

Scale, Dynamics, and Constraints of Participatory Budgeting Cities

Agnieszka K Kujawska ^{1*}, Grzegorz Kowski ^{2*}, Kove Koklevik ^{3*}

¹²Department of Finance, Koszalin University of Technology, POLAND

³Western Norway University of Applied Sciences, NORWAY

email: agnieszka@gmail.com

ABSTRACT

Participatory Budgeting (PB) is not Mittel für die Stadtwohner, but does not have direct access to them, as well as the Mittel's accessibility only, as well as any other postage. Specifically, it focuses on the scale, dynamics, and limitations of PB in all Polynesian cities with provincial capital status. First, literature on PB was synthesized. Second, documentary research has been mobilized to provide source material with empirically-based insights to promote understanding of PB practice in the chosen context. The results show great differences in financial terms, group and results of PB in Poland. There are no issues with Studying and Sachzwänge auf Entwicklung von PB can be found below: (1) Refer to the Rechtsgrundlage for PB in the Polish Rechtssystem; (2) Assessment of the transparency of the project selection process, including the lack of defining the assessment criteria object; and (3) too much influence from the authorities on the selection of the projects to be implemented. There are no more pictures of this book on the improvement of the functioning of the PB in Poland outlined.

Keywords: Participatory Budgeting, Local Government, Local Community, Civil Society



A. Introduction

The number and variety of projects funded through participatory budgeting (PB) is expanding globally (Grillos, 2017; Miller, Hildreth & Stewart, 2017; Uddin, Mori & Adhikari 2017); PB is a means for grassroots movements in many communities around the world (Brun-Martos & Lapsley, 2017; Krenjova & Raudla, 2013; Walczak & Rutkowska, 2017; Wampler, 2012). This phenomenon matters for cities' inhabitants, as it can contribute to greater transparency in public administration, strengthen city budget decisions, increase civic engagement, and empower communities (Fontana & Grugel, 2016; Gomez, Insua & Alfaro, 2016; Goncalves, 2014; Speer, 2012). Projects financed through PB may contribute to the transformation of public spaces, from "non-places" to creative playgrounds (Lavrinec, 2011), where they may deliver elements of commitment, coherence, and meaning. It seems beyond question, then, that PB plays an active and often important role in place-making processes. In this light, it is not surprising that local communities around the world are increasingly eager to organize their "own" PB.

Prior research indicates that a broad variation exists in how PB programs function around the world (Dias, 2014; Gomez, Insua, Lavin & Alfaro, 2013; Tsurkan, *et al.*, 2016) and that the local culture might have an impact on PB (Boulding & Wampler, 2010; Goncalves, 2014). This is not surprising though, as culture has long been treated in the New Public Management literature as a key determinant of the process, consequences, and outcomes of reforms (Christensen *et al.*, 2007). Therefore, there is a clear need to examine PB's functioning in different contexts that hitherto have not received adequate attention. One such under represented context is a post-socialist reality that creates a special framework, a nexus between a young democracy and a socialist legacy in which public participation in decision making is a truly new phenomenon (Ferenčuhová & Gentile, 2016; Tsenkova, 2014). Against this backdrop, this study aims to unfold the practice of PB in all Polish cities having a status of province capital and to show not only the outcomes of PB but also the complexity of its regulations.

The presentation of the study proceeds as follows: Section 2 briefly introduces the literature on PB. The data collection and methodology used in the study are described in Section 3. Section 4 provides evidence of the different aspects of PB practice in Poland and in the selected cities. Section 5 discusses practical and policy-related implications.

B. Literature Review

With an initial aim to achieve a more equitable distribution of scarce resources and pro-poor orientation, the idea underlying PB has grown considerably in the past three decades (De Sousa Santos, 1998; Miller *et al.*, 2017; Wampler, 2007). Goldfrank (2007, p. 92) defines PB as *"a process by which citizens, either as individuals or through civic associations, can voluntarily and regularly contribute to decision making over at least part of a public budget through an annual series of scheduled meetings with government authorities."* Furthermore, inherent in PB's idea is that the process is *"open to any individual citizen who wants to participate, combines direct and representative democracy, involves deliberation (and not merely consultation), is redistributive towards the poor, and is self-regulating, such that participants help define the rules governing the process, including the criteria by which resources are allocated"* (Goldfrank, 2007, p. 92).

At least two groups of effects are commonly present in the academic discourse in favor of the PB idea. First, research argues that resident involvement in decision making on how and where to spend public funds helps local councils improve budget transparency, efficiency, and accountability (Wampler, 2007, 2012). Indeed, PB allows new actors to enter the policy-making realm and present new ideas, issues, and solutions (Wampler, 2012). Second, PB has societal value, particularly

externalities that affect local communities. In this context, research has especially promoted PB as a way to foster community solidarity, empowerment, and social entrepreneurship, but also as a step in decentralizing and localizing responsibility (Alexander, 2006; Ganuza & Baiocchi, 2012). Conning and Kevane (2000, p. 4) stress that especially the latter effects “*may be especially true for the disadvantaged groups who may be empowered in by becoming better able to articulate and press demands. Community mobilization may be an end in itself, but may also confer legitimacy to programs that in turn helps build political support for targeted approaches.*”

However, PB is not free from criticism. Several scholars suggest that PB is susceptible to “elite capture” (Conning & Kevane, 2002; Cooke & Kothari, 2001; Lund & Saito-Jensen, 2013). Its basic form occurs when residents engaged with the PB process have varied influences and skills required to be effective within it (Fung & Wright, 2003; Platteau & Abraham, 2002), and consequently, elites monopolize control over the process and “siphon off substantial shares of the benefits” from local resources (Iversen *et al.*, 2006, p. 93). In such cases, PB might not only fail to alleviate existing inequities but also serve to preserve and even intensify them (Grillos, 2017). Another often-criticized aspect is the lack of a clear definition of PB and, as such, a certain difficulty in estimating its regulation, scale, and effects. In this context, Miller *et al.* (2017) suggest that for a given practice to be called PB, it must meet minimum standards in terms of “inclusion,” “deliberation,” “citizen-driven authority,” and “social justice.” With regard to the “inclusion” and “social justice” criteria, PB must be accessible to the minimum of all adult citizens and targeted at under represented or marginalized groups. Moreover, the communication within PB must include the element of consideration and confrontation of different ideas, projects, and solutions. Finally, decision making should be put fully into the hands of the citizens; that is, citizens must have a decisive voice in creating rules and regulations for PB, submitting projects, and evaluating them.

In Central and Eastern European countries, the so -called new-democracy countries, PB is one of the new tools of direct democracy used in the decision-making process for the allocation and redistribution of public funds. In these countries, PB began spreading in 2000. Its introduction was deemed as achieving several goals, the first of which was supporting various social activities within the framework of building a conscious civil society, with the aim to realize the principles of equality and social justice by adopting the quality-of-life index in the selection of investments. The second goal was an administrative one. Its achievement stemmed from changing the rules with the adoption of the New Public Management model. According to this model, public administration should be

closer to citizens, who are active participants in public life, not merely petitioners, resulting in their empowerment. The third goal was a political one, realized by introducing elements of participatory democracy, entailing democratization of the administration process (Rytel-Warzocha, 2010). The introduction of PB into public management structures was also associated with a growing democratic deficit and the simultaneously increasing demand for a higher-quality democracy (Kaufmann, 2017; Wigell, 2017). The collapse of the communist system was the beginning of multifaceted transformation processes in Central and Eastern Europe, which encompassed the political, institutional, and social spaces (Tsenkova, 2014).

The transition from an authoritarian state with a centrally planned economy to a democratic state with a free market economy was associated with the re-composition of the state structure and its institutions and, consequently, also with profound changes in the function it fulfills toward its citizens. The top-down management of socio-economic and political life has been replaced by inspiration and encouragement (Kolarska-Bobińska, 1991). A shift away from a state society to a civil society has occurred (Petrova, 2007), giving citizens the opportunity to control and constrain those in power and guaranteeing continuous participation in the exercise of power as well. This was a direction consistent with the ideas of the philosopher Jean-Jacques Rousseau, according to whom the participation of citizens in the political decision-making process is a fundamental attribute of the smooth functioning of the state (Michels & De Graaf, 2010; Roy, 2008). However, this shift was not uniform in all countries, mainly due to diversities in the democratization process. A group of countries (Czech Republic, Hungary, Slovenia, and Poland) with a higher-quality democracy was formed, in which democratic institutions were not questioned, procedures were followed, and political rights and civil liberties were broader. Civil society was also better developed.

Parallel advanced development of democracy was also characteristic of the three Baltic countries: Lithuania, Latvia, and Estonia. Democratic development was less noticeable in the Balkan countries (Bulgaria, Romania, Croatia, Albania, and Slovakia) (Ekiert, 2001). Thus, the exogenous institutional, economic, and social changes in post-socialist countries can have a significant impact not only on the shape and mechanism of PB's introduction but also on the activity of the citizens in the process of its implementation.

One of the main dilemmas facing young democracies is the creation of incentives for citizens and political groups to follow their demands within the existing institutional framework (Andreev, 2003). The current theory of democracy increasingly emphasizes responding to the needs and expectations of the society

(Ruus, 2011) and increasing trust in public authorities. The purpose of including citizens in the decision-making and executive processes of public administration is to create more responsible and involved citizens (Habermas, 1996). Governments can no longer solve problems alone, and activating local residents with diverse experiences, perspectives, and ideas offers the opportunity to solve problems in more creative, effective, and sustainable ways (Schugurensky, 2016). Therefore, it seems indisputable that encouraging citizens to increase their participation in decisions on the allocation and redistribution of public funds, as well as reducing their mistrust in politics, would help governments in the long run better address the democratic deficit in post-communist countries.

In line with this discussion, the aim of this study is to portray PB in a new context—namely, a post-socialist country that is in the midst of the (post)-reform period, transitioning from a socialist to a democratic system. What are the characteristics of PB in Poland, in terms of its scale, dynamics, and main limitations? How can the past affect the current functioning of PB in Poland? These questions form the starting point of this work.

C. Methods

The documentary research method served to collect the data (Scott, 1990). Eighteen units were taken for evaluation (i.e., cities in which governors and/or regional assemblies and the marshal's office have their seat). The selection of units was intentional, dictated by the desire to assess PB practices in cities of the same rank in the settlement network. However, the selection was diversified in terms of the number of inhabitants in the cities and their financial condition (see **Figure 1**). In addition, this selection of units allowed us to follow the PB practice in various parts of Poland. At this point, it should be clarified that in the case of two provinces (i.e., Kujawsko-Pomorskie and Lubuskie), the seat of the province governor and province parliament was divided between two cities, Bydgoszcz and Toruń and Gorzów Wielkopolski and Zielona Góra, respectively.

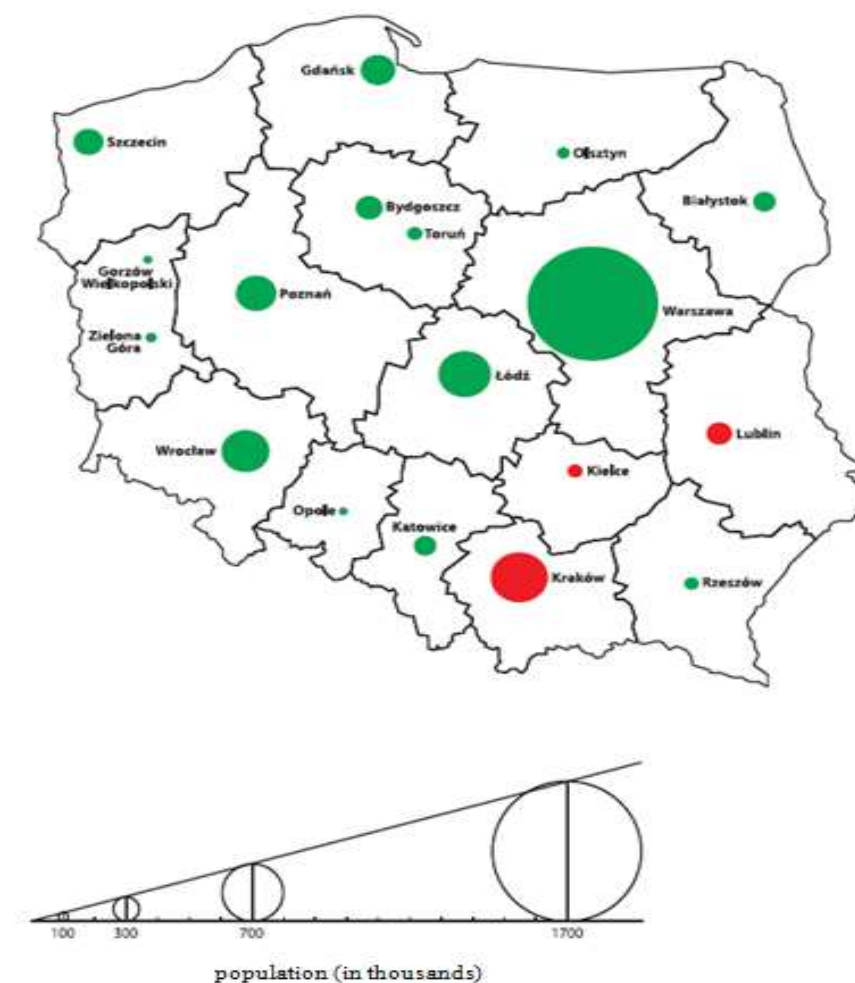


Figure 1. Selected cities

The entire documentation (resolutions, regulations) was downloaded from the Public Information Bulletin of individual cities. In addition, a thorough analysis of press and online materials regarding PB in individual cities was undertaken. Document research was both quantitative and qualitative. In the quantitative aspect, data were obtained on the size of PB in individual cities; the minimum, maximum, and average value of projects to be implemented; and the ratio of the number of projects submitted by residents to the number of projects accepted for implementation. The qualitative aspect focused on obtaining data on the rules of submission and verification of projects under PB. In addition, to carry out comparisons between individual cities, values such as the average value of the project and the number of projects submitted were compared with the number of inhabitants in a given city. Data on the number of inhabitants and the budget situation came from the Regional Data Bank of the Central Statistical Office. The main period of analysis was 2017, while past data helped obtain comparisons and

mark the direction of changes. Systematization of the collected data consisted of their tabulation and quantitative and qualitative analysis.

D.Result and discussion

Since 1989, Poland has gone through sweeping reforms that have resulted in far-reaching societal and economic changes (Gomułka, 2016; Kennedy, 1997; Kołodko, 2009). Especially during the past two decades, development of Polish cities has focused mainly on large-scale infrastructure projects such as construction of airports, ring roads, and sewage treatment plants (Belka, 2013; Kołodziejczyk, 2016). This trajectory of development has been influenced by, on the one hand, the overall backwardness of Polish cities and, on the other hand, the policy of the European Union structural and investment funds, which shortly after Poland's accession to the European Union in 2004 favored essential technical development over local (neighborhood) priorities (European Commission, 2009). The participation of city residents in such projects has been modest, often symbolic, and centered on environmental and localization aspects (Matejczyk, 2010).

With the systematic progress of infrastructural development of Polish cities, residents' attention has shifted to smaller "neighborhood-oriented" investments that, though not essential for the entire city's growth, contribute to the well-being of local communities. This shift of attention was first acknowledged in 2011 by the city council of Sopot, a mid-sized city (i.e., 40,000 inhabitants) in Northern Poland, which established the first city-level PB in Poland, more than 20 years after Porto Alegre (Dolewka, 2015). Since 2011, the idea of PB in Poland has markedly accelerated, and currently, approximately 200 Polish cities (i.e., 20%) have embarked on their own PB journey. The dynamic growth of the PB idea among Polish cities during the past five years is the most striking evidence that PB is a truly new and rapidly growing urban phenomenon, which calls for more attention than has hitherto been given.

The elevated profile of PB in Polish cities is due to an increasing awareness among Polish citizens of the potential benefits of PB, including building a civil society and gaining greater spending efficiency (Kraszewski & Mojkowski, 2014). In addition, factors such as the copying ("imitation") of other cities' activities, the interest of the media, and, during the election period, the populist activities of local authorities determine the popularity of PB. These findings are coherent with international trends, which clearly indicate that PB has become more globalized. According to Wampler (2012), the growing interest in the PB formula stems from the two complementary functions that the instrument fulfills. First, PB has a positive impact on public-spending efficiency, and second, it strengthens grassroots movements by giving residents the opportunity to decide how to shape their socio-economic landscape.

However, in Poland, PB has been criticized for its pork-barrel nature oriented more to political shenanigans than real change (Kębłowski, 2014).

Sintomer, Herzber, and Rócke (2008) give five criteria that should constitute PB. First, PB refers to strictly defined (limited) financial resources of a given local government unit (LGU). Second, PB is a recurring (cyclical) process. Third, the PB process must contain an element of direct public debate in the form of dedicated meetings between the inhabitants of a given LGU or its part (neighborhood, district), as well as between residents and representatives of the local government. Fourth, PB should cover not only district but also citywide initiatives. Fifth, PB is binding for local governments. However, Kębłowski (2014) shows that in Poland, only every 10th “participatory budget” meets all five criteria. In addition, some scholars, referring to the principle of unity and completeness of the budget, have highlighted the erroneous definition of the co-decision process of inhabitants in terms of LGU expenditures as part of the “participatory budget” (Czarnecki, 2014; Drozdowski, 2014). The origin and character of PB in Poland, including elements such as the scale, scope, and meaning of projects in socio-economic development, differ from those in other countries, particularly less developed countries, where PB typically helps secure the most elementary needs of the poorest strata of society (Classen *et al.*, 2008; Gibson & Woolcock, 2008; Shah, 2007).

For example, in Porto Alegre, PB had a significant impact on sewer and water connections, which increased from 75% of total households in 1988 to 98% in 1997 (World Bank, 2015). The Polish practice of PB is also somewhat different than that in the most developed countries (e.g., United States, Canada), where the most common PB projects are leisure and school related (Hagelskamp *et al.*, 2016). These examples indicate the heterogeneity of PB practice around the world, which to a large extent is conditional on the socio-economic context in which PB is organized. In Poland, PB serves to secure both the elementary needs of local communities (e.g., pavements) and higher needs related to leisure, experience, and culture. Poland provides no central regulations on how PB should be implemented, and thus there is rather great diversity among Polish cities in this regard.

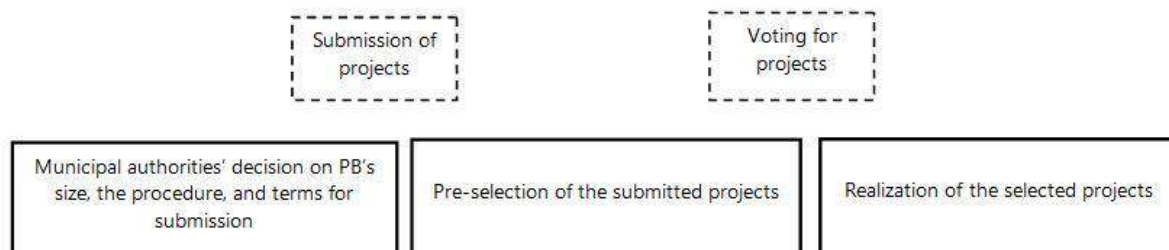


Figure 2. The process of the resource allocation within PB in Poland

As **Figure 2** indicates, the first step of PB in Poland embraces city councils' decisions on how much resources should be spent on projects under the PB scheme. At this stage, those in authority make fully independent decisions on the eligibility criteria of the projects that will receive financial support. A review of the PB regulations published in the Public Information Bulletin indicates that in the majority of Polish cities, PB is the subject of complex and frequently vague resource allocation mechanisms, which in turn lead to reduced transparency in the PB idea. For example, some Polish cities divide already-limited resources according to criteria such as affected area (citywide and "district" projects), character (infrastructure and social projects), and projects' financial scale (small and large projects). However, although these criteria are common for many cities, their interpretation varies considerably among them.

Considering this initial stage, the first two constraints of PB can be identified. First, all regulations of PB are set by the authorities with little influence from the local community. Second, the eligibility criteria regarding which projects should receive financial support might unnecessarily complicate the PB procedure and thereby negatively influence public perception of the PB process.

The second step mainly embraces public engagement, in which city residents over a certain age can submit project proposals to be considered for realization under the PB mechanism. Often, submission of a project requires an additional support list of dozens of people. Afterward, the PB councils consisting mainly of authority representatives elect a set of projects for further consideration. This step creates the next area of PB constraints in Poland, as the criteria, which include the selections made and the composition of the PB councils, are rarely communicated to the wider public, which might lead to reduced trust among city residents. Ultimately, the final set of projects is defined and given for public election. As indicated previously, the process of resource allocation within PB in Poland is complex, is not unified by consistent regulations on the state level, and has two main areas of constraints, which together might create an impression that PB is more an instrument for political manipulation than true public participation.

Research suggests that in examining PB "both process and outcomes are of interest" (Rao & Woolcock, 2003, p. 176) and that "it is important to distinguish between proposed spending and actual spending" (Wampler, 2007, p. 35) when assessing PB. Accordingly, the following sections analyze both sides of PB. The share of resources allocated to PB in investment expenditure of Polish cities is significantly diversified, ranging from 2% to more than 14% (CV [coefficient of variation] = 190%). On average, residents decide on 5.62% of the investment budget¹ (i.e., approximately 0.6% of the entire budget), which, with just a few exceptions,

shows the marginal significance of this redistribution mechanism, at least from a financial standpoint (**Figure 3**). The obtained findings are even less favorable when compared with the values from other countries, where local governments spend on average between 2 and 10% of the entire budget, and thus twice more than their Polish counterparts (Cabannes, 2004).

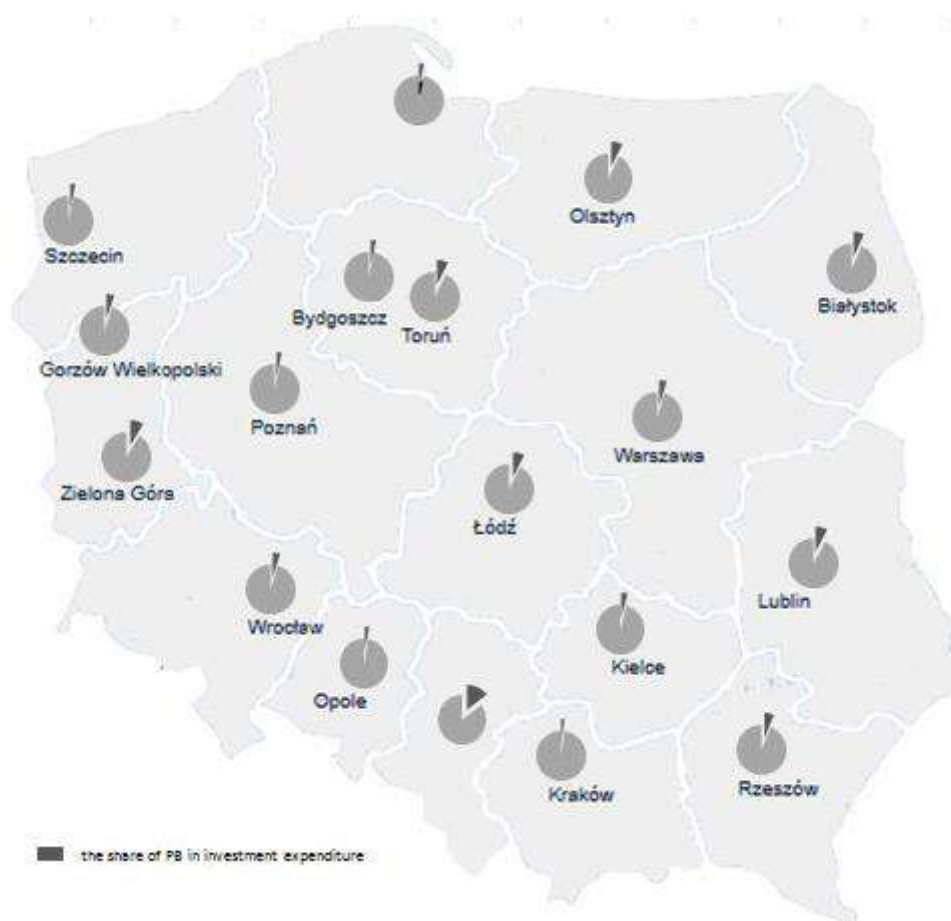


Figure 3. The share of PB in investment expenditure in Polish province capital cities

Nevertheless, a review of the PB changes in the analyzed cities in the last five years indicates that the idea of PB has been disseminated in all analyzed cities. In addition, there is cyclical implementation of PB, as well as an increase in the number of projects submitted and in the participation of citizens in the voting. The number of voting residents also increased. However, although with each edition of PB residents are reporting increasingly more initiatives worth financing, and the number of people voting for individual projects is increasing, few eligible persons still exercise their right to vote. Moreover, the amount of funds allocated to PB in the analyzed cities is growing faster than the investment expenditure of these units. The most extreme cases show a 200% increase in the value of PB funds over several years, in which the increase in expenditure for investments in the corresponding period does not exceed a dozen or

so percent. This finding undoubtedly confirms the growing importance of PB in both a political and social sense. The ability to decide on larger amounts increases the sense of agency of the residents and encourages participation in this process in the future.

The amount of funds allocated to the implementation of civic projects is diverse. The average value of PB in the examined cities amounted to 14 million PLN.² At the same time, in most cities, the funds allocated to the implementation of PB projects did not exceed 7 million PLN. Taking into account the value of PB per one inhabitant, there are significant disproportions between individual cities ($CV = 41.81\%$) (**Figure 4**). The difference between the lowest and the highest PB value per capita amounts to 52.42 PLN, where the minimum and maximum values were at the level of PLN 14.26 (Kraków) and PLN 66.68 (Katowice), respectively. The average value of PB per capita was 33.18 PLN ($SD = 13.87$ PLN). In half the province capital cities, the value of PB per capita was less than PLN 33.25. An additional analysis showed no statistically significant correlation between the value of the participatory budget per one inhabitant and the population number, the number of years PB is organized in a given city, and its budget situation.

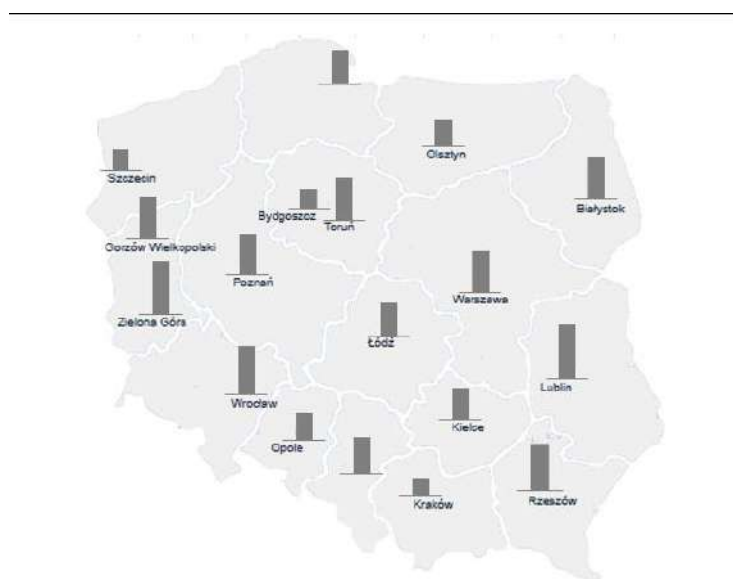


Figure 4. PB 2017 value in province capital cities in Poland per 1 inhabitant

It is therefore justified to state that, despite the still rather marginal importance of civic budgets in the financial sense, their social and political significance has increased, as manifested by the noted changes. In addition, as shown subsequently, the success of the PB idea in Poland is also demonstrated by its cyclical nature and the growing number of projects submitted, thus highlighting the political and social desire to organize and participate in the redistribution of limited financial resources.

The PB Process

The process of reporting and verifying the projects in the analyzed cities is diverse, depending on (1) the entity submitting the application, (2) restrictions on the number of projects submitted, (3) the need to solicit support from a certain number of people, and (4) the nature of the project submitted. With regard to the entity submitting the application, a common situation, in line with the spirit of PB, is the project submission by residents, which occurs in all analyzed cities. However, in several centers, other entities also submit applications, including local government organizations that have a seat in a given city (Opole), a group made up of at least 15 residents, and the Housing Councils (Rzeszów). Especially the last solution seems deliberate, as it is not so much who submits the project as what its social support is that is important. In addition, groups of people or non-governmental organizations (NGOs) may have a greater potential to create more complex projects, which tend to be better adapted to the needs and requirements of the local community.

In addition, in some cities, the criterion of registration for permanent or temporary residence (Rzeszów, Katowice, and Zielona Góra) or residence (Lublin, Kraków, Warsaw, and Kielce) must be met. While the criterion of needing to be connected with a given city in order to vote is justified because it increases the number of people entitled to co-decide on the shape of the city, the need to prove this criterion through official residence registration is a relic of socialism. In turn, this may result in the exclusion of young people who live in a given city but are not formally registered.

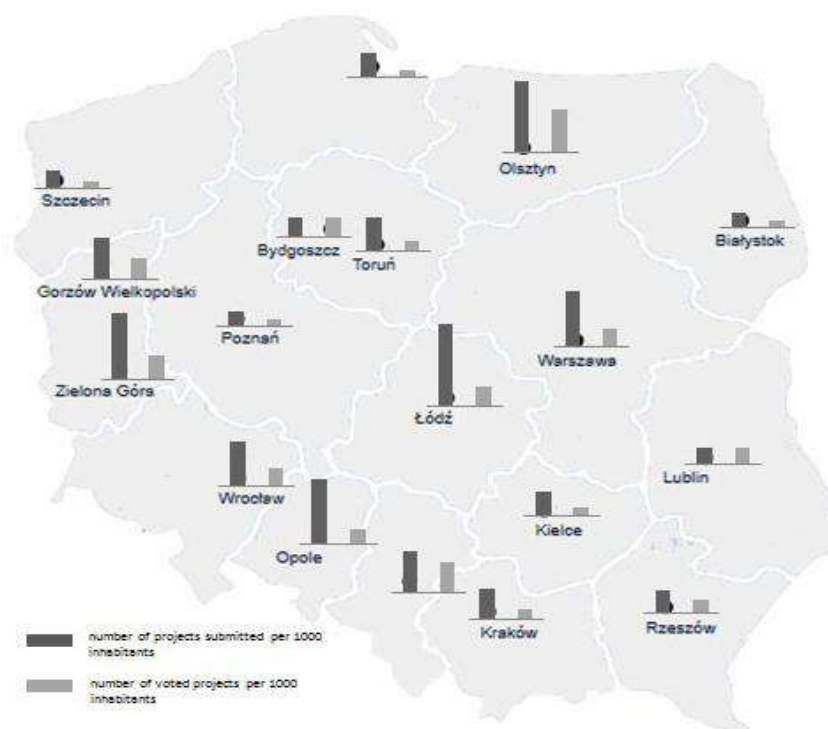


Figure 5. PB 2017 value in province capital cities in Poland per 1 inhabitant

Another criterion in the submission stage of a civic project is the age of the applicant. Sixteen is usually the minimum age (Bydgoszcz, Lublin, Kraków, Opole, Rzeszów, Gdańsk, Katowice, Kielce, and Toruń). In Wrocław, the project leader must be an adult, while in Olsztyn and Zielona Góra, the project can be submitted by a resident who is at least 13 years of age. The inclusion of young people in the co-decision process about common spaces is especially desirable and appropriate, as it has an educational value in addition to giving them some real power. In other cities, the applicant's age criterion has not been introduced. In most cities (except Bydgoszcz, Rzeszów, Wrocław, Poznań, and Szczecin), to submit a project it is necessary to attach a support list signed by a specific number of people. The number of projects reported by one applicant in most cities is unlimited. Limitations were only introduced in Bydgoszcz (maximum three applications), Poznań (one project), and Toruń (maximum three projects, including a maximum of two local and one citywide project). Introduction of such restrictions reduces the activity of residents. Citizens are constrained from reporting more ideas that can be selected by voting. In the analyzed cities, submitted projects are either of a citywide nature, in which they refer to the needs of all residents of a given city, or of a local nature, in which projects submitted for implementation serve the needs of specific groups of residents living in the area of a given auxiliary unit (i.e., region, district, neighborhood, or precinct).

Any resident can submit a citywide project. In the case of Kraków and Toruń, project submission is also dependent on the criterion of territorial ownership, which means that projects can only be submitted by a resident of a given district or precinct. Projects submitted for implementation in the participatory budget must refer to the level as close as possible to the inhabitants (e.g., district). This way they meet the needs of the local community to the greatest extent, thus increasing the participation of citizens in the PB implementation process, as well as their identification with the tasks performed.

The activity of the inhabitants in particular province capital cities at the stage of project submission is strongly diversified (CV=136%). In total, more than 85,000 PB projects were submitted in province capitals in 2016. The highest number of projects was submitted in Warsaw (2649) and Łódź (1570). These cities were divided into smaller units (i.e., districts and regions), which might have been conducive to reporting more projects. The division into various territorial areas creates a "small homeland" and allows residents to be involved in changing their immediate environment. The least number of projects was submitted in Rzeszów (116). In half the provincial cities, the number of submitted projects was equal to or greater than 220. In 75% of the analyzed

cities, the number of submitted projects was fewer than 356. Apart from the obvious influence of the number of inhabitants of a given city on the number of projects submitted (**Figure 5**), two other factors affected these values: (1) whether there was a division

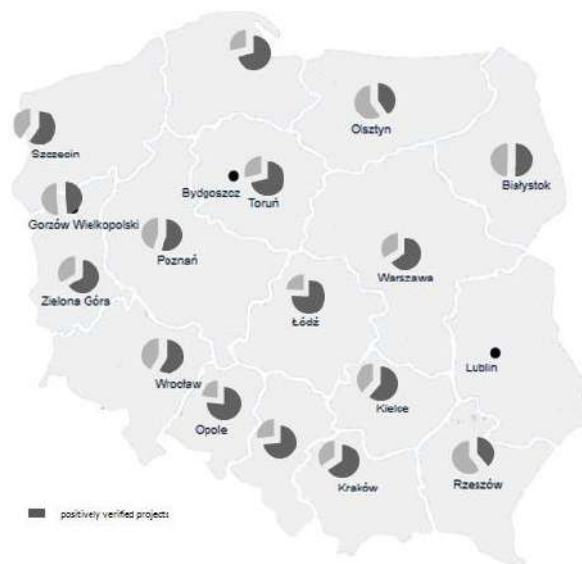


Figure 6. The percentage of positively verified projects submitted for PB in province capital cities in Poland

Figure 4. PB 2017 value in province capital cities in Poland per 1 inhabitant into local and citywide projects in a given city and (2) whether the city introduced a mechanism limiting the number of projects submitted. In all province capital cities, local projects predominate among the submitted projects. Their share in the total number of projects submitted is 70% on average, which means that only one-third are citywide projects. This distribution is beneficial though, because the projects implemented mainly involve the immediate surroundings of the residents. The submitted projects are subject to formal and substantive verification. The appropriate organizational unit of the city office carries out the formal verification. Applicants who submit incomplete or incorrectly completed applications are asked to complete them.

Applications positively assessed at the formal verification stage are subject to substantive assessment by Teams/Committees for the Participatory Budget appointed for this reason. The purpose of this assessment is to select the final list of projects on which the residents will vote. Only in Gorzów Wielkopolski is the final assessment of the task (positive or negative) made by the city mayor. Note that in no analyzed city did the available documentation contain any information about the criteria on which the substantive evaluation of the application is made. Therefore, it can be assumed that this verification is carried out on a discretionary basis. Such a

situation may result in less than half the applications submitted by inhabitants being put to vote (**Figure 6**). A detailed analysis in this respect shows that in Poland's provincial cities, the percentage of positively verified projects submitted by residents to be implemented under the PB amounted to 61.14% on average. In half the cities, the percentage of positively verified projects submitted for voting was at or below 63.50%. The largest percentage of positively verified projects was recorded in Opole.

In this city, more than 76% of projects submitted by residents were put to vote. The fewest projects that passed the positive verification and were voted on were recorded in Rzeszów (38.79%). In three-quarters of the cities, the percentage of projects voted on was equal to or higher than 52%. Only in one-quarter of cities was the percentage equal to or higher than 71%. In terms of the percentage of positively verified projects submitted by city residents, the province capital cities were differentiated to a small extent ($V_s = 19\%$). The smallest percentage of positively verified projects submitted under PB was recorded in Gorzów Wielkopolski (48.55%), Olsztyn (40.48%) and Rzeszów (38.79%), the highest percentage was in Opole, Łódź, and Katowice (more than 70%).

In 2016, 1.04 projects per 1,000 inhabitants on average were submitted under PB. The highest number of submitted projects in Polish province capital cities per 1000 inhabitants in 2016 was recorded in Łódź (2.24), and this number was twice as large as the average for all province capitals. Cities such as Olsztyn, Zielona Góra, Opole, and Warsaw were just behind Łódź. Among the largest agglomerations, the weakest participation per 1000 inhabitants was recorded in Poznań (0.43) and Kraków (0.80). The largest number of positively verified projects submitted for voting per 1000 inhabitants was recorded in Olsztyn (1.15). Significant differences between the number of projects submitted and the number of projects positively verified and voted for per 1000 inhabitants were recorded in Łódź, Warsaw, Opole, Wrocław, Olsztyn, Toruń, and Zielona Góra. Note that the analyzed cities had moderate variability in the number of projects submitted and voted for under Participatory Budget per 1000 inhabitants ($CV = 55\%$).

Only in a few province capital cities is the composition of the committee making the final verification of projects given publicly. In the majority of regions, the committee consists only of people who are employees of the City Hall's organizational units. Members of the participatory budget committee are also appointed among the residents of the city and representatives of NGOs. Nevertheless, the participation of the residents in the participatory budget committees is relatively small compared with members who are employees of City Hall, local councilors, and representatives elected by city mayors. These findings clearly indicate that the representatives of local government authorities have the final say on which projects will be put to vote.

Effects

Residents select the tasks to be carried out under PB in an open and general vote. As in the case of project submission, this stage of PB implementation has conditions for participation. In most cities, voters must meet the same criteria as in the project submission stage. On average, 28.70% of projects were voted for among all projects submitted. In half the analyzed cities, about one-quarter of all projects submitted for voting were chosen for implementation. In the analyzed province capital cities, among all projects submitted for voting, the smallest percentage of projects selected for implementation was in Opole (8.23%) and the maximum was in Rzeszów (55.5%) and Katowice (51.39%). In terms of the percentage of projects residents selected for implementation, provincial capitals were characterized by moderate variability (CV= 53.28%).

The value of the projects residents selected varied. The minimum value of an urban project was 850 PLN (Warsaw – Włochy district: “Bird house” project, number of votes 446) to 700,000 PLN (Rzeszów: “Construction of a football [field] with artificial surface in School Complex No. 4”, number of votes 3,044.) These values had high variability (CV = 132%). In half the analyzed cities, the minimum total urban project value was 55,000 PLN, while the maximum value of a citywide project ranged from 100,000 PLN (Rzeszów: “Reconstruction of football and volleyball fields and a treadmill,” number of votes cast 3,257) to 2.5 million PLN (Krakow: “Live next to the park. Construction of a new park,” number of votes cast 11,649; “The first water playground in the Jordan Park,” number of votes cast 10,970). These values also had high variability (CV = 72%). The minimum value of local projects also had high variability (CV = 136%). In 50% of the analyzed cities, the minimum value of a local project was PLN 24,000, with projects ranging from 600 PLN (Gdańsk: “Painting parking spaces in the parking lot,” number of votes cast 28) to 120,000 PLN (Gorzów Wielkopolski: “Multi-generational playground,” number of votes cast 1,171). A slightly smaller variability occurred in the maximum value of projects (CV = 72%). Their value ranged from 110,000 PLN (Olsztyn, 16 projects in total) to 1.02 million PLN (Łódź, “Construction of a multipurpose sports field in Primary School No. 4.). Low-value projects selected for implementation in individual cities were small projects, such as street lighting (Bydgoszcz), self-defense training (Kraków), ambulance services for animals (Gdańsk), removal of trees (Toruń), first aid courses at school (Kraków), and cultural projects - for example, festivals (Białystok), musical performances (Poznań), and culinary workshops (Gorzów Wielkopolski). However, projects with the highest values involved mostly

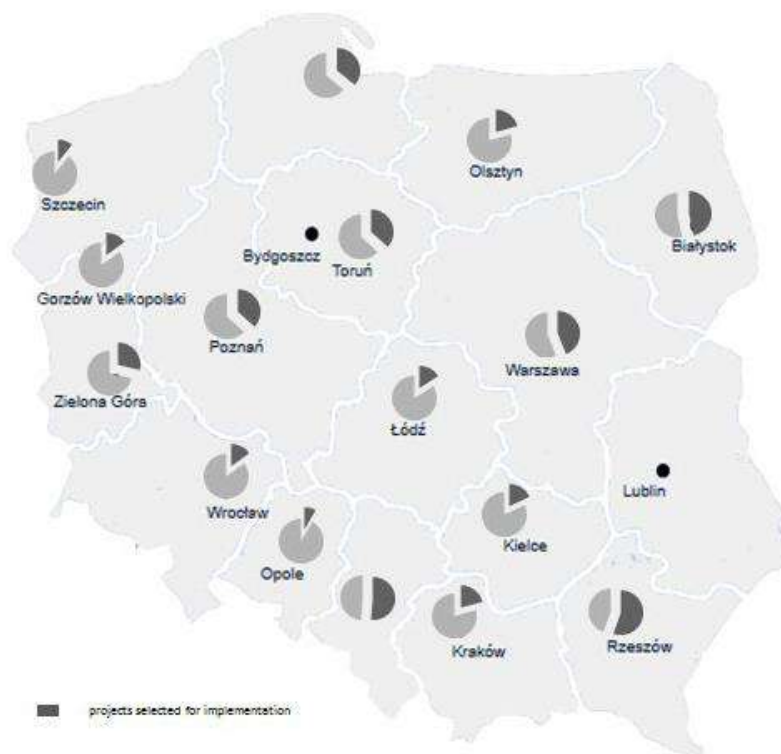


Figure 7. Percentage of projects residents voted for implementation in provincial capitals in Poland

construction (Białystok, Łódź, Opole, Kielce, Poznań, and Toruń), reconstruction (Rzeszów and Kielce), or expansion (Łódź) of sports fields. These were both citywide and local projects. The findings mainly highlight the desire to implement many small projects, which is in line with the spirit of PB. By contrast, expensive projects involving the construction of basic infrastructure or its modernization should be carried out as part of obligatory city tasks.

E. Conclusion

PB is a remarkable element of city life as it allows residents to exert a direct impact on city development and change. This study offers new evidence on PB practice in a post-socialist country, where the idea of public participation in co-management of scarce public resources is a new phenomenon.

In 2016, more than 8,500 projects were submitted to city councils under the PB scheme in the 18 cities under examination. Although the financial aspect of PB might suggest rather limited importance of the PB formula in the examined cities, its socio-economic and political roles are imperative. In Poland, but elsewhere as well, PB is of significant importance for residents' empowerment and quality of life and the local identity (De Sousa Santos, 1998; Miller *et al.*, 2017; Wampler, 2007).

There is wide variation in PB's financial scale, public interest, and outcomes among the examined cities. The study shows that the share of PB in cities' investments expenditures varies greatly from a mere 2% to approximately 15%, with a mean of 5%. All but one city experienced considerable growth in the volume of PB; however, the pace of change varied. Common among all cities was that the financial volume of PB grew faster than investment expenditures. In-depth data exploration did not reveal any clear pattern between PB volume in particular cities and their financial situation (i.e., debt ratio) or number of inhabitants or location. The same holds true for the volume of PB per person, which, though varying greatly (from approximately 14 PLN to 67 PLN per person), does not reveal any pattern.

Sidewalks, benches, football fields, and playgrounds, but also intangible activities such as culinary and music festivals, constitute the main ideas residents tend to suggest under the PB framework. Projects financed through PB are also distinct in terms of their financial scale and resident support. For the former, the smallest project financed through PB cost merely 600 PLN, whereas the largest was approximately 2.5 million PLN. For the latter, some projects received support from fewer than 30 people, while the most popular projects demanded more than 10,000 residents' votes.

Perhaps the most striking finding is the difference between the number of projects submitted by residents and the number of projects submitted for voting. There were significant differences in all but two analyzed cities (i.e., up to several dozen percent) between the set of projects submitted and those put to vote. In extreme situations, only one-quarter of all the projects submitted were put to public vote. This shows the significant influence of participatory budget committees on the final shape of the range of projects subjected to public assessment.

There are several dilemmas with regard to the future development of PB in the examined cities in particular and Poland in general. On the positive side, the elevated status of PB in Poland would not be possible without socially active residents and the political popularity of this phenomenon. All the examined cities have experienced increased interest in the PB formula from both the authorities and residents. At a country-wide level, the rapid and successful development of PB in "central" cities can motivate councils of smaller "peripheral" cities and towns to establish PB. Diffusion of PB is indeed occurring, and it is very dynamic—from single PB functioning in 2011 to more than 200 PB in 2017. As such, currently one-quarter of all Polish cities have their own PB.

One of the most significant challenges of PB is its lack of legal basis in current legal regulations, which, as was noted in the literature review, do not anticipate direct civic influence on public expenditure. When analyzing the practice of PB, the need for more transparency and, to some extent, procedure unification, without compromising

the grassroots nature of the PB idea, becomes clear. All analyzed cases lack clear-cut information on (1) the criteria according to which the PB board assesses the merits of the submitted applications and (2) personal composition of the board. Furthermore, in some cities, the final decision on which projects get funded or not is made arbitrarily by the city mayor. Thus, it is not surprising that, especially among the older strata of the population, this situation might resemble a maxim that “it is not important who votes, but who counts the votes.” To a large degree, PB is controlled by local authorities and thus ceases to be civic and self-governing.

Another dilemma is the problem regarding the proper role of PB in the life of the city and the local community. The findings show that PB largely serves to implement obligatory tasks, such as the construction of sidewalks and benches or the painting of pedestrian crossings. Rarely financed are intangible projects, whose aim is to strengthen social ties through participation (e.g., music festivals) . At present, community building stems mainly from the struggle to obtain subsidies rather than from the shared use of completed projects. In addition, an in-depth analysis of completed tasks shows that the implemented projects are not very innovative and rarely directed at strengthening local entrepreneurship and innovation. For the most part, their aim is to improve safety, build or modernize basic infrastructure, or create places for recreation.

Undoubtedly, the most critical way to improve PB is to isolate it from the overall influence of local authorities. Thus, participatory budget committees should become public, and their composition should be as broad as possible. In this context, it is advisable to establish parity in the composition of these committees, so that they are a reflection of various groups of influences in the city, including residents, local authorities, and the representatives of NGOs, business, and science.

In addition, PB should have a more codified character, at least in relation to basic principles such as the way projects are submitted and voted on. Currently, each city introduces its own solutions, which makes it difficult to spread ideas. In addition, the complex nature of the procedure can eliminate the least educated social groups. The amount allocated to PB should be tied to the size of the investment budget, and the instrument itself should be included in current regulations. These procedures will prevent a situation in which, on the one hand, excessively indebted cities will want to expand the PB formula and, on the other hand, the unfavorable attitude of local authorities toward social participation will prevent or limit the possibility of residents organizing PB. Current PB regulations do not provide for the evaluation of the procedure itself and its adaptation to changing realities. Thus, in the following years,

efforts should be made to update the procedures in accordance with social expectations.

Further research in Poland should take into account residents' assessments of the functioning of participatory budgets and the motivation of local authorities to create them. In this respect, it would be fruitful to examine the perception of PB by various age groups, especially the elderly, who witnessed socialism in Poland directly, and the people born after 1990. In addition, research should be directed at defining the determinants of the variation of PB in Poland and in comparing the Polish model with that of other Central and Eastern European countries.

References

- Alexander, J. C. (2006). *The civil sphere*, New York, NY, Oxford University Press.
<https://doi.org/10.1093/acprof:oso/9780195162509.001.0001>
- Andreev, S. (2003). *The role of institutions in the consolidation of democracy in post-Communist Eastern Europe*, Working Paper No. 13, Centre for the Study of Political Change (CIRCaP).
- Belka, M. (2013). *How Poland's EU membership helped transform its economy*, Occasional Paper 88, Group of Thirty, Washington.
- Boulding, C., & Wampler, B. (2010). Voice, votes, and resources: Evaluating the effect of participatory democracy on well-being. *World Development*, 38(1), 125-135.
<https://doi.org/10.1016/j.worlddev.2009.05.002>
- Brun-Martos, M. I., & Lapsley, I. (2017). Democracy, governmentality and transparency: Participatory budgeting in action. *Public Management Review*, 19(7), 1006-1021.
<https://doi.org/10.1080/14719037.2016.1243814>
- Cabannes, Y. (2004). Participatory budgeting: A significant contribution to participatory democracy. *Environment and Urbanization*, 16(1), 27-46.
<https://doi.org/10.1177/095624780401600104>
- Christensen, T., Lægreid, P., Roness, P., & Røvik, K. (2007). *Organization theory and the public sector: Instrument, culture and myth*. London: Routledge.
<https://doi.org/10.4324/9780203929216>
- Classen, L., Humphries, S., FitzSimons, J., Kaaria, S., Jiménez, J., Sierra, F., & Gallardo, O. (2008). Opening participatory spaces for the most marginal: Learning from collective action in the Honduran hillsides. *World Development*, 36(11), 2402-2420.
<https://doi.org/10.1016/j.worlddev.2008.04.007>
- Conning, J., & Kevane, M. (2002). Community-based targeting mechanisms for social safety nets: A critical review. *World Development*, 30(3), 375-394.
[https://doi.org/10.1016/S0305-750X\(01\)00119-X](https://doi.org/10.1016/S0305-750X(01)00119-X)
- Cooke, B., & Kothari, U. (Eds.) (2001). *Participation: The new tyranny?*, London: Zed Books.
- Czarnecki, K. (2014). Udział mieszkańców w ustalaniu wydatków budżetu gminy w ramach tzw. budżetu partycypacyjnego (na przykładzie Torunia w latach 2013–2014). *Prawo budżetowe państwa i samorządu*, 1(2).
<https://doi.org/10.12775/PBPS.2014.008>
- De Sousa Santos, B. (1998). Participatory budgeting in Porto Alegre: Toward a redistributive democracy. *Politics and Society*, 26, 461–510.
<https://doi.org/10.1177/0032329298026004003>
- Dias, N. (Eds.) (2014). *Hope for democracy: 25 years of participatory budgeting worldwide*, Nelson Dias (org).

- Dolewka, Z. (2015). Budżet partycypacyjny w teorii i w praktyce. *Prace Naukowe Uniwersytetu Ekonomicznego we Wrocławiu*, 408, *Przestrzeń w nowych realiach gospodarczych*, Wrocław, Poland. <https://doi.org/10.15611/pn.2015.408.04>
- Drozdowski, E. (2014). Budżet partycypacyjny jako forma uczestnictwa społeczności lokalnej w tworzeniu budżetu gminy. In Z. Ofiarski (Eds.), *XXV lat przeobrażeń w prawie finansowym i prawie podatkowym ocena dokonań i wnioski na przyszłość*, Szczecin, Poland.
- Ekiert, G. (2001). Demokracje w Europie Środkowej 1989-99. In J. Miklaszewski (Eds.), *Prawidłowości transformacji w Europie Wschodniej*, Kraków, Poland.
- European Commission (2009). *European Cohesion Policy 2007-2013 in Poland: Priorities and Impact of Cohesion Policy in the Member States*. Retrieved from http://ec.europa.eu/regional_policy/sources/docgener/informat/country2009/pl_en.pdf
- Ferenčuhová, S., & Gentile, M. (2016). Introduction: Post-socialist cities and urban theory. *Eurasian Geography and Economics*, 57(4), 483-496. <https://doi.org/10.1080/15387216.2016.1270615>
- Fontana, L. B., & Grugel, J. (2016). The politics of indigenous participation through “free prior informed consent”: Reflections from the Bolivian Case. *World Development*, 77, 249-261. <https://doi.org/10.1016/j.worlddev.2015.08.023>
- Fung, A., & Wright, E.O. (2003). *Deepening democracy: Institutional innovations in empowered participatory governance*, London, Verso.
- Ganuza, E., & Baiocchi, G. (2012). The power of ambiguity: How participatory budgeting travels the globe. *Journal of Public Deliberation*, 8(2), 8.
- Gibson, C., & Woolcock, M. (2008). Empowerment, deliberative development, and local-level politics in Indonesia: Participatory projects as a source of countervailing power. *Studies in Comparative International Development*, 43(2), 151-180. <https://doi.org/10.1007/s12116-008-9021-0>
- Goldfrank, B. (2007). Lessons from Latin American experience in participatory budgeting. In A. Shah (Eds.), *Participatory budgeting*. Washington, DC: World Bank Institute.
- Gomez, J., Rios Insua, D., & Alfaro, C. (2016). A participatory budget model under uncertainty. *European Journal of Operational Research*, 249(1), 351-358. <https://doi.org/10.1016/j.ejor.2015.09.024>
- Gomez, J., Rios Insua, D., Lavin, J. M., & Alfaro, C. (2013). On deciding how to decide: Designing participatory budget processes. *European Journal of Operational Research*, 229(3), 743-750. <https://doi.org/10.1016/j.ejor.2013.03.035>
- Gomułka, S. (2016). Poland's economic and social transformation 1989-2014 and contemporary challenges. *Central Bank Review*, 16, 19-23. <https://doi.org/10.1016/j.cbrev.2016.03.005>

- Goncalves, S. (2014). The effects of participatory budgeting on municipal expenditures and infant mortality in Brazil. *World Development*, 53, 94-110. <https://doi.org/10.1016/j.worlddev.2013.11.010>
- Grillos, T. (2017). Economic vs non-material incentives for participation in an in-kind payments for ecosystem services program in Bolivia. *Ecological Economics*, 131, 178-190. <https://doi.org/10.1016/j.ecolecon.2016.08.010>
- Habermas, J. (1996). *Between facts and norms: Contribution to a discourse theory of law and democracy*. Cambridge, UK: Polity Press. <https://doi.org/10.7551/mitpress/1564.001.0001>
- Hagelskamp, C., Rinehart, C., Silliman R., & Schleifer, D. (2016). *Public spending, by the people: Participatory budgeting in the United States and Canada in 2014–15*. Technical report, Public Agenda.
- Iversen, V., Chhetry, B., Francis, P., Gurung, M., Kafle, G., Pain, A., & Seeley, J. (2006). High value forests, hidden economies and elite capture: Evidence from forest user groups in Nepal's Terai. *Ecological Economics*, 58(1), 93-107. <https://doi.org/10.1016/j.ecolecon.2005.05.021>
- Kaufmann, B. (2017). *Global passport to modern direct democracy*, Stockholm, Embassy Switzerland in Sweden, Swiss Democracy Foundation.
- Kębłowski, W. (2014). *Budżet partycypacyjny*. Ewaluacja, Instytut Obywatelski, Warsaw, Poland.
- Kennedy, R. E. (1997). A tale of two economies: Economic restructuring in post-socialist Poland. *World Development*, 25(6), 841-865. [https://doi.org/10.1016/S0305-750X\(97\)00004-1](https://doi.org/10.1016/S0305-750X(97)00004-1)
- Kolarska-Bobińska, L. (1991). Rola państwa w procesie transformacji. *Studia Socjologiczne*, 3(4), 51.
- Kołodko, G. (2009). A two-thirds of success. Poland's post-communist transformation 1989-2009. *Communist and Post-Communist Studies*, 42(3), 325-351. <https://doi.org/10.1016/j.postcomstud.2009.07.005>
- Kołodziejczyk, K. (2016). Poland in the European Union. Ten years of membership. *Revista UNISCI/UNISCI Journal*, (40), 9-26. https://doi.org/10.5209/rev_RUNI.2016.n40.51803
- Kraszewski, D., & Mojkowski, K. (2014). *Budżet obywatelski w Polsce*, Fundacja im. Stefana Batorego, Warsaw, Poland.
- Krenjova, J., & Raudla, R. (2013). Participatory budgeting at the local level: Challenges and opportunities for new democracies. *Administrative Culture*, 14(1), 18-46.
- Lavrinec, J. (2011). Revitalization of public space: From “non-places” to creative playgrounds. *Santalka: Filosofija, Komunikacija*, 19(2), 70-75. <https://doi.org/10.3846/coactivity.2011.16>

- Lund, J. F., & Saito-Jensen, M. (2013). Revisiting the issue of elite capture of participatory initiatives. *World Development*, 46, 104-112. <https://doi.org/10.1016/j.worlddev.2013.01.028>
- Matejczyk, M. (2010). *Raport końcowy z badania efektywności mechanizmów konsultacji społecznych*. ZWP MPiPS Poland, Warsaw, Poland.
- Michels, A., & De Graaf, L. (2010). Examining citizen participation: Local participatory policy making and democracy. *Local Government Studies*, 36(4), 477-491. <https://doi.org/10.1080/03003930.2010.494101>
- Miller, S., Hildreth, R., & Stewart, L. (2017). The modes of participation: A revised frame for identifying and analyzing participatory budgeting practices. *Administration & Society*. <https://doi.org/10.1177/0095399717718325>
- Petrova, V. P. (2007). Civil society in post-communist Eastern Europe and Eurasia: A cross-national analysis of micro- and macro-factors. *World Development*, 35, 1277-1305. <https://doi.org/10.1016/j.worlddev.2006.09.019>
- Platteau, J. P., & Abraham, A. (2002). Participatory development in the presence of endogenous community imperfections. *Journal of Development Studies*, 39(2), 104-136. <https://doi.org/10.1080/00220380412331322771>
- Roy, I. (2008). Civil society and good governance: (Re-) conceptualizing the interface. *World Development*, 36(4), 677-705. <https://doi.org/10.1016/j.worlddev.2007.04.020>
- Ruus, J. (2011). Local direct democracy in Europe. In T. Schiller (Eds.), *Democratic participation at the local level in post-communist states: Estonia, Latvia, Lithuania*, City: VS Verlag für Sozialwissenschaften, 268-289. https://doi.org/10.1007/978-3-531-92898-2_17
- Rytel-Warzocho, A. (2010). Partycypacja społeczna w sprawach budżetowych. Model Porto Alegre jako pierwowzór rozwiązań europejskich. *Przegląd Prawa Konstytucyjnego*, 1, 94-95.
- Schugurensky, D. (2016). Democratic innovations and local governance: An international perspective. *Local Government Reconsidered*, 4. Retrieved from <http://digitalcommons.chapman.edu/localgovernmentreconsidered/strengtheningdemocracy/papers/4>
- Scott, J. (1990). *A matter of record: Documentary sources in social research*. Cambridge, UK: Polity Press.
- Shah, A. (2007). *Participatory budgeting*. Washington, DC: World Bank Institute. <https://doi.org/10.1596/978-0-8213-6923-4>
- Sintomer, Y., Herzberg, C., & Röcke, A. (2008). Participatory budgeting in Europe: Potentials and challenges. *International Journal of Urban and Regional Research*, 32(1), 164-178. <https://doi.org/10.1111/j.1468-2427.2008.00777.x>
- Speer, J. (2012). Participatory governance reform: A good strategy for increasing government responsiveness and improving public services. *World Development*, 40(12), 2379-2398. <https://doi.org/10.1016/j.worlddev.2012.05.034>

- Tsenkova, S. (2014). Planning trajectories in post-socialist cities: Patterns of divergence and change. *Urban Research & Practice*, 7(3), 278-301. <https://doi.org/10.1080/17535069.2014.966513>
- Tsurkan M.V., Sotskova S.I., Aksinina O.S., Lyubarskaya M.A., & Tkacheva O.N. (2016). Influence of the Participatory Budgeting on the Infrastructural Development of the Territories in the Russian Federation. *International Journal of Environmental & Science Education*, 11(15), 7684-7702.
- Uddin, S. N., Mori, Y., & Adhikari, P. (2017). Participatory budgeting and local government in a vertical society: A Japanese story. *International Review of Administrative Science*. <https://doi.org/10.1177/0020852317721335>
- Walczak D., & Rutkowska A. (2017). Project rankings for participatory budget based on the fuzzy TOPSIS method. *European Journal of Operational Research*, 260(2), 706-714. <https://doi.org/10.1016/j.ejor.2016.12.044>
- Wampler, B. (2007). Participatory budgeting. In A. Shah (Eds.), *A guide to participatory budgeting*. Washington, DC: World Bank Institute.
- Wampler, B. (2012). Participatory budgeting: Core principles and key Impacts. *Journal of Public Deliberation*, 8(2).
- Wigell, M. (2017). Political effects of welfare pluralism: comparative evidence from Argentina and Chile. *World Development*, 95, 27-42. <https://doi.org/10.1016/j.worlddev.2017.02.020>
- World Bank (2015). Participatory budgeting in Brazil: Empowerment case studies. Retrieved from http://siteresources.worldbank.org/INTEMPowerment/Resources/14657_Particip-Budg-Brazil-web.pdf