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## EXAMINING CITIZEN AWARENESS OF DECENTRALIZATION AND LOCAL FINANCES THROUGH SURVEY METHODOLOGY

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### ABSTRACT

The issue of decentralization is currently of great importance in Bulgaria. It is related to a number of reforms in local self-government, which require broad public consent. This consent should be derived or obtained after conducting a large-scale information campaign to acquaint the Bulgarian public with the administrative, political and financial framework of the local government. The purpose of this paper is to investigate the awareness of the local community on some key topics in the area of municipal revenue. The main method used is the survey method. The obtained results show that the local community has not reached this level of awareness, which would provide a solid basis for civil participation in the local self-government reform process. The conclusion to be drawn is that the state authority must conduct large-scale information campaigns and organize discussions on the issues of decentralization.

**Key words:** local self-government, decentralization, taxes

### INTRODUCTION

The current significance of decentralization is notably pronounced in the Bulgarian context. This pertains to a range of reforms within local governance, which require broad societal support.

However, decentralization is more of a semantic framework than a precise and comprehensive term, in which diverse concepts related to the sub-national level of political and socio-economic governance of each country are gathered (1). Furthermore, it should be considered a process within the government system, where local authorities assume certain functions of the central government, leading to expanded rights for lower-level government bodies and reduced dependence on the central government, while still maintaining a degree of state authority control (2).

Understanding decentralization as a complex process is essential for grasping its impact on governance. One of the key arguments in favor of decentralization is its potential to enhance public service provision by aligning funding with local needs. Research into the prospects of administration development during decentralization is crucial for making informed decisions regarding regional policies, both within the EU territory and in the enlargement area (3). To fully appreciate the implications of decentralization, we must consider its potential benefits and empirical research. Moreover, decentralization should not be regarded solely as the transfer of powers, responsibilities, and resources from the central government to sub-national levels. It encompasses a multi-layered process, with a critical element being the implementation of local management that involves community participation in shaping and executing local public policies (3).

Beyond its structural aspects, decentralization involves active community engagement. Drawing upon these diverse viewpoints, this paper aims to investigate the awareness of the local community on key topics related to

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decentralization and local finances. This investigation was conducted using the survey method.

**METHODS**

In order to assess the extent of local community awareness regarding municipal finances, with a specific focus on municipal revenues, a rigorous scientific study was conducted. The study aimed to investigate the level of information and understanding among citizens in local communities. To achieve this, a carefully structured survey was designed and implemented, ensuring a comprehensive exploration of the topic without predefining the specific characteristics or demographic segments of the respondents.

The survey was conducted using the respondent method, which involves collecting data directly from individuals through a standardized questionnaire. The data collection period spanned from February 5th, 2023 to February 15th, 2023. To ensure ease of administration and maximize accessibility, electronic methods were employed for both the creation and distribution of the survey. Specifically, the widely utilized Google Forms platform was utilized, providing a user-friendly and efficient means of gathering responses.

By leveraging the power of digital and online methodologies, the survey aimed to reach a diverse and representative sample of the local population. This approach not only facilitated widespread participation but also ensured the timely and accurate collection of data. The utilization of electronic survey methods offered several advantages, including streamlined data

management, increased response rates, and reduced administrative burden.

Ethical considerations and data protection protocols were strictly adhered to throughout the survey process. Participants were assured of the confidentiality and anonymity of their responses, further enhancing the validity and reliability of the collected data.

The study design and implementation were guided by established research standards and best practices in survey methodology. The careful construction of the survey instrument, including the selection of appropriate question types, wording, and structure, aimed to maximize the quality and comprehensiveness of the obtained responses.

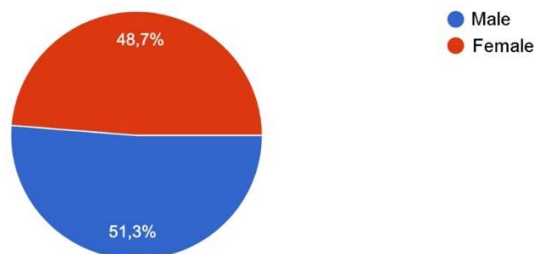
Through this scientific study, valuable insights into the awareness of Bulgarian citizens regarding local finances, specifically municipal revenues, were obtained. The findings of this survey will contribute to a better understanding of the current state of awareness and help inform future efforts to enhance citizen engagement and education in the realm of local governance and financial matters.

**RESULTS**

The survey comprised a comprehensive set of 11 questions, designed to gather insights into the awareness and knowledge of local community members regarding municipal finances. A total of 78 respondents participated in the survey, providing valuable data for analysis and interpretation. The following section presents a detailed breakdown of the survey responses, shedding light on the perspectives and understanding of the participants.

1. What is your gender?

78 people



Question 1: What is your gender?

Answered by: 78 people

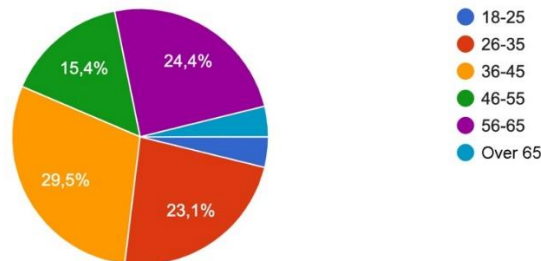
- 51.3% men
- 48.7% women

The survey data revealed a minimal difference between the number of male and female respondents (40 men and 38 women). This balanced gender distribution indicates that both

men and women had an equal opportunity to participate and share their perspectives on the awareness of local finances.

2. What is your age?

78 people



Question 2: How old are you?

Answered by: 78 people

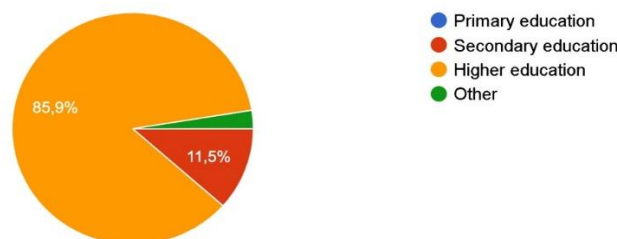
- 29.5% aged 36-45
- 24.4% aged 56-65
- 23.1% aged 26-35
- 15.4% aged 46-55

The study found that the majority of respondents fell within the active working age group, with the largest percentage in the 36-45 age range (23 individuals). This indicates that individuals in their prime working years are interested in and engaged with the topic of municipal finances. The survey also revealed significant participation from respondents aged

26-35 (18 individuals), showing the interest of young adults in the subject matter. Furthermore, the responses from the older age groups (46-55 and 56-65) demonstrate the engagement of individuals with more life experience and potentially higher stakes in municipal financial decisions.

3. What is your education?

78 people



Question 3: What is your education?

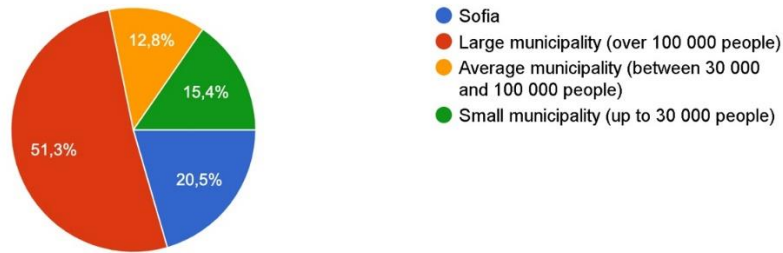
Answered by: 78 people

- 85.9% higher education
- 11.5% secondary education

The results indicated that nearly 86% of respondents had a higher education, reflecting a well-educated sample. This suggests that individuals with a higher educational background may be more inclined to participate in surveys and have a better understanding of

complex topics such as local finances. The relatively low percentage of respondents with secondary education (11.5%) may indicate a correlation between education level and awareness of municipal financial matters.

4. You live in?  
78 people



**Question 4: Do you live in?**

Answered by: 78 people

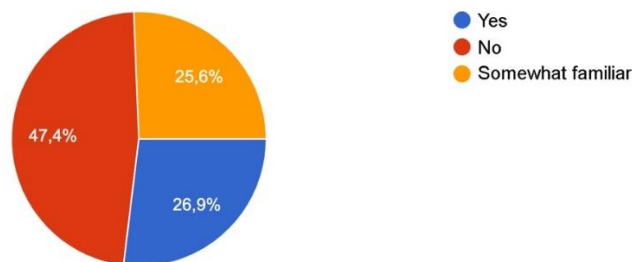
- 51.3% in a large municipality (over 100,000 people)
- 20.5% in Sofia (capital of Bulgaria)
- 15.4% in a small municipality (up to 30,000 people)
- 12.8% in an average municipality (between 30,000 and 100,000 people)

The survey revealed that more than half of the respondents resided in large municipalities (over 100,000 people). This suggests that a significant proportion of the participants had firsthand experience with the challenges and opportunities associated with managing finances in densely populated areas. The presence of respondents from the capital city,

Sofia, also indicates the importance of understanding municipal finances in a major urban center. The responses from individuals residing in smaller and average-sized municipalities highlight the relevance of local financial awareness in diverse geographic settings.

5. Are you familiar with the municipal budget size and structure of the municipality where you live?

78 people



**Question 5: Are you familiar with the municipal budget (size and structure) of the municipality where you live?**

Answered by: 78 people

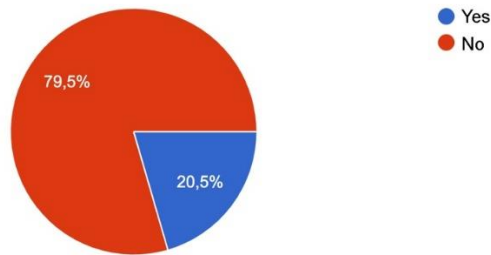
- No, not familiar: 47.4%
- Yes, familiar: 26.9%
- Somewhat familiar: 25.6%

The survey findings indicated that nearly half of the respondents (47.4%) were not familiar with the municipal budget and its structure. This highlights a significant knowledge gap among the surveyed population regarding the financial operations and allocations within their respective municipalities. The relatively low

percentage of respondents who claimed to be familiar or somewhat familiar (26.9% and 25.6%, respectively) emphasizes the need for increased transparency and awareness-building efforts to bridge the gap between local governments and community members.

6. Have you participated in a public discussion of a municipal budget project?

78 people



**Question 6: Have you participated in a public discussion of a municipal budget project?**

Answered by: 78 people

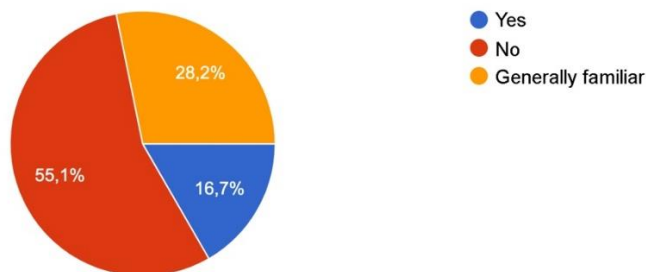
- No, they did not participate: 79.5%
- Yes, they participated: 20.5%

The survey revealed that only 20.5% of respondents participated in a public discussion of a municipal budget project. This indicates a relatively low level of civic engagement and involvement in the decision-making processes related to local finances. The majority of respondents (79.5%) did not participate, which

suggests a potential lack of awareness or opportunity to actively contribute to budget discussions. This finding underscores the importance of creating inclusive platforms for public engagement to foster a sense of ownership and transparency in municipal financial matters.

7. Are you familiar with the levels of financial autonomy of your municipality?

78 people



**Question 7: Are you familiar with the levels of financial autonomy of your municipality?**

Answered by: 78 people

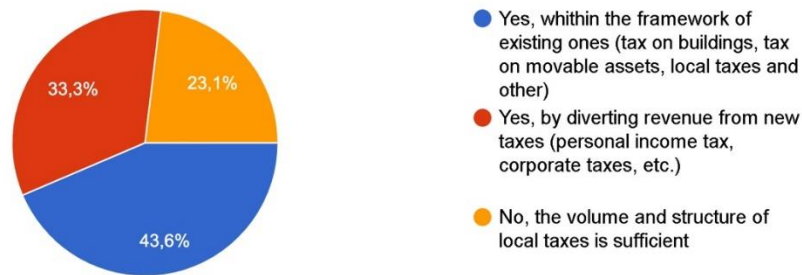
- No, not familiar: 55.1%
- They are generally familiar: 28.2%
- Yes, they are familiar: 16.7%

More than half of the respondents (55.1%) stated that they were not familiar with the levels of financial autonomy in their municipality. This indicates a lack of knowledge and understanding regarding the extent to which their local government has control over

financial decision-making. The relatively low percentage of respondents who claimed to be familiar or generally familiar (16.7% and 28.2%, respectively) highlights the need for increased efforts to educate and inform citizens about the financial autonomy of their municipalities.

8. Do you think more taxes should remain in your municipality?

78 people



Question 8: Do you think more taxes should remain in your municipality?

Answered by: 78 people

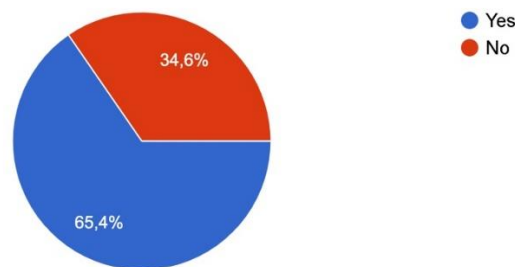
- Yes, within the existing ones: 43.6%
- Yes, by diverting revenue from new taxes: 33.3%
- No, the volume and structure of local taxes are sufficient: 23.1%

The survey findings revealed that the majority of respondents (76.9%) believed that more taxes should be allocated to their municipalities. Among those respondents, 43.6% expressed the opinion that existing taxes should be retained, while 33.3% advocated for redirecting revenue from new taxes. On the other hand, a significant

minority (23.1%) felt that the current volume and structure of local taxes were sufficient. These results highlight the diverse perspectives on tax allocation and underscore the importance of considering citizens' preferences when making financial decisions at the local level.

9. Do you think there is a direct relationship between the local taxes and fees you pay and the services you receive from your municipality?

78 people



Question 9: Do you think there is a direct relationship between the local taxes and fees you pay and the services you receive from your municipality?

Answered by: 78 people

- Yes: 65.4%
- No: 34.6%

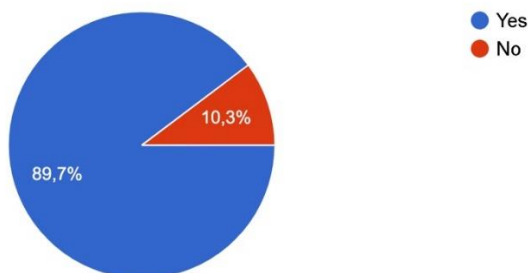
The majority of respondents (65.4%) believed that there is a direct relationship between the local taxes and fees they pay and the services they receive from their municipality. This indicates a widespread perception that the financial contributions made by citizens directly impact the quality and availability of municipal services. However, a significant minority

(34.6%) did not perceive such a relationship, suggesting a potential disconnect or skepticism regarding the linkage between taxation and service provision. Further exploration and analysis of the underlying factors contributing to these differing perspectives would provide valuable insights.



10. Do you think that the central government should redirect additional commitments to municipalities in Bulgaria?

78 people



**Question 10: Do you think that the central government should redirect additional commitments to municipalities in Bulgaria?**

Answered by: 78 people

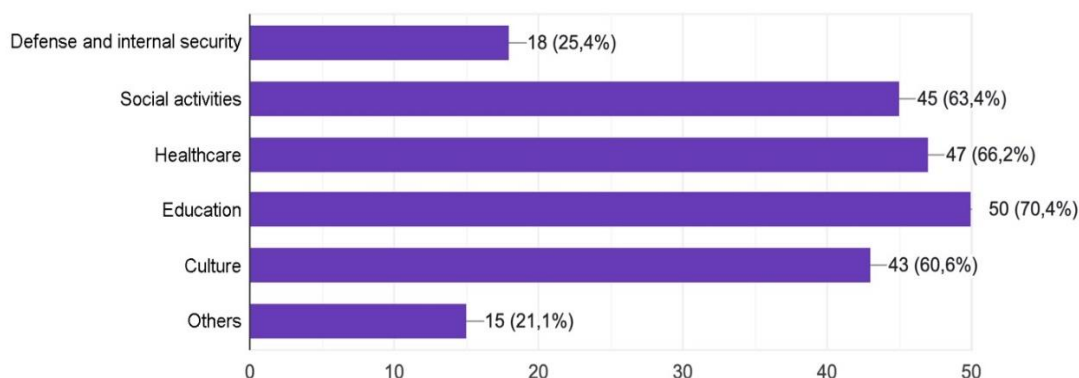
- Yes: 89.7%
- No: 10.3%

The overwhelming majority of respondents (89.7%) expressed the opinion that the central government should redirect additional commitments to municipalities in Bulgaria. This indicates a strong desire for increased financial support and resources to be allocated to local governments. The relatively low percentage of respondents who disagreed

(10.3%) suggests a potential belief in the adequacy of the current commitments or concerns about the potential implications of additional financial obligations. These findings underscore the importance of considering the views of citizens when shaping fiscal policies and resource allocation at the national level.

11. If you answered "Yes" to the previous question, to which areas and sectors should these commitments be redirected?

71 people



**Question 11: If you answered "Yes" to the previous question, to which areas and sectors should these commitments be redirected?**

Answers:

- Education: 70.4%
- Healthcare: 66.2%
- Social activities: 63.4%
- Culture: 60.6%
- Defence and Homeland Security: 25.4%
- Other: 21.1%

The respondents who believed that additional commitments should be redirected to municipalities in Bulgaria were asked to specify the areas and sectors they considered most deserving. The results indicated that the highest percentage of respondents (70.4%) identified education as a priority, followed closely by healthcare (66.2%), social activities (63.4%), and culture (60.6%). A smaller percentage of respondents felt that commitments should be directed towards defense and homeland security (25.4%). Additionally, a minority of respondents suggested other areas not explicitly listed in the survey options (21.1%). These findings provide valuable insights into the preferences of citizens regarding the allocation of additional resources and highlight the significance of prioritizing key sectors that contribute to the overall well-being and development of municipalities.

## CONCLUSION

Local self-government is the closest to the civilian level of democratic governance. It allows them to participate in the decision-making process at the local level. 'Community' means something in common - common interests, but also common problems, it also means 'community' - to live and act together, to make joint efforts (4).

This vision of active community involvement in Bulgaria's local governance serves as a poignant reminder of the ideal, especially when contrasted with the reality revealed by the findings from this research study. The study aimed to investigate the extent to which members of the local community are informed about municipal finances, particularly municipal revenues, in Bulgaria. It also delved into the community's awareness of municipal budgets, financial autonomy, the relationship between local taxes and services provided by the municipality, and opinions on the need for more taxes to remain in municipalities. Additionally, it explored whether the central government should redirect additional commitments to municipalities in Bulgaria and identified the areas where such commitments should be targeted based on respondent support. The results within the Bulgarian context uncover a disheartening lack of knowledge and engagement among community members regarding municipal finances and the decentralization process. Only 26.9% of respondents reported being familiar with the

size and structure of the municipal budget in Bulgaria, while 47% stated they were not familiar at all. This underscores the urgent need for comprehensive public awareness campaigns and educational initiatives aimed at improving understanding of municipal finances and the role of taxation in the provision of public services in Bulgaria.

Furthermore, the survey revealed a deeply concerning low level of public participation in municipal budget discussions in Bulgaria, with a majority (79.5%) of respondents indicating that they did not participate in such discussions. This reflects a stark lack of interest or motivation on the part of the public in Bulgaria to engage with local government, as well as a pressing need for more effective communication and outreach efforts from municipalities in Bulgaria. Encouraging greater public participation in these deliberations is crucial for increasing transparency, accountability, and citizen engagement in local governance processes in Bulgaria.

Additionally, the findings in Bulgaria highlight the limited familiarity among respondents (55.1%) with the levels of financial autonomy of their municipality. This underscores the importance of enhancing public awareness regarding the powers and responsibilities of local government in Bulgaria, as well as the role of the central government in relation to municipalities in Bulgaria. Strengthening this understanding is essential for more informed decision-making and collaboration between different levels of governance in Bulgaria.

Regarding the distribution of taxes in Bulgaria, the data indicate that 43.6% of respondents believe that more taxes should remain in their municipality within the existing tax structure, while 33.3% expressed the opinion that new taxes, such as personal income tax and corporate taxes, should be used to redirect revenue to the municipality in Bulgaria. These findings underscore the need for increased awareness of the purpose of taxation, the role of local government, and the relationship between taxation and the provision of public services in Bulgaria. Furthermore, the majority of respondents (65.4%) recognize a direct link between the local taxes and fees they pay and the services they receive from the municipality in Bulgaria, indicating the importance of



transparency and accountability in how local tax revenues are utilized.

Importantly, a significant majority of respondents in Bulgaria (89.7%) believe that the central government should redirect additional commitments to municipalities. This highlights the pressing need for greater support from the central government for local municipalities in Bulgaria, particularly in areas such as culture, education, social policy, and health care, as indicated by the responses to Question 11.

In conclusion, the findings from this survey in Bulgaria paint a sobering picture of the state of public awareness and engagement in the decentralization process. This research underscores the urgent requirement for greater public awareness of municipal finances and the role of taxation in the provision of public services in Bulgaria. Encouraging public participation in municipal budget deliberations and fostering transparent communication channels between local government and citizens are critical for enhancing accountability and citizen engagement in local governance in Bulgaria. The results also emphasize the importance of increased support from the central government for local municipalities in Bulgaria, particularly in areas identified by respondents. To further advance this research in Bulgaria, future studies could explore additional aspects of municipal finances, conduct comparative analyses with other

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regions or countries, and assess the effectiveness of public awareness campaigns and citizen engagement strategies in Bulgaria.

Ultimately, this research in Bulgaria provides valuable insights into the existing challenges within the decentralization process, offering a foundation for policymakers, local government officials, and other stakeholders in Bulgaria to address these issues and work towards the ideal of active community involvement in local governance.

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