



Key Criteria Influencing Stakeholders' Decision-making about PB Continuation: The Case of the Czech Republic

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Abstract:

Participatory budgeting (PB) is a modern trend involving citizens in decisions on distributing public resources. Assuming that the identified drawbacks of PB are described as internal and external factors, simple criteria were developed to predict the fate of PB. These criteria reflect stakeholders' decisions about PB continuation in the future. Using panel data between 2017-2022 from the Czech Republic, it appears that the selected criteria were evaluated as an upgrading process, signalling the continuation of PB. However, this does not mean abandoning the process in the case of downgrading. The results indicate a certain probability for upgrading PB to continue, while the fate of downgrading PB is indeterminate and could depend on other factors. In the case of new governance after an electoral change, using the criteria could help explain the actual situation regarding the interest of stakeholders in PB.

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1. Introduction

Participatory budgeting (PB) is a process of democratic policymaking that invites citizens to participate in the budget process and accepts their influence over budget allocations (Zhang & Yang, 2009).

Most of the current PB literature emphasises its advantages and opportunities (e.g. Cabannes, 2004; UN-Habitat, 2008, Sintomer et al., 2010, Dias & Simone, 2014; Herzberg et al., 2014, Krenjova & Raudla, 2017). Papers that concern implementation barriers or risks associated with PB are somewhat rare (e.g. Font et al., 2017; Bartocci et al., 2022). As such, Džinić et al. (2016) emphasised the need for further research on the expenses and risks connected with PB. In addition, these barriers are significant in times of rapid changes and external shocks (pandemic, energy and migration crisis), which might affect PB. Until now, there is only limited knowledge about the influence of the pandemic on the tenacity of participatory budgeting (Baranowski, 2020; Bardovič & Gašparik, 2021; Cho et al., 2021; Burkšienė et al., 2022).

This article aims to determine the key criteria reflecting stakeholders' decision about PB continuation in the future. The main benefits of the paper are twofold: for scholars, it is an extension of the concept of barriers to PB influencing the stakeholders' interest in maintaining PB; for practitioners, it is a matter of testing real examples of PB and identifying its future development via selected simple criteria associated with a higher probability of continuation or termination of PB.

There is no universal PB model, and numerous schemes have addressed specific conditions in each country (Stewart et al., 2014). PB projects could enhance social justice (typical for Brazil) or economic efficiency (often in Germany). However, in the Czech Republic case, they are more about expanding existing infrastructures and promoting innovative solutions. Although there are not many cases of PB in the Czech Republic (almost 90 in 2022), it has become more prolific since its introduction in 2014. We also noted several instances when PB was terminated for various reasons, which led us to explore the reasons behind why it failed, and which became more apparent in the context of the extraordinary situation during the COVID-19 pandemic.

The paper follows a three-part structure. First, we provide a brief literature review of possible internal and external factors that impact PB. Possible drawbacks of PB are identified as internal factors, and four simple key criteria are chosen that signal a higher probability of PB continuation or interruption. Second, the key criteria with detailed descriptions of the relevant data sources from the Czech Republic are applied. Each criterion is evaluated separately as downgraded or upgraded based on Alves and Allegretti (2012). Subsequently, the number of PB cases with downgraded criteria that were abandoned the following year are determined, and the PB cases with upgraded

criteria that continued in the upcoming period is identified. Third, the paper presents the results and discusses possible implications for continuing PB. When key criteria were upgraded, there is a relatively high probability that a particular PB will continue in the following year; the fate of PB is less clear for downgraded criteria and it is not possible to unambiguously predict the development of PB in the future.

2. Internal and external drawbacks to the PB process

Like Alves and Allegretti (2012), we distinguish between internal and external groups of PB factors. In this paper, internal factors encompass the aspects of PB and their design that can be reasonably affected by municipalities and their officials. External bottlenecks refer to factors outside PB and their setting.

First, we briefly describe external factors of PB continuation, and then we focus on internal factors that are crucial for our empirical section and identification of key factors.

External barriers were identified in three areas: political, economic, and social. Political factors include political will and election turnover (Allegretti, 2014; Alves & Allegretti, 2012; Cabannes, 2004; Goldfrank & Schneider, 2006; UN-Habitat, 2008; Balážová et al., 2022; Murray Svidroňová et al., 2023) and bureaucracy (Allegretti & Herzberg, 2004; Pape & Lerner, 2016). Zhang and Yang (2009) consider the attitude of council managers toward citizen participation to be an important factor in explaining local governments' adoption of PB. Without a strong commitment from governing parties to share decision-making power with citizens, legislators may object to mobilising the population through PB (Goldfrank, 2006; Jacobi, 1999; Wampler, 2012; Zhang & Liao, 2011).

Bassoli (2011) states that the threat of bureaucratisation is one of the critical aspects of PB. The introduction of PB depends on the number of qualified employees in the involved municipal administration (Goldfrank, 2006; McNulty, 2012).

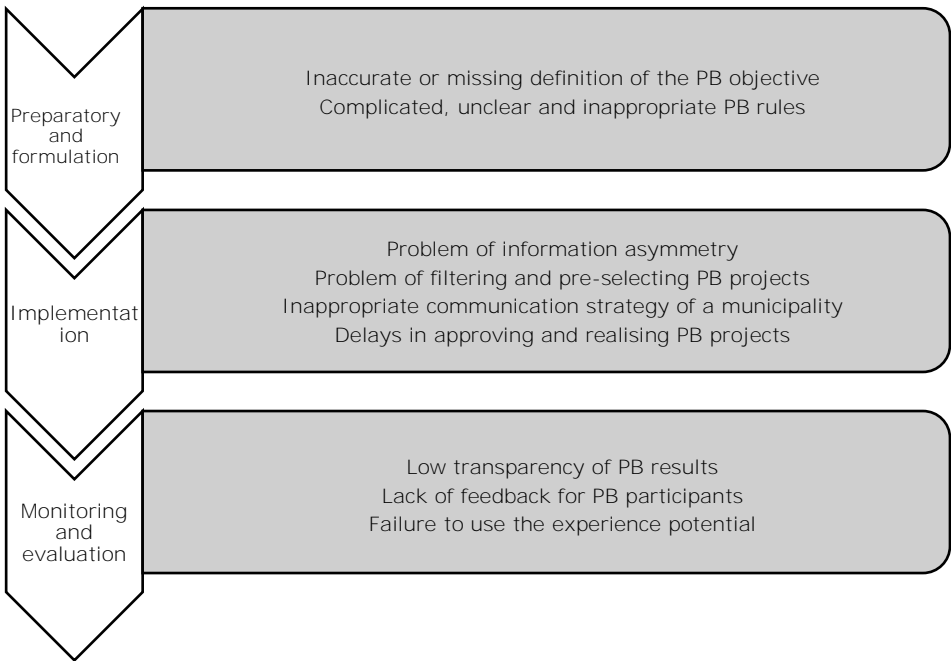
Economic factors encompass national and global economic factors and the financial possibilities of individual municipalities (Navarro, 2004). Global economic factors are often connected with external shocks such as financial or economic crises. National economic factors refer to the national government policies and country specific factors impacting municipal revenues.

The financial possibilities of individual municipalities are a significant factor that is often outside their direct ability to influence. When the PB funds are relatively small, it limits the process significantly (Boulding & Wampler, 2010; McNulty, 2012; Pape & Lerner, 2016). Similarly, Fölscher (2007) states that the expenditure responsibilities of local governments often do not match their revenue capacity, which has limited PB introduction in Central and Eastern European (CEE) countries.

Goldfrank (2007) considers societal structure to be one of the most relevant factors for potentially facilitating the successful implementation of PB. Civil society associations—preferably disposed to participate in municipal affairs—organised in networks increase the possibility of introducing and implementing PB (Navarro, 2004). When pilot PB projects were introduced in CEE countries, more citizens were mistrustful of collective action because of the historical development of civil society (Fölscher, 2007).

Unlike external barriers that affect PB from the outside, internal factors present possible drawbacks arising from the PB. Based on the definition of PB phases advanced by UN-Habitat (2008), we differentiated three phases: the preparatory and formulation, implementation, and monitoring and evaluation. Figure 1 identifies internal barriers across all phases. The empirical part of this study will focus on internal barriers to the continuation of PB.

Figure 1:
Internal drawbacks to the continuation of PB



Source: Authors' own, 2023.

In the preparatory and formulation stage, it is crucial to design PB and determine an appropriate PB objective in line with a municipality's cultural, economic, social and political conditions (Allegretti and Herzberg, 2004, UN-Habitat, 2008). So as to

encourage citizens to participate, the PB procedure should be simple (Kempa & Kozłowski, 2020). Furthermore, Bhatnagar et al. (2003) indicate that setting accurate rules for PB is necessary. Additionally, they should be publicly available and provided in an accessible format (Goldfrank, 2006).

Some scholars demand strict rules without the possibility of changing them significantly in the future. One of the mentioned reasons for the rigid rules is to set up PB to withstand electoral turnover and shifts in the political ideologies of leaders (Goldfrank, 2006). Others suggest providing fundamental principles and basic procedural rules that can change and improve according to the feedback on and the results of PB implementation (Baiocchi & Ganuza, 2014).

During the implementation stage, the problem of asymmetrical information may occur. The permanent dialogue based on reciprocity to increase citizen engagement is crucial for the success of PB (Jacobi, 1999). Consequently, the municipality must inform citizens with why some projects were rejected, and others preferred (Allegretti, 2014). Unsuccessful participation in PB could result in participatory frustration—a term used by Fernández-Martínez et al. (2020) to refer to a participant's experience perceived as falling short of the expectations set by political leaders. According to Font et al. (2017), it is difficult to make the excluded accept that their proposals deserved to be less financed than accepted ones.

An additional drawback is the insufficient use of social media to involve citizens in budget decisions. Municipalities usually use these tools mainly for marketing purposes, but their use for participatory governance is limited, as shown by research on Slovak municipalities (Murray Svidroňová et al., 2018).

When unexpected problems occur during project realisation, it could significantly prolong the PB's total time. Most of the complications concern unsolved property rights, additional costs of the approved project (Džinić et al., 2016), delays caused by the negotiations between the executive and legislature in approving the budget/projects (Jacobi, 1999), or lack of centralised supervision (Goldfrank, 2006). Bhatnagar et al. (2003) warn that the slow progress of public works could be frustrating for the participating public and might distract other municipalities from introducing PB.

The monitoring and evaluation stage presents an opportunity for feedback that could improve PB in the future (Černý, 2016; Jacobi, 1999, 2006). Procedural rules could be adapted to new settings and community needs (Avritzer, 2017). Every PB could align with specific political and social conditions in each municipality (Allegretti & Herzberg, 2004; Bhatnagar et al., 2003; UN-Habitat, 2008). Some of these conditions could be revealed only after the realisation of the PB pilot project.

These possible internal drawbacks to continuing PB could become apparent and result in a reduction of the interest of two groups of stakeholders, politicians and citizens, as potential voters and proposers of PB projects. When politicians judge PB as unsuccessful and ineffective, they can propose changes that could eliminate them by reducing the amount determined for PB projects. This decrease could be measured as

the change in the absolute amount of PB funds or as a change in the percentage of the amount for PB projects on total municipal expenditures (criteria 1 and 2). Fewer financial resources for PB may further demotivate citizens from participating in PB.

Additionally, inhabitants of municipalities could be distracted from or frustrated by PB because of the internal drawbacks mentioned above. Their decline in interest may result in a lower participation rate in the voting phase of PB (a lower PB voter turnout, criterion 3) or a deficiency in proposing an activity (a lower number of PB projects proposals, criterion 4). The number of proposals could measure citizen participation focused on the activation of proposers (Hong, 2016; Krueger & Park, 2020). The higher the number of proposed projects, the more likely a citizen might find a project that is interesting and relevant for them to vote for, and more voting options could increase voter turnout (Haman & Školník, 2020). When only a few citizens participate, PB may not represent the interests of the majority, and thus, the legitimacy of the process is rather low (Bhatnagar et al., 2003; Wampler, 2012; Zepic et al. 2017)). A low participation rate was often identified as a problem in the CEE countries analysed by Džinić et al. (2016) and Fölscher (2007).

Based on identified internal factors, the concept of volatility and fragility of PB has been expanded and reflects the instability of the framework introduced by Alves and Allegretti (2012). Upgrading refers to an ongoing process of PB that aims to amplify its coverage. In contrast, the downgrading process contains a set of moderating alterations aiming to diminish the potential impact of the participatory process (Alves & Allegretti (2012). The classification of cases of PB as a downgrading or upgrading process by Alves and Allegretti (2012) was focused on the change in the organisational model of PB. It did not define specific criteria for evaluation. For this reason, we proposed our concrete criteria, reflected the change in the interest of the identified groups of PB stakeholders (politicians and citizens), and tested the case of the Czech Republic as to whether they could detect the fate of PB.

3. Data and methods

This paper is based on our own extensive database of municipal PB cases in the Czech Republic. Our database was compiled using publicly available information on the websites of individual municipalities. It contains 136 PB cases in 62 municipalities. Data on the number of inhabitants and voter turnout is from the Czech Statistical Office (CSO), and data on municipal expenditures come from the Monitor (an open data portal of the Ministry of Finance of the Czech Republic). Data on PB budgets are from official municipality websites or publicly available rules of PB for a particular year. Additionally, publicly available minutes of municipal councils concerning decision-making about PB were examined.

The parameters of 60 PBs (from all 136 cases) in 30 municipalities were compared

between 2017 and 2018 (including 18 municipalities) and 2018 and 2019 (including 12 municipalities). Additionally, their continuation in the following years (2019 and 2020) was tested. However, in three municipalities, the process was postponed to both the following year or extended by one year, causing a problem in comparability. In 2020, the reasons often presented on the websites for this step were connected to COVID-19, e.g. resulting in the limited possibility of both discussing or voting on proposals or fewer financial sources (external factors).

Therefore, the follow-up period 2019-2022 was tested to verify the applicability of the criteria in an extraordinary crisis period. The development of indicators about PB between 2019 and 2020 in 35 municipalities and subsequently between 2020 and 2021 in 41 municipalities were examined, and their termination in 2021 and 2022 were checked.

We designed simple and concrete criteria to classify PB as downgrading or upgrading. These criteria express the change in the interest of two groups of stakeholders in PB: politicians (criterion 1 and 2) and citizens as potential voters (criterion 3) and proposers of PB projects (criterion 4). Theoretically, we explained possible reasons for the reduction of interest in PB by identifying internal drawbacks to PB. We assume that the position of politicians on the funds determined for PB incorporates some of the external factors, i.e. political (e.g. political will and election turnover) and economic (availability of financial resources).

Each PB was evaluated for each criterion as downgrading, upgrading, or stable. The increase in key criteria detected an upgrading PB, and the decline indicated downgrading. When the analysed criteria remained the same, the term 'stable' was used.

Our proposed upgrading/downgrading criteria are:

1. An increased/decreased budget for PB projects compared to the previous year's figures (PB amount in EUR) = criterion 1
2. A higher/lower amount for PB projects as a percentage of total municipal expenditures compared to the previous year (PB amount in %) = criterion 2
3. A higher/lower voter turnout in PB compared to the previous year as the voters' participation (PB voter turnout) = criterion 3
4. An increased/decreased number of proposals compared to the previous year as a reflection of the activities of proposers (proposals) = criterion 4

Criteria 1 and 2 might seem similar, but the relevancy of criterion 2 relates to the need to control changing economic conditions (included in external factors). The voter turnout in PB means the voter turnout for PB projects. It is measured as the number of PB voters against the number of all potential voters (based on the data for municipal elections in 2018 from the Czech Statistical Office). The first two criteria indirectly incorporate political will as an external factor framed by the economic possibilities of municipalities. The number of proposals contains all proposals submitted to the officials regardless of their approval for voting. The use of this criterion enables the

measurement of civic activity in proposing the PB projects, regardless of the politicians' final decision on approved projects. Subsequently, we tested the destiny of downgrading and upgrading PB in the next period to estimate how many downgrading PB cases could be abandoned the following year or at risk of finishing and to evaluate if the upgrading PB cases are more likely to continue in the future.

Based on our assumptions, we formulated two hypotheses:

H1: A PB with the defined criteria (1-4) evaluated as downgrading has a higher probability that the PB process will be abandoned.

H2: A PB with the defined criteria (1-4) evaluated as upgrading has a higher probability that the PB will be ongoing.

For evaluation purposes, higher probability is defined as the percentage of the analysed PB cases with abandoned or ongoing status over 50%. We presume that testing two hypotheses is necessary because upgrading a particular criterion could have a different impact on the fate of a PB than its downgrade. The hypotheses will be tested for each defined criterion (1–4), and the evaluation result will be the classification of the PB as upgrading, downgrading, or stable for every criterion.

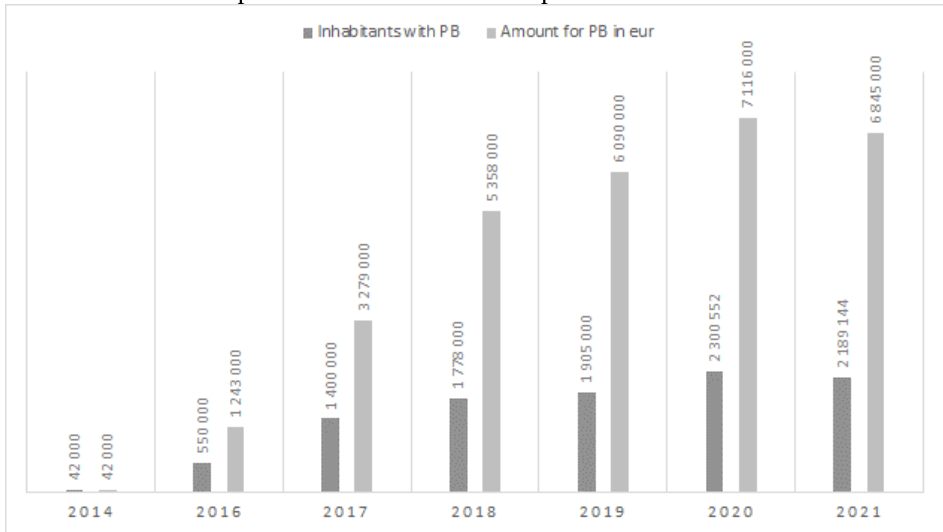
4. Research methods and main steps of the research methodology

The settlement structure and the composition of public administration determine the development of PB cases in the Czech Republic. The administration is one of the most fragmented in Europe, where 80% of municipalities have less than 2,000 inhabitants. In smaller municipalities, the leaders (mayors) are relatively close to the voters (Matějová et al., 2017) and have better opportunities to listen to their needs. However, these municipalities often have a problem providing public services because of limited financial resources and capacity (Nemec et al., 2016; Matějová et al., 2017; Swianiewicz & Łukomska, 2017), although the direct relationship between size and economies of scale has not been proven in the Czech Republic (Soukopová et al., 2014).

PB is mainly developing in larger cities; therefore, the share of the total population potentially involved in PB is relatively high (almost 20% of the country's population in 2020). The history of PB is relatively short in the Czech Republic, which had its first experimental PB in 2014. Others started in 2016, and subsequently, the number of implemented PB cases grew steadily to 87 in 2021. The year of a PB was assigned according to the year when voting for the PB projects was conducted.

Figure 2:

Spread of PB in the Czech Republic from 2014–2021



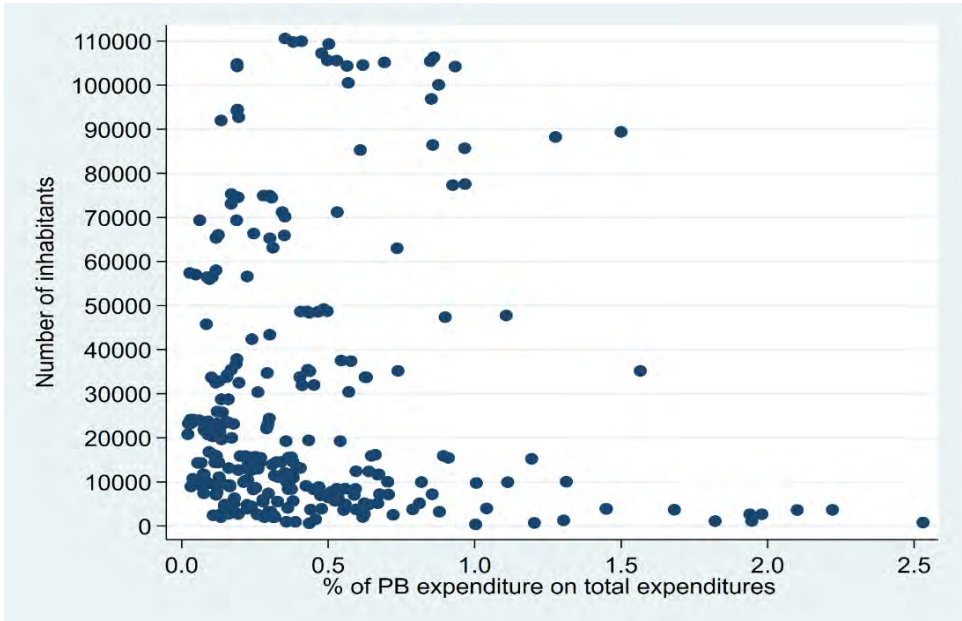
Source: Authors' own, 2023

The number of inhabitants who could participate in PB increased from 42,000 in 2014 to almost two million in 2020. The amount allocated for PB projects was approximately € 6 million in 2020 (see Figure 2). However, the average amount for PB projects per inhabitant remains low: it was only approximately € 3 in the whole period from 2017–2019. The share of the budget allocated to PB from total municipal expenses is relatively low (0.5%) for 2016–2019. From this point of view, there is room for an overall percentage increase in expenditure on the budget relative to total municipality expenditures. However, the share for PB projects as part of the total budget is comparable to developments in other countries.

When we look at the number of inhabitants (Figure 3), the percentage of PB expenditure on total expenditures does not depend on the size of the municipality. Although larger municipalities nominally spend more on PB projects, it is less in terms of the share of the total budget. However, a share of over 1.5% could only be found in the municipalities with less than 40,000 inhabitants. For the analysis, we did not show the municipality of Brno, which has an extraordinary number of inhabitants (almost 400,000) compared to other municipalities (the highest number was slightly below 120,000). Background information about the Czech Republic in connection with the selected criteria for PB classification as described in the methodology is presented in Figures 3 and 4.

Figure 3:

Number of inhabitants and % of PB expenditure on total expenditures from 2014–2021

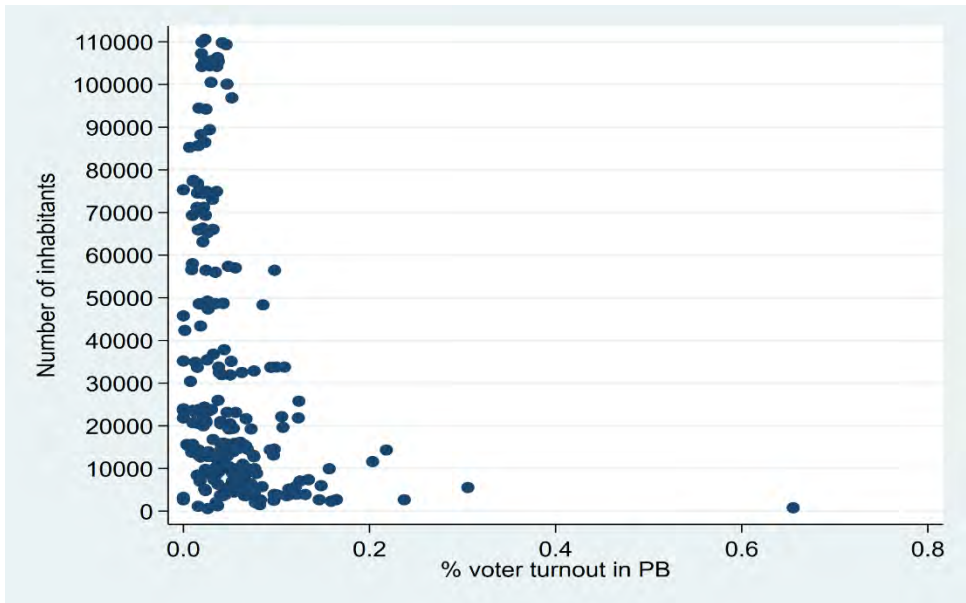


Source: Authors' own, 2023

When the relationship between the size of municipalities (measured by the number of inhabitants) and the voter turnout in PB was examined (Figure 4), we omitted both the municipalities where the voting was cancelled and the city Brno to avoid distorting the results. The voter turnout in PB was computed as the share of the number of PB voters relative to the number of all potential voters listed for the last Czech municipal election in 2018. We see a similar trend because, in Figure 3, the size of municipalities is different when voter turnout is less than 7%. However, only municipalities with less than 60,000 inhabitants are present in the sample with PB voter turnout of over 10%, and two municipalities with the highest PB voter turnout of over 20% are some of the smallest with less than 20,000 inhabitants.

Figure 4:

Number of inhabitants and voter turnout in PB from 2014–2021



Source: Authors' own, 2023

The number of submitted proposals for PB projects increased to approximately 1,000 in 2019. Approximately 3,000 proposals were proposed by citizens in municipalities implementing PB from 2016-2019.

5. Results and discussion

For every key criterion (1–4), each PB was identified as upgrading, downgrading, or stable. Based on hypotheses 1 and 2, the numbers of PB cases in abandoned and ongoing subgroups reflect the fate of the process in the following year (2019 for the first period and 2020 for the second one).

For 2017-2018, there is no example of the PB budget decrease, and 11 cases of PB were stable. In the group of upgrading PBs based on criterion 1, only one PB was terminated (Krnov). The presented reason for the cancellation was the low interest of citizens in proposing PB projects when only one PB project was submitted, and this situation did not comply with the criteria defined by the municipality. More than half of PB cases evaluated as stable based on the criterion 1 were terminated the following year. Evaluating the second criterion, the percentage of total municipal expenditures used for PB decreased in nine municipalities, from which 67% finished the PB in the

next period. 89% of PB cases were ongoing in the case of an increased share.

Seventy-eight percent of PB cases with lower voter turnout were abandoned the following year, and all PB cases with higher voter turnout continued. Citizens could perceive PB with low voter turnout as a process with less legitimacy, which is in line with Bhatnagar et al. (2003), Wampler (2012), and Zepic et al. (2017). However, there are opposing opinions—in one instance, a better quality of life in a municipality is positively associated with a higher voter turnout (Haman & Školník, 2020). The number of proposed projects seems less important as 44% of the PB cases were abandoned when the number decreased, but 47% of the PB cases with increased numbers did not continue.

For 2018-2019, it was more complicated to evaluate the fate of PB because of the COVID-19 pandemic in 2020. Three municipalities changed the PB to a two-year cycle (Ostrava Poruba, Chomutov, and Praha 11) and postponed the start of PB in one year, but the process was not finished. The stated reasons for the prolonged process were uncertainty and caution, mainly due to additional unexpected costs and the potential decrease in municipal revenues. One municipality (Mnichovice) shifted voting to an undefined date due to COVID-19.

An increased budget for PB could signal the municipality's interest in PB and, thus, a higher probability of its continuation (Boulding & Wampler, 2010; McNulty, 2012; Pape & Lerner, 2016). This suggestion was confirmed in this period when all PB cases identified as upgrading based on criterion 1 were ongoing. However, two stable PB cases were terminated in 2020, which is in line with our assumption based on the previous period's results (2017–2018) that criterion 1 alone is not applicable. Relating to the percentage of expenditure (criterion 2), one-third of downgrading PB cases were abandoned in 2020. However, to be more precise, 67% of downgrading PB cases were not realised in 2020, including two postponed PB cases not displayed in Table 2. PB cases with a higher percentage PB amount continued in all cases. Overall, 100% of upgrading PBs based on criteria 1 and 2 continued in the following year.

Based on a decreased PB voter turnout, only one downgrading PB was abandoned, but three were postponed. For this reason, the question arises whether a lower participation rate in the voting phase of PB could be one of the reasons for the postponement, apart from the COVID-19 situation.

When evaluating the number of projects, the situation was similar to 2017–2018 for downgrading PB when only 25% of the PB cases with fewer proposed projects were abandoned. Nevertheless, all upgrading PB cases were ongoing in 2020, which contrasts with 2017–2018. Unfortunately, only three cases were present, which could limit the relevancy of this tendency.

Subsequently, we tested hypotheses 1 and 2 for the whole period (2017–2020), and the results of this analysis are presented in Table 1.

Table 1:

Classification of PB cases based on key criteria from 2017-2019

	<i>PB budget</i>	<i>PB amount in %</i>	<i>PB voter turnout</i>	<i>Proposals</i>
downgrading	1	15	17	15
abandoned	0	8	8	6
% of abandoned	N/A	53.3	47.1	40
upgrading	12	15	13	11
ongoing	11	14	12	8
% of ongoing	91.7	93.3	92.3	72.7
H1	N/A	confirmed	not confirmed	not confirmed
H2	confirmed	confirmed	confirmed	Confirmed

Source: Authors' own, 2023

The results indicate that a PB identified as downgrading has a higher probability of being terminated based on the evaluation of criterion 2. In other words, a decrease in the amount for PB projects as a percentage of total municipal expenditures compared to the previous year increased the probability that the PB would be abandoned. Hypothesis 1 (H1) was only confirmed for criterion 2. In the case of other criteria, H1 was not confirmed, or it was not possible to confirm it due to a lack of cases (criterion 1). However, 47.1% were abandoned in the group of downgrading PB cases based on criterion 3 (PB voter turnout), which is close to the 50% limit for the evaluation. This criterion does seem to be relevant and needs further investigation. The diminishing activity of citizens in proposing PB projects does not prove to be relevant in determining the fate of PB with less than 50% of abandoned PB cases.

H2 was confirmed for all criteria evaluated as upgraded; there was a growth in the amount of the budget for PB projects, the amount for PB projects as a percentage of total municipal expenditures, voter turnout in PB and the number of proposals compared to the previous year increased the probability that the PB will be ongoing.

Fortunately, the evaluation of key criteria in two different periods (2017–2018, 2018–2019) and the continued PB processes in the following two years (2019 and 2020) was only partly distorted by the COVID-19 pandemic in the Czech Republic. Czech PB projects were mainly not cancelled or interrupted in 2020, contrasting with the dramatic drop in PB implementation in, e.g. the neighbouring Slovakia. PB processes that changed to a biannual cycle due to the uncertainty and caution of some municipalities were considered in the analysis.

The results in the follow-up period, including the years influenced by the situation connected to COVID-19 (2020 and 2021), are in the table 2. There is evidence that the outcomes for the key criteria are similar to the results in the previously examined period, even in this exceptional situation.

Table 2:

Classification of PB cases based on key criteria from 2019-2021

	<i>PB budget</i>	<i>PB amount in %</i>	<i>PB voter turnout</i>	<i>Proposals</i>
downgrading	11	32	25	36
abandoned	2	4	5	7
% of abandoned	18.2	12.5	20	19.4
upgrading	16	24	38	26
ongoing	16	19	34	25
% of ongoing	100	79.2	89.5	96.2
H1	not confirmed	not confirmed	not confirmed	not confirmed
H2	confirmed	confirmed	confirmed	confirmed

Source: Authors’ own, 2023

For downgrading criteria, less than 50% of PB was abandoned. H1 was not confirmed for all criteria, with less than 20% of abandoned cases of PB in the following year. On the other hand, key criteria that were upgraded are associated with a higher probability of being ongoing (79.2-100%).

Table 3:

Classification of PB cases based on key criteria from 2017-2021

	<i>PB budget</i>	<i>PB amount in %</i>	<i>PB voter turnout</i>	<i>Proposals</i>
downgrading	12	47	42	51
abandoned	2	12	13	13
% of abandoned	16,7	25.5	31	25.5
upgrading	12	15	13	11
ongoing	11	14	12	8
% of ongoing	96.4	84.6	90.2	89.2
H1	not confirmed	not confirmed	not confirmed	not confirmed
H2	confirmed	confirmed	confirmed	confirmed

Source: Authors’ own, 2023

The results for the whole period 2017-2021 are presented in Table 3 and are in line with the trends for upgrading/downgrading criteria for both analysed periods. There are 16.7-31% of cases with downgrading key criteria that were abandoned in the following year, which is less than the 50% set as a threshold for the hypothesis evaluation. The majority of cases with upgrading criteria (84.6-96.4%) are ongoing in the next period.

In this context, all four upgraded criteria could indicate a promising PB, and two confirmed downgraded criteria could help determine those PB cases with a higher risk of abandonment in the next period. These criteria are suitable for project-oriented PB that are often present in the EU, mainly in the CEE countries (Bednarska-Olejniczak et al., 2020; Džinić et al., 2016; Kukučková & Bakoš, 2019), and also prevail in Canada and the U.S.A. (Calabrese et al., 2020; Carroll et al., 2016; Lerner & Secondo, 2012; Pape & Lerner, 2016). The benefit of using simple criteria is its ability to be modified by adding other criteria that could be country-specific based on the differences in the key characteristics of ideal procedural ideal types of PB (Cabannes, 2004; Sintomer et al., 2008, 2010). Our proposed criteria could be used as a concept to evaluate the continuation of a PB with possible alterations.

6. Conclusion

Based on the available literature and knowledge about PB, the main factors of continuing or terminating a PB were identified and systematised. These factors can be divided into external and internal. Internal factors relate to a PB and its design/rules, administered by a municipality and its officials, and can be better controlled and influenced than external factors. Assuming the identification of factors in continuing or terminating a PB process, simple key criteria were developed to determine the fate of PB in the future. The identified internal drawbacks to the continuation of a PB could become apparent due to the reduction in the interest of two groups of stakeholders and the selection of key criteria expressing the changing interest of these two groups: politicians (criteria 1 and 2) and citizens as potential voters (criterion 3) and proposers of PB projects (criterion 4).

A PB case with all proposed criteria determined as upgraded (the budget for PB projects, amount for PB projects as a percentage of total municipal expenditures, voter turnout for PB and the number of proposals) is associated with a higher probability that PB will be ongoing. The results indicate the relevance of the proposed criteria to detecting the probability that a previous PB would continue is higher than 50% in the whole period.

The downgrading development of key criteria could be a warning signal that motivates municipalities to take measures to avoid terminating a PB or could be helpful for municipalities considering the modification of rules for PB in the next period. However, there is a probability lower than 30% that the process will be terminated. The results are the same during the extraordinary situation of the COVID-19 pandemic.

In the case of new governance after an electoral change, using the criteria could help clarify the actual situation regarding the interest of stakeholders in PB. The next stage of the research might be to verify the results and suitability of the proposed key criteria on data from other countries with project-oriented PB for a more extended period.

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