



Research Article

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Asymmetry in Priority Perception Form Local Community to PA – Budgeting through Citizen Participation (Municipality of Elbasan)

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Abstract

Considering several developments recently, especially at local self-government level, on budget design and application, we can notice that citizens have a deeply different perception on local PA performance than this last itself. Local government continuously claims their increasing performance, especially on accountability processes, even measuring it through effectiveness and efficiency of their investments as well as number and size of public services offered to the local community. Their pay-offs are not far of being glorious and making happy everybody taking notice on the presentation. While, on the other side, citizens of the same community have a far different view and estimation on this regard. They complain on communication, quality of public services, distribution quality of investments, division of local budget through sectors, till that point to refuse paying local taxes and tariffs, as well as burning career of "highly performance" local leaders (mayors) voting 'no' on elections not considering their 'glorious increasing performance' during the governmental mandate. Introducing citizen participation in a process of budget decision making in local self-government, especially during priority selection stage, as well as budgeting an important part of the local budget through common decision making – PA and community representativeness, analysing, first, the state of nature through adverse pricing or asymmetry reduction, both in their perception on prioritization, as well as estimating investments to each priority through independent estimation by each participator in a common Committee PA&citizens, Participatory Budgeting Committee, and second, presenting their project proposal, as well as defending it in front of the City Council, could produce a far better perceived performance by both sides.

Keywords: local self-government, local community, priorities, investments, budgeting and citizen participation

1. Introduction

What is Participation and Participatory Budgeting? What are the dimension and the reliability of the Participation? Why Participation? Who Participates and where? Who have the right to initiate Participation?

These are some very important questions to answer in this paper. As I have mentioned in my paper here after, the concept of participation is not something new for the mankind. We can go far early on time and see that people have been very much participatory in the past. The forms have been different – direct democracy and representative democracy forms. We find the people participating in the decisions made by the state or the in-power body since the times of Egypt, Old China, Old Greece, Old Roman Empire and later Bezant, Illyrian Kingdom, Albania of the times of Skanderbeg etc. The forms of participation are different; we can see the 'council of the old men', the 'senate', the 'mountains assembly' etc, permitting to the civil society to have its representatives in the organisms where decision-making takes place. The organisms enabling the citizen participation have been either binding or consultative. The word 'participation' is also a very old word originating from the meanings of the words, "pars" for part and "capere" for taking. This shows

once again that the phenomenon is too old.

Participation consists in the involvement of the civil society to take part in the public decision-making process, in order to enhance the level of the performance of the PA, to make sure, that the citizens will gather more benefits as public goods and state will increase performance collaborating with the community. In some cases participation is constituted by constitutional law and somewhere else it is expressed volition of both state and civil society. We also see that participation is one of the three main principles of the EU - the principle of participatory democracy (I-46)¹ – as expressed in the Draft of EU Treaty.

The dilemma stands on more or less participation. More participation could bear the risk of losing order, having difficulties in resolving or managing some very important issues as national security, financial equilibrium of the market, minority rights, sustainable development and environment care etc. This can forge parallel forms of power, very dangerous for the democracy. Too much participation can lead in less responsibility by the state in fulfilling its main duties toward civil society. On the other side, less democracy means too much power for the state, trends for dictatorship, suppression of the free initiative and of the spontaneity of the civil society, weak interpersonal links, less trust in the social actions, limited development. The state commands the life in every detail and the citizens expect everything from its actions. The individual and his spontaneous creativity tend to wipe off. The society lacks of the bright ideas, vital for the development.

2. Theoretical Perception on Participation

There are some very important concepts and issues related to participation. First, the situation in the modern times shows some preconditions on participation as we notice “a more large spread of the consciousness of the people on the insufficiency of the constituted and organized democracy, and the necessity for centralised decisions to be made in certain levels of the government, tending to introduce the role of the individual in this collective machine or the role of his aggregate social groupings”². Also important to be considered is “the need for instruments compensating the insufficiency of the jurisdictional tutelage regarding the PA”¹. Another point in this context also is the need for the realization of a diversified structure to make the system more flexible in its performance.

Second, “the Participation is not only a product of the liberal policy, but one of the fruits of the post-industrial society” (Huntington), of the phenomenon closely linked with that (the higher wellbeing, the more free time the people have, the higher level of education etc), as well as new values, defined post-bourgeois (environment and sustainable quality of life) linked with this society.

Third, we refer to the concept of “il nodo della partecipazione” (trade-off of the Participation)³. It presumes all the problems, not theoretical or law-based, but of practical sense and of course matters of fact, such as political, ideological, technical and practical problems of Participation, delay on the responsibility to solve those, which is in fact nowadays the trade-off of the Participation.

Fourth, what is the meaning of Participation? “It means and presumes “taking part” in a process of decision-making, regarding topics or subjects different from those to which one law or normative act attribute institutionally the competence to decide to institutions of PA and orders to act on this purpose”¹. This means, that the society must not tend to prevail the role of PA by mean of Participation – I shall talk on this argument latter on.

In this context, “the participator is the foreigner/outsider in one family”¹, but accompanying necessarily this family in its walking forward during a long time. This foreigner in the case of PA is the citizen. In this case it becomes difficult to be accepted, because the citizen stays in the centre of a democracy, “the owner of the house itself”¹. It depends on the standpoint of view.

Fifth, the local institutions some times are considered as instruments of Participation, even

¹ Draft Treaty of EU

² Maria Nigro, *Il nodo della Partecipazione*, 1980

³ Translation by the author

when in some cases their tendency is to be incorporated to the central government, managing in citizens interests some channels of communication with the central government as in the case of the referendums, mechanisms of consultancy etc.

Reassuming, it is clear now to say that “the democratic Participation is a variable instrument of coordination between state and society, the processing tool of institutional mediation of the two systems, state and society, with the results that the social one enters in the process of the formation of the state’s volunteer behaviour as a participatory unit”⁴, or that “the Participation is an expression and effect of the modern conceptuality of the report between the state and the society”². This means that “neither rigorous distinction nor confusion, but reciprocal coordination for purpose of the creation of the political unit is more sense full” – W. Schmitt Gläser 1972 (the Congress of the German publicists).

Applying the model of Potential Pareto Frontier and Efficiency, we can find the level of participation, the sum of the points on the Pareto Potential Frontier, where the situation promises to be better for both The Society and The State. This means that at least one of them will take benefits from the participatory process, without diminishing benefits for the other. The benefits for the civil society can be more public goods produced by the state and directed where the society asks/needs those. Here we find place for different levels of Cost and Benefit Analysis on the projects and policies planned by the state – *ex-post analyses, ex-ante analyses and in medias-ress analyses*. In these analyses, the best can be drawn having also the participation of the society in every step and decision-making of the state’s activities in different forms and dimensions. Meanwhile the benefits of the state can be a higher belief of the society in it, lower costs in applying policies and projects, better allocation of funds, and a bigger surplus on its activities, ensuring higher incomes and a better performance answering to the needs and requests for services by the community of its citizens. This can bring also benefits for the municipality staff and the Mayor, diminishing somehow the power of the Municipality Council and of the policy regarding the decision-making process, putting them face to face with the citizens, trying to increase their responsibility and accountability in front of the society.

The question is to find the right positions that the state and civil society can hold in front of each-other, as well as the level of Participation of the civil society in PA decision making, which is illustrated with the following graphic:

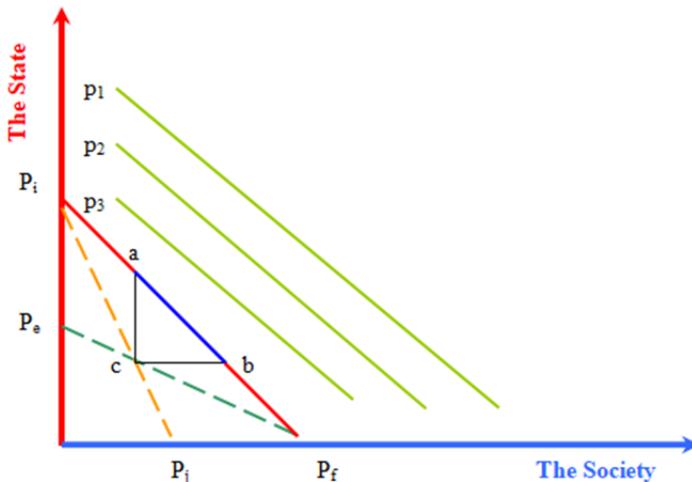


Fig. 1. The participation of the society in the states affairs

⁴ W. Schmitt Gläser 1972 (the Congress of the German publicists)

Where:

p_1, p_2, p_3 = the participation in different levels of socio-economic development of the society.

$P_i - P_j$ = the participation of the civil society in PA affairs – minor Participation of the civil society in states affairs, which means less communication between those.

$P_e - P_f$ = the participation of the civil society in PA affairs – more Participation of the civil society in states affairs, which means much communication between those and weakening of the role of the state in fulfilling its duties.

$P_i - P_f$ = The Potential Pareto Frontier applied on regard to the level of participation of the society in the state's affairs and decision-making process.

a - b = The segment of Participation whose points offer a better situation for all the participants as well as for the state. This is called the Pareto Efficiency.

$\Delta a,b,c$ = All the alternatives better than the existing situations on the civil society participation in the PA decision-making and affairs, but not the best for this level of development.

To explain better what the graph shows we can take into consideration two main points based on two different standpoints of view.

1. Through Participation, the state introduces in its inn as much society as possible, having this way the guarantee of society's complicity in its performance. This makes the trade-off not political, but technical too, for it confounds the role the state have and must play. The key matter here stands on finding the size of Participation, in a way it can help and not slower the growth rate of the performance of the state, making always clear the distinction between state and society. Sometimes the productivity of the state increases through more Participation and, in such cases and actions, the society prevails the states' role, but this is only circumstantial and depending on the level of the public goods and of the social capital of that society.
2. "Through Participation the society becomes state"⁵. It risks making the state fragile and opposed to risks and defects, until destroying its functioning and the model of the state. This means that it is time for big changes in the states model of functioning – example, the collapse of the communist-socialist regime in Albania and the substitution with the democracy. The society must have the autonomy to coordinate its activities in a proper way, far from the laws and norms of the state, even their target is corresponding. This is the right way it can promote a real development process on itself and pull the state in its way and development initiatives. Important is that society must not lose its immediate character of action and intervention and its spontaneity in its participatory process. "It acquires new roles, but without losing its original ones"⁶. In this context we must try to institutionalize the participation of the civil society in PA decision-making, but not to build a counter-state which acts in parallel and substituting the real one. In a point of view this may be considered informal or illegal.

Considering the fig. 1, the analysis states that all the points falling within the segment "a-b" offer the best limit situations of participation for both players, state and society. The society can gain more benefits from the state's functioning playing an important role in the decision-making process of the state. This means more public goods and a higher level of the social capital. A higher level of social capital means growing performance and sustainable development of the state. The level of collaboration and co-operation between them is optimal for that level of socio-economic development. The points falling within the triangle a,b,c represent situations or levels of citizen participation better than all the former developments. The curve $P_i P_j$ represents all the points of participation between state and society, in a level of socio-economic development, where the technologic development and innovation are the main motors which push forward the economy and the society. We see a strengthening of the state and its role as regulator and promoter of development. The maximum tendency of this case is a strong authoritarian state with a weak participation of the society in PA affairs, increasing forms of dictatorial state and reducing of the

⁵ Maria Nigro, *Il nodo della Partecipazione*, 1980

⁶ Maria Nigro, *Il nodo della Partecipazione*, 1980

democracy. The state becomes "good". The curve $P_e P_f$ represents a situation where the role of the state in the socio-economic live and development is weak. The role and the function of the state is limited in some important functions and the level of delegation of the power to the civil society is high. This situation can bring in a lack of responsibilities from the state's side; the society manages too many functions whose responsibility has no name. The development tends to degenerate into anarchic movements and the society to become fragmented. The society is ruled more by norms than by law. The state has no strategic goals and the development tends to be spontaneous. We can note tendencies of parallel movements of rule on the society, substituting the state's role and function. The society starts feeling insecure. While the curves P^1 , P^2 and P^3 represent other Potential Pareto Frontiers of the participation of the society in the state's affairs and decision-making process in other levels of socio-economic development.

The benefits and the costs of participation can be measured and analysed by using the Cost and Benefit Analysis method which can measure the state's and society's surplus by the participation, measured both as value of benefits per Euro spent or in terms of Euro cost per unit of benefit and beneficiaries. This analysis can add points in favour of the better or best policies and projects to be developed by the state.

There are also other acts and documents, as well as laws sanctioning forms of the Participation which in general state what we mentioned above.

2.1 EU law on the participation

Everything on the participation process starts from the idea that the citizen is in the same time governor and governed. First, this rises up a very important right "the right to be heard" within EU. This is a right emerged on the years '70 linked with the phenomenon of the competition and then with the phenomenon of antidumping and the use of the structural funds on the development of markets and economies under the average of the EU. On this regard the ECJ have enlarged the limits of participation further in more aspects, where the most important is the right to access in the documents of EC, right recognized by the Commission in general terms. This right was reduced partially on the years '80 by ECJ on the bases of other principles, "the right of the privacy on the own data" and "the right on the saving of the secret on some documents".

Second, the process continues in the beginning of the years '90 with "the principle of transparency", more linked with the communitarian administration (CA). During this period we see the enlargement of the idea/principle of the "open government". On this regard the Treaty of Amsterdam recognizes in a wider base "the right to access in the documents of the EU Parliament, of the Council and of the Commission"⁷, through the guarantee of a "right to access in documents" stated in the Paper of the Fundamental Rights, Art. 42 and, at last, through the approve of a Regulation (Statute) on the right to access in the public documents of the Three above mentioned Institutions⁸

Third and most recent one rises up the necessity of the Participation as a fundamental right. This intends the participation of the individuals, enterprises and of their associations, then of the civil society in the legislative proceedings and in the communitarian rule-making process. Participation, according the Commission, can "take two forms; *with the first*, the Commission will consult the civil society on the principal legislative proposals, publishing in its web site one description on the specific matters to be discussed, also the answers and, in an explaining memorandum linked to the proposals, the synthesis of the answers and the way in which those influence/incise on the legislative proposal of the Commission"⁹.

With the second form, what the Commission calls co-regulating, the associations will take

⁷ Treaty of CE, art 255

⁸ Regulation of the EU Parliament and Council 1049/2001/CE, 30.05.2001; in GUCE L145, 2001, p 43

⁹ Communicate of the Commission "On a reinforced culture of the consultancy and dialogue" – General Principles and Minimum Standards on the consulting of the interested parties, Recommendation by Commission, COM 2002, 704; def., on 11.12.2002 pp 18-20

responsibility to actualise the basic legislation rising up criteria and codes of behaviour under the general supervision of the Commission and of the Committees of the Commission. This co-regulating is not recognized generally as Participation of the civil society in the EU governance, furthermore, it is not perceived as governance at all. The associations deal with or participate only in specific questions not of a great importance (minor) referring to the White Book on the Governance (pp 11-13). This way, “the co-regulating is an extreme form and potentially un-equilibrated of the Participation of the civil society in the governance”. “... To conclude, there are two ways in which the civil society is called to participate in the European governance; the Commission can decide to conserve its powers and request the view-point of the civil society in a more systematic way than it has been doing in the past, or can transfer those powers to the organizations/associations of the civil society, but maintaining/keeping a general supervision on their activities”¹⁰.

In the White Paper on European Governance, the Commission emphasises the increase of the distrust on the institutions of EU, considering the EU sometimes as “remote and at the same time too intrusive”. It emphasizes in this context the need to connect Europe and in the same time to make it belong to its citizens.

Once nominated President of EC on 1999, Mr. Romano Prodi decided to address more actively the question of the EU citizens participation in the decision-making process on the EU project developments, looking for ways aiming to generate a sense of EU project belonging to Europe – its democratic form of being, civil society and institutions. He placed in the centre of the future developments of EU the principle of “good governance”, which means “bottom-up” participation in EU decision-making and affairs through public partnership with the civil society and all the social mechanisms and elements of the social environment.

The Commission recommended and emphasized the need for a stronger partnership and joint action with the civil society and new actions toward a culture of consultation and dialogue. The Direct Democracy/Civic Participation sends and somehow forces to a new “opening up of the policy-making process to get more people and organizations involved in shaping and delivering EU policy”¹¹. It is recommended that the EU must become less hierarchical – top-down – complement its policy tools in a larger scale with the non-legislative instruments. The question is in this case how much the institution of participation feeds the formal part, the PA decision-making and affairs, to enhance their performance and their success in the policy-making. The Union sees the NGOs and other civil society actors as stakeholders and actors of the direct democracy – Participation. This new policy followed by President Prodi, gives to the EU institutions more accountability and legitimacy. In this case the NGOs can be and play the role of the facilitators between the civil society and the EU in this broad dialogue, as well as they can become “agents of political socializations”¹² and “potential catalysts of the change”¹³.

All the developments and efforts to involve and foster the civil society to participate in the EU decision- and policy-making process were embodied in the draft treaty of EU, which states that the democratic life of the EU rests on three principles:

1. The principle of democratic equality (Title VI, Art. I-44)
2. The principle of representative democracy (I-45)
3. The principle of participatory democracy (I-46)¹⁴

According to the communications of the Commission we can evident three distinct discussions on the legitimacy of the policy-making through the civil society; “the expertise” of the technocrats; the concession to the Commission as an enterprise occupied in the administration of the “good

¹⁰ *Il Procedimento Amministrativo nel Diritto Europeo – “Tre generazioni di diritti di partecipazione”, Francesca Bignami, pp 106*

¹¹ *White paper, lb. p. 3*

¹² *Warleight, Alex. November 2001. “Europeanizing” civil society: NGOs as agents of political stabilization. Journal of Common Market Studies, Vol. 39, No. 4, p. 619.*

¹³ *White paper, lb. p. 622*

¹⁴ *Draft Treaty of EU*

practices” to affirm its own “brand” among the citizens; the representing of the interests and values¹⁵. This is in total accordance with the five principles of “good governance” identified by the Commission – being opened; responsibility; efficacy; coherence; and participation -, where the last one legitimates the interaction of the Commission with the civil society. In this frame, we can rise up another discussion, very important too, which is that “the Participation is a good practice of ‘the management’”¹⁶.

In the EU Constitution, as we mentioned above we can identify two forms of citizenship and democratic governance in the public life nowadays; the first is “the representative democracy” and intends the elections, political parties, the government comprised by the elected politicians, open decisional processes and decisions made at a local level where it is possible (considering the principle of subsidiarity). The second is “the participatory democracy”, which refers to the co-involvement of the civil society in the decisions made in the routine administrative process and to the initiative of the individuals, foreseeing that one million or more citizens can ask, but not pretend, to the Commission to put/advance a legislative proposal¹⁷.

Forms of representation and participation are affirmed also in the art. 18-44-46 (art. 18 referring more to the procedures of the ECJ) of the Constitution.

In other countries, we find applications of these articles, especially art. 46. So, in UK we find one of the countries with more large rights of consultation. They call this consultation with the public during the legislative process “Statutory Instruments”¹⁸.

In Italy we find that the programming of the use of the territory at municipal and regional level is generally subject of the request of transparency and public debate¹⁹. The same principle is valid also for France. The debate consists in environmental issues and adoption to the interest groups. In both cases, Italy and France, we see a strong politicising of the process of participation in reality and the participation often remains some kind of selective action on civil society participation.

3. What is Participatory Budgeting?

“It is defining priorities for investments, planning of the budget through a participatory process of the civil society – citizens, groups of interest, vulnerable groups and minority groups, as well as other important players and stakeholders in that area, city or region; an implementation of the projects and policies under the monitoring of the civil society, represented in this process according the particular circumstances and the level of development of each country.”²⁰

“A mechanism (or process) through which the population decides on, or contributes to decisions made on, the destination of all or part of the available public resources”²¹

Another definition applies that Participatory Budgeting is a process of direct, voluntary, and universal democracy, where the people can debate and decide on public budgets and policy (Ubiratán de Souza, Porto Alegre, Brazil).

The citizen’s participation is not limited to the act of voting to elect the executive or the legislators, but also decides on spending priorities, as well as intervenes in planning and operational activities regarding allocation of financial resources of PA ensuring higher conformity between the PA activities and Community expectancy, as well as controls the management of the government through monitoring units.

Also, the Participatory Budgeting is a form of participatory democracy, in other words a

¹⁵ *The Ideology of the Bureaucracy in the American Law, in Harvard Law Review, 1984 p. 1276*

¹⁶ *La Governance Europea-Un Libro Bianco, Comunicazione della Commissione COM (2001) 428; def., 25.07.2001 p. 10*

¹⁷ *Project of the EU Constitution, art. 45*

¹⁸ *Cabinet Office, “Code of practice on written consultations, November 2000*

¹⁹ *(A. Sandulli, Il Procedimento, in Trattato di diritto amministrativo, a cura di S. Cassese, Diritto amministrativo generale, tomo II, Milano, Giuffrè, 2003 pp. 1194)*

²⁰ *Definition by the Author*

²¹ *World Bank Manual on the Participatory Budgeting, case of Curitiba, Brasil*

combination of elements of direct or semi-direct democracy with representative democracy. Participatory Budgeting (PB) programs are innovative policymaking processes. Citizens are directly involved in making policy decisions.

4. Methodology and Techniques Used to Apply Budgeting through Citizen Participation in the Municipality Staff of Elbasan

Talking about methodology used in this study we can identify as follow:

- First, a survey through questionnaires with the citizens and the municipality staff. The questionnaire for the citizens is focused in the services the municipality carries, the investments made till now, the level of communication, the transparency, the qualification of the staff and the Council members, the level of the taxes and tariffs and some demographic data to make a better segmentation of the community during the process. Meanwhile the questionnaire for the municipality staff is focused on the on the organic structure of the municipality and the consistency of the staff with this organic, the level of skills and knowledge of the staff to understand the need for qualification, the forms and the level of facility in decision-making by the staff, the knowledge on budgeting issues and techniques, the level of the education of the staff, the coordination between different departments of the municipality, the level of the use of the working time, the scientific level of the staff and the efforts to improve it, the level of the stipends and some specific demographic questions to understand the ways the training programme can be imposed. This can serve to measure the asymmetry on the perception of performance by both sides.
- Selection of the interviewees in a number of 360 persons from the citizens and 28 from the Municipality staff through randomization.
- Quantification of the information from the questionnaires expressing those in numerical form through escalation of the quality, preparation of the Data Coding Scheme and Data-entry template for the registration of the data collected.
- Analysis of the data once processing those from the questionnaires through SPSS programme subtracting all the necessary results from the survey, explaining the trends and performance of the municipality as well as the needs of the staff and their commitment in figures legible and understandable even for all non economist part of the environment.
- Ex post analyses through Cost and Benefit Analysis (CBA) method and other assessment techniques on the past projects and policies implemented from the Municipality comparing programs and policies in terms of *benefit-cost ratios*.
- Method of the Potential Pareto Efficiency and Potential Pareto Frontier based on Kaldor-Hicks Criterion (*the net benefits criterion*) to measure the community and Municipality surplus from the projects or policies to be implemented, finding in the same moment the willingness-to-pay of the citizens.
- Analysing the benefits and costs in a distorted market like the citizen environment of the Municipality of Elbasan through CBA and analysis of the *information asymmetry*.
- Analysing techniques on the budgeting process implemented in the Municipality of Elbasan; balance sheet analysis, cost structure analysis, financial management techniques to measure the effect of the investments made till now in different periods, demand vs. supply analysis for services and investments, preventive techniques on the calculation of the costs and investments.
- Sensitivity analysis in discounting to measure future value of the benefits of a project or policy trying dealing with uncertainty to fit the results of the nowadays investment with the strategic goals and objectives of the Strategic Development Plan of the City of Elbasan. By this analysis we can deal with the contingency and the probabilities that a project or policy can take place.
- Use of the methods to measure the *theoretical limitation of the willingness-to-pay* of the citizens regarding the payment of the taxes and tariffs of the Municipality.
- Planning methods in three levels, strategic long-term planning, mid-term planning

(development plans) and short-term operative planning.

- Techniques for the segmentation of the market; based on the *priority characteristics*, on the *requested and expected benefits* and on the *behaviour* of the citizen community.
- Use of the Kenneth Arrow's theory on *social choice rule* called *General Possibility Theorem* stating that the persons must select between three or more alternatives based on four principles; First, *axiom of unrestricted domain*, each person is allowed to have any transitive preferences over the possible policy and alternatives, Second, *axiom of Pareto choice*, if one alternative is unanimously preferred to a second one, then the rule for choice will not select the second, Third, *axiom of independence*, the ranking of any two alternatives should not depend on what other alternatives are available and Fourth, *axiom of non-dictatorship*, the rule must not allow any one person dictatorial power to impose his or her preferences to the social ordering.
- Communication and negotiation techniques. This is necessary to spread and gather the necessary information for the project. Use of *Tactics of Distributive Bargaining* to exchange information with the citizens during the sensibility campaign of the study.
- Poverty mapping of the city of Elbasan, to identify the vulnerable zones and groups needing more attention from the Municipality regarding the allocation of the services and investments.
- Division of the city of Elbasan into zones including two neighbourhoods each, except one with three neighbourhoods.
- Open meetings and democratic discussions on the actual budget and the selection of the priorities monitored by the media.
- Standardization techniques on the formulation of the product – the communication campaign and the voting and elections of the priorities as well as citizen representatives in the PPB based on criteria agreed in advance by the representative committee members.
- Voting process in the Committee of the PB and decision-making by majority decision.
- Training for the members of the Committee of the PB on assessment methods and techniques through training courses.
- Verification and control of the selected priorities by the citizens in the right place through a process called Caravan of the Verification and Monitoring of the concrete situation.
- Definition of criteria on the evaluation of the priorities by the Committee of PB and quantification techniques for the criteria.
- Averaging of the results through pondering and simple average method of the results assessed by the members of the Citizen Committee of PB.
- Brainstorming on the definition of the criteria as well as in the assessment of the priorities.

5. Findings and Conclusions

The definition of the level of participation is a political decision, while participation in itself must not be a political event and issue, but a principal element of the democratization of life in our country, a precondition for our development in the future, in total accordance with the long-term goals of our country and should be reflected in well designed mechanisms, procedures and rules.

Being informed on what the municipality's budgetary and financial situation is, the community becomes aware of its budgetary restrictions. deciding to collaborate with local self-government PA, aiming not only at increasing the resources available for them, but at enlarging the infrastructure initially approved.

The community understands that its role in the development process of the city is very important and can't be ignored by the local self-government.

The vulnerable groups, as well as minorities in the city can be represented by their representative in the Committee and participate in the decision-making process, even when they are not politically represented in the Municipality Council.

The gap between the Municipality/State and the Citizen Community/Civil Society becomes smaller and tends to go in a full accordance when transparency between them is established.

We find Community and Municipality focusing on contrast and contradict resolution rather than coming down to conflict between each other, once direct democracy principle is accepted and established. This brings to more trust and as a result into more social capital, necessary for the development of the city in all directions.

Involvement of outside local agencies and experts to better define and calculate the costs and benefits for each project and policy the Municipality undertakes is a necessary tool to foster the process. This can increase community belief looking on them as the third party in the process between Municipality and Community. The process can be guaranteed.

The revenues of the Municipality from the taxes and tariffs increase as a result of the increase of the trust of the citizens to their Municipality.

Municipality can use the funds and grants for investments and services in a more effective and efficient way.

The Municipality staff becomes more professional and can increase the benefits per unit of costs oriented.

Having more projects and policies selected on a bottom-up process, it will be more possible to ensure funds for investments by the other sources than Municipality.

Citizen will contribute on the better management of the investments made from the Municipality considering that the chosen themselves the priorities – projects and policies – to be invested.

A well division of commune/municipality in zones would help to have an effective communication campaign, facilitate meetings and the distribution of resources, as well as better representation of the civil society in the CCPB.

Meanwhile, to ensure a higher quality of the citizen thought, it is necessary, still in a free voting system elections, to involve in the process thematic and interesting groups, whose existence is not based on a geographical base but on an interest, cultural and activity base – territorial and sector division. This kind of representation in the process is also very important for the quality and the tangibility of results of the process of PB.

6. Outcomes from the Study

The main outcome of this study is improvement of the actual functioning scheme of the Process of PB in the Municipality of Elbasan regarding the investments to be done.

A second outcome is the establishment of a Monitoring Unit on the development of the Process to ensure the necessary SOV for all the stakeholders and the actors taking part in the PB.

A third outcome is the first step toward institutionalizing of the PB, opening/establishing a link in the Budget Plan of the Municipality, stated in the balance sheet – final financial statement – also.

A fourth outcome is the production of the toolkit on the Process of Participatory Budgeting in Albania, useful for all other the local units in the future, which would want to adopt the process. This is also a first step toward institutionalizing of the PB in Albania, as well as of the participation principle in the Albanian Law.

A fifth outcome is the implementation of scientific methods used in the assessment of the projects and policies by the Municipality staff of Elbasan, assisted by NGO and banking staff too.

The last outcome I would mention is the findings regarding how to reduce the gap between Local PA and the Civil Society, to ensure better collaboration in the future and a faster development of the cities and other local units in Albania.

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