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Participatory Budgets in Poland and Germany: Towards a Single Model?

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Abstract

Theoretical background: Participatory budgets (PBs) have become a widely known innovation used to engage citizens in policymaking. Since 2011, citizens in Polish municipalities can decide on how a portion of local budget can be spent. In Germany, PBs originally served the purpose of getting feedback from citizens in the context of fiscal strains. However, since about 2015, German PBs are increasingly taking after the model established in Poland, establishing fixed pools of funds. Does it present a case of between-country convergence in the functionalities of PBs and their quality? So far, such comparative questions remained mostly unanswered in the field of PB-related studies.

Purpose of the article: The aim of the paper was to investigate this possibility of convergence in PB-quality by comparing the state of and changes in the quality of PBs with fixed funds between Poland and Germany. To evaluate the quality and scope of functionality of PBs, the amount of planned PB-funds per capita and participation rates (voter turnout levels) were inspected. Two research hypotheses were formulated. The first one stipulates a higher performance level of Polish PBs by the two criteria, across a variety of municipality types. The second hypothesis posits that the differences in the quality of PBs tend to diminish over time, as the latest to innovate launch their first experiments.

Research methods: Works on the diffusion of PBs in both countries were reviewed to provide background for the study. Two datasets were constructed containing data on the two measures of PB-quality, the popu-

lation size, and the status of innovator. The data were first compared graphically. In a later step, statistical methods were applied, including variance analysis for the two dependent variables related to PB-quality at once (MANOVA) and for each of them separately (ANOVA). Results of the study were presented and discussed in the context of interactions between innovators and potential adopters in social networks, as well as political agendas in the two countries of interest.

Main findings: Research findings allowed to confirm the research hypotheses. PBs in both countries have been mostly simple innovations of limited quality, but those in Poland tended to perform better, judged by the two chosen criteria. The gap, especially for PB-funds, is closing, but that does not mean that in the course of innovators' and regulators' actions a unified innovation model has emerged. PBs in both countries utilize their functionalities in diverse ways, based on specific experiences and traditions in policymaking. Thus, PBs in Poland and Germany have different trajectories of development with fixed pools of funds as the simplistic innovation core that makes them highly adaptable in different policy contexts.

Introduction

Since the first, successful experiment in Porto Alegre at the end of the 1980s (Novy & Leubolt, 2005), participatory budgets (PBs) have become a global phenomenon with about 11–12,000 reported cases on almost every continent (Dias et al., 2019). In Europe, first PBs appeared at the turn of the centuries: in 1998, first German experiment was launched, francophone countries joined in soon after (Sgueo, 2016). For about a decade, Spain had stood out with exceptional PB-growth rates (Francés et al., 2018).

Spain's successor in that regard became Poland, where the first PB was introduced in by Sopot in 2011. Within eight years, the country witnessed a rapid increase in the number of PBs: from roughly 50 to over 200 cases (Bednarska-Olejniczak & Olejniczak, 2018, p. 346). For Germany, about 70–100 PB-experiments were identified as of 2017 (Vorwerk et al., 2018). These estimations take account of a high diversity and multifunctionality of participatory mechanisms sharing the PB-label in the country (Rahman & Tewari, 2014).

In first PBs in Germany, launched in the early 2000s, the focus was on cost-saving measures with citizens mostly as consultants. Since the middle 2010s, German municipalities have been increasingly introducing or switching to PB-formulas with fixed pools of funds for investment projects. These procedures appear similar to the solutions chosen by most, if not all, municipalities in Poland. Should this be interpreted as a sign of convergence in the quality of PBs between the two countries?

Before another wave of PBs came to Europe in the second decade of the 21st century, such convergence trends reaching beyond country borders were not part of scholarly discourse (Sintomer et al., 2010). This has been due to a general scarcity of cross-country comparisons in literature. Any (dis)similarities between PBs in Poland and Germany have also not been subject to any scientific studies so far, to the best of the author's knowledge.

The aim of the underlying paper was to fill this research gap with a quantitative study of how Polish and German PBs with fixed funds differ in their functionalities. To assess PBs' functions, two measures were chosen: planned PB-spending per cap-

ita and the voter turnout in PB-procedures. The former corresponds to the allocative function of PBs and the technocratic dimension of participation (Cabannes & Lipietz, 2018). The latter reflects the political legitimation of the procedures and the trust in power holders, held accountable for their actions (Masser et al., 2013). Higher levels of these variables reflect higher quality (performance) of participatory mechanisms.

Innovations tend to get simplified over time (Ganuza & Baiocchi, 2012). In the context of PBs, such transformations include the abandonment of political rhetoric (e.g. social justice), inherent, e.g. in the original Porto Alegre model, and changes in the level of pre-determined funding. This makes PBs easier to implement in different political scenarios. This is best exemplified by the loss of the originally urban status of modern PBs: they can be increasingly found in peripheral, rural areas, in both Poland and Germany (Herzberg, 2018; Leśniewska-Napierała, 2019). The process is ongoing: the new German variants present another "reincarnations" of the innovation, just as the PB that came earlier to Poland had been deprived of some complex elements. Considering the above, two research hypotheses were formulated:

1. Polish PBs tend to have higher planned PB-spending per capita and participation rates.

2. Differences in planned PB-spending per capita and participation rates between Poland and Germany tend to diminish with time.

To test the hypotheses, graphical presentation of data and variance analysis were applied. The latter is a regression technique used to determine how one or more dependent variables change across the variables grouped by one or more criteria. The study follows a popular analytical framework (French et al., 2008). Firstly, multivariate variance analysis (MANOVA) was applied on the collected data. Secondly, follow-up tests were performed to verify the results and to determine at which levels of independent variables the outcome variables vary the most. For that purpose, univariate ANOVA tests alongside with multiple pairwise comparisons were performed (Weinfurt, 2000). MS Excel and *R* with *rstatix* package (Kassambara, 2021) were used for statistical computations. Results of the study were presented and discussed in the context of mechanisms that may have influenced the observed trends. These include, most importantly, political agendas and social networks where innovators interact – both within and between the countries of interest.

In the following section, international literature was reviewed to provide background on the evolution of PBs in Poland and Germany, in the context of the global diversity of innovation models.

Literature review

Several ideal types of PBs were discussed in literature (Sintomer et al., 2008, 2012). The "Porto Alegre in Europe" model constitutes a reinterpretation of a highly deliberative, justice-oriented original scheme, made adaptable to European standards

of policymaking. It introduces some mechanisms of discussion and keeps the allocative function at its centre, while limiting the pool of funds being subject to discussion. Hence, the model does not pretend to be an instrument to "radically democratize democracy" (Cabannes & Lipietz, 2018, p. 70) by giving citizens the ultimate right to decide. Instead, budgetary decisions remain the prerogative of local authorities.

In two other models, "proximity participation" and "consultation on public finances", the role of civic society is reduced even further. Citizens are expected to act as consultants, i.e. comment on the ideas put forward by local authorities and, sometimes, deliver their own ones. The "proximity" component in the latter variant relates to the level of neighbourhoods where voting and meetings take place. Local government retains its position as the ultimate decision-maker.

As for another model called "community funds" (or "community development"), its principal component is a pool of funds dedicated to districts or neighbourhoods. A greater role in this variant of innovation may be played by third sector institutions. These may act as funds providers, beneficiaries, as well as maintainers of procedures, often in collaboration with local administration.

Different policies towards innovation diffusion adopted by national and regional authorities shaped the preference or necessity for certain PB-models to be chosen in both countries under inspection. In Poland, the diffusion of PBs was for a long time a "search for optimal solutions by individual cities" (Kurdyś-Kujawska et al., 2017, p. 117). This changed in 2018, as a legal PB-framework (Ustawa z dnia…) was introduced, altering the rules of the game. These included making PB mandatory for cities with *powiat* rights[1] and standardizing its features, such as the minimal required share of the local budget dedicated to PB.

Arguably, Polish PBs reached maturity and homogeneity already a couple of years before the said changes in law (Mączka et al., 2021). They have, in fact, since the beginning represented the group of "traditional PBs" (Lehtonen, 2021), with a relatively strong position of local officials and the role of citizens not limited to, but mostly expressed in submitting and selecting projects. These are the features characteristic of the "Porto Alegre in Europe" model.

Unlike in Poland, the spread of PBs in Germany was originally led top-down. Leaving the very first case in Mönchweiler (1998) aside, PBs originated in North Rhine-Westphalia, as part of an experiment run by regional authorities together with some non-governmental institutions (Ministry of Internal Affairs of North Rhine-Westphalia & Bertelsmann Foundation, 2003). These early cases presented a response to fiscal problems of German municipalities: PBs were thought of as one way of explaining the situation to citizens and engaging them in choosing the best cost-saving means. Thus, until about 2005, PBs in Germany were mostly interpretations of the consultative model. In a second wave, some district-level

[1] Cities with *powiat* rights in Poland are 66 independent entities: they do not belong to any county, but themselves have a status as one and fulfil certain county-level duties (i.e. in the area of public safety).

PB-schemes were developed in Berlin boroughs. They mixed elements of purely consultative procedures with some functionalities from the proximity participation model (Sintomer et al., 2008). Soon after, the global financial crisis in 2007–2008 brought a return of consultative models used by municipalities, again, in the hope of improving their fiscal condition.

The logic of citizens as consultants has vastly shaped the common features of a once popular type of German PBs referred to as *Bürgerhaushalt* (Kersting et al., 2016; Ruesch & Wagner, 2014). In this innovation variant, citizens were able to submit and comment on ideas put forward by other citizens or municipal authorities, and, often, to vote on the ideas picked as best. While the subject of discussion was the entire budget or some central investment areas, citizens' input was limited to recommendations or ideas to beconsidered by local authorities, ultimately free to decide on their own.

Bürgerhaushalt has been losing on popularity since the middle 2010s (Märker, 2015). Its successor, called *Bürgerbudget*, is a Polish-type, project-oriented PB, with a fixed amount of reserved funds and the mechanism of voting, mostly by all or selected citizens. Between 2014 and 2017, the number of German PBs of the new type doubled, and its share rose from less than 15 to over 40% of all experiments in the country (Vorwerk et al., 2018, p. 9). The new model is the main choice for the latest to adopt a PB, including municipalities in eastern regions of the country – most notably in Brandenburg (Herzberg et al., 2020; ORBIT, 2010).

Research methods

Municipal websites were, for the most part, a sufficient source of information on planned PB-pools per capita and participation rates. However, a preliminary search for data confirmed that the needed information was generally less available for German municipalities, especially as regards voter turnout. Sometimes, no popular voting was in place, either because it was not meant or necessary to be performed, or it was replaced with voting by a selected body of representatives.

Considering this, the decision was made to build two separate databases. In the first dataset, pairs of municipalities with data on planned PB-spending per capita only were assembled, preferably announced in 2019 (to be spent in 2020) or the closest one possible. Per capita values were chosen due to the easiness of their calculation and a straightforward interpretation (How much does a single citizen "get" from PB?). To assure data comparability between countries and across years, values were brought to the common purchase power parity standard (PPP) with Eurostat conversion rates (Eurostat, n.d.). In a further step, corresponding participation rates were added, based on numbers of voters in relation to all residents in the municipality. Information was stored in dataset 2, with only those records kept where data on the two dependent variables representing PB-functionalities were available.

The procedure was repeated for Polish municipalities, chosen non-randomly to match their German counterparts. Matching criteria were municipality size, its economic functions, and the status of innovator. The profiles of innovators as presented by Rogers (2003) were crucial to establish a balanced design of the data. The first half of the innovators' population, the early, more risk-friendly adopters needed to be matched together. The same applied to the second, more conservative half of innovators – the late adopters. Analogically, big communes, usually with greater traditions in adopting participatory mechanisms, were to be paired with other big, urban entities. Municipalities with specific functions (e.g. health resorts, or industrial centres) and often unique procedures needed to be matched with entities having similar characteristics.

Ultimately, a list of 168 municipalities, or 84 pairs, was assembled in the database 1. Dataset 2 comprises 86 municipalities grouped in 43 pairs. Besides the two dependent variables, the year in which decision on funds allocation was reported. For example, value "2020" corresponds to a PB-cycle initiated in 2020, with funding planned to be spent, in most cases, in 2021. Also, three grouping variables were introduced into the databases: "Poland", "small" and "laggard". These binary variables took value 1 for, respectively, the country of origin being Poland, for a small municipality, and for a laggard. As late adopters, laggards tend to follow the trends and prefer less complex solutions (Rogers, 2003). Many among the late mass of adopters are at the same time smaller entities, often isolated in their peer networks. The two grouping variables "small" and "laggard" constitute in part alternatives, but considered jointly, they may help uncover some variation among the marauders. A sample of the second dataset, used for the most calculations, was provided in Table 1.

Table 1. Preview of dataset 2

Pair no.	Municipality	Year of decision on funds allocation	PB-funds per capita (in PPP)	Participation rate	Poland	Small	Laggard
1	Dąbrowa Górnicza	2020	13.07	0.0572	1	0	0
1	Jena	2020	0.2	0.0093	0	0	0

Source: Author's own study.

Results

Polish and German participatory mechanisms differ in the quality (Figure 1). Values for German PBs tend to cluster around the coordinate system origin; they are typically combinations of relatively small per capita pools of funds (often less than 6 PPP) and participation rates mostly below 10%. The opposite is true for Poland, where double as much per capita or even more is spent within PB-schemes, and the engagement of citizens tends to be higher, occasionally reaching beyond 30%. The two dependent variables are linearly correlated with each other. This is true for the

whole main dataset ($r = 0.44$), and even more so for German cases only, for which a moderate positive correlation was observed ($r = 0.58$). For Polish PBs, the value indicates a state between non-correlation and a very low positive correlation ($r = 0.15$).

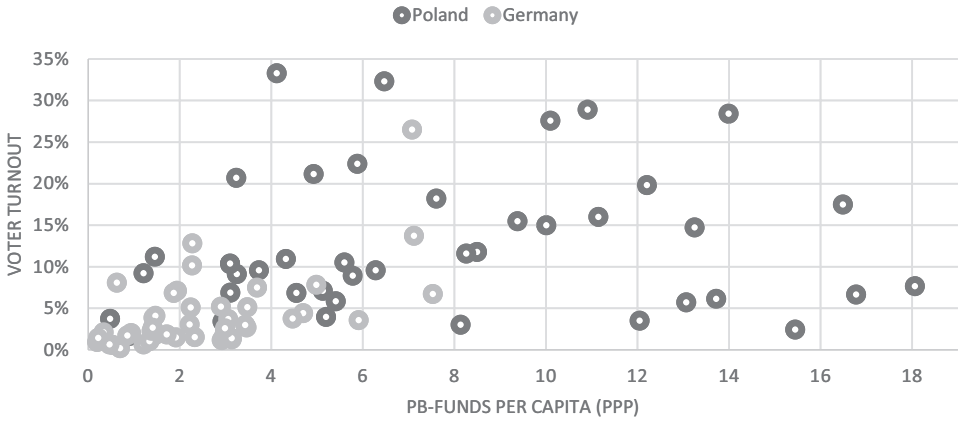

Figure 1. PB-funds per capita and participation rates (dataset 2)

Source: Author's own study.

The observed differences can be confirmed visually in greater detail (Figures 2 and 3). PBs in Germany are more homogenous, especially regarding the values for planned per capita spending. In that respect, one extreme value was observed for Poland: as much as 27.91 PPP per capita was declared to be spent in a PB performed in Kołbaskowo (West Pomerania). As for Germany, one outlier in terms of voter turnout is Steinberg am See (Bavaria), where over ¼ of only about 1,000 residents cast their vote in 2019.

To assess data representativeness in the main dataset 2, an additional check with the first dataset was performed, resulting in a similar picture. In the second database, almost all values for Polish communes fall into the range of 1–18 PPP (see Figure 2). In dataset 1, within the range of 1–15 PPP, about ¾ of all observations can be found. These statistics correspond with the distribution of PB-spending per capita across a variety of Polish municipalities that launched their PB in 2015 (ZMP, 2015). As for German cases, no issues with representativeness were expected: dataset 1 contains observations for the vast majority of PBs with fixed pools of funds performed until 2021. Some rare exceptions of left-out PBs included district-level procedures that could not be paired with any counterparts from Poland.

Observations from other sources were used to assess data representativeness for participation rates. Voter turnout levels in the years 2016–2018 ranged from 3 to more than 70%, with median levels between 10 and over 20% (NIK, 2019, p. 44). Hence, it can be assumed that author's data reflect the diversity of participation rates

in Poland. For PBs with no fixed PB-pools in Germany, participation levels calculated for a variety of citizen activities (such as posting in a forum or answering a survey) typically remain below 5% (Masser, 2013).

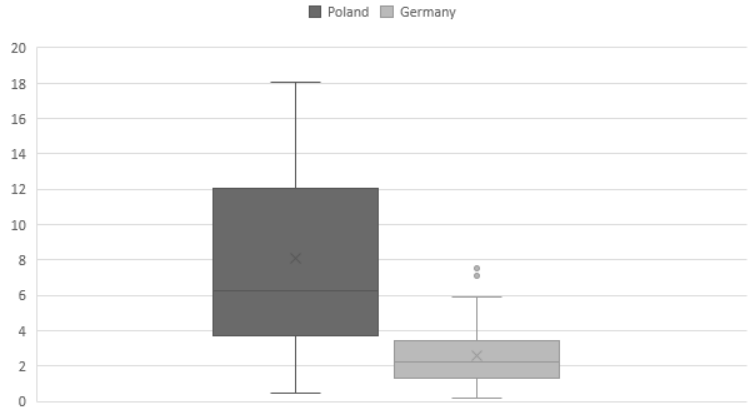

Figure 2. PB-funds per capita (PPP) (dataset 2, $N = 86$)

One outlier value for Poland was hidden for greater clarity of the figure.

Source: Author's own study.

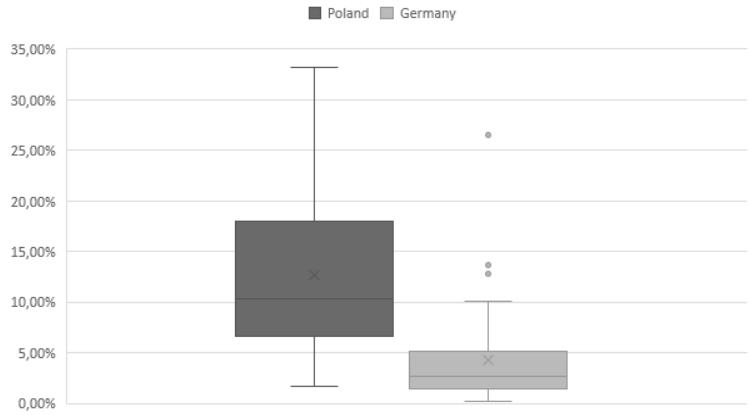

Figure 3. Participation rates (dataset 2, $N = 86$, outliers hidden)

Source: Author's own study.

The data were checked for meeting variance analysis assumptions, initially with "Poland" as the sole grouping variable. To correct for non-normal distribution and non-linearity of dependent variables, square roots of both outcome variables were taken and pairs with outliers were removed. This resulted in the final number of 66 observations (33 pairs). Box's M test for the homogeneity of multiple variance-cova-

riance matrixes yielded a statistically positive result ($p = 0.0497$). However, the close margin (for $p = 0.05$) and the balanced design of the dataset allowed to continue the analysis. Nonetheless, to account for the slight violation of the homogeneity criterion, a robust Pillai statistic (V) was used in the assessment of models. Other candidates for grouping variables were tested as well, but Levene's test indicated in each case a violation of variance homogeneity ($p > 0.05$).

Ultimately, one MANOVA model was constructed with "Poland" as the single grouping variable. Results confirmed that the difference in PB-performance across Polish and German municipalities is statistically significant ($F_{2,63} = 23.97$; $p < 0.001$; $V = 0.43$). A series of follow-up tests was performed to investigate variance in the data caused by attributes of communes other than their country of origin. Firstly, several ANOVA tests were launched (Tables 2–4). Eight models for the two dependent variables were constructed: models 1 to 4 for planned per capita funds and models 5–8 for participation rates. Three grouping variables ("Poland", "small", "laggard") along with interaction terms were included. Additionally, models 1′ to 4′ were developed for the single variable "funds" for data stored in dataset 1. Again, outliers were removed and a necessary Box-Cox transformation was applied, this time using a lambda parameter ($\lambda = 0.18$).

The results strongly indicate that the between-country difference in PB-quality remains statistically significant for the two dependent variables treated separately. Grouping by other variables does not yield consistent and statistically significant results. It is fair to claim that belonging to one of the countries is a strong, but not the sole predictor of how much is spent within PB-schemes. Binaries "small" and, especially, "laggard" form statistically significant interaction terms with "Poland" as the main variable. This suggests that some differences in PB-functionalities may result from traits of certain types of innovators, acting within a given political context. However, the relevance of interaction terms can be also at least partly explained by the dominance of laggards in the German subsample, with any of them being also small municipalities. For such smaller entities, it may be easier to achieve higher per capita values of PB-funds, as well as to mobilize local community to participate in voting.

Table 2. ANOVA test for "funds" as a dependent variable (dataset 2, $N = 66$)

Variable	Model 1 (Poland)	Model 2 (Poland*small)	Model 3 (Poland*laggard)	Model 4 (Poland*small*laggard)
Poland	$F = 24.57$ $p < 0.001$***	$F = 25.65$ $p < 0.001$***	$F = 30.26$ $p < 0.001$***	$F = 29.77$ $p < 0.001$***
small		$F = 0.02$ $p = 0.88$		$F = 0.03$ $p = 0.87$
Poland*small		$F = 4.79$ $p < 0.05$*		$F = 5.79$ $p < 0.05$*
laggard			$F = 1.4$ $p = 0.24$	$F = 1.53$ $p = 0.22$
Poland*laggard			$F = 15.4$ $p < 0.001$***	$F = 9.71$ $p < 0.01$**

Variable	Model 1 (Poland)	Model 2 (Poland*small)	Model 3 (Poland*laggard)	Model 4 (Poland*small*laggard)
Poland*small				$F = 1.08$ $p = 0.3$
Poland*laggard*small				$F = 1.4$ $p = 0.24$

***$p < 0.001$, **$p < 0.01$, *$p < 0.05$

Source: Author's own study with *R* (*rstatix*).

Table 3. ANOVA test for "funds" as a dependent variable (dataset 1, $N = 152$)

Variable	Model 1′ (Poland)	Model 2′ (Poland*small)	Model 3′ (Poland*laggard)	Model 4′ (Poland*small*laggard)
Poland	$F = 125.4$ $p < 0.001$***	$F = 138.634$ $p < 0.001$***	$F = 146.98$ $p < 0.001$***	$F = 160.97$ $p < 0.001$***
small	-	$F = 5.72$ $p < 0.05$*	-	$F = 9.15$ $p < 0.01$**
Poland*small	-	$F = 12.172$ $p < 0.001$	-	$F = 3.38$ $p = 0.07$
laggard	-	-	$F = 0.38$ $p = 0.541$	$F = 0.412$ $p = 0.52$
Poland*laggard	-	-	$F = 27.51$ $p < 0.001$***	$F = 30.19$ $p < 0.001$***
laggard*small				$F = 5.48$ $p < 0.05$*
Poland*laggard*small				$F = 0$ $p = 0.97$

***$p < 0.001$, **$p < 0.01$, *$p < 0.05$

Source: Author's own study.

Table 4. ANOVA test for outcome variable "voter turnout" (dataset 2, $N = 66$)

Variable	Model 5 (country)	Model 6 (Poland*small)	Model 7 (Poland*laggard)	Model 8 (Poland*small*laggard)
Poland	$F = 40.55$ $p < 0.001$***	$F = 43.55$ $p < 0.001$***	$F = 41.04$ $p < 0.001$***	$F = 41.67$ $p < 0.001$***
small		$F = 0.08$ $p = 0.7838$		$F = 0.07$ $p = 0.788$
Poland*small		$F = 6.65$ $p < 0.05$*		$F = 6.15$ $p < 0.05$*
laggard			$F = 0.78$ $p = 0.38$	$F = 1.3$ $p = 0.26$
Poland*laggard			$F = 1.99$ $p = 0.16$	$F = 0.14$ $p = 0.71$
laggard*small				$F = 0.08$ $p = 0.78$
Poland*laggard*small				$F = 0.03$ $p = 0.86$

***$p < 0.001$, **$p < 0.01$, *$p < 0.05$

Source: Author's own study.

In the last step of the analysis, Tukey Honest Significant Differences tests were performed to investigate for which levels or combinations of grouping variables the quality of PBs changes. Observations were firstly grouped by the variables "small" and "laggard" (Table 5). While results for the larger sample in the first dataset show statistically significant results for both levels of both grouping variables, strongest effects, most consistent across the models, occurred for non-small/non-laggard combinations in dataset 2, which is more balanced with respect to the population size and the innovator status. On the whole, earlier, more populous adopters from Poland and Germany differ in their PB-quality more than do smaller, more hesitant innovators.

Table 5. Multiple pairwise comparisons for Poland and Germany (dataset 2)

Dataset	Outcome variables	Small		Laggard	
		Yes	No	Yes	No
1 (N = 152)	funds	p.adj < 0.001***	p.adj < 0.001***	p.adj < 0.001***	p.adj < 0.001***
2 (N = 66)	funds	p.adj < 0.05*	p.adj < 0.001***	p.adj = 0.07	p.adj < 0.001***
	turnout	p.adj < 0.01**	p.adj < 0.001***	p.adj < 0.001***	p.adj < 0.001***
	funds and turnout	p.adj = 0.23	p.adj < 0.01 **	p.adj = 0.22	p.adj < 0.01**

***p < 0.001, **p < 0.01, *p < 0.05. The term "p.adj" stands for adjusted p-values (with Bonferroni correction)

Source: Author's own study.

Multiple pairwise comparisons were performed again for non-grouped variables to inspect in detail what levels of which grouping variables account for the most variance in the data. Several interesting observations could be made, especially as regards PBs in Poland. As for PB-spending per capita, Polish laggards represent a unique group, both within the country, and compared with German laggards and non-laggards. As far as participation rates are concerned, Polish communes of type small/laggard do not vary statistically significantly from other entities in the country, but they do differ from PBs in all types of German communes.

Overall, PBs in Poland represent a more homogenous group that stands out positively with their quality when compared with their German counterparts. Two outcome variables contribute to this general picture of disparities, although, judging by the F-values (see Tables 1–4), the differences in participation rates can be expected to be larger. With time, the observed differences diminish, especially in terms of planned PB-spending per capita.

Discussion

Several factors may have contributed to the observed convergence, as well as to the susceptibility of each of the two PB-functionalities to change. Closing the between-country gap in PB-funding was brought about in a natural course of events.

Necessary budgetary cuts induced by the COVID-19 pandemic affected PB-schemes in Polish cities with higher levels of per capita PB-funds to a greater extent than they did in case of German communes. Yet, traditionally higher levels of spending could have also created room for taking flexible approaches to resolve fiscal strains. Polish laggards introduced their first PBs shortly before or already in times of COVID-19 restrictions. Most of them planned their procedures with the new legal framework that came into force in 2019 (Ustawa z dnia…) already in mind. One of the introduced requirements forced municipalities PB-adopters to spend no less than 0.5% of total budget expenditures. Considering this, the COVID-related necessity to reallocate municipal funds may have encouraged municipalities to choose safe but law-compliant solutions, such as fixed, but not predetermined funds levels, depending on current expenditures. A similar logic can be applied to some earlier PB-adopters that could reduce their per capita-spending within PBs, justifying their decisions by reference to the new framework.

Since participation levels reflect more general trends in how local authorities are perceived by the society, they change dynamically across the lifespan of PBs (Miasto 2077, 2019). Arguably, though, the nature of Polish PBs has been in the long-term conducive to maintaining a recurring interest in participation. This has to do with the nature of many modern PBs depicted as "quasi-referenda" (Sześciło, 2015), where groups of citizens (or institutions) act as competitors in a "race for funding". In the light of collective action theory, this presents the case of an exclusive reward (Olson, 1971) that keeps the stakeholders engaged throughout the course of participation. The feature of popular vote in Polish PBs has affirmed itself with the growing popularity of e-participation. Yet, it has not come without costs: Polish PBs tend to offer less diverse possibilities to get involved, as opposed to some earlier German experiments, but also compared with other PBs in the region, e.g. in Slovakia and Croatia (Džinic et al., 2016).

As far as Germany is concerned, low participation rates have been one of the main diagnosed problems in the utilization of PBs in the country (Zepic et al., 2017). Somewhat ironically, the risk of such a malfunction was perceived already by the developers of the first PBs in the country in the early 2000s. These schemes were constructed to address citizens selectively and get feedback from them, provide information on how local budgets work, and, occasionally, engage some of them in submitting proposals on a variety of projects – but many of them ended up as short-lived experiments. Pure cost-saving PBs that came later, with no possibilities to propose investment projects, present another, crass example of such failed initiatives (Holtkamp & Bathge, 2012).

While the concept of *Bürgerbudget* does present a change in the way of thinking about PBs in Germany (Berlin Institut für Partizipation, 2021), it appears to have its own issues. With some municipalities repeatedly announcing PB in the volume of EUR 1 or 2 per capita, pools remain at a limited, non-flexible level. Orientation towards project-based procedures may enhance their credibility, but certainly not if

it is the local government that makes the ultimate decisions. Moreover, institutional actors, most notably sport organisations, are often on an equal footing with individual citizens, as far as the right to submit and win a project is concerned. This raises concerns over the true civic nature of these "civic budgets", as they are sometimes called. Such situations had been occasionally reported in Poland as well, where they were met with heavy criticisms (NIK, 2019). In Germany, however, it appears to be a fundamental part of corporatist policymaking with the objective to satisfy different stakeholders of the process and help escape the trap of "political disenchantment" once again (Busse & Schneider, 2015). Instead, though, a vicious cycle emerges: non-participation leads to local government's frustration, which in turn delivers arguments in favour of reducing the scope of PB even further or abolishing it altogether (Neunecker, 2016).

This is symptomatic of a general issue of political mobilization embedded in participatory governance tools with a strong direct democracy component (Mærøe, 2021; Parvin, 2018). If the monetary "reward" is illusionary, even the most politically active "middle-aged, well-educated men" (Masser, 2013) may find no reason to engage in procedures. It is in this context that the positive, if only moderate, relation between low-level participation rates and PB-funds per capita for Germany noted earlier (see Figure 1) should be seen.

Having considered critical voices towards modern PBs, it must be acknowledged that *Bürgerbudgets* differ among each other and may come with interesting solutions to learn from. In that context, the example of partner cities at the Polish-German border can be recalled: Zgorzelec in Lower Silesia and Görlitz in Saxony (Oder-Partnerschaft, 2018). Since these cities were once one municipal body, this case may be considered a quasi-natural experiment which highlights the relevance of policymaking culture on the formation of PBs. In both Zgorzelec and Görlitz, fixed pools of PB-funds were assigned: approx. EUR 1 euro per capita in Görlitz and over EUR 2.5 per capita in Zgorzelec (not much by either Polish or German standards). However, while in Zgorzelec the decision to allocate these funds was left to all citizens in popular vote, the responsibility for decision-taking in Görlitz was assigned to collective bodies in districts – a citizen assemblies. It may be argued that deciding over a smaller portion of funds, but in conditions supporting a compromise, may, in fact, enhance the corporatist participatory democracy. This may come about in ways that go unnoticed if only the general mobilization of citizens, expressed by voter turnouts, is considered. While deliberation may, just as direct democracy, disfavour the politically least engaged citizens, it can be successfully applied on a small scale (e.g. in one or several city areas) with the potential to contribute to the "larger-scale process of opinion-formation" (Curato et al., 2022, p. 8).

To illustrate the value of social networks for learning and experience sharing, conducive to innovative behaviour, further examples from Poland and Germany can be provided. As Eberswalde (Brandenburg) switched from the traditional German *Bürgerhaushalt* to *Bürgerbudget* in 2012, it could have been inspired by the freshly

initiated procedure in Sopot, the Polish PB-forerunner. Although the deliberation-oriented instrument in Eberswalde remained rather an exception as a successful German PB of the new type, it quickly became an inspiration for other German municipalities to follow (Berlin Institut für Partizipation, 2021). Parallelly, local authorities in Eberswalde's partner city Gorzów Wielkopolski (Lubusz) must have observed the merits of deliberation. Thus, already at an early stage, they decided to lean towards compromise-oriented solutions, preferring discussion to voting (Daniel, 2019). This preference was limited to one type of projects (for schools) and did not come without its problems, with some of the winning investments benefiting narrow groups of citizens. Still, the choices made by Gorzów Wielkopolski present a step forward in pushing the limits of the "Porto Alegre for Europe" model, when compared to what could be originally achieved in the procedure launched by Sopot.

As far as Germany is concerned, Brandenburg and Saxony are among the few regions that have been witnessing an upsurge in interest in the *Bürgerbudget* model. Arguably, relatively weak PB-traditions in the East, but also in the wealthier southern lands of Bavaria and Baden-Württemberg opened the possibility to start afresh, while learning from mistakes others make. Favourable demographic structures encourage even more to "rebrand" PBs, for example, as a tool to politically engage not citizens in general, but the youth or other social groups in particular (Herzberg et al., 2020). In small and middle German municipalities, much underused potential to innovate still exists. This makes Polish innovators even greater sources of inspiration, with the village funds (sometimes considered a special PB-type) being implemented in rural areas (Herzberg, 2018) – often not instead of, but in addition to, classic PBs.

PBs appear, on the one hand, as "politically malleable device[s]" (Ganuza & Baiocchi, 2012, p. 1). Their susceptibility to change and limited functionality, while sources of concern, allow them to successfully diffuse and find application in various political and cultural contexts. In both analysed countries, the diffusion of PBs remains an unfinished process. The new wave of procedures in Germany may be seen as an intermediary step in reshaping local governance structures, leading to the introduction of other, possibly more powerful solutions for the citizens to have a say in local matters (Vorwerk, 2019). A possible path, already explored by some municipalities, is the integration of PBs into smart city frameworks. As for Poland, the worn-off yet steady inflow of PB-adopters in the years 2020–2021 does not exclude the possibility of a scenario change in the future – both in quantitative terms and with respect to the quality and functionalities of the innovation in question.

Conclusions

The research findings allowed to confirm the first and the second hypotheses. On the whole, Polish and German represent innovations of limited quality, if contrasted with, e.g. the solution in Porto Alegre. The between-country comparison undertaken

in the study shows that PBs in Poland tend to have higher quality, judged by per capita spending and participation levels, but the gap, especially for PB-funds, is closing. These convergence trends, however, should not be interpreted as a path towards a unified model. Country-specific issues, including the German corporatist way of policymaking, make PBs in both countries follow slightly different trajectories of development.

The underlying work is of both methodical and practical importance for international researchers and policymakers. The author's study presents a simple framework for contrastive analysis on cross-country aggregated data, which can be modified in several ways. Instead of per capita values, PB-spending in relation to total municipal budget can be used, which would enhance the analysis with the self-perceived importance of PB for municipalities. Furthermore, values for executed rather than planned PB-funds can be utilised to better reflect the allocative outcome of procedures.

As the availability of data on PBs rises, researchers may find it useful to follow quantitative approaches in comparing the quality of PB across municipalities or regions. This is much needed in a young research field of participatory democracy, dominated by case studies – valuable on their own, but limited in delivering generalizations. Still, qualitative research should be further developed and used, e.g. to delve deeper into how local authorities are held accountable for their actions and how marginalised groups get involved in decision-making processes. Such complex topics, not intended to be part of author's framework, require more work on establishing international criteria for the assessment of PBs and other participatory mechanisms.

The study results underscore the necessity to look at the changing position of Polish municipalities as policymakers. Originally, a group of late innovation-takers, they may increasingly shape the way the innovation is perceived by others. The rising popularity of participation mechanisms in Eastern Europe (e.g. Slovakia, Romania) and Baltic countries (e.g. Estonia) calls for a presence of good examples to follow, and these must not necessarily recall the ideal picture of PB based on experiences made by Porto Alegre. At the same time, it becomes crucial for Polish municipalities to take the opportunity to learn from others as well. They need to experiment further, perhaps with more consensus-oriented techniques – not necessarily as a substitute, but as an extension of the procedures already in place.

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