

## **A Study on Activation of Resident's Budget Participation System through Utilization of Electronic Government**

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**Abstract:** The concept of e-Government cannot be discussed without citizen's participation in administration. In the meantime, e-Government has remained at a level where residents use basic administrative information and request information they want to use. A number of public data have been stored in the process of operating e-Government. Now, the accumulated public data forms, so-called big data and based on this, it becomes possible to grasp the needs and requirements of the residents in advance and predicts the demand. However, since, the level of utilization of e-Government is still insufficient, the implementation of e-Government has remained passive and partial (limited only to online information access). And it fails to induce more active public participation in administration. Behind such a lukewarm participation of citizens in e-Government, contrary to theoretical expectations, could be the not-yet-mature citizenship and different value systems of the public. But, it could also, be the result of the government's failure to aggressively encourage citizens to take part by offering enough information, opportunity and channels to engage.

**Key words:** e-Government, public data, administrative services, big data, participation of residents, aggressively

### **INTRODUCTION**

The amendment of the Local Finance Act in March 2011 became a new source of local government. And the right to participate in the budget which was deemed to be the sole property of the heads of local governments and provincial councils was expanded to citizens. In addition, it became a new transition period by becoming a mandatory enforcement system for all local governments. However, the participation budget was originally planned and implemented not only for transparency and efficiency of local finance but also for the purpose of expanding qualitative democracy through citizen participation based on governance and raising the quality of life of citizens.

In the process of expanding citizen participation by governance, e-Government and online resident's participation have made an absolute contribution. As a result of the development of information and communication, residents can participate directly to complement the problems of representative democracy and to form a partnership between the government and the residents to cooperate with the government (Jung-Hoon, 2011). Democracy and openness can be expended due to eliminate restriction for distance matter and characteristic of interaction through participating internet (the interactive nature can further extend the democratic and openness of decision making). It is possible to increase both the satisfaction of the government and the credibility by increasing the

responsiveness to the residents. Online resident's participation is an important factor that complements democracy, speed and efficiency in the process of implementing the citizen participation budget system.

In the process of introducing and implementing participatory budgets, it is necessary to reflect the advantages of resident's participation well through the utilization of e-Government. The related clauses of the city of Seoul are explained well in the purpose of Article 1. Article 1 (Purpose) of the Seoul Metropolitan Government Participation Budget Management Ordinance stipulates that "The purpose of the Seoul Metropolitan Government is to ensure the participation of residents in the process of budget formation of Seoul Metropolitan City to increase the transparency and democracy of the city budget and to define necessary matters for activating participatory democracy". It is because it stipulates.

The size of the population, the size of the budget and the composition of each local unit are some of the pioneering models in the Seoul Metropolitan Government. In addition, the participation budget system of Seoul is backed up by the Local Finance Act (Article 39) and the provisions of the local participation budget ordinance and its own organization and budget 50 billion are allocated.

However, commissioning of committee members which is carried out by lottery, voting which is performed according to the district of origin rather than objective evaluation, mobilization of voting members, etc. are also,

a problem. In order to participate in the resident's participation in the citizen participation budget system, we will identify the process of selecting the project, the distribution of the budget and the execution process.

## THEORY AND STATUS OF THE RESIDENT'S BUDGET PARTICIPATION SYSTEM

### Types of resident participation through e-Government:

The provision of administrative services through e-Government is operated through various forms. It is emerging in various forms such as e-Voting, cyber forum, information disclosure through the web, online policy evaluation, online consultation and policy proposal from resident's questionnaire, participation on website or e-Mail. Ik-Hyun (2006) sees Web 2.0 key words as participation, openness and sharing. In an open Web environment, internet users create information through blogging and tagging and share information with others, respectively.

As the use of e-Government increases, the openness and democracy of resident's participation are increased. As the two-way discussion using the platform in one-way communication became possible, various forms of citizen participation system were created and the citizen participation budget system is outstanding system.

**The operation and the theoretical discussion of the citizen budget participation system:** Participatory budgeting is a process in which residents directly participate in the budgeting process and make decisions. It is a system that strengthens responsibility and sovereignty by promoting the transparency and democracy of financial management and by giving authority to the residents. In the meantime, governments and bureaucrats have monopolized budgeting authority. However, the resident's participation budget system is a system in which the budget organizing authority is discussed and operated with the local residents. It reflects the diverse interests and demands of the local residents in the policy, there by ensuring the participation of the residents in the financial management process.

Most of the studies on the subsidy budget system are characterized mainly by citizen's participation and participatory democracy rather than the budget system itself. Gwag (2005) argues that the ideology of the citizen participation budget system treats openness, community, equality, democracy, transparency and discourse orientation in terms of process ideology and have a responsiveness, efficiency and equity in terms of consequential ideology. It is important to enhance the disclosure of financial information as well as to facilitate

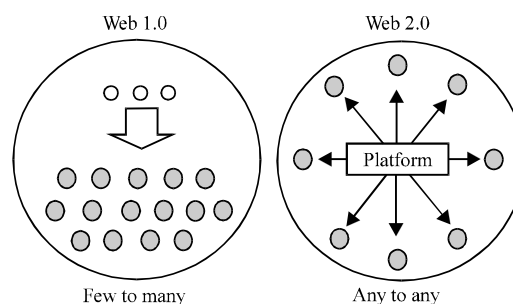


Fig. 1: How Web 1.0 and 2.0 are communicated information (white circle), user (gray circle)

the organization and activation of citizen participation. In addition, he argued that the public official's attitudes and attitudes should be changed and that they should also, play a role in controlling the functions of closed budgeting. As shown in Fig. 1, in the era of Web 1.0 if a handful had a one-sided communication structure, the era of Web 2.0 is a structure in which each other communicates with each other. In the era of Web 1.0 when the information (white circle) was sent to the user (gray circle) unilaterally, the Web 2.0 era became a way for every one to exchange information through the platform.

In contrast, Ahn (2006) who analyzed the success cases of the participatory budget system argues that (In-Seong, 2008) should accept the progressive development of civil society and intergovernmental partnerships and institutions and make efforts for successful settlement. In the case of Ulsan's Dong-Gu, residents were invited to participate in the budget process to secure the legitimacy of policy decision-making to build partnerships with civil society and to improve the efficiency of budgeting results. He pointed out that the lack of local taxation discretion and the dependence of the central government on concerted grants and subsidies suggest that efforts should be made to expand the local authority and to communicate with the residents.

Jang (2014) summarized the activation of the system in three ways. First, a cooperative network with the local community should be established. To do this, the budget process should be opened to the public and information should be shared and communication should be activated. Second, it emphasizes the organization and activation of the resident's participation and clarifies the scope of participation mechanism and participation in the budget participation process of the residents, so that, the participation of the residents can be achieved by the organizational system through organization. Third, we emphasize the change of public official's consciousness about the budget system of the resident's

participation. It should be noted that in the budget process, people's participation can be more effective in terms of effectiveness and efficiency than cost. It argues that the transparency and openness of the budget process that increasing the efficiency of the budget offsets the costs of participatory participation.

#### **The process of the participation budget system in Seoul:**

The participatory budget system started in March and lasted about 10 months until January. In March, the Seoul Metropolitan Government's business plan will be announced and the participating budget committee will select a new committee member and proceed with the budget school. It is divided into basic and advanced classes. In May, the Seoul Metropolitan Government will finalize the settlement of accounts. The budget committee of the participating budget committee will review the settlement status of the previous year and present opinions on the current status of the year and the budget preparation for the following year. In June, the Seoul Metropolitan Government will set up a supplementary budget. The budget committee will conduct deliberations on the budgeted projects divided into regional and sub-committee audits.

In July, the temporary budget for the city is organized. The participating budget committee will hold a general meeting of the participating budget. In this place, the project is selected by adding the votes of the resident's participation budget committee and the referendum. The Seoul Metropolitan Government will organize departmental budget plans from September-October and the participatory budget committee will monitor the participatory budget projects that have been passed in the previous year. In December, the Seoul City budget bill will be submitted to the city council. The committee will form a white study committee to fill out the activities for one year and submit the opinions of each study group to the budget proposal. In January, the participating budget committee will hold an evaluation forum for evaluation meetings.

The Seoul Metropolitan City Budget Involvement Committee is composed of budget schools, general assemblies, subcommittees, steering committees, on-budget committees and ministerial budget support councils. The budget school is organized in April-May at the beginning of the committee election and after finishing the education, the completion ceremony is held. Subsequently, a subcommittee is composed of 25~35 people in June-July and each subcommittee chairman and secretary is elected. In the subcommittee, each business division is selected and submitted to the General Assembly. After the subcommittee committee, in

July~August, the committee will vote on the projects passed by beach subcommittee. In the general meeting, the maximum amount of the local participation budget of 50 billion won is selected and selected in multi-vote order.

In addition to the local participation budget, the overall budget of the city is also assessed. The budget committee consists of 4 members from each division and evaluation and opinion reform are conducted 3-4 times. The budget committee in principle, evaluates the overall budget and the settlement of accounts but the evaluation of the department is conducted mainly by the members of each committee. During this process, the evaluation process is carried out with the support and consultation of the citizen participation budget support council which is composed of NGOs, experts and city councilors. In 2014, the average participation rate of the members of the budget participation committee was 67.6%, indicating 68.2% of the public participation committee and 63% of the recommendation committee members.

#### **Current status of Seoul's participatory budget system:**

A total of 1,460 projects were proposed for the 2014 budget, totaling KRW 1.3 trillion. Since, the total of 50 billion won should be selected from the total, the project will be selected in the order of multiple votes through the subcommittee and general meeting. The subcommittee consists of 8 departments as economic industry, environment, park, culture and sports, women's childcare, health and welfare, construction and traffic housing division. As shown in Table 1, there are different ratios at which 8 projects are presented and passed to the committee, the general assembly and the city council.

The Ministry of Economy, Trade and Industry (MEXT) proposed 140 projects with a total budget of 610 billion yuan and 170 projects with 1,500 billion yuan. 218 cases of the park division were estimated to be 100 billion won and 218 cases of cultural and sports were proposed to be worth 1094 billion won. The Ministry of Health and Welfare has proposed 263 projects with the largest number of business proposals including 1,140 billion won. The smallest category was the women's childcare division which amounted to about 352 billion won. A total of 1,460 projects were divided into 8 with an average of 182.5 projects proposed with an average of 1,627 billion won.

Each subcommittee committee was decided according to the total amount of seals, regardless of the number of projects. The number of projects passed by the subcommittee was 410 and the total project cost was about 1100 billion won. In the 1st year, 1,460 cases were reduced to 410 cases and the business cost was reduced

Table 1: 2014 resident's budget participation system screening project

Index	Economic and industry	Environment	Park	Cultural and physical exercise	Women and child	Health and welfare	Construct	Traffic and housing	Total
<b>Proposal business</b>									
Number	140	170	218	218	102	263	161	188	1460
Budget	61,380	150,629	100,132	109,498	35,261	114,007	177,639	553,169	1,301,713
<b>Subcommit-tee suggestion</b>									
Number	62	43	66	58	48	62	52	19	410
Budget	14,197	13,460	22,369	14,987	9,649	14,535	14,363	6,482	110,042
<b>General assembly assessment</b>									
Number	27	23	40	24	28	28	36	17	223
Budget	6,442	5,876	10,846	4,571	5,512	4,609	8,810	3,682	50,348
<b>Council confirm</b>									
Number	14	23	39	17	28	28	36	17	202
Budget	3,017	5,876	10,746	2,789	5,282	4,609	8,810	3,682	44,811

by 11.4 billion won to 8.4% from 1.3 trillion won. The largest number of business was in the park branch (66 cases) and the smallest one (19 cases). As a business expense, the cultural and physical education division was the largest with 14,187 million won and the traffic housing division was the smallest with 6,482 million won. The 62 items, 14,137 million won for the economy and industry division, 13,606 million won for 43 items in the environment division and 22,369 million won for 66 items in the parks division.

A total of 223 cases and 50,348 million won were passed at the general assembly. Compared to the parent who passed the subcommittee, the number of cases was reduced to 54% and the project cost was 45%. There were 40 cases in the park section with the highest number of cases and 17 cases in the traffic section in the small section. The branch that received the most business expenses was the park branch and the smallest expense was allocated to the transportation housing division of 3,682 million won. There were 27 cases and 6,422 million won in the economy and industry division, 23 cases, 5,876 million won in the environment division, 24 cases and 4,577 million won in the cultural sports division.

Even if the general assembly decides to meet the 50 billion won allocated to the city, the local government budget is approved by the local council. Of the 223 cases that were approved by the general assembly, 202 cases were reduced to 21 and the city council was confirmed. Business expenses also decreased by 5,537 million won from 50,348 million won to 44,800 billion won. By business division, the number of economic industrial departments decreased by 13 from 27 cases to 14 cases and the business expense amount decreased from 464 million won to 46 billion yen to 3 billion 17 million won. This was mainly due to the fact that the budget for CCTV installation was criticized by the city council. In addition, the number of cultural and sports subcommittees decreased by 7 from 24 cases to 17 cases and the business expense amount decreased by 1,782 million months. Most of the other branches were confirmed by the city council or only one (Park branch).

## PROBLEMS AND ALTERNATIVES OF SEOUL'S BUDGET PARTICIPATION SYSTEM

**Weak representation:** Participatory budget system was introduced to overcome limit of representative democracy composed of representative. In principle, it means accessing public services directly. In this respect, it is inappropriate to find the authority of the participating budget members on representation. Representation itself is weak but citizens should pay attention to the immediacy of exercising the authority of public services themselves. If the participatory budget system is a representative body with a different constitutional principle than the executive or legislative body, it only plays a role that overlaps with the representative council. Rather, they are overcrowded because of their diverse interests. The proportion of wide-area projects is only 13% based on the total number of proposals and only 9 out of 223 projects in the final selection process. Table 2 among the total 1213 projects, the number of large-scale units is 160 which is very small.

Accordingly, a total of 132 projects were selected in 2012 but in 2013, 223 projects increased by 69% (91 cases). For this phenomenon, 'life-friendly busines's can be seen as a positive change because it is small in scale. However, the problem is that the frequency of overlapping with the borough business is larger than the broad business. For example, if the total amount of individual projects is reduced from the current 3 billion won to 1 billion won by excluding the autonomous region project, the projects that can be selected are likely to be limited to some Seoul offices such as opening and expanding roads. Although, it can be regarded as a life-friendly business in terms of form, it is inevitable that it is concentrated on the small-scale environment improvement project due to the structure of administrative affairs. The bias that the existing office structure and the business preference structure create is generated. The number of projects increased significantly in 2013 compared to 2012 but only a small number of projects have increased due to budget fragmentation.

Table 2: Proposed business status (Unit: KRW billion)

Metropolitan business		Local business		Total	
Number	Amount	Number	Amount	Number	Amount
160	1,094	1,053	4,270	1,213	5,364

**Strengthen openness:** Participation budget of Seoul city is composed of participation budget committee of 25 autonomous regions and participation committee of participation city of Seoul City which approached about 250 people. And in the way of prioritizing the proposals, the exposition will be held in an open venue but only to the participating budget members of the Seoul Metropolitan Government who have less than 250 votes. This leads to the problem that the participation of ordinary citizens is limited. Of course, it cannot be said that the number of participating budget committees of each autonomous region and the number of participating budget members in Seoul is smaller than the population of Seoul. However, openness means that the door is open for anyone to easily participate.

In terms of openness, every citizen of Seoul should be guaranteed the opportunity to participate in each autonomous district and every Seoul City. It is not the same that opportunities are guaranteed and participation with certain powers must be possible. Considering the operational problems, the number of authorized participants is inevitably limited. However, it is necessary to provide an opportunity for participatory participation to any citizen of Seoul. It is not the subject of a specific subject but an opportunity for participation to be opened to all. In this regard, the Seoul Metropolitan Government's participation budget has great advantages.

The first is that more than four-fifths of the participating budget committee which consists of less than 250 people is composed through open recruitment and open lottery. It can be judged that constituting more than 4/5 of the total members in this way has very desirable openness. The second is related to the Seoul Metropolitan Government's plan to improve the participation budget in 2014 to compensate the problems revealed until the 2nd year of implementation. Until now, the process of setting priorities has been limited to the participating budget committee members which are composed of less than 205 members while they are held in the open space through the exposition method. It is more open-minded to consider giving more priority to the interests of the interested citizens if the priority voting is done in the open place. Regarding this, the Seoul Metropolitan Government plans to improve the participation budget system by 2014 and it plans to run local voting groups that involve elementary school students and parents and plan to give each of them the right to vote for 10% of participating budget members. In

addition to the participating budget committee members, it is planned to operate 2,500 local volunteers. It is appropriate because it gives each participating budget committee and other citizens (including children) 50% of each decision. This is a desirable improvement measure in terms of openness.

## CONCLUSION

I have mentioned many things in advance for the qualitative development of the participation budget of Seoul City. Of course, as Rome was not built in a day, we do not have to compel them to create desirable models in a short period of time.

Of course, it is not just that the current budget of the Seoul Metropolitan Government is lacking. In some ways, it is very exemplary. As mentioned earlier, the way in which the committee is structured is very democratic and it is worth evaluating its own measures to ensure that more citizens participate in the decision-making process. Nevertheless, in the case of the Seoul Metropolitan Government participatory budget, it is an urgent task that the present operation should be improved in the face of the fact that the current operation is a stumbling block to the activation of the participation budget of each autonomous district. This is because, as mentioned above, the scope and authority of the participation budget is limited to 50 billion won for the budget to be allocated to the borough.

## RECOMMENDATIONS

In addition, there is a need for continuous efforts, evaluations and evaluations to improve the quality of citizen participation in budgeting and enforcement. It reinforces democracy and openness in strengthening social values in participation in the budgeting process mentioned above and in the operation of participatory budget committees.

It is necessary to make various efforts such as increasing the utilization of e-Government and increasing democracy. Efforts to establish and attempt to establish qualitative development directions are not deployed. Even though it may be difficult, it is possible to develop the system as a 'universal' example of the participation budget of Seoul by continuously seeking new ways, trying and improving.

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