



Maja Blaszak
Dissertation Summary

Sustainable Urban Development in the View of the Participatory Budgeting

Promoter: Prof. Wiesława Przybylska-Kapuścińska, PhD

Assistant Supervisor: Dr Agata Basińska-Zych

Reason for choice of topic

In Polish cities, since 2012 local communities have been able to propose projects that could be implemented as part of city funds, the so-called participatory budgeting. The amount of funding for the implementation of participatory budgeting is determined annually by the City Council. The participatory budgeting aims to involve residents in the process of planning budget expenditure. On the other hand, thanks to the projects submitted and implemented, the authorities become better acquainted with the needs of citizens in terms of their financing from public funds. However, the legal regulations do not impose uniform forms of participatory budgeting, procedures or principles of their creation and implementation for all cities.

Active public participation naturally strives to meet the needs of citizens. In such activities, the theory of *public* choice is externalized. The participatory budgeting projects implemented satisfy not only temporal needs - one-off needs, but more and more often also long-term and continuous needs. According to the public goods theory, some goods once produced give consumers the same level of satisfaction, regardless of the number of users. The implementation of winning participatory budgeting projects generates public goods and thus influences the sustainable development of the city. This development - not in its assumptions, but its effects - realises the aims of sustainable development economics.

The economics of sustainable development develops on the philosophical foundation of the idea of combining sustainable development with the use of the achievements of environmental economics, ecological economics, institutional economics, social economics and others. It can be considered that sustainable development seeks to meet the temporal

needs of societies, assuming that future generations will be able to meet them in the same way. Sustainable and balanced development covers three areas: **economy, society and environment**.

Due to the diversity of large cities with county rights as spatial units, dynamising the regional development of the country, both in terms of area, the number of inhabitants, structure of budgets, as well as other factors determining the participatory potential of the inhabitants - it is extremely important to study the activity of the inhabitants in terms of submitted civic budget projects.

Moreover, it seems to be an important task to determine to what extent the participatory budgeting is a popular participation instrument in Poland. Moreover, from the perspective of international and national strategic documents, as well as the *development strategies of the Wielkopolskie, Dolnośląskie and Lubuskie voivodeships*, but also of the cities themselves, it seems interesting to check whether the projects implemented in particular cities are in line with the objectives of sustainable development. Another interesting aspect of the study is to find out how the proposed projects are distributed between the three areas - social, economic and environmental development.

It should be noted that the local authorities of towns and cities, when building their strategy, do it on purpose, making their strategic development plans dependent on overriding guidelines. The city budget which is planned must take into account the overarching policy which aims to achieve sustainable development. The inhabitants, on the other hand, are guided by their own needs and those of their fellow inhabitants when submitting projects and making choices. Residents' demands are bottom-up initiatives in which actions are intuitive. It turns out that these bottom-up actions strengthen sustainable development processes. The implementation of citizens' intuitive postulates determines the direction of changes planned by the city authorities and, consequently, city budgets or strategies.

In terms of the conditions for creating participatory budgeting projects in Poland, there is also no consistency in terms of procedures and principles. The implementation of the participatory budgeting idea for cities with county rights has become an obligatory element of the city's strategy and budget since January 2018. However, there are no clear guidelines on who can submit projects and what preconditions they must meet. Procedures in different cities are freely determined by the city authorities, in consultation with representatives of residents.

The objectives of the dissertation

The main objective of the dissertation is to **present the characteristics of the urban co-management tool, the participatory budgeting, and its comprehensive study and evaluation**. In contrast, the work's **sub-objectives** are:

1. Identification of conditions for the implementation of participatory budgeting.
2. Indicate the role of local government in creating conditions for the implementation of participatory budgeting.
3. Identify the concept of sustainability as a stimulant or outcome of participatory budgeting.
4. Observing the direction of the development of participatory budgeting projects in view of sustainable development objectives.
5. Analyse the results achieved by participatory budgeting and check that they generate public goods and that they are consistent with the needs of residents.
6. Identify the role of the city government in stimulating civic participation.
7. Identification of factors influencing the activity of residents in shaping and implementation of participatory budgeting.

Research hypotheses

To achieve the aim of the dissertation, it was undertaken to verify two research hypotheses, supplemented by six sub-hypotheses. The first hypothesis refers to the theory and the second is a common-sense hypothesis.

H1. Participatory budgeting fit into the theoretical strand of institutional economics.

Hc.1a. Participatory budgeting shall be selected under the theory of public choice.

Hc.1b. The effects of participatory budgeting create public goods and common goods.

H2. Completed participatory budgeting projects strengthen sustainable urban development.

Hc.2a. The lack of uniform conditions for the implementation of participatory budgeting, including procedures and rules, results in a diversity of residents' activity in shaping them in the surveyed cities.

Hc.2b. Participatory budgeting focus mainly on the social objectives of sustainable development.

Hc.2c. Participatory budgeting leaders did not consider sustainability goals when writing and implementing projects.

Hc.2d. Increasing the activity of urban residents may affect their awareness of civic participation.

Subject, object, the temporal and territorial scope of the hearing

The subject scope of the dissertation focuses on examining the level of citizen activism, the conditions and effects of implemented participatory budgeting projects, and examining the role of participatory budgeting leaders, ultimately concluding to what extent these projects and local government decisions support the goals of sustainable urban development. **The subject scope** includes two levels of stakeholders of participatory budgeting:

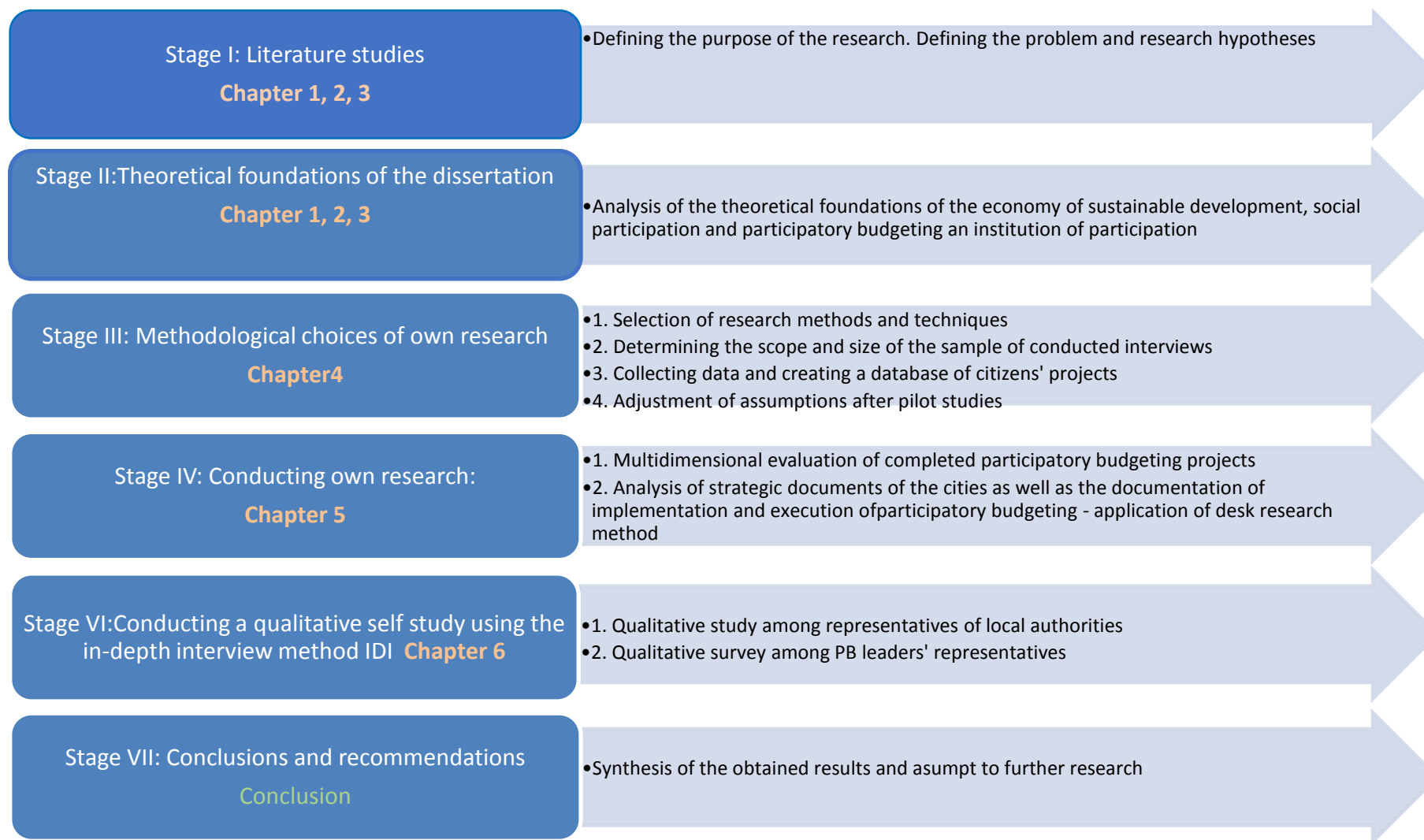
- municipalities and
- individuals who propose and create projects, i.e. leaders.

The **temporal scope** of the theoretical and empirical part of the study covers the years 2013-2020, while the **territorial scope** refers to three cities with county rights selected by the author for the analysis - Poznań, Wrocław and Gorzów Wlkp. as a case study.

Research methods and techniques

The complexity of the thesis required the use of various techniques and research tools. The research carried out within the framework of the doctoral dissertation was conducted based on the method of induction, defined as certain typical and repeatable ways of collecting, analysing and interpreting empirical data, serving to obtain maximally valid answers to research questions. Both quantitative and qualitative research was used in the study. The line of reasoning adopted by the author involved the analysis of the literature on the subject, comparative analysis of the results of domestic and foreign research, analysis of secondary data and analysis and interpretation of the results of own research. To prepare a comprehensive analysis and characterisation of the significance of participatory budgeting in the process of sustainable development, as well as to assess the role of local government and inhabitants in the whole process in the whole process, the following complimentary research techniques were used: analysis of documents and secondary data, in-depth interview - by the IDI method, expert scoring method and analysis of the dynamics and variability of phenomena.

The research procedure is illustrated in Scheme 1.



Scheme 1. The research procedure adopted in the dissertation

Source: own elaboration.

The work is theoretical-empirical and consists of six chapters. The structure of the work is subordinated to the realisation of its main objective, while the individual chapters lead to the fulfilment of the sub-objectives. Chapters one, two and three are theoretical. Chapter four is methodological, while chapters five and six are empirical.

The first chapter focuses on presenting the determinants of sustainable urban development. It presents the assumptions of the theory of sustainable development against the background of other theories of economic development. Next, it characterises both the determinants of sustainable development and the objectives which sustainable development aims to achieve. It develops The topic of the evolution of sustainable development economics is also developed. Then, starting from general assumptions, it presents the assumptions of sustainable urban development.

The second chapter presents the assumptions and sources of civic participation. The theoretical foundations of civic participation are indicated, which include the theory of public choice and the theory of public goods. The economic as well as the socio-legal conditions of involving citizens in the processes of city management, including the shaping of various forms of their activity, were analysed.

The third chapter characterises the participatory budgeting as an instrument of citizen participation in the co-governance of the city. It presents both Polish and international experience in the implementation and functioning of participatory budgeting. The factors of participatory budgeting development were also identified, defining their stimulants, nominates and destimulants.

The fourth chapter is devoted to the methodological assumptions of the thesis. It presents The fourth chapter is devoted to the methodological assumptions of the dissertation. The research procedure is also presented, as well as the selection of the sample relating to the interviews and the adopted research scopes. The method of conducting the research and statistical processing of the obtained data has been characterised.

The fifth chapter analyses the implementation of participatory budgeting between 2013 and 2020 in three selected cities. The results of the analysis of the cities' development strategies were presented, and differences and common elements were indicated. By assigning them to individual sustainable development goals, the directions of this instrument's impact on the sustainable development of cities were indicated.

In the sixth chapter, based on the results obtained in the fifth chapter, an analysis of the results of interviews with representatives of offices and representatives of municipal leaders. As a result of the interviews, the role of local government in supporting residents' activity was

identified, as well as the factors of residents' activity and the role of leaders in their ability to support sustainable development.

Finally, based on the quantitative and qualitative research carried out, an evaluation of the participatory budgeting as an instrument of urban co-management was conducted. Suggestions were also made to residents and leaders to increase their awareness of the role of participation and its impact on the effective management of a city striving for sustainable development.

Results of the trial and conclusions

Taking into account the results of the conducted research and the preliminary assumptions that preceded it, it can be concluded that the main aim of the thesis, i.e. the **characterisation of the tool of city co-management, which is the participatory budgeting, as well as its comprehensive analysis and evaluation**, also in the light of the opinions of city officials and city leaders, has been achieved. As a result of the analysis carried out in this dissertation, all the partial objectives set in the introduction have been achieved.

The mixed study conducted also confirmed the research hypotheses posed in the introduction. The first hypothesis, referring to the theory, formulated - "*Citizen budgets are part of the theoretical current of institutional economics*" was confirmed. It was verified based on the scoring of participatory budgeting projects, as well as interviews with representatives of civic budget leaders. **Firstly**, based on the results of these studies, it can be said that participatory budgeting generate mainly public goods, but to a large extent, they are common goods. In Poznań and Gorzów Wlkp, due to the possibility of choosing soft projects rather than infrastructure projects as part of the participatory budgeting, common goods are created relatively less than in Wrocław, where residents do not have such a possibility. **Secondly**, it can be concluded that the election of participatory budgeting projects takes place under the theory of public choice. This theory assumes the rationality of the decisions made, which accompanies voting during the selection of PB projects. It should be remembered that the success of the decision is identifiable after the choice is made, but the rationality of the decision is known beforehand. When making a decision, city residents intentionally strive to satisfy their own pro-environmental and social needs, which in principle coincide with the needs of others. Therefore, if they choose projects that fulfil those needs, they can be considered rational.

The second hypothesis, of a common-sense nature and formulated as - "***Implemented projects under participatory budgeting strengthen the sustainable development of cities***", can also be considered as confirmed. **Firstly**, it should be acknowledged that the lack of uniform conditions for the implementation of participatory budgeting, including procedures and rules, results in a varied activity of the inhabitants as regards their formation. Too frequent changes in procedures result in the reluctance of residents to familiarise themselves with them and the processes of their adaptation. However, if the changes are more favourable, i.e. in the opinion of residents and leaders, they give greater freedom of choice and reduce restrictions at the application verification stage, then the activity of residents is greater. **Secondly**, participatory budgeting focus mainly on the social goals of sustainable development. According to the considerations carried out in the study, each of the winning PB projects fits into the goals of sustainable development. Which sustainability goals are met is another matter, as the projects vary in nature and scope. **Thirdly**, it has been confirmed that the leaders of participatory budgeting were not aware of and did not take into account the sustainable development goals when implementing PB projects. The fact that projects implement these goals is an additional, unplanned effect. It is worth mentioning that the vast majority of PB leaders are city activists, who present pro-environmental and pro-social views. They take up their urban activities because they are usually idealists who want to change the world. Talking to them about sustainable development, they were very positive about the possibility to include *SDG* targets in the results of their projects. They even suggested that in the future it would be worth taking this into account at the stage of project verification (it is not considered and assessed in the procedures), or even including it as an essential point in PB project applications. **Fourthly, it** has been confirmed that the growing activity of city leaders may affect the awareness of residents of civic participation. Both at the level of local government and residents, there is no doubt that such a relationship exists. Emphasised, however, it was emphasised in the interviews that activities aimed at promoting various forms of social participation, including the civic budget, are still too weak.

The analyses carried out in Chapter 5 have shown that in the urban development strategies with a perspective until 2020, the civic budget did not appear as a separate item. In the next perspective to 2030, new strategies, although they emphasise the role of inhabitants even more strongly, do not include or define the category of the civic budget. This may be because the budget as a tool of participation has been imposed from above, but it is worth noting that this instrument, despite being part of the annual schedule of activities of the inhabitants in the city, is not treated as a priority by the city authorities.

Comparing the collected data, it is not possible to generalize the results fully, but it can certainly be noted that the changes in the procedures and rules for organizing the PB have an impact on the level of activity of residents in this area. The greater the freedom in the area of submitted projects, The greater the freedom in terms of submitted projects and the categories of planned outcomes, and the higher the willingness of residents to engage in participatory processes. A positive observation is that apart from minor disturbances in the trend, we can observe a continuous, not very dynamic, but gradual increase in the activity of residents and their greater interest in their city and the civic budget itself.

What is worth emphasising in this part of the study is that the majority of PB projects have the character of sustainable projects, and thus they realise, although in an unintentional and unplanned It is worth noting in this part of the study that it has been shown that the majority of the PB projects are sustainable and thus implement, albeit unintentionally and unplanned, sustainable development goals. Wrocław turned out to be the city most oriented toward creating sustainable space. The analysis of PB project categories finally showed that the category with the highest number of projects selected in Poznań in the entire period under examination was the category of others, which included various tasks, including social activities. The inhabitants of Gorzów chose the most projects aimed at the modernization or construction of roads and pavements. In Wrocław, on the other hand, the greatest number of recreational projects were carried out. Due to the total summary of the number of projects selected in each category for all cities, a ranking of projects can be indicated.

On the other hand, when evaluating participatory budgeting projects in the context of their generation of public goods using the points method, it was shown that Wrocław is the city that creates the most common goods. Its average percentage of projects generating common goods in all years was above the size of the other two examined cities. The exception was the years 2013-2014, in which Poznań was the leader. In Wrocław and Poznań, the level of public goods created as a result of implementing civic budget projects oscillates around 75% on average. In Gorzów Wlkp. this level is much lower, less than half of the projects. However, it can be said unequivocally that the participatory budgeting supports the process of creating public goods, and thus supports the infrastructural development of the city and the creation of resident-friendly space. and creation of resident-friendly space.

Thanks to the qualitative research, the results of which have been presented in chapter six, it has been shown that the civic budget is a recognised tool The results of the qualitative research presented in Chapter 6 have shown that civic budgeting is a tool recognised and well-evaluated both by representatives of local governments and PB leaders.

Another added value of the work is the author's way of listing determinants of participatory budgeting development in Poland. The stimulants and destimulants of this process have been pointed out. It is important because on this basis it is possible to suggest solutions to the organisers of Citizens' Balls. It is important because on this basis it is possible to propose to organisers of Citizens' Balls in cities solutions stimulating the activity of residents in this area. Greater freedom of submitting projects, a larger pool of funds to be allocated for the implementation of the participatory budgeting, transparent and clear procedures that are not changed too often, awareness of the rights and obligations of residents, the desire for self-fulfilment and social trust, as well as the role of the leader and the support of local authorities are factors that influence the activity of residents in the field of civic budgeting. Leaders expect a much bigger budget, and more categories, to give more opportunities to residents to co-decide about the city and its development.

The research also shows that PB leaders consider the needs of the inhabitants when preparing project applications, but usually, the identification of needs happens at the level of conscious city residents. They are aware that they are the driving force of activities. They are aware that they are the drivers of action and change, and the voices of unaware residents do not bring new ideas. Leaders emphasised that they often benefit from their own or other activists' knowledge and experience. So it can be summarised that the projects fulfil the needs of the inhabitants, but never of all inhabitants, nor of each individual, but of the group that constitutes the urban community.

It was also confirmed during the interviews that the environmental and social awareness of the PB leaders is high, but they have not treated PB as a tool for achieving sustainable development goals so far. Drawing attention to this was met with approval on their part. It has also been noted that such conscious cooperation between the inhabitants and the municipal authorities (in terms of PB) may not only play an educational role but may also contribute to cooperation aimed at the sustainable development of the city.

In addition, chapter six showed that the budget itself has an activating role for the inhabitants. Until this participatory tool became part of the city's democratic landscape, the willingness of residents to undertake any prosocial activities was quite low. The participation rate is still unsatisfactory, but year by year the need for residents to become involved in the processes of co-managing the city is growing. The participatory budgeting should therefore be treated not only as a barometer of residents' needs but also as a tool to stimulate their social participation.

The achievement of the dissertation, worth emphasizing, is filling the research gap in the Polish literature on the participatory budgeting, due to the lack of publications in the field of sustainable urban development considered from the perspective of the participatory budgeting, its implementation and mutual relations, as well as identification of development factors and its popularization in society and the nature of their operation.