

MTEF Workshops notes | „Participatory budgeting in education: barriers and solutions”

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In the education system, the budget drafting used to be a closed process, involving the school technical staff, the district Department of Education, the Ministry of Finance and the Ministry of Education. Once the reforms were initiated (e.g. optimizing schools, granting financial autonomy to educational institutions), pupils - unlike schools, became the primary beneficiary of public funds, and schools became the main managers of educational budgets. In the past, the Local Public Administration was responsible for school budgets. Thus, pupils became important stakeholders of the budget process in education. Therefore, participatory budgeting became a solution to involving all stakeholders in public funds management for rendering better services with the available funds. During the workshops organized within the Expert-Grup initiative “My School”, there have been discussed different issues, such as: the extent to which the institutions are willing to accept an additional stakeholder in the budget process, main challenges and division of responsibilities in school budget drafting. Among the participants there were school headmasters, representatives of parents’ boards and pupils.

The scope of the workshops was to promote the participation of stakeholders in the budget process, especially in drafting the Medium-Term Expenditure Framework (MTED). This stage is especially important in budget drafting, since namely at this stage new policies could be input and it could be ensured the adherence of budgetary planning to sectorial and governmental objectives.

The workshop was held in two parts:

1. Budget drafting in the education system. Stakeholders discuss about the budget process.
2. The way citizens can get involved in drafting education budgets

During the first part, there was presented an introductory note to the budget process in Moldova, with an emphasis on MTEF, the main characteristics of education, challenges at all management levels (Ministry, District Council, school). The representative of the Ministry of Education delivered a short introduction to budget drafting based on school expenditure planning. During the discussion session, the participants came up with proposals and comments on the current financing concept in education, the funds issue of small schools, the optimization of the national school chain and the education sector in general. The second part of the workshop focused on the way pupils and their parents can get involved in budget drafting, mainly in the process of optimizing and prioritizing expenditure in school, district and national budgets.

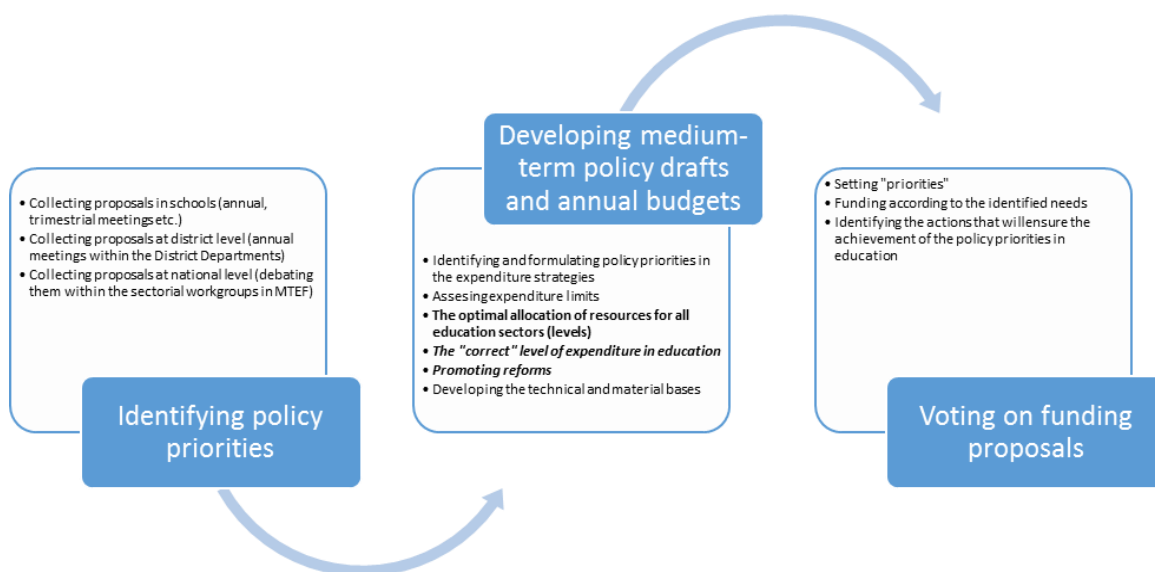
The main informational needs of the participants were related to budget drafting in education, the delimitation of stakeholders and a clear idea of what budgetary participation implies at school level. Creating new cooperation platforms or revitalizing old ones would have a dual effect: disseminating information about the good practices and exchanging experience among the headmasters of different educational institutions, as well as involving the community in solving school issues.

The democratization of the educational process through participatory budgeting at the stage of school budget drafting

The citizens' involvement in budget drafting is an important element for making the spending of education public funds transparent. At the same time, as a process, budgetary participation has a dual effect: on the one hand, by getting citizens' opinion, the authorities get a clearer idea of what the policy priorities shall be in this field, and on the other hand, by being informed about the annual and medium-term budgets, pupils and their parents could take fundamental decisions about the future development of schools in Moldova. Another effect is the increased accountability of all parties involved.

Normally, there was a higher rate of citizens' involvement in the monitoring stage of public funds execution and a smaller rate of their participation at the budget drafting stage. Authorities were used to inform citizens post-factum. Once the reforms were initiated and the legal framework was revised, the citizens' participation became mandatory and imperative. At this end, if there were no debates or a project voting platform for national policies and strategies implementation, there would appear the risk of poor dissemination of information to citizens. During the drafting stage, the MTEF is meant to provide the macroeconomic medium-term forecast and the expenditure framework for achieving policies promoted by the government. The main goal of this document is to create a framework which would be proper for all stakeholders in the budgetary process. Additionally, it serves for reasoning political resolutions at government level. The main drafted document debated in the MTEF is The Expenditure Strategy in Education Sector.

At national level, the MTEF budget process shall be conducted as follows:



This stage is important since all participants have now access to information on the institutional framework under which school budgets are drafted. This framework implies tasks identification, division of responsibilities, creation of a communication platform among schools, appointing the responsible for this communication, etc. This becomes increasingly important as it offers the possibility to provide a clear answer to the question "who decides on the way projects are funded within the education system in general and at school level particularly." At the dissemination stage it is important to give beneficiaries details about the funding sources and their destination if different. Last but not the least, beneficiaries should know the ways they can get involved at all stages of the budget process.

What does participation mean?

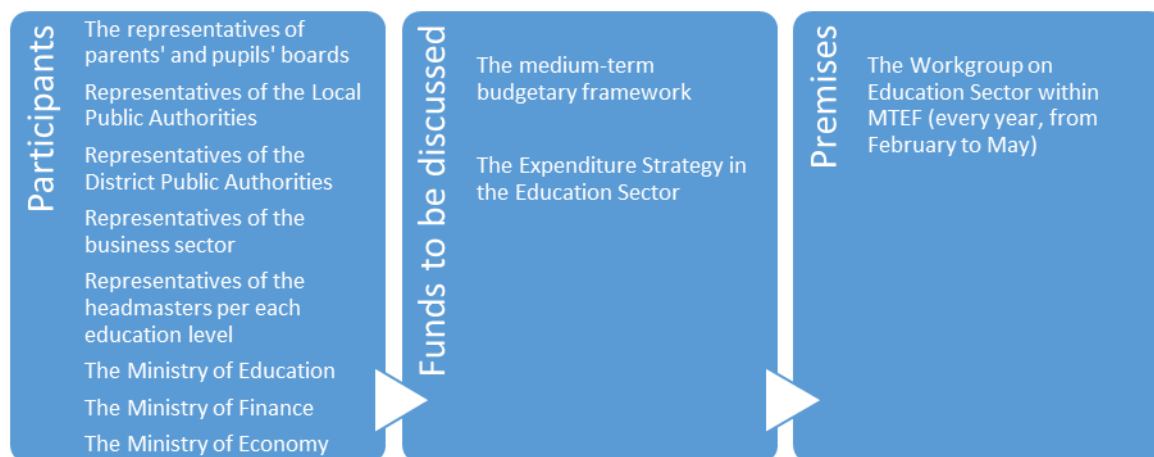
It is important to understand that budgetary participation, as a process, can have different tasks, objectives and levels of stakeholders' involvement. For example, the participation of pupils in the budgetary process at national level would be representative through pupils' and parents' boards, whereas at the school level, the participation of all interested parties could be very simple due to the relatively small number of participants.

This is why before talking about an eventual participation in the budget process, we have to clearly answer the following three questions:

1. Who will participate?
2. Which funds will be debated?
3. Where will the process take place?

The participation at the drafting stage of the school budget varies depending on the answers to these three questions. At local level, the District Education Departments and the school headmasters are the ones responsible for informing the public. The beneficiaries are, first and foremost, the pupils' and the parents' boards, but also other interest groups, civil society organizations and entrepreneurs. At national level, the main stakeholder is the Ministry of Finance, responsible for setting the budget transparency framework and for disseminating information on it. Another important stakeholder at national level is the Ministry of Education, responsible for developing national policies. The second stage supposes an informed discussion on projects. Namely, at this stage it is necessary that the technical staff from the District Education Departments (and then from the MoE and the MoF in the sectoral workgroups from the MTEF) shall come forward with clear explanations on the best way to spend public funds.

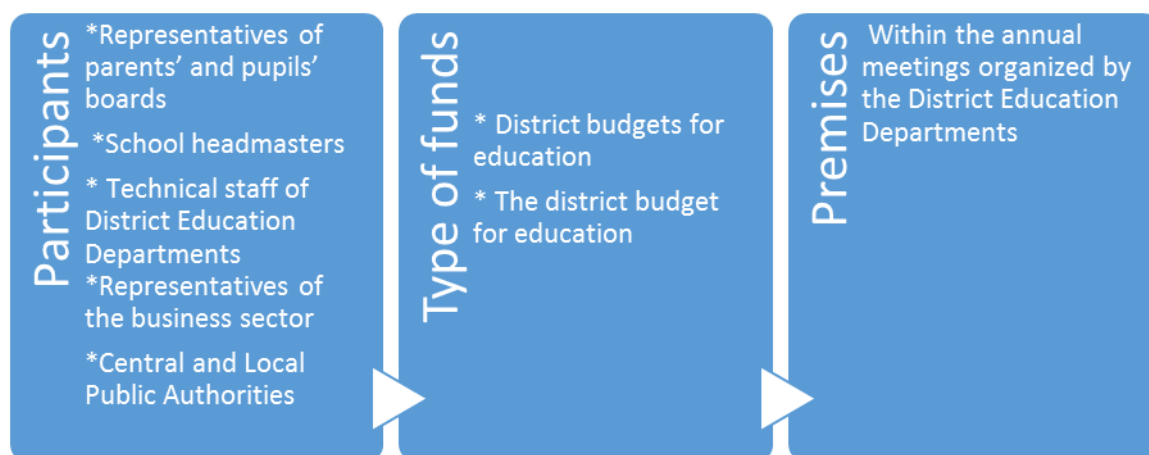
Figure 1. Participatory budgeting in the educational sector at national level



The main issues at this stage are related to the identification of policy priorities, the optimal allocation of resources among different education sectors, the relation between the promoted reforms and the budgetary allocations, as well as between the sectorial performance and the amount of funds spent. Once the workgroup is formed only of representatives of the MoE, **the beneficiaries do not participate at this stage**, the participation of citizens **being limited to the presence of some business associations and of a civil society organization that has nothing to do with protecting pupils' rights at country level**. The lack of interaction mechanisms (questionnaires, direct interviews, a web page for posting requests) and of the feedback (a page for requests and responses) limit the participation of citizens in the budget drafting process. At this point, it is necessary that the Ministry of

Education, in collaboration with the Ministry of Finance, develop and publish, besides the technical instructions on budgetary documents, an interpretation of the budgets that would be easily understandable for all stakeholders. A budget for education addressed to citizens would provide a clear general view of the sector and the problems it is facing, of the achievements and the way popular and unpopular reforms unfold. The participation issue at this stage can be resolved by modifying the regulations that govern the creation of these groups, so that the participation of parents’ and pupils’ representatives, as well as that of headmasters, is not decided by the vice-minister, but is made compulsory through regulation. This would prevent funding on political criteria, it would enhance transparency and it would increase participants’ accountability.

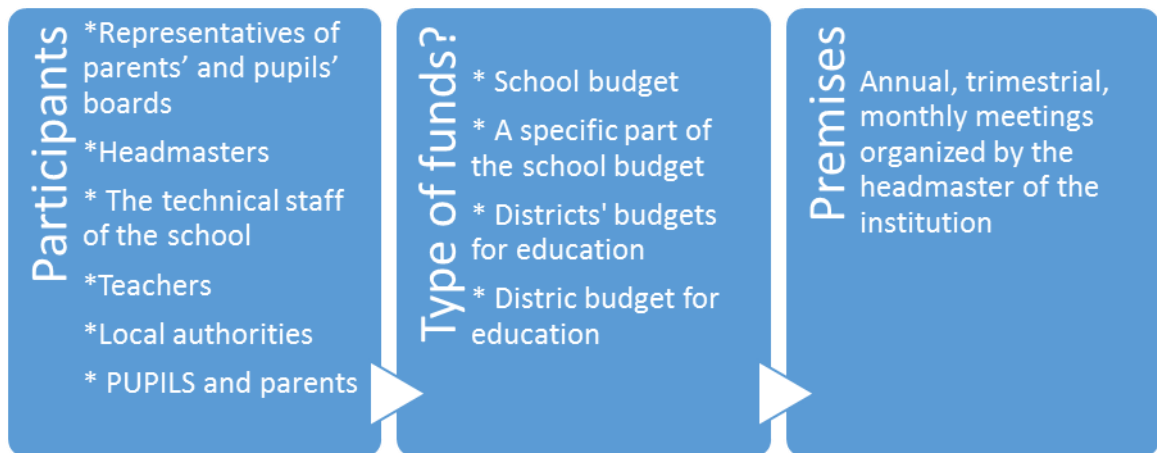
Figure 2. Participatory budgeting at district level



At district level, the participation process shall focus on providing discussion platforms among the main local stakeholders. Unfortunately, the access of participants at this level is also limited (Figure 2). The excuse of participants facing difficulties in understanding budgetary documents is not valid since the District Education Departments are responsible for reasoning different budgetary decisions to stakeholders. The lack of interest on behalf of the society towards topics related to budget is also irrelevant. Once the participation platform is set, the interest will enhance and the related authorities will show a more proactive attitude.

Conclusion: Unfortunately, the dissemination of information is defective both at local and national levels, it is limited at this stage to the publication of the main drafted documents on the website, without using all available means for notifying beneficiaries. The overall perception of the public authorities involved in the process is that budgetary transparency is redundant and unnecessary, often non-complying with the main legal provisions. So, it actually denotes certain deficiencies in the communication chain with the final beneficiaries. It would be necessary to understand that currently the final beneficiaries have not got yet the daily habit of following the authorities’ websites, and therefore when citizens’ involvement is needed and encouraged, the use of a single information tool is insufficient. Beneficiaries are still not being consulted on school budgets, except some discussions within the MTEF working group, which shows that this process is still formal within educational institutions, especially at local level.

Participatory budgeting at school level



Participatory budgeting within schools facilitates a direct dialogue among headmasters and teachers on the one hand and pupils and parents on the other hand. It helps taking informed decisions on ways to best meet set priorities and render good education service with the available budget. While limiting personal interests, corruption opportunities, inefficient spending of public funds in the educational sector, community involvement creates a basis for intercommunity cooperation and for developing local projects.

The main issues at this stage are related to the limited capacity of headmasters and relevant technical staff to explain the budget decisions to the main beneficiaries. In this regard, the good practices are observed just within institutions where headmaster have been trained on this matter at national and international levels. The successful stories could be replicated if there were a cooperation platform among managers of different level. Another solution would be to organize events at each stage of the budget process, where the stakeholders will be informed clearly about the ones responsible for informing the public about the participation platform, about the implementation of the budget according to set priorities, the achievements and drawbacks in this respect, best practices, etc.

Another issue is the fact that the participation mechanisms, such as annual meetings, pupils' board, are not often active. This is related to the headmasters' reluctance to involve more parties in the budget drafting process. At the same time, pupils and parents do not know about the opportunity they have to participate in the budget process, and even if they are informed about it, they remain skeptical of their participation value added. Also, the lack of financial education creates the false impression that each proposal should be carried out, without acknowledging that in fact the budget is limited.

Conclusions

The participation is one of the main components of budget transparency. It ensures the dialogue between authorities and beneficiaries, promotes community values, connects politicians with their electors and gives a broader sense of the community needs as well as of the existing budgetary limits.

The lack of participation and information platforms at all levels has contributed to the fact that at the drafting stage budgets were based on random political decisions, both at local and central levels. Thus, the main drafted document (Expenditure Strategy in Education Sector) does not explain the way funding decisions for meeting policy priorities have been taken, and it is not oriented towards the satisfaction of the beneficiaries' needs. Also, this strategy does not provide a clear vision on how various components of education funding shall be equilibrated. At the local level this fact reveals a poor institutional budgeting, delayed investment projects or the preservation of inefficient educational institutions.

At school level, many opinions were focused on the need for a more transparent expenditure, a better management of money raised from parents, of child nutrition and teacher remuneration. We reiterate the conclusion presented in the last year report: it is necessary to find a legal, procedural and institutional solution, so that this phenomenon contributes to the development of schools, instead of generating all kind of conflicts and confrontations. At the same time, since the beneficiaries' interest is high, the training within this workshop will contribute to a better understanding of how they can contribute to increasing the authorities' accountability. In this regard, appropriate authorities shall use all possible means to properly inform citizens about the possibilities they have to get involved in the budget process.