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ACCOUNTABILITY, PUBLIC VALUES, AND PARTICIPATORY BUDGETING IN POLAND

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ABSTRACT

Among the different instruments of collaborative governance, participatory budgeting (PB) is of particular interest in Poland. PB includes the residents who co-decide about local public expenditure. PB proponents suggest that it has the potential to democratize budgeting but others point to the ease with which organized groups sometimes capture the process to serve their interests. The analysis shows that due to the weak axiological grounds that result from the infringements of all nodal public values, e.g. human dignity, sustainability, citizen involvement, openness, secrecy, compromise, integrity, and robustness, PB in Poland has little potential to enhance accountability for the protection of the common good.

KEYWORDS

Accountability, participatory budgeting, public values, common good, integrity, axiology

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INTRODUCTION

All over the world different forms of collaborative governance [1] have developed over the past years, as the continuation of New Public Management reforms oriented on the accountability for the performance of the public decision making.[2] Collaborative governance means "the processes and structures of public policy decision making and management that engage people constructively across the boundaries of public agencies, levels of government, and/or the public, private and civic spheres in order to carry out a public purpose that could not otherwise be accomplished."[3] One of the most popular instruments of governance is participatory budgeting (PB), which originated from Brazilian Porto Alegre, [4] where it was implemented by the leftist government to overcome social and political problems, such as low levels of accountability, inefficiencies in social service provisions, and corruption. [5] PB means a year-long decision-making process through which residents negotiate among themselves and with local government officials in organized meetings and then vote over the allocation of local budget.[6] It has been calculated that in 2018 over 7000 cities (municipalities) used PB worldwide. [7] Proponents of the PB suggest that it empowers residents to vote on local public works projects and other activities,[8] and they laud its potential to democratize budgeting enhancing transparency and accountability;[9] but others point to the ease with which organized groups sometimes capture the process to serve their interests.[10] If PB is driven too far by political pressure groups, it results in the fragmentation of the budget process, paralysis of decision making, and inefficient

[1] Matthew C. Canfield, "Disputing the Global Land Grab: Claiming Rights and Making Markets Through Collaborative Governance," *Law & Society Review* 52 (2018): 994.
[2] Ron Kluvers, "Accountability for Performance in Local Government," *Australian Journal of Public Administration* 62 (2003): 57; Henk ter Bogt, "NPM's *Ideals* About the Accountability and Control of Outsourced Activities: Tough, But Realizable, Or A Utopian Dream?" *European Policy Analysis* 4 (2018): 118.
[3] Kirk Emerson, Tina Nabatchi, and Stephen Balogh, "An Integrative Framework for Collaborative Governance," *Journal of Public Administration Research and Theory* 22 (2012): 2.
[4] Yves Sintomer, Carsten Herzberg, and Anja Röcke, "Participatory Budgeting in Europe: Potentials and Challenges," *International Journal of Urban and Regional Research* 32 (2008): 164.
[5] Brian Wampler, "Expanding Accountability Through Participatory Institutions: Mayors, Citizens, and Budgeting in Three Brazilian Municipalities," *Latin American Politics and Society* 46 (2004): 74.
[6] Brian Wampler, "When Does Participatory Democracy Deepen The Quality Of Democracy," *Comparative Politics* 41 (2008): 63.
[7] Nelson Dias and Simone Júlio, "The next thirty years of Participatory Budgeting in the world start today": 20; in: Nelson Dias, ed., *Hope for Democracy. 30 Years of Participatory Budgeting Worldwide* (São Brás de Alportel: In Loco Association, 2018).
[8] Ewa Lotko, "Participatory budgeting in Russia – Procedural Aspects," *Bialystok Legal Studies* 24 (3) (2019).
[9] Mieczysława Zdanowicz, "Citizenship in the context of territorial changes adopted in the Versailles Treaty," *Miscellanea Historico-Iuridica* 18 (1) (2019).
[10] OECD, *Budgeting and Public Expenditures in OECD Countries 2019* (Paris: OECD Publishing, 2019), 28.

delivery of basic services.[11] Scholars have noted that increased participation does not necessarily guarantee more inclusive and equitable decision making.[12]

PB is of particular interest to local government units (LGUs) in Poland, as although the complete comparative data are lacking, it is probably the country where PB has developed on the widest scale among the whole of Europe.[13] PB has become here of particular interest even before the central PB legislation of 2018 entered into force. The number of LGUs with PB is growing there every year (2013 – 2, 2014 – 58, 2015 – 98, 2016 – 120, 2017 – 79, 2018 – 27). So far, PB has been implemented by 385 Polish LGUs, which means 13.7% of them.[14] As budgeting is inherently political,[15] it is difficult to assess to what extent the popularity of PB in Poland resulting from the imitation of foreign solutions comes from the disappointment with the existing functioning of liberal democracy and to what extent it lies in the political motives to use this instrument. The latter assumption bases on the fact that, although the first vote on PB took place in Poland in 2011, the true effect of the "snowball" coincides with local elections of 2014.[16]

The first voting for PB projects in Poland took place in 2011. These projects were financed from the sea resort Sopot's municipal budget for the financial year 2012.[17] Till this time, the Polish LGUs, primarily cities, followed this example. In 2018 the central Parliament legally regulated PB, adopting the Law amending Certain Laws to Increase the Participation of Citizens in the Process of Selecting, Functioning, and Controlling Certain Public Bodies.[18] This Law amended (*inter alia*) the Law on Municipal Self-Government that currently contain the legal definition of PB. It is a special form of public consultation that allows the residents to decide each year on a part of the commune's budget expenditure by direct voting.[19] This Law[20] imposed on the municipalities with the departments' rights (in practice the biggest cities) the obligation to implement PB and to allocate for this purpose at

[11] Richard Allen, Richard Hemming, and Barry H. Potter, "Introduction: The Meaning, Content and Objectives of Public Financial Management": 2; in: Richard Allen, Richard Hemming, and Barry H. Potter, eds., *The International Handbook of Public Financial Management* (New York: Palgrave Macmillan, 2013).
[12] Madeleine Pape and Chaeyoon Lim, "'Beyond the Usual Suspects'? Reimagining Democracy with Participatory Budgeting in Chicago," *Sociological Forum* 34 (2019): 863.
[13] Yves Sintomer, Anja Röcke, and Carsten Herzberg, *Participatory Budgeting in Europe. Democracy and Public Governance* (London: Routledge, 2016), 23.
[14] Urszula K. Zawadzka-Pąk and Eva Tomášková, "Legal and Axiological Aspects of Participatory Budgeting Procedure in Poland and the Czech Republic," *Białostockie Studia Prawnicze* 24 (2019): 167.
[15] Andrew Lucas B. Davies and Alissa P. Worden, "Local Governance and Redistributive Policy: Explaining Local Funding for Public Defense," *Law & Society Review* 51 (2017): 338.
[16] Dariusz Kraszewski and Karol Mojkowski, *Budżet obywatelski w Polsce* (Warsaw: Fundacja im. Stefana Batorego, 2014), 5.
[17] Dorota Kamrowska-Zaluska, "Participatory Budgeting in Poland – Missing Link in Urban Regeneration Process," *Procedia Engineering* 161 (2016): 1998.
[18] *Law amending Certain Laws to Increase the Participation of Citizens in the Process of Selecting, Functioning and Controlling Certain Public Bodies* (Journal of Laws, no. 18/130).
[19] *Law on Municipal Self-Government* (Journal of Laws, 2020, no. 713), art. 5a.
[20] See *ibid.*

least 0.5% of municipal expenditure included in the last available budget execution report.[21] In practice, all 66 Polish municipalities with department status had already voluntarily introduced PB before the Law entered into force.

The legal statutory framework of PB is not consistent regarding the obligation to respect the will of the residents expressed in voting. On the one hand, the article 5a, mentioned above, stipulates that the tasks selected within the PB procedure should be included in the municipal Budget Act. However, on the other hand, when introducing the statutory regulation of BP the national legislator simultaneously did not modify the provisions of the Law on Public Finance.[22] Thus, according to its provisions, formally still the city mayors have the responsibility but also the right of the exclusive budget initiative, this means that they have the freedom to select and to plan in the Budget Bill any expenditure having the legal basis. The mayors need notwithstanding, the authorization for spending that is given in the form of the Budget Act by local councillors activates the vote via the amendments to the Budget Bill. However, article 5a provides that the municipal council may not remove or change to a significant extent the tasks selected within the PB procedure. As the literature suggests, responsibility can be viewed as a bundle of obligations associated with a job or function of a mayor of the local councillors.[23] However, responsibility can include not only legal (functional) obligations but also moral obligations. As Barrett states, "moral responsibility assumes a capacity for making rational decisions, which in turn justifies holding moral agents accountable for their actions. Given that moral agency entails responsibility, in that autonomous rational agents are in principle capable of responding to moral reasons, accountability is a necessary feature of morality".[24] As the mayors, exercising their responsibility, are not obliged to respect the residents will at the stage of Budget Bill preparation, in practice, in extreme cases, when preparing the Budget Bill they may not include any of the projects selected by residents, or more often in practice, only some of them. It follows from the above that, on the one hand, the legislator tried to guarantee the rights of residents participating in the BP procedure; but on the other hand, he did not adjust the scope of legal responsibility for the preparation of the budget to the catalogue of entities participating in the budget procedure, extended

[21] This method of determining the minimum amount of funds allocated to PB is not very transparent, because it refers to the budget that has already been executed and the execution report is already available at the stage of determining the amount of PB funds. For example, for the PB funds extracted from the budget for 2021, the reference point is the amount of the expenditure of the budget for 2019. Hence Table 1, presented in appendix, uses a more transparent approach, as it presents PB funds for 2021 as the percentage of the total city's budgetary expenditure authorized in the Budget Act for 2021.
[22] *Law on Public Finance* (Journal of Laws, 2021, no. 305).
[23] Thomas Bivins, "Responsibility and Accountability": 20; in: Kathy Fitzpatrick and Carolyn Bronstein, eds., *Ethics in Public Relations: Responsible Advocacy* (London: Sage, 2006).
[24] Will Barrett, "Responsibility, Accountability and Corporate Activity," *Online Opinion, Australia's E-journal of Social and Political Debate* (2004) // http://www.onlineopinion.com.au/print.asp?article=2480#.

to the residents. The legal responsibility for the budget preparation and execution rests on the mayor, whereas the residents taking part in PB are not responsible.

The general statutory legal framework described above is further detailed by the local provisions issued by the municipal councils and, if authorized, also by the local executive bodies (mayors). In practice, the PB procedure is very similar in all the Polish cities.[25] It looks as follows. The residents submit the set of the written PB projects, supported by the other citizens' signatures (from several to several dozen signatures per project, depending on the city), next the local civil servants verify the PB projects from the formal point of view, assessing if the realization of these projects will have the legal grounds. Subsequently, the PB applicants are incited to present their projects, however in practice very few people attend such "discussion meetings". Next, all interested residents choose projects, in written and/or electronic voting, depending on the city. The mayor incorporates that into the city Budget Bill the PB projects that gather the most votes and fit in the amount allocated to PB. Finally, the local council authorizes the mayor to execute the city budget, voting the Budget Act.

With the above in mind, the research area of the article is how PB enables residents to co-decide on a part of the budget expenditures of Polish cities. In the article, having presented introductory legal issues (section 1), the theoretical framework of financial accountability (section 2) and the research design (section 3) follow. Subsequently, the axiological implications of the legal regulations are presented (section 4) and discussed (section 5). The conclusions (section 6) indicate the potential threats of PB implementation as the instrument of collaborative governance, especially if deprived of solid axiological ground.

1. THEORETICAL FRAMEWORK

Democracy from Greek *demos Kratos* means "people rule."[26] The main characteristic of the democratic system consists in electing the citizens' representatives to make public decisions, not in their private interest but the public one.[27] In the Polish legal system, it is expressed in the Polish Constitution in the following way: "The Republic of Poland shall be the common good of all its citizens".[28] The protection of the common good requires taking the appropriate

[25] Dawid Sześciło, "Participatory Budgeting in Poland: Quasi-Referendum Instead of Deliberation," *Croatian and Comparative Public Administration* 15 (2015): 381-382.
[26] H. Clay Jent, "Demos Kratos. Democracy, Old and New," *The Social Studies* 58 (1967): 242.
[27] Anna Protasiewicz and Karolina Trzaska, "The Role of Institutions in the Technology Transfer Process with Particular Focus on Technology Parks in Poland," *Eastern European Journal of Transnational Relations* 4 (2) (2020).
[28] *Constitution of Republic of Poland* (Journal of Laws, 1997, no. 483), art. 1.

decisions on the allocation of public money and the properly constructed budget.[29] The budgetary public bodies should be held accountable for the protection of the common good.[30]

However, the problem arises that citizens' activity is mainly limited to participation in the elections. Using Tocqueville's words: "each individual endures being bound because he sees that it is not a man or a class, but the people itself that holds the end of the chain. In this system, the citizens emerge for a moment from dependency in order to indicate their master, and return to it."[31] In consequence, the contemporary societies are struggling with "a participation pathology" (i.e., the lack of citizens' conviction that participation can help to solve public problems) and with "a representation pathology" (i.e., the reduced citizens' sense of being represented by those they had elected).[32] In such circumstances, the effectiveness of public spending in the public interest is limited by the principal-agent problem,[33] as the separation of ownership and control causes serious conflicts of interests, as the politicians (the agents) chosen (employed) by the citizens (the principal) do not always act in the interests of the latter, but seek to realize their own needs, seek to be re-elected, thus the principal' moral hazard problem appears. Relationships between the agents and the principals are characterized by a divergence of interests and agents' tendency to shirk responsibilities imposed by principals.[34] The problem of contemporary democracies consists in remoting the voters' from the representatives elected by them. Due to the illusory contacts between the principals and the agents, the politicians are becoming less and less accountable to the citizens, whereas accountability is perceived as a prerequisite of democracy and good governance.

Thus, to ensure public spending in the public interest there is need for an effective form of accountability for protection of the common good. Accountability in the traditional sense has been associated with calling an individual to account for their actions to some higher authority, with an emphasis on external scrutiny and the threat of potential sanctions[35]. Currently, accountability serves as a conceptual

[29] *Judgment of the Polish Constitutional Tribunal, SK 36/07* (Journal of the jurisprudence of the Constitutional Court, 2009, no. 19A/151).
[30] Caterina Pesci, Ericka Costa, and Michele Andreaus, "Using accountability to shape the common good," *Critical Perspectives on Accounting* 67-68 (2020): 1.
[31] Alexis de Tocqueville, *Democracy in America* (London: Saunders and Otley, 1835), 1255.
[32] Giovanni Allegretti, "Paying Attention to the Participants' Perceptions in Order to Trigger a Virtuous Circle": 48; in: *Hope for Democracy – 25 Years of Participatory Budgeting* (São Brás de Alportel: Nelson Dias, 2014).
[33] Michael C. Jensen and William H. Meckling, "Theory of the firm: managerial behavior, agency costs and ownership structure," *Journal of Financial Economics* 4 (1976).
[34] Mark Atlas, "Enforcement Principles and Environmental Agencies: Principal-Agent Relationships in a Delegated Environmental Program," *Law & Society Review* 41 (2007): 940.
[35] Laurence Ferry, Peter Eckersley, and Zamzulaila Zakaria, "Accountability and Transparency in English Local Government: Moving from 'Matching Parts' to 'Awkward Couple'?" *Financial Accountability & Management Volume* 31 (2015): 347.

umbrella that covers transparency, equity, democracy, efficiency, responsiveness, and integrity.[36] This term "has come to stand as a general term for any mechanism that makes powerful institutions responsive to their particular publics." [37] Accountability in this broad sense is essentially a contested and contestable concept because there is no consensus about the axiological grounds for accountable behaviour. Accountability in a narrow sense is much more precise. It means: "a social relation relationship between an actor and a forum, in which the actor has an obligation to explain and to justify his or her conduct, the forum can pose questions and pass judgment, and the actor may face consequences."[38] Thus, in this sense, accountability is defined in its principal form as the mediated relationship between governors and governed.[39] The public accountability that covers the budgetary scrutiny refers to financial accountability.[40]

The democracy's deficits resulting from the insufficiencies of accountability ought to be solved by the collaborative governance concept. Arnstein[41] argues that the citizens' involvement in public affairs plays an important role in increasing their control powers by climbing eight rungs on a ladder of citizen participation, i.e. manipulation, informing, consultation, placation, partnership, delegated power, citizen control. These rungs are used to build a framework for citizen participation in accountability, composing of five levels i.e., education, involvement, advice, collaboration, joint-ownership.[42] Achieving the three first levels of participation leads to the education rung; climbing the next two rungs of participation leads to involvement; and, next, achieving every single step of participation leads to climbing one step of the ladder of accountability in participation. Achieving the last levels, i.e. citizens control of the ladder of participation and the joint-ownership on the ladder of the participation in accountability, should constitute an important factor reducing the negative effects of separation of ownership between citizens and politicians resulting from the principal-agent problem.

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[36] Richard Mulgan, "'Accountability': An Even Expanding Concept," *Public Administration* 78 (2000): 555; Robert D. Behn, *Rethinking Democratic Accountability* (Washington: Brookings Institution Press, 2001), 3-6.
[37] Richard Mulgan, *Holding Power to Account: Accountability in Modern Democracies* (London: Palgrave, 2013), 8.
Richard Mulgan, *Holding Power to Account: Accountability in Modern Democracies* (London: Palgrave, 2013), 8.
2007): 450.
[39] Simon Joss, "Accountable governance, accountable sustainability? a case study of accountability in the governance for sustainability," *Environmental Policy and Governance* 20 (2010): 409.
[40] Urszula K. Zawadzka-Pąk, "Shaping Financial Accountability Via Participatory Budgeting - Theoretical Framework for Axiological and Legal Analysis": 629; in: Gabor Hulkó and Roman Vybíral, *European Financial Law in Times of Crisis of the European Union* (Budapest: Dialóg Campus. 2019).
[41] Sherry R. Arnstein, "A Ladder of Citizen Participation," *Journal of the American Planning Association* 35 (1969).
[42] Bodil Damgaard and Jenny M. Lewis, "Accountability and Citizen Participation": 263; in: Mark Bovens, Robert E. Goodin, and Thomas Schillemans, eds., *The Oxford Handbook of Public Accountability* (Oxford: Oxford University Press, 2014).

It seems that in the practice of PB we are still at the beginning of the search for accountability.[43] PB only partly helped to limit extended accountability in some Brazilian cities, whereas in the others PB had a negligible impact on this outcome. "PB is by no means a magic bullet to extend accountability and deepen democratic practices. While PB does offer new opportunities for participation and decision-making, it continues to bear the risk that authority will be concentrated in the mayor's office, which has the potential to undercut efforts to establish a system of checks and balances at Brazil's local level of government," notes Wampler.[44] Despite the problems with the implementation of accountability in practice, in theory PB has the potential to cut across three types of public accountability: horizontal, vertical, and societal.[45] First, it can act as a check on the prerogatives and actions of mayoral administrations;[46] second, to allow citizens to vote for representatives and specific policies;[47] and third, to rely on the mobilization of citizens into the political process as a means to legitimate the new policymaking process.[48]

Thus, to effectively weaken the moral hazard resulting from the public-agent problem using the accountability concept, the PB procedure requires solid axiological grounds. Otherwise, PB may become the instrument of manipulation in the hand of the local public authorities. To operationalize the solid axiological grounds, we use the catalogue of nodal public values[49] reconstructed from the catalogue of 72 values coming from approximately 230 studies dealing with public values.

2. DATA AND METHODS

The article aims to analyze whether PB in Poland relies on a solid axiological basis and as a consequence it strives to strengthen the financial accountability for the protection of the common good. Since PB procedure covers only a part of the city budget funds, it is worth considering two dimensions of the potential shaping of financial accountability. In a narrower dimension, it will only refer to the

[43] Jun Ma and Yilin Hou, "Budgeting for Accountability: A Comparative Study of Budget Reforms in the United States during the Progressive Era and in Contemporary China," *Public Administration Review* 69S (2009).
[44] Brian Wampler, *supra* note 5: 99.
[45] Brian Wampler, "Participative Institutions in Brazil: Mayors and the Expansion of Accountability in Comparative Perspective": 80, in: Patricio Silva and Herwig Cleuren, eds., *Widening Democracy. Citizens and Participatory Schemes in Brazil and Chile* (Leiden-Boston: Brill, 2009).
[46] Guillermo A. O'Donnell, "Horizontal Accountability in New Democracies," *Journal of Democracy* 9 (1998): 117.
[47] Adam Przeworski, Susan C. Stokes, and Bernard Manin, B., *Democracy, Accountability, and Representation* (New York: Cambridge University Press, 1999).
[48] Catalina Smulovitz and Enrique Smulovitz, "Societal Accountability in Latin America," *Journal of Democracy* 11 (2000): 150.
[49] Torben B. Jørgensen and Barry Bozeman, "Public Values an Inventory," *Administration & Society* 39 (2007): 371.

expenditures co-decided within the BP procedure, whereas in a broader one, it will apply to the entire city budget. The hypothesis is as follows: the PB procedure in the Polish cities infringes upon the nodal public values to the extent that shaping financial accountability is neither possible in the narrow nor in a broader dimension.

The research here utilizes multiple research methods. We start from the desk research, i.e. the analysis of data on cities implementing PB, its participatory budgets and procedures, the radio broadcasts, and the literature. Next, we use the qualitative methods: 18 semi-structured interviews, lasting between 1 and 2 hours. The questions concerned the relationships between PB and nodal public values; however, they needed to be formulated not only directly but also indirectly, as the respondents found it particularly difficult to answer some questions, especially regarding integrity and robustness. To get to know the full picture of the reality of PB and to achieve the triangulation effect, we applied three units of analysis, specifically, all principal actors of the PB procedure: local civil servants, municipal councillors, and residents being the authors of PB projects. The interviews were conducted in 6 Polish cities which differ in terms of the number of residents.

Table 1 presents the basic characteristics of PB in these cities. Submission of the PB proposals, their formal verification, and voting for PB projects financed from the city budget for 2021 takes place a year earlier, specifically in 2020. For this reason, the data presented in the table regarding the percentage of the city's budget allocated to PB, the number and the examples of PB projects relate to 2021, whereas data concerning the population, the city's ranking position by population, and the percentage of the residents participating in PB, relate to the previous year, 2020. In this way, we present the full picture of data related to one PB edition.

Table 1. Characteristics of PB in selected Polish cities

City / Characteristics	Warszawa	Krakow	Gdansk	Bialystok	Opole	Sopot
Population	1790658	774839	468158	297554	128208	35719
City's ranking position by population	1	2	6	11	28	143
Year of first PB implementation	2015	2015	2014	2015	2015	2012
Percentage of the city's expenditure allocated to PB	0.38%	0.45%	0.43%	0.53%	0.42%	0.97%
Percentage of residents participating in PB	6.1%	5.96%	8.5%	10.4%	7.8%	13.7 %

Number of selected PB projects	18 city-wide and 341 district projects	10 city-wide and 185 district projects	5 city-wide and 70 district projects	35 city-wide and 82 district projects	1 city-wide and 16 district projects	5 city-wide and 12 district projects

The PB procedure is very similar in all of the analysed cities (cf. section 1). The results, firstly, usher from the fact that its legal framework is determined by the central legislation, and secondly, from the fact that cities that decide to introduce PB, while developing the detailed local regulations, follow the solutions previously applied in other cities. As a consequence, the infringements of public values occurring in the analysed different cities are similar, and they appear in the majority or even in all of them. This is the reason why we analyse (section 4) and discuss (section 5) the infringements of public values collectively in all cities, treating their experiences as a source of examples of violations.

3. RESULTS

The verification of the research hypothesis requires the analysis of the PB procedure, projects, and legal regulations for finding the cases of enhancement and infringement of particular nodal public values.

The first nodal public value is human dignity. It is considered the value of all values. It means self-esteem and self-respect, which is expressed in the desire to have respect from others because of their spiritual, moral, or social merits of a person, resulting from freedom and equality.[50] The dignity "relates to the core of a person's worth as a human being. It is viewed as an axiomatic human quality, the source of social acknowledgment and rights and the organizing principle of humanistic value systems."[51] The dignity of persons is complementary with the common good of the community, as the dignity of persons can be realized only in the community, and genuine community can exist only where the dignity of persons is guaranteed.[52]

At first glance, it may seem that the residents being the authors of the PB projects selected gain a sense of agency. They feel that they become a conversation partner, a subject, and not an object of the city's financial policy.

[50] Grzegorz Grzybek, *Etyka rozwoju a wychowanie* (Rzeszów: Wydawnictwo Uniwersytetu Rzeszowskiego, 2010), 46.
[51] Orit Kamir, "Honor and Dignity in the Film Unforgiven: Implications for Sociolegal Theory," *Law & Society Review* 40 (2006): 200.
[52] Kenneth Goodpaster, "Human Dignity and the Common Good: The Institutional Insight," *Business and Society Review* 122 (2017): 44.

However, by entering a deeper level of analysis, we see that the residents' agency is often illusory, as they are cheated and manipulated by the local civil servants.

We will take two examples of the excessive interference of the local civil servants subordinated to the city mayors. First, some projects are considered politically inconvenient, as they could facilitate gaining knowledge on the quality of municipal policies. This is a case of electronic boards informing about the level of air pollution. In one of the analysed cities, the residents were informed that the installation of such boards does not fall within the scope of the city's tasks and the local officials rejected such a project at the stage of formal verification of PB projects. They argued that the environmental policy should be realized by the higher levels of the territorial government. However, from the legal point of view, it is not true and in some other cities such projects were accepted. Second, some projects (e.g. intelligent solar benches giving access to free internet access and enabling charging phones) were considered unnecessary by the local administration and too expensive. The authors of such PB projects were convinced by the civil servants to reduce the number of the proposed benches, before subjecting the project to voting. This interference took place at the stage of PB proposal preparation when the local civil servants were supposed only to help to fulfil the PB project form.

The sense of dignity of the residents declines when they try to encourage people in public spaces, e.g., near supermarkets, to vote for the PB project that they had proposed. This is because they often face a lack of interest from the residents or even they are offended. Such an attitude negatively affects the sense of self-confidence and the rightness of the decision to engage in public affairs. Moreover, the authors of unselected projects often lose the feeling that they can change something, that their voice counts, especially that there are cases when the authors of selected projects treat them with contempt, considering themselves to be more effective, better, and more valuable.

The second nodal public value—sustainability—means restoring the natural resources,[53] bequeathing a clean environment and plentiful resources to our descendants, requiring that the economy, environment, and human society were three interacting, interconnected, and overlapping prime systems.[54]

The value of sustainability is not directly reinforced by the PB procedure. It does not mean, however, that PB projects supporting sustainable development

[53] Ronald G. Gouguet, *et al*., "Effective Coordination and Cooperation Between Ecological Risk Assessments and Natural Resource Damage Assessments: A New Synthesis," *Integrated Environmental Assessment and Management* 5 (2009): 529.
[54] John B. Robinson and Jon Tinker, "Reconciling Ecological, Economic and Social Imperatives: A New Conceptual Framework": 74; in: Ted Schrecker, ed., *Surviving Globalism: The Social and Economic Challenges* (Macmillan: London, 1997).

(e.g., green municipal spaces) are not selected. However, this value is infringed upon by the PB procedure.

Such infringement happens when a relatively small group of residents or employees of a company want the realization of the PB project threatening sustainability, such as a parking lot. If they convince a sufficient number of people to vote on this project, the rules and procedure of the PB do not provide for mechanisms to counter such project requiring the cutting "last chestnut trees in the city." In such a case, only the mayor of the city has a kind of "veto right", he can oppose such a project and not include it in the city budget. Moreover, sometimes, the PB is used by developers to gradually change the point of view of the residents and transform the previously protected green areas into housing estates. Such a tactic was adopted in one of the cities where a resident proposed the PB project aiming at building a playground in the historic oxbow lake area. At the same time, the local newspapers presented photos of attractive housing estate mock-up proposed in the same area. Using these sponsored photos the developer tried to convince the residents to support a PB project of a playground that would start a much more profound modification of a historic area. The consent of the city authorities would be a threat to the sustainability value.

The third nodal public value, the citizens' involvement, is defined as the citizen participation in administrative decision-making and management processes.[55] Community involvement is claimed to enhance the legitimacy of the process,[56] however, to effectively implement it, the presence of two-way dialogue is required.[57] Thus, the citizens' involvement assumes taking decisions made by dialogue, requiring some forms of negotiation or mediation.[58] Both forms of participation, online and offline, have the potential to be effective.[59]

As can be seen in the data on the participation rate (cf. table 1), between 5.96% and 13.7% of the residents take part in PB voting in the analysed cities. Such a participation rate is not high, especially comparing to the attendance in the last local general election, where 54.90% of entitled voters took part. Low attendance in the PB procedure may result from the fact that "most citizens want a government that runs on *autopilot* where representatives can be trusted to pursue

[55] Yang Kaifeng and Sanjay K. Pandey, "Further Dissecting the Black Box of Citizen Participation: When Does Citizen Involvement Lead to Good Outcomes?" *Public Administration Review* 71 (2021): 880.
[56] Susan M. Olson and Albert W. Dzur, "Revisiting Informal Justice: Restorative Justice and Democratic Professionalism," *Law & Society Review* 38 (2004): 159.
[57] Yahong Zhang and Yuguo Liao, "Participatory Budgeting in Local Government: Evidence From New Jersey Municipalities," *Public Performance & Management Review* 35 (2011): 284.
[58] Avishai Benish and Asa Maron, "Infusing Public Law into Privatized Welfare: Lawyers, Economists, and the Competing Logics of Administrative Reform," *Law & Society Review* 50 (2016): 956.
[59] Norbert Kersting, "Participatory Turn? Comparing Citizens' and Politicians' Perspectives on Online and Offline Local Political Participation," *Lex Localis – Journal of Local Self Government* 14 (2016): 311.

the public good, without a lot of citizen involvement"[60] Second, looking at the PB procedure, it has both a positive and negative effect on the analysed value. Citizen involvement is strengthened because with the implementation of the PB procedure the residents gain the new right to submit the PB projects, to vote on them, and in some cities also to evaluate the PB procedure. The implementation of PB meant that some residents not only propose projects or vote on them but also phone the city hall with questions about the date of implementation of a given PB project. In case of delays in the PB project realization the civil local servants inform them about the cause of the problems, thus the residents gain knowledge about some aspects of public procedures, i.e., public procurements. However, the necessity to fill in the PB form, to prepare a cost estimate, and in some cities also the obligation to present the project personally at a meeting of residents, significantly discourages the inhabitants to depose the PB project. Although the meetings with residents organized within the PB procedure (called "discussion meetings") could become an opportunity for the actual involvement of citizens, this is not the case, because the thematic scope of these meetings is usually limited to the information about the PB procedure and the presentation of the proposed projects. As a consequence, as one municipal official admitted "only residents are missing at meetings with residents". The resident added that "the attendance list of municipal officials is longer than the number of present residents."

The fourth nodal public value, openness, means lack of secrecy, access to information, and transparency of the process.[61] The difficulties with protecting the value of openness result from the fact that the logic of transparency disguises as much as it promises to reveal.[62] Openness is one of the basic values of budgetary law,[63] and budget transparency means being fully open with people about how public money is raised and used. [64] In this sense, it includes the clarity, comprehensiveness, reliability, timeliness, and accessibility of reporting on public finances.[65]

Even if at the first glance it seems that the PB procedures are generally sufficiently detailed in local legal regulations, in practice the interviewed residents reported serious concerns about the lack of transparency of the stage of initial

[60] Eileen Braman, "Exploring Citizen Assessments of Unilateral Executive Authority," *Law & Society Review* 50 (2016): 198.
[61] Doralyn Rossmann and Elizabeth A. Shanahan, "Defining and Achieving Normative Democratic Values in Participatory Budgeting Processes," *Public Administration Review* 72 (2012): 57.
[62] Sonja van Wichelen, "Moving Children through Private International Law: Institutions and the Enactment of Ethics," *Law & Society Review* 53 (2019): 671.
[63] Jan Lienert, "The Legal Framework for Public Finances and Budget Systems": 71; in: Richard Allen, Richard Hemming, and Barry H. Potter, eds., *The International Handbook of Public Financial Management* (New York: Palgrave Macmillan, 2016).
[64] OECD, *OECD Budget Transparency Toolkit. Practical Steps for Supporting Openness, Integrity and Accountability in Public Financial Management* (Paris: OECD Publishing, 2017), 9.
[65] OECD, *supra* note 10, 9.

(formal) verification of the PB proposals. Even if, according to the local provisions, they reject the PB proposal before submitting it to voting, only the legal obstacles should be taken into account (e.g. no ownership of the land or no legal basis for making a given expenditure from public funds) or technical limitations (e.g. projects impossible to implement, the projects not precisely described), and it happens that the local officials verifying the project discourage residents from submitting it, suggesting that the project may not be within the scope of the city's tasks or it may be difficult to implement.

Apart from this aspect of excessive interference of the local officials which results also in the infringement of the human dignity value, there are other aspects of violating the value of openness. Firstly, openness is negatively influenced by the fact that information about the discussion meeting and the PB voting itself, presented mainly on the cities' websites and social media, does not reach all residents. Secondly, both the residents and the local councillors have difficulties with verifying the results of PB voting. A civil local servant, when asked by a local councillor to reveal such information, answered that a private, external IT company is responsible for counting votes and the city hall receives only the final results. Thirdly, in practice so far, there have been cases where some PB projects selected by residents have not been implemented not only for the objective reasons (e.g. difficulties in selecting the implementing entity, failure to foresee a technical obstacle hindering its implementation or significantly increasing the cost of implementing a given project) but also for the subjective reasons, e.g. reluctance of a head of the city's department or other local officials to realize a selected project. Still worse, reaching to the information about selected but not implemented projects either requires painstaking analysis of online budgetary information either is even impossible. The local civil servants like to inform via the PB website about successfully realized PB projects, whereas they prefer to be silent about the unrealized PB projects. Finally, the evaluations of the PB are generally shallow. They are limited to the online surveys containing closed questions, filled by the residents willing to answer. The questions relate to the sources from which the residents learned about PB, the quality of the information provided by the PB information campaigns, or the efficiency of the voting process.

The fifth nodal public value, secrecy, means hiding certain information from certain individuals or groups as some policies and processes, if they were made public, could not be carried out as effectively or at all.[66]

In the context of the PB procedure, the value of secrecy seems to be of secondary importance, as it the opposite of the openness value that should be

[66] Denis F. Thompson, "Democratic Secrecy," *Political Science Quarterly* 114 (1999): 181.

predominant. Some residents consider that secrecy is violated in the cities where the names and surnames of the authors of PB projects are published online in the description of the PB projects. However, some residents consider that the anonymity facilitates proposing the PB projects that are detrimental to the community, and thus the secrecy value should not be protected here. This is because, in some cities, there are doubts about the honesty of some PB applicants who have been submitting PB projects for several years and have been effective in gaining voting support for their projects. As some of these social activists admitted, people interested in promoting a project come to them and offer, unofficially, a specific payment in return. Such activities prove that PB may become a way of obtaining financing for projects important for a narrow group of recipients, and not for the entire community.

The sixth nodal public value, compromise, is defined as an ethical agreement reached as a result of reciprocal concessions.[67]

The PB procedure in Poland does not contain the discussion stage that would allow the residents to work out the compromise solutions. Generally, PB in Poland is not used for building compromises, as its goal is to gain as many votes as possible. This is reflected in particular in the terminology used by PB participants: "PB project wins" or "PB project loses". The interviewed residents and local councillor say that the PB procedure has the plebiscite character. Some other even adds that it resembles the voting in the Eurovision Song Consent rather than the objective governance procedure. Some "embryonic" attempts to seek compromise solutions take place in cases when two projects are competing for the same land. In such a case the authors of similar PB projects are asked to discuss and to find a common project. It happens, however, without any formal procedure. The procedural compromises are built from the perspective of the evolution of local legal regulations of PB. The problem especially concerned the overrepresentation of schools in PB, resulting from the ease of collecting a significant number of votes for a project being in the interest of pupils. To resolve this problem some cities extracted from PB funds reserved only for schools. Other cities have introduced the condition that PB projects should be accessible to all residents. It means that even investments implemented with PB funds in schools (e.g., playgrounds) must be made available to residents, e.g., outside the school hours. In other cities, in the face of difficulties in providing residents with equal access to PB funds, the possibility of submitting projects constructed in proprieties belonging to schools and other educational institutions has been prohibited.

[67] Mary E. Guy, *Ethical Decisions Making in Everyday Work Situations* (Westport: Conn, 1990), 19.

The seventh nodal public value is integrity. It is the wildcard term that can be viewed in eight different ways: as wholeness, as being integrated into the environment, as professional responsibility, as conscious and open acting based on moral reflection, as a (number of) value(s) or virtue(s), including incorruptibility, as accordance with laws and codes, as accordance with relevant values and norms, and as exemplary moral behaviour.[68] In short, integrity means honesty, conscious and open action based on moral reflection.

The PB procedure has a positive impact on integrity only to a limited extent, whereas it contributes to its violation to a much greater extent. In this context, the above-mentioned attempts to solve the problem of over-representation of schools should be assessed positively. Moreover, in terms of ensuring integrity, the interdictions resulting from the local provisions to finance from PB funds the projects considered as reprehensible, obscene, offensive, and vulgar and not publishing information about these projects should also be positively assessed. However, the fact that such a regulation was introduced proves that some residents submitted such projects.

When referring to the negative implications of the PB procedure vis-a-vis integrity, several examples are telling. First, PB can be a tool for information manipulation, creating misconceptions regarding the importance of residents in making decisions. One of the local councillors said: "Important decisions are not taken within the PB procedure. PB it is given to residents that they were not interested in the real politics." Taking into consideration the fact that PB funds on average are limited to ca. 0.5% of the city's expenditure, effectively the vast majority of the decisions on the municipal expenditure allocation are not co-decided by the residents. However, the inhabitants are convinced that they are allowed to make key decisions regarding city budget expenditures. The content of PB information campaigns encouraging participation in PB gives the residents the feeling that their voice is very important, that they can make significant public decisions using PB. One of the means to achieve this impression is divulgation of the information about the amount of money allocated to PB (e.g., 4,000,000 PLN in Sopot), whereas the determination of the percentage of the expenditure allocated to PB requires finding and analysing of a city's Budget Act, which goes beyond the scope of interests and maybe even beyond the skills of an average resident. The illusion of giving the residents the significant powers to co-decide also is built by the terminology that is in use. Namely, in the Polish cities the term "the citizens budget" is used more often than "participatory budgeting." Such a choice may

[68] Leo Huberts, *The Integrity of Governance. What It Is, What We Know, What Is Done, and Where to Go* (Hampshire: Palgrave Macmillan, 2014), 39.

suggest that only the participatory part of the city budget should serve the citizens' needs, whereas the residents should not be interested in the remaining 99.5% of the city budget, being out of their decisional reach, as it decided exclusively by the mayor and the local councillors.

Second, let us note that the introduction of an informal system of paper voting for PB's projects, although supposed to encourage the largest number of residents to vote, led to the development of a wide spectrum of behaviour infringing the integrity of the voting process. For instance, the doctors asked their patients to support the project significant for them and asked them to sign the voting cards already filled. Similarly, there were cases where at the corner of a street the interested "lobby" groups tried to buy support for their projected proposing a can of soda or a sponsored mug. As a consequence, PB is used by the narrow groups of interest to realize their needs. One of the blatant cases of that was the attempt to finance from the city budget of Krakow for 2017 the expensive project chosen within PB procedure called "Wings of Cracow". It assumed the purchase of three gliders and the organization of training of gliding for 30 people. The project received enough votes to be financed from the BP pool of funds. However, immediately after the vote, doubts concerning the collection of votes arose. It was revealed that one of the advertising online portals published the advertisement offering PLN 1000 for collecting 215 signatures. Shortly thereafter, the residents of Krakow began to report to the media, arguing that their votes (in practice the ID number needed to vote in the PB) had been extorted by "pollsters". Finally, the mayor asked the financial supervision authority over the local government for the opinion. The Regional Audit Chamber in Krakow, after analysing the project and the central legislation regulating the scope of municipal tasks, issued several opinions stating that the project was not a task related to the realization of the collective needs of the community, its implementation was not a public matter of local importance, it did not have the characteristics of a municipal task and should not be included in the city budget. Taking these opinions into consideration, the mayor of Krakow, with the agreement of the local flying club, modified the scope of the project (reducing the number of gliders and increasing the hours of training), but eventually he abandoned the implementation of the whole project. Even if in this case, this project, which aimed at the realization of the need of the narrow group of residents, was withdrawn. The example of "Wings of Cracow" shows that PB does not contain the mechanism protecting the common good value from the moral abuses.

The eighth and final nodal public value is robustness. It means the suitable combination of stability and adaptability, being immune to outside influences, and the ability to flow with the tide when necessary.[69]

It seems that the robustness of BP application was achieved through the statutory regulation of the BP. As mentioned above, it imposed on the municipalities with the departments' rights (in practice the biggest cities) the obligation to implement PB and to allocate for this purpose at least 0.5% of municipal expenditure included in the last available budget execution report. In practice, all the 66 Polish municipalities with department status had already voluntarily introduced PB before this Law entered into force. Thus, that legal norm does not have special significance now, although actually it prevents these cities from resigning from PB in the future. However, the legislator defines PB as a form of public consultations that allows the residents to decide each year on a part of the municipal budget expenditure by direct voting. This means the preservation of the PB model used so far has the plebiscite nature in which decisions are made without discussion, by voting on the projects submitted by the residents. Consequently, all the cities analysed in this article use such a plebiscite PB model. The implementation of a more deliberative model of PB would require, in the case of cities with the department rights, a parallel application of the plebiscite model and the more deliberative one. It would entail a double organizational effort and the duplication of the PB procedure. Consequently, the statutory regulation in Poland does not encourage BP's evolution. Furthermore, assessing the value of robustness, since the PB projects are not discussed they are not the result of the compromise but the result of only voting. As a consequence, it happens that the residents submit the projects aiming at the demolition of the PB project constructed the previous year, e.g., playgrounds, dog runs, and speed bumps. However, the robustness is strengthened in particular by adapting the way of voting on projects, as in most cities both, traditional (in paper) and electronic (via the Internet) voting is allowed, even if in some cities, paper voting has been completely abandoned, and voting takes place exclusively using an online form.

4. DISCUSSION

Taking into consideration the results presented above, the research hypothesis should be considered as verified positively. This is because PB procedure in the Polish cities infringes upon the nodal public values to that extent that shaping the financial accountability is possible neither regarding the PB funds nor the whole

[69] Torben B. Jørgensen and Barry Bozeman, *supra* note 49: 366.

city budget. This comes from two general and related reasons. First, the PB process in the Polish cities is deprived of solid axiological grounds. Second, the PB process does not serve to build the social relation of financial accountability.

Ensuring the effectiveness of PB that would reduce the principal-agent problem and shape the financial accountability requires resolving the moral hazard problem,[70] whereas PB in Poland does not have the solid axiological grounds. The superficial analysis may lead to the conclusion that the public values are respected through the BP procedure, as PB is claimed to enhance the transparency or the citizens' involvement. The local civil servants are particularly positive about that. However, when assessing BP also from the point of view of the residents and taking into account the arguments of the local councillors, we see that there are serious violations of public values.

The abuses of an axiological nature are committed by two out of three groups of PB participants—specifically, the local civil servants subordinated to the mayor and the residents, while the local councillors are generally not involved in PB. Single cases of councillors' involvement take place when councillors submit projects to the PB; however, in such a case in reality they realize the residents' competencies. This does not mean, however, that they have a neutral moral attitude towards PB, which will be discussed in more detail below.

First, when assessing the moral attitude of the local civil servants in the PB process, it should be stated that there are moral abuses, such as when the mayors and their local officials put pressure on the residents at the stage of the PB projects formal verification. In the case of a disagreement on the content of specific projects between officials and residents, or total reluctance to certain projects of the mayor or officials, the residents have poor negotiating power in terms of the effective PB project submission. This is so because the residents do not have specialist knowledge of the content of legal regulations regarding the functioning and financing of public tasks and thus they are susceptible to manipulation. Also, there are cases that PB projects selected in voting that are not always included by mayors in the Budget Bill. However, mayors remain legally responsible for the preparation and implementation of the budget. Hence, it is difficult to expect from the mayors that they leave the decision-making on BP funds entirely to the residents. The residents taking part in PB are not legally, morally, or politically responsible for the preparation of any part of the municipal budget, and in consequence they cannot be held accountable for public spending.

Second, when assessing the moral attitude of the residents involved in the PB process, it should be borne in mind that moral abuses also occur in the case of this

[70] Michael C. Jensen and William H. Meckling, *supra* note 33.

group of PB participants. There are situations when narrow groups of residents treat BP as a means of meeting their private needs or the groups that they adhere to (school, sports teams, etc.) and not as an instrument for the protection of the common good.

Third, attempting to assess the moral attitude of the local councillors in the BP process, we see that their involvement in BP is insignificant. The local councillors are generally reluctant to use PB, although they do not officially admit it, as it would seem that they are against the public participation of residents. However, they consider that they were chosen to represent the residents; hence there is no need to expand the competencies of the latter. However, there are cases of single local councillors who become active participants of the PB. They do so by submitting PB projects and personally encouraging the residents to vote for them. By taking such actions, they do not act as the local councillors, but as the residents.

As part of the RB procedure, which is burdened with moral abuses, residents are allowed to co-decide on a small percentage (approximately 0.5%) of the city expenditure. It is difficult to expect that the process violating basic public values could positively influence the moral attitude of its participants. The moral abuses and the instrumental uses of PB prevent PB from being an instrument of holding accountable (narrow dimension of financial accountability). The remaining scope of the Budget Bill is prepared independently by the mayor and approved by the city council after voting of the eventual amendments. Although formally and legally the PB funds are an integral part of the city's budget, as the PB projects selected for implementation are included in the budget act; however, by involving residents in the co-decision on PB funds, they are not included in the co-decision on funds for the entire budget. Consequently, it is not possible to use the PB as an instrument of financial accountability for the remaining 99.5% of the city’s budget (broader dimension of financial accountability).

It is also not possible for the funds' co-decided measures under the PB procedure, because to introduce public accountability in the narrow sense, as results from the definition of accountability,[71] a set of conditions should be fulfilled. PB in Poland does not lead to the creation of the social relation between the mayors and the local civil servants (potentially acting as the actors) and the residents (potentially acting as the forum). By the simple decision of making a certain percentage of the city budget available to the residents for co-decision, no relationship is established in which the city mayor would explain and justify his decisions regarding the allocation of budgetary funds. As a consequence, the

[71] Mark Bovens, *supra* note 38: 452.

residents are also unable to pose questions and to pass judgment, and the mayor may not face any consequences.

Barriers to shaping financial accountability through BP stem from violations of all of eight nodal public values.

First, deprived of the sufficient legal knowledge and the experience possessed by the local civil servants, the residents are exposed to the risk of being manipulated at the stage of formal verification of the PB projects. In such cases, their sense of self-esteem and self-respect decreases, and they have a weak negotiation position if they would like to propose a PB project effectively serving the public interest and by this mean to hold the mayor accountable for the realization of particular public policies, i.e., the environmental policy.

Second, PB enables a minority group of residents to collect the number of votes sufficient to finance the PB project threatening the sustainability value, whereas the residents are not legally, politically, or morally accountable for the protection of the common good. In such cases, the residents not only do not hold the mayor and the local councillors responsible for the axiological content of the budget, but, worse, they also may pressure them to violate the sustainability. In such circumstances, the budgetary authorities, wanting to respect this public value, need to oppose the residents' will expressed by the PB procedure.

Third, even if the citizens' involvement may enhance the accountability,[72] it will not work when there is limited and not representative turnout in the PB procedure and when this involvement has the superficial character mainly limited to the online or offline voting. In such a case the residents taking part in PB in Poland stay at the first rung of the ladder of participation in accountability, i.e., the education that corresponds to three rungs of participation, i.e., manipulation, therapy, and informing.[73] However, this education has a random and unorganized character and it does not concern all the residents taking part in PB, but only the authors of PB projects.

Fourth, it may seem that the Polish statutory and local legal PB regulations describe the budget procedure with sufficient transparency. However, its realization in practice shows the serious infringements of openness values disabling shaping financial accountability. This covers mainly the non-transparent procedures of the formal verification of PB projects, the impossibility to verify the reality of the official results of PB voting, the difficulties to reach the information about the selected but unrealized PB project, and the superficial evaluations of PB procedure.

[72] Bodil Damgaard and Jenny M. Lewis, *supra* note 42: 263.
[73] See *ibid.*

Fifth, if secrecy protects the identity of PB applicants who, in the interests of the narrow groups of residents, in return for payment, use their skills in gaining support for PB projects, not only does it not contribute to building the relationship of financial responsibility for the common good, but also it violates this value. In such a case, PB becomes an instrument for pursuing the interests of narrow interest groups of people, using for this aim non-transparent and unfair methods.

Sixth, due to the plebiscite nature of BP in Polish cities, voting is the form for choosing PB projects. However, voting without discussion does not allow for the analysis of arguments in favour of individual projects, and does not allow for a selection of the projects that serve the common good, especially because the turnout in voting is not representative for the community, as it varies from 5.96% to 13.7%.

Seventh, in Polish cities PB constitutes an innovation, in the sense that for the first time it gives the residents the right to directly decide on the allocation of the part of the public expenditures. However, at the same time, PB creates the illusion of delegating to residents the right to make important decisions regarding the allocation of public expenditure, in practice concerning about 0.5% of the city's expenditure. Moreover, the residents have only an advisory voice, as still the mayor and the local councillors take the final decision about the whole budget. Accountability is effective when public authorities routinely generate and, after the debate with accountability forums, act upon external feedback about their performance.[74] PB in Polish cities gives the residents the illusion of agency, instead of the possibility of holding the budgetary bodies accountable for the protection of the common good. Moreover, when the narrow groups of residents try to use PB as the instrument of financing their own, private needs, the local budgetary authorities should, from the moral point of view, intervene to protect the common good, even if they are not legally obliged to do it.

Eight, the statutory regulation of PB in Poland has significantly limited the freedom of cities in shaping the legal construction of the PB model and in the implementation of such a model that could, at least in theory, actually shape accountability for the protection of the common good. However, it is difficult to expect the local public authorities to be interested, from their initiative, in introducing such procedural solutions that would strengthen this accountability. Furthermore, the residents who are invited to co-decide on the PB procedure itself do not have the knowledge or the power to introduce solutions that would enhance this accountability. When assessing the possibilities of protecting the common good

[74] Mark Bovens, Thomas Schillemans, and Paul T. Hart, "Does Public Accountability Work? An Assessment Tool," *Public Administration*, 86 (2008): 232.

through the appropriate selection of projects, the percentage of residents involved in PB is too low to enforce accountability by decisions that would be representative for the entire local community. However, those residents who engage in submitting projects and voting often seek to finance expenditure needed for a narrow group of residents that they belong to. The changes that are introduced in the PB procedure are insignificant, as they concern mainly the form of voting, and they do not have an impact on increasing accountability for the protection of the common good.

CONCLUSION

PB in Poland is an important organizational undertaking, involving residents to a greater extent (in the case of the PB project authors) or a lesser extent (in the case of the voters) in the process of co-decision on public expenditure. Despite that, a small percentage of city budget expenditure (about 0.5%) is allocated for PB and a limited turnout in voting (from 5.96% to 13.7%) is achieved. The in-deep reflection on the axiological grounds of PB in the Polish cities leads to the conclusion that this instrument of collaborative governance, instead of being the innovation supporting the democracy, is rather the illusion of democratic procedure. Without building a relationship of financial accountability between the budgetary authorities (mayors and local councillors) and the residents, it turns out to be ineffective from the point of view of protecting the common good. BP has no built-in mechanisms to protect public values. The statutory regulation of the PB implemented in Poland has not proved to be effective in this respect.

However, PB as the instrument of collaborative governance gives the specific rights for new public decision-makers (the residents), but without imposing on them the obligation to act in the public interest and protect the value of the common good and without sanctions against the actions of residents violating this value. Within the PB procedure, it is possible to finance a project that realizes the interest of a narrow group of residents and encourages a relatively small group of people to vote for this project, at a very low turnout in voting. In the PB procedure violating nodal public values, it is not possible to eliminate the risk of using governance instruments to circumvent the mechanisms of representative democracy to finance from the city budget the expenditure contrary to the public interest but supported by an organized minority. For this reason, PB, as one of the main and widely used worldwide instruments of financial governance, may pose a threat to traditional democratic procedures. This may be because the collaborative

governance, being the instrument of new ethics,[75] is not integrated into a representative democracy. This significant PB limitation should be considered in future research.

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