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Participatory Budgeting as a Form of Direct Democracy at the Local Level

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Abstract

The paper discusses participatory budgeting as one of the institutions of direct democracy and a form of co-decision of residents in the process of spending public funds at the disposal of local government units. Its essence is the activation of citizens, building trust and cooperation between the authorities and the inhabitants, as well as the implementation of the principles of equality and social justice. The significance of the participatory budgeting as a new form of influence on the decisions of the local government apparatus is not so much about ensuring citizens participation in managing public finances as it is primarily about education and increasing public awareness in the area of democratization of local government. The participatory budgeting in Poland was considered in the view of models of democracy: direct, representative (conventional) and participatory.

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Streszczenie**Budżetowanie partycypacyjne jako forma demokracji
bezpośredniej na poziomie lokalnym**

Celem artykułu jest prezentacja budżetu obywatelskiego, jako jednej z instytucji demokracji bezpośredniej i instrumentu współdecydowania mieszkańców w procesie wydatkowania środków publicznych, znajdujących się w dyspozycji jednostek samorządu terytorialnego. Jego istotą jest aktywizacja obywateli, budowanie zaufania i współpracy władz z mieszkańcami oraz realizacja zasad równości i sprawiedliwości społecznej. Znaczenie budżetu partycypacyjnego, jako nowej formy wpływu na decyzje aparatu samorządowego, polega bowiem nie tyle na zapewnieniu obywatelom udziału w dysponowaniu finansami publicznymi, co przede wszystkim na edukacji i zwiększaniu świadomości publicznej w obszarze demokratyzacji rządów na poziomie lokalnym. W zakresie omawianej problematyki przeprowadzono rozważania na temat modeli demokracji: bezpośredniej, przedstawicielskiej (konwencjonalnej) oraz partycypacyjnej (uczestniczącej), lokując na ich tle implementację budżetu partycypacyjnego w Polsce.

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I. Models of Democracy

Basic forms of exercising power in the state include i.e. direct and representative democracy. Currently, representative solutions tend to play a greater role primarily due to the size of the state, its population and the level of complexity of public affairs. In specific conditions they are actually supplemented with various forms of direct democracy, which allow the sovereign to express his will in an act of self-determination, since – as J.J. Rousseau wrote – even if power can be temporarily transferred to representatives, the will (sovereignty) always is with the people². Generally, these mechanisms do not play a significant role in the process of exercising power.

Direct democracy, derived from the Greek tradition, is the prototype of all models of democracy. Based on the participation of citizens in public life,

² J. J. Rousseau, *Umowa społeczna*, [in:] *Historia idei politycznych. Wybór tekstów*, ed. S. Filipowicz, Warsaw 2012, p. 473.

the most important decisions in the Athenian model were taken by citizens by universal suffrage without the participation of representatives or representative “transmission belts”³. Hence, they could influence decisions taken at both national and local levels. The fact that the ancient democracy operated in a relatively small area and decisions in public matters were made by a small population which facilitated this model. The small state was culturally and morally homogenous. People felt their closeness and interdependence. The state was a real being realized during the deliberations of representative bodies. It operated independently⁴.

In their works 17th and 18th century philosophers considered democracy referring to its ancient concept. Montesquieu emphasized that a democratic (or aristocratic) system based on virtue, modesty and a sense of equality can only be applied in small countries⁵. Jean-Jacques Rousseau believed that it assures the authentic sovereign rule of the nation. However, its proper functioning requires participation of every citizen in the creation of the law to which everyone would be subjected to: “Any law which the people do not recognize in themselves is invalid, it is not a law at all”⁶. According to Rousseau, citizens should be able to gather and participate in the decision-making process to be fully sovereign.

Alexis de Tocquville saw the essence of democracy in a combination of freedom and equality. Analyzing American democracy, he focused particularly on the municipalities which he regarded “schools of freedom”. He believed that the municipalities taught people how to practice freedom and use it. They lacked an institution of representation, because persons performing public functions acted strictly according to the assembly instructions. The wide range of functions and tasks of the commune meant that the greatest possible number of people was interested in public affairs⁷. Spatial and cultural proximity facilitated identification with the local community.

³ G. Sartori, *Teoria demokracji*, Warsaw 1994, pp. 145–146.

⁴ P. Śpiewak, *Demokracja partycypacyjna*, “Wiedza i Życie” 1997, No. 3, <http://archiwum.wiz.pl/1997/97033300.asp> (5.02.2019).

⁵ A. Sylwestrzak, *Historia doktryn politycznych i prawnych*, Warsaw 2013, pp. 197–198.

⁶ J.J. Rousseau, *op.cit.*, p. 480.

⁷ P. Śpiewak, *op.cit.*

Expansion of the state caused interdependence of municipalities and other administrative units, hence their full autonomy was no longer the case. Thus, the ideal of direct democracy could not be fully implemented. Currently, the system of representative democracy includes only elements of direct democracy in the form of a nationwide and local referendum, people's veto, people's assembly, plebiscite, recall, legislative initiative, appellation of sentence⁸ and social consultations. However, according to Sartori, when implemented, they miss a significant feature of direct democracy – the directness of mutual interactions. Therefore, Sartori claimed democracy through the referendum should be distinguished as a separate genre, not connected in any way with direct democracy.

According to Ralf Dahrendorf, direct democracy is a technical tool for solving collective problems and tensions, while respecting diversity of opinions, freedom of expression and different interests. Its meaning, however, does not amount to the method of establishing a government and legislature, nor the issue of protecting individual rights. Supporters of participatory democracy protest against it claiming that this position is a recipe for political alienation of citizens, dominance of large parties and centralization of the state. They emphasize that democracy is a fragile political system that can be destroyed by citizens who do not understand the essence of participation in public life. Its efficient functioning requires people who appreciate its value and are able to use it, they are politically mature citizens: active and endowed with a sense of shared responsibility for public good⁹. Arguments in favor of participatory democracy can be provided by the reflections of John Stuart Mill, who wrote that where people do not have a sense of collective interest, duty to the community, the habit of acting together for the sake of public good, only competition appears and there is no question of public morality¹⁰.

Participatory democracy can be considered a broader category of political participation than direct democracy. It does not only mean direct government exercised by the sovereign in the form of an electoral act, but is a set of measures by which citizens can influence decisions in the field of public au-

⁸ P. Uziębło, *Demokracja partycypacyjna*, Gdańsk 2009, p. 39.

⁹ P. Śpiewak, *op.cit.*

¹⁰ J. S. Mill, *O rządzie reprezentatywnym*, Kraków 1866, pp. 54–55.

thority¹¹. It is a compromise between the institutions of direct and representative democracy, serving primarily local communities¹². It consists in “personal participation, active and willing participation”¹³ of citizens in matters related to the local community, made possible by the growing public awareness and citizens’ interest in public affairs. Making such a culture of participation and collaboration a reality can increase the effectiveness of representative institutions and increase public acceptance of government actions, but requires that government respect such values as: dialogue, deliberation, consensus and the general good.

Civic activity is a key for the development of democracy. It prevents breaking of social bonds, passivity and choices caused by emotions and passions. Forms of bottom-up cooperation are also valuable because allow a kind of control of central authorities and the protection of freedom of initiative and self-government. The stronger the municipalities will be, the smaller the role of national bodies and politicians will be. When parties are in power, citizens lose a real sense of influence on public life, a state of tension arises between them and the political class, resulting in protests and loss of legitimacy. Participatory solutions also meet important psychological civic needs: rooting, belonging to the group and its integration, pride resulting from collective effort. Meeting these needs is necessary to build one’s own identity and local patriotism through tolerance, the ability to cooperate and compromise¹⁴, and thus allows to partially overcome the deficiencies of representative democracy. They are primarily: low public participation, low interest of citizens in politics, decrease in participation in elections, lack of confidence of voters in politicians and politics, orientation of public debate on the electoral effect, and not on solving problems¹⁵.

Participation is possible due to articulation and a sense of common interests and a direct impact on public affairs, and thus – in a broad sense – on all matters related to a given community, leading to their final settlement¹⁶.

¹¹ P. Uziębło, op.cit., p. 19.

¹² *Demokracja partycypacyjna w samorządzie lokalnym*, <http://www.samorzad.lex.pl/czytaj/-/artykul/demokracja-partycypacyjna-w-samorzadzie-lokalnym/print> (5.02.2019).

¹³ G. Sartori, op.cit., p. 148.

¹⁴ P. Śpiewak, op.cit.

¹⁵ *Demokracja partycypacyjna...*

¹⁶ For defining a public matter, see: M. Jabłoński, *Rola i znaczenie instytucji demokracji bezpośredniej we współczesnym państwie*, [in:] *Instytucje demokracji bezpośredniej w praktyce*,

Therefore, citizens, social organizations and public administration should be involved in public life before making specific political decisions, so that the sphere of public management is shared. Such an approach would facilitate overcoming the deficiencies of democracy described in R. Dahl's works and also improve the quality of public affairs management. The value of participation is greatest where the administrative apparatus recognizes the desirability of solutions and participatory processes. As Piotr Uziębło emphasized: "the level of bureaucracy in the state is inversely proportional to the level of citizens' involvement in the processes of making socio-political decisions"¹⁷. The higher the degree of citizens' participation in public life, the stronger the process of legitimizing public authority and the higher the degree of democracy of the system.

II. Participatory Budgeting as a Modern Form of Direct Democracy

An example of involving citizens in the co-decision process at the local level is the participatory budgeting procedure. It is a form of deliberative participation, like other solutions applicable in Polish conditions: a deliberative survey (deliberative determination of public opinion preferences)¹⁸ or youth involvement in the life of communities (e.g. youth city councils)¹⁹. In addition to the forms indicated, it is also possible to introduce electronic social consultations at the local level (e.g. when voting on projects submitted within the civic budget), expand the scope of direct consultations (including referendums), and increase citizens' access to public information, e.g. during city meetings or open space conferences. The use of all indicated institutions, to a greater or lesser extent, involves the use of Information Technology.

The term "participatory budgeting", also colloquially referred to as "civic budget", is understood as a procedure involving the inclusion of resi-

eds. O. Hałub, M. Jabłoński, M. Radajewski, Wrocław 2016, pp. 14–15. Definitional doubts in relation to direct democracy are thoroughly explained by P. Uziębło, *op.cit.*, pp. 13–17.

¹⁷ P. Uziębło, *op.cit.*, p. 263.

¹⁸ A. Kubiak, A. Krzewińska, *Sondaż deliberatywny – inwentarz problemów*, "Przeгляд Socjologiczny" 2012, No. 61/1, pp. 9–30.

¹⁹ *Demokracja partycypacyjna...*

dents in the disposal of a part of public funds allocated from the budget of a specific local government unit. However, it is not limited to voting on the most purposeful way of spending a separate pool of public money, but means involving residents in a multi-stage process in which public debate plays a particularly important role. Therefore, it is an important solution for the development of civil society and building social capital. The participatory budgeting is implemented in cities, while in the village councils its equivalent is the village council fund, which was separated as part of the commune's budget.

The participatory budgeting is a relatively new form of public participation. It was first implemented in the Brazilian city of Porto Alegre in 1989²⁰. Soon, this procedure was applied in South America, Africa, Asia, as well as in Europe, where in 2000–2010 it covered i.e. France, Spain, Great Britain, Italy, Germany and Bulgaria. Within this period of time, the number of cities using this procedure increased to over two hundred²¹. In 2011, the idea of participatory budgeting was implemented for the first time in Poland, in the city of Sopot, where less than 1% of the city budget was assumed to be spent as part of the civic budget.

Allowing residents to decide on the allocation of municipal funds is not based on separate and direct legal provisions. The procedure for preparing the budget of local government units is the sole competence of the municipality board, which is not obliged to agree with the residents. The possibility of participatory budgeting results indirectly from applicable acts, including Local Self-Government Act of March 8, 1990, authorizing public consultations in cases provided for by the Act and in “other matters important for the

²⁰ A. Rytel-Warzocho, *Partycypacja społeczna w sprawach budżetowych. Model Porto Alegre jako pierwowzór rozwiązań europejskich*, “Przegląd Prawa Konstytucyjnego” 2010, No. 1, pp. 93–102.

²¹ The participatory budgeting has spread throughout Latin America, Great Britain, France, Germany, the Netherlands and Spain. Special legislative reforms were introduced in these countries to increase the participation opportunities of residents. M. Burchard-Dziubińska, *Budżet obywatelski jako partycypacyjna forma współzrządzenia*, “Studia i Prace Wydziału Nauk Ekonomicznych i Zarządzania” 2014, vol. 2, No. 37, pp. 201–202. This procedure is also increasingly popular in the countries of Central and Eastern Europe. A. Fölscher, *Participatory Budgeting in Central and Eastern Europe*, [in:] *Participatory Budgeting*, ed. A. Shah, Washington, D.C. 2007, pp. 127–147.

commune²², i.e. on budget issues, as well as on the Public Finance Act²³. Detailed rules and procedure for consultation should be determined by the appropriate resolution of the commune council. This means that the participatory budgeting procedure may differ in individual municipalities due to the different social, political and economic situation, although usually the following stages can be distinguished: 1. preparation phase (decision to start the procedure, preparation of the rules (regulations) of the process, adopting the proper resolution by the commune or city council, information and promotion campaign), 2. phase of submitting projects to the participatory budget, 3. verification and pre-selection of projects, 4. discussion on projects, 5. voting – selection of projects to be implemented, 6. monitoring and evaluation of the procedure.

The decision to introduce a participatory budgeting is taken by the municipal authorities, who are the organizers, coordinators and contractors of the whole process. They have to decide what purpose is the procedure aimed at, at what administrative level it will be introduced, how much the city can spend on it and whether they intend to continue this mechanism in the future. Starting the process is possible by using one of two procedures: 1. issuing an ordinance on conducting public consultations on the participatory budgeting by the executive body of the territorial unit (e.g. the first draft budget in Sopot), 2. adopting a resolution by the commune council regarding the implementation of the civic budget (e.g. budget in Rzeszów, Toruń, Gdańsk)²⁴. The resolution of the commune council or city council determines the pool of funds allocated for the implementation of projects submitted to the civic budget²⁵, rules for participation and the process of submitting, verifying and selecting projects proposed by residents along with the schedule. However, it does not introduce thematic restrictions, excluding formal and legal criteria (projects submitted must fit within the tasks of the commune and district

²² Article 5a of the Act on commune self-government of March 8, 1990 (Dz.U. 2017, item 2232).

²³ Act on public finances of August 27, 2009 (Dz.U. 2013, item 885).

²⁴ R. Gawłowski, *Jak uchwalić budżet obywatelski?* Infor.pl, <http://samorzad.infor.pl/sektor/finanse/budzet/703666,Jak-uchwalic-budzet-obywatelski.html> (20.05.2019).

²⁵ The amount allocated to the implementation of the civic budget should not change in the course of the proceedings, but it can be changed in the next budget cycle.

self-government – in the case of cities with district rights), allowing for a variety of initiatives (infrastructure, cultural and social projects).

It is assumed that the first year of implementation of the participatory budgeting has pilot character, which means that the adopted solutions are still being tested and may be subject to changes. However, the budget itself should be binding on the authorities and be repeatable, and therefore implemented in subsequent years as a permanent element of city management. These features are emphasized because of the educational value of the undertaking, serving to build an engaged society and strengthen public participation. At the same time, however, as Jarosław Skowrya noted the lack of regularity does not mean that the procedure cannot be defined as a participatory budgeting²⁶.

Entities authorized to submit projects to the civic budget may be: residents (acting alone or in groups, e.g. 15, 20, 25, 50 people), non-governmental organizations, auxiliary units of self-government bodies (e.g. community councils, district councils, village councils), or organizational units of communes (e.g. Municipal Water and Sewage Enterprise, hospitals and schools run by the commune). With regard to residents, local governments often introduce additional criteria for participation in consultations, such as having active voting rights, registration in a given commune, legal capacity, appropriate age (15, 16 or 18 years old), but they are increasingly being questioned²⁷. The requirement to submit a project by a group of citizens is aimed at eliminating random projects that do not have much social support, promotes the

²⁶ J. Skowrya, *Nowe formy demokracji bezpośredniej w systemie prawa polskiego*, "Przegląd Prawa Konstytucyjnego" 2016, No. 4 (32), p. 115; A. Kuriata, *Budżet partycypacyjny jako przejaw demokracji uczestniczącej w samorządzie lokalnym*, [in:] *Województwo-region – regionalizacja. 15 lat po reformie terytorialnej i administracyjnej*, ed. J. Korczak, Wrocław 2013, pp. 36–37.

²⁷ The restriction of voting due to age was questioned by the Podkarpackie Governor in 2017 in relation to the draft resolution of the Rzeszów City Council regarding the civic budget for 2018. Previously, i.e. in the years 2014–2017, residents aged 16+ participated in the vote, from 2017 – all residents of the commune, regardless of age. A. Kulczycka, *Nowy budżet obywatelski postawiony na głowie*, wyborcza.pl, <http://rzeszow.wyborcza.pl/rzeszow/7,34962,21660804,nowy-budzet-obywatelski-postawiony-na-glowie.html> (9.02.2019). The same solution was introduced in 2017 in Lublin. See: D. Smaga, *dziennikwschodni.pl*, <http://www.dziennikwschodni.pl/lublin/nawet-niemowle-bedzie-moglo-glosowac-w-budziecie-obywatelskim-lublina-takie-jest-prawo,n,1000198003.html> (9.02.2019). There are also no age restrictions in Warsaw, Szczecin and Sanok. The changes result from the wording of the Act on municipal self-government, which does not provide for age restrictions for participants of public consultations.

dissemination of knowledge about the procedure, and – in a way – forces the need to meet with other residents, facilitating building of trust and social ties.

At the stage of project verification and preselection, the compliance of the proposals submitted by residents with the competences of the commune and district, as well as the place and real possibilities of their implementation within one financial year are considered. These decisions are usually taken by teams set up for this purpose, usually consisting of local government officials, local councilors, representatives of non-governmental organizations and experts. Unfortunately, according to Wojciech Kębłowski's research, nearly 80% of participatory budgets did not include in the commission or opinion teams of residents' representatives²⁸. Both the composition of the team and the criteria for assessing applications should not raise doubts as to the formal, legal and technical nature of the assessment. Positively verified proposals are then placed on ballot papers.

The next stage of the civic budget proceeding is the popular voting of residents, held in a traditional way (during resident's meetings, by put ballots into the ballot boxes located in different locations of the city or by sending them by mail) and via the Internet (via the office's website or via sending cards to an official email address). It should last a few days, so as to enable all interested parties to express their opinion on the proposals submitted and take place in various locations around the city, located outside the office (e.g. in libraries, schools, shopping centers, etc.)²⁹. The results of voting should be binding and the implementation process of selected investments monitored.

III. Conclusions

Participatory budgeting refers to a part of financial resources separated within the budget of the local government unit, intended for the implementation of projects notified by local groups, which are then verified and implemented by local government. It is an instrument of direct democracy, which undeniable advantage is allowing the residents to decide on certain local matters, but it should be remembered that responsibility for the rational and effective

²⁸ W. Kębłowski, *Budżet partycypacyjny. Ewaluacja*, Warsaw 2014, p. 28.

²⁹ D. Kraszewski, K. Mojkowski, *Budżet obywatelski w Polsce*, Warsaw 2014, pp. 4–27.

spending of public funds under implemented social projects remains invariably on the side of the authorities. Therefore, it is not so much a tool of decision as a social consultation, in fact it only creates the appearance of co-decision, although its positive effects can be: rationalization of public expenditure, building social capital and creating local cross-sectoral partnerships. In the light of these observations, the civic budget, according to the theory of G. Sartori, can be considered as an element of conscious involvement of citizens outside electoral processes. By including them in active participation in city management, it facilitates dialogue and trust between the authorities and emerging civil society, as well as effectively meet the needs of citizens. Currently, its effectiveness is largely associated with the use of modern technologies. The systematic increase in the number of voters via the Internet and the growing number of young people involved in decision-making processes allow to draw positive conclusions about the future of civic involvement and changing the philosophy of the city's functioning in which residents can become real partners of government bodies.

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