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New Approaches in Public Budgeting

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Abstract

This study intends to evaluate the contributions of new budgetary approaches classified as (i) environment-friendly budgetary approach, (ii) citizen-centred budgetary approach, (iii) citizen's budget approach, (iv) participatory budget approach and (v) gender-responsive budgeting approach, to contemporary budgetary system implementations. Although emphasis is placed on establishing a relationship between costs and intentional outcomes when explaining performance within the sphere of contemporary budgetary system implementations, new budgetary approaches facilitate interpretation of performance on the basis of costs versus intended impacts. From this standpoint, the common and most significant merit of new budgetary approaches is that they serve for assuring accountability on the economic and social externalities created with the public budget, for not only the citizens that actively participate in the financing of public activities but also those who benefit from the services thus delivered.

Keywords: state budgeting, modern budgeting systems, externalities, public financial management, efficacy

1. Introduction

The public budget is redolent of a technical, quantitative text that refers to expenditures and revenue-collection decisions made in a given time frame at central or local levels of government. Yet, budget is not only a technical, but also a political text [1]. After all, the budget reflects the public preferences and priorities of those members of society who will be served by and included in funding of activities [2]. Given the competitive demands existing despite constrained resources, the budgetary process, namely the allocation of resources, may basically be expressed as a political undertaking that is shaped by the needs and preferences of the electorate, as perceived by politicians [3]. Accordingly, budgets prepared following a similar administrative course unvaryingly in almost any country are hardly unbiased and typically represent the predominant political climate and affairs [4].

The process of public budgeting has undergone a rigorous transformation depending on the degree of evolution achieved by the individual, society, politics and economy. While a budget was merely an instrument used to indicate how much a state would earn as income by occidental communities until the seventeenth century following the acquisition of the right to budgeting with introduction of Magna Carta in 1215, it has become rather of an instrument showing how much a state would spend beside detailed forecasts of revenue to be collected, from seventeenth

century onwards. The conventional budgetary system was adopted and followed throughout this period, in alignment with the then pre-eminent conception of a neutral, impartial state that is exclusively responsible for offering full range of goods and services to the public domain served [5].

Following the Economic Depression of 1929, the inauguration of the theory and concept of functional state and hence the resources' running shear against the ever-increasing expenditures have led the budget to transform into a more sophisticated tool for the state to fulfil its primary roles and functions in a cost-effective manner, from a traditional instrument of governance, accustomed by practice especially after 1950s. Starting from this period, the emerging contemporary budgetary systems included the performance budget system, the program budget system, the planning-programming-budgeting system, the zero-based budgeting system and performance-based budgetary system.

The semantics used to describe this period went analogous with the performance concept, as an assertive of the 'value for money'. However, the concept of performance is a constantly growing and expanding umbrella term. The advancements in the theory and understanding of democracy and subsequent alterations in conceptions of economy and development have brought the requirement for assuring accountability on the part of individuals who assume and fulfil active roles in the financing of public services, with regard to the externalities caused by services delivered to the whole society within the budget and their long-term effects, in addition to rationalising the political decision-making process with an endeavour to manage and subdue concerns for cost-effectiveness.

Consequently, even in the proposals delivered by the contemporary budgetary systems, the public budget and policies were presumed to affect all individuals that collectively form up the community at more or less the same level [6]. The new approaches in budgetary systems aim to establish and maintain oversight on the effects of the budget on not only those involved in financing of public services, but also, those who benefit from such services, in addition to rationalising the political decision-making process with an endeavour to properly address and handle the concerns for cost-effectiveness.

These approaches present a range of novel perspectives that enhance and extend the meaning and context of the performance concept within the auspices of the notion of improving public performance, cherished by the existing budgetary systems, rather than introducing propositions for a new budgetary system.

2. Change in budgetary systems and transformation in the conception of performance

Budgeting, in its traditional fashion accustomed by practice, exhibits both rolling (i.e. continually updated to add a new period, once the most recent period ends) and incremental (i.e. showing marginal change from a previous year) properties. Budgets are typically arranged in cash basis of accounting. Their contents consist of line items [7]. The traditional budgetary system makes an outlay of expenditures by inputs/resources. In such system, the budget functions as a mechanism of fiscal control over public activities. The paramount advantage that such system delivers is in that it provides simplicity and facilitates for the control of public expenditures against input items in delicate detail [8].

The contemporary budgetary systems lay less importance on cost controls, but instead, more focus on cost-effectiveness and cost-efficiency. This stance requires investigation of what a casual citizen obtains as benefit from the program, rather than probing into detail with the actual cost of a program. However, investigation

of cost under a limitation of resources is rather associated with how to obtain the greatest benefit versus the cost undertaken [9].

While the traditional budgetary system is not suitable for establishing the cost-outcome relation from the viewpoint of results delivered by the public, the contemporary budgetary systems allow for evaluating the result-oriented nature and quality of budget applications, by integrating performance parameters into the budgeting process. On the other hand, within the array of modern budgetary system applications so far implemented, the task of establishing the relation between costs and targeted outcomes for describing performance has gained wide acceptance and more importance, rendering economic, efficiency and effectiveness the major components of performance. In public perception of performance, the hegemony of 3E (economic, efficiency and effectiveness) is a phenomenon that is mostly criticised.

While 'economic' concentrates on the cost of inputs as an aspect of performance that assists the selection of most optimal input components, 'efficiency' is derived from the relation between the product (output) of a production process and the resources (input) consumed to realise the output. Effectiveness demands a comparison to be made between the realised and predicted outcome. However, the level of attainment of the predicted outcome with effectiveness concept does not take account of the externalising effects of the outcomes delivered by public. It is therefore essential that the said effects as caused by public activities should, as well, be considered. The efficacy concept has been proposed to denote the effects inflicted by a program upon a society [10].

A similar relation has been conceptualised by [11] as 'net effects'. According to this concept, a service program may have entailed to additional costs in other programs and within the community, in a broader perspective. For instance, expenditures allocated to development of roads and motorways may have principally aimed at pruning the time of travel, and hence achieved this objective of theirs. However, such objective may have been accomplished at the expense of extra environmental pollution. Consequently, in order for the net effects of a particular program to be measured in perfect accuracy, the need is eminent for correctly identifying and assessing the effects caused by the practical implementation of that program on private sector and other public programs in progress [11].

As a matter of fact, in most cases, the potential occurs for realisation of a program at cost of compromises in assurance of productivity and effectiveness, sustainability and gender mainstreaming. For this reason, there is the need for expanding the meaning and conceptual coverage of performance so as to cover, in addition to thrift, productivity and effectiveness, such budget-driven externalities as gender mainstreaming, sustainability and participation, as accommodated by the concept of efficacy, in order to induce a comprehensive and homogeneous perception of the term. Therefore, performance, as an umbrella term, should better be denoted with cost-efficacy rather than cost-effectiveness.

3. Theoretical background

The system analysis approach is generally used for explaining the concept of performance in the public sector. The system analysis converts inputs that are associated with organisations and their tasks into deliverables and outcomes in its own terms. This tool, which describes transformation from inputs to outcomes, was initially employed during early 1980s, by theoreticians of business management as part of an effort to shed some light upon the production problems in the manufacturing industry and then, adopted as well by non-for-profit organisations from late

1980s and early 1990s, onwards. During the time advancing thereupon, this model was started to be used widely by both public and private sector organisations for the purpose of elaborating the outcomes of their respective programs [12].

Manning et al. ([12], p. 14) suggest that the input-output-outcome relation, within a system approach narrowed to cover the perspective of public sector exclusively, in order to help determination of performance across governmental entities.

The definitions of input-output and outcomes can be made as follows [12]:

Inputs: mean the resources put up in use by public entities to obtain the desired outputs. Accordingly, inputs are comprised of intangible, abstract assets such as effort, capital, financial assets and intellectual holdings. It is possible to categorise inputs under two distinctive categories as financial and non-financial assets, where, 'non-financial inputs' purport effort, capital, commodities and services dedicated to production of services expressed in measurable units like pieces, lots and quality, and 'financial inputs', or in other words, costs, refer to the costs of inputs covered by public or tax expenditures. The above figure contains two separate input boxes to highlight the difference in between.

Public sector process: means structures, procedures and management arrangements with a broad application within the public sector. These basic arrangements pose significance in that they direct activities of the government in progress. Activities are intended to indicate certain tasks assumed by the public sector. Activities play a key role in transformation of resources into public services. The architecture of the public sector may either prove to be an obstacle against, or subvene the uplifting of the performance of coordination activity across such institutional arrangements as for the type, budgeting and accounting methods of public services, as well as choices made in particular reference to which services are to be outsourced, and, the production of which services is to be undertaken by the public sector.

Outputs: mean output derived from the direct measurement of output volume and associated quality characteristics.

Outcomes: refer to the outcomes caused by outputs realised by public entities and their effects on the general public, where, 'intermediate outcomes' represent the outcomes of outputs or activities attained in progression towards the achievement of final outcomes, and, the 'final outcomes' are the effects and/or consequences of the outputs or activities of the government on the society.

While outcomes are not under the control of public entities, they may be categorised under two separate headings as intermediate and final outcomes, or, alternatively, as intended and unintended outcomes, where, in the latter classification, 'intended outcomes' are the effects that the public sector intends to create over the society, through its outputs. The intentions of the public sector are the objectives with its activities as disclosed plainly to the general public. Accordingly, the intentions of the government are clearly manifested, for instance, through laws, formal policy statements and regulations.

Failure to attain the intended outcomes, or, in an alternative way of expression, occurrence of unintended outcomes is considered a 'risk of outcome'. Generally, the outcomes are not dependent upon activities of the government, only. Adverse weather conditions, acts of war and periods of economic stagnation may also entail to unintended outcomes, by influencing the outcomes in a negative way. Accordingly, the risk of outcome signifies the potential of external factors to influence the outcomes in a negative or positive manner [13].

In the meanwhile, it is important to note here that the system approach discussed above until this point is not a new development for the public sector.

Bradford et al. [14] have made a material distinction between the outputs and outcomes in public sector disclosures of services. According to the authors, it is possible to conceptualise the inputs used in production of public goods and services in the form of a vector (I). This vector (I) then changes into the vector (D), representing the 'direct outputs', with the production function. However, the authors underline that vector (D) does not in general constitute a thing or things of primary interest to the citizen-consumer. Therefore, citizens pay more attention to the vector (C), representing the outcomes of vector (D). Accordingly, the executives in the public sector tend to focus on obtaining the vector (D) out of vector (I), while citizens centre all their interest around vector C [14].

This systems analysis approach, which has been conceptualised from inputs towards outcomes in the public sector, has further been extended by Burkhead and Hennigan [15]. The authors have picked the environmental cleaning service rendered by local administrations and, moving thereon, made an assessment of the system implemented by the relevant department by further splitting it up to five basic factors. Accordingly, the resulting system was composed of five base vectors that were respectively lettered (E) to represent environmental effects, (I) to represent the input, (A) to represent the activities, (O) to purport output and finally (C), to symbolise outcomes for the citizen-consumer.

Environmental vector (E) is used to describe environmental conditions. These environmental conditions are described as the needs of citizens and social structuring—i.e. household income, traditions, residence—and the general structuring of economic activities carried out among the society. The *input vector* symbolises labour force and capital equipment. The onus appears to rest with the head of department to set and maintain the best optimal balance between labour and capital, both of which pose significance for the input vector. On the other hand, the decision-making ability of the executive is shaped into a final form according to the budgetary limitations and legal regulations, as well as best practices, as in the case for private sector organisations.

The *activities vector* purports the stage during which important decisions are taken. As a matter of fact, the manner in which resources are to be consumed and hence the quantity and quality of public services are elaborated in the light of these decisions. The output vector, on the other hand, is an expression of clear and measurable outcomes of the activities performed in pursuance of the decisions made (namely, of the activities vector). The outcomes vector, however, does not consist of the numerical sum of the outputs vector. Accordingly, the outcomes of incremental growth in the environmental vector, for instance, may take the form of more municipal waste and garbage collected in response to dirtier streets. Therefore, albeit a productivity increase in public services, the efficiency of these services may have degraded drastically [15].

While this five-vector system analysis approach is capable of explaining the complex relations inherent in provision of public services, it fails to assess the efficiency of services provided. For this reason, Burkhead and Hennigan felt the need for another vector, the so-called 'social state vector'. The rationale behind this new vector lies in that citizens may have either improved or worsened conditions of living, as a result of a certain public service delivered.

In respect of the five vectors, productivity is the ratio of inputs to outputs, or inputs to activities, while efficiency in the public sector denotes the relationship between inputs and the social state vector. The social state vector requires consideration of two additional factors. The first of these is spatial dispersion, which is important for each local government service. In theory, the real revenue share and distribution within a municipal administration is influenced not only by taxes and those public activities expressed in the form of transfers, but also, by the manner in which the service is rendered. A district within the same municipal borders may receive better cleaning services compared to others. This may lead to an increase or

decrease in real revenues of that particular municipal district. The second factor is neighbourhood participation. In the viewpoint of the authors, assuring participation of the public in decision-making processes is as vital as conduct/performance of services, in deployment and implementation of the social state [15]. At this point, concluding that long-term outcomes have been conceptualised as approximation to a social state by Burkhead and Hennigan [15] would not be a wrong approach.

4. New approaches in budgeting

The approaches to public budgeting, which facilitates due consideration of the budget at planning, preparation, approval, application and supervisory stages also with consideration of economic and social externalities caused by public activities, consist of (i) environmentally sensitive budgeting approach, (ii) citizen-centred budgetary approach, (iii) citizen's budget approach, (iv) participatory budget approach and (v) gender-responsive budgeting approach. The following section will describe the characteristic traits and integration into the basic budgeting processes of these approaches.

4.1 Environmentally sensitive budgeting approaches

In this part of the study, green budgeting and ecoBUDGET approaches are discussed under environmentally sensitive budgeting.

4.1.1 Green budgeting

The green budget, or efforts for integrating environmental concerns in fiscal processes of the public, is relatively new in the historical timeline. For decades, countries have been working for attaining their political goals on environment, utilising financial instruments. The mindset lying behind the green budget assumes that economic welfare of the future would depend on green technologies. These efforts bring along the ecological modernisation as a concept, thus envisaging approaches for economic growth bundled with environmental sustainability, based on a win-win strategy [16].

Green budgets are grounded on a careful consideration of environmental sensitivities in time of determination of the composition and magnitudes of expenditure and revenue items of the state budget and preparation of informed forecasts thereof. Budgets affect activities concerning the environment in various different ways, through their expenditure, revenue and neutral items, namely, those instructions that facilitate transition between funds. Public expenditures may yield positive externalities and positive impacts on the environment, when they support positive economic behaviour in general. Public revenues, on the other hand, are rather allocated to actions deterring activities that are generally detrimental to the environment. Such purposes are predominantly associated with application of environmental taxes [17].

The budgeting process typically starts with planning of areas of expenditure by prioritisation. The second stage oftentimes involves approval of the budget by the parliament, on submission by the finance ministers. The legislative body may superimpose additional environmental or non-environmental conditions to groupings of expenditure by type, subject to constitutional arrangements made at national level. The third stage is the implementation phase of the budget. In the course of budget implementation, expenditures are made by means of the central government, local or regional administrations, EU bodies and NGOs. The fourth

stage comprises monitoring, final assessment and reporting, handled either by the spending department or by external auditing functions. This is the phase where environmental expenditures are assessed for efficiency and efficacy, together with all other expenditures. The first four stages usually result in an increase in revenues, which is then taken into account during the planning efforts for the next budget period [17].

4.1.2 *ecoBUDGET*

The *ecoBUDGET* is an environmental management tool designed specifically for and in joint action with local authorities, by the International Council for Local Environmental Initiatives (ICLEI), upon disclosure of its name for the first time in 1994, in the context of the Aalborg Charter, which may as well be used by all levels of government. The *ecoBUDGET* has been originally put forth as a project, mainly inspired by the idea that air, potable water, biodiversity and other similar natural resources can and must be managed with due care and diligence at the same level with financial resources [18].

The basic idea follows the assumption that natural resources can be managed in the same way financial resources, such as money, are managed, for the development of a sustainable society, by rendering smart allocation of resources easier. By doing so, it enables more productive management of resources on a local scale, based on a prioritisation of natural resources for use. Besides, it contributes to accountability in the political decision-making process, by way of budgeting and evaluation of natural resources [19]. In this sense, *ecoBUDGET* is a tool that enables the budgeting of environmental assets, in the same way followed for creating a financial budget for environmental assets. With this tool, the local governments may monitor their already scarce natural resources prospectively, and set objectives for these resources [20].

The *ecoBUDGET* approach relies on three fundamental principles: first of all, the environment-friendly budget circulation is highly dependent upon the fiscal budgeting principles and procedures that form up the guidance for individual methodological stages. Second of all, the plan encompasses the Deming Cycle (a.k.a. PDCA cycle), which was first introduced in 1956, as a continuous quality improvement model consisting of a logical sequence of four repetitive steps for continuous improvement and learning: plan, do, check and act, in its entirety. This cycle adopted by *ecoBUDGET* finds wide acceptance in environmental management systems. Third of all, the plan aims at sustainable growth. In this sense, the targets set and actions performed as part of *ecoBUDGET* must contribute to sustainability. It is for this reason why, a strong political commitment and community involvement are pre-requisites for *ecoBUDGET* [21].

The *ecoBUDGET* cycle reflects the three fundamental stages of the financial budgeting cycle: budgetary planning, budget application and balancing of the budget. At the end of the year, full disclosure is made about the environmental status [22]. The budget balance and the performance analysis to be provided in its attachment will support the next year's budget with vital information and data, and be rendered more effective and better prepared in a loop. The most prominent feature *ecoBUDGET* is that it is tightly attached to continuous improvement and supports learning organisations in a cyclic approach [21].

According to ICLEI [21], preparation and approval of the budget consists of: (i) a unit or function should be formed and appointed to assume full responsibility for coordinating and implementing the *ecoBUDGET* process. Such unit or function preferably be an autonomous, interdisciplinary *ecoBUDGET* Coordination Team (or environment budget department); (ii) a framework should be developed for

executive instructions and internal audits, in addition to the reporting frame and guidelines; (iii) a preliminary report should be drawn that properly addresses the changes expected in both environmental consumption and in legal and political structure; (iv) the ecoBUDGET is prepared, consisting of three essential documents including the main environment budget, declaration of environmental assets and an environment-benefit analysis; and (v) approval of the main environment budget finalises the preparatory stage.

Implementation of the budget consists of (i) measurement management referring to the responsibilities and programs for individual indicators that must be agreed upon within the administration, (ii) accounting in full support of mechanisms for monitoring and reporting of individual indicators enables early detection of whether environmental budget figures are complied, and (iii) feedback given to the senior management on all major expenditures to enable timely realisation of necessary corrections or gain political legitimacy through parliamentary bills.

Evaluation stage consists of (i) the budget balance for the period which is reached with compilation of annual accounts from individual accounts, (ii) the internal audit that verifies and validates how close the administration is to attaining the predefined objectives, by comparing annual balance with long-term objectives, (iii) the approval of budgetary outcomes which follows a similar stance to the approval of the main budget.

The ecoBUDGET follows a cyclic pattern that is identical with financial budgeting. In ecoBUDGET approach, however, indicators and accounts are not assigned with monetary values. In the event that natural resources are expressed in monetary terms, practice will delimit the opinions of politicians with financial indicators, instead of assuming comprehensive responsibility with respect to natural resources. Additionally, this will be accompanied by the problem of unintentional off-setting of miscellaneous environmental impacts from one another. Yet, based on the probability that measures taken with respect to conservation of natural resources may cause either a rise or drop in initial investment costs and operating overheads, a relation exists between ecoBUDGET and the fiscal budget. Therefore, mutual relations between budgets should be considered at inception stage and further be included in reviews during the decision-making process [21].

4.2 Citizen-centred budget

Citizen-centred budgeting is a budgeting approach, which seeks to ensure participation of the citizens in the budgeting process, across approval, implementation, auditing and evaluation phases of budgeting whether directly in person or by officially assigned proxies [8].

Although it was originally brought forward to strengthen accountability, citizen-centred budgeting is not meant for this singular purpose. The inefficiency particularly in distribution of resources, in combination with lack of ability to allocate resources based on needs, and the poor functioning of the government due to this fact are indicated among the other matters addressed by the citizen-centred budgeting approach [23].

Accordingly, the approach aims to insure a more efficient redistribution of resources, by including citizens in the process of budgeting, through the citizen's budget initiatives. These initiatives are expected to slacken the budgeting process a bit further and render the decisions made more acceptable, by enabling and encouraging full participation of citizens in the process. The citizen-centred budgeting also brings the opportunity for citizens to assess the overall performance of their government, voice their complaints, and take action towards tackling the odds.

It is necessary to make effective institutional changes to make budget and budgetary processes citizen-oriented. This can be accomplished by two ways; a representative institutional structure or a mechanism enabling participation should be established [23].

The steps to be followed in creating the citizen-centred budget can be enumerated as follows [24]:

- i. take due account of comments raised by the advisory board that is formed up by citizens regarding services,
- ii. take due account of the results of citizen's satisfaction surveys, in time of budget preparation,
- iii. afterwards, let the administration present their proposals for the budget,
- iv. have the executive in the agency revise and reshape the goals and objectives with the services in accordance with the advisory board's comments, citizen's wishes in citizen's satisfaction surveys and further advice and suggestions of the administration.
- v. make sure that the said goals and objectives are properly included in the budget in time of preparation, establishing a goal-objective association with the resources,
- vi. once this stage is completed, have the executives meet with the council or committees of the city that represent citizens in a preplanned and timely disclosed gathering for reviewing the budget rates,
- vii. following such review, make sure that mechanisms of accountability are properly defined, before the budget takes its final form and is approved,
- viii. forthwith upon implementation of the budget, make sure that reports are drawn on intended outcomes as predetermined, for exchange of information with the general public.

4.3 Citizen's budget

Citizen's budget is an extension of citizen-centred budgeting [23]. Its first introduction to public life dates back to 1932, when it was initiated as a non-governmental organisation acting under the title Citizen's Budget Commission in the United States, with primary engagement consisted of inspections conducted for the potential production of new sources of income by cutting the costs of city governance, on commission and assignment of the merchants, bankers and real estate industry representatives of the day. The adverse effects of the Economic Depression of 1929 hitting the New York City's Municipal Administration further elevated the importance of the Citizen's Budget Commission. Since 2008, there have been notable developments with national governments in the trend towards improvement and publication of citizen's budget [25].

The citizen's budget has been designed to present basic financial information to a general group of random citizens. The citizen's budget is a simpler, non-technical illustration of the public budget. It was developed for building a general sense and knowledge among citizens on what public plans are meant to be and how financial

resources are distributed. This version briefs the reader/beneficiary on public financial resources, revenues, expenses and other information as may be considered relevant or vital. This straightforward guide meant for assisting the citizens shows where the public resources were spent and how, and to what extent the needs and expectations of the government were satisfied in return, within a given time period [23].

The citizen's budget can be produced by non-governmental organisations or other defence groups; however, it should be developed and published by governments, since it institutionalises the commitment of governments to clearly present their policies to the general public [26].

The citizen's budget should be prepared within a prearranged plan and through consultations with its potential users. Because it is one of the paramount goals of the citizen's budget, which requires a system that works for annual periods in an orderly manner, to encourage citizens for participating in debates and discussions on the budget, it should be presented and disclosed in a time frame that allows for such participation. In other words, a citizen's budget version of the budget in draft should have been published on the same day in which the draft itself is published. Likewise, the citizen's budget version of the appropriation act should be produced as soon as possible after approval of the budget by legislature. All the above versions of the citizen's budget should be published and disseminated by exploiting all available communication channels, once after being produced [27].

The general context of the citizen's budget to be prepared in line with the foregoing principles should be designed in five parts. The first part should include an introduction and provide an overview of the basic concepts, while the second part should include the economic conjuncture and the government's goals, with the third part making a categorisation of expenditures by institutional, functional and economic nature, along with an evaluation of sources of income within the sphere of taxes and indebtedness. The last two parts may contain projections of fiscal administration and general economic structure, with an analysis of opportunities, threats and action to be taken there against [25].

4.4 Participatory budgeting

There is not a clear definition adopted in consensus for the concept and understanding of participatory budgeting. Studies performed on participatory budgeting approach follow practical implementations [28]. The scale at which the participatory budgeting approach is applicable may vary from central to local governments and municipal administrations [29].

The participatory budgeting approach was initially put in action by the Municipal Administration of the City of Porto Alegre in Brazil, 1989, and thence spread across several parts of the world, from 2000s, after inspiring similar projects in numerous cities of Brazil. Participatory budgeting is a public budgeting approach that allows for direct participation of community members in a democratic process, for first-hand experience [5].

The participatory budgeting approach is notable for the fact that it builds upon two distinct needs: improving public performance and enhancing the quality of democracy. At this context, the participatory budgeting approach helps betterment of public performance through a series of rules that restrict and tend to control the privileges of the public administration, while boosting opportunities for citizens to participate in debates and discussions on public policies. It helps with further enhancement of the quality of democracy by encouraging direct participation of citizens in public political discussions, to help them move beyond consultative deliberation and into the realm of state-sanctioned decision-makers [30].

The rudimentary course of progress that must essentially be followed in participatory budgeting consists of (i) identification, (ii) discussion, (iii) decision-taking, (iv) execution and (v) monitoring. Identification involves (i) identification of needs that the agency may reveal during the participatory budgeting process, (ii) identification of citizens to receive services that fit in the needs so identified, (iii) identification of the manner in which such services are to be performed and projects drawn in relation thereto, (iv) establishment of the committees to be responsible for these services, and (v) setting and scheduling of the times for meetings of the committees so established. Discussion consists of two stages, namely: (i) election by committees of service projects and (ii) identification of feasible projects with top priority. Decision-making involves (i) a vote on projects to be selected and (ii) approval of the projects thus selected. Following this stage, the projects selected during the execution phase will be executed by the relevant public authority in charge. During the supervision phase, execution of selected projects will be checked and supervised by citizens [5].

The core principles of participatory budgeting can be listed, as follows [30]:

- i. Administration should be split in such a manner that provides ease for distribution of resources and the conduct of meetings by regions, service topics or amount of resources to be allocated, depending on the scale at which participatory budgeting is executed.
- ii. Throughout the year, government-led meetings shall be held to address different aspects of budgeting and policy creation cycles. Dissemination of information through these meetings will be followed by policy proposals, discussions on proposals, selection of policies as proposed as well as of the delegations to attend them, ending with the inspection/review phase.
- iii. Each administration concocts its own formulation to guarantee fair distribution of resources (social justice), depending on the scale at which the participatory budgeting approach will be executed.
- iv. Discussions will be staged between the participants themselves and participants and related functions of government on resources and policies. Proxies will be assigned from among the participants.
- v. These proxies will pay visits to all project groups confirmed first beforehand the final vote. Such visits will allow for assessing the degree by which the proposed projects are capable of coping with the social requirements, by the delegates.
- vi. All elected representatives will have a right to vote in all selected projects.
- vii. A council will be set up and operational with participation of two representatives from each region that falls within the reference and authority frames of the municipal administration. This council will then hold regular meetings with the management of the relevant functional branch, in order to perform an oversight of the participatory budgeting program.
- viii. Once approved by proxies of the participatory budget, the budget will be submitted by the mayor to the ultimate statutory decision-making body, and such body will issue its final approval to give full effect to the participatory budget.

- ix. The year-end report will provide information on the outcomes of the public works and programs executed.
- x. Regional/sectoral committees will be set up for the purpose of monitoring the execution of policy proposals.

At this extent, the participatory budgeting approach stiffens the resolve for a more proactive civil society by enabling the active participation of citizens in public budget and thereby self-education and improvement in the area of budgeting. Participatory budgeting also helps encouraging transparency, which has a vast potential to alleviate the risks of inefficiency and fraud in public governance. It delivers the opportunity for those citizens who were historically excluded from taking part in what participatory budgeting approach has to offer in the past, mostly due to low levels of income generated and education received, to make choices that would influence their government's course of conduct against them. In this sense, the participatory budgeting approach facilitates access for historically excluded citizens to major decision-taking mechanisms [30].

The participatory budgeting programs exist in two basic forms. One is the 'participatory budget for public affairs', and the other is the 'thematic participatory budgeting' method, where the former, 'participatory budget for public affairs' concentrates on certain public projects and ensures participation of citizens in decision-making processes related with investments allocated exclusively for these projects. The thematic participatory budgeting, on the other hand, focuses rather on general policies on government expenditures. Such policies lay focus on more general trends such as allocation of increasing public expenditures to a certain health-care scheme. The meetings of concern are inclined to lure more informed activists with higher potential to become part of a theme-based social movement [30].

4.5 Gender-responsive budgeting

Gender-responsive budgeting, also referred to as 'gender budgeting', 'women's budget' or 'gender-based budgeting' through citations in scholarly articles [31], or as GRB in short, deals with how differentiating needs of men and women that collectively form up the society should be fulfilled, by incorporating a gender perspective at all levels of budgetary process and restructuring revenues and expenditures in order to promote gender equality [32].

Acknowledgement of the fact that macroeconomic policies play an important role for their outcomes affecting the living standards and economic opportunities of an entire population in general, and women in particular, helps justify the rationale behind incorporation of a gender perspective at all levels of budgetary process. In this sense, the fact that macroeconomic policies coerce lower levels of production and obliterate growth of personal skills instead of diminishing, if not eliminating, social inequality, gives rise to extra cost burdens in terms of lessened spare times and damage caused to levels of welfare [33]. The basic thought that underlies the efforts for GRB emanates from the urgent need for public policies and budgets to make a more distinctive notion of the mainstreaming effect. This will help decision-makers in becoming more qualified and more comprehensively informed, and thus developing healthier policies on the matter [4].

First implications of GRB analyses were noted in a structure backed by an analysis of the impacts of initially federal and then state-wide expenditures of the government on women, performed in Australia, during 1980s. This practice was furthered by South Africa and the Philippines in mid 1990s. The UN Conference held in Beijing, 1995 has led to the spreading of public interest in

gender-responsive budgeting analyses and gender-responsive budgeting among numerous governments and women's organisations and increased number of initiatives covering the matter [34]. At this point, the conference in Beijing propounded opinions in favour of incorporating the gender perspective in budgetary decisions affecting public policies and schemes. Another opinion voiced in the same platform has been about rendering governments accountable for their commitments to gender equality. Thus, gender-responsive budgeting is viewed as a crucial mechanism for the planning, budgeting and execution of governments' commitments on gender equality and monitoring of the progress and outcomes of such commitments in action [35].

When the time arrived at year 2000 on the calendar, the UN announced the Millennium Development Goals, defining a total of eight goals, including two, exclusively addressing women. These goals as aforementioned have been identified as promotion of gender equality and empowerment of women and improvement of maternal health. In one of the activities performed in line with these goals, the UN Commission on the Status of Women has held its 52nd session in 2008, on the subject of 'Financing for Gender Equality and Empowerment of Women' [36]. This session resulted in the joint resolve for ensuring 'conduct of all gender mainstreaming analyses of all revenues and expenditures and preparation of gender-based budgets for promoting gender equality in the society' [37].

Currently, a diversified range of variants of gender-based budgeting are being attempted to be executed in over 80 countries, in which attempts vary greatly from country to country. Some countries have adopted fiscal policies and programs aimed at closing the gap in social gender mainstreaming and promotion of the progression of women, as part of their social gender budgeting efforts. Others have started to consolidate information in a systematic manner, on women's diversified needs and the differentiating effects of fiscal policies on women and men. Only a few countries have so far succeeded in realising radical changes in both fiscal policies and complementary administrative campaigns. As a matter of fact, the most affluent efforts comprise both political and administrative aspects. However, a vast majority of these efforts appear to be entangled by the lack of commitments by fiscal policy-makers and by bureaucracy and the weaknesses resident in structuring and implementation of initiatives. Moreover, some other countries have consistently failed in getting beyond setting up administrative authorities to deal with the touching matters, or, alternatively, organising instructional courses for public servants [38].

Basically, the GRB is composed of two stages. The first is the analysis of budget from a gender perspective. The second is reconsideration of budgetary decisions with a gender perspective. While initial stage requires both comprehensive data and a strong analytic capacity to analyse such data, the second stage urges incorporation of gender perspective in the budgetary process.

When conducting an analysis of budgetary effects on women and men, the budget expenses can be divided into three categories as (i) gender-based expenditures, (ii) expenditures for equal opportunities and (iii) core expenditures. The *gender-based expenditures* are concerned with the specific needs of women (or men). For instance, programs on women's health, counselling on domestic violence, special campaigns addressing women mothering toddlers or special education campaigns for girls can be assessed to fall in this category. Expenditures of this type need not aim gender equality. *Equal opportunity expenditures* are those aimed at promoting gender equality, such as paid maternity leaves and child care support allowances. Core expenditures are considered gender independent and form 99% of the total government expenditures. Therefore, analysing the differential effects of expenditures of this type on women and men poses particular importance [39].

In application, the gender-based analysis classifies the public revenues under five major categories. These include tax revenues (direct and indirect taxes), benefit taxes such as fees and charges, intergovernmental aids and borrowings [40]. Those items that need to be analysed with respect to tax revenues under the title of gender can be sorted as the revenue distribution effects of the taxation system, magnitude of the tax base, tax composition, tax management and sexual discrimination in application of tax rates [39]. Revenues such as charges, duties and prices which are received in return for a benefit can be determined based on gender, on most occasions. Consequently, it will be easy to measure their effects on gender equality. Assessing the public revenues received through intergovernmental grants will be as easy as the latter, if provision of the grant is brought conditional upon discouragement and elimination of sexual discrimination [40]. Revenues generated through borrowing arrangements are hard to assess for their effects on women and men. This demands for an analysis of future debt burden caused by women and men, separately [39].

Every step of the budgetary process bears a significant potential for integration of budget preparation, approval, execution, auditing and assessment with GRB and the decision-making process. The budget preparation, which is the first stage of the budgetary process, is generally the task of the executive authority. The gender mainstreaming perspective can be incorporated into the budget planning phase by means of (i) gender-specific budget initiatives specified under the government's budget policy, (ii) incorporation of gender mainstreaming policies in general guidelines for budget preparation and (iii) identification of gender-specific priorities for each spending branch/unit in time of budgetary allocations held at ministerial level. Once after the budget preparatory phase is completed, the draft budget will be submitted to legislature, for approval. For incorporating the gender equality perspective into this stage, a number of suggestions have been raised, such as (i) organisation of gender-responsive guides identifying the general framework in expenditure and revenue arrangements for legislative decisions, (ii) popularisation of gender-responsive language in law texts rendered by legislature for creating and introducing new programs and agencies, (iii) making use of GRB guides in arbitrary allocation of resources, and (iv) superimposition of the requirement for inserting efficacy assessments of gender mainstreaming efforts, into financial statements, through introduction of new laws on expenditure and revenues [41].

During the budget implementation phase, it may be useful to (i) create guidelines for expenditures left exclusively to the discretion of ministries by legislature, (ii) develop rules based on gender mainstreaming for outsourcing, supply and payment allocation processes, and (iii) application of gender goals in selection and recruitment of employees, for incorporating the gender equality perspective. The budgetary controls shall be performed by the court of accounts on behalf of legislature. Such controls will be deemed to cover financial, compliance and performance checks. (i) Incorporation of gender aspect in financial checks with emphasis placed on expenditures and compliance, (ii) inclusion of gender aspect in performance checks with focus on outputs and outcomes, and (iii) the checking for and supervision of compliance with gender goals and rules are among recommendations spelt out for integration of the gender perspective into the budgetary process [41].

5. Conclusion(s)

In this study, (i) environment-friendly budgetary approach, (ii) citizen-centred budgetary approach, (iii) citizen's budget approach, (iv) participatory budget approach and (v) gender-responsive budgeting approach were assessed for the perspectives they bring upon the budgetary process.

The environment-friendly budgeting approaches consist of approaches proposing the establishment of a link in between the public expenditures and revenues on one hand and environmental resources on the other, in reaching the goal of sustainable economic growth and development. Of these approaches, the green budget approach suggests that the effects of budget on revenue and expenditure components be considered, while the ecoBUDGET alternative proposes separate budgeting of the natural resources aside from the fiscal budget and without using monetary values.

The citizen-oriented or citizen-based budgeting allows for inclusion of citizens' service performance assessments in the budgetary process, while the citizen's budget makes it possible for citizens to gain a fair level of budget literacy. Participatory budgeting enables direct participation of citizens in budgetary decision-making process.

Gender-responsive budgeting envisages the incorporation of gender equality perspective into the budgetary process, and supports preparation, approval, execution and supervision of budgets in a mindset that investigates the effects of the budget on women and men, as well as on boys and girls.

With the above-mentioned perspectives, they bring forward what the new budgeting approaches share in common, among others and is that they all add a new dimension to the perception of 'performance', as revealed by the contemporary budgeting systems, in the budgetary process, instead of delivering propositions for novel budgetary systems.

In this context, the implementations of contemporary budgeting systems seem to employ frequent repetitions of the 'value for money' when describing performance and support successful attempts on raising awareness among those who are actively involved in financing of public activities, on cost-efficiency. The new budget approaches help expanding the concept and context of performance from the point it covers cost-efficiency towards cost-eficacy, to be thenceforth defined as the level of progress achieved by public activities in 'intended effects' instead of 'actual outcomes' obtained. Doing so would make it possible to base budgetary decision-making process upon social and economic externalities of public expenditure and revenue items. This is meaningful especially for unveiling the idea that public performance is not just a matter of tax payers only, but in fact a concern of all other citizens who may not have registered their names as tax-payers for this or that reason, as well. Apart from this, new approaches inferred also possess significance for supporting the notion of developing accountability of the contemporary budgetary systems, because of their profound ability to allow for a better understanding among those who partake in the financing of public activities, of the positive externalities brought forward by financial contributions.

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