

PARTICIPATORY BUDGETING AND TRADITIONAL PARTICIPATION IN CZECH MUNICIPALITIES

Pavol Minárik¹

Abstract

As an instrument of smart governance, participatory budgeting has been implemented by several dozen of municipalities in the Czech Republic. This is in line with the trend in many European cities. The paper examines the implementation of participatory budgeting in Czech municipalities. It is observed that participatory budgeting is being implemented in the Czech Republic typically on a very limited scale. The particular aim of this paper is to analyze the relation of participatory budgeting to the traditional political participation in local elections. Following an examination of the extent in which the instrument is implemented in the Czech municipalities, statistical tools are used to relate implementation of participatory budgeting to several measures of traditional political participation, such as voter turnout and intensity of the political competition in municipal elections. The paper concludes that the implementation of participatory budgeting has very little relation to the traditional, electoral participation in the Czech Republic.

KEY WORDS: *Participatory budgeting, Political participation, Municipal elections, Voter turnout, Political competition, Czech Republic*

INTRODUCTION

Participatory budgeting has been introduced over the previous years as one of the tools of smart governance, a participatory instrument that shall improve governance at the local level. Although from a global perspective the concept has been around already for three decades, its origins dating back to the late 1980s, its implementation in Europe is more recent. The focus of this paper is on the Czech Republic, where participatory budgeting first appeared only in 2014 but it has been spreading in the subsequent years.

The term “participatory budgeting” covers different models and tools that should have enhanced political participation of the citizens. What they have in common is that they enable political participation, in a broad sense,

¹ The Faculty of Social and Economic Studies of the Jan Evangelista Purkyně University in Ústí nad Labem, Moskevská 54, Ústí nad Labem, Czech Republic, Email: pavol.minarik@ujep.cz.

of lay citizens beyond traditional elections of representatives. Participatory budgeting contains elements of direct democracy in a long-lasting, or permanent, processes regarding the allocation of public finances.

Participatory budgeting aims at two different goals. First, it should enhance participation of citizens, empower them and give them more voice. This is where the mechanisms are of an interest to the political science. It is one of the several tools that can be called “democratic innovations” (Hurtíková and Soukop, 2019). Second, the tools and methods of participatory budgeting should improve governance, particularly the allocation of public finance, which in turn should improve the quality of life to the local citizens. Participatory budgeting could be seen as a method of preference revelation complementary to traditional methods in politics, such as elections.

This paper examines the implementation of participatory budgeting in the Czech Republic. Several dozen Czech municipalities have implemented tools entitled as “participatory budgets”. Although, implementation is very limited both in terms of financial allocation, scope and involvement of the general public. Also, it is not clear how the introduced participatory budgets are related to the traditional form of political representation, particularly the municipal elections.

The aim of the paper is to examine the extent of participatory budgeting implemented in Czech municipalities and how it relates to the traditional political participation. The traditional participation is understood in terms of participation in local elections and exercise of both the active and the passive suffrage. The goal of the paper is to assess whether, and to what extent, the introduction of participatory budgeting results from the local political situation, particularly in terms of political competition and voter turnout, and to what extent it changes political participation of local residents. This is an exploratory study; thus, the empirical models are kept simple and do not include all the possibly relevant variables. The intention is to motivate further studies that would lead to a better understanding of the underlying causes.

The paper is organized as follows. First, it briefly defines participatory budgeting in the global perspective to show the limited scope of the Czech application. Second, it describes the implementation of participatory budgeting in Czech municipalities including quantitative examination of how the system is implemented in the municipalities. Third, the implementation of participatory budgeting is linked with the traditional political participation, i.e., participation through the election of local representatives. The final part concludes.

1 PARTICIPATORY BUDGETING AS A NEW FORM OF PARTICIPATION

Although it is growing in popularity worldwide now, participatory budgeting originated in Latin America in the late 1980s. Precisely, it started in 1989 in Porto Alegre, a municipality of more than one million inhabitants located in the southern Brazil. It began as an experiment that has gradually attracted participation of the citizens. The experiment was successful not only in increasing participation but also in improving living conditions in the city, especially in the poor areas. The concept has subsequently spread through Brazil, Latin America and the world. In the first decade of the 21st Century, it was also implemented in the most developed nations of the Western Europe (Sintomer, Herzberg, and Röcke, 2008).

There are many different definitions of participatory budgeting. The term covers a wide range of different approaches and tools that enable residents to participate in the local decision-making. Yves Cabannes (2004), examining the experience of different cities in Latin America and Europe, points to a challenge in analyzing the different experiences arising from the uniqueness of each of them. Authors dealing with participatory budgeting put together various criteria to define it. Despite the differences, often in wording only, the definitions seem to overlap significantly.

In the World Bank's guide to participatory budgeting, Brian Wampler describes it as "a decision-making process through which citizens deliberate and negotiate over the distribution of public resources. Participatory budgeting programs are implemented at the behest of governments, citizens, nongovernmental organizations (NGOs) and civil society organizations (CSOs) to allow citizens to play a direct role in deciding how and where resources should be spent." (Wampler, 2007, p. 21)

Sintomer, Herzberg and Röcke (2008) see the participation of non-elected citizens in the allocation of public finances as an important defining element. They complement it with five criteria that should form a precise definition: "(1) the financial and/or budgetary dimension must be discussed; participatory budgeting involves dealing with the problem of limited resources; (2) the city level has to be involved, or a (decentralized) district with an elected body and some power over administration (the neighbourhood level is not enough); (3) it has to be a repeated process (one meeting or one referendum on financial issues does not constitute an example of participatory budgeting); (4) the process must include some form of public deliberation within the framework of specific meetings/forums (the opening of administrative meetings or classical representative

instances to 'normal' citizens is not participatory budgeting); (5) some accountability on the output is required." (Sintomer, Herzberg, and Röcke, 2008, p. 168)

Matteo Bassoli (2012) who draws on the Italian experience, adds a sixth criterion: "possible and desirable participation of lay citizens." This is derived from the first of the three principles set forth in the seminal paper of de Sousa Santos (1998): "all citizens are entitled to participate, community organizations having no special status or prerogative in this regard." It means that participation of the citizens is not conditional on their personal characteristics (they may be laymen) or membership in a specific organization.

Tiago Peixoto (2012) offers yet another definition based on a list of seven criteria: "(1) Public budgets are the object of the process, or at least part of it (it is not urban planning); (2) Citizen participation has a direct impact on the budget (it is not a consultation); (3) Citizens decide on the rules governing the process; (4) The process has a deliberative element (it is not like the Swiss fiscal referendum for example); (5) A redistributive logic is embedded in the design of the process (e.g. poorest districts / areas get more money and vice-versa); (6) The process is institutionally designed to ensure that citizens can monitor public spending; (7) The process is repeated periodically (e.g. on a yearly basis)." Particularly the third point is interesting, as it requires citizens' participation at the "constitutional" level.

It is important to note that the implemented models of participatory budgeting differ significantly. Leonardo Avritzer (2006) shows the diversity among Brazilian cities which have often had an experience very different for the acclaimed Porto Alegre. Hence, the differences in the definitions are not surprising. Yet, all the definitions share certain elements; the process always concern allocation of resources, it always seeks to employ deliberative methods other than representative democracy, and it is always a repeating process.

Sintomer, Herzberg and Röcke (2008) present six different ideal types of participatory procedures and classify individual cases in Europe according to their proximity to individual types. The six model are: (1) Porto Alegre adapted for Europe, (2) participation of organized interests, (3) community funds at local and city level, (4) the public/private negotiating table, (5) proximity participation, and (6) consultation on public finances. The implementation in the Czech Republic is closest to the first ideal type; there is no formal role for organized interests, no involvement of private resources and the tool is solely used to deliberate on investment projects.

The implementation of new governance tools is limited by existing institutional structures. Avritzer's (2006) study shows that a top-down approach in participatory budgeting cannot achieve the same results as the bottom-up evolution of participation. The difference between the top-down and the bottom-up approach is in the origins of the participatory process. In the former, it is initiated by the elites and can be perceived as a thin veil to legitimize their decisions. In the latter, the process is initiated or demanded by the citizens. Although the two approaches are not mutually exclusive; in many cases they are complementary (Silver, Scott, & Kazepov, 2010).

Relation of the participatory budgeting and traditional political participation has not been discussed much in the literature. Also, the traditions of local political participation differ between Latin America and Europe. Examining the Latin American experience, Celina Souza (2001) notes the tense relations and even an open conflict between local councilors in the municipal legislature and participatory budget delegates in Porto Alegre, although less tense in other municipalities. The councilors argue "that the number of people who participate in the decision-making is smaller and less representative of the population than the number of voters many councilors represent" (Souza, 2001, p. 172). However, one must bear in mind that participatory budgeting in Latin America sought to overcome the entanglement of traditional representation with private interest of the local elites.

One must also consider the role of wealth and income inequality in the political process. While the inequality is certainly a concern in Latin America, it is much less significant in Europe. Schneider and Goldfrank (2002) present participatory budgeting in Brazil's Rio Grande do Sul as a political project. They show how participation in the participatory budgeting was significantly enhanced by the presence of Worker's Party electorate (the party that introduced the participatory budgeting) and how the party used participatory budgeting to solidify its position by attracting political participation of the poor. One may conjecture that innovative schemes, such as the participatory budgeting, enhance political participation where there are obstacles in the traditional methods of participation.

When contemplating a possible effect of participatory budgeting on a representative government, Julien Talpin (2011) builds on four effects that the participatory experience may have on an individual. One may become a disinterested cynic, an expert citizen, a social activist, or a professional politician. If the first kind of reaction prevails, the distance between citizens and politics is maintained, if not increased, and political participation of

any kind is discouraged. On the contrary, the other three scenarios of an individual response shall promote political participation of different kinds.

Finally, Sintomer, Herzberg, Röcke, and Allegretti (2012, p. 11) summarize the diverse potential political consequences in Europe as follows: "In many cases it has contributed to improved communication among citizens, administration and the local political elite. However, it is questionable whether it plays the same intermediary role as political parties have done in the past. Additionally, *the widespread expectation that voter turnout will increase with PB has not been supported by empirical research.* Although PB has positive influence on the political culture and competences of participants in Europe, its real long-lasting impacts is still unclear" (emphasis added).

Surprisingly little attention has been given to measurable effects of the participatory budgeting on traditional political participation. While much attention has been given to the outcomes in terms of welfare improvements, especially in Latin America and especially for the poor, political aspects are treated less rigorously. Some attention has been given to "soft" characteristics, such as the "communication," "political culture," or "competitions of participants," as mentioned above, while quantitative effects such as voter turnout are not examined systematically.

2 IMPLEMENTATION OF PARTICIPATORY BUDGETING IN THE CZECH REPUBLIC

Two elements of the municipal governance in the Czech Republic require at least a brief description – the formation of municipal representation and the characteristics of municipal budgets. New governance tools must be implemented within the existing legal structure and need to be supported by the extant political actors. At the same time, informal institutions are important.

In the Czech Republic, local governments are formed by mayors (*starosta* or *primátor*) and municipal councils (*rada*) that are selected by the municipal assemblies (*zastupitelstvo*). The assemblies are elected by residents of the municipality for a four-year term (Acts no. 128/2000 Coll. and 491/2001 Coll.). Municipal assemblies are often fragmented and traditional parties have limited representation, especially in smaller municipalities, and independent candidates or local organized interests are successful in being elected. Number of candidates has been increasing since the 1990s even if the voter turnout has been relatively stable. The proportion of party candidates has dropped significantly, from two thirds in 1994 to one fifth

in 2010 (Bernard, 2013). On the other hand, to select the mayor and the board, there must be a coalition with the majority of seats in the assembly; thus, even if aggregation of interests is not necessary prior to the elections, negotiations must follow in the post-election period.

Set up of the municipal budget is constrained by several conditions limiting the municipal governments. Local political actors have only limited options regarding both revenues and expenditures. The revenues come chiefly from nation-wide taxes, which are decided by the national parliament, out of which the municipalities receive a portion, which is again decided centrally. The municipal assemblies can, in a limited way, decide about the real estate tax (Act no. 315/1993 Coll.). Further sources of income to municipal budgets are transfers, subsidies and grants from the central or regional governments.

Regarding the expenditures, municipalities are obliged to provide certain services; thus, a significant portion of the budget is composed of mandatory expenditures. Local politicians can, to some extent, save on those expenditures by efficient provision of the services that avoids waste. They can also alter priorities in the allocation of funds. The most of discretion is exercised when it comes to investments. The priorities are often influenced by subsidies from regional and central authorities; although, the choice is up to the local political actors. Participatory budgets seem particularly suitable for this area and that is where they have been implemented in the Czech Republic.

Participatory budgeting in the Czech Republic typically follows one model with local variations. The general scheme is following: The municipal assembly allocates funds in the municipal budget for the participatory budget. Residents are asked to submit proposals for investment projects. The proposals are discussed among the residents in public fora and with the municipal authorities to assure that they can be implemented from the technical and legal perspective. Finally, the residents choose which projects shall be implemented by the municipality. The voting procedures vary among municipalities – some allow only permanent residents to vote, others are more inclusive; the number of votes per voters also differ, and some municipalities also combine positive and negative votes. Those are relatively minor details within the whole scheme from the perspective of this paper; although, they would perhaps deserve some attention in future studies. The similarity of the participatory budgeting procedures apparently stems from mimicking of the existing practices and receiving advice from the same sources (such as the handbook by Černý, 2016).

Participatory budgeting is relatively new in the Czech Republic. It was first introduced in 2014 in Prague 7, one of the districts of the nation's capital city, with about 42 000 residents (Mička, 2016). The city council allocated 1 million CZK for the project (which is roughly equivalent to 37 000 euro), or – expressed proportionally – about 0.28 % of total expenditures (0.95 % of capital expenditures). Clearly, the initial allocation was relatively small; although, this is understandable for a pilot run of a project which was unprecedented in the Czech Republic. Since 2014, participatory budgets were introduced in several Czech municipalities. It is estimated that 18 municipalities with more than one million residents in total introduced participatory budgets by 2017. Even with growing experience of Czech municipalities, the total financial allocation has remained very small – less than 50 million CZK (1.78 million EUR), with significant variations between the municipalities (Agora CE, 2017). By 2019, there were 63 municipalities with participatory budgets, allocating between 8 and 379 CZK (0.3 and 14 EUR) per inhabitant which is between 0.03 and 1.95 per cent of the respective municipal budgets (Agora CE, 2020). The front-runners are typically small municipalities.

It is important to stress that participatory budgeting is just one of many democratic innovations that are being introduced in Czech municipalities (Hurtíková and Soukop, 2019). Other tools include petitions, public discussions, round tables, support for community projects, and introduction of technologies improving communication between citizens and authorities and increasing transparency. Thus, the conclusions of the present study cannot be generalized to all participative and deliberative tools.

Popularity of the participatory budgeting can be inferred from the number of municipalities implementing that tool. According to our survey (Minarik, 2019) of municipalities with population above 5 000 residents, there are 29 Czech municipalities that have implemented participatory budgeting by 2019; for a detailed breakdown see Table 1. Prague and Ostrava, two of the three major Czech cities, have not implemented participatory budgets at the city-wide level, but the method has been implemented in several districts of those cities. The survey shows that participatory budgets tend to be implemented in larger municipalities. It makes sense, since participation of unelected, lay citizens is probably easier in small towns and villages. Although, there are exceptions to the general pattern and participatory budgeting has also been implemented in many smaller municipalities (with population below 5000 residents).

Table 1: Municipalities with participatory budgets by 2019

Municipality size	Number of municipalities			Residents of municipalities		
	Total	With PB	%	Total	With PB	%
40 000 +	26	9	34.6	3 583 962	1 602 159	44.7
20 000 – 40 000	36	9	25.0	943 612	252 462	26.8
10 000 – 20 000	69	8	11.6	967 946	108 632	11.2
5 000 – 10 000	142	5	3.5	969 575	34 748	3.6
Total (5 000 +)	273	29	10.6	6 465 095	1 998 001	30.9

Note: In Prague and Ostrava, participatory budgets were not introduced at the city-wide level but only in some districts. In the table, both cities are included in the number of municipalities with participatory budget, but only the residents of the districts where the participatory budgets were introduced are included in the number of inhabitants of municipalities with participatory budgets. We have not examined municipalities with less than 5 000 residents.

Source: Minarik (2019)

Quantitative analysis of the participatory budgets implemented in the Czech municipalities (Minarik, 2019) reveals a very cautious implementation of the tool. An analysis of municipalities with more than 10 000 residents (including districts of Prague and Ostrava with such population) shows that the participatory budgeting covered on average only 0.42 per cent of municipal expenditures (or 1.74 per cent of capital expenditures). In terms of participation, there is quite a variability among the municipalities. In some of them, very few projects were submitted and all or nearly all of the submitted projects were accepted for financing; in others, competition was tough. However, participation in the final voting is low everywhere, ranging from 0.5 to 15.9 per cent of eligible voters, with an unweighted average of 5.2 per cent, well below the turnout in municipal elections.

3 RELATION BETWEEN THE TRADITIONAL AND NEW PARTICIPATION

Going beyond mere description of the participatory budgeting in Czech municipalities, this paper aims to link participatory budgeting to traditional political participation. The latter is understood primarily as participation through the processes of representative democracy and the exercise of both active and passive suffrage. Multiple methodological approaches could

be used here; the paper chooses a quantitative approach to link different variables from local elections with the use of participatory budgeting.

The relation between the new and traditional forms of participations is probably complex. Problems arising in the representative democracy may stimulate or hinder implementation of alternative mechanisms of public deliberation. On the other hand, implementation of new tools of participation may encourage or discourage traditional participation. Thus, the causal links may be bidirectional and the effect of different variables is not a priori clear. The interpretation of the results must remain in terms of correlations rather than causality.

There are two effects that the analysis aims to examine. First, it is the effect of previous elections on the subsequent implementation of participatory budgeting. For this purpose, we try to link the introduction of participatory budget in the previous four years with the election data from 2014. Second, it is the effect of implementation of participatory budgeting on the electoral participation. In this case, we link the participatory budgeting with the election data from 2018. Given the extent of participatory budgets in Czech municipalities, we cannot expect sizable (or even significant) effect here. If it appears, it suggests a change in the overall attitude towards participation which needs to be examined further with a different analytical approach.

Unfortunately, there is little empirical literature that we could build upon. As described above, most scholars studying participatory budgeting focus on the processes of participatory budgeting and the welfare outcomes. Thus, this research builds on the theoretical contributions and general studies of political participation in Central Europe (particularly Vrábliková, 2009, and Northmore-Ball, 2016). The choice of the variables is also constrained by data availability.

For the analysis, we set up a dataset of 168 Czech municipalities with more than 10 000 residents (including districts of Prague and Ostrava with such population) combining the data on participatory budgets and elections results from 2014 and 2018 municipal elections. Besides voter turnout, there are several variables capturing toughness of competition in the municipal election: number of party lists running in the elections, effective number of parties calculated from the election results (as defined by Laakso and Taagepera, 1979), share of votes for the winning party, number of parties gaining seats in the municipal assembly and the average number of seats per party in the municipal assembly. Table 2 presents the summary statistics for both years. The rationale for including variables reflecting competition come from the observations of Schneider and Goldfrank (2002);

although, previous research of Hurtíková and Soukop (2019) did not show any significant relation between the number of parties and introduction of democratic innovations in the Czech Republic.

Selection of the independent variables is guided by the idea that traditional participation demonstrates both through the active and the passive exercise of voting rights. While the voter turnout represents the former, measures of competition represent the latter. With regard to the observation about higher frequency of participatory budgeting in larger cities, the size of the municipality was included as a control.

Additional control variables were added to account for the demographic and social situation and the dynamics of municipalities. Analyzing political participation in Central European countries, Kateřina Vrábliková (2009) and Ksenia Northmore-Ball (2016) list several factors affecting individual participation. Among those factors, they include education, income, age and pensioner status. To translate those factors onto the municipal level, our analysis includes the share of residents with tertiary education, change in unemployment rate (which represents economic dynamics of municipalities), the average age of residents and the share of elderly citizens (65+). Additionally, two variables are included to account for municipalities' dynamics, namely the rate of natural increase and net migration.

Table 2: *Summary statistics – participatory budgets and municipal elections in 2014 and 2018, municipalities above 10 000 residents*

Year	Variable	Mean	Standard deviation	Min	Max
2014	Voter turnout	37.7	6.3	22.9	54.9
	Number of party lists	10.82	3.17	4	31
	Effective number of parties	6.57	1.76	1.97	11.90
	Share of the winning party	27.7	10.5	12.3	69.5
	Number of successful parties	7.01	1.25	4	10
	Representatives per party	4.03	1.60	1.9	10.3

2018	Voter turnout	41.7	6.5	26.0	60.7
	Number of party lists	9.88	3.06	3	29
	Effective number of parties	6.12	1.86	1.82	10.03
	Share of the winning party	30.1	12.2	13.4	72.4
	Number of successful parties	6.82	1.64	2	10
	Representatives per party	4.23	1.72	1.7	13
	Number of residents (1000)	41.5	106.5	5	1294
	Average age of residents	42.4	1.60	33.1	45.3
	Share of residents 65+ (%) ^(a)	19.9	2.58	7.02	24.26
	Rate of natural increase ^(a)	0.04	2.93	-7.02	11.00
	Rate of net migration ^(a)	1.42	8.13	-10.32	44.31
	Participatory budget by 2019	0.22	0.42	0	1
	Share of residents with tertiary education (% , 2011)	13.74	5.53	4.14	31.90
	Change in unemployment rate 2015–2018 ^(a)	-3.08	1.12	-7.40	0.08

Note: ^(a) Data not available for municipal districts of Ostrava.

Sources: Data on participatory budgets were collected from municipal web sites, other data are from the Czech Statistical Office (<https://www.volby.cz/>, <https://vdb.czso.cz/>).

Comparison of summary statistics for the two elections shows the development of the municipal politics between 2014 and 2018. Except for the number of successful parties, all numbers are statistically different between the two elections years. Voter turnout has increased, but competition somewhat decreased, whether we measure it by the number of party lists in elections, the effective number of parties or the increasing gains of the winning party. The average number of parties in municipal assemblies decreased marginally and the average number of representatives per party slightly increased; yet, the assemblies typically remained fragmented.

The empirical strategy combines linear regression and logistic regression according to the nature of the data and the difference in differences approach. Since implementation of participatory budgeting is a binary variable, logistic regression is used to determine its predictors from the 2014 elections. Different model specifications are possible. However, since the variables aim at the same characteristics of elections, particularly competition, they are strongly correlated (in the extreme, the correlation coefficient between the effective number of parties and the share of votes for the winning party is 0.89); thus, these variables must be used separately. For the opposite

relation, the impact of participatory budgeting on the 2018 election results, linear regression is used, as the dependent variable is continuous.

Regression results on the predictors of implementation of participatory budget are presented in Table 3. The only political variable that significantly increases the odds of implementation of participatory budgeting is the number of party lists running in the 2014 elections; the result appears robust across different model specifications. This may indicate that participatory budgeting is used where competition or fragmentation in the municipal politics is high and participatory budgeting may serve to reduce the conflict. Although, other measures of competition employed in the regressions (the effective number of parties, number of successful lists and the share of votes for the winning party) are not statistically significant; thus, the support for that thesis is limited.

Alternatively, one may argue that the number of party lists represents the interest of citizens in active political participation. Such interpretation would provide evidence for the bottom-up approach in setting up participatory budgets; that is, the tool is used where the demand for participation is high and representative democracy is not perceived as sufficient to meet that demand. Qualitative research is needed to verify that hypothesis.

Table 3: *The impact of 2014 election results on implementation of participatory budgeting in municipalities above 10 000 residents (logistic regression, odds ratios reported)*

Variable	(1)	(2)	(3)	(4)
Voter turnout in 2014	0.972	0.928	0.969	0.925
Number of party lists in 2014	1.374 ***	1.279 **	1.314 ***	1.237 **
Effective number of parties in 2014	0.772	0.832		
Number of successful parties in 2014			0.931	0.971
Share of the winning party in 2014			1.034	1.026
Number of residents	0.995 *	0.995	0.996	0.995
Average age of residents	1.030	0.437 *	1.043	0.444 *
Rate of natural increase		0.889		0.902
Rate of net migration		1.003		1.005
Share of residents 65+		1.704 *		1.718 *

Share of residents with tertiary education		1.163 ***		1.160 ***
Change in unemployment rate		0.726		0.722
Number of observations	168	160 ^(a)	168	160 ^(a)
Likelihood Ratio Chi-Square	11.58 (p=0.041)	22.43 (p=0.013)	11.50 (p=0.074)	22.44 (p=0.021)

Note: *, **, *** denote that odds ratios are statistically different from one at 10%, 5% and 1% level respectively. ^(a) Data not available for municipal districts of Ostrava.

Further variables that appear relevant in the regressions are the share of residents with tertiary education and the share of elderly people combined with the average age of the residents. The effect of tertiary education is in line with the existing research on the effect of education on political participation (Linek and Petrůšek, 2018; Vrábliková, 2009). The effects of the two age-related variables go in the opposite direction – larger share of elderly people increases the odds of participatory budgeting being implemented; at the same time, an increase in the average age of residents lowers the odds implementation. Previous research on political participation in Central Europe shows that it increases with age but decreases with pensioner status (Vrábliková, 2009) or the trend is reversed at certain age (Northmore-Ball, 2016). One might conjecture that participatory budgets are preferred among younger voters and they get implemented where the population is younger or where the elderly citizens (pensioners) abstain from voting. This is also consistent with the observation of Hurtíková and Soukop (2019) show that the average age of municipal assembly matters for the introduction of democratic innovations.

Some results of the regressions differ from the previous literature. The analysis of Hurtíková and Soukop (2019) indicates that competition is not important; that result is not really supported in the present analysis. Of course, these models are too elementary to provide a definite answer about the factors that determine introduction of participatory budgeting. Further examination is needed using different methods, both quantitative (matching methods) and qualitative.

Considering the opposite effect, the impact of participatory budgeting on the 2018 election results, the results are presented in Table 4. The models explain much of the variance in 2018 voter turnout. Voter turnout in the 2018 municipal election is mostly explained by the turnout in the 2014 elections; that is, the demographic and socio-economic factors that have

not changed between the two elections. Competition also seems to have a certain impact on electoral participation. However, participatory budgeting is clearly insignificant ($p = 0.476$ in model (1) and 0.426 in model (2)) and since the model already explains great deal of variation, we do not expect other potential variables to change that result.

Alternatively, we may employ the difference in differences approach; the results are presented in Table 5. The outcome is not different from the previous analysis. Voter turnout has risen between 2014 and 2018, but the difference between the municipalities with and without participatory budget is negligible and statistically not significant. The analysis also confirms the intuition from the previous models, that participatory budgets have been employed in municipalities with relatively lower voter turnout (see Table 3, where odds ratios are below one, even if not statistically different from one).

Table 4: *The impact of participatory budgeting on 2018 election turnout in municipalities above 10 000 residents (linear regression)*

Variable	(1)	(2)
Participatory budget	-0.430	-0.392
Voter turnout in 2014	0.890 ***	0.884 ***
Number of residents	0.0049	0.010
Effective number of parties in 2014	-0.257 *	-0.141
Number of party lists in 2018	0.220 *	
Effective number of parties in 2018		-0.158
Number of observations	168	168
Adjusted R-Square	0.821	0.818

Note: *, **, *** denote that coefficients are statistically different from zero at 10%, 5% and 1% level respectively. Regressions controlled for assembly type (city with districts, ordinary city, or city district).

Table 5: *The impact of participatory budgeting on 2018 election turnout in municipalities above 10 000 residents (difference in differences)*

Variable	(1)	(2)
Elections 2018	0.039 ***	0.039 ***
Participatory budget	-0.020 *	-0.021 *
Difference in differences	0.007	0.007

Controlled for assembly type	no	yes
Number of municipalities	168	168
Adjusted R-Square	0.093	0.178

*Note: *, **, *** denote that coefficients are statistically different from zero at 10%, 5% and 1% level respectively. Assembly types are: city with districts, ordinary city, or city district.*

CONCLUSION

The aim of this paper was twofold – to examine the implementation of participatory budgeting in Czech municipalities and to examine its relation to traditional electoral participation. Quantitative data show a very limited use of participatory budgeting in the Czech Republic, both in terms of allocated finance in municipal budgets and in terms of citizens' participation. This may be caused by novelty of participatory budgeting in the country; in many municipalities, the participatory budget is still a pilot project.

However, the reasons for the limited implementation of participatory budgeting as well as other new governance tools may be different. It is possible that there is a little demand for such tools among both the municipal politicians and the citizens. One could also argue that even the electoral participation, which is described as “traditional” here, is rather novel in the Czech context; it is still less than 30 years since the first municipal elections were held after the fall of the communist regime. Such thesis is also supported by the rather low voter turnout in municipal elections. Going to the polls every four years is perhaps as much political participation as the people want in the local politics.

Participatory budgeting was created as an instrument to empower citizens. It could indeed improve governance in municipalities. However, in the particular form that we observe in the Czech Republic, it is an ornament rather than an instrument; implementation of participatory budgeting creates an illusion of participation rather than actually improving the local governance. Also, low participation empowers well-organized interest groups rather than citizens at large.

Regarding the link between the implementation of participatory budgets and electoral participation, the statistical analysis does not reveal much relation. The only significant variable that increases the odds of implementation of participatory budget is the number of political parties running in the previous elections – a result that is difficult to interpret on its own. Examination of the reverse relation does not show any significant effect

of participatory budgeting on voter turnout. However, these are preliminary results only and better model specifications could rectify the results.

The analysis provided in this paper has significant limitations in treating all municipalities together. Thus, it is only possible to conclude that the relations do not exist universally. Examination of particular cases, which is a suggestion for further research, may discover the causes and effects on the level of individual municipalities. Also, certain effects of participatory budgeting may demonstrate themselves only in a longer run; thus, some results may be very different if we replicate the analysis in future.

REFERENCES

- AGORA CE (2017). Úspěchy participativního rozpočtování v ČR v roce 2016. In: *Participativní rozpočet*. [online]. Available at: <<https://www.participativni-rozpocet.cz/blog/2017/05/02/uspechy-participativniho-rozpocetovani-v-cr-v-roce-2016/>>. [Accessed 5 Aug 2019].
- Agora CE (2020). *Participativní rozpočty v České republice v roce 2019*. [online]. Available at: <<https://www.participativni-rozpocet.cz/blog/2020/02/07/participativni-rozpocety-v-ceske-republice-v-roce-2019/>>. [Accessed 7 Apr 2020].
- AVRITZER, L. (2006). New public spheres in Brazil: local democracy and deliberative politics. In: *International journal of urban and regional research*. Vol. 30, No. 3, 2006, pp. 623–37.
- BASSOLI, M. (2012). Participatory budgeting in Italy: An analysis of (almost democratic) participatory governance arrangements. In: *International journal of urban and regional research*. Vol. 36, No. 6, 2012, pp. 1183–1203.
- BERNARD, J. (2013). Kompletní jmenná databáze kandidátů do zastupitelstev měst a obcí jako nástroj pro výzkum populace kandidátů a zastupitelů. In: *Acta politologica*. Vol. 5, No. 1, 2013, pp. 82–93.
- CABANNES, Y. (2004). Participatory budgeting: a significant contribution to participatory democracy. In: *Environment and urbanization*. Vol. 16, No. 1, 2004, pp. 27–46.
- ČERNÝ, V. (2016). *Metodika tvorby participativního rozpočtu pro města v ČR*. Praha: Agora CE, 2016.
- DE SOUSA SANTOS, B. (1998). Participatory budgeting in Porto Alegre: toward a redistributive democracy. In: *Politics & Society*. Vol. 26, No. 4, 1998, pp. 461–510.

- HURTIKOVA, H., SOUKOP, M. (2019). Participative and Deliberative Democracy on the Local Level: How the Political Characteristics of Municipalities in the Czech Republic Relate to the Use of Selected Democratic Innovation within their Territory?. In: *Lex Localis – Journal of Local Self-Government*. Vol. 17, No 2, 2019, pp. 369–393.
- LAAKSO, M., TAAGEPERA, R. (1979). “Effective” number of parties: a measure with application to West Europe. In: *Comparative political studies*. Vol. 12, No. 1, 1979, pp. 3–27.
- LINEK, L., PETRÚŠEK, L. (2018). Vývoj vzdělanostních nerovností v účasti na politice v Česku a na Slovensku a jejich důsledky pro reprezentaci postojů. In: *Sociológia*. Vol. 50, No. 5, 2018, pp. 524–549.
- MIČKA, P. ed. (2016). *Analýza občanské participace v ČR*. Praha: Agora CE, 2016.
- MINARIK, P. (2019). Participatory budgeting in the Czech Republic: An instrument turned into an ornament. In: SOLIMAN, K. S., (ed.). *Proceedings of the 34th International Business Information Management Association Conference*. Madrid: IBIMA, 2019, pp. 2432–2439.
- NORTHMORE-BALL, K. (2016). Increasingly unequal turnout in Eastern European new democracies: Communist and transitional legacies versus new institutions. In: *Electoral Studies*. Vol. 42, 2016, pp. 188–200.
- PEIXOTO, T. (2012). Participatory Budgeting: Seven Defining Characteristics. In: *DemocracySpot*. [online]. Available at <<https://democracyspot.net/2012/09/12/participatory-budgeting-seven-defining-characteristics/>>. [Accessed 15 Jul 2019].
- SCHNEIDER, A., & GOLDFRANK, B. (2002). Budgets and ballots in Brazil: participatory budgeting from the city to the state. IDS Working Paper 149. Brighton: Institute of Development Studies, 2002.
- SILVER, H., SCOTT, A., KAZEPOV, Y. (2010). Participation in urban contention and deliberation. In: *International Journal of Urban and Regional Research*. Vol. 34, No. 3, 2010, pp. 453–477.
- SINTOMER, Y., HERZBERG, C., and RÖCKE, A. (2008). Participatory budgeting in Europe: potentials and challenges. In: *International journal of urban and regional research*. Vol. 32, No. 1, 2008, pp. 164–178.
- SINTOMER, Y., HERZBERG, C., RÖCKE, A., ALLEGRETTI, G. (2012). Transnational models of citizen participation: the case of participatory budgeting. In: *Journal of Public Deliberation*. Vol. 8, No. 2, 2012, Article 9.
- SOUZA, C. (2001). Participatory budgeting in Brazilian cities: limits and possibilities in building democratic institutions. In: *Environment and Urbanization*. Vol. 13, No. 1, 2001, pp. 159–184.

- TALPIN, J. (2011). *Schools of democracy: How ordinary citizens (sometimes) become competent in participatory budgeting institutions*. Colchester: ECPR Press, 2011.
- VRÁBLÍKOVÁ, K. (2009). Politická participace a její determinanty v postkomunistických zemích. In: *Sociologický časopis/Czech Sociological Review*. Vol. 45, No. 5, 2009, pp 867–897.
- WAMPLER, B. (2007). A Guide to Participatory Budgeting. In: SHAH, A. (ed.). *Participatory budgeting*. Washington, D.C.: The World Bank, 2007. pp. 21–54.