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PLEBISCITE MODEL OF PARTICIPATORY BUDGETING AND PUBLIC VALUES IN POLAND¹

Abstract

The purpose of this article is to conduct an axiological and legal analysis of the most popular model of participatory budgeting in Poland (the plebiscite model), being a special form of public consultation that allows the residents to decide each year on a part of the commune's budget expenditure by direct voting. According to the paper's hypothesis, both the PB legal rules as well as the practice of its application in Poland are not axiologically neutral, which means that they have a positive or negative impact on certain public values, appropriately strengthening or violating them. In the research, the combination of three coherent methods was used: (i) a literature analysis, (ii) the dogmatic and legal method, and (iii) interviews conducted with three groups of PB participants, i.e. municipal officials responsible for the organization of PB procedure, municipal councillors, and residents. The research covers six Polish cities and bases on a catalogue of nodal public values including: human dignity, sustainability, citizen involvement, openness, secrecy, compromise, integrity, and robustness. The research leads to the conclusion that the plebiscite BP in Poland is not axiologically neutral, its rules have both a positive and negative impact on particular nodal public values, however the scale of negative impact is greater than the scale of the positive one.

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1. Introduction

The main characteristic of the democratic system consists of electing the citizens' representatives to make public decisions, not in their private interest but the public one. In the Polish legal system, it is expressed by Article 1 of the Polish Constitution of April 2, 1997, stating that the Republic of Poland is the common good of all citizens. The protection of the common good requires taking the appropriate decisions on the allocation of public money and the properly constructed budget. In consequence, protecting this constitutional value requires the appropriate financial policy, understood as the conscious and intentional activity of persons and institutions involved in setting and implementing specific goals through financial means and specific actions [Ruśkowski 2006: 37]. Thus, public financial funds and their appropriate spending serve to protect the common good [Ruling of Constitutional Tribunal of Poland of November, 24th 2009].

The people's rules, in the classical form, consist of electing citizens' representatives to make public decisions. However, a problem arises as the citizens' participation is mainly limited to voting, when "each individual endures being bound, because he or she sees that it is not a man or a class, but the people itself that holds the end of the chain. In this system, the citizens emerge for a moment from dependency in order to indicate their master, and return to it" [Tocqueville 2010: 1255]. The illusory contacts between the citizens and the politicians, the separation of ownership and control, result in the principal-agent problem [Jensen, Michael 1976: 305]. The separation of ownership and control causes serious conflicts of interests, as the politicians (agents) chosen (employed) by the citizens (principal) do not always act in the interests of the latter, but seek to realize their own needs, e.g. keeping power or obtaining financial benefits [Alan, Grillos, Andersson 2020: 75], thus the principal' moral hazard problem appears (Miller and Whitford, 2006).

To resolve these axiological deficits of democracy S. Arnstein [1969] proposes the participation of "the governed in their government", arguing that citizens climbing the eight ladder rungs of participation can gain control over public decisions. B. Damgaard and J. M. Lewis [2014: 263], using Arnstein's steps, proposed to build five levels of participation in accountability that increase citizens' awareness and control. Leading to joint ownership would overcome the moral hazard problem.

The most widespread instrument of public participation in the world is participatory budgeting (PB). It has been calculated that in 2018 over 7.000 cities (municipalities) worldwide used it [Dias, Júlio 2018: 20]. PB means “a year-long decision-making process through which citizens negotiate among themselves and with government officials in organized meetings over the allocation of new capital spending on public work projects, such as health care clinics, schools, and street paving” [Wampler 2008: 63]. Proponents of the PB convince that it empowers residents to vote on local public projects and other activities, laud its potential to democratize budgeting enhancing transparency and accountability, but others point to the ease with which organized groups sometimes capture the process to serve their private, narrow interests [OECD 2019: 28]. If PB is driven too far by political pressure groups, it results in the fragmentation of the budget process, paralysis of decision making, and inefficient delivery of basic services [Allen, Hemming, Potter, 2013: 8]. Scholars have also noted that increased participation does not necessarily guarantee more inclusive and equitable decision-making [Pape, Lim 2019: 863]. PB is of particular interest to local government units (LGUs) in Poland, as although the complete comparative data are lacking, it is probably the country where PB has developed on the widest scale among the whole of Europe [Sintomer, Röcke, Herzberg 2016: 23; Lotko 2019: 177-178]. PB has become here of particular interest even before the central PB legislation of 2018 entered into force, applicable toward the local budgets for 2020. So far, PB has been implemented by 385 Polish LGUs, which means 13.7% of them [Zawadzka-Pąk, Tomášková 2019: 167]. In more detail, this instrument was used in 50% (8 out of 16) voivodships (the highest level of local government in Poland), in 2% (in 5 out of 314) departments (the second level), in 67% (i.e. in 207 out of 302) urban communes, in all 66 communes (cities) with department status, in 33% (i.e. in 207 out of 628) urban-rural communes. On the other hand, PB was not used in any of the 1,548 rural communes [Zawadzka-Pąk 2020: 287].

To verify if PB can limit the moral hazard problem resulting from the principal-agent problem, it should be established whether this instrument of participatory democracy is axiologically neutral or not. Given the above, the research question was formulated in the following way: are PB legal regulations in Poland axiologically neutral? According to the adopted hypothesis, both the PB legal rules as well as the practice of its application in Poland are not axiologically neutral, which means that they have a positive or negative impact on certain public values, appropriately strengthening or violating them. To structure the axiological analysis, the catalogue of nodal public values was used, reconstructed by T.B. Jørgensen and B. Bozeman [2007] from approximately 230 studies dealing with public

values. The nodal public values are the values with large numbers of related values, that appear to occupy a central position in a network of values. Its catalogue comprises human dignity, sustainability, citizen involvement, openness, secrecy, compromise, integrity, robustness [Jørgensen, Bozeman 2007: 369-370].

The article used a combination of three coherent research methods, i.e. the analysis of existing data (literature analysis), the dogmatic and legal method, and interviews with the PB participants. This is because, the analysis of the very content of the law regulating the principles and procedure of PB, established by the central legislator, legislative, and executive bodies of local government units, is not sufficient to assess the effects (including the axiological nature) of PB functioning. Hence, the verification of the research hypothesis required going beyond the framework of strictly legal analysis, and therefore the use of not only the dogmatic and legal method but also sociological qualitative research (interviews). For this purpose, a questionnaire was constructed, based on which, in the period from July to October 2017, semi-structured, in-depth individual interviews were conducted. To get to know the point of view of various entities involved in PB, interviews in each city were conducted with: 1) an employee of the city office, 2) a city councillor and 3) a resident. Therefore, a total of 18 interviews were conducted, each of which lasted at least 60 minutes. Their written transcription was made based on recordings made with the consent of the respondents. The multiple case study covered a relatively homogeneous group of six communes (cities) i.e. Sopot, Gdańsk, Białystok, Kraków, Opole and Warsaw. Such a choice was made because PB in Poland is used, as above-mentioned, much more often in urban communes than in urban-rural communes, while it is not present in rural communes.

2. Legal Framework of PB in Poland

The first voting for PB projects in Poland took place in 2011. These projects were financed from the see resort Sopot's municipal budget for the financial year 2012. Till this time, the Polish LGUs, primarily cities, followed this example and implemented PB voluntarily, without legal obligation. In 2018 the central Parliament legally regulated PB, adopting the Act of January 11, 2018, amending Certain Acts to Increase the Participation of Citizens in the Process of Selecting, Functioning, and Controlling Certain Public Bodies. This Act amended inter alia the Act on Municipal Self-Government of March 8, 1990, that currently contain the legal definition of PB. According to this definition, PB means the special form of public consultations that allows the residents to decide each year on a part of the commune's budget expenditure by direct voting. This Act imposed on the

municipalities with the departments' rights (in practice the biggest cities) the obligation to implement PB and to allocate for this purpose at least 0.5% of municipal expenditure included in the last available budget execution report. It should be clarified that this method of determining the minimum amount of funds allocated to PB refers to the budget that has already been executed and the execution report is already available at the stage of determining the amount of PB funds. For example, for the PB funds extracted from the budget for 2018, the reference point is the amount of the expenditure of the budget for 2016. In practice, all the 66 Polish municipalities with department status had already voluntarily introduced PB before the Act entered into force.

The legal statutory framework of PB is not consistent regarding the obligation to respect the residents' will expressed in voting. On the one hand, the amended Act of March 8, 1990, stipulates that the tasks selected within the PB procedure should be included in the municipal Budget Act. However, when introducing the statutory regulation of PB, the national legislator simultaneously did not modify the provisions of the Act on Public Finance of August 27, 2009. Thus, according to its provisions, formally still the city mayors have the responsibility but also the right of the exclusive budget initiative, this means that they have the freedom to select and to plan in the Budget Bill any expenditure having the legal basis. The mayors need notwithstanding the authorization for spending, that is given in the form of Budget Act by local councillors, entitled to vote the amendments to the Budget Bill. However, the provisions of the Act of March 8, 1990 provide that the municipal council may not remove or change to a significant extent, tasks selected within the PB procedure. Like the mayors, exercising their responsibility, are not obliged to respect the residents' will at the stage of Budget Bill preparation, in practice, in extreme cases, when preparing the Budget Bill they may not include any of the projects selected by residents, or more often in practice, only some of them. It follows from the above that, on the one hand, the legislator tried to guarantee the rights of residents participating in the PB procedure, but on the other hand, he did not adjust the scope of legal responsibility for the preparation of the budget to the catalogue of entities participating in the budget procedure, extended to the residents. The legal responsibility for the budget preparation and execution rests on the mayor whereas the residents taking part in PB rest irresponsible.

The general statutory legal framework set out as described above is further detailed by the local provisions issued by the municipal councils and, if authorized, also by the local executive bodies (mayors). In practice, the PB procedure is very similar in all the Polish cities [Sześciło 2015: 381-382]. It looks as follows. The residents submit the set of the

written PB projects, supported by the other citizens' signatures (from several to several dozen signatures required per project, depending on the city), next the local civil servants verify the PB projects from the formal point of view, assessing if the realization of these projects will have the legal grounds. Subsequently, the PB applicants are incited to present their projects, however in practice very few people attend such "discussion meetings". Next, all interested residents chose the projects, in written and/or electronic voting, depending on the city. The mayor incorporates to the city Budget Bill the PB projects that gather the most votes and fit in the amount limit allocated to PB. Finally, the local council authorizes the mayor to execute the city budget, voting the Budget Act. Detailed solutions relating to individual stages of PB, in particular: project submission (requirement to submit a project description, its cost estimate, submission of a list of persons supporting the project), formal verification (composition of evaluation teams, verification criteria), voting method (traditional or Internet voting), the number of votes that can be cast, voting points and the implementation of tasks (including possible changes) most often result from the legal regulations of PB, less often from the practice of using PB itself, not regulated by law [Zawadzka-Pąk 2019: 118-119].

3. Plebiscite nature of PB in Poland

The PB procedure described above, the essence of which comes down to de-personalized voting on the written proposals for the PB projects, which can be called the PB plebiscite model (as discussed in more detail below) as mentioned above has been regulated by the central Parliament. From 2020, the biggest cities, i.e. cities with departments rights (66 in total), are obliged to apply this PB model. Moreover, other municipalities (cities) wishing to use PB are obliged to apply the procedure based on written voting. The statutory regulation of the PB resulting from the Act of 11 January 2018, mentioned above, petrified the plebiscite PB in Poland, significantly hindering the possibility of developing its more deliberative forms.

Adopted in the vast majority of Polish local government units PB has the nature that can be characterised as the plebiscite one. In the dictionary, the term "plebiscite" in the first sense is defined as "voting by readers, listeners or viewers for the person or thing that they believe is the best in some respect", and in the second sense as "voting by the population of a territory to express their opinion on the matter, the nationality of that territory or the determination of its international status" [Dubisz, 2019: 513]. Despite some objections that may arise to call the Polish PB model the plebiscite one, there are two arguments for

this terminological choice. First, the PB procedure in Poland is quite distinct from the PB solutions used in other countries, as the decisions are taken mainly by anonymous voting proper to a plebiscite. Second, during the research, the respondents, the participants of the PB procedure (especially the residents) often used the term “plebiscite” PB. To see this context that they use this term let’s look at fragments of the interviews:

- “When it comes to PB, which is executed based on collecting signatures and the highest number of votes and such voting, such a plebiscite, I believe that this is a complete distortion of the idea. But we had to go through it, I mean today I think that this stage was also needed, just to show people that this is not a good solution”.

- “One of the accusations against PB, and not only against ours but against PB in general, is that voting has nothing to do with the idea of this tool, that it is a form of the plebiscite that does not necessarily reflect the real, the actual needs of local communities”.

- “Certainly, PB’s failure is the fact that compared to previous editions, fewer and fewer people take part in information meetings for residents, and, unfortunately, I will repeat it here, the voting element of the plebiscite. But the attendance of voting is seen as a fetish, and by many people, especially the media, it is an indicator of whether something has worked or not”.

- “Participation in PB is more apparent than real, more plebiscite than civic. It can be compared to voting in a Eurovision Song Contest”.

The table below provides a synthetic characterization of PB implemented in the selected 6 cities.

Table 1. Characteristics of the PB plebiscite model in selected Polish cities

City / Characteristics	Sopot	Gdańsk	Białystok	Kraków	Opole	Warszawa
Number of residents (2018)	36849	463754	296628	765320	128043	1753977
The city’s ranking position by population (2018)	143	6	11	2	28	1
Year of PB implementation	2012	2014	2015	2015	2015	2015
The percentage of the city’s budget allocated to PB for 2018.	0.84%	0.41%	0.42%	0.17%	0.28%	0.48%

Making participation in PB conditional on reaching a certain age	16 years	16 years	lack of limitations	16 years	lack of limitations	lack of limitations
Percentage of residents participating in PB voting (2018)	12.24%	9.63%	7.80%	4.21%	6.99%	6.70%
Number of selected PB projects (2018)	3 citywide and 14 district projects	5 citywide projects and 100 district projects	11 citywide projects and 25 district projects	113 citywide projects and 467 district projects	4 citywide projects and 14 district projects	881 district projects
Examples of district PB projects (2018)	playgrounds; outdoor gyms; parks; road infrastructure; lighting; parking,	playgrounds; sports field; lighting for sports fields; modernization of sidewalks and bicycle paths; street training park; sports activities; photography workshops	playgrounds; celebrations city events; expensive; cycle paths; sidewalks; parking infrastructure; city monitoring	sports parks; first aid training; a project integrating disabled people and the elderly into society; amenities for the handicapped; purchase of air purifiers for kindergartens; nesting boxes for birds	parks; football tournaments; workouts (yoga, medical fitness for seniors); solar benches with WiFi and mobile chargers; family picnics; book exchange points; interactive city map; music concerts; neon lights in the city	water playground; lighting; cycle paths; parks; public toilets; canoe rental; library books; anti-smog garden; nesting boxes; taps for drinking water; lessons for children and seniors

Source: Author's own elaboration.

4. Axiological analysis of PB in Poland

Although the literature emphasizes the important role of selected public values for the development of PB, such as transparency and participation [Rossmann, Shanahan: 2012], equality, citizen involvement and representativeness [Fischer 2012], cooperation, accountability [Wampler 2007: 1-43], no exhaustive catalogue of such values has been established so far. Hence, to establish public values important for PB, it was justified to choose a catalogue of values constituting the core of the research. As mentioned in the introduction, after analysing the literature, the catalogue of nodal public values has been chosen [Jørgensen, Bozeman 2007: 369-370].

The first nodal public value is human dignity, which can be defined as self-esteem and self-respect, which is expressed in the desire to be respected by others for their spiritual, moral, or social merits, resulting from freedom and equality [Grzybek 2010: 46]. In the PB plebiscite model, human dignity may be both strengthened and violated. On the one hand, applicants (residents) of selected PB projects gain a sense of agency, they become a conversation partner, a subject, and not an object of the city's financial policy. On the other hand, the authors of unselected projects often lose the feeling that they can change something, that their voice counts and the authors of selected projects treat them with contempt, considering themselves to be more effective, better, more valuable.

The second nodal public value, sustainability is about bequeathing a clean environment and plentiful resources to our descendants, instead of willfully consuming and destroying what was created millions of years ago [Jørgensen, Bozeman 2007: 362]. In the plebiscite PB model, this value is not directly reinforced by its rules. This does not mean, however, that PB projects supporting sustainable development (e.g. anti-smog boards) are not selected. However, cases of violation of the discussed value were identified. This happens when a relatively small group of residents or employees of a company need e.g. a parking lot and collect the appropriate number of ballots, and the rules of the PB plebiscite model do not provide for mechanisms to counter the project requiring the cutting of the proverbial "last chestnut trees in the city". Only the president of the city has a kind of "veto right", and he can oppose the will of the inhabitants and not include in the city budget a project threatening sustainable development.

The third nodal public value, which is citizen involvement, is defined as the participation of citizens in administrative decision-making processes and management [Yang, Pandey: 2011: 880]. The rules of the plebiscite PB model have both positive and negative effects on this value. It is strengthened by enabling residents to submit projects, participate in voting on PB projects, and sometimes also evaluate the PB procedure. The introduction of PB meant that some residents not only vote in PB but also call the local office to ask questions about the date of implementation of a given PB project. On the other hand, a negative impact of the PB procedure on citizen participation was also identified. The necessity to fill in an application, prepare a cost estimate, and in some cities also the obligation to present the project personally at a meeting of residents have a discouraging effect on the citizens involvement. It is also worth noting that although the organized meetings with residents (called "discussion meetings") could become an opportunity for the actual involvement of citizens, this is not the case, however, because the thematic scope of these meetings is usually limited to the information about the PB procedure and

presentation of projects by applicants. As a consequence, “only residents are missing at meetings with residents” and “the attendance list of municipal officials is longer than the number of residents”. This is because the residents are not interested in personal participation in such meetings. Only applicants who are obliged to do so in some cities, e.g. in Warsaw attend them. Moreover, residents often resign from participation in PB if the project they support is not selected, because the proposed project did not receive the required number of votes, but also because the rules of PB did not allow him to present the advantages of the project and discuss its shortcomings. Some applicants take various actions to encourage other residents to vote for their project, for example by printing posters, encouraging orally voting next to shops or churches. However, they are demotivated by the fact that sometimes the only way to appreciate their commitment is to allow them to finish a sentence or not to target them with offensive words.

The fourth nodal public value, i.e. openness, means no secrecy, access to information, or transparency of processes [Rossmann, Shanahan 2012: 57]. Depending on the context, it can be both amplified or violated by PB rules. Starting with a positive impact, let's note that when the local civil servant help to fill in the PB project application, to calculate the cost estimate, there is a certain change in the relationship between the local civil servant and the resident, as the public official becomes a partner to talk and the resident becomes an entity supporting the decision-making process (co-decision maker). Moreover, in most cities, the PB procedure is generally sufficiently detailed to ensure the transparency of the process, although most doubts concern the initial verification of projects. At this stage, the applicants accuse local civil servants of excessive interference. In accordance with the legal regulations in force in most of the analysed cities, during the initial verification only legal restrictions should be taken into account (e.g. no ownership of the land on which a possible project would be built or no legal basis for making a given expenditure from public budget), technical limitations (e.g. projects impossible to implement, projects not precisely described) or the premise of the economy. Sometimes, however, civil servants verifying the project discourage residents from submitting a given project, suggesting that the project may not be within the scope of the city's tasks or may be difficult to implement.

The fifth nodal public value is secrecy, which means hiding certain information from certain individuals or groups of people due to the fact that making some public processes and policies public could prevent their effective or any implementation [Thompson 1999: 182]. This value is of secondary importance in terms of the PB rules, as it is the opposite of the openness that PB should enhance in the first place. The value of secrecy is rarely violated by the publication of the name and surname of the authors of the projects.

The sixth nodal public value, i.e. compromise, is an ethical agreement reached through mutual concessions [Guy 1990: 19]. In this context, it should be noted that in the PB plebiscite model there is no discussion stage that would allow the residents to work out compromise solutions. A certain type of instrument of seeking compromise was used in Gdańsk, where in the event of submitting two or more projects on the same issue or converging in scope, the project evaluation team may contact the applicants in order to develop a joint project, and in the event of no compromise, the evaluation team has the right to approve only one of the competitive projects for further processing. Furthermore, compromises are built with time by procedural changes made in some cities where the problem of overrepresentation of schools in PB was noticed, resulting from the ease of collecting a significant number of votes for a project in the interest of pupils. In this regard, various solutions are used to achieve an acceptable form of compromise. In some cities, the condition that PB's projects should be accessible to all residents has been introduced, which means that even investments implemented with PB in schools (e.g. playgrounds) must be made available to residents, e.g. in the evenings. In other cities (e.g. in Gdańsk), in the face of difficulties in providing residents with equal access to PB funds, the possibility of submitting projects relating to the buildings of schools and educational institutions was excluded. The PB's plebiscite model is not conducive to building compromises, as its goal is to win as many votes as possible. This is reflected in particular in the terminology used by the residents: "project wins" or "project loses".

The seventh nodal public value is integrity, meaning honesty, conscious and open action based on moral reflection [Huberts 2014: 39]. The plebiscite model PB rules have a positive impact on the integrity value only to a limited extent, and they contribute to its violation to a greater extent. In this context, the above-mentioned attempts to ensure fair access to PB funds for all residents, limiting the problem of over-representation of schools, should be assessed positively. In terms of ensuring integrity, the exclusion of projects with content commonly regarded as reprehensible, obscene, offensive, or vulgar from being passed on to subsequent stages and the non-publication of information about such projects in the Gdańsk PB procedure should also be assessed positively. However, the fact that such a regulation was introduced proves that some residents, unfortunately, submitted such offensive projects. On the other hand, when referring to the negative implications of the PB rules for integrity, the following issues should be noted. First of all, let us note that the PB rules reduce the analysed procedure of public participation to voting, while decisions important for the local community cannot be taken as a result of voting, especially with the pool of funds limited to an average of 0.5% of city budget

expenditure (cf. Table 1). In extreme cases, the PB plebiscite model leads to voting decisions with strong axiological implications, e.g. requiring a decision as to whether a hospice or a shelter should be financed. Moreover, meetings, where the projects are presented in isolation from a comprehensive, specific vision of the city, do not contribute to shaping mutual trust, which is built thanks to mutual understanding. As a consequence, residents do not get involved in PB because they do not trust that their time will not be wasted and that their commitment will not be used for political purposes. In fact, some local councillors accuse PB of being a tool of manipulation, stating that important things are not voted in the PB procedure. They claim that PB is given to residents so that they were not interested in real politics. Secondly, let us note that the introduction of an informal system of paper voting for PB's projects (although correct in its assumptions, as it was supposed to encourage the largest possible number of residents to vote) led to the development of a wide spectrum of unfair voting, e.g. collecting signatures on previously filled-in voting cards by project authors, but also by doctors before visiting a public clinic or "buying" votes for a can of soda or a mug sponsored by a company promoting investment from PB funds, e.g. a car park. Thirdly, note that a large proportion of local councillors considers PB to be a threat to their position as resident representatives, elected, as they say, to make decisions on behalf of residents and not to facilitate residents to make decisions in person.

The last, eighth, nodal public value is robustness meaning a suitable combination of stability and adaptability, being immune to outside influences, and about the ability to flow with the tide when necessary [Jørgensen, Bozeman 2007: 366]. This value is influenced both positively and negatively by the rules of the plebiscite model PB. Strengthening robustness is supported in particular by the manner of voting on projects, as in most cities both traditional (paper) and electronic (via the Internet) voting takes place, which allows residents to choose the form of voting most suited to their preferences and lifestyle. In some cities, with time paper voting has been completely abandoned, and nowadays voting is exclusively realized online, as in Gdańsk and in Opole. The local civil servants as well as the residents (the most often PB applicants) adapt to the current circumstances and put posters about voting itself and the particular PB projects in different social media (Facebook, Instagram, Twitter). In every analysed city there is a PB website dedicated to PB. The problem is however, these technology tools are used mainly to inform about the PB (binding procedures, deadlines) and PB projects and not, to discuss. Regarding the robustness, in its adaptability aspect it should be noted that Gdańsk is also one of the few cases in Poland where the PB project implementation period is flexibly treated, as this time

framework is extended to two budget years, while in the vast majority of cities, projects must be implemented within one year. The robustness of PB's projects is also not conducive to its plebiscite nature, as projects that have not been discussed but voted in one year (e.g. playgrounds, dog runs, speed bumps) are questioned after construction, and residents submit PB proposals for their liquidation the following year [Zawadzka-Pąk 2020: 290-296; Zawadzka-Pąk 2021: 81-89].

5. Conclusion

The research leads to the conclusion that the most popular PB model in Poland, the plebiscite one is not axiologically neutral, its procedure has both positive and negative impact on particular nodal public values. The scale of negative impact (violation of public values) is definitely greater than the scale of positive impact (value enhancement), although of course the assessments in this respect, even supported by scientific arguments, will always remain to some extent, at least partially, subjective. It seems, however, that the axiological foundations of PB are too weak to be able to overcome effectively the moral hazard problem resulting from the principal-agent problem.

The plebiscite model of the PB in Poland was developed by practice and then approved by the central Parliament. The statutory petrification of the universally applicable PB procedure means that local governments are deprived of the possibility of developing a PB model, which would strengthen the nodal public values to a much greater extent. Significant violations of public values in the current practice of using PB in the analysed Polish cities indicate that having practically complete freedom in terms of the PB rules, these cities, to a large extent following the PB model adopted in the first city that has implemented PB in Poland (i.e. Sopot), were not able to make PB an instrument for the protection of the common good, rooted in the public values, capable to eliminate, or at least reduce, the moral hazard problem. In some cases, PB has become an instrument to implement the interests of narrow groups of stakeholders. The PB plebiscite model is not axiologically coherent, it does not help to work out compromises, as it does not provide for the possibility of a substantive discussion on social needs, it does not even create the possibility of discussing individual projects, because even if meetings with residents are organized, they are limited to the presentation of projects by applicants. In consequence, the plebiscite PB model in Poland is not the instrument capable to reduce the moral hazard problem regarding the local financial policy.

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