

# Organization of participatory budget (PB) development in Latvian municipalities

**Iveta Linina**  
Commerce department  
Turība University  
Riga, Latvia  
iveta.linina@turiba.lv

**Gita Janševica**  
Commerce department  
Turība University  
Riga, Latvia  
gita.jansevica@turiba.lv

**Velga Vevere**  
Commerce department  
Turība University  
Riga, Latvia  
[velga.vevere@gmail.com](mailto:velga.vevere@gmail.com)

**Abstract.** In recent years, negative trends have been observed in Latvia in connection with society's reluctance to get involved in political processes and, therefore, also in state and local government administration. The number of voters who voted in the 2017 local government elections in the amount of 50.39% was assessed as an alarming indicator. In the municipal elections of 2021, when only 34.01% of eligible voters voted, the result causes alarm. The results of the elections and studies show that there is alienation of the population from the government and the current trust in the state administration is very low. Citizens do not believe that they can influence the development and management processes of the state and local governments. One of the reasons for distrust is the lack of feedback from the municipality or the inability or unwillingness of the municipality to solve the problems raised by the residents. The need to ensure public participation is defined in several regulatory acts of the Republic of Latvia. Residents' involvement is a long-term process, in which the prerequisite is the building of trust between the municipality and the residents. If citizens have the opportunity to determine how a part of the municipal budget will be spent, municipalities will promote democratic values and the opportunity to participate in the decision-making process. Participatory budget in local governments is one of the ways to try to bring citizens closer to local government. By 2025 in Latvia, it must be included in the municipal budget.

The aim of the work is to find out the readiness of Latvian local governments to plan a participation budget in 2025 in the amount specified in the Law on Local Governments.

The tasks of the work are to study the findings of various authors on public participation and the participatory budget, to analyse the normative documents on the participatory budget adopted in Latvia and to conduct a situational study of the experience of local governments and their readiness to implement a participatory budget by 2025. Methods used in the work - monographic method, analysis of various theoretical sources, regulatory acts, sociological research method - interview, - for finding out

the opinion of experts and logically constructive method - for forming judgments and recommendations.

**Keywords:** activity, democracy, participation budget, municipality, residents, activity.

## I. INTRODUCTION

Public involvement in decision-making processes in the municipality is an integral part of ensuring effective administration and services to citizens. In practice, it has been observed that society does not understand what its role is in the planning process. It mainly reacts only when the decision of the municipality affects the private property of society representatives [1]. Good municipal development planning is unthinkable without purposeful public involvement in all stages of planning - needs and interests are identified at the beginning. Then they are prioritized and reconciled with the interests of other persons and the goals of sustainable development, discuss the best development solution, as well as monitor the implementation [2].

In recent years, negative trends have been observed in Latvia, as in many other countries, in connection with society's reluctance to get involved in political processes and, therefore, also in state and local government administration [3]. The results of the elections and studies show that there is alienation of the population from the government and the current trust in the state administration is very low. Citizens do not believe that they could influence the development and management processes of the state and local governments. At the end of 2021, a survey conducted by the OECD showed that only a little more than 13% of Latvian citizens believe that the political system provides them with the opportunity to influence government decisions and only 26% of OECD survey participants in Latvia believe that their expressed opinion in public discussion will be

Print ISSN 1691-5402

Online ISSN 2256-070X

<https://doi.org/10.17770/etr2024vol1.7978>

© 2024 Iveta Linina, Gita Janševica, Velga Vevere. Published by Rezekne Academy of Technologies.  
This is an open access article under the [Creative Commons Attribution 4.0 International License](https://creativecommons.org/licenses/by/4.0/).

considered [4]. Public discussion is only one of the ways of public involvement in municipal administration. The participation process is diverse and also changing. Participation is also made a complex mechanism by the objective contradictions that exist between the principles of democracy and bureaucracy [5]. In general, the degree of participation and involvement of many people has changed, representatives of middle and higher education and income strata are involved in politics significantly more often. With the creation of social networks, the communication habits of citizens have also changed - with their help, you can organize spontaneous protests or shitstorms, which can criticize politics and politicians in an aggressive-demagogical way [6].

As one of the forms of public involvement in decision-making, the creation of a participatory budget (hereafter - PB) in local governments is proposed. From the year 2025, Latvian municipalities will have to implement the LB compulsorily. Several municipalities (Riga, Gulbene) have already chosen to voluntarily organize a participation budget, allocating certain funding for this purpose. The problem exists because the majority of local governments in Latvia do not voluntarily want to implement the LB process. Therefore, the author puts forward a hypothesis - Latvian municipalities and residents have little experience in implementing LB, so they have difficulties in implementing LB. The aim of the work is to find out the readiness of Latvian local governments to organize LB in 2025 in accordance with the provisions of the current Local Government Law. The tasks of the work are to study the experiences of other countries and the findings of various authors on participatory budgeting, to analyse the regulatory documents of the Republic of Latvia on participatory budgeting, and to conduct a situational study of the experience of local governments in creating LB. Methods used in the work - monographic method, analysis of various theoretical sources, regulatory acts, sociological research method - survey using a questionnaire to find out the experience of the municipality so far, and logically constructive method - making judgments and recommendations.

Justification of the need for the participatory process. From ancient times to the present day, the interpretation of democracy has been a controversial issue, and the political systems of countries that call themselves democratic vary greatly. Historically, the first form of direct democracy developed in Ancient Greece, where the statesman Pericles (circa 500 - 429 BC) said that his state system is called democracy, because state power does not belong to a few citizens, but to the majority. The fact that democracy is a form of government in which the majority rules seems to be relatively indisputable. However, the question of how this majority should exercise power raises a different understanding of democracy and its types. Should majority rule be exercised directly - in meetings and votes, or indirectly - by appointing representatives?

Modern democracy is representative democracy. It is based on holding office for a certain period of time, representatives are elected in representative associations of the people, so that they discuss and make political

decisions, and thus the will of the people is manifested mainly in elections. But this is how the sovereignty of the people is limited. The manifestation of direct democracy is the right of citizens to express their opinion. One of the tools is the popular poll or referendum, where the government can poll citizens on important topics. In the case of representative democracy, politicians and civil servants take responsibility for making the right decisions on behalf of the people, because the issues to be decided are complicated enough for non-specialists. The methods of direct democracy expand the possibilities of citizen participation, increase the integration capabilities and contribute to the legitimacy of the democratic system [7].

However, instruments of direct citizen participation at the central level exist in Italy, France, Ireland, Australia, New Zealand, Denmark as well as other countries. Switzerland is an example of implementing the methods of direct democracy mainly in a consensual democratic system, where all important decisions are made by consensus of almost all important political groups. An indisputable advantage of direct democracy is the fact that citizens directly make decisions and thus take responsibility for their consequences [8]. Participation can be at the level of local government, state administration or international institutions. If civic participation at the municipal level can be formally regulated in regulatory enactments or even not at all, then the formal types of civic participation at the national and international level are defined in regulatory enactments [9]. Informal participation can be the organization of various manifestations and participation in non-governmental organization networks. Public participation increases the government's responsibility to society and strengthens citizens' right to participate, strengthens society's influence on decisions [10]. Participation is the way to trust. The list of forms of civic participation cannot be exhaustive, because the most active and creative part of society is in search of new forms and methods of participation. The forms of public participation can be different - participation in elections, referendums, citizens' meetings (forums, hackathons, and think tanks), collective submissions, participation in innovation laboratories, and so on, as well as participation in participatory budget projects [11].

Participatory budgeting is one of the ways of public involvement in state or local government administration. It is a democratic process that gives citizens the opportunity to determine how part of the municipal or state budget is spent. Participatory budgeting is a set of structured measures for citizens to make direct decisions about spending state or local government money, which must be implemented by the organizer of the participatory budget [12]. Participatory budgeting activities are proposed by citizens and not the ideas of officials, however, there are concerns that due to limited resources and state policies, it may not develop democratically [13].

Participatory budgeting is implemented in more than 2700 municipalities in different countries of the world [14]. The costs of the largest projects are measured in millions of euros, while the most modest state investment is measured in thousands of euros [15]. The forms of participatory budget implementation can be different - in

some places, the participatory budget is implemented on a national scale, in some places it is implemented on the scale of small villages or neighbourhoods. The involvement of the public in the planning of even a small part of the budget is a recognized benefit both for the citizens themselves, for the municipality and for the political system, because it is often observed that the citizens are dissatisfied with the work of the public administration and the public's involvement in the political processes is low. The most important thing is that the PB ensures that the participant's contribution will have an impact results [16].

## II. MATERIALS AND METHODS

Participatory budgeting as a process as we know it now - when citizens present ideas, vote on them themselves and the municipality implements them, started already in 1989 in the city of Porto Alegre in Brazil. Under the leadership of Mayor Olivio Dutra, a participatory budget was introduced with the aim of promoting public participation in governance and channeling state resources to the poor. This example was a successful example of community mobilization, small-scale infrastructure and improving access to services. The participation budget in Porto Alegre was used until 2017. Over time, political support for participatory budgeting has declined, and Porto Alegre's current leadership has stalled the process, questioning the long-term impact [17]. Despite this, LB has become popular all over the world - thousands of participatory budget options have been introduced in America, Africa, Asia and Europe as well [18].

The USA created it for the first time in 2009. New York has been creating LB since 2011. Allocating one million dollars to four city council members and in 2016 more than 30 million dollars were already allocated [19]. Seattle and Boston have LB initiatives that focus on youth engagement [20]. It turns out that budget priorities change if citizens are also involved in the municipal budget process, and not only officials decide on it [21].

In Poland, since 2019, the implementation of the LB has been determined as mandatory for all municipalities (6 cities with county rights) and 0.5% of the last budget execution expenses must be allocated. The LB process is not mandatory for Latvia's neighbour Estonia, but it has been implemented by more than 20 municipalities. For the city of Tartu, the goals of LB are to improve understanding of the municipal budget and its formation process, to promote cooperation at the community level and to find solutions to practical problems in the city by implementing ideas [22].

In Europe, the example of Portugal is worth noting, because in this country LB has been implemented both at the national level and at the municipal level in the capital Lisbon, LB was introduced already in 2008 in accordance with the Lisbon LB principles charter. The charter guarantees that local residents are involved in the decision-making process, determining the areas in which a part of the municipal budget will be invested and, in general, this process teaches citizens to integrate individual problems into broader issues of common interest [23]. Meanwhile, the implementation of LB on a

national scale is regulated by the resolution of the Portuguese Council of Ministers, which defines the implementation of LB model, which includes five principles - interconnection of thematic and territorial scopes, compliance of the project with the criteria, the period of funding, the amount owed, the principle of transparency of the procedure and the principle of execution of decisions. From the above, it can be said that the implementation of LB requires the following factors - well-structured participatory measures to ensure broad public participation, adequate financial resources and the support of a strong local government leader, political commitment and flexibility to adapt to the changing environment and the government's commitment to implementing the proposals generated in the process. As well as a civil society willing and able to contribute to the ongoing policy debate [24].

The successful implementation of participatory budgeting in municipalities requires a clear definition of the process and ensuring transparency, which consists of 5 stages (see Fig. 1)

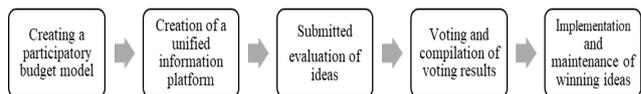


Fig. 1 Stages of the participatory budgeting process [25]

In the first stage, the participation budget regulations are prepared and approved, which determine the financing available for the projects and the rules of project implementation. At this stage, it is recommended to involve society - associations, non-governmental organizations, foundations and residents of the specific municipality. In the second stage, citizens should be given the opportunity to vote on project ideas both in person and online by creating a national-level platform or a section on the municipal website. In Brazil, already in 2001, in the city of Ipatinga, for the first time, residents were offered the opportunity to vote on projects using the Internet. Online voting was later integrated into other Brazilian municipalities [26]. Since then, the number of cities around the world - Paris, New York, Lisbon, Mexico City, Madrid - that have used online voting has increased. Thirdly, the municipality must ensure the evaluation of the submitted ideas. The more precisely everything about project preparation, submission and evaluation of ideas will be described in the regulations, the fewer misunderstandings there will be. In the fourth stage, project ideas are put to a vote, so it would be important to ensure that the voting results are collected in a transparent manner. If the project is not forwarded for voting, the municipality must contact the project submitter and explain the reason. In the fifth stage, it is necessary to ensure the implementation of the winning projects and, if necessary, the maintenance of the created objects [27].

Researchers of the LB process allow themselves to say that no modern LB process is perfect, but it is attractive for philosophical reflection because it questions assumptions about democratic participation and budget prioritization [28].

### III. RESULTS AND DISCUSSION

Public involvement in the state planning process in Latvia is defined in the Development Planning Law of the Republic of Latvia, Territorial Development in the Planning Law and in the Cabinet of Ministers regulations "Public Participation procedure in the development planning process". However, studies show that Latvia faces a significant problem of passivity of the population. In 2018, the survey conducted by the State Chancellery in cooperation with NGOs showed that the citizens do not believe in the ability to influence social and political processes, because they do not receive sufficient feedback from state and local government institutions. It was also concluded that the greatest desire of the public is to report on their own initiative to the state or local government institutions about their ideas and proposals for a specific problem that still has no solution [29]; [30].

The situation in municipal elections is very worrying. The low turnout in the 2021 local government elections can be explained not only by the disbelief to influence the situation, but also by the administrative territorial reform implemented in 2021, which was not supported by the population and imposed in many places, the difficult course of which once again confirmed the gap between the government and the society. The number of municipalities was reduced from 119 to 43. After the reform, in many places, the central administration is no longer easily accessible to residents - it has moved away both in terms of location and availability of services [32]. You have to get used to the fact that there are far fewer specialists in some parishes. During the reform, several municipalities contested the administrative-territorial reform in the Constitutional Court. Even in 2024, the mutual disputes about the existence of the forcibly united territories have not settled [32].

At the national level of Latvia, the issue of participatory budgeting became particularly relevant in 2020, when the Cabinet of Ministers' order "On the Conceptual Report "On the Implementation of Participatory Budgeting in Latvia" was adopted, in which the task of the Regional Policy Guidelines for 2021-2027 "Involvement of wider society in regional in achieving policy goals"[33]. For its implementation, the government planned and made changes in the regulatory acts for the implementation of the participatory budget in Latvia, defining the basic conditions for the participatory budget mechanism and methodical support for municipalities and local communities in the implementation of the participatory budget. In order to stimulate the involvement of Latvian municipalities and the public in the participatory budgeting process, the newly adopted Law on Municipalities included a chapter "Public involvement in the work of local governments", which describes the recommended methods of public involvement - public deliberations, collective submission, residents' councils, municipal referendum and the essence and principles of LB are presented. Based on this law, the participation budget for local governments in Latvia has been established as a mandatory procedure from 2025. What can Latvian municipalities expect in relation to the participatory budget? When implementing the participatory budgeting process, it is expected that it will

promote the involvement of the residents of the administrative territory of the municipality in deciding the development issues of the territory [34]. The municipality will have to provide financing for the participation budget in the amount of at least 0.5 percent of the municipality's average one-year personal income tax and real estate tax actual revenues, which are calculated for the last three years. This amount can be considered relatively large, especially if the municipality has no experience of participation in budgeting. Based on the calculations made by the Ministry of Environmental Protection and Regional Development in 2020, when the amount of one percent was used in the modelling, the LB amounts in various municipalities amounted to 51,000 euros to 645,000 euros, except for Riga. After the merger of the municipalities as a result of the administrative territorial reform in 2021, the budgets of the municipalities have become larger and the planned financing of the LB may provisionally be larger (see Table 2)

There are 7 state cities and 36 counties in Latvia, which also include urban and rural areas, so in 2025 Latvia will have 43 municipal participation budgets. The answer to the question - whether Latvian municipalities have experience in organizing project tenders for February 2024, could be answered in the affirmative, because many municipalities have organized project grant tenders for creative, socially significant projects in the territory of the respective county, which promote culture, education, sports, leisure and the environment popularization of cleaning activities (as is the case in Livani county) or with the aim of promoting entrepreneurship, paying special attention to socially responsible merchants and economic operators (for example, the city of Jelgava). Also, since 1991 [35], Latvian local governments have had the opportunity to implement European Union projects with the LEADER approach to improve rural development potential. The main elements of LEADER are a partnership or a local action group, a strategy for the development of a local territory and a certain territory, but a "bottom-up" approach - when the initiative comes from local residents, getting involved in identifying and solving the problems of their territory.

Information on the websites of municipalities shows that out of all 43 municipalities in Latvia, 13 municipalities (30%) have voluntarily organized LB in the period from 2018 to 2024. Taking into account the fact that LB will be mandatory to be organized by 2025, it should be said that relatively less than 30% of the total number have gained experience in this not quite simple process, there is a risk that most municipalities will face difficulties in the LB process. Municipalities can voluntarily implement LB. The first municipality in Latvia that started implementing a participatory budget was the state city of Riga. Since 2018, it has organized a participation budget every year. The employees of the Riga municipality, in consultation with the PROVIDUS think tank researchers, learned from other countries and their own experience. This has also been done by Gulbene municipality [36].

In terms of money, very different funding has been allocated to the participation budget - the largest amount has been allocated by the state city of Riga - 700,000 euros [36], and the least - by Cesis County, 20,000 euros, [37]. In 2024, Riga will have its sixth attempt to create participation budget, but for Cesis County - first experience.

The author collected data on some local governments of Latvia, which voluntarily organized a participation budget in 2023, a comparison of the amount of the voluntarily determined participation budget was made with the expected amount determined by law (see Table 1). According to the author, the size of the amount is not decisive if one wants to try the LB process from the development of the regulations to the announcement of the winners.

TABLE 1 The 2023 participation budget of individual local governments of Latvia and Comparison of the expected participation budget in 2025 (thousands of euros)

Creating a budget	Some Latvian counties						
	Riga state city	Gulbene county	Olaines county	Cesis county	Marupe county	Balvi county	Sigulda county
The amount of the voluntarily created participation budget for 2023	700	110	150	20	250	60	160
The projected participation budget in the amount prescribed by law for 2024	3 891.9	65.5	116.3	157.6	248.4	51.5	163.8

The source was created by the author using Analysis of municipal financial indicators

From the data in Table 2, it can be seen that the voluntarily allocated size of the participation budget for four municipalities out of seven is greater than the legally determined, provisionally calculated amount. For only one municipality - Sigulda County, the current LB amount is 2% less than what it could be tentatively next year. In general, these numbers can be evaluated positively, because these municipalities will have the experience of financial administration of a relevant size with a participatory budget. However, the largest part of municipalities - about 30 municipalities that have never tried the LB process - is causing concern.

The local governments that voluntarily implemented LB have provided the voting system themselves, each autonomously. State support is promised for 2025, when the information system currently at the disposal of local governments - the Territorial Development Planning Information System - will be improved, thus providing an opportunity for local government development planning

specialists to implement development planning processes in one place. At the same time, it is planned to create the public part of the LB information system in the form of an e-service on the Latvija.lv portal. This system will give citizens the opportunity to participate in the participatory budget initiative by submitting project applications or voting for other projects, and to view other examples of the implementation of territory development projects submitted in participatory budget tenders [38].

#### IV. RESULTS AND DISCUSSION

The research on the past experience of Latvian municipalities in not creating or creating LB was held in February 2024. An individual electronic questionnaire was sent to the heads of all municipal development departments. All 43 municipalities of Latvia were included in the general survey. Since in different municipalities, LB issues are coordinated by persons of different positions, a request was made in the questionnaire to forward the questionnaire to the most knowledgeable specialist about LB in the specific municipality.

A total of 33 questions were included in the questionnaire, including 29 questions about the experience of implementing a participatory budget and one question about the reasons why the municipality did not dare to implement a participatory budget and 3 questions for identifying the respondent. 15 questions were open-ended, 11 questions were closed-ended and 3 questions had to be rated on a Likert scale.

A study on the experience of Latvian municipalities in participatory budgeting. Out of 43 Latvian municipalities, 24 municipalities submitted answers. Out of 24 municipalities, six municipalities or 25% have had experience in organizing LB. These are Sigulda, Cesis, Smiltene, Valmiera, Gulbene and Olaine counties, whose specialists' answers are the basis for a study of existing experience and readiness for the next budget year.

To the question - why local governments have not organized a project competition, several answers were received - the vast majority (59%) answered that the law did not define LB as a mandatory measure, there was a lack of human resources (35%) to coordinate the process, a voting system was not provided (35%), there was a lack of funding for this purpose (30%). Other excuses were mentioned that other citizens' initiative projects are being implemented and the regulation on LB is in the process of being developed. The fact that none of the municipalities mentioned that there was a lack of understanding of the need for LB is a positive thing.

As the most important goal in the organization of LB, municipalities mentioned the involvement of residents in the development of the county and in deciding territorial issues. Smiltene County also mentioned promoting the recognition of the county as a goal, as well as developing creative forms of joint cooperation.

The amounts that the municipalities allocated to LB were different - from 20,000 to 160,000 euros, but during the trial period it did not play a significant role. The maximum funding allocated by the municipalities for one

project depended on the total amount of the participation budget - the larger the total funding, the more money allocated for one project (see Table 3), it was 15,000 euros to 50,000 euros. Project applicants could submit their initiatives to LB within one or two months.

The duration of the participatory budgeting process, from the announcement of the tender or the publication of the regulations to the announcement of the project winners, took three, six, seven or eight months for municipalities. During this time, municipal employees, in addition to their direct work duties, had an additional burden, providing advice to project applicants and then moving the projects to a vote. It took an average of 2 to 4 hours a day or even 3 to 6 hours a day.

The number of project applications characterizes the activity of the population. In municipalities where LB was held for the first time (Cesis, Sigulda, Smiltene), a higher number of submitted projects has been observed (Table 2). This can be explained by the residents' expectations and the fact that there are restrictions in the regulations for project applicants if their project won and was implemented in the previous period, as is the case in Gulbene county.

TABLE 2 PB project submissions and voting results (created by the authors)

Indicators	Some Latvian counties			
	Sigulda county	Gulbene county	Smiltene county	Cesis county
The allocated participation budget in euros	160 000	110 000	30 000	20 000
Number of submitted projects	21	9	13	20
Qualified projects	12	9	12	17
Projects that received full funding	3	3	3	1
The number of citizens who voted	~10%	1400	2541	2000
Number of inhabitants on 01.01.2024.	32507	19592	18408	43438

Usually, not all submitted projects are developed in sufficiently good quality and therefore are not put to the vote, but in one municipality, all the submitted projects qualified for the vote. It should be noted that this municipality (Gulbene district) has more than 3 years of experience in working with project applicants and formulating requirements.

Most often (5 answers), municipalities cited non-compliance with the requirements of the regulations and too high costs or an increase in facility maintenance expenses after project implementation as the reason for not qualifying projects for voting. Out of six municipalities, four allowed in the by-laws that the implementation of the project could result in facility maintenance expenses, but two municipalities did not allow it. The creation of new facilities requires additional funding for maintenance. Municipalities may be dissatisfied with this, however, it must be said that any

object needs care, inspection, and repair in order to serve perfectly. In the author's opinion, municipalities are doing the right thing by including restrictions on the project's future expenses in the bylaws, so that they are not endless.

An important part of the participation process is the provision of a vote. Here, municipalities have to take into account both their own capabilities and the digital skills and capabilities of local residents. The voting process is a competition between local communities and you have to expect that people are ready to cheat in order to win. Out of all the counties, only the Cesis County allowed that the declared and non-declared residents of the territory can vote on the projects. If only residents declared in the county can vote on the projects, then a method to verify this must be provided. Only one county ensured voting only online, the other counties organized voting both electronically and allowed voting on paper or in person in the municipality. In general, the number of voters varied from 500 to 33,000 (see Table 3), depending on the population of the municipality. In the best case, the voters make up about 10% of the declared population, but there is also a smaller proportion of voters (Olaine County).

Voting on projects could take from two weeks to one month. All municipalities allowed that the projects could be realized in the property of the municipality, two municipalities - in the property of the municipality and the state. The 2024 budget includes 1-3 projects that can be fully implemented, but two municipalities will start the partial implementation of one project. What have been the residents' wishes? Residents voted the most for projects related to the arrangement of recreation areas, environmental improvement, tourism promotion, youth activities, and one project dedicated to senior citizens' activities.

In a five-point Likert scale, municipalities assessed cooperation with colleagues, giving it 4.33 points. Despite the fact that the municipalities are beginners and the initiative submitters have little experience, the quality of the received project applications was assessed by the municipal specialists with 3.5 points. When asked to assess the complexity of the LB process, it was assessed with 3 points, which is an average assessment and a confirmation that there is still something to learn and improve.

Challenges for the LB projects implemented so far for municipalities have been - relevant funding allocation to LB, increase in costs during the implementation of LB projects, planning of project implementation deadlines, understanding of the need for LB among municipal employees, ensuring the operation of the voting platform, public understanding of LB goals and the ability of project submitters to qualitatively develop project applications, planning correct costs.

Challenges in the future in connection with LB, when it will be a mandatory process, according to local government specialists, are:

- Limited financial resources of municipalities;
- The uniformity of the submitted projects and the increase in the cost of the projects during their implementation;

- The capacity of the municipality to implement projects in terms of human resources and other non-financial resources;
- Development of an effective mechanism of regulation and activities for dividing the budget in planning units (territories) and so that the initiatives proposed by citizens are within the autonomous functions of the municipality;
- Determine optimal financing for one project. If it is set incorrectly (a small amount of funding for one project can lead to many supported projects), the municipality may lack the human resources to implement the projects within two years;
- Investment of the participation budget in property owned by another public person or a private person, which is permitted by law, is a challenge that municipalities cannot meet if the appropriate legal regulations are not developed;
- Creation of a unified voting system delegated to the Ministry of Environment and Regional Development is a concern. The local government participation budget regulations (binding regulations) may be different and it would be necessary for the ministry to consult with the local governments on the development of the voting system.

## V. CONCLUSIONS

In the future, Latvian municipalities will have a challenge:

- Accept that it is necessary to take into account the opinion of the citizens and to form cooperation. If necessary, educate by teaching how to write project applications;
- Develop a high-quality participation budget regulation, so that there are clearly understandable rules both for citizens to submit projects and for the municipality to evaluate projects and organize voting. The regulations can be changed every year, according to the needs;
- Balance the current year's budget and necessarily plan a relatively large amount of funding in it for the financing of participation budget projects;
- In parallel with your direct job duties, undertake to perform additional tasks - consulting citizens in project writing and implementation of the projects that won the vote, from the development of the procurement specification to the successful conclusion. It would be important to receive support from the management of the municipality and colleagues of all those who will be involved in the participatory budgeting process.

Residents will have the opportunity to obtain financing for their initiatives, provided that the project application is prepared in accordance with the requirements of the regulations of the relevant municipality. Citizens should expect that the preparation

of high-quality project applications takes a lot of time and there could be disappointment after an unqualified project or a project not voted by the public. Those project authors who definitely want to win the vote will have to spend a lot of energy on organizing the voting campaign. I would like to believe that the citizens' understanding of the work of the municipality will increase and, therefore, civic involvement in the next municipal elections in the summer of 2025.

## REFERENCES

- [1] A.Indriksone, Non- Governmental Organizations-Municipal Partners for Development,, Public Policy Center PROVIDUS, 2003, pp 9.
- [2] Overview of Examples of Citizens' Involvement in Latvian Municipalities, Public Policy Center PROVIDUS, 2019, Available: [https://providus.lv/article\\_files/3607/original/Parskats\\_par\\_iedziv\\_otaju\\_iesaisti\\_LV.pdf?1572427163](https://providus.lv/article_files/3607/original/Parskats_par_iedziv_otaju_iesaisti_LV.pdf?1572427163) [Accessed: Jan. 7, 2024].
- [3] Order of the Cabinet of Ministers No 268 "On the Conceptual Report "On the Implementation of Participatory Budgeting in Latvia" Adopted: 14.05.2020. Published: Latvijas Vēstnesis, 95, 19.05.2020. Aviable at: <https://likumi.lv/ta/id/314744-par-konceptualo-zinojumu-par-lidzdalibas-budzeta-ieviesanu-latvija> [Accessed: Jan. 7, 2024].
- [4] OECD "Building Trust to Reinforce Democracy. Main Findings from the 2021 OECD Survey.
- [5] on Drivers of Trust in Public Institutions", Available: [https://lvportals.lv/wwwraksti/TEMAS/FAILI/2021\\_OECD%20SURVEY\\_BUILDING\\_TRUST\\_TO\\_REINFORCE\\_DEMOCRACY.PDF](https://lvportals.lv/wwwraksti/TEMAS/FAILI/2021_OECD%20SURVEY_BUILDING_TRUST_TO_REINFORCE_DEMOCRACY.PDF) [Accessed: Febr. 2, 2024].
- [6] L.Seimuskane "Citizens' participation in the decision-making process in municipalities in Latvia and the evaluation of factors affecting it," Ph.D.thesis, Univerity of Latvia, Latvia, 2015 Aviable 298-51465-Seimuskane\_Lilita\_ls10164.pdf (5.928Mb).
- [7] H.Vorlander, I.Ījabs, Briefly about democracy. Collection of articles. Latvian National Library, Riga 2017, p191.
- [8] H.Vorlander, I.Ījabs, Briefly about democracy. Collection of articles. Latvian National Library, Riga 2017, p191.
- [9] Batic InterRegional Development hub "Motivating Factors and Opportunities for Civic Participation", March, 2015. [Online] . Available: [http://birdhub.eu/lv/content/pilsonisko-l%C4%ABdzdal%C4%ABbu-motiv%C4%93jo%C5%A1ie-faktori-un-iesp%C4%93jas\\_Skat%C4%93s](http://birdhub.eu/lv/content/pilsonisko-l%C4%ABdzdal%C4%ABbu-motiv%C4%93jo%C5%A1ie-faktori-un-iesp%C4%93jas_Skat%C4%93s) 05.02.2024 [Accessed: Febr. 7, 2024].
- [10] OECD "Guidelines for Citizen Participation Process" Available: [https://www.oecd-ilibrary.org/governance/oecd-guidelines-for-citizen-participation-processes\\_f765caf6-en](https://www.oecd-ilibrary.org/governance/oecd-guidelines-for-citizen-participation-processes_f765caf6-en) <https://doi.org/10.1787/f765caf6-en> [Accessed: Febr. 23, 2024].
- [11] L.Seimuskane "Citizens' participation in the decision-making process in municipalities in Latvia and the evaluation of factors affecting it," Ph.D.thesis, Univerity of Latvia, Latvia, 2015 Aviable 298-51465-Seimuskane\_Lilita\_ls10164.pdf (5.928Mb).
- [12] W.Petite "The promise and limitations of participatory budgeting" Canadian Public Administration, Sept 2020, p522-527 Aviable: <https://onlinelibrary.wiley.com/doi/epdf/10.1111/capa.12385>, <https://doi.org/10.1111/capa.12385> [Accessed: Febr. 21, 2024]
- [13] C.Johnson, H.J.Carlson, S.Reynolds, " Testing the Participation Hypothesis: Evidence from Participatory Budgeting". Polit Behav 45, 3–32 (2023). <https://doi.org/10.1007/s11109-021-09679-w> [Accessed: Febr 23, 2024].
- [14] R.Abers, R.King, D.Votto, I. Brandão " Porto Alegre : Participatory Budgeting and the Challenge of Susteining Transformative Change". June 13,2018. Aviable: <https://www.wri.org/research/porto-alegre-participatory-budgeting-and-challenge-sustaining-transformative-change> [Accessed: Febr. 10, 2024].
- [15] Overview of Examples of Citizens' Involvement in Latvian Municipalities, Public Policy Center PROVIDUS, 2019, Available: [https://providus.lv/article\\_files/3607/original/Parskats\\_par\\_iedziv\\_otaju\\_iesaisti\\_LV.pdf?1572427163](https://providus.lv/article_files/3607/original/Parskats_par_iedziv_otaju_iesaisti_LV.pdf?1572427163) [Accessed: Jan. 7, 2024].

- [16] A.Kamer; K.B. Brown; R. Marcantonio; L.G.Alcorn; "The View From the Top of Arnsteins Ladder: participatory Budgeting and the Promise of Community" Journal of the American Planning Association, <https://doi.org/10.1080/01944363.2019.1617767> Available: <https://www.tandfonline.com/doi/full/10.1080/01944363.2019.1617767> [Accessed: Febr. 7, 2024].
- [17] R.Abers, R.King, D.Votto, I. Brandão "Porto Alegre : Participatory Budgeting and the Challenge of Sustaining Transformative Change". June 13,2018. Available: <https://www.wri.org/research/porto-alegre-participatory-budgeting-and-challenge-sustaining-transformative-change> [Accessed: Febr. 10, 2024].
- [18] The World Bank, "Participatory Budgeting" The World Bank Washington, D.C. DOI: 10.1596/978-0-8213-6923-4 <https://openknowledge.worldbank.org/server/api/core/bitstreams/bfb2f14e-41c5-5503-ba54-9cfc804f51c/content> [Accessed: Jan. 30, 2024]
- [19] R.Swaner "Trust Matters: Enhancing Government Legitimacy through Participatory Budgeting". New Political Science, 07393148, 13Febr 2017 Available: <https://www.tandfonline.com/doi/abs/10.1080/07393148.2017.1278856> <https://doi.org/10.1080/07393148.2017.1278856> [Accessed: Febr. 15, 2024].
- [20] R.W.Hildreth, S.A.Miller, "From Projects to Problems: A Deweyan Analysis of Participatory Budgeting." Journal of Social Philosophy. Jun2018, Vol. 49 Issue 2, p252-269. 18p. Available: <https://onlinelibrary.wiley.com/doi/10.1111/josp.12233DOI:10.1111/josp.12233> [Accessed: Febr. 21, 2024]
- [21] C.Hagelskamp, R. Silliman, E. B. Godfrey, D. Schleifer "Shifting Priorities: Participatory Budgeting in New York City is Associated with Increased Investments in Schools, Street and Traffic Improvements, and Public Housing" New Political Science, 07393148, Jun2020, Vol.42, Issue2 Available: <https://www.tandfonline.com/doi/full/10.1080/07393148.2020.1773689> [Accessed: Febr. 21, 2024]
- [22] The Participative Budgeting Process in Tartu, Available: <https://www.tartu.ee/en/node/1193>, <https://www.lisboaparticipa.pt/pt> [Accessed: Jan. 07, 2024].
- [23] Lisbon Participatory Budget homepage , Available: <https://www.lisboaparticipa.pt/pt> [Accessed: Feb. 2, 2024].
- [24] The World Bank, "Participatory Budgeting" The World Bank Washington, D.C. DOI: 10.1596/978-0-8213-6923-4 <https://openknowledge.worldbank.org/server/api/core/bitstreams/bfb2f14e-41c5-5503-ba54-9cfc804f51c/content> [Accessed: Jan. 30, 2024]
- [25] Order of the Cabinet of Ministers No 268 "On the Conceptual Report "On the Implementation of Participatory Budgeting in Latvia" Adopted: 14.05.2020. Published: Latvijas Vēstnesis, 95, 19.05.2020. Available at: <https://likumi.lv/ta/id/314744-par-konceptualo-zinojumu-par-lidzdalibas-budzeta-ieviesanu-latvija> [Accessed: Jan. 7, 2024].
- [26] The e-AGORA Project: Participatory Budgeting in Ipatinga, Brazil , Available: <https://participedia.net/case/2369> [Accessed: Febr. 7, 2024].
- [27] Order of the Cabinet of Ministers No 268 "On the Conceptual Report "On the Implementation of Participatory Budgeting in Latvia" Adopted: 14.05.2020. Published: Latvijas Vēstnesis, 95, 19.05.2020. Available at: <https://likumi.lv/ta/id/314744-par-konceptualo-zinojumu-par-lidzdalibas-budzeta-ieviesanu-latvija> [Accessed: Jan. 7, 2024].
- [28] R.W.Hildreth, S.A.Miller, "From Projects to Problems: A Deweyan Analysis of Participatory Budgeting." Journal of Social Philosophy. Jun2018, Vol. 49 Issue 2, p252-269. 18p. Available: <https://onlinelibrary.wiley.com/doi/10.1111/josp.12233DOI:10.1111/josp.12233> [Accessed: Febr. 21, 2024].
- [29] Territorial Development Planning Law of the Republic of Latvia Adopted: 13.10.2011. Published: Latvijas Vēstnesis, 173, 02.11.2011. Available at: <https://likumi.lv/ta/id/238807-teritorijas-attistibas-planosanas-likums> [Accessed: Jan. 7, 2024].
- [30] Development Planning System Law of the Republic of Latvia. Adopted: 08.05.2008. Published: Latvijas Vēstnesis, 80, 23.05.2008. Available at: <https://likumi.lv/ta/id/175748-attistibas-planosanas-sistemas-likums> [Accessed: Jan. 7, 2024].
- [31] Saeima elections of the Republic of Latvia, Central Election Commission, Available: <https://sv2022.cvk.lv/pub/aktivitate> [Accessed: Jan. 07, 2024].
- [32] I.Helmane "A year after the regional reform", LV Portal, Available: <https://lvportals.lv/norises/341858-gads-pec-regionalas-reformas-2022> [Accessed: Jan. 07, 2024].
- [33] Constitutional Court of the Republic of Latvia "The Constitutional Court has passed judgments in all cases regarding the compliance of the administrative-territorial reform with the Constitution (updated 07.05.2021)" Available: <https://www.satv.tiesa.gov.lv/press-release/satversmes-tiesa-par-administrativi-teritorialo-reformu-lidz-sim-ierosinajusi-19-lietas-aktualizets-08-01-2021/> [Accessed: Jan. 07, 2024].
- [34] Order of the Cabinet of Ministers no. 587 "On the Regional Policy Guidelines 2021-2027. for the year" Available: <https://likumi.lv/ta/id/310954-par-regionalas-politikas-pamatnostadnem-2021-2027-gadam> [Accessed: Jan. 15, 2024].
- [35] Participation budget in Gulbene county, Available: <https://balso.gulbene.lv/par-iniciativu> [Accessed: Jan. 07, 2024].
- [36] Riga city participation budget ideas competition 2023 [https://www.riga.lv/lv/lidzdalibas-projekti?utm\\_source=https%3A%2F%2Fwww.google.com%2F](https://www.riga.lv/lv/lidzdalibas-projekti?utm_source=https%3A%2F%2Fwww.google.com%2F) [Accessed: Jan. 07, 2024].
- [37] Participation budget in the county of Cesis, Available:<https://www.cesis.lv/lv/novads/cesu-novads/sabiedribas-lidzdaliba/lidzdalibas-budzets/> [Accessed: Febr. 17, 2024].
- [38] Ministry of Environmental Protection and Regional Development of the Republic of Latvia "The funds of the Recovery Fund will ensure the creation of a participatory budget information system" Available:<https://www.varam.gov.lv/lv/jaunums/varam-ar-atveselosanas-fonda-lidzekliem-tiks-nodrosinata-lidzdalibas-budzeta-informacijas-sistemas-izveide> [Accessed: Febr. 17, 2024].