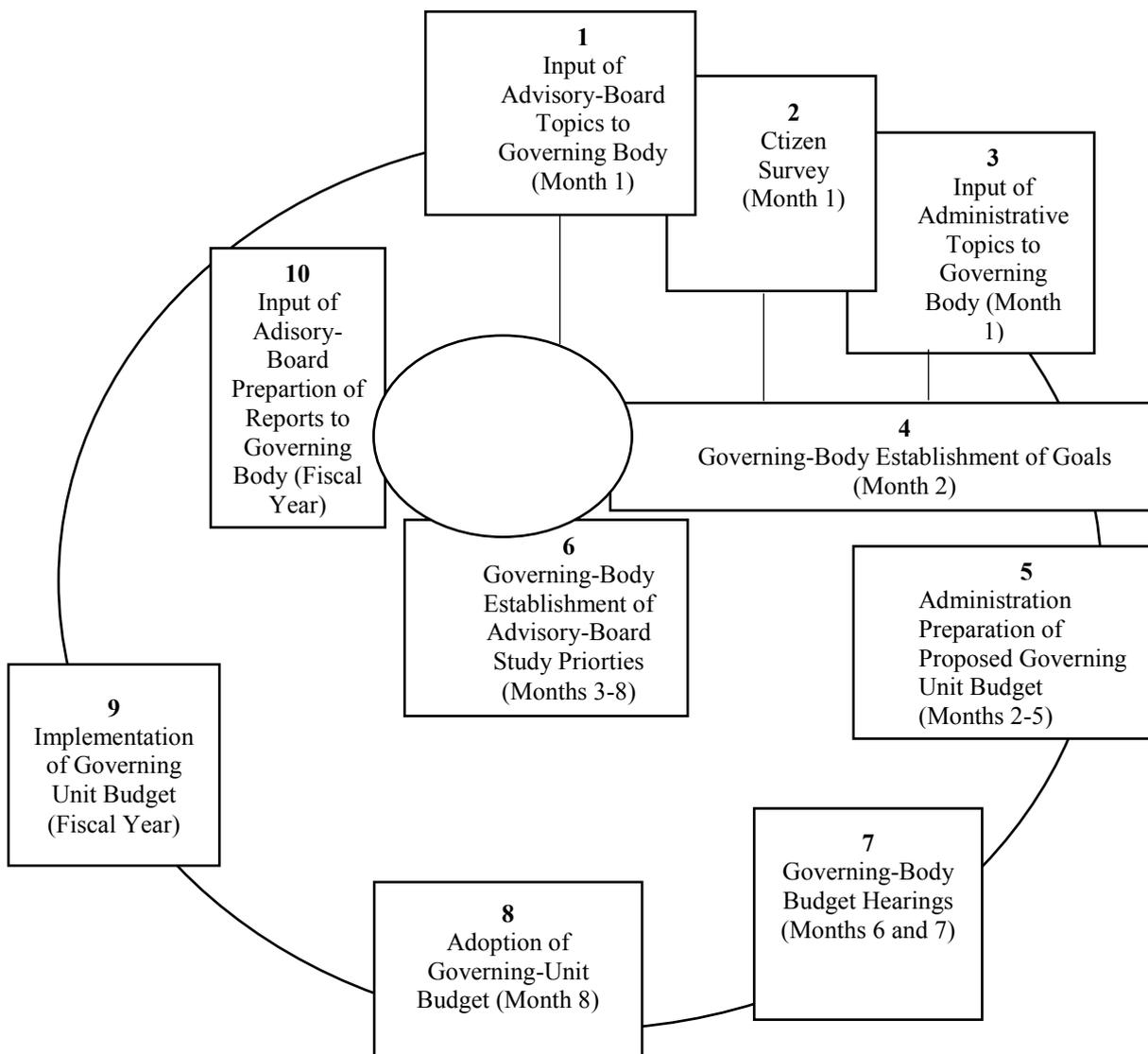
surrounding budget formulation warrant a confidential expression of opinion. But at the beginning of a budget process, this is a warranted and valuable way in which to assay public input. Technology should be used scientifically and systematically (that is, consulted regularly and carefully) to allow for accurate and useful measures and appropriate analysis. If there is no consistent effort made

over time to collect and monitor opinions held by the public, technology alone will not exert a useful impact on the quality of the budget process (Stampfler, 2005: 2). Care should be taken to institutionalize the effort and to establish credibility by maintaining a regular and systematic outreach to collect these opinions.

3. Process of Citizen-Based Budgeting

Ten main factors play role in the process of citizen-based budgeting process. The steps in the CBB process are presented in Figure 1:

Figure 1: Goal-Setting and Budget Process



Source: Stampfler, 2005

http://icma.org/en/icma/knowledge_network/documents/kn/document/6932/citizenbased_budgeting

1. Advisory board topics, 2. citizen survey results, and 3. administrative topics are presented to the governing body in Month 1 for consideration in the establishment of annual goals. 4. The governing body's establishment of goals centers around the results of the citizen survey, the recommended topics/reports of the advisory boards and administration, as well as, of course, each governing-body member's proposed goals. The final goals and objectives are adopted in Month 8. 5. Goals and objectives established by the governing body are incorporated into the preparation of the administration recommended budget. 6. After the review of the citizen survey and the recommended topics/reports of the advisory board and administration, the governing body will establish advisory-board study priorities and timetables for the following year.

7. The governing body and the administration hold public budget meetings to review and study the various portions of the budget. Public hearings on the budget are held in Months 6 and 7. 8. Following the budget meetings, review of the budget by the governing body, and required public hearings, the final budget is adopted. 9. The administration implements the budgeted programs and pursues the accomplishment of the established goals and objectives over the course of the fiscal year. 10. Advisory boards research and present findings on the various issues requested by the governing body, with the governing body taking action as appropriate. Information gathered is used by the advisory boards in preparation (Stampfler, 2005: 3-4).

In general, a citizen-oriented budgeting process requires some form of representative institutional structure and rules that ensure the right to information. Such processes further require institutions that facilitate (in a meaningful sense) the revelation of citizen demand, the opportunity for citizen reflection and resolution (in the budget decision or approval stage), the ability of citizens to report (on budget implementation), and avenues for citizen response and redress (that influence the incentives administrative and political officials face). These institutional mechanisms are shown in Table 2 (Andrews & Shah, 2005: 191). They are expected to effect a citizen orientation most efficiently when introduced within structures that ensure local political representation and the right to information.

Table 2: Institutionalizing Citizen-Oriented Budgeting Processes

| | | | | | |
|---|--|---|---|---|--|
| Stage | Budget targets formulated | Budget bids and drafts formulated, reconciled, and finalized into budget proposal | Political representatives debate, amend, and approve budget | Budget is executed, with in-year changes made and execution monitored | Ex post evaluation and control |
| Specific institutional requirements | Revelation institutions: Citizen input regarding resource availability | Revelation institutions: Citizen input required regarding service demand | Reflection and revelation institutions: Citizen access to debate, as well as institutionalized transparency of debate process and outcomes and citizen-based approval process | Reporting institutions: Citizen participation in projects, citizen monitoring and response mechanisms | Response and redress institutions: Citizen evaluation and response mechanisms required |
| General institutional reforms required | Representative institutions Right-to-information institutions | | | | |

Source: Andrews & Shah, 2005: 191.

Governments attempting to orient their budgeting processes to meeting citizen needs must provide formal channels for citizen input. These channels largely come in two varieties: formal, institutionalized forms of representation or parallel, participatory mechanisms. The first-best option for developing a citizen orientation in the budget involves citizens working within the political and administrative structures of representative local governments. To empower citizens, especially disgruntled citizens, local governments must be mandated to hold public hearings on budget proposals that are open to all. At these hearings, they must present a report on past performance. The budgetary proposals and performance reports must be made public well in advance of the hearings and must be made available in all local libraries and all local government offices as well as posted on the Internet. The local council should be required to include an annex to the budget that details its response to citizen input. Such a process can be a starting point for citizens' activism to reform their governments (Shah & Shen, 2007: 168).

CBB is the main item in the citizen-based management. One condition of attaining good governance is to ensure that the budgeting is citizen-based. Individuals are stakeholders in the decision making processes and they are no longer in passive roles in these processes. Under the CBB approach, citizens will become partners in the administration.

4. Characteristics of Citizen-Based Budgeting

One extension of the citizen-based budgeting is citizen budgeting. Formulated by Salamon (1976), the citizen budgeting notion was however implemented three decades later. Salamon detailed how the citizen budget should be drafted and what characteristics it should bear. However, he did not give any details on how it would be implemented. Yet this initial draft served as the foundation of the citizen budgeting in many countries (Uysal Şahin & Şahin, 2013: 250).

The citizen budgeting, developed to maintain basic principles of transparency and clarity, was in fact first discussed in the US. The Citizens Budget Commission was founded in 1932 by a group of merchants, bankers, real estate executives, and civic associations to

advocate reductions in the costs of city government and study possible sources of new revenue. The economic strain of the Great Depression had hurt municipal government across the nation, and especially in New York City, where public revenues were severely impacted by business failures. Throughout its history, CBC has continually weighed in on relevant and pressing issues surrounding the City's and State's budget and finances and has acted as a credible and reliable voice for responsible and effective public policy (<http://cbcnny.org/about-us/history>).

A number of initiatives were taken since 1990s under the auspices of International Monetary Fund (IMF), International Budget Partnership (IBP) and Organization for Economic Cooperation and Development (OECD) to ensure transparency in public administration. IMF published "Code of Good Practices on Fiscal Transparency" (1998, Revised 2007); and OECD issued "Best Practices for Budget Transparency" (2002). IBP, a civil society organization promoting the idea of transparency in public expenditures and access to the budget information, developed an Open Budget Index by which it evaluates the individual budgets of the countries.

Clarity, transparency and easy access to information have become major goals particularly in the 2000s in public administration; the growing importance of these principles led to the emergence of a budgeting approach that is available to the knowledge of the citizens. The citizen budgeting which is part of this approach serves as a supplement to the government budget to ensure that the national budget details are accessible by the masses. Such supplemental documents include Budget Summary Citizen Guide in Kenya, Social Guide for South African Budget in South Africa, Budget Guide for Citizen in Croatia and Basic Facts for Taxpayers in New Zealand (IBP, Country Info, cited by Şeker & Beynam, 2013: 223).

The most important initiative of our time on surveillance and publication of the citizen budgets is the IBP's The Open Budget Initiative. The Open Budget Initiative (Initiative) is a global research and advocacy program to promote public access to budget information and the adoption of accountable budget systems. IBP launched the Initiative with the Open Budget Survey—a comprehensive analysis and survey that

evaluates whether governments give the public access to budget information and opportunities to participate in the budget process at the national level. The IBP works with civil society partners in 100 countries to collect the data for the Survey. The first Open Budget Survey was released in 2006 and will be conducted biennially. To easily measure the overall commitment of the countries surveyed to transparency and to allow for comparisons among countries, IBP created the Open Budget Index (OBI) from the Survey (IBP-OBI, <http://internationalbudget.org/what-we-do/major-ibp-initiatives/open-budget-initiative/>).

The Open Budget Initiative's 2006 Open Budget Survey, covering 59 countries, found that only ten countries had published a citizens' guide or its equivalent, while in the expanded 85-country 2008 Open Budget Survey, 17 countries did so. Number of countries offering citizen budget was 16 in the

2010 Open Budget Survey whereas it increased to 26 in the 2011 Open Budget Survey (IBP-Rankings: <http://survey.internationalbudget.org/#rankings> and IBP-Survey, 2012: 15). In addition to some developed countries including UK, Italy, Norway and Sweden, some developing nations including Tanzania, Honduras, Thailand, Croatia and Mexico also publish citizen budgets. Some increased citizen participation has been observed in the countries moving to publication of citizen budgets; and some important steps were taken to ensure greater participation which further led to greater transparency and efficiency as well as clarity. Number of countries publishing citizen budget increased to 39 as of 28 Feb 2015; this proves that there is a growing trend to ensure people's participation in the budgeting for the sake of greater transparency and clarity (IBP-OBS Tracker 2015, <http://www.obstracker.org/> Access: 12.03.2015).

Table 3: Countries That Have Published a Citizen Budget

| | | | |
|--------------------|--------------------|-----------------|--------------|
| Afghanistan | Botswana | Brazil | Chile |
| Dem. Rep. of Congo | Dominican Republic | Egypt | El Salvador |
| France | Georgia | Ghana | Guatemala |
| Honduras | India | Indonesia | Italy |
| Kazakhstan | Kenya | Kyrgyz Republic | Mali |
| Mexico | Morocco | New Zealand | Nigeria |
| Norway | Philippines | Senegal | Sierra Leone |
| Slovakia | South Africa | South Korea | Sweden |
| Tanzania | Thailand | Timor-Leste | Tunisia |
| Uganda | United Kingdom | Vietnam | |

Source: IBP-Survey, 2012 and IBP-OBS Tracker, 2015.

4.1. Why Are Citizens' Budgets Important

A Citizens Budget is a nontechnical presentation that "can take many forms, but its distinguishing feature is that it is designed to reach and be understood by as large a segment of the population as possible" (Petrie & Shields, 2010: 5). A Citizens Budget is in some senses a simplified summary of the budget designed to facilitate discussion.

Government is accountable to the people for this money. Making the budgets it develops publicly available is one way to provide an account. Another is through publishing financial reports that explain how the money has been spent. The challenge, of course, is that budget information can be complex and is produced by different parts of the government at different times. It is thus disjointed, located in different, often quite complicated, documents. In many respects, these documents

are written for the internal use of government, and so use technical terms that most ordinary people do not understand. If they cannot understand what is presented to them, they cannot ask questions about it. The people are, in effect, unable to hold their government to account (IBP CBG, 2012: 9).

The annual budget is typically the key instrument by which a government translates its policies into action. The annual budget, however, is normally long and complex and accompanied by a number of detailed supporting documents. Thus, even for technical experts, understanding the budget is a difficult and time-consuming task. Therefore, it is essential that governments be proactive in helping the general public to make sense of the budget. Budgets should not only be available to the public they should also be accessible to the public. Currently, most governments fall significantly short when it comes to making their budgets accessible to the public. A Citizens Budget can help improve this situation (Ramkumar & Shapiro, 2010: 18).

A Citizens Budget is a document that summarizes and explains basic budget information. It is a report to the people, presented in an accessible format using simple and clear language they can understand. Being able to understand, individuals can then carry out their responsibility as citizens in a democracy of asking questions that ensure that the government explains what it has done in their name (IBP CBG, 2012: 9).

Until very recently, there were no international standards calling for governments to produce a citizens guide to the budget. Since 2006 the IBP's Open Budget Survey has included a question on whether the government publishes a summary of the budget, and whether it publishes a Citizens Budget. In a 2007 revision to the IMF's Fiscal Transparency Code, a provision was included calling for publication of a clear and simple summary guide to the annual budget; this step by the IMF underscores the growing consensus

on the importance of Citizens Budgets (Ramkumar & Shapiro, 2010: 18).

The citizens are, the primary beneficiaries of a Citizens Budget. The very purpose of a Citizens Budget is to increase their knowledge of what the government is doing and enhance their capacity to participate in governmental affairs. However, governments also benefit from Citizens Budgets. A Citizens Budget can be a particularly effective way for a government to demonstrate that it holds itself accountable to the public. A Citizens Budget can also serve as a tool for civic education. It can be a vehicle for explaining how the budget is formulated, enacted, and executed, and who is responsible at each stage. Through a Citizens Budget a government can clarify which level of government (national, state, or local) is responsible for performing different governmental functions and providing services (IBP CBG, 2012: 9).

4.2. Basic characteristics of citizen budget

The Open Budget Survey identifies two types of CBs: a simplified version of the Executive's Budget Proposal and a simplified version of the Enacted Budget after the legislature has considered the budget and voted on it. In practice, existing CBs are almost always confined to guides to the budget proposal, rather than to the enacted budget. Over time, not only might guides to both be appropriate, but it would also be helpful to provide guides for all the main budget reports, so that all eight key budget documents would have accompanying citizen's guides (Ramkumar & Shapiro, 2010: 19).

CBs can be created for both national and local governments. In the United States, for example, both the state and federal bodies responsible for the budget publish their own citizens' guides. It could be a useful exercise in Sierra Leone to have both the national government and the local councils release CBs.

Petrie and Shields (2010: 6-7), put forward the following general criteria for a government's Citizens Budget (Box 1).

Box 1: General Criteria for a Government's Citizen's Budget

- It should be an objective and technical document, not a political tract.
- It should be written with the needs of the general public in mind using everyday language, and it should be linked to more detailed explanations to provide a simple access point for those who want to know more.
- Full use should be made of simple and effective tables, charts, and diagrams, such as a "Budget at a Glance" table showing revenue, spending, the budget balance, and public debt for the budget year and the previous two years, and their percentages of GDP; the distribution (and change in distribution) of spending by function, ministry, major program, or economic type; revenues by source; the division of spending across levels of government; and per capita spending on the main social programs.
- It should be a self-contained document so that readers do not need to know the contents of other documents in order to make sense of it.
- It should focus on the objectives and contents of the budget — not its process. It should meet a range of quality standards, including comprehensiveness, objectivity, relevance, reliability, ease of understanding, and timeliness.
- It should be disseminated at the same time that the government presents the annual budget to the legislature so that the public is engaged in the discussion in time to have an impact on the legislature's deliberations on the budget.
- It should be actively and widely disseminated using a variety of media. In some countries this will require production of the guide in more than one language.

A Citizens Budget Guide, published by IBP in 2012, notes that a citizen budget should typically include the following information (IBP CBG, 2012: 29-35):

- the economic assumptions underlying the budget;
- the budget process;
- revenue collection;
- priorities in allocations and spending;
- significant new measures;

- sector-specific information and information about targeted programs;
- budget terminology (glossary); and
- contact information for follow up by citizens.

Every country needs to create a citizen budget in consideration of these principles and items. Some of the characteristics that a citizen budget should bear, the reasons for having a citizen budget and the key points in drafting a citizen budget are provided in Table 4.

Table 4: Characteristics of Citizen Budget

| Some Characteristics | Value of Having a CB | Principles for Developing a CB |
|--|--|---|
| <ul style="list-style-type: none"> • Document that summarizes and explains basic budget information for a given period (fiscal year) • Key insight: clear language and accessible formats in document produced deliberately for citizens • Explains how the government collects, distributes and uses public resources • Highlights budget priorities • Presents a broad introduction to the key components of the budget • Gives examples on how the budget will impact ordinary citizens • Promotes transparency and access to budget information | <ul style="list-style-type: none"> • Budget information is often complex and fragmented • Budget documents are produced to fulfill the information needs of the government (highly technical & specialized language) • Public Budget information rarely responds to the people's needs • Budget information is frequently inaccessible & people do not know how to start enquiring about the budget • Therefore, understanding where the resources are going is difficult | <ul style="list-style-type: none"> • Information should be useful for public knowledge and participation (not merely propaganda) • Developed after identifying public's info needs • Should create public dialogue (interactive-feedback) • Should be flexible/dynamic (adaptations every year) • Widely disseminated (i.e. use line ministries, public buildings) • Should identify existent channels for public engagement (what people can do with info & the opportunities for participation) • Part of the regular budget process (not one-off event) |

Source: IBP, *A Dialogue with Citizens on Budget Issues: The Making of a Citizen's Budget*, March 2012.

4.3. Dissemination of the Citizens Budget

Governments should make substantial efforts to widely disseminate their Citizens Budgets. Without broad dissemination, the very purpose of a Citizens Budget will be defeated. Effective dissemination will depend in part of choosing the right medium or media — print, radio, video, Internet, etc. Which is likely to be most effective in reaching the intended users? Answering this question involves understanding the type of information that can best be conveyed by a particular medium, as well as knowing the potential obstacles to users' accessing it. It is essential to assess whether certain groups will have a particularly difficult time accessing Citizens Budget information. In such a case, the government should consider how that should be taken into account in choosing which medium or media to use to disseminate of the Citizens Budget (IBP CBG, 2012: 37-41; Petrie & Shields, 2010: 8-9; Ramkumar & Shapiro, 2010: 20).

Print: To date, most Citizens Budgets have been produced in print form, whether as a one-page leaflet or a booklet of 60 or more pages.

Radio: Radio is used frequently by governments to convey many types of information. Generally, however, it has not yet been widely used to share budget information and to engage with the citizenry in a dialogue about the budget.

Internet: The Internet offers a number of benefits as a means for disseminating Citizens Budgets, particularly because it can be used in a number of different ways. A website, for one, can be a locus for storing and sharing a lot of information. Most such Citizens Budgets are in .pdf format. However, a few are also available in interactive web-based formats for reading from the website itself, as are the Mexican and Hong Kong Citizens Budgets. The Internet could also be used to facilitate interaction between visitors to a Citizens Budget web page and government officials. Using websites and online tools to disseminate a Citizens Budget makes most sense if the intended users are educated people who have regular access to the Internet.

Video: Although not commonly used at this point to present Citizen Budget information, the medium of video could be a very powerful tool for presenting complex information in an engaging way.

Text messaging (SMS): In some countries governments already use cell phones to disseminate important information. Because they are so widely available now, this medium could also be used to provide citizens with a lot of budget information.

5. Individual cases of citizen budget by countries

It appears that some countries draft citizen budgets whereas others create documents that are similar to citizen budget. The following are examples of how nations practice the principle of citizen budget.

5.1. Kazakhstan

A few years ago, the Center for Legal and Economic Reforms Assistance, a civil society organization in Kazakhstan, developed three types of "Citizens Budgets" to be used at the national, regional, and local levels, thereby providing a model of what could be done. In May 2011 the Kazakh Ministry of Finance (MOF) formally established a working group to develop procedures and a methodology for the production and publication of its own Citizens Budget. The working group included civil society representatives and members of National Budget Network of Kazakhstan.

Following two months of active engagement by the MOF with civil society representatives, legislation was drafted to authorize production of a Citizens Budget. The bill, which was signed into law in June 2011, covers the development of Citizens Budgets at both the central and local levels. What is unique about the Kazakh legislation is that Citizens Budgets will not only be published when the government publishes the Executive's Budget Proposal but also after the formulation, approval, implementation, and evaluation stages of the budget process. As of October 2011 the bill was already being implemented, with relevant chapters available on official websites of state agencies, including that of the Ministry of Finance, as well as local governments (IBP CBG, 2012: 12).

5.2. Ghana

Ghana published its first citizens' guide in 2006. It was produced by the Ministry of Finance and Economic Planning, with a

foreword by the Minister of Finance encouraging Ghanaians to develop a culture of participation in public policy formulation, and specifically to contribute ideas to the preparation of the annual budget.¹⁸ The guide started by explaining its purpose, and then summarised the 2007 "Budget Statement and Economic Policy". There were also sections on the budget cycle and contributing to the preparation of the budget (Petrie & Shields, 2010: 9). Ghana continues to publish citizen budgets at <http://myghanabudget.org> and shares relevant information on the budgets in a simplified manner with the citizens (<http://myghanabudget.org/>).

5.3. Tunisia

The design and publication of Tunisia's first Citizens Budget in December 2013 was an important milestone, marking a significant step in promoting budget transparency. For the first time in the history of public finance in Tunisia, the Ministry of Finance disseminated budget information that was not previously publicly available, including the draft Finance Bill, the Pre-Budget Statement, and the budgets of ministries and local authorities. The publication of the 2014 Citizens Budget highlighted the positive direction that the Ministry of Finance is taking toward budget transparency.

The Citizens Budget was developed following an open and inclusive process involving civil society members of the Joint Committee on Budget Transparency. It took into consideration the results of a survey of approximately 100 civil society organizations in Tunisia that was conducted by the International Budget Partnership (IBP). Through the survey, IBP helped identify the budget information needs of civil society, which was very valuable in developing the content of the Citizens Budget. The proposal for what should be included in the Citizens Budget that came out of the survey greatly inspired the Ministry of Finance in the preparation of the final document. The 20-page Citizens Budget presents a considerable amount of budget information in a simplified and accessible way, including through numerous maps and illustrations (<http://internationalbudget.org/blog/2014/02/05/tunisia-citizens-budget-one->

[more-step-toward-the-open-budget/](#) Access: 13.03.2015).

5.4. El Salvador

El Salvador's tenth edition of the "Citizens' Guide to the General State Budget" was published by the Ministry of Finance in 2007. The guide aims to make the budget more accessible so that citizens have a better awareness of the government's fiscal policy objectives and budget activities.¹⁹ The introduction briefly explains what a budget is, the legal basis of El Salvador's budget, and how the budget is prepared. It also provides information on the documents that constitute the annual budget law, and extensive detail on the institutional coverage of the budget. The guide then presents fiscal policy objectives for 2007, information on revenues and expenditures, and details of activities by function (including the amounts of transfers to the different municipalities). (Petrie & Shields, 2010: 10).

5.5. South Africa

In South Africa, the National Treasury issues a very short people's guide to the national budget. In an informative two/four pages, the guide briefly summarises recent and projected economic performance, presents medium-term fiscal aggregates, and describes priority areas for additional spending. A "budget highlights" box identifies key tax and spending initiatives. (<http://www.treasury.gov.za/documents/national%20budget/default.aspx>). South Africa, which ranked the highest in the most recent evaluation done by the OBI with a score of 92 out of 100, publishes its CB online in English, Afrikaans, Xulu, Xhosa and Setswana. The government's target areas for spending are clearly stated, but without much finesse or numbers. For example, the 2010 CB emphasized infrastructure to prepare for the 2010 FIFA games as well as "education, health, fighting crime, rural development, creating jobs and improving human settlements." A diagram lays out planned government expenditure and a column outlines major spending changes and tax proposals (Petrie and Shields, 2010: 10). South Africa also has the online "Tips for Pravin" system, in which ordinary citizens can send budget

suggestions to Finance Ministers. Where the public's access to the internet is limited, the citizens' budget is another way to inform the public about fiscal spending and policy, and can be published in newspapers and magazines or broadcast on radio and TV.

5.6. The United States

The United States takes a different approach to their "Citizen's Guide to the Financial Report of the United States of America," which totals twelve pages and goes into much greater detail on the budget and America's financial situation. Under the title 'Where We Are Now' are sections such as 'Economy,' 'What Came In and What Went Out,' and 'What We Owe and What We Own,' which try to process an economist's report into layman's terms with the help of sub-sections such as 'Cost v. Deficit.' Each explanation is accompanied by a colorful diagram. When compared to the other citizens' guides or CBs, America's is one of the more complex and detailed examples. (Available with other budget and financial report documents on <http://www.goa.gov/financial.html> and <http://www.fms.treas.gov/fr/index.html>, For exp. www.fiscal.treasury.gov/fsreports/rpt/finrep/fr/14frusg/CitizenGuide_2014.pdf)

There are some initiatives of citizen budget on state budgets in the US as well. For instance, New York The Citizens Budget Commission is an established institution focusing on this matter at the state level (<http://www.cbcny.org/about-us>). Other examples include Colorado (tax.i2i.org/files/2013/06/Citizens_Budget_2013.pdf), New Jersey (<http://www.nj.gov/treasury/omb/publications/12citizensguide/pdf/citguide.pdf>), North Carolina (http://www.osbm.state.nc.us/new_content/Citizen_Guide_to_Budget.pdf) as states and Mariposa (http://www.maricopa.gov/Budget/pdf/Citizen_BudgetBriefFinal.pdf), The Dallas ISD (<http://www.dallasisd.org/cbrc>), Waterloo (http://www.waterloo.ca/en/government/citizen_sbudgettaskforce.asp) as County, City, Township, Special District practicing citizen budget and creating citizen budget committees as well as issuing guides for the citizens.

5.7. Guatemala

In 2010 the Ministry of Finance in Guatemala decided to produce its first Citizens Budget in order to comply with certain laws that require it to make information available. The ministry's initiative was aided by the overt support of the country's President, who was committed to budget transparency. His endorsement was very important because the initiative faced some considerable opposition from within the ministry itself. The ministry also received an offer of cooperation and assistance from civil society groups, most particularly the Centro Internacional para Investigaciones en Derechos Humanos and the International Budget Partnership. It was in constant communication with these partners during the elaboration process and also consulted with media and other stakeholders on the content of the Citizens Budget. Publication of the Citizens Budget was supported by the German aid agency, GTZ /GIZ (IBP CBG, 2012: 24). The document was launched with a public event and with media attention. It was published in English Spanish and four Mayan language. However maintaining the sustainability of this approach has proved to be a challenge.

5.8. Kenya

The document, titled "Budget Highlights 2011-2012" and released in June 2011, was praised as a major step for the Kenyan government. The six-page CB combines simple bullet point highlights of major budget components under headlines such as "Sustaining Inclusive Growth for a Better Kenya" and "Pro-Poor Spending" with longer narratives for large projects such as irrigation farming. The Kenyan CB also lays out important numbers, such as projections for macroeconomic figures and government expenditure, by sector in simple and easy to read lists. Citizens Budget is published regularly in Kenya since 2011 (http://www.ieakenya.or.ke/publications/cat_view/1-publications/7-lectures-presentations).

Conclusion

Public budgets are important items and documents reflecting the political, fiscal,

economic and social preferences and priorities. The public budget, shaped by the policy decisions of the government, affects the distribution of public sources and individual lives. Budget, one of the fiscal tools of the public sector economy, operates to distribute the expenditures and revenues on public services through the public policies.

It appears that a citizen-based approach is being employed in the provision of the public services due to a number of factors including globalization, the changing roles of the citizens and their expectations, the changing role of the state and the growing importance of the civil society groups as well as advances in the information technologies. The citizen-based administration approach which seeks to maximize the popular satisfaction and focus on the citizen in the provision of service by increasing quality in the service and ensuring clarity and transparency is extended to develop a citizen-based budgeting and citizen budget system.

All the stages and phase of the local and national budgets including drafting, approval and implementation as well as inspection concern the different segments of the society. CDD is a budgeting technique where the people are involved in different stages of budgeting including approval, implementation, evaluation and surveillance.

The inclusion of the people in the budgeting processes can contribute to transparency and accountability in the budgeting and to achievement of greater efficiency in source distribution and productivity. In addition, the participation of the people in the budgeting process will contribute to public awareness of public service and taxation and to the democratic development of the country.

Citizen budget is an extension of the citizen-based budgeting. Citizen budget plays an important role in the implementation of the citizen-based approach. To ensure participation of people in the budgeting process, the budget should be reported by the people in a clear fashion. The most important goal of the citizen budget is to ensure that the people track the budget documents. The other documents include some detailed and technical information whereas citizen budget seeks clarify and simplicity. The citizen budget, thus, is not a complicated document to ensure that the people will understand its content. The

language and content is carefully crafted so that the people will have no trouble understanding it. By reliance on this document, the people will know their responsibilities and become able to raise questions and views on the budget the government drafts.

In addition, the citizen budget is a means of communication between government and citizens. The people will have the opportunity of tracking down the budgets whereas the government have the opportunity of communicating their goals and policies to the people. In this way, transparency and sharing is ensured. An administration model based on transparency and participation is the main goal of the modern public administration.

A number of countries developed citizen budget or similar practices under the auspices of international organizations including IBP, IMF and OECD. The IBP which works on the public budgeting assumed lead roles in the citizen budget and published a number of guides and documents in this field; it also offered consultancy and technical services. A review of the IBP initiatives on citizen budget system since 2006 reveals that the number of countries relying on the practice of citizen budget has been increasing. This is an important development in terms of accountability, efficiency and democratic development. But the publication of the citizen budget alone is not sufficient.

It is obvious that people who are aware of where the money they paid as tax was spent and have information on the details of the budget will become more participatory. A review of the citizen budget practices published by some countries reveals that there are similar practices held by these countries. Mostly, these countries publish guides giving details on how the spending is classified and where the money is spent; in addition, they offer mechanisms for easy access to the information. Thus, publication of the citizen budget is important and necessary. However, it is not sufficient for citizen-based budgeting. To ensure that the people become more participatory in the budgeting process, some different mechanisms should be developed; this will improve the impact of the citizen budget (Şeker & Beynam, 2013: 233).

The adoption of the citizen budget and citizen-based budgeting approach at the national and local level and implementation of these practices by the administration will

garner significant advantages for the government and the people as well.

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