

## Transparency and Accountability in Local Public Finance: Evidence from Public Parking Fee Allocation

Kristina Misheva

PhD, Professor, Faculty of Law, Goce Delcev University, Stip; correspondence address: st. Krste Misirkov No.10-A, Stip, North Macedonia; e-mail: [kristina.miseva@ugd.edu.mk](mailto:kristina.miseva@ugd.edu.mk)

 <https://orcid.org/0000-0002-2327-7358>

Kristijan Panev

L.LM, Teaching Assistant, Faculty of Law, Goce Delcev University, Stip; correspondence address: st. Krste Misirkov No.10-A, Stip, North Macedonia; e-mail: [kristijan.panev@ugd.edu.mk](mailto:kristijan.panev@ugd.edu.mk)

 <https://orcid.org/0009-0001-5418-5923>

### Keywords:

local public finances, parking fees, solidarity parking fee, transparency, accountability

**Abstract:** Municipalities worldwide play a crucial role in delivering essential public services to citizens. However, securing adequate resources and sustainable funding remains a persistent challenge for local self-governments. Depending on the state system, local circumstances, societal needs, and policy priorities, municipal revenue structures vary significantly. Yet modern urban municipalities are generally guided by common principles such as equality, solidarity, efficiency, transparency, accountability, and the promotion of public well-being. The adoption of the European Charter of Local Self-Government in the 1980s established an internationally recognized legal framework for local governance and local financing. As a member state of the Council of Europe, North Macedonia adheres to the Charter's core principles, which emphasize greater local fiscal autonomy and the responsibility of municipalities to manage both their revenues and expenditures independently of the central government. Despite the existing framework, Macedonian municipalities still rely heavily on central government transfers, with own-source revenues – such as property taxes, communal fees, and parking fees – making up a smaller share. Parking fees generally provide modest revenue, mainly funding public-space maintenance, traffic management, and minor

infrastructure, and rarely support social welfare. Recently, some cities have introduced structured or solidarity-based parking fees for humanitarian or health purposes. This paper examines the core principles of local financing through an analysis of parking fees, focusing on the emerging practice of “humanitarian parking” as a case study. It employs a qualitative comparative case-study methodology that examines legal frameworks, policies, and practices of public and solidarity-based parking fees in cities in Macedonia and Serbia, as neighboring countries that share a similar socio-demographic, economic, and legal context. Particular attention is given to the emerging model of “humanitarian parking” as a municipal policy instrument. The analysis assesses the impact of this model on local fiscal autonomy and examines empirical evidence on citizen attitudes, including levels of public support and the transparency of parking-revenue allocation.

## 1. Introduction

There is no universally recognized model for the optimal management of municipal budgets or for achieving the most effective fiscal decentralization, nor do EU directives impose strict harmonization of local financing and fiscal autonomy. Nevertheless, modern urban municipalities are generally guided – explicitly or implicitly – by core principles such as equality, solidarity, efficiency, transparency, accountability, and the promotion of public well-being. Consequently, legal frameworks and policy instruments are typically grounded in these principles, operating under the fundamental premise that “there should be an adequate alignment between the financial resources available to a local authority and the responsibilities it is tasked to perform.”<sup>1</sup>

The European Charter of Local Self-Government<sup>2</sup> – the first legally binding instrument, adopted in 1985, entered into force on September 1, 1988. The Charter is ratified by all member states of the Council of Europe,

---

<sup>1</sup> European Charter of Local Self-Government, Article 9, para. 2, C. Commentary on the Charter’s provisions.

<sup>2</sup> Council of Europe, Congress of Local and Regional Authorities, European Charter of Local Self-Government (Strasbourg: Council of Europe).

including North Macedonia and Serbia. The Charter has become a landmark treaty for safeguarding the rights of local and regional authorities, such as the right to self-government, the right to elect their local bodies, to exercise their own powers, to have administrative structures and financial resources, and the right to take court action in the event of interference by other tiers of government.<sup>3</sup>

In contemporary governance theory, decentralization represents a fundamental principle through which modern states distribute public authority across multiple levels of government. As emphasized in the literature on multilevel governance, the existence of both central and local tiers is considered essential for ensuring democratic participation, service efficiency, and responsiveness to citizens' needs. The European Charter of Local Self-Government reinforces this perspective by requiring that local authorities possess adequate autonomy – political, administrative, and fiscal – to manage public affairs within their jurisdiction. Within this framework, local fiscal capacity, including the ability to generate own-source revenues such as local taxes, fees, and user charges (e.g., parking fees), is a core indicator of the degree of decentralization achieved in practice. Nevertheless, to carry out fiscal decentralization, it is assumed that there is a certain degree of political, administrative, and territorial development. Consequently, the execution of public expenditures in a municipality is guided by core principles such as legality, accountability, transparency (openness), general interest, rationality, efficiency, and effectiveness (value for money), planning, prioritization, fiscal discipline/sustainability, and, last but not least, public participation.

Despite these theoretical principles, the practical capacity of municipalities to raise and effectively use their own revenues varies significantly. In the Macedonian context, as in many transitional economies, a substantial share of municipal budgets still relies on central government transfers, while own-source revenues such as property taxes, communal fees, and parking fees account for a smaller proportion. Among these, parking fees are typically modest in scale, mainly financing local infrastructure,

---

<sup>3</sup> European Charter of Local Self-Government, p. 5, accessed November 11, 2025, <https://rm.coe.int/european-charter-for-local-self-government-english-version-pdf-a6-59-p/16807198a3>.

public-space maintenance, and traffic management. However, innovative or solidarity-based parking fee models, which allocate resources to humanitarian, health, or social purposes, are emerging as a policy tool to enhance both local fiscal autonomy and social welfare.

The present article focuses on assessing parking fee policies, comparing legal frameworks, practices, and policy instruments between North Macedonia and Serbia. These countries share similar socio-demographic, economic, and legal contexts, which makes cross-country comparison particularly relevant. The analysis is further focused on using the parking revenue for humanitarian purposes, and it aims to highlight how municipalities can balance fiscal efficiency with social objectives and offering insights into broader issues of local financial autonomy, accountability, and citizen participation.

Hence, to carry out fiscal decentralization, it is assumed that there is a certain degree of political, administrative, and territorial maturity. Consequently, the execution of public expenditures in a municipality is guided by core principles such as legality, accountability, transparency (openness), general interest, rationality, efficiency, and effectiveness (value for money), planning, prioritization, fiscal discipline/sustainability, and last, but not least, public participation.

## **2. Objective and Methodological Approach of the Research**

Focusing on the principles of transparency and accountability in local public finance, this research assesses the public policy framework governing the introduction of parking fees in public spaces and the subsequent allocation of these revenues for humanitarian causes. Using the Municipality of Štip as a case study, the article provides a comprehensive analysis of the management and distribution of public parking fee revenues, with particular attention to the degree of transparency and accountability demonstrated by local authorities. Drawing on empirical data, the article further examines citizens' awareness of, and satisfaction with, this policy and the allocation of the collected funds.

The research applies a combined qualitative and quantitative methodological approach. We used a desk analysis of the applicable legal framework, including the national laws on local self-government and its financing, local taxes, bylaws, policy documents, and institutional reports

governing the introduction, administration, and allocation of public parking fees in the respective municipality. These documents were analyzed to evaluate the regulatory framework, financial flows, institutional responsibilities, and the transparency and accountability mechanisms governing the allocation of parking fee revenues for humanitarian causes.

Furthermore, we used data from July 2023<sup>4</sup> to June 2025, based on official financial reports of the public enterprise responsible for managing public spaces. These reports reveal the total revenue generated from public parking, and the portion allocated for humanitarian causes.

To examine citizens' awareness, perceptions, and satisfaction with the humanitarian parking policy, an empirical survey was conducted among residents of the Municipality of Štip. A total of 70 respondents participated. The questionnaire was administered in both electronically and in printed form, distributed directly to citizens. The collected data provide insight into public understanding of the policy, levels of support, and perceived transparency in the allocation of the collected funds.

As a limitation of this research, we were unable to find municipalities that implement the same model of so-called humanitarian parking zones. In this manner, the Municipality of Štip may be considered a pioneer in implementation, and the model can be viewed as a *sui generis* not only in practice but also in theory.

### 3. Transparency, Accountability, and Social Equity through the Lens of “Solidarity-Based Parking Fees”

For the purposes of this paper, we will just refer to several principles that are the subject of analysis in our particular case study. Parking fees are part of the local public revenue system, and they have been recently introduced in many developed municipalities. These fees are part of the own-source local revenues,<sup>5</sup> as defined in the Macedonian fiscal strategies: own revenues

---

<sup>4</sup> We selected July 2023 as the starting point, as this marks the introduction of the policy allocating parking fee revenues for humanitarian causes.

<sup>5</sup> Mileva Angelkovik and Marina Dimitrijevik, *Poresko pravo Srbije* (Niš: Pravni fakultet, 2009), 167–69.

of municipalities include “local fees (fees for development of construction land, fees for communal activities, fees for spatial and urban plans).”<sup>6</sup>

Consequently, the implementation of parking fees and methods applied also raise important considerations regarding transparency and accountability in municipal governance. Transparent management of local revenues ensures that citizens understand how fees are calculated, collected, and allocated, fostering trust in local authorities. Municipalities are expected to provide clear information on parking policies, pricing structures, and the specific use of collected funds, such as the maintenance of public spaces, local traffic management, or minor infrastructure projects. Transparency not only strengthens public confidence but also enhances compliance and the overall effectiveness of local fiscal policies. In recent years, some municipalities have introduced innovative forms of humanitarian parking as a mechanism that integrates revenue generation with social welfare objectives. Under this approach, parking fees are structured in a way that channels a portion of the revenue toward community support programs, such as healthcare initiatives, support for vulnerable groups, or other socially beneficial projects. This practice exemplifies how municipalities can align fiscal responsibility with principles of solidarity and public well-being, transforming a conventional local fee into a tool for both urban management and social impact.

On a broader scale, the solidarity (humanitarian)<sup>7</sup> parking fees contribute to the overall social-welfare and solidarity funds of the community, and their existence depends on the parking policies of the municipalities.

---

<sup>6</sup> “Fiscal Strategy of North Macedonia (2025–2029),” North Macedonia, Ministry of Finance, p. 51, accessed November 15, 2025, <https://arhiva.finance.gov.mk/wp-content/uploads/2025/02/2025-2029-fiscal-strategy-of-the-republic-of-north-macedonia.pdf>. The same appears in “Fiscal Strategy of North Macedonia (2024–2028),” North Macedonia, Ministry of Finance, p. 49, accessed November 15, 2025, <https://arhiva.finance.gov.mk/wp-content/uploads/2023/12/2024-2028-Fiscal-strategy-of-the-Republic-of-North-Macedonia.pdf>.

<sup>7</sup> The terms “solidarity and/or humanitarian” indicate that part of the money goes to a public or social cause. For the purposes of this paper, we will use both words, because our analyses showed that, in a material sense, the meaning and the purposes of introducing this kind of parking fee indicate that part of the money from the parking fees goes to a public or social cause for the well-being of the citizens. We would just like to emphasize that the international terminology does not use the “humanitarian” zone; hence, we aimed to be closer to the original use of introducing this type of parking fee.

It usually refers to an extra fee added to parking tickets or parking prices, intended to support a social, community, or solidarity fund (e.g., disability programs, public-transport subsidies, social projects).

We should consider and be notified that in most cases, the key point of this concept of “solidarity” usually refers to “reserved parking for disabled persons.” This is the most common association. Parking spaces reserved for disabled people are a legal entitlement rooted in the right to mobility and autonomy, reflecting a societal commitment to solidarity with a vulnerable group. Unjustified use of these spaces is often seen as a violation of social solidarity.

Additionally, the discussions around parking fees sometimes involve the social impact of costs on different community members, such as small businesses, low-paid workers, and local residents. Residents argue that high parking charges represent a “profit-grab” and an enclosure of a community resource, essentially questioning the social responsibility or “solidarity” of the charging entities. So, in this sense, should we question the degree of social equity among citizens and the users of public parking places? Are there hidden costs? Can we discuss how the decision-making process aligns with the established policies and the principles of fairness and economy? For further discussion, see the section Policy overview: Humanitarian Parking Zone below.

The concept of solidarity has been subject to research from many aspects in a broader sense. From a philosophical and socio-legal perspective, it can be considered as “the voluntary transfer of goods or services to another individual or to a group of individuals whenever this transfer is not the object of an explicit contract.”<sup>8</sup>

#### **4. Brief Overview of the Macedonian Legal Framework and the Municipality of Štip**

The Republic of North Macedonia (formerly the Republic of Macedonia) ratified the European Charter in 1997 and subsequently adopted the new Law on Local Self-Government,<sup>9</sup> the Law on Territorial Organisation of

---

<sup>8</sup> Michael Baurmann, “Solidarity as a Social Norm and as Constitutional Norm,” in *Solidarity*, ed. Kurt Bayertz (Dordrecht: Springer, 1999), 243–72.

<sup>9</sup> Official Gazette of Republic of North Macedonia No. 5/2002, 202/2024.

Local Self-Government,<sup>10</sup> and the Law on Financing of Local Self-Government Units,<sup>11</sup> based on the fundamental principles of the European Charter of Local Self-Government. In this way, it established municipalities as units of local self-government, which are legal entities operating through directly elected bodies. The Macedonian system of local self-government experienced a significant transformation after the decentralization reforms of the mid-2000s. While municipalities acquired broader competencies – urban planning, local infrastructure, education, communal services – their fiscal autonomy remains comparatively limited by European standards. A substantial portion of municipal revenues still derives from central government transfers, whereas own-source revenues constitute a smaller share of the local budget. Within own-source revenues, property taxes, fines, communal fees, and parking fees represent notable but constrained streams.

In the Macedonian context, municipalities are autonomously responsible for organizing and managing communal activities, including the construction and maintenance of public parking spaces.<sup>12</sup> The Law on Communal Activities implicitly provides that the construction and use of public parking spaces and facilities located in such spaces is one of the main activities that are within the jurisdiction of the municipality.<sup>13</sup> In addition, the Law on Financing the Units of Local Self-Government<sup>14</sup> provides that local self-governments are also financed from their own sources of revenue, including local taxes, local fees and charges, income from municipal property, self-contributions, fines, donations, and other income determined by law. Consequently, one of the municipal sources of financing can be the

---

<sup>10</sup> Official Gazette of Republic of North Macedonia No. 55/2004, 12/2005, 98/2008, 106/2008, 149/2014.

<sup>11</sup> Official Gazette of Republic of North Macedonia No. 61/2024, 96/2004; 22/2007; 67/2007; 156/2009; 47/2011; 192/2015; 209/2018; 244/2019; 53/2021; 77/2021; 150/2021; 173/2022; 170/2024; 37/2025.

<sup>12</sup> Official Gazette of the Republic of Macedonia No. 5/02, Article 22, Law on Local Self-Government; Official Gazette of the Republic of North Macedonia No. 202/24.

<sup>13</sup> Article 5, Law on Communal Activities, Official Gazette of the Republic of Macedonia Nos. 95/12, 163/13, 42/14, 44/15, 147/15, 31/16, and 64/18; Official Gazette of the Republic of North Macedonia Nos. 302/20, 255/24, 3/25, and 17/25.

<sup>14</sup> Law on Financing the Units of Local Self-Government, Official Gazette of the Republic of Macedonia Nos. 61/04, 96/04, 67/07, 156/09, 47/11, 192/15, and 209/18; Official Gazette of the Republic of North Macedonia Nos. 244/19, 53/21, 77/21, 150/21, 173/22, 170/24, and 37/25.



parking fee, if the municipality decides to introduce such a policy; and that is a legitimate and common practice of municipalities.

Importantly, the introduction of such a fee must apply equally to all citizens who will use the same service, i.e., use of parking in a designated public space. This means that the principle of equality of citizens, which is a constitutionally guaranteed right and is characteristic of taxes, is equally applicable when it comes to local fees. In some constitutions, the principle of equality is expressed not only through a general principle, but also as a specific guarantee for equal treatment of citizens before tax laws.<sup>15</sup> Analogously, the universality of the fee represents a complementary aspect of the principle of equality before tax laws. Generality means that all individuals who use the same service are required to contribute to its cost.<sup>16</sup> Universality is a formal condition for fairness: it assumes that all persons to whom a decisive fact applies –regardless of their nationality, religious, gender, or any other characteristic – are obliged to pay when they use the same service.<sup>17</sup> The case study for the Municipality of Štip is presented *infra*.

## 5. Brief Overview of the Serbian Legal Framework and the Municipality of Niš

In this contribution, we have made a short overview of the legal basis of the public parking fees in the City of Niš, Serbia, including the status of the public parking fees and their solidarity-based models. We were led by the similar demographic, social, economic, and legal background of these two countries and cities.<sup>18</sup> Inevitably, even among countries with comparable socio-economic structures with the same or similar development, smaller or larger differences can be observed that are the result of certain specificities,<sup>19</sup> such as the size of the territory, the number of inhabitants, the development and structure of the region, geopolitical position, income of the population, etc.

<sup>15</sup> Dejan Popović, *Poresko pravo*, 4th rev. ed. (Belgrade: Faculty of Law, University of Belgrade, 2009), 29–34.

<sup>16</sup> *Ibid.*, 30.

<sup>17</sup> Vesna Pendovska, Aleksandra Maksimova-Veljanovska, and Kiki Mangova-Ponjavić, *Finansovo pravo* (Kumanovo: Makedonska Riznica, 2010), 256.

<sup>18</sup> Niš is the largest administrative local government unit in the south of Serbia, by population and administrative area in the South part of Serbia, and Štip is the biggest local government unit in the Eastern part of Macedonia.

<sup>19</sup> Božidar Jelčić et al., *Financijsko pravo i financijska znanost* (Zagreb: Narodne novine, 2008), 49.

Serbia signed the European Charter of Local Self-Government in 2005 and ratified it in 2007. When ratifying, Serbia made some reservations (did not accept all articles) on it. Specifically, parts of Articles 4, 7, 8, and the entire Article 6 concerning “appropriate administrative structures and resources” for local authorities. Additionally, Serbia signed an Additional Protocol on the right to participate in local authority affairs on March 8, 2017 and ratified it on June 29, 2018.<sup>20</sup> Regardless, some of the articles that Serbia did not accept are directly connected to fiscal decentralization, and they influence areas such as communal fees, local revenue autonomy, and local financial powers; still, this does influence our analysis concerning public parking fees and the humanitarian parking zones.

In modern societies, the parking fees in the context of social solidarity have not been sufficiently analyzed, and there is a clear lack of openly accessible scientific and professional publications or practical assessments. Although we can agree that in most analyses the solidarity-related parking issues are interpreted primarily through the lens of parking violations concerning reserved spaces for disabled persons,<sup>21</sup> penalties for the misuse of such spaces, or generally the cost of public parking and revenues.<sup>22</sup> The public parking pricing has also been considered an important issue.<sup>23</sup>

---

<sup>20</sup> “Serbia Ratifies the Additional Protocol to the European Charter of Local Self-Government on the Right to Participate in the Affairs of a Local Authority,” Council of Europe, June 29, 2018, accessed November 20, 2025, [https://www.coe.int/en/web/congress/-/https-www-coe-int-fr-web-congress-staging-news-2018serbia-ratifies-the-additional-protocol-to-the-european-charter-of-local-self-government-on-the-right?utm\\_source=chatgpt.com](https://www.coe.int/en/web/congress/-/https-www-coe-int-fr-web-congress-staging-news-2018serbia-ratifies-the-additional-protocol-to-the-european-charter-of-local-self-government-on-the-right?utm_source=chatgpt.com).

<sup>21</sup> Aleš Bučar Ručman, “Questioning Social Solidarity through the Perspective of Parking Violations in Spaces Reserved for Disabled People,” *Current Sociology* 68, no. 7 (2019): 990–1006, <https://doi.org/10.1177/0011392119890667>.

<sup>22</sup> Katharina Goetting, Ulf Liebe, and Sophia Becker, “From Parking Place to Public Space: A Factorial Survey Experiment on Public Acceptability of Parking Space Reallocation in Germany,” *Climate Policy* (2025): 1–19, <https://doi.org/10.1080/14693062.2025.2539140>.

<sup>23</sup> William S. Vickrey, “My Innovative Failures in Economics,” *Atlantic Economic Journal* 21 (1993): 1–9, <https://doi.org/10.1007/BF02299771>. Also: Paweł Mańczyk, “Parking Fees for Layover of Motor Vehicles on Public Roads – Legal Analysis of Selected Issues,” *State and Local Government Budget Law* 9, no. 1 (2021): 95–112, <http://dx.doi.org/10.12775/PBPS.2021.005>.

According to the Serbian Law on Communal Activities,<sup>24</sup> public parking is explicitly defined as a communal activity.<sup>25</sup> The Law on Financing Local Self-Government<sup>26</sup> regulates how municipalities generate their own local revenue (own-source revenues) and what types of taxes and local charges they can impose.<sup>27</sup> The municipality designates certain areas as “solidarity” or “humanitarian” zones (e.g., cheaper parking for residents, low-income, special permit zones, “baby parking card”<sup>28</sup>).

According to the Business Program of the public company “Parking-Service” – Niš for 2025, the funds allocated for humanitarian activities will be used to help treat serious illnesses. The purchase of parking tickets for parking vehicles in the parking lot with access from Branka Krsmanovića Street will help children from Niš and the surrounding area who suffer from serious illnesses, as the money from the tickets sold will be paid into the budget of the City of Niš.<sup>29</sup>

## 6. Policy Overview: Humanitarian Parking Zone – City of Štip

On May 17, 2023, the Municipality of Štip, by a Decision of the Municipality Council,<sup>30</sup> introduced a new parking zone designated as the “Humanitarian Zone (Zone H).” Under the policy, an increased parking fee is charged, with a portion of the fee reserved for humanitarian causes. The decision entered

<sup>24</sup> Zakon o komunalnim delatnostima (Law on Communal Activities), Sluzbeni glasnik RS, no. 88/2011, 104/2016, 95/2018, 94/2024.

<sup>25</sup> See Article 2 and 3, Law on Communal Activities.

<sup>26</sup> Zakon o finansiranju lokalne samouprave [Law on Financing Local Self-Government], Sluzbeni glasnik RS, no. 62/2006, 47/2011, 93/2012, 99/2013 (uskладeni din. izn.), 125/2014 (uskладeni din. izn.), 95/2015 (uskладeni din. izn.), 83/2016, 91/2016 (uskладeni din. izn.), 104/2016 (dr. zakon), 96/2017 (uskладeni din. izn.), 89/2018 (uskладeni din. izn.), 95/2018 (dr. zakon), 86/2019 (uskладeni din. izn.), 126/2020 (uskладeni din. izn.), 99/2021 (uskладeni din. izn.), 111/2021 (dr. zakon), 124/2022 (uskладeni din. izn.), 97/2023 (uskладeni din. izn.), 85/2024 (uskладeni din. izn.)

<sup>27</sup> Article 6, Law on Financing Local Self-Government.

<sup>28</sup> “Baby Parking Card,” PUC Parking Service Niš, accessed November 21, 2025, <https://www.nisparking.rs/sr/паркирање/остало/беби-паркинг-карта>.

<sup>29</sup> Working Program of Public Enterprise “Parking-Service” – Niš for 2025 – No. 12896/24, November 28, 2024, p. 99, accessed November 22, 2025, <https://www.nisparking.rs/sr/документи/category/34-известији-и-програми>.

<sup>30</sup> Decision Amending and Supplementing the Decision on the Use of Public Space for Parking in the Area of the City of Štip, No. 09–3383/2, 18 May 2023; Official Gazette No. 6, 18 May 2023.

into force on May 19, 2023. The Humanitarian Zone – Zone H comprises a total of 131 parking spaces in the central urban area of Štip.

Importantly, parking in the humanitarian zone does not include privileged cards. This means that residents who hold a monthly or annual parking pass, including those granted as a privileged card for living or working in the central urban area, are required to pay an additional fee when using the designated spaces in Zone H.<sup>31</sup> According to the current price list for public parking lots managed by the responsible public enterprise “Stipion 2011,” the fee in Zone H is 30 MKD per hour, with the same rate applied for each additional hour of parking.<sup>32</sup>

The revenues<sup>33</sup> generated from the humanitarian parking zone are transferred from “Stipion 2011” to a separate bank account of the Foundation for Information Technologies and Solidarity Fund. Specifically, according to the signed agreement between these two entities, 20% of the funds collected from Zone H parking fees are transferred to the Foundation to be used exclusively for humanitarian purposes,<sup>34</sup> while the remaining 80% is retained by PE “Stipion 2011” as income for the management and maintenance of public parking facilities in the municipality.

In practice, this allocation means that, from the total parking fee of 30 denars per hour in the humanitarian zone,<sup>35</sup> only 6 MKD are directed to humanitarian causes, whereas 24 MKD remain with the public enterprise.<sup>36</sup> For comparison, the parking fee in central-city zones that are not designated as humanitarian zones is 20 MKD per hour, all of which is retained by PE “Stipion 2011.” Consequently, citizens who park in the humanitarian zone not only contribute a portion of their payment to charitable causes but

---

<sup>31</sup> Article 3 from the Decision No. 08–3383/1.

<sup>32</sup> PE “Stipion 2011” – Štip, Price List Amending and Supplementing the Price List of Services of Public Parking Areas, No. 0202–200/3, 27 April 2023.

<sup>33</sup> According to Article 1 of the Agreement from January 13, 2025 signed between PE “Stipion 2011” – Štip and the Foundation for Information Technologies and Solidarity Fund, these revenues are treated as subventions.

<sup>34</sup> Article 2 from the Agreement between PE “Stipion 2011” – Štip and the Foundation for Information Technologies and Solidarity Fund, No. 0307–21/3.

<sup>35</sup> Price List Amending and Supplementing the Price List of Services of Public Parking Areas Managed by PE “Stipion 2011” – Štip, No. 0202–200/3 (27 April 2023).

<sup>36</sup> The calculations are taken in absolute values.

also pay a higher overall rate – 20% more (4 MKD) compared to standard parking zones.

This policy structure highlights a notable discrepancy between the stated humanitarian objectives and the actual financial allocation, raising important questions about transparency, accountability, and citizen awareness in the management of local public funds.

## 7. Parking Revenues and Humanitarian Zone Contributions with Financial Indicators

The parking revenue data for the municipality of Štip, between 2023 and the first half of 2025, provide both overall municipal parking income and the specific contribution from the Humanitarian Zone (Zone H), while considering the differences in the periods covered.

In 2023, overall revenues reveal that the total income from the public parking and associated fees amounted to 9,804,484 MKD, of which the general parking fees accounted for the largest share – 6,980,015 MKD. Other sources of income included revenues from wheel clamps and local communal tax.<sup>37</sup> Notably, revenues from the humanitarian parking zone, applicable only from July 2023 (when the policy was introduced) to December 2023, were 1,440,800 MKD, representing approximately 14.7% of total parking-related income for the year.

In 2024, the total revenues were 8,697,978 MKD, with the humanitarian zone contributing 2,365,347 MKD.<sup>38</sup> This represents 27.2% of total parking-related income for the year. Meanwhile, revenues from general parking fees dropped to 5,217,332 MKD, and revenues from wheel clamps and local communal tax also decreased slightly.

In the first half of 2025, the total parking-related revenues amounted to 4,887,371 MKD, with the largest portion of 3,084,797 MKD coming from general parking fees. Contribution of the humanitarian zone for these six

<sup>37</sup> PE “Stipion 2011” – Štip, “Annual Report on the Work of PE “Stipion 2011” – Štip with Financial Indicators for the Period 1 January 2023 – 31 December 2023,” under the Programme for the Use of Public Space for Parking, No. 0102–166/5 (February 26, 2024).

<sup>38</sup> PE “Stipion 2011” – Štip, “Annual Report on the Work of PE “Stipion 2011” – Štip with Financial Indicators for the Period 1 January 2024 – 31 December 2024,” under the Programme for the Use of Public Space for Parking.

months was 1,160,346 MKD,<sup>39</sup> which represents approximately 23.7% of total parking income for this period.

Having in mind this data, and in order to enable meaningful comparison, we converted revenues to monthly averages, presented in the Table 1.

Table 1. Parking revenues

Year	Period covered	Humanitarian Zone Revenue (MKD)	Monthly Avg (MKD)	General Parking Revenue (MKD)	Monthly Avg (MKD)
2023	July – December (6 months)	1,440,800	240,133	6,980,015 (12 months)	581,668
2024	January – December (12 months)	2,365,347	197,112	5,217,322 (12 months)	434,777
2025	January – June (6 months)	1,160,346	193,391	3,084,897 (6 months)	514,149

Source: Report on the Amount of Financial Resources from the X-Humanitarian Parking Zone of PE “Stipion 2011” – Štip, No. 0503–287/1, 7 May 2024.

The monthly average revenues from the Humanitarian Zone (Zone H) provide a more precise picture of its contribution to municipal finances, accounting for the different periods covered. During the initial six months following its introduction in 2023, the humanitarian zone generated approximately 240,133 MKD per month. In 2024, covering a full twelve-month period, the monthly average decreased slightly to 197,112 MKD, and for the first half of 2025 it remained relatively stable at 193,391 MKD per month. This pattern indicates that although the total annual revenue increased in 2024 due to the extended reporting period, the intensity of monthly usage or collection per month slightly declined compared to the first six months of implementation.

A similar trend is observed for general parking revenues. The monthly average decreased from 581,668 MKD in 2023 to 434,777 MKD in 2024, reflecting a reduction in overall usage or revenue per month. In the first

<sup>39</sup> PE “Stipion 2011” – Štip, “Semi-Annual Report on the Work of PE “Stipion 2011” – Štip with Financial Indicators for the Period 1 January 2025 – 30 June 2025,” under the Programme for the Use of Public Space for Parking.

half of 2025, however, the monthly average rose to 514,149 MKD, which may be attributed to seasonal variations, operational changes, or shifts in parking demand.

An examination of the proportional contribution of the humanitarian zone to the total monthly parking revenues reveals that Zone H has become a consistent and significant source of municipal income. Considering that the periods covered by the analysis are inconsistent, i.e., 6 months, 12 months, and 6 months, the only fair comparison is monthly averages. Table 2 shows what portion of total monthly parking revenue comes from the Humanitarian Zone (Zone H) for each period.

Table 2. Proportional contribution of the humanitarian zone to the monthly parking revenues

Year	Monthly humanitarian revenue	Monthly general parking revenue	Total monthly parking revenue	Humanitarian share
2023	240,133	581,668	821,801	29%
2024	197,112	434,777	631,889	31%
2025	193,391	514,149	707,540	27%

Source: Annual Report on the Work of PE “Stipion 2011” – Štip 2023; Annual Report on the Work of PE “Stipion 2011” – Štip 2024; Semi-Annual Report on the Work of PE “Stipion 2011” – 2025.

In 2023, when the humanitarian parking zone operated only during the second half of the year, the funds generated from this zone accounted for approximately 29% of the monthly parking revenues. This share increased to around 31% in 2024, suggesting that the humanitarian zone became a more significant and stable source of income once it operated for a full 12-month period. However, in the first half of 2025, the proportion slightly declined to approximately 27%, indicating a relative weakening of the humanitarian zone’s contribution, although this might change during the second half of the year. If this downward shift remains, it may be attributed either to a decrease in usage of the humanitarian zone itself, an increase in revenues from general parking sources, or a combination of both factors.

Overall, the data indicate that the introduction of the humanitarian parking zone has had a measurable financial impact, generating substantial monthly contributions for the municipality. At the same time, it should be emphasized the importance of reporting revenues on a monthly or period-specific basis to allow for accurate assessment and to avoid misleading conclusions based on raw annual totals alone. These observations point to the need for continued transparency and careful monitoring of fund allocation, ensuring that the policy's humanitarian objectives are met and communicated effectively to citizens.

In the next section, we are going to present data regarding the citizens' perception of how effectively this policy is communicated to them and their perceived transparency in the allocation of the collected funds from this local policy.

## **8. Policy Support and Fiscal Transparency: Results from the Survey of Citizens**

The local policy that permits paid parking revenues to be allocated for humanitarian causes raises two main questions: (1) whether such a policy is accepted and used by the taxpayers, and (2) whether the allocation process is transparent and accountable. Considering these two questions, we collected data from citizens living in the local community in order to capture their perceptions and behaviors regarding parking fee payments for humanitarian ends, together with perceptions of reporting and transparency in public-fund allocation.

The analysis assesses the support for the paid parking policy and for the humanitarian parking, perceptions of cost fairness, perceptions of whether the mandated 20% allocation to humanitarian causes is adequate, and citizens' knowledge of how much revenue is collected and where those funds are allocated.

The sample includes 70 respondents, where 57% are female and 43% are male. Most of the respondents, i.e., 87% are drivers, while 13% are not driving. The age group of the respondents ranges from 18 to 50+, where the largest group is 30–39 years with 47%, then 40–49 years with 27%, 18–29 years with 15% and 50+ with 11% of the sample.

The results reveal a high normative support for the policy idea for parking fees and humanitarian parking specifically. There are no significant



differences between male and female respondents in their perceptions regarding policy support and fiscal transparency. Most respondents (71%) clearly accept the policy idea, and a majority find the price acceptable (64%). On the other hand, the majority consider that a 20% allocation for humanitarian ends is not enough, and it should be bigger, while only 20% believe that it is enough. This can be interpreted as a normative signal that citizens want a bigger portion of the fee to go for humanitarian causes. An interesting result is that only 27% of the respondents know the exact area that is dedicated to humanitarian causes, while the majority know it only partially or do not know it at all.

When it comes to transparency, there is notably low informational transparency. Namely, almost no one knows the actual revenue from the parking fees or how much funding is allocated for humanitarian causes. This clearly shows some sort of a pattern in the local public finance, where citizens favor the ultimate goal of a policy, but they do not have the information or data to verify the implementation of such policies. Considering that only around 4% know how much money is collected through the policy and only around 1% are aware of where those funds are allocated, there is practically no transparent public reporting reaching citizens who are paying the fee. This gap undermines accountability in public finance and creates space for suspicion, misuse, and reputational risks, which can influence the public support of the policy overall.

The data reveal a significant gap between public support for a humanitarian-designated parking policy and the transparency in public finance required for democratic accountability. Most of the citizens find the policy acceptable and perceive the price as justified, indicating that the policy enjoys normative legitimacy. However, this normative acceptance is not matched by transparency, as almost no respondents know the amounts collected or the allocation destinations. This absence of basic fiscal information is problematic for two reasons. First, it prevents citizens from monitoring whether the promised humanitarian causes are actually funded, and second, it prevents informed debate about the adequacy of the 20% allocation, despite two-thirds of respondents indicating that 20% is insufficient. This creates a vague accountability environment in which citizens endorse the policy, but they cannot verify, challenge, or meaningfully shape the policy implementation. If citizens perceive the policy as a credible public-good

financing mechanism with verifiable results, the support will be durable, but if that perception is absent, its legitimacy may erode.

## 9. Conclusion

In public finance theory, principles have long been established to rationalize the process through which public revenues are generated and further allocated. Although very much discussed between the classical and contemporary views, the principles of openness and transparency remain foundational principles in public finance theories.<sup>40</sup>

The findings in our research emphasize the need for enhanced resource mobilization from parking fees to empower municipalities to fund and implement their development, social, and humanitarian goals successfully, based on the core principles. Considering the municipal policy introducing a “humanitarian” parking fee, there are several issues that should be addressed by the local authorities.

The lack of public awareness of the financial results of the humanitarian parking suggests that the municipality needs to improve its communication and reporting on this issue. Transparency and public awareness can increase support for the initiative, as people would be more willing to contribute when they know where the funds were going and how much has been raised.

In addition, the low level of public awareness about the spending of humanitarian parking revenue indicates the need for the municipality to improve its engagement and communication with the public. Clear communication about how these funds are used for social or humanitarian purposes can help build trust and increase the success of the policy.

Several recommendations can be considered to ensure better transparency and accountability of fund allocation. First, local authorities may use a targeted communication campaign as a tool to inform all residents – particularly older people – about the benefits of charging for parking and how it can improve urban mobility and infrastructure. Tailored campaigns can help reduce gaps in support between different age groups. Second, the municipality should regularly publish detailed reports on the collection

---

<sup>40</sup> Joanna Szołno-Koguc, “The Significance of Openness and Transparency for Accountability in Public Finances,” *e-Finanse* 14, no. 2 (2018): 59.

and use of humanitarian parking funds. The information should be simple, clear, and easy to understand for an average person. Excessive technical or organizational detail may obscure the core information, whereas overly broad explanations prevent a clear understanding of the authorities' intentions.<sup>41</sup> Publicly disclosing this information in accessible formats (e.g., through social media, local media etc.) can increase awareness and trust in the policy.

## References

- Agreement between PE “Stipion 2011” – Štip and the Foundation for Information Technologies and Solidarity Fund. No. 0307–31/3.
- Angelkovik, Mileva, and Marina Dimitrijević. *Poresko pravo Srbije*. Niš: Pravni fakultet, University of Niš, 2009.
- Annual Report on the Work of PE “Stipion 2011” – Štip with Financial Indicators for the Period 1 January 2023 – 31 December 2023, under the Programme for the Use of Public Space for Parking, No. 0102–166/5, 26 February 2024.
- Annual Report on the Work of PE “Stipion 2011” – Štip with Financial Indicators for the Period 1 January 2024 – 31 December 2024, under the Programme for the Use of Public Space for Parking.
- Baurmann, Michael. “Solidarity as a Social Norm and as Constitutional Norm.” In *Solidarity*, edited by Kurt Bayertz, 243–72. Dordrecht: Springer, 1999.
- Bučar Ručman, Aleš. “Questioning Social Solidarity through the Perspective of Parking Violations in Spaces Reserved for Disabled People.” *Current Sociology* 68, no. 7 (2019): 990–1006. <https://doi.org/10.1177/0011392119890667>.
- Council of Europe. “Serbia Ratifies the Additional Protocol to the European Charter of Local Self-Government on the Right to Participate in the Affairs of a Local Authority,” June 29, 2018. Accessed November 20, 2025. [https://www.coe.int/en/web/congress/-/https-www-coe-int-fr-web-congress-staging-news-2018serbia-ratifies-the-additional-protocol-to-the-european-charter-of-local-self-government-on-the-rig?utm\\_source=chatgpt.com](https://www.coe.int/en/web/congress/-/https-www-coe-int-fr-web-congress-staging-news-2018serbia-ratifies-the-additional-protocol-to-the-european-charter-of-local-self-government-on-the-rig?utm_source=chatgpt.com).
- Goetting, Katharina, Ulf Liebe, and Sophia Becker. “From Parking Place to Public Space: A Factorial Survey Experiment on Public Acceptability of Parking Space Reallocation in Germany.” *Climate Policy* (2025): 1–19. <https://doi.org/10.1080/14693062.2025.2539140>.
- Jelčić, Božidar, Olivera Lončarić-Horvat, Jure Šimović, Hrvoje Arbutina, and Nikola Mijatović. *Financijsko pravo i financijska znanost*. Zagreb: Narodne Novine, 2008.

<sup>41</sup> Ibid., 59–60.

- Maksimova-Veljanovska, Aleksandra, Jovan Zafirovski, and Elena Nesovska. *Finansovo pravo*. Skopje: Praven fakultet “Justinijan Prvi”, 2024.
- Mańczyk, Paweł. “Parking Fees for Layover of Motor Vehicles on Public Roads – Legal Analysis of Selected Issues.” *State and Local Government Budget Law* 9, no. 1 (2021): 95–112. <http://dx.doi.org/10.12775/PBPS.2021.005>.
- North Macedonia, Ministry of Finance. “Fiscal Strategy of North Macedonia (2024–2028).” Accessed November 15, 2025. <https://arhiva.finance.gov.mk/wp-content/uploads/2023/12/2024-2028-Fiscal-strategy-of-the-Republic-of-North-Macedonia.pdf>.
- North Macedonia, Ministry of Finance. “Fiscal Strategy of North Macedonia (2025–2029).” Accessed November 15, 2025. <https://arhiva.finance.gov.mk/wp-content/uploads/2025/02/2025-2029-fiscal-strategy-of-the-republic-of-north-macedonia.pdf>.
- PE “PARKING SERVICE” - Niš. “Baby Parking Card.” Accessed November 21, 2025. <https://www.nisparking.rs/sr/паркирање/остало/беби-паркинг-карта>.
- Pendovska, Vesna, Aleksandra Maksimova-Veljanovska, and Kiki Mangova-Ponjavić. *Finansovo pravo*. Kumanovo: Makedonska Riznica, 2010.
- Popović, Dejan. *Poresko pravo*, 4th rev. ed. Belgrade: Faculty of Law, University of Belgrade, 2009.
- Price List Amending and Supplementing the Price List of Services of Public Parking Areas Managed by PE “Stipion 2011” – Štip, No. 0202–200/3 (27 April 2023).
- Report on the Amount of Financial Resources from the X-Humanitarian Parking Zone of PE “Stipion 2011” – Štip, No. 0503–287/1, 7 May 2024.
- Semi-Annual Report on the Work of PE “Stipion 2011” – Štip with Financial Indicators for the Period 1 January 2025 – 30 June 2025, under the Programme for the Use of Public Space for Parking.
- Szołno-Koguc, Joanna. “The Significance of Openness and Transparency for Accountability in Public Finances.” *e-Finanse* 14, no. 2 (2018): 58–66. <https://doi.org/10.2478/fiqf-2018-0012>.
- Vickrey, William S. “My Innovative Failures in Economics.” *Atlantic Economic Journal* 21 (1993): 1–9. <https://doi.org/10.1007/BF02299771>.
- Working Program of Public Enterprise “Parking-Service” – Niš for 2025 – No. 12896/24, November 28, 2024. Accessed November 22, 2025. <https://www.nisparking.rs/sr/dokumenti/category/34-известији-и-програми>.