



**Participatory Budgeting at the Local Level:
Challenges and Opportunities for New Democracies**

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Abstract: The main goal of the paper is to examine the concept of participatory budgeting (PB) and its applicability in the new democracies in Central and Eastern Europe. In order to discuss the applicability of different PB models in different contexts, the paper first gives an overview of the models (Porto Alegre adapted for Europe, proximity participation, consultation on public finance, multi-stakeholder participation and community participatory budgeting) and outlines the main environmental variables that are likely to influence the applicability and feasibility of PB in different local governments. As a second step, the paper links the different PB models and environmental variables (financial autonomy, political culture, the size, heterogeneity and prosperity of the local government units): it examines under what conditions each of the PB models would be applicable and advisable. The article then discusses the applicability of PB in the new democracies in Central and Eastern Europe (CEE), with a specific focus on those CEE countries that are by now members of the European Union. As the analysis shows, limited financial autonomy of local governments and the weakness of civil society are likely to pose the main challenges to implementing PB in CEE countries. PB could, however, be used to strengthen participatory culture in these countries.

1. Introduction

Participatory budgeting (PB) is essentially a process of participation that enables ordinary citizens¹ to make decisions about budget allocations. It is a “democratic innovation” stemming from the South: PB was pioneered in the Brazilian city of Porto Alegre at the end of 1980s and it has, since then, become one of the best known forms of “empowered deliberative democracy” (Fung and Wright 2003). Proceeding from the example of Porto Alegre, several cities in Brazil and other countries in Latin America adopted PB, followed by local governments in many other countries in the world (Goldfrank 2007; Sintomer *et al.* 2010). The estimated number of PBs in Europe by 2009 has reached the landmark of 200 and the corresponding number of worldwide initiatives has exceeded 1000 cases (Herzberg *et al.* 2010). Furthermore, the growing popularity of PB is underpinned by the increasing number of cities planning to experiment or already piloting this participatory instrument.

¹ The term “citizen” in the context of this paper implies an individual who possesses the political standing to exercise voice and not legal status of formal citizenship.

There is, however, no universal definition of PB as its experiences and practices vary all over the world and depend on local context and conditions (Matovu 2007). As Cabannes (2004, 28) puts it, a real challenge in analyzing PB experiences is “the uniqueness of each experience”. The differences in PB practices range from the form of citizen participation in the budget preparation phase to controlling the implementation after the budget has been approved (Sintomer *et al.* 2005; Cabannes 2004, p. 28). For the purposes of this paper, it is useful to depart from a relatively broad definition, such as provided by Sintomer, Herzberg and Röcke (2005). They define PB in the following way: “participatory budgeting allows the participation of non-elected citizens in the conception and/or allocation of public finances”. Additionally they propose five criteria: (1) the financial dimension has to be discussed; (2) the city level has to be involved; (3) the process has to be repeated; (4) there has to be some form of public deliberation; (5) some accountability is required. Within this broad definition, PB can, of course take on different forms and the models of PB can vary significantly. The most systematic typology of PB has been put forth by Sintomer *et al.* (2010a), who distinguish between the Porto Alegre adapted for Europe, proximity participation, consultation on public finance, multi-stakeholder participation, community participatory budgeting.

While there is a large and increasing body of literature *describing* the application of PB and its different variants in various countries, there is a lack of *systematic* approaches that would discuss the applicability and suitability of the various models of PB in different *contexts*. Furthermore, there are no studies that would examine the feasibility and advisability of PB in the new democracies in the region of Central and Eastern Europe. This paper seeks to fill these gaps by providing a systematic overview of the environmental variables that are likely to influence the applicability of the different PB models and then discussing the feasibility of PB in CEE countries. Hence, the goals of the paper are the following: First, it will discuss the central elements of PB process and the different forms PB can take (Porto Alegre adapted for Europe, proximity participation, consultation on public finance, multi-stakeholder participation and community participatory budgeting). Second, the article will outline the main environmental variables that are likely to influence the applicability and feasibility of PB in local governments. Third, it will examine the linkages between different models and environmental models and

discuss under what conditions each of PB models would be applicable and advisable. Finally, the article discusses the applicability of PB in the new democracies in Central and Eastern Europe (CEE), with a specific focus on those CEE countries that are by now members of the European Union. As there have been no systematic discussions on the applicability of PB in CEE countries in the PB literature so far we hope that our paper can serve as a useful starting point for further discussions and studies of PB in this region. The structure of the paper follows the sequences of these goals.

2. Models of Participatory Budgeting

Even though it is not the simplest task to “map the contours” of PB and the different PB models as its practices are extremely diverse, the attempt to do so seems to be still inescapable, if we want to study PB in a more systematic way. As Esping-Andersen argues: “the point of generalization is economy of explanation – to be able to see the forest rather than the myriad unique trees” (Esping-Andersen 1997, 179 in Cousins 2005, 110). The paper will hence try to sketch the “forest” of PB process, by first identifying the main elements in the PB process (section 2.1) and then looking at the different configurations of these elements in the form of PB models (section 2.2).

2.1. Mapping the Contours: Process Design Elements in PB

The process design variables described below have been extracted from the research conducted by Cabannes (2004) that draws on 25 experiences in Latin America and Europe and from the global study by Sintomer *et al.* (2010a) that elaborated different models of PB in Europe. Additionally, the proposed framework integrates ideas from Fung (2006), Ebdon and Franklin (2006) and Talpin (2007).

The PB process starts with the elaboration of a strategy, plan or legal act of any kind that would set up the procedure of the whole participatory process. In other words this act/document should state “the rules of the game” – e.g. themes for discussion, criteria for allocating resources, the number of meetings etc. There are variations on what body determines these rules. The literature

proposes different options: the Council of the Participatory Budget², the pre-existing social and political frameworks such as neighbourhood associations, and local administration. This stage can also be participatory by its nature; that is, the citizens can be involved in drafting this regulatory act. This element (or variable) will be labelled as PB decision-making body.

Table 1: Participatory Budgeting: Elements of Process Design

PB decision-making body	<ul style="list-style-type: none"> • Who sets up the rules of the game?
Participation	<ul style="list-style-type: none"> • How are the participants being selected? • What type of participation mechanisms are used? (public meetings, focus groups, simulation, advisory committees, surveys etc.) • How do citizens participate (direct vs indirect participation)? • How are the meetings organized (territorial or thematic logic, city, district or neighbourhood level)?
Deliberation	<ul style="list-style-type: none"> • What is being deliberated? (investments or service delivery, projects or general areas?) • How do participants communicate and make decisions?
Empowerment	<ul style="list-style-type: none"> • What role does the civil society play? • Are the participants' decisions binding for the authorities?
Control and monitoring	<ul style="list-style-type: none"> • Who controls the implementation of the budget?

Source: the authors, drawing on Cabannes (2004), Sintomer et al. (2010a), Fung (2006), Ebdon and Franklin (2006) and Talpin (2007).

Next, a central element of PB is who is expected to participate. The procedure can be oriented towards different types of citizens: citizens from various social groups (e.g. women, pensioners, foreigners etc.), organised citizens (e.g. associations), single active citizens, “ordinary citizens” (chosen by random sampling), and all citizens (referendum). Hence, there are differences in the

² The Council of the Participatory Budget consists of the delegates elected by the participants of the meetings, i.e. citizens. Its main functions concern the elaboration of the budget proposal with the integrated results of the discussions during the meetings, to revise the final budget proposal elaborated by the City Council and to monitor the implementation of the budget (Avritzer 1999). This is mostly practised in Brazilian and Latin American experiences.

scope of participation. Different participants' selection methods can be applied depending on who is invited to take part: self-selection, targeted recruiting, random selection etc.

Next stage involves the gathering of proposals (input) from the participants. There is a great variety of participation mechanisms ranging from public meetings and citizens' forums to surveys (Ebdon, Franklin 2006; Hinsberg, Kübar 2009). This stage can be multi-layered depending on whether the participation is direct or indirect. In other words, the PB procedure might involve the election of delegates, who can be either professional³ or lay⁴ stakeholders. In case of open meetings different territorial levels can be involved – city, district or neighbourhood level.

As the definition of PB prescribes, in the course of participation, citizens are encouraged to deliberate on projects or proposals they put forward. Typically one presumes that participation should approximate some deliberative ideal of Ancient Greek democracy where participants come together as equals and reason about public problems. However, the reality is quite different. Fung (2006) shows that some people can act as spectators who receive information and merely observe what is happening, while others, more active citizens, might express their preferences by putting forward their own views or posing a question. Fewer discussions enable participants to explore, develop and eventually transform their preferences by providing them with educational materials, briefings and asking to consider trade-offs of alternatives. The subjects of deliberation can also vary from the general areas (e.g. education, healthcare) to concrete public services or specific projects. After deliberation comes the decision-making stage, where the citizens' proposals, projects and discussions are transformed into public decisions (and action). Depending on the extent of civil society's influence on the final decision the PB literature suggests three levels of empowerment: "selective listening", co-governing partnership and de-facto decision-making competence (Fung 2006; Herzberg 2011). While "selective listening" stands for mere consultation process whereby citizens' proposals are simply taken into account by local authorities, de facto decision-making competence at the other side of the spectrum means local council's obligation to officially approve the participatory budget plan.

³ i.e. paid representatives of organized interests (Fung 2006, 68).

⁴ i.e. unpaid citizens who have interest and desire to represent others with similar interests (*Ibid.*).

The paper at hand also proposes the middle level of empowerment: co-governing partnership, which implies the joint decision-making of local authorities and representatives of civil society. The decision-making mode can range from voting to consensus.

Finally, it is rather obvious that once the budget has been approved, its implementation requires control and monitoring. The performance of these functions can range from control by the executive branch to control by the citizens.

2.2. Sketching Models of PB

As could be seen from the previous section, there is no “one size fits all” approach. If PB is a tool for deepening/democratizing democracy (Fung, Wright 2001; Schugurensky 2004), then this tool has been applied very differently depending on the local conditions and context. However, in order not to get lost in “thousand and one” examples of PBs, it is useful to look at different configurations of the process variables in the form of ideal types. Proceeding from the framework of process design variables presented in the previous subsection, this subsection gives an overview of different models of PBs in Europe – Porto Alegre adapted for Europe, proximity participation, consultation on public finance, community participatory budgeting and multi-stakeholder participation – drawing on the typology elaborated by Sintomer, Herzberg, Röcke and Allegretti (2008, 2010a,b). The description of the models will be based on the literature by Sintomer *et al.* (2008, 2010a,b) but adjusted to the framework of process design variables described earlier. Whereas the first model – the adapted version of Porto Alegre – is presented separately, the other 4 models are outlined pair-wise, for the sake of comparison and better understanding. The Porto Alegre adapted for Europe model can be considered the “genuine” type of participatory budgeting as it has preserved the basic features of the Brazilian case, where this participatory process has its roots. The other two models have made “concessions” to the genuine participatory model on two fronts: proximity participation as well as consultation on public finance are purely of *consultative* nature (rather than implying binding constraints on the elected representatives), while multi-stakeholder and community participatory budgeting are oriented towards *organised* citizens only (rather than all individual citizens).

2.2.1. A Democratic Innovation from the South: Porto Alegre Adapted for Europe

Participation in the “Porto Alegre adapted for Europe” model is based on the participation of individual citizens in open meetings at the neighbourhood level via self-selection. During the preparatory meetings citizens elect delegates to the special Council, which elaborates the “rules of the game” that are valid for the next year. Further meetings at the higher territorial levels (district and city levels) are performed by the delegates, who are typically the members of residents’ organisations, local associations and political parties. Concrete investment projects are being discussed at the neighbourhood level and once the list of projects is ready it is voted on in an open assembly. Later the proposals are being ranked by the district and city delegates (e.g. by applying social justice criteria). The final list constitutes a participatory budget proposal which is presented at the municipal council and is later incorporated into the city budget. Once the budget has been approved, the monitoring body (composed of the district and city delegates) is set up. Thus, in this model, people are granted de facto decision-making powers, meaning that the municipal council has the obligation to approve the participatory budget proposal. According to Herzberg (2011, p. 8) exactly these kind of practices can be truly called “democratic innovations”.

2.2.2. Symbolic Participation: Proximity Participation and Consultation on Public Finance

The feature of these two models is the fact that they are purely consultative. More specifically, both types involve the process of “selective listening”; i.e., the results of the deliberation are being summed up by local authorities, who later implement only those proposals that are in accordance with their own interests. Associations can hardly play any role; rather, participation takes place via citizens’ assemblies and fora. In the latter, participants are being invited through media, by mail or personal invitation. Herzberg (2011, p. 8) regards such experiences as “symbolic” since according to his opinion the changes they provoke are rarely visible.

Proximity participation model involves districts as well as city as a whole with the deliberation about investments in the former case and about general strategic goals in the latter. Proposals are not ranked and the decisions are usually taken by consensus. Local government is prescribing the

procedure (if there is any) as well as local representatives moderate the discussion during the deliberation phase. This has certain drawbacks, which will be discussed later in the paper. On the other hand, however, the extensive involvement of local representatives in the process is the form of guarantee that the decision will be implemented.

Consultation on public finance is mostly directed towards making the financial situation of a city more transparent. Information is usually distributed in brochures, via Internet and press releases. The procedure is based on a citizens' forum with information stands, where most participants are selected at random from the civil registry, but anyone interested can still participate. In the first version of the model the focus is on services delivered by public providers (revenues and expenditures of libraries, swimming baths, kindergartens, street cleaning). Public services are presented by municipal employees at information stands. Anyone can ask questions as well as record his/her suggestion on special forms. The second version aims at generating proposals to rebalance the budget (staff cuts, reduced public expenditure, tax increases). Participants have to come up with their own suggestions combining various possibilities. Views could be gathered via questionnaires and quantified. The local council announces its decisions after internal deliberation. Similarly to proximity participation model, the local government is the initiator of the process procedure and supervisor of its outcomes.

2.2.3. Beyond Selective Listening: Community Participatory Budgeting and Multi-Stakeholder Participation

Both models include funds for investments and projects in the social, cultural and environmental sectors. The participants in both procedures constitute organised groups who are invited to propose projects. Another peculiarity of these models lies in the fact that only part of money under discussion comes from the local government; that is, money can also be given by international organisations, NGOs, private companies or through national program. Hence, the municipal council is not the sole decision-maker: a board, a committee or an assembly of representatives from NGOs, private sector and local authorities jointly decide on the acceptance of proposals. Therefore, the level of empowerment here can be labelled as "co-governing

partnership”; i.e., joint decision-making of the citizenry and the representatives of private, governmental and non-profit sectors.

Table 2: European PB models

	Adaptation of Porto Alegre	Proximity participation	Consultation on public finance	Community participatory budgeting	Multi-stakeholder participation
Decision-making body	Council composed of citizens’ elected delegates	local administration	local administration	a committee composed of representatives of LG, NGOs, state organisations	a committee composed of representatives of LG, NGOs, state organisations, private sector
Participation	Participants’ selection methods				
	Self-selection;	Self-selection;	Random selection;	Targeted selection;	Targeted selection;
	Scope of participation				
	single active citizens	single active citizens	“ordinary” citizens	organized citizens	organized citizens together with private enterprise
	Participation mechanisms				
	Open meetings at neighbourhood level, delegates at town level	Open meetings at neighbourhood and town level	Open meetings or citizens’ forums at town level	Different kinds of meetings at neighbourhood level, delegates at town level	Closed meetings at town level
Deliberation	Focus of discussion				
	public investments	micro-local public investments or broad guidelines of town policy	overall budget or offer of services	concrete community projects	concrete projects financed by public/private partnerships
	Modes of communication				
	Develop preferences	Listen as spectators, express preferences	Listen as spectators, express preferences	Express, develop preferences	Express, develop preferences
Empowerment	Formality of the process				
	Projects ranked according to criteria of distributive justice, formalised rules	No ranking of investments or actions, informal rules	No ranking of services, possible ranking of priorities, rather informal rules	Projects ranked, formal rules	Projects ranked, formal rules
Control and monitoring	Council composed of citizens’ elected delegates	local administration	local administration	local administration + donors	local administration + donors

Source: Sintomer *et al.* (2010b); Herzberg (2011); Fung (2006). Modified by the authors

In the community participatory budgeting in contrast to the multi-stakeholder model, business is excluded: funding is provided by a national or international programme. Even though the committee is filtering the proposals (ensuring that they meet the rules of the process), the final decisions on which project receives funding is taken by the residents via voting. Usually the applicants are mandated to implement the projects themselves; however, the local authorities still monitor the delivery and spending.

Given the financial participation of the private sector in the multi-stakeholder model it can be assumed that private sponsors might influence the outcome of the process. This type of participation can be considered as PB only in case the larger part of financial resources comes from the local municipality. Furthermore, participation has to take the form of forum rather than commission meeting. Otherwise, such initiatives fall under the category of a PPP project rather than PB.

3. Environmental Variables Influencing PB

As it has already been mentioned, PB is a case-sensitive social experiment and hence it seems to be obvious that every model is able to function only in a specific context and within certain environment. We will now look at different “environmental” or context variables that are likely to influence the applicability of the various PB models.

We divide the variables that influence PB process and hence the choice of PB model into 2 main categories: country-level and local-level. The country-level variables include the degree of financial autonomy and political culture. These are the factors that influence which of the PB models could fit the local governments in any particular country as a whole. Also, these country-level variables can be also regarded as conditions conducive to PB; i.e., they make it more likely that PB can be implemented. Next, since PB is primarily practiced on a local level, the second category of the environment variables concerns the characteristics of a local municipality: size, diversity, and prosperity. Depending on their variations on the local level different PB models can appear to be better applicable than others.

3.1. Financial Autonomy

In view of the fact that PB prescribes participation in the allocation of financial resources at the municipal level, it probably goes without saying that the local municipality willing to carry out PB procedure has to have at least some financial autonomy. Though the PB initiatives can also address the overall financial health of municipalities, the focus is on discretionary spending (Wampler 2007). Thus, in order to make *any* form of PB conceivable, the local governments in the country need to have some degree of expenditure autonomy, in that they have some space to allocate financial resources freely (i.e. independently from the central government). Local expenditure autonomy implies the right and the ability of local governments to spend public resources on goods and services in such a way that meets the demands of local constituency. Besides expenditure autonomy, the local governments who want to implement PB should, ideally, also have some degree of revenue autonomy, since that would increase the amount of funds available for discretionary spending.

3.2. Political Culture

A country's previous experiences in the field of citizens' engagement in local governance can serve as an indicator of the readiness for and the possible acceptance of PB. For PB to work, the citizenry in general has to be ready and willing to participate and the municipal decision-makers have to have the political will to engage the public. Political actors might feel threatened by the citizens' direct participation in local governance as they essentially lose – at least some – decision-making space (Cabannes 2004; Wampler 2007) Therefore, the existence of the support among local councillors and local administration staff is essential. All this is definitely an integral part of the political culture, which constitutes the second country-level variable.

More specifically, the term political culture refers to the orientations and attitudes towards the political systems as well as the attitudes towards the role of the self in the system (Almond, Verba 1966, 13). Putting it more simply, it is “what people believe and feel about government, and how they think people should act towards it” (Elazar 1994 in Ishiyama 2012). The paper at hand will combine two most prominent classifications of political cultures: one elaborated by

Almond and Verba (1966) and the other by Elazar (1972). Both threefold typologies complement each other by emphasizing different components of the term “political culture” – while Almond and Verba underline “culture”, Elazar focuses on “political”. Namely, individualistic perspective, i.e. individual psychological orientations and attitudes towards the political system⁵ (incl. the role of the self as participant in the political system⁶) is taken by Almond and Verba, while Elazar brings a broader perspective describing the general conduct of politics. In a nutshell, three types of political cultures can be distinguished: moralistic, individualistic and traditionalistic (see table 3).

Table 3: Types of political cultures

Political culture/key elements	Perception of politics/vision of government	Individualism/collectivism	Participation
Moralistic	politics as moral duty of every citizen; government as a positive force for commonwealth	individualism is not submerged, but collectivism is also valued	high
Individualistic	politics as “business”; government as a “watchman” for market; cynicism	individualism emphasized	low
Traditionalistic	politics as moral duty of elite; government has positive but limited role;	collectivism emphasized	average

Source: Elazar (1972); Almond, Verba (1966). Composed by the authors

Moralistic political culture embraces the notion that politics is “one of the great activities of man in search for the good society” as well as it is considered to be a matter of concern for every citizen, i.e. citizens are usually active and the level of participation in public affairs is high. Next, in the individualistic political culture politics is seen as “business”, i.e. as means for people to improve themselves socially and economically. Government is instituted for utilitarian reasons, with emphasis on encouraging private initiatives rather than guaranteeing “good society”. There is a prevailing cynicism about government and hence participation in politics is relatively low.

⁵ Almond and Verba (1966, 14) argue that they employ the concept of culture in one meaning: “that of psychological orientations toward social objects”.

⁶ This was criticized by Arend Lijphart, who argued that Almond and Verba stretched the concept of political culture by including the “feelings” regarding the role of the self in the political system. He claimed that this caused “vagueness” in the concept that should rather be focused on how politics is conducted (Ishiyama 2012, 95)

Finally, traditionalistic political culture can be characterised by “the ambivalent attitude towards the market coupled with a paternalistic and elitist conception of the commonwealth”. Social and family ties are considered to be very important. Government has a positive role, which is, however, limited to the maintenance of the existing social order (Elazar 1972, 94-99; Almond, Verba 1966, 17-19).

While moralistic and traditionalistic political cultures seem to provide more fertile grounds for PB implementation, it is probably complicated to establish more genuine forms of participatory procedure in the individualistic culture due to low level of participation and the prevailing “utilitarian” attitudes towards politics and government, which are seen merely through the prism of business. Furthermore, as already noted above, strong political will is a decisive component of PB success. If politics is perceived as a means for making a good career, then citizens’ participation in the decision-making would not be something to strive for. The transaction costs associated with citizens’ participation (e.g. increased staff time and communication) (DeNardis 2011) are likely to diminish the enthusiasm of political elites.

In reality, the political culture is usually a mixture of the above mentioned types and hence, it can be said that the prevalence of either moralistic or traditionalistic types of political culture (even if mixed with individualistic one) can be regarded as a factor conducive to the success of PB implementation.

In sum, the political culture can influence the readiness of local authorities to empower citizens, which in turn influences which type of PB decision-making processes (consultation, co-governing or transferring de-facto decision-making power) are feasible in a country. In addition, the activity of citizens can shape the scope of participation (type of citizens involved), their mode of communication and as a result participation mechanism in use.

3.3. Characteristics of Local Governments: Size, Heterogeneity and Prosperity

The local-level variables – size, heterogeneity (or diversity) and prosperity – in case the conditions for implementing PB within a given country are conducive, can further influence the choice of the PB model.

The size of the population can be expected to affect the “participation” element in PB process design, i.e. the form and scope of participation as well as the participants’ selection methods. Large cities may opt for multi-layered form of participation with citizens’ delegates involved in the process. The other variant for the large city would be the targeted selection of organised citizens’ representatives (this, however, also depends on the political culture of the country). Smaller cities might choose to engage in participation via self-selection and open meetings at town level. Moreover, the size of the population might also influence the formality of the process and mode of decision-making. In smaller cities, for instance, consensus-based and informal processes might be more probable.

Heterogeneity (or diversity) of the population in a given local government is a variable that cannot be ignored in today’s plural societies. These can be defined as societies “sharply divided along religious, ideological, linguistic, cultural, ethnic, or racial lines into virtually separate subsocieties”. According to Lijphart (1991, 67) the most common line of differentiation between these subsocieties is ethnicity. He specifies that ethnic differences include cultural as well as linguistic differences. Presumably, the diversity has an impact on both participation and deliberation variables in the PB process design. For instance, in heterogeneous cities political conflict might emerge because of different group demands, which might in turn lead to the formalization of participation process (Ebdon, Franklin 2006). The participants’ selection methods also have to be adjusted according to the make-up of the population so that the representativeness would be guaranteed.

Finally, the level of prosperity of the local government (as indicated by its per capita revenues) is likely to influence the feasibility of different PB models. Even though it is primarily the municipality’s finances that have to be involved in PB (according to the definition of PB), then as the models showed the public funds may also be combined with private and (non)governmental recourses in order to provide adequate funding for PB implementation. This, in turn, would influence most explicitly the decision-making and control bodies of PB initiative. It is worth noting, however, that PB can be implemented even with a rather limited amount of money. The practices here vary from 1% to 10% of the overall implemented budget (Cabannes

2004, p. 34). Moreover, prosperity might influence the focus of deliberation, which can range from concrete projects to broad city policy guidelines. A financially strapped municipality (Wampler 2007) is more likely to involve citizens in discussion on general policy priorities rather than in selection of new public works.

Obviously, these variables do not constitute a comprehensive list of factors that influence the choice of a (suitable) PB model. The analysis provided here, however, allows preliminary investigation of the links between environmental variables and the elements of PB process (see Figure 1 for an overview). Also, it is worth noting that *all* the mentioned environmental variables can influence at least to some extent *each* of the process design variables. For the purposes of clearer argument, figure 1 points to the linkages that are likely to be the strongest and direct.

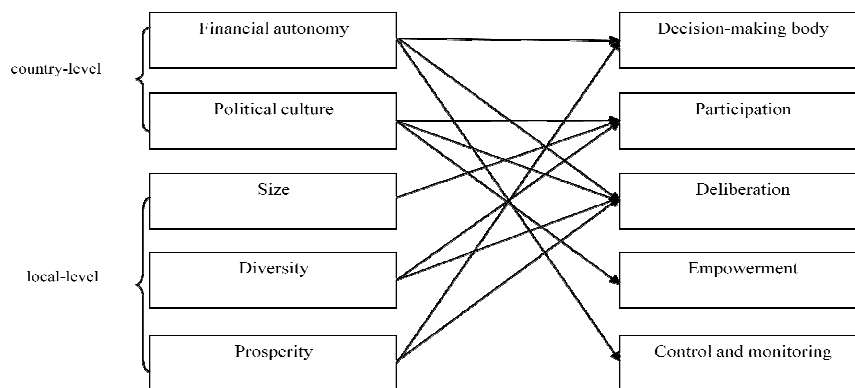


Figure 1: The links between environmental variables and the elements of PB process

4. Matching Models with the Environment – What is the Fit?

4.1. Accepting the Delegation of Authority: Porto Alegre Adapted for Europe

The model “Porto Alegre adapted for Europe” requires a high degree of financial autonomy because of the transfer of significant decision-making powers to the civil society. This is manifested in the composition of decision-making and monitoring bodies, which both consist of citizens’ representatives. Delegating power to the citizenry would by all means demand local municipality’s ability to decide on its own its expenditure areas without being constrained by the higher authority. In addition, the high level of empowerment implies that the moralistic or traditionalistic political culture has to prevail. Obviously, the model stipulates high level of

activity of the civil society as well as the strong political will to share power. The former can be underpinned by the argument that the proposals for PB final list are being elaborated at the neighbourhood level by the single active citizens who voluntarily join together to develop their projects. Concerning the latter, it can be noted that the local government is likely to have “a reformist tinge” (Wampler 2007), i.e. political leadership would be composed of people willing to experiment with new institutional formats and accept the delegation of their authority. The two-layered character of participation mechanism with direct participation at the neighbourhood level and participation through delegates at the town level implies that the model is likely to be utilized in large cities where the election of representatives is inescapable. Furthermore, the formalised procedure with clear “rules of the game” also suits municipalities with large population, where the degree of diversity is relatively high. Heterogeneous population creates the need for formalisation because of varying group demands (Ebdon, Franklin 2006). Moreover, the model usually presupposes the existence of the social criteria that ensures the just distribution of resources e.g. between richer and poorer neighbourhoods, which again fits with large municipalities. As the focus of deliberation constitutes concrete investments and project ideas generated by the citizens, the model would match a rather prosperous city that can afford implementation of the projects proposed by its citizenry. This match is also emphasized by the fact that the model does not foresee the municipality cooperating with either state or private sector actors. Indeed, there are requirements as well as financial limits on the proposals; however, being financially constrained and not having any partners, it would be complicated for a city to encourage people to get enthusiastic about “managing scarcity”. The advantage of this model is definitely the direct impact of the civil society on the decision-making process, i.e. the real empowerment of citizens. The challenge is, however, to get high participation rates as this clearly forms the basis for legitimating the whole process.

4.2. Setting up Counter-Veiling Strategies: Proximity Participation

The term “proximity” in the context of this model is indicative. In contrast to “participatory democracy” the concept of “proximity politics” lacks the recognition of the role of participants as joint decision-makers (Allegretti, Herzberg 2004). Hence, the powers to decide about the rules and to monitor the PB process as well as its realization belong entirely to the local government.

This implies that the model could be applied in a municipality with an average degree of financial autonomy, whereby the local authorities would consult the residents, but place concrete limits on the choice of spending options. The problem of framing, how Talpin (2007) calls it, comes out of this authority's domination in the process. Local representatives can (un)intentionally frame the discussion in such a way that the outcomes would fit their preferences. Participatory institution indirectly controlled by the municipality would only represent "a legitimizing window-dressing institution" (Talpin 2007, 13).

However, the consultative nature of this model largely depends on firstly, how active the participants are in making proposals and secondly, on their ability and desire to set up "countervailing strategies"⁷, i.e. to use tricks and small windows of opportunities to counter-balance the dominant position of government officials in the participatory process.

In view of the above it would be fair to say that the model has the potential to work in moralistic and traditionalistic cultures only in case the citizenry is active and ready to use "country-veiling strategies". Otherwise, it could be applied in an individualistic political culture where participation might have merely a symbolic value for the political elite trying to stay in power. Due to the informality in procedure and the use of consensus as a usual decision-making mode, proximity participation model tends to fit rather small, homogeneous towns. Furthermore, because discussion is centred on either micro-local public investments or broad guidelines of town policy as well as no cooperation with either state, non-governmental or private sectors takes place the model would presumably suit a municipality with average or small revenues. The strength of this model is the close communication between local authorities and the residents, which might motivate people to discuss their everyday problems more openly and feel closer to those in power. However, "the selective listening" manner that this model is working in, might also constitute a real threat to the legitimacy of the whole process that might eventually fail to preserve its sustainability.

⁷ The term "countervailing power" was coined by political scientists Archon Fung and Erik Olin Wright to imply a variety of mechanisms that reduce, and perhaps even neutralize, the power-advantages of ordinarily powerful actors (Fung 2003, 260)

4.3. Increasing Transparency: Consultation on Public Finance

Consultation on public finance model has mainly derived from the New Public Management ideology that sees participation as a part of the aim to increase transparency in government (Sintomer *et al.* 2010). Therefore the consultative nature of this model comes as no surprise. The main goal of the open meetings is either getting feedback on the existing public services or finding solutions to financial problems. Such a focus of discussion (overall budget or offer of services) indicates the average revenue levels of a municipality that probably cannot afford implementation of the new proposals made by its residents. Furthermore, it can also imply the average level of expenditure autonomy which presupposes that city has only small discretion on what services to provide; rather it can ask for the feedback about the already existing and mandatory ones. Because random selection to citizens' forums is used as participants' selection method, this model could be applicable in cities with different population size. The main concern would be to make the forum representative of the city which might become a rather complicated task. Furthermore, the model would suit heterogeneous cities in case the random selection ensured representativeness. Since this model is not underpinned by the social movements, the individualistic political culture is likely to match this model. The strengths and weaknesses of this model are intertwined. On the one hand, the model makes the financial situation in the city more transparent and understandable to its citizens, which in turn might lead to higher legitimacy of authorities. On the other hand, participation here is seen more as a device for modernising government, not as a means of actual transfer of real decision-making powers.

4.4. “Participatory Grant-making”: Community Participatory Budgeting

The model is largely based on funds deriving from state, non-governmental or international organisations and the procedure is being controlled as well as elaborated by the representatives of these institutions. That is why it can be labelled as “participatory grant-making” rather than participatory budgeting (Blakey 2007). This model can, in principle, fit local governments with different degrees of financial autonomy and the procedure mostly depends on the spending rules of the funds provided for PB, i.e. how strictly the donors determine the spending priorities of their money will affect the discretionary space of a municipality. In general, however, as part of

the money still has to originate from the local municipality, the degree of expenditure autonomy might range from average to high. In other words, the municipality has to have discretion about *how* to provide mandatory public services and goods; furthermore, it might also need to be capable of providing optional services to some reasonable extent. The reason for that is the focus of discussion: concrete community projects generated by the citizens. Furthermore, the level of prosperity in this model can also vary, but considering the cooperation opportunities with other sectors it could range from low to average. Because the model is directed mostly at organised citizens it requires a rather developed and active third sector. On the other hand, the type of empowerment in this model – “cogoverning partnership” – reflects the *sharing* of power with the residents but not the *transfer* of it. Therefore, the model might comply with a mix of active citizenship and cautious power sharing intentions from the governing side. This is likely to be present in the combination of individualistic and moralistic types of political cultures, which might form conducive bases for the successful implementation of this PB model. Next, as already noted before, only organised citizens participate in the elaboration and further implementation of the community projects (while individual active citizens are involved in the decision-making stage of voting on the developed projects). Consequently, the model would suit large cities due to the fact that the infrastructure as well as the capacity of the civil society organisations (CSOs) is usually better in larger cities than in smaller towns or villages. As the rules are rather formal and the proposals are scrutinised according to the criteria set by the officials and donors, the model could fit heterogeneous towns. The positive about this model is its potential to strengthen ties between CSOs and hence to foster the creation of a network of organisations oriented at local development. The challenge could be the involvement of single active citizens who might feel detached from PB process by participating merely in the act of voting on the proposals.

4.5. Participatory PPP: Multi-Stakeholder Participation

In the context of PB the motives for local government to become involved in public-private partnership (PPP) could be either to attract private finance or to share power. While the former enables the local government to pursue projects which it might have not been able to afford on its own, the latter implies that partnerships are usually seen as promoting cooperative, less

authoritarian, “horizontal” relationships (Pollitt 2003). Therefore, the model of multi-stakeholder participation is likely to fit a municipality with poor or average revenues. Similarly to the previous model and for same reasons, it assumes average to high degree of financial autonomy. Regarding the political culture, presumably, it needs to be market-friendly as the main distinction of this model is the involvement of private interests into the procedure. Moreover, participation of single active citizens is excluded from the process, since it has mostly closed meetings as a participation mechanism. The model therefore matches with individualistic political culture where participation might be seen to have a symbolic value rather imply actual transfer of decision-making power. This model could be feasible in large cities with a developed network of private companies and SCOs. It would also fit heterogeneous towns due to the formality in process. The advantage of this model is the engagement of the locally important enterprises and companies in the development of municipality. On the other hand, the challenge is to limit the possibly strong influence of private donors on the structure of the procedure as well as on the results of the whole process. Likewise, the involvement on non-organised citizens constitutes the issue to be reconsidered.

Table 4: Which model for which environment?

	Adaptation of Porto Alegre	Proximity participation	Consultation on public finance	Community participatory budgeting	Multi-stakeholder participation
Financial autonomy (low/average/high degree)	high	average	average	average-high	average-high
Political culture (individualistic/moralistic/traditionalistic)	moralistic/traditionalistic	individualistic	individualistic	moralistic-individualistic	individualistic
Size (large/small)	large	small	variable	large	large
Diversity (heterogeneous/homogeneous)	heterogeneous	homogeneous	heterogeneous	heterogeneous	heterogeneous
Prosperity (low/average/high level)	high	low-average	average	low-average	low-average

5. Challenges and Opportunities for New Democracies in Implementing PB

In analysing the applicability of PB models in CEE countries, one obviously cannot ignore the legacies of both the Communist era and of the transition period of the early 1990s. These two legacies – of the democratic centralism of the Communist period and romantic localism of the early transition period (see, e.g. Illner 1998) – place the local governments in the region in the middle of countervailing forces when it comes to implementing participatory mechanisms like PB. On the one hand, one may argue that the legacy of “democratic centralism”, characteristic to the Communist era⁸ imply that the local governments in CEE region have had to struggle to overcome the inherited weaknesses of local level decision-making structures (see, e.g. Coulson 1995; Yoder 2003). Thus, such “centralist” heritage and the centralizing tendencies that carried over into post-communist era are likely to act as an obstacle to implementing PB. On the other hand, as Campbell and Coulson (2006, p. 543) argue, one of the first commitments of the post-communist regimes was to re-establish genuine local governments, because “there was a strong belief in local (self-)government as an antidote to the centralised state, and an institution through which people could gain control over their own lives, and regenerate and revitalise their communities”. In other words, establishing strong local governments was carried by the motive to break the power monopoly that had emerged during the Soviet times (Regulska 2009; Baldersheim 2003). Thus, the remnants of such “romantic localism” from the early transition period are likely to increase the appeal of PB mechanisms both to the decision-makers and the local communities themselves. Furthermore, one could also argue here that PB practices may also play a role in fostering genuine decentralisation and hence provide countervailing mechanisms to the still-present lures of re-centralization in the region (see, e.g. Regulska 2009; Yoder 2003). Given the somewhat “similar” historical legacies (of authoritarianism and non-democratic governments, with some elements of clientelist relations on the local level)⁹ in the

⁸ In the centrally planned economies, all goods and services were provided under the direction of central government and its ministries. The policy decisions pertaining to revenues and expenditures were hence made at the central level and the role of local governments was to implement the “central plan and will” at the local level. (Bryson and Cornia 2004, p. 266). Under such system, “any authentic self-government was excluded”; local government budgets constituted parts in the central state budget and the bulk of local government revenues came in the form of central government grants (Illner 1998).

⁹ As Illner (1998) points out, in CEE countries, the “centralist command system” often degenerated into “a client-based structure” of networking and negotiation; for example, “contributions to municipal and regional infrastructure and services were usually negotiated informally”.

new democracies in CEE and the countries in South America, which have pioneered the application of PB, one can argue that the “lessons learnt” with PB in Brazil, Peru, Argentina, etc. could be particularly useful for the CEE countries.

Illner (1998) and Swianiewicz (2010), among others, have pointed out that the territorial structure of the local governments in the CEE region is highly fragmented and many local governments tend to be rather small (see Table 5). As Swianiewicz (2010, p. 183) notes, this has often been “a reaction to an earlier consolidation imposed by the respective communist governments in an undemocratic manner, without public consultation”. The fragmentation of local governments can have two-fold implications for implementing PB models in the region. On the one hand, the small size of local governments could be conducive for introducing PB and it would allow the use of PB variants with more direct elements of participation (like involving all inhabitants of the jurisdiction in PB). One may wonder, here, of course, whether in the context of very small jurisdictions, where the local government decision-makers and the inhabitants are in constant interaction and there are strong links between voters and representatives anyway, there would even be a need for some more “institutionalized” form of PB. Thus, before proposing specific models of PB for such small jurisdictions, it would be worth analysing the existing flow of information, the level of trust and accountability in such contexts and whether formal PB mechanisms can necessarily add anything useful to them. On the other hand, the smallness of the local government units often implies limited financial resources, which may make more large-scale implementation of PB more complicated, since there simply is “no money to go around”.

Table 5: Size, fiscal decentralisation and ethnic diversity of local governments in CEE countries in 2000-2001.

	Number of lowest tier local governments (in 2001)	Average population of local government unit in 2001	Subnational share of general government expenditure (%)	Number of ethnic groups in 2001
Bulgaria	255	33 000	22	7
Czech Republic	6292	1700	23	7
Estonia	247	6000	16	6
Hungary	3177	3200	25.9	6
Latvia	541	2219	21.9	6
Lithuania	56	66 000	19.3	5
Poland	2483	16 000	35	4
Romania	2948	7632	17.9	9

Source: Dabla-Norris 2006, Rodriguez-Pose and Kroijer 2009

An important challenge to implementing the more comprehensive forms of PB (like the Porto Alegre model) in CEE countries is the relatively limited financial autonomy of local governments in the region (see, e.g. Yilmaz et al. 2010; Brusis 2002; Shah 2004; Dabla-Norris 2006; Rodriguez-Pose and Kroijer 2009; Davey and Peteri 2006),¹⁰ though there may be space for PB models that would also fit contexts with average to low level of financial autonomy (like proximity participation and consultation on public finances). Although by indicators measuring fiscal decentralisation, the 8 new member states (NMS) are doing better than the rest of the region and have undertaken extensive fiscal decentralisation reforms since the beginning of 1990s, there are still a number of problems. An important measure of fiscal decentralisation is the degree to which local governments have access to autonomous sources of tax revenue. Ebel and Yilmaz (2002) concluded that governments in 10 CEE countries have “very little control over their revenues” (p. 10). In particular, the proportion of “own” taxes in local government revenues in the CEE region remains relatively low (see Table 6). As Dabla-Norris (2006) points out, in the CEE countries local governments make only limited use of property taxes (which, in the developed countries are often seen as important revenue source for local governments). Total own revenues as a share of subnational revenues does show significant variation though. In the Czech Republic, Hungary, Poland, and Romania the share of “own” revenue of local governments (i.e., what the local governments collect themselves and have policy control over) is in the range of 33-40%, whereas in the Baltic countries, “very small share of subnational revenue is controlled by subnational governments, which depend almost entirely on transfers from the central government” (Dabla-Norris 2006, p. 119; see also Davey and Peteri 2006; Ebel and Yilmaz 2002).¹¹ Dabla-Norris (2006, p. 117) also notes that in some of the transition countries, effective *expenditure* autonomy is limited (e.g. very clearly so in Bulgaria), whereas the situation is better in Hungary, Poland, Estonia, Latvia, and the Czech Republic. In general, though, the funds of the local governments in the region have been squeezed, resulting from a combination of factors, including fiscal stress throughout the transition period and beyond, the

¹⁰ For a comparison of the fiscal decentralization in CEE countries with developed countries, see, for example, Ebel and Yilmaz (2002).

¹¹ In Lithuania, for example, 91% of subnational governments’ revenues come from shared taxes (i.e. the government decides on the tax base and rate and establishes the revenue-split) and the subnational governments have control over only around 4.8% of their revenues (Ebel and Yilmaz 2002). In Slovakia, in contrast, own-source revenues constitute around 60% of subnational governments’ revenues.

capture of the tax base by the central governments (leaving the local governments with only limited leeway to pursue their own revenue-raising policies), and unfunded mandates from the central government¹² (see, e.g., Bryson and Cornia 2004). One of the reasons for such muted development of local tax systems was (and is) a large disparity between the tax bases of the different local governments (and hence their tax raising potential), which is why most local government prefer to rely on intergovernmental transfers for the bulk of their revenues rather than engage in local tax-raising efforts (Davey and Peteri 2006, p. 589). Davey and Peteri (2006, p. 591) hence argue that

Local taxing power has few friends in CEE. Ministries of Finance are reluctant to curtail their monopoly of power over fiscal policy. Local authority associations rarely if ever seek taxing power for their members; their demands focus on increasing shares of nationally determined revenues, an approach which has lower political costs.

Also, when the financing of local level capital infrastructure is strongly dependent on the funding and priorities of the central government (like it is in the Czech Republic, for example; see Bryson and Cornia 2004), the chances for meaningful utilisation of PB are likely to be curtailed. As Davey and Peteri (2006, p. 597) note, in financing investments, remnants of “negotiation”-culture from the soviet time can still be observed in CEE countries and “allegations of partiality have not been eradicated from investment funding”. One may argue here, of course, that implementing PB (like community participatory budgeting) in such contexts may in fact enhance the transparency of “grant-making” and force the authorities to make decisions on the basis of more clearly articulated criteria.

Although the limited financial autonomy of the CEE local governments may act as an impediment to meaningful implementation of any of the PB models, then one may also argue that PB practices may lead to an increase of the budgetary leeway of the local governments, if they enable the local governments to engage in more extensive local revenue-raising efforts than before. Cabannes (2004) notes that in those cities that have implemented PB, tax revenues have

¹² As Bryson and Cornia (2004, p. 276) put it, the “natural response from the central government” to fiscal stress “has been to reduce revenue going to municipalities while assigning additional service provision responsibilities to local governments”.

increased, owing to higher tax compliance of the citizens. Furthermore, if the PB participants become more aware of the trade-offs involved in local expenditures and revenues, they may be more willing to accept the enactment of higher local government taxes. Given the temptation of the central governments in the region to deal with fiscal stress by reducing financial transfers to sub-national governments (or increasing unfunded mandates), local governments are likely to face increasing public pressure. Involving the public more directly in making the difficult tradeoffs may be a way for the local governments to deal with the dilemmas cutback management (Franklin, Ho and Ebdon 2009).

Table 6. Revenue structure of local governments in CEE countries, 1999.

	Own taxes ¹³	Tax-sharing ¹⁴	Non-tax revenue ¹⁵	General purpose grants	Specific purpose grants ¹⁶	Total
Bulgaria	0	47.2	13.4	32.4	7.1	100
Czech Republic	3.9	43.8	36.3	0	16.0	100
Estonia	6.3	62.1	9.1	13.4	9.1	100
Hungary	16.3	16.8	17.0	1.7	48.2	100
Latvia	0	66.2	14.1	5.8	13.9	100
Lithuania	0	91.0	4.8	2.3	1.9	100
Poland	10.6	14.4	24.6	30.5	19.9	100
Slovak Republic	22.8	39.6	19.3	0	18.4	100
Slovenia	10.6	49.3	17.5	15.9	6.6	100

Source: Ebel and Yilmaz (2002)

Probably the strongest impediment to the adoption of PB practices in the new democracies in the CEE region is the prevailing political culture and the weakness of civil society (see, e.g. Regulaska 2009). On the side of the “general public”, there is popular distrust of political institutions and formal procedures and unwillingness of citizens to become actively involved in public matters (Illner 1998). On the other side of the table, the politicians and public officials, if prone to paternalism, may be reluctant to utilise PB in any genuine way. Hogue and McFerren (2002, p. 55) note that the participation of citizens in budgeting in CEE countries is limited because of apathy of the inhabitants and incomprehensibility of the budget to them. Further, they

¹³ In the case of “own taxes“, local governments control tax rate and/or tax base.

¹⁴ In the case of these revenues, the central government decides on the tax base and rate and establishes the revenue-split.

¹⁵ Revenue from business operations, fees, fines and duties.

¹⁶ Grants that are earmarked for specific purposes.

note that the decision-makers are “still struggling with the idea of what real role the average citizen should have”. In their study on local government budgeting in Poland, Filas, Levitas and Piszczek (2002) note that

[M]ost Polish local government officials remain wary of public involvement and think that, in general, it causes more problems than it solves. ... [C]itizens generally think their public involvement ends at the ballot box and have, in general, shown little interest in the way their elected officials spend public funds.

Thus, the implementation of the Porto Alegre model in CEE countries could be especially challenging, because this model implies politically active citizenry and politicians willing to cede significant decision-making powers. In the light of the relative weakness of the civil society, proximity participation and consultation on public finances could be more feasible models to start with experimenting with PB in the region (especially since these models also involve local officials, making it less “threatening” to the elected officials and administration). However, one could also argue that because of the observed weakness of the civil society in the CEE region, PB could be viewed as a clear and specific instrument for *developing* the civil society. Budgetary decisions would constitute clear and specific focal points for discussion and hence offer clearly delineated opportunities for the civil society organizations to voice their opinions on the local level. Also, PB could become the *vehicle* through which the local government leaders practice participatory mechanisms, in order to overcome the prevailing “lack of skills and confidence in moving outside the local government” (Campbell and Coulson 2006, p. 545). Similarly, for the citizen, PB venues may be useful “citizenship schools” for practising more active voice and choice on local level issues, like has been in Latin America (see Wampler 2000; Willmore 2005). Indeed, as Cabannes (2004) notes, PB has clearly stimulated the formation of social capital in the cities of South America.¹⁷ Thus, experimenting with variants of the Porto Alegre model could be particularly conducive for stimulating the development of civil society in CEE countries.

¹⁷ As De Sousa Santos (1998, p. 482) puts it, “It is today generally recognized that the PB changed the political culture of community organizations, from a culture of protest and confrontation to a culture of conflict and negotiation”.

Because of the ethnic diversity characteristic to most of the 10NMS, attention should be paid to how to utilise PB in order to encourage more direct involvement of the ethnic minorities in budgetary decision making. Dowley (2006, p. 568) has argued that the decentralisation efforts in some of the CEE countries (like the Baltics and Slovakia) have been, at least to some extent, weakened by the “nation-building aspirations of most of the national parties”. Thus, the implementation of PB can potentially help to counteract such centripetal tendencies. Dallyn (2008) finds that the PB pilot-projects in Albania managed to mobilise citizens and involve the poorest and most marginalised groups (like the Roma) in budgetary decision-making.

When choosing among different PB models for those that would suit the CEE contexts, it would also be useful to discuss the implications of different political and electoral systems for the PB efforts. Especially when drawing lessons from the South American experiences for CEE, one needs to keep in mind that the Porto Alegre models (and its variants) emerged from a political setting where the “executive” branch and “legislative” branch are separated (and where the mayor and the councillors are elected directly, rather than having the city council elect the mayor) (Cabannes 2004). In small local governments in CEE, where the “legislative” branch and “executive” branch are closely connected, the Porto Alegre model may be difficult to “sell”, because it would appear as an attempt to set up an alternative “city council”. Thus, the models like proximity participation and consultation on public finances maybe more feasible in the CEE context.

Based on experience in Latin America, the advocates of PB in the CEE region should be particularly aware of the limitations and even abuses of PB. In particular, if citizens have limited experiences in active participation there are the dangers that PB exercises turn into acts of rubberstamping the already made decisions of the government and the elected officials may use the PB to advance their own agenda and reward their “clientele” (Wampler 2000; Willmore 2005). If participatory processes become excessively politicised, this may lead to “deficient and non-meaningful participation” (Cooke and Cathari 2001; Rodgers 2007). In particular, in choosing a PB model, particular care should be taken not to disadvantage the participation of civil society organisations at the expense of businesses and other powerful local level actors. Sootla and Grau (2005, p. 287) found, for example that in Estonia local governments consider

business actors to have larger influence than the local governments themselves. Drawing on Baiocchi (2001) one can suspect that inequality in PB process would constitute one of the biggest threats to genuine deliberations on the budget. The advantaged groups would be likely to be tempted to utilise their superior resources in order to promote budgetary decisions that work disproportionately to their benefit (Rodgers 2010). These tendencies have to be kept in mind especially when the local governments in CEE countries decide to experiment with the participatory grant-making and multi-stakeholder participation models of PB.

Given the diversity of the contexts, it would probably be counterproductive to provide any uniform one-size-fits all solutions to the local governments in the CEE region. When it comes to PB, a more polycentric system, advocated by Ostrom (2005) is likely to encourage experimentation and innovation.¹⁸ What the central government and the civil society may try to do is to make the local government aware of the different options in the “PB menu” and encourage experimentation with these models and mechanisms (like has been done in the UK). It would be counteractive, however, to view PB “as recipe for ‘implanting’ participation and transparency”, as some international agencies and donors have come to see it (Cabannes 2004, p. 40).

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