

Diffusion and Use of Participatory Budgeting in the Czech Republic

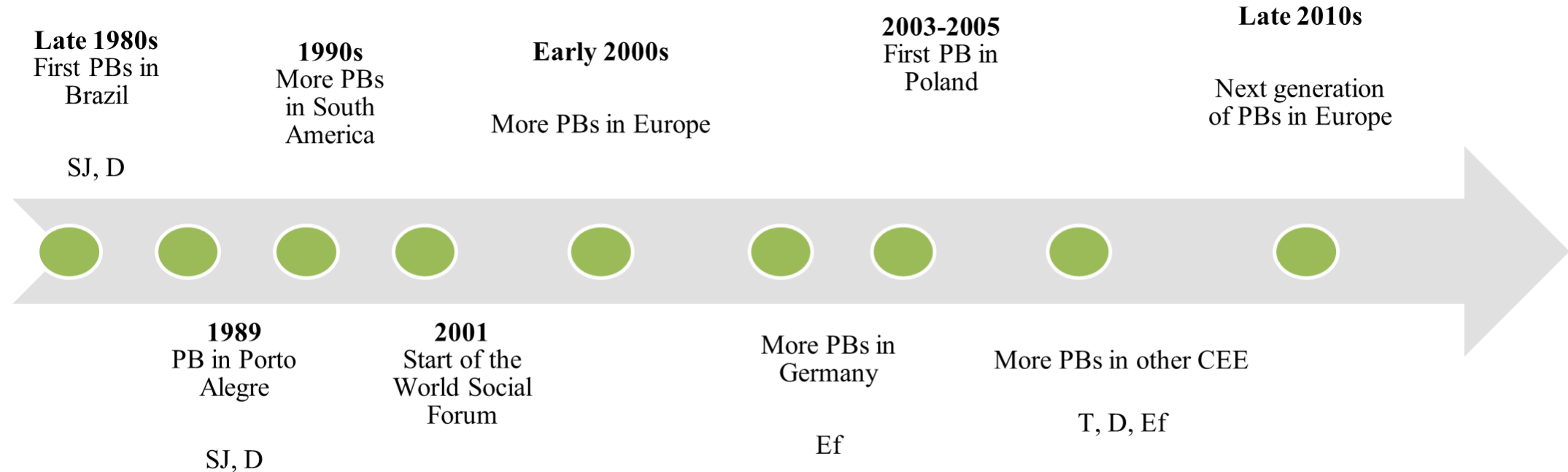
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Introduction/Motivation

- ✓ participatory budgeting (PB) has been often discussed as a tool to booster the level of civic participation and the quality of democracy (e.g. UN Habitat, 2008; Wampler, 2012)
- ✓ however, low citizens´ participation in the voting phase of PB is often criticized undermining the legitimacy of the process (Bhatnagar et al., 2003; Kukučková and Bakoš, 2019; Wampler, 2012; Zepic et al., 2017)
- ✓ the voting method Democracy 2.1 (D21), often used in Czech municipalities with PB, is promoted as an appropriate voting method to enhance the voters´ engagement in voting.
- ✓ Czech PBs are the project-oriented type of PB which is used in other countries – experience gained in the Czech case could be interesting for them

Journey of PB from South America to Europe with the objectives for PB implementation



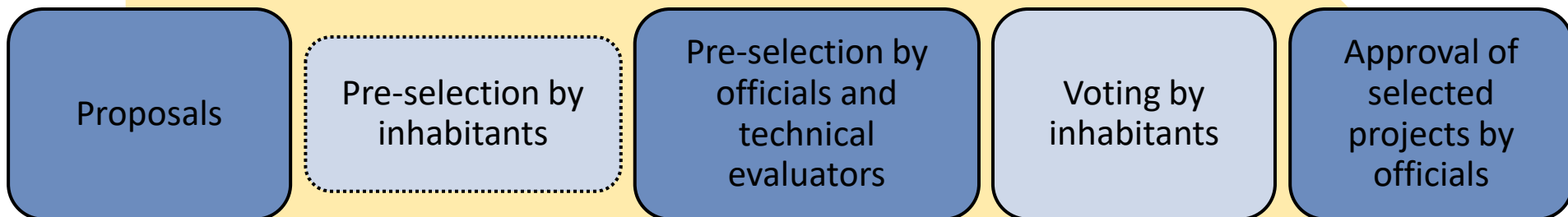
Source: (Kukučková & Bakoš, 2019)

Project type of PB

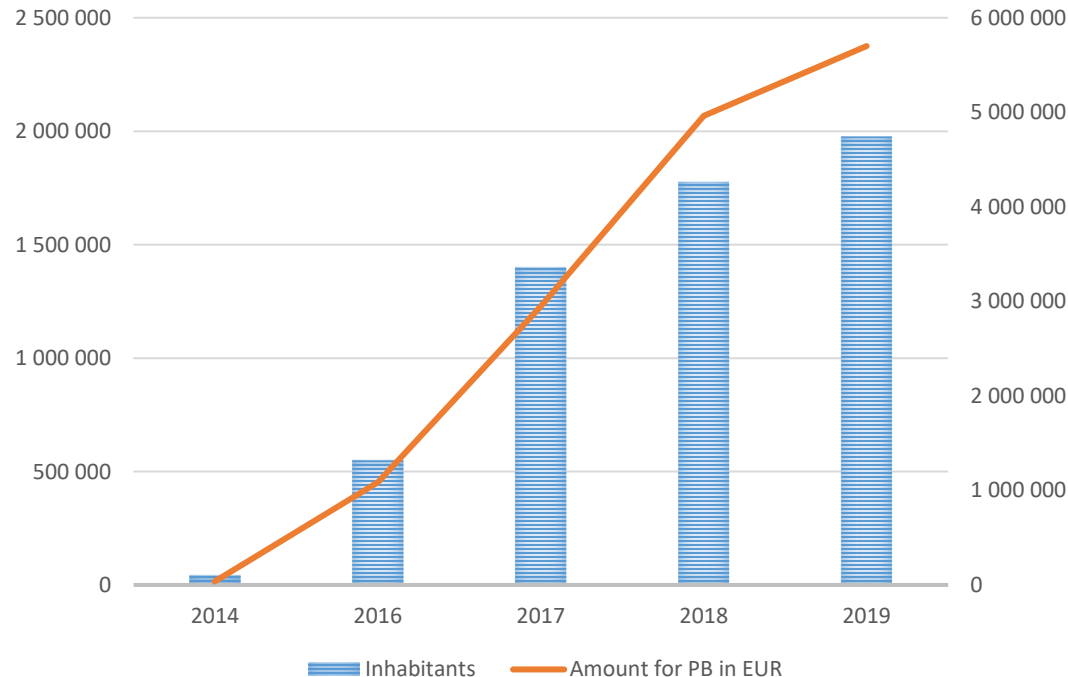
- ✓ the project oriented PBs often could be found in the EU countries, mainly in CEE countries (Džinić et al., 2016; Olejniczak and Bednarska-Olejniczak 2018, Kukučková & Bakoš, 2019)
- ✓ prevails also in Canada, in the U.S.A. (Calabrese et al., 2020; Carrol et al., 2016; Lerner & Secondo, 2012; Pape & Lerner, 2016)

Project type of PB

- ✓ inhabitants can propose some projects in accordance with the stated rules for a project
- ✓ pre-selection of the projects performed by the officials or by technical evaluators (+) inhabitants could exclude the projects based on their own preferences
- ✓ voting for pre-selected proposals by inhabitants
- ✓ approval of selected projects by officials



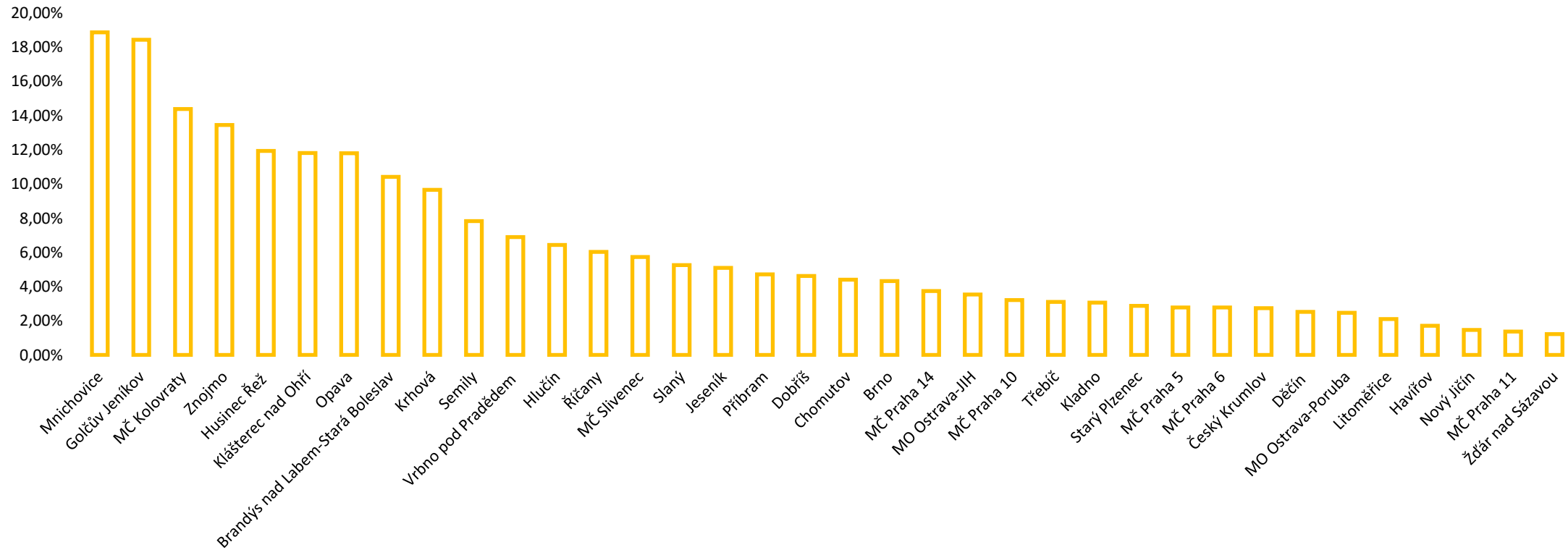
Import of PB in the Czech Republic and its further diffusion



- 2014: First PB in (Prague 7) and Czech Pirate Party
- 2015: Agora Central Europe and Participation 2.1 (now Institute H21)
- 2016: Healthy Cities of the Czech Republic

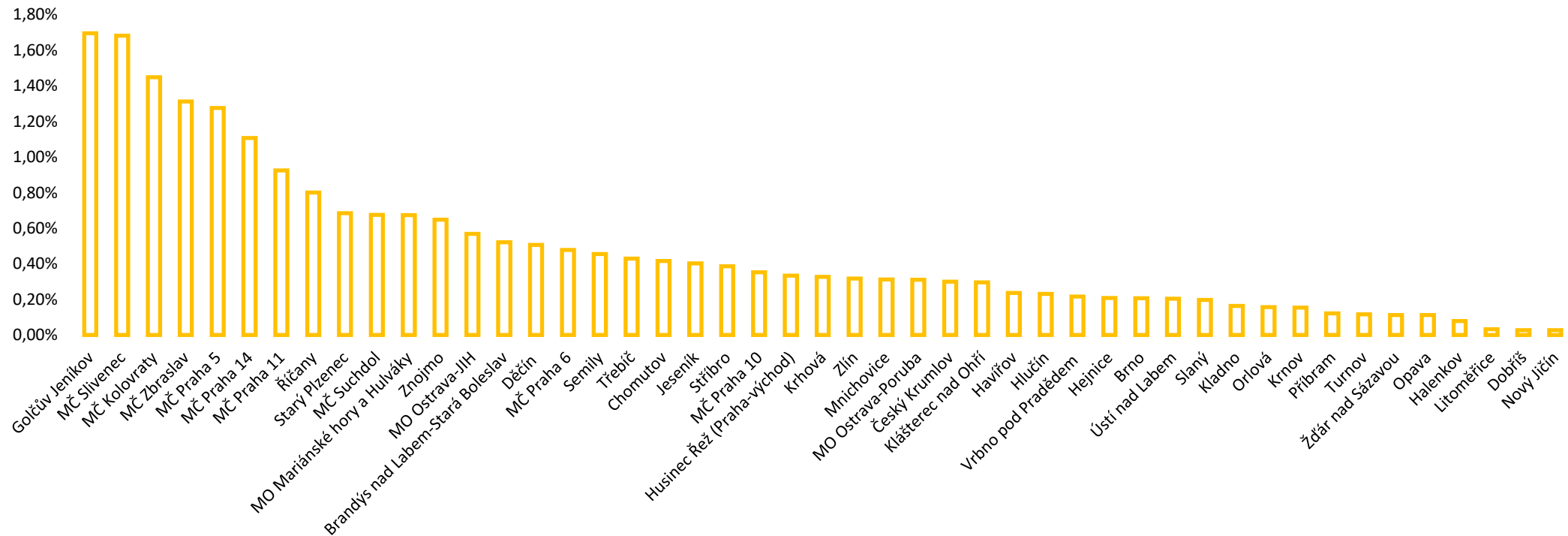
The project type of PB in Czechia (2019)

Participation rate

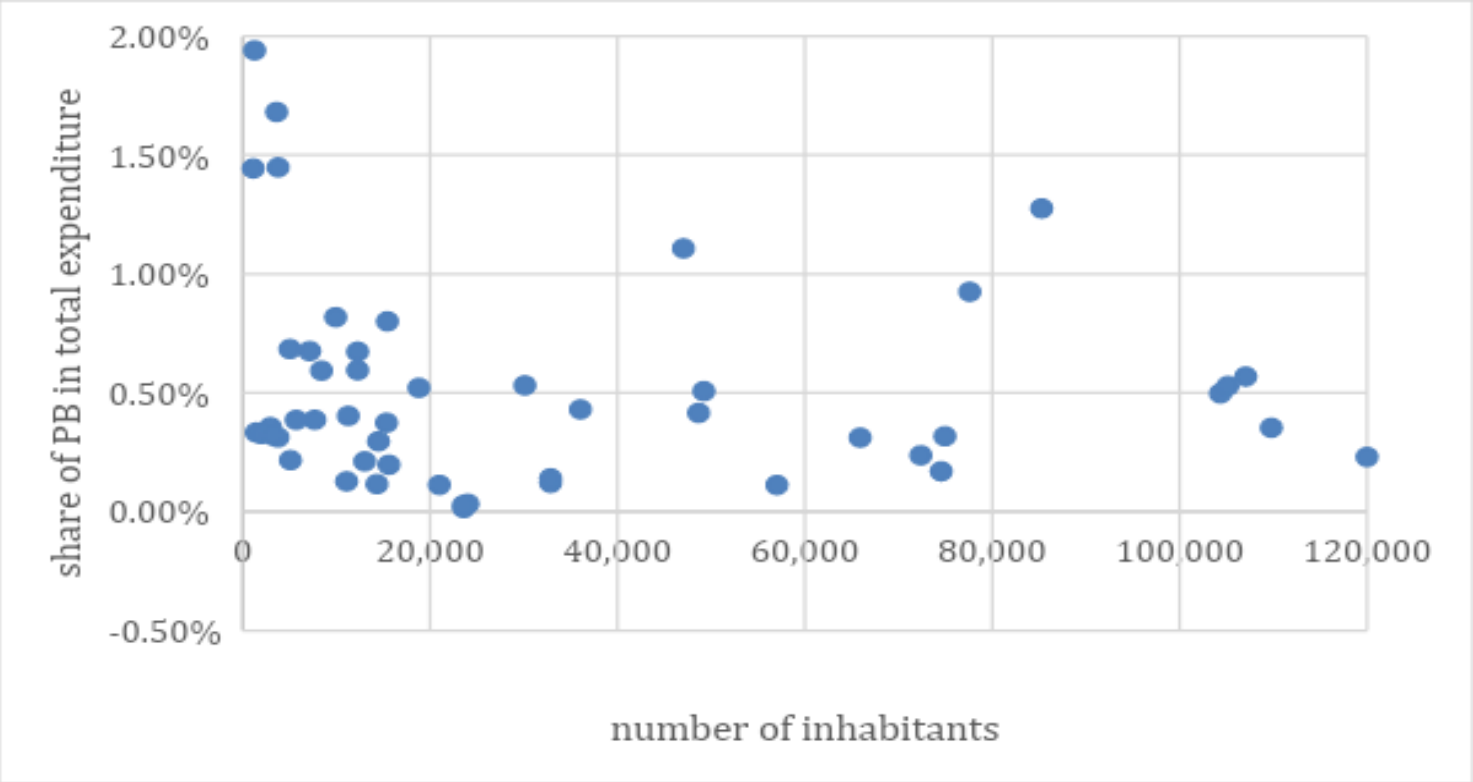


The project type of PB in Czechia (2019)

% of PB expenditures on total expenditures of municipality



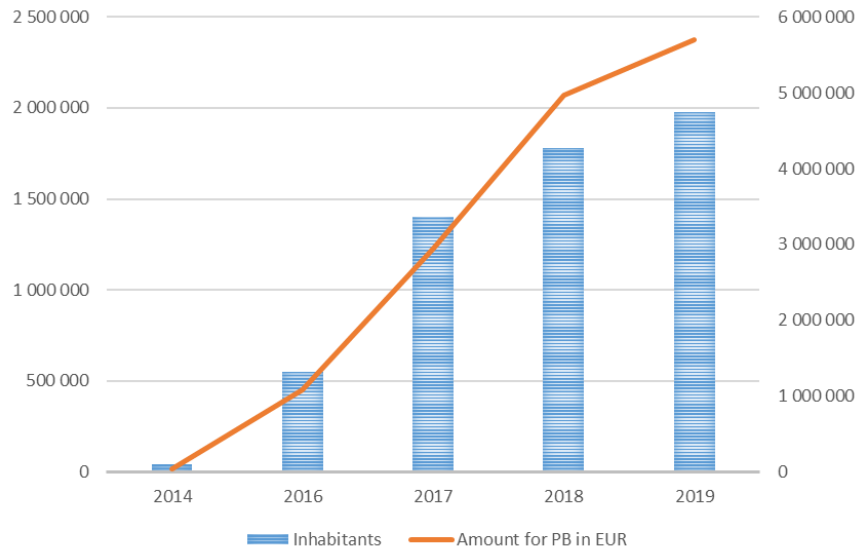
Share of PB expenditure in total expenditure and the size of municipality



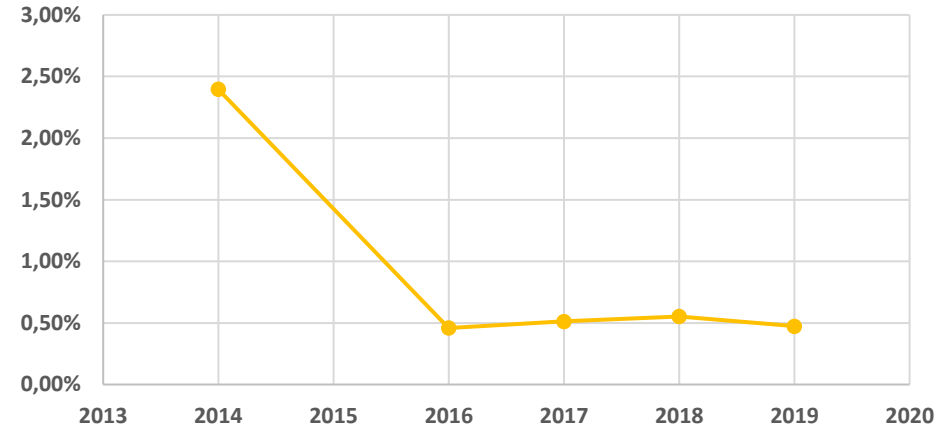
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Evolution of the project type of PB in Czechia

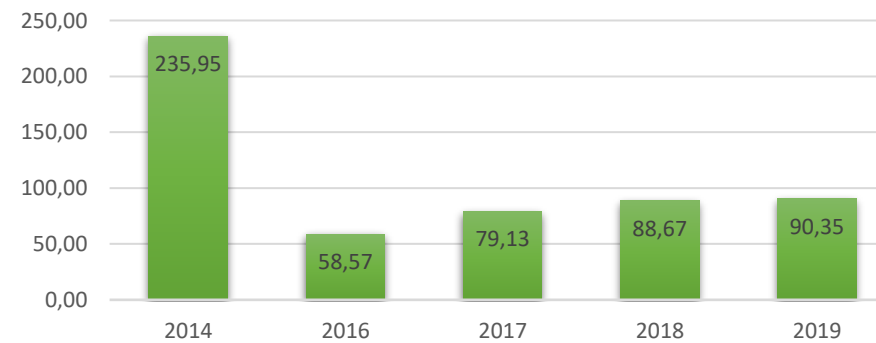


% of PB expenditures on total expenditures of municipality

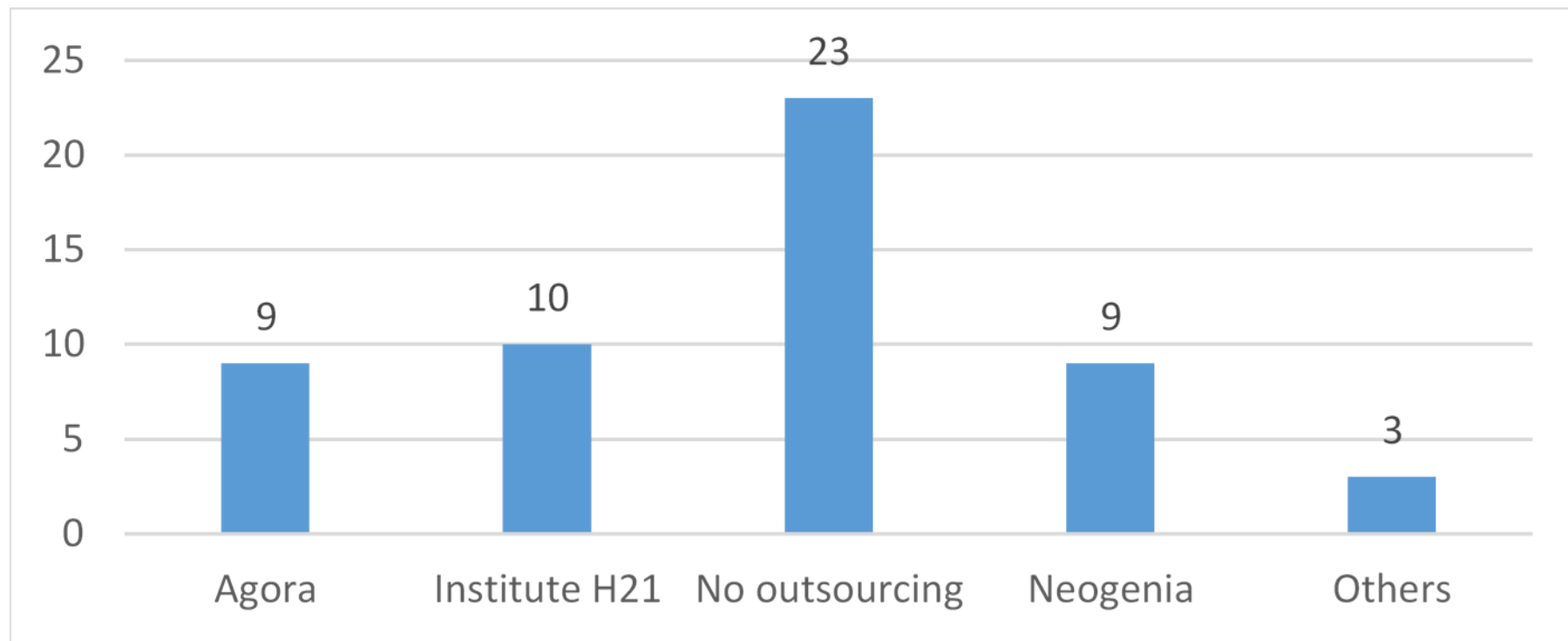


	Inhabitants	Amount for PB in EUR
2014	42 381	36 320
2016	549 780	1 088 078
2017	1 399 591	2 950 247
2018	1 776 976	4 963 235
2019	1 976 758	5 702 010

expenditures for PB per inhabitant in CZK



Outsourcing of e-tools (especially voting systems) in the Czech Republic in 2019



Voting method Democracy 2.1 (D21)

- ✓ The basic idea of the voting method is that a voter has more positive votes than one and can cast minus-vote(s) when certain conditions are met.
- ✓ Benefits related to the effect of more votes are that a voter gives in a single ballot more information than in the situation with only one preferred candidate to select.
- ✓ The power to cast more votes motivates voters to consider their choices and better explain their preferences.
- ✓ The minus-votes possibility allows voters to express their preferences by appointing a candidate they do not want to be elected.

The impact of different voting methods on citizens' participation in participatory budgeting

- **Kukučková and Poláchová (Conference Paper, 2021)**
- the voting method Democracy 2.1 (D21) is promoted as an appropriate voting method to enhance the voters' engagement in voting
- aim was to evaluate the impact of the use of the D21 voting method and its modification on participation rate in PB, concretely on the voter turnout in PB (year 2019 in the Czech municipalities)

Preliminary results

- Municipalities with the D21 method and the modified D21 method have higher voter turnout in PB than municipalities using another voting method.
- However, municipalities with the modified D21 voting method have higher voter turnout in PB than municipalities in the group with the D21 method.
- the topic will be an object of further research using a larger dataset in longer period + analysis of the reasons why the D21 method was cancelled/modified, how it changed the voter turnout in PB

Does participatory budgeting bolster voter turnout in elections?

Case study of the Czech Republic (Kukučková & Bakoš, 2019)

- evaluation whether the use of the participatory budgets is associated with a higher voter turnout in parliamentary and municipal elections.
- some support for a positive and significant effect of PB implementation in Prague districts in both local and national election has been proven. However, the results for all municipalities in dataset were not significant.
- when reflecting the type of elections, the impact of PB use on the voter turnout in local election is higher than in national election
- participatory budgeting could increase the voter turnout in local election but there are other factors that must be considered and there is a need to analyze these factors more deeply.

Shortfalls of local revenues in the Czech Republic in 2020

- ✓ Shortfalls of revenues of local governments
- ✓ Decline in revenues from local fees (e.g., waiver of parking fees in cities)
- ✓ Additional expenses connected with covid-19
- ✓ May 2020: „compensation bonus“ for self-employed persons and partners in limited liability companies with high impact on municipal revenues
- ✓ Paid through deduction from personal income tax collection (share of municipalities on total personal income tax revenues was 23.58%), in May 2020 no funds from that source were paid to municipalities
- ✓ August 2020: one-off settlement from state budget sent to municipalities (for compensation bonus), but municipalities´critique about the amount

PBs in the Czech Republic in 2020

- ✓ 49 local governments with PB in 2019 declared their willingness to implement PB in 2020, but 9 of them were cancelled or postponed (3 are planned in 2021)
- ✓ 14 new PBs and 3 renewed PBs
- ✓ Mostly e-tools (online tools) were used for PB projects presentation and voting
- ✓ Easing of restrictions in mid-2020 allowed organization of some meetings/forums and voting in person

PBs in the Czech Republic in 2020

Arguments for continuation in PB

- ✓ A small proportion of local budgets used for PB
- ✓ Online voting platforms/e-tools are suitable for online participation and presentations of citizens' presentations
- ✓ Easing of restrictions in mid-2020 allowed organization of deliberative forums and voting in person
- ✓ Regional elections (October 2020): PBs were used as a supporting/promoting tool for some candidates

Arguments for suspension/cancelation of PB

- Shortfalls of revenues and additional costs
- Uncertain circumstances
- Not finished PB projects from previous PB one-year-cycle
- Possibility to modify PB through introduction of two-year-cycle
- Postponing (2021/22?) as an alternative possibility

Estimations in regard to the future of PBs in the Czech Republic

- ✓ 35 PBs identified for 2021 at the moment
- ✓ General associations of local governments do not show much interest in this issue; the only exception is the association called Healthy Cities of the Czech Republic, which supports this idea and several member local governments have introduced or are going to introduce PB
- ✓ PB is promoted by either individual local governments (local politicians), companies or NGOs active in this field; no central authority supports it
- ✓ PBs are rather used in large cities/urban centers, and it is a rare tool for rural local governments
- ✓ Expected impact of the tax reform (2021) on municipal tax revenues (personal income tax) – possible consequences for PBs

Future research

Opportunities for academic cooperation

- dataset about participatory budgeting in the Czech Republic about concrete participatory budgets in the period 2014-2020 (2021).
- Comparison of project type PBs
- Voting method/participation (e.g. Voting method D21)
- PBs and pandemic impacts (2020-2021)

THANK YOU FOR YOUR ATTENTION!

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