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PARTICIPATORY BUDGETING AS A FORM OF RESIDENTS' CO-DECISION ON THE ALLOCATION OF LOCAL FUNDS: A CASE STUDY OF THE CITY OF PRZEMYŚL

Participatory budgeting, also called civic budgeting, is a major instrument to facilitate engagement in local government affairs and foster social awareness among residents. It consists in involving residents in the allocation of a pool of public funds made available by local authorities. The purpose of this article is to assess the implementation of participatory budgeting in the city of Przemyśl, Podkarpackie Province, between 2013 and 2022. The assessment methods are desk research based on publicly available data, and interviews with city hall staff. The study confirms that the implementation of participatory budgeting made it possible to achieve the overarching goal of the project, which was to increase engagement by encouraging citizens to participate in public life and co-decide on the allocation of public funds.

Keywords: participatory budgeting, local government, local funds, citizen engagement, city of Przemyśl.

1. INTRODUCTION

In recent years, there has been a constant concern at European level about having a greater citizens' participation in democratic exercises in different forms and about finding structured dialog formulas between authorities and the civil society (Boc, 2019).

Social participation, interpreted as the way in which residents interact with their local authorities, constitutes the foundation of social involvement in territorial government activities (Chambers, 2003). It is currently the object of major interest and a great deal of controversy due to hopes expressed by citizens regarding their ability to influence the reality

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around them. The active involvement of citizens may at times be an important guarantee of effective and rational cooperation between the government administration and local communities. Combined with well-developed public institutions, it produces desirable results (Goldfrank, 2007; Hong, 2015).

Increased resident engagement is certainly beneficial to local democracy, and participatory budgeting is an instrument which facilitates this growth. Participatory budgeting is currently the topic of various discussions. At the same time, however, few to no papers exist detailing how it is implemented in Poland.

The purpose of this article is to assess the implementation of participatory budgeting in the city of Przemyśl, Podkarpackie Voivodeship between 2013 and 2022. To achieve this goal, the answers to the following major questions had to be determined:

- how many projects were submitted, and how many were approved as part of every edition of participatory budgeting?
- were the approved projects ‘soft’ or ‘hard’?
- what did the approved projects focus on?
- what was the distribution of the votes?
- how much funding was planned to be allocated, and how much was actually utilised as part of every edition of participatory budgeting?
- what was the contribution of the participatory budget to the city’s total expenses in the analysed period?
- how much funding per resident of Przemyśl was actually utilised as part of every edition of participatory budgeting?

The assessment method used was desk research utilising publicly available data acquired directly from the Przemyśl City Hall and its website. For the purpose of obtaining more information, interviews were conducted with City Hall employees responsible for collecting and processing participatory budgeting data. This approach rendered it possible to assess the development of participatory budgeting in Przemyśl in the aforementioned period.

2. LITERATURE REVIEW

Social participation can be generally defined as the participation of citizens in managing the affairs of their community (Hausner, 1999). On the other hand, from the perspective of the pursuit of administrative policies by public bodies, it involves residents participating in the accomplishment of public projects and various decision-making processes (Głąbicka and Świtala, 2016; Legutko-Kobus, 2018).

First and foremost, social participation facilitates the building of a partner-like relationship between local authorities and the citizenry, who participate in local decision-making processes. Its wide-ranging implementation in local government practice fosters the development of what is referred to as civic municipalities (Pol. *gminy obywatelskie*), whose residents are agents, not objects, as far as public policy is concerned (Ostałkiewicz, 2015).

Social participation can assume a variety of forms reflecting various degrees of resident engagement in the decision-making process, ranging from minor to high social engagement (Grzebyk, Pierścieniak, 2021).

Among the most popular models of social participation, one which illustrates the varying degree of citizen involvement in public life, is the ladder of participation, which is a three-tier model (Alexiu et al., 2011; Paul, 1987). The lowest rung of the ladder is

informing, which is the lowest level of participation, and the highest level is co-deciding, which involves the greatest degree of resident participation.

The ladder model has not only rendered participation identifiable, but also measurable. It serves as the base for identifying various instruments aimed at encouraging citizens to become active and engaged (Grzebyk, Pierścieniak, Pytko, 2019).

One such instrument used for the purposes of co-decision-making is participatory budgeting.

This is also referred to in Poland as civic budgeting⁴, as it enables citizens to engage in public discussions on the allocation of a portion of local funds to various initiatives and projects submitted by the local community (Musiał-Malago, 2022).

Civic budgeting is a method of involving residents in the allocation of a pool of public funds which has been made available for this purpose by local authorities.

The decision-making procedure involved in participatory budgeting should be adapted to the local context. However, no agreed-upon solutions or templates have been developed in Poland. Some local governments place no restrictions on the creativity of submissions in their participatory budgeting rules. In such cases, residents can submit ideas pertaining to all areas which are within the purview of the municipality. Some local governments do make use of restrictions, prohibiting the submission of 'soft' projects. This means that their participatory budget funds can only be spent on infrastructural projects. Certain local governments decided that their participatory budgeting programmes should encompass their entire municipalities. This group involves local governments whose budgeting programme encompasses a territory divided into auxiliary territorial units, such as districts or neighbourhoods (in cities). The most numerous group of local governments is the one in which the residents can submit ideas pertaining to the entire city and their immediate surroundings. At the same time, the majority of local governments makes use of such conditions as restrictions on age residence registration, legal capacity and place of residence. The procedures used to assess and select projects also vary (Bigoszewski, 2017).

Participatory budgeting offers great benefits to municipalities, thus serving a number of fundamentally important functions, including (Gajewski, 2018):

- a) shaping function, from the perspective of which participatory budgeting is viewed as a decision-making process – residents shape a portion of the budgetary expenses of their local government,
- b) participatory function, which offers interested residents an opportunity to become involved in the decision-making process and indirectly participate in management in accordance with local rules,
- c) information function, rendering a municipality's financial policy more transparent to residents,
- d) educational function, as residents are taught to make conscious decisions and take responsibility for public property.

In Poland, participatory budgets are financed from the budget of the municipality in question. Participatory budgeting was made mandatory in county-level cities in 2019 as part of the Act on municipal governments (Journal of Laws 1990 no. 16 item 95). Polish law places no upper financial limit on such projects, but the minimal amount must not be lower than 0.5% of the municipality's total expenditures as submitted in the municipality's last

⁴ In this article, the terms participatory budgeting and civic budgeting are used interchangeably. In many municipalities, including the city of Przemyśl, civic budgeting is used more frequently.

budget statement. (Act of 8 March 1990 on municipal governments, Art. 5). As part of participatory budgeting, residents participate in a direct annual vote on how to allocate a portion of their municipality's budgetary expenses. The initiatives selected as a result are then incorporated into the municipality's budget resolution. When working on the budget resolution, the municipality may not remove or introduce material changes to any project selected by way of participatory budgeting. Participatory budgeting entrusts the residents of a city with the right to decide on the allocation of a portion of the municipal budget on projects which they consider to be of major importance (Musiał-Malago, 2022).

Participatory budgeting reflects the latest trends in public administration, most importantly public governance, as its mechanisms facilitate the effective and rational allocation of public funds thanks to public oversight of the way these funds are utilised, as well as the related public responsibility of local government leaders (Górka, 2017).

3. RESEARCH METHOD

Przemyśl is a county-level city situated on the River San in Podparkackie Province in south-eastern Poland. Before 1998, Przemyśl was the capital city of Przemyskie Province. According to Statistics Poland, as of 31 December 2021, Przemyśl had 57,568 residents.

Participatory budgeting was originally introduced in Przemyśl in 2013. Due to the fact that no country-wide model exists for implementing participatory budgeting in cities, the process of its introduction was adapted to the needs of the residents.

The project submission and voting stages in the assessed period were preceded by information and promotional campaigns. The most frequently used channels and tools of public communication were posters, fliers, brochures, advertisements on buses, on-line and social media advertisements (advertising spots), press advertisements, text messages encouraging residents to vote, as well as Q&A meetings on participatory budgeting attended by the City Council, Housing Development Management members and interested residents. These meetings were usually hosted in the City Hall or the administration buildings of individual housing developments.

The interview conducted with City Hall staff indicates that the officials are aware of the importance of informing the residents, as it has a tremendous impact on the difficulty of democratic dialogue and political discourse. They also emphasise that participatory budgeting has been highly beneficial to the City Hall and the city itself. The most salient result was an improvement of the image of the local public administration. Residents place more trust in the City Hall employees and are more understanding, in addition to a consistent increase in community awareness.

The process of implementing every edition of participatory budgeting is defined in the relevant orders of the Mayor of Przemyśl and resolutions of the Przemyśl City Council. Information regarding every edition of participatory budgeting is published on the city's website (www.przemysl.pl) in the CIVIC BUDGET tab, on Facebook via the profile 'Przemyski Serwis Informacyjny', as well as in local press outlets.

During the first few editions of the civic budget (1st through 3rd), projects could be submitted by those residents of the city who were eligible to vote on the day of submission, meaning those above the age of 18. In later editions (4th through 6th), projects could only be submitted by Development Managements, with 7th edition constituting a return to resident submissions. In addition, from 2020, those interested in submitting a project were required to gain the support of a sufficient number of residents (30 residents supporting their project). Table 1 and figure 1 list the number of submissions which were voted on and the number

of submissions approved for implementation as part of the Przemysł civic budgeting programme.

Table 1. Number of projects submitted, voted on and selected for implementation as part of the Przemysł civic budgeting programme

Years	Projects submitted total	The number of submissions projects which were voted	Projects approved for implementation	Projects approved but not implemented
2013	47	18	4	0
2014	30	20	6	0
2015	33	19	5	0
2016	27	27	27	0
2017	29	28	27	0
2018	35	34	32	0
2019	58	50	37	0
2020	105	75	37	4
2021	85	60	32	0
2022	73	58	41	0

Source: own study based on: www.przemysl.pl; <https://bip.przemysl.pl/55177/budzet-obywatelski.html>; <https://przemysl.naszemiasto.pl/>

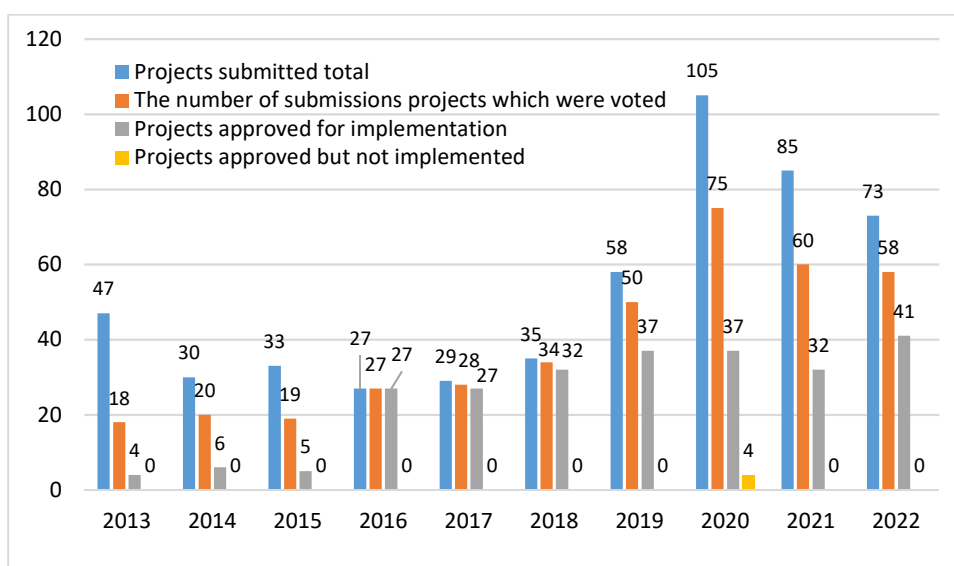


Fig. 1. Projects submitted as part of the Przemysł civic budgeting programme between 2013 and 2022

Source: own study based on: www.przemysl.pl; <https://bip.przemysl.pl/55177/budzet-obywatelski.html>; <https://przemysl.naszemiasto.pl/>

The number of projects submitted to the Przemyśl City Hall between 2013 and 2022 varied. The most projects (105) were submitted in 2020, while the fewest (27) were submitted in 2016. Despite the high number of submissions, only a portion was approved for being voted on. A verification committee was appointed to reject projects on formal and content grounds, due to their technical unfeasibility or because they were submitted after the deadline. The number of projects accepted for implementation differed between the editions, and was contingent on the amount of funding allocated to the individual projects. The COVID-19 pandemic had little impact on the projects submitted as part of the Przemyśl civic budgeting programme. The year 2020 was the sole exception to this, with four projects classified as belonging to the 3rd category ('soft' projects) being postponed until a later date.

The article contains a categorisation of all projects approved for implementation in every edition of the civic budgeting programme. In the case of the first three editions, the funds were not classified according to the type of project or area. After calculating and summarising the estimated costs, the projects with the most resident support were approved for implementation. In later edition, namely 4th, 5th and 6th, projects could only be submitted by Neighbourhood Managements. The funds were divided in accordance with the number of residents in each neighbourhood, although 6th edition was different in that the rules for the 2019 edition of the Przemyśl civic budgeting programme stated that 10% of the amount allocated to a given neighbourhood could be spent on social, cultural, educational or sports-related projects (known as soft projects).

From 2019, civic budgeting projects could be submitted as part of one of three categories:

- 1) 1st category – urban infrastructure construction and modernisation. These were projects which satisfied the needs of residents regardless of their place of residence due to their nature and impact.
- 2) 2nd category – housing development infrastructure construction and modernisation.
- 3) 3rd category – social, cultural, educational and sports-related projects.

Table 2 contains a distribution by category of the projects approved for implementation.

Table 2. Distribution by category of the projects approved for implementation as part of the Przemyśl civic budgeting programme

Years	Projects approved for implementation*	1 st category	2 nd category	3 rd category
2013	4	4	0	0
2014	6	6	0	0
2015	5	5	0	0
2016	27	0	27	0
2017	27	0	27	0
2018	32	0	32	0
2019	37	3	22	12
2020	37	4	21	12
2021	32	2	18	13
2022	41	6	21	14

* Projects voted on in a given year which were implemented in the following year.

Source: own study based on: www.przemysl.pl; <https://bip.przemysl.pl/55177/budzet-obywatelski.html>; <https://przemysl.naszemiasto.pl/>

The data contained in table 2 demonstrates that the number of 1st-category projects approved for implementation varied between 2 in 2021 to 6 in 2014 and 2022, with the selected projects focusing on technical infrastructure. The highest number of projects submitted by residents pertained to individual housing developments. Their focus was on the development of both technical and social infrastructure. There was an increase in the number of 3rd-category submissions (only soft projects), which were voted on in 2019 but implemented in 2020.

Due to a lack of uniform criteria of classifying the projects submitted in the analysed period into the three categories, this paper only analyses the period from 2019 through 2022.

Table 3. Categorisation of submissions into hard and soft projects

Years	2019	2020	2021	2022
Projects approved for implementation – total	37	37	32	41
1) 1 st category	3	4	2	6
2) 2 nd category, including:	22	21	16	21
- technical infrastructure	13	13	8	14
- social infrastructure	9	8	8	7
3) 3 rd category, including:	12	12	13	14
- social projects	2	1	1	0
- cultural projects	4	5	7	10
- educational projects	2	2	2	1
- sports-related projects	4	4	3	3

Source: own study based on: www.przemysl.pl; <https://bip.przemysl.pl/55177/budzet-obywatelski.html>; <https://przemysl.naszemiasto.pl/>

A detailed assessment of the ‘winning’ projects in every category provides insight into resident preferences regarding the projects selected, as well as the shifts in these preferences across the various editions of the civic budgeting programme. An analysis of the data contained in table 3 demonstrates that the 2nd category is dominated by hard projects focused on technical infrastructure development. These projects primarily pertained to the alteration and modernisation of main traffic routes, including pedestrian and bicycle routes, as well as the construction and expansion of parking and recreation facilities and lighting. Social infrastructure projects primarily involved the construction and upgrading of playgrounds and outdoor gyms, as well as the modernisation and better equipment for public parks. The 3rd category consisted of social, cultural, educational, as well as sports and recreation-related projects. The projects which were the most popular among the residents of Przemysł were those related to culture (theatre performances, film screenings, picnics and concerts), sports and recreation, although to a smaller degree compared to the former (bicycle races, tournaments, sports days and healthy lifestyle promotion).

The voting on individual projects was conducted electronically, as well as using traditional means in dedicated locations across the city. The total number of votes, share of voters to the total number of people eligible to vote as well as the number of invalid and electronic votes, is presented in table 4. In certain years, no detailed voting data was collected.

Table 4. Distribution of votes cast by the residents of Przemyśl

Years	Total number of votes	Share of voters to total number of people eligible to vote (%)	Number of invalid votes	Number of electronic votes
2013	8628	13,6	b.d	b.d
2014	16888	26,3	b.d	b.d
2015	9514	15,1	b.d	b.d
2016	b.d	-	b.d	b.d
2017	b.d	-	b.d	b.d
2018	b.d	-	b.d	b.d
2019	10955	17,9	b.d	b.d
2020	19612	33,5	1332	9766
2021	21132	36,7	1332	5 977
2022	20595	36,1	1158	4 673

Source: own study based on: www.przemysl.pl; <https://bip.przemysl.pl/55177/budzet-obywatelski.html>; <https://przemysl.naszemiasto.pl/>

From 2013, a gradual increase in the number of voters could be observed. The number of voters in 2022 was higher by approximately 138,7% compared to 2013. The percentage share of voters in relation to the total number of people eligible to vote increased from 13.6% in 2013 to 36.1% in 2022. This increase in voter turnout indicates that the residents of Przemyśl are more interested in how their space is managed, and want to co-decide on how public funds should be spent. In 2020, the number of votes cast electronically was markedly higher due to the pandemic, with on-line votes constituting nearly half of all votes cast.

In the case of every year analysed, the resolutions of the Przemyśl City Council specified the schedule and amount of funding available for allocation to public projects as part of the civic budgeting programme. The ultimate amount of funding allocated to projects was subject to change by the Przemyśl City Council, as specified in the city's budget resolution. The funds made available by the municipality for civic budgeting came entirely from the municipal budget – the civic budget structure prevents submission authors from contributing their own funds, or the utilisation of funds from any other sources. The amount of funding allocated to the Przemyśl civic budgeting programme is presented in table 5 and figure 2.

The amount of funds allocated to the Przemyśl civic budgeting programme has been gradually increasing since 2014. In 2018 and 2019, the total amount of utilised funds was similar to the total available pool. From 2015 to 2017, the final cost of the projects was slightly higher than the planned budget. In 2021, on the other hand, the actual implementation costs were significantly lower than estimates based on previous years. However, it is important to note that this was influenced by the pandemic. Although a change introduced to Polish law in 2019 set the minimum amount at 0.5% of the municipality's total expenditures based on the municipality's last budget statement, this did not affect Przemyśl.

Table 5. Amount of funding granted to the Przemyśl civic budgeting programme

Years	Amount of funds, which the commune planned to allocate for the implementation of projects selected by the residents (in PLN)	Amount of funds actually allocated (in PLN)	Participation of the civic budget in the municipality total expenditures (%)	Amount of civic budget funding per resident of Przemyśl (in PLN)
2013	-	-	-	-
2014	1.000.000,00	788.235,97	0,21	12,43
2015	1.500.000,00	1.515.364,19	0,44	24,20
2016	1.500.000,00	1.541.289,64	0,46	24,80
2017	1 665 103,00	1.665.353,54	0,19	26,94
2018	1 703 676,00	1.630.255,81	0,16	26,62
2019	1.950.000,00	1.895.048,12	0,48	31,23
2020	1.960.000,00	1.731. 836,46	0,41	29,55
2021	2.260.000,00	1 046. 146,65	0,23	18,17
2022	2 100 000,00	1 816 856,00	0,36	31,87

Source: own study based on: www.przemysl.pl; <https://bip.przemysl.pl/55177/budzet-obywatelski.html>; <https://przemysl.naszemiasto.pl/>

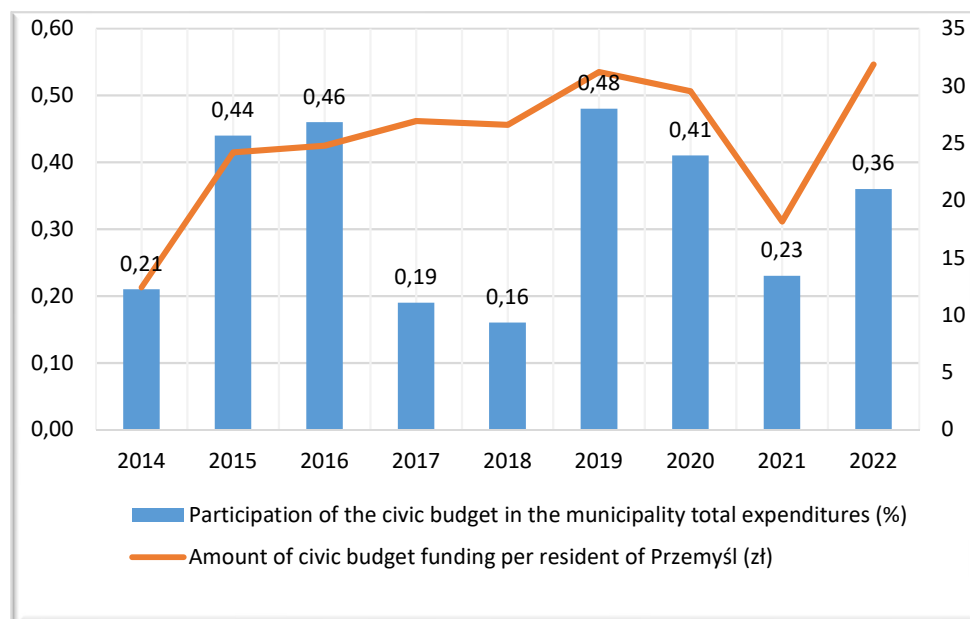


Fig. 2. Share of the civic budget as part of the Przemyśl municipal budget and the amount of funds per resident

Source: own study based on: www.przemysl.pl; <https://bip.przemysl.pl/55177/budzet-obywatelski.html>; <https://przemysl.naszemiasto.pl/>

An analysis of the amount of civic budget funding per resident of Przemyśl (Table 5) demonstrates that the amount varied between PLN 12.43 in 2014 to PLN 31.87 in 2022. This means that it gradually increased in the analysed period (with the exception of 2020 and 2021).

4. CONCLUSIONS

Challenges faced by local governments drive managers and local administration employees to increasingly make use of methods facilitating their functioning. One such method is the active involvement of local communities in public life, as resident engagement in local decision-making has for many years been underutilised in Poland. Offering citizens opportunities for active participation in decision-making processes is becoming a sign of the times, and such values as local-level social dialogue and effective local co-governance are becoming a fundamental element of public management (Ostałkiewicz, 2015; Rachwał, 2018; Roberst, 2004).

A key instrument of involving residents in the development of cities and fostering community awareness is civic budgeting. Since its inception in 2013, the Przemyśl civic budgeting programme has resulted in the implementation of approximately 244 projects whose total value is nearly PLN 14 million. In the analysed period, the number of projects submitted by the residents, as well as the number of voters, was observed to steadily increase. This indicates that the local community is becoming more involved in the life of the city. A rise in community awareness and the need to organise and cooperate could be observed. The overarching goal of the project, which was to increase citizen engagement by encouraging them to participate in public life and co-decide on the allocation of public funds, has thus been achieved.

The majority of the projects selected by the residents involved the construction or modernisation of technical infrastructure, although with a recent increase in the number of soft projects. The latter are dominated by projects related to culture, sports and recreation. This reflects the needs of the Przemyśl community, which would like its environment to be a good place to live.

The results of the study can find application in facilitating the functioning and management of local administration offices. Examples of this are the selection of effective forms and instruments of social participation, implementing organisational efforts and even forcing certain changes, including institutional changes. The data may serve as the basis for pursuing an effective public policy, including the development of appropriate strategic programmes and projects. It is important that civic budgeting becomes a legitimate form of collaborative decision-making for residents and local authorities, facilitating the identification of important needs of residents, and fostering in them a sense of responsibility for the common good.

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