



Sustainability aspects of participatory budgeting at the municipal level in Slovenia

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Article**

JEL: H72

<https://doi.org/10.3326/pse.46.4.6>

* The authors would like to thank the two anonymous reviewers for their very useful comments and suggestions.

** Received: April 2, 2022

Accepted: August 30, 2022

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Abstract

The Local Self-Government Act has given explicit legal ground for the use of optional participatory budgeting (PB) on the municipal level in Slovenia since 2018. This means municipalities and their inhabitants have absolute discretion regarding the nature of proposed and later (if chosen) implemented projects in a certain municipality if the projects fall under municipal authority. The article presents research results that reveal that a legislative soft approach to PB, resulted in small municipal engagement in PB projects. They on average spent up to one percent of budgetary expenses for PB purposes, resulting mostly in inclusive, people-centered projects promoting facilities for socializing, and different kinds of public infrastructure capacities (sports infrastructure, etc.). The projects implemented in Slovenia so far are prevalingly “public infrastructure projects” in line with the municipal social sustainability agenda promoting equality and diversity, social cohesion, democracy and governance, and quality of life in a certain municipality.

Keywords: participatory budget, municipalities, regulation, social sustainability, Slovenia

1 INTRODUCTION

In the last few decades, the participatory budgeting concept has been developed and has spread worldwide as part of a larger field of interest in democratic innovations. These innovations emerged in several different forms, from consensus conferences, deliberative polls, and citizen juries to ideas of empowered participatory governance, countervailing power, participatory publics, fourth power, etc. (Sintomer, Herzberg and Röcke, 2008).

The idea of PB was first introduced in Porto Alegre (Brasil) in 1989 and has spread from Latin America to other parts of the world, especially Europe. Worldwide it has been introduced in several different forms. Consequently, it would be unfounded to give a hard-and-fast definition of the term participatory budgeting, since the sociological essence of a procedure can hardly be unambiguously demarcated, and differences between Latin America and Europe are enormous (Cabanes, 2004; Sintomer, Herzberg and Röcke, 2008). Nevertheless, PB generally refers to an inclusive, deliberative process of incorporating citizen priorities into local government decision-making on public investment (Bland, 2017). Participatory budgeting has been classified as one of the collaborative innovation models contributing to sustainable development, especially in urban areas. Lately, some positive examples can also be found in rural areas (Bednarska-Olejniczak, Olejniczak and Svobodová, 2020). Although the previous studies are not consistent in their separate definitions and dimensions of the term sustainability, it encompasses environmental protection, economic performance, and societal welfare simultaneously (Glavič and Lukman, 2007).

The United Nations Brundtland Commission originally defined sustainability in its Report of the World Commission on Environment and Development: Our

Common Future (1987) as “Meeting the needs of the present without compromising the ability of future generations to meet their own needs.” In the report (chapter 1, p. 43), they called for new approaches that must involve programs of “social development, particularly to improve the position of women in society, to protect vulnerable groups, and to promote local participation in decision making.”

Participatory budgeting practices and projects can therefore be used as a tool promoting different types of sustainability. For the purpose of this paper, we shall try to determine which of the three types of sustainability (social, environmental, and economic) is most supported by municipal PB projects and at the same time take a glance at the organizational aspects of PB sustainability that can lead to such results.

Our research accordingly focuses on two main research questions connected to different aspects of sustainability regarding PB practices and projects:

- 1) What kind of practices have developed among Slovenian municipalities regarding the organizational aspect (mechanisms for proposal, voting practice, etc.) of PB after the legalization of the PB concept?
- 2) What is the prevailing nature of implemented PB projects and consequently which of the three types of sustainability (social, economic, and environmental) is predominately promoted?

Since PB presents a new method of citizen engagement in Slovenia our motivation was to determine the organizational and other prevailing sustainability aspects connected to various PB practices in Slovenian municipalities. This will be achieved by presenting the effects state-imposed PB legal grounds have on the practical (organizational) implementation of PB practices when we are dealing with a soft legal approach. Special emphasis will be given to presenting where such an approach leads, regarding the nature of adopted PB projects and the type of sustainability they predominately promote. Such a combined approach to analyzing the nature of PB projects and their connection to a certain type of sustainability in Slovenian municipalities brings new insight into academic assessments of PB.

2 LITERATURE REVIEW OF THE DEVELOPMENT OF THE PARTICIPATORY BUDGETING AND SUSTAINABILITY CONCEPTS

The idea of sustainability has been promoted for more than 30 years (Brundtland report) by the UN, although the idea itself has been criticized for its vagueness and lack of clarity. The 2030 Agenda for Sustainable Development (UN, 2015) has confirmed global commitment to the general sustainability concept, which has been upgraded with the Framework for Strategic Sustainable Development (FSSD) (Broman and Robèrt, 2017) to create a unified structure for strategic sustainability actions. The main idea behind this is to develop a vision framed by principles for social and ecological sustainability, focusing mainly on a broad, systematic perspective of sustainability challenges. Since the socio-ecological system is complex and adaptive, and sustainability issues are interlinked, the results are hard to predict, and consequently, the systems should be considered

holistically (Leminen et al., 2021). In this context, the concept of social sustainability has developed as a result of the discontent with the dehumanized prioritization between people and the environment in previous models of sustainability (Littig and Grießler, 2005). Organizational sustainability on the other hand is mostly seen and researched into in connection with corporate and business organizations while some of its components include social justice and inclusion (Vargas-Hernández, 2021). Since municipalities themselves are in general seen as systems of local government organizations, the organizational sustainability of a municipality regarding PB practices will be understood as a means of promoting the goal of implementing functioning and repeatable PB practices and projects at the municipal level.

Societies are still searching for solutions for sustainable development, although it is clear that good governance is a critical tool and element to be incorporated into sustainable development strategies. It should contribute to long-term and strategic objectives, to the coherence of policy with horizontal and vertical coordination, and to open and transparent practices of involving stakeholders, especially in local communities (Umar et al., 2018). This public participation can support and improve public governance, by providing more effective and representative outputs, called also public goods (Stortone, 2010; Kardos, 2012).

Participatory budgeting has been introduced in various forms in the last three decades in different parts of the world, the authors have taken the definition that fits the Slovenian model most. PB is a form of optional direct budgetary democracy, which offers citizens above all the opportunity to learn about the work of the local executive bodies, participate in consultations and discussions, and affect the use of public funds. It is also a tool for learning, collaboration, training citizens, and strengthening the requirements of good governance. Increasing transparency and accountability, provided by the use of PB, can also reduce managerial inefficiencies, and limit clientelism, patronage, and corruption (Sgueo, 2016).

An important part of the literature used PB to explore democratic theory, focusing on themes of participation, deliberation, accountability, social capital, and civic engagement (McCarthy, 2021). On the other hand, several studies (Spada, 2014; Kim, 2016) have been analyzing PB diffusion processes. The literature review has revealed that the studies considering cases from the Latin America and Europe are much more numerous, while other regions are less represented. For instance, in the last couple of years, PB has appeared also in Central and Eastern European countries (CEE). There are several papers witnessing the experiences of CEE countries, but also other European countries (Milosavljević et al., 2020; Boc, 2019; Oross and Kiss, 2021), among which the book *International Trends in Participatory Budgeting* (De Vries, Nemac and Špaček, 2022) predominates in several of the countries covered. The book reveals that the critical drivers of the development of PB differ among countries, although NGOs and other civic initiatives are major accelerators of the PB trend. The promoters of civil society

promote the idea to politicians, who probably only use the idea for their political marketing. Except for Slovenia and Poland, none of the research countries (Belarus, Croatia, Czech Republic, Hungary, Romania, Russia, Serbia, Slovakia) have enacted PB in law, while all are having some similar implementation problems; starting with problems of project submission, the organization of voting, the efficiency of the process and decisions about eligibility to vote.

In this wide range of relatively new literature, the lack of PB interconnection is evident. Features like multidimensionality, guidance to policy-making, sharing, objectivity, relevance, and, from our perspective the very important participation, have been revealed to be important. It has turned out that the choice of indicators must be the outcome of a bottom-up process that produces the measurement tool and valid evaluations that all the stakeholders understand and accept (Scipioni et al., 2009). Such indicators could be of some use when concretizing the sustainability concept at the level of municipalities. The research results have revealed that the decisions made by local governments are mostly intended to increase financial and social sustainability. It turned out that such progress generates a high level of satisfaction and collaboration and restores “citizens’ trust in government”. However, municipal authorities must be aware that financial and social sustainability could be conflicted under certain conditions, since high-quality levels of social services and/or high investments in social infrastructure may adversely affect financial sustainability (Caldas, Dollery and Marques, 2020). What happens in cases where local authorities decide to give the power, to decide on the nature of implemented local projects – which are in a way aimed at promoting a certain type of sustainability – to “the people”? Do they predominately promote social, ecological or financial sustainability aspects and projects? Our paper tries to address such and similar issues regarding PB practices in Slovenia.

3 LEGAL FRAMEWORK FOR AND DEVELOPMENT AND EFFECTS OF PARTICIPATORY BUDGETING IN SLOVENIAN MUNICIPALITIES: ORGANIZATIONAL ASPECT

Slovenia is a small country with two million inhabitants and one-level local self-government with two hundred and twelve municipalities. The use of PB in Slovenia has not been prohibited by national legislation, yet it was not used until a few years ago. In 2015 a pilot project was tested in one urban municipality. Later, in May 2018, the Local Self-Government Act (LSGA), which regulated (among other issues) the concept of PB, was adopted. A new Article 48a was added saying that, “in the process of preparing the draft budget, the municipality may determine the amount of funds intended for funding of projects proposed by citizens. The municipality carries out citizen consultation regarding proposed projects consultations, no later than the submission of the budget to the municipal council for adoption”. The proposition of the LSGA explicitly stated that one of the main purposes of the proposed solutions of the new legislature was “regulation of participatory budgeting as a form of citizen participation”.

In the explanatory notes to the proposal of amendments to the LSGA, the government shed light on the government's understanding of PB as a form of citizen participation that is increasingly becoming the standard in modern local government. The proposal stated that examples of good practice, not only foreign but increasingly domestic, show that it is a relatively simple but effective mechanism for citizen participation in deciding on the financing of projects concerning the quality of life of the inhabitants of a certain area of the municipality. It was added that the proposed solution is not obligatory for municipal bodies, but it is regulated if, or when, municipal authorities decide to use it. The LSGA stipulates that the municipality determines the share of municipal funds, to be allocated for the projects to be proposed and voted on by the population, by budget decree. At the same time, the municipality is obliged – when they decide on such a solution – to consult the citizens. Because the LSGA neither prescribes any (obligatory) share of the municipality budget intended for the participatory procedure nor predetermines a methodology for citizen cooperation in the process, those issues are left to municipalities. They get to decide about the share of budgets, voting practice on proposed projects, etc. LSGA does not stipulate the voting procedure, etc., and therefore leaves many decisions regarding PB to municipal discretion. As a consequence, different voting practices have been established in Slovenian municipalities, for example; it is not uncommon for residents over the age of fifteen to be invited to participate even though they do not have the right to vote in general (or local) elections. While the reasoning for lowering the voting age (even for local elections) is often disputable (Franklin, 2020), the ability of young people to propose or vote on PB projects is not. In practice, Slovenian young people often have the opportunity to vote, given that the municipalities often use special PB mechanisms when deciding about youth projects. Notwithstanding the participation of the wider community in the budget procedure enacted at the municipality level, it should be emphasized that the only and exclusive proposer of the budget decree is the mayor of a concrete municipality, while the adoption of the budget decree is left to the municipal council. Since the amount of funds in the PB procedure is determined by the budget decree, activities for the inclusion of projects in the budget decree need to be carried out in advance. After the official proposal of the draft budget by the mayor, there is generally not enough time to carry out public consultation or gather proposals and vote on them. Some municipalities changed their statutes to the level that the statutes themselves determine the mandatory share of budget funds that need to be used via the PB mechanism each year, and the mandatory involvement of citizens by the municipalities in the preparation of the municipal budget in the form of a PB. For example, they did so in the municipality of Ajdovščina. In addition to the general provision on citizen participation in decision-making procedures, the statute of the municipality of Ajdovščina article 103 states that “the mayor is responsible for the preparation and submission of the municipal budget to the municipal council for adoption. The mayor prepares the draft budget by allocating part of the budget funds to the financing of projects directly proposed and selected by the citizens. Unless otherwise provided by another regulation of the municipality, funds in the amount of not less than 0.5 percent and not more than 1 percent of the annual budget of the municipality shall

be allocated for the financing of these projects.” The Rules of Procedure of the Municipal Council of the municipality of Ajdovščina were also adjusted to this in the chapter on the adoption of the municipal budget and the chapter on occasional and permanent working bodies. While municipalities are free to change their statutes if they wish, such a commitment is very strong, since it must be honored every year, without exception. Additionally, for the change of the statute, a two-thirds majority in the municipal council is required, so it needs a broad political consensus. The mayors are therefore the main promoters of PB in their municipalities if they so choose. Mayoral discretion is the result of LSGA’s understanding of PB as a facultative tool for citizen engagement.

Finally, the budgeting procedure at the municipal (budget) level is subject to the Public Finance Act (Article 18), according to which the municipal administration responsible for finance provides direct budget users with instructions for preparing the municipal budget, which also contains a framework proposal for two years. Within this scope, the municipality will also be able to determine the number of funds used to finance projects proposed by citizens. To include projects proposed by citizens, the populace must be consulted no later than the submission of the budget to the municipal council for adoption. By including projects proposed by citizens, the draft budget will then be drawn up using the applicable regulations governing the drawing up and preparation of the budget. Procedural rules regarding PB, if a municipality decides to use it, include some relatively strict rules and deadlines, and as such present an area in which municipalities enjoy less freedom in decision-making since they are connected to the state budget and state financing rules and regulations.

4 METHODOLOGY

The paper presents an in-depth content analysis of the Slovenian model of PB and the organizational and other prevailing sustainability aspects it promotes, as well as implementation results a few years after the enactment of the LSGA. The research descriptive methodology choice was based on the specifics of the research field and the fact that PB in Slovenia is at the early development stage of PB practices. The latter methodological approach provided insight into the current theoretical and legislative starting points on one hand and, later, an empirical review of practice on the other. Since PB is one of the collaborative, innovation models contributing to direct democratization, the paper contributes to a wider scientific area comprising sociology, public finance, public administration and local government.

A recent paper on Slovene PB practices defined a conceptual model that contains four determinants based on previous research: political, sociodemographic, economic, and municipal capability, stating among other things there is still room for research in areas such as mayors’ attitudes towards PB and the adopted national legislation (Klun and Benčina, 2021: 202). In our research, we consequently focused in part on the organizational sustainability agenda of municipalities within PB practices, by gathering empirical evidence on the influence mayors’ attitudes

and the adopted national legislation have on PB practices and the nature of the projects implemented. Municipal PB practices implementing inclusive, functioning, and continuous PB practices are in line with the organizational sustainability agenda. The second focus was on other types of sustainability of PB projects, and we analyzed the nature of implemented PB projects to try and determine if they are intended to improve the quality of life, are inclusive (intended for all the municipal inhabitants, with a possible special focus on vulnerable groups), participatory and therefore have a prevailing social agenda in comparison to the economic and environmental dimensions of sustainable development.

The methodology is based on the review of secondary sources such as adopted legislation and available practice concerning PB in Slovenia, existing interviews, and research and analysis of data obtained from all municipal websites in Slovenia. We found out that 30 – out of 212 – municipal governments, have been engaged in PB projects at some time during the period from 2015 until 2021. In the first step, different reports on PB status in Slovenia were reviewed, and the websites of 212 municipalities and municipal associations were reviewed to determine which municipalities have implemented PB at any stage. In the second step, for the municipalities (or their parts) using the PB concept, the predetermined data were collected, such as the amounts of budget funds available for PB, the mechanisms used for the collection of citizens' proposals, the area of application (parts of the municipality or the whole), tools/mechanisms used for proposal voting, and the data about the impact of Covid-19 on voting practice. Special emphasis was given to the nature of projects implemented with respect to the type of sustainability they promote. The collected data and some research results are presented in tables 1-3.

5 RESEARCH RESULTS

5.1 THE ESTABLISHED PRACTICE OF PARTICIPATORY BUDGETING IN SLOVENIAN MUNICIPALITIES FROM 2015 TO 2021

Our research has revealed that the prevailing PB mechanism (supported also by municipality associations) is a 5-phase mechanism: (1) gathering project proposals, (2) evaluation of proposals by the municipal administration, (3) voting, (4) project implementation, (5) monitoring and communication of results. Focusing on the amount of funds used for the PB by concrete municipalities, and taking into consideration municipal total yearly budget expenditure, we concluded, that the amount used for PB projects is less than one percent on average. On the other hand, in the last few years, projects within PB were being in different ways in different municipalities. Some of the municipalities required a form on paper, which was brought in person or sent by mail, while some have digitalized the process either by use of different online tools (applications) or by sending the form by e-mail. Very similar procedures were obtained in the voting phase of the proposed project – people voted in person (in the same way as in general or local elections), in the general assembly of municipal residents, via different online tools (applications), by ordinary mail or email. Periodical dynamics of PB in the Slovenian municipalities and PB dimensions are presented in tables 1 and 2.

TABLE 1

Periodical dynamics of participatory budgeting in Slovenian municipalities

	2015	2016	2017	2018	2019	2020	2021
Number of municipalities	1	2	3	2	13	20	27

Source: Authors (2022).

TABLE 2

Participatory budgeting dimensions in Slovenia

Categories of observation	No. of municipalities (of 212 total)	
PB mechanisms for proposals (some municipalities had multiple choices)	Form via e-mail	24
	E-form	11
	Form via ordinary mail	7
	Form on site	25
PB used for part or whole of the municipality area	More than 2 areas	26
	1 area	4
	Ballot on site	20
Voting practice (some municipalities had multiple choices)	Ballot by e-mail	4
	Ballot by ordinary mail	2
	Ballot in e-form	13
	SMS	1
Voting practice during the Covid-19 epidemic	In 2020 and 2021 voting took place	13

Source: Authors (2022).

Table 2 shows that the practice of Slovenian municipalities' PB processes differs among municipalities. The great majority (26) of 30 municipalities that introduced PB at some point in the last seven years have their municipalities divided into areas (single or combined local communities) for deciding on proposed local projects. Such a decentralized way enabled every part of the municipality to participate in development through projects meant to improve the quality of life in a specific area of the municipality. Usually, only projects targeting a specific population, e.g., youth, are decided (voted) on in a municipality as a whole. Additionally, the results revealed that the voting practice also differs significantly. The common ground is that municipalities use a wide variety of possible ways for local citizens to be able to propose projects to be voted on in a certain municipality, ranging from the use of special online tools (applications) to different forms sent to the municipality by ordinary post or e-mail or giving proposals on-site (at the seat of a municipality). Voting practices also differ between municipalities. The prevailing voting methods are (in the following order): (1) on-site, (2) via a special form sent by e-mail or ordinary mail to municipal or local community seat, (3) use of online tools (application, municipal internet site), (4) voting at a municipal (local community) assembly, (5) voting with the use of mobile phones (SMS). Regarding the effects the Covid-19 pandemic had on the use of the municipal PB

in Slovenia, we can conclude that it did not have much effect on most of the municipalities already practicing PB, yet some mayors used the epidemic as an excuse not to implement PB or even to discontinue its practice. Mayors promoting PB, used the epidemic period to implement new, innovative, and democratic ways to engage and include citizens (voting via e-mail, mobile phone (SMS), municipal internet site, use of online tools (applications)), while others used the epidemic to exclude citizens from participating in decision-making (e.g., the projects were chosen by an appointed committee).

5.2 ON (NON) EXISTING TENDENCIES TO INTRODUCE A (REPETITIVE) PARTICIPATORY BUDGETING PROCESS

Having already mentioned that only 30 municipalities (out of 212) practiced PB at one point between 2015 and 2021 and looking at the data for 2021, where only 27 municipalities practiced PB, we can conclude we lost some municipalities in the process. Since one of the criteria for PB is that it should be a continuous or a recurring process, we can state that a legislative soft approach to PB, which promotes PB as an optional tool, opens the doors wide to the possibility of discontinuing the PB process, as a result of a change in representatives or administration in a certain municipality. Such a change is usually a result of elections. In November 2018, regular local elections were held in Slovenia. All the candidates for mayors were sent a questionnaire¹, about whether they would support and implement PB in their municipality if elected – 57 of the mayors elected later replied they would. Four years later only 26 of these 57 candidates had kept their promise and implemented PB in their municipality. Looking at the data for 2021, provided by the Association of Municipalities and Towns of Slovenia (municipal representative association), there are 27 or 13 percent (out of 212) municipalities that use PB as a mechanism of redistributing municipal budget funds.² On the brighter side, there seem to be some mayors who did not pledge to implement the PB but later changed their minds. Although different practices exist worldwide regarding the implementation of municipal PB, certain criteria do exist, such as that it must include the whole or sometimes at least part of the budget, citizens must be included in the phase of proposing projects as well as the phase of deciding/voting on their implementation and that the practice of PB is a lasting one. Some Slovene municipalities do not implement the use of a PB since they believe they are already using PB, although the way they do it, does not comply with the presented criteria, and cannot be considered PB in practice – consultation with citizens and the use of different “open door” policies do not amount to PB. Two years after the local elections – in 2020 – an ex-post analysis was carried out to find out how many mayors kept

¹ The questionnaire was prepared and the answers analyzed by the NGO “Danes je nov dan”, who are very active in the field of PB. They also adapted and upgraded for Slovenian needs an IT tool called Consul (it is an open source platform for the implementation of participatory budgeting).

² Municipalities of Ajdovščina, Bohinj, Brežice, Dol pri Ljubljani, Dravograd, Hrastnik, Hrpelje-Kozina, Komen, Izola, Koper, Kranjska gora, Krško, Logatec, Lovrenc na Pohorju, Maribor, Medvode, Nova gorica, Postojna, Radovljica, Renče – Vogrsko, Ruše, Semič, Sevnica, Slovenske konjice, Sveta Trojica v slovenskih goricah, Šentilj, Škofja loka, Tolmin. One municipality is not on the list although they carried out a PB in only one of its districts – municipality of Laško and municipality of Tolmin, which started with PB in 2021 but project will be carried out in 2022 and is aimed at youth projects.

their promise to use PB mechanisms in their municipalities if elected. How many did, was already presented, but more interesting are the answers received from municipalities and mayors who did not keep their promise and their explanations as to why not. Some of the more interesting answers are that (1) the idea itself is fine, but in our case, the responsiveness of the young people was below expectations, (2) we are of the opinion that the annual presentations of what has been done and planned at the nine village councils in the municipality are sufficient; both then and several times during the budget preparation process, residents are urged to submit proposals, which are ultimately decided on by the municipal authorities, (3) given current practice and modest budgets, PB will not be introduced, (4) we decided to transfer funds to municipal local communities (e.g., part of municipality) mainly because of the epidemic, but the interest in introducing real PB remains, (5) one municipality explained that they had already wanted to exchange good practices with representatives of another municipality, but then the epidemic deterred them from implementing PB; however, they intend to continue with its introduction in the next budgets, (6) another municipality explained that due to other project financial burdens, they are currently allocating money to village communities or city districts that decide on spending, however, they add that they are aware of the importance of cooperation and that the intention remains to introduce PB in the future, (7) since last year representatives of municipal local communities spoke out against the implementation of PB, which was then taken into account by the municipal administration, (8) one mayor explained that he supports PB, but sees a precondition for it in the consent of the parties in the municipal council, (9) another mayor assessed that the experience in the nearby municipalities, which undertook PB, was negative, and the implementation itself expensive, (10) yet another mayor estimates that PB involves marketing more than genuine participation, (11) one municipality explained that they carried out all the preparations last year, but then failed to carry out initial information workshops due to the epidemic. They currently plan to implement these next year, if necessary online, as funds are reserved in the draft budgets for 2021 and 2022, etc.³ The given answers mostly show a misunderstanding of the basic concept of PB as being expensive, a burden, and not interesting enough to cause a high voter turnout. One of the (supposed) reasons (if not the prevailing one) behind the lack of implementation of PB is also the Covid-19 epidemic. On the other hand, if we would look at the experience of municipalities that are using PB mechanisms we can see they have mostly positive experiences. Even though the arguments received from different mayors and municipalities might not persuade us, it is their discretion as mayors, since they are exclusive proposers of the municipal budget, not to propose measures for the implementation of a PB in their municipality. PB is an optional and voluntary measure on the municipal level in Slovenia and no mayor can be legally forced to use it. That is why only 30 out of 212 municipalities (gradually) implemented it. The mayors are therefore the main promoters of PB in

³ More answers of municipal representatives can be found on the home page of NGO "Mešanec" (<https://mesanec.si/participativni-proracun-v-obcinah-krepi-se-zaupanje/>), who made the ex post analysis.

their municipalities if they so choose. Mayoral discretion is the result of LSGA's understanding of PB as an optional tool for citizen engagement. As for now, these results show a lack of organizational sustainability since municipal PB practices are not mandatory or repetitive.

5.3 THE APPROVED PROJECTS WITHIN PARTICIPATORY BUDGETING OF SLOVENIAN MUNICIPALITIES: PREVAILING SOCIAL SUSTAINABILITY ASPECT

The analysis of the collected data about the municipal projects proposed in PB procedures has revealed certain similarities and common characteristics of those proposals. Projects suggested by citizens (and later carried out) in all analyzed municipalities in Slovenia are mostly projects aimed at improving the quality of life and living of the local population and visitors, implementation of the principle of PB in the municipality, promotion of active participation and involvement of citizens, and community building.

Citizens in Slovenia have suggested different projects ranging from building facilities for young or elderly people with specific socializing needs, different kinds of public infrastructure (bicycle and footpaths, public parking spaces, public lighting, etc.) to providing equipment supplies (drinking fountains, security fences, garbage bins, benches, heart defibrillators, etc.) and promoting culture, tourism and local heritage. Most of them, such as community events, are known to promote social sustainability in local communities (Stevenson, 2021). A closer look at the 23 (out of 27) municipalities implementing PB in 2021 and 2022 shows that there were 518 projects chosen for implementation.⁴ The amount eligible for a single PB project varied from a few hundred (small projects such as seminar organization) to twenty thousand euros (usually PB projects related to infrastructure, e.g., new children's playground, putting, overlaying, or resurfacing a street with asphalt). There were even some PB projects valued at no cost such as putting up a new speed limit sign. Taking into account the nature or field of impact of these projects, all of them can be divided into four groups: (1) environmental projects (e.g., landscaping and upgrades of public areas, public parks, water areas, rest areas, picnic areas improvement, animal care), (2) recreational infrastructure projects (e.g., children's playgrounds, basketball courts, tennis courts, climbing walls, outdoor fitness), (3) public infrastructure projects (installation of fences, asphaltting of paths, rest stops, public toilets, ecological waste disposals, sidewalks, installation of drinking fountains, arrangement of cemeteries, public lighting, traffic infrastructure (speed regulation), purchase of public events equipment, defibrillators), and (4) projects promoting tourism and culture (e.g. promotion of municipality, community events, installation of information boards, renovation of

⁴ Municipalities and the number of projects carried out via PB mechanisms in 2021/2022: Ajdovščina (33), Bohinj (5), Brežice (14), Dol pri Ljubljani (11), Dravograd (19), Hrastnik (10), Hrpelje-Kozina (9), Komen (NDA), Izola (9), Koper (70), Kranjska gora (NDA), Krško (26), Logatec (10), Lovrenc na Pohorju (18), Maribor (44), Medvode (32), Nova gorica (33), Postojna (21), Radovljica (25), Renče – Vogrsko (NDA), Ruše (2), Semič (14), Sevnica (22), Slovenske konjice (29), Sveta Trojica v slovenskih gorica (NDA), Šentilj (28), Škofja loka (34).

tourist and cultural attractions, arrangement of cultural heritage, arrangement of village centers, organization of events/festivals, center' for intergenerational cooperation, education, socializing, culture and tourism promotion, outdoor entertainment facilities) (table 3). All of the four groups of PB projects, to a certain extent, promote social sustainability in the local environment.

Social sustainability as such, has been – in the last two decades – evoked to highlight the interdependence between social, economic, and environmental goals. Later a growing concern has arisen about the lack of implementation of policies aimed at eradicating poverty and social exclusion. There are calls for wider citizen participation, to provide local communities with new conditions to improve their quality of life (Falanga, Verheij and Bina, 2021). Social sustainability refers to equality, well-being, and balance across the quality of life indicators between sociocultural groups over time and from one generation to the next (Ross, 2013).

It is difficult to measure social sustainability since social sustainability indicators are contentious (Hale et al., 2019: 4). They can be individual (openness to new ideas, level of adoption of certain practices, usage of infrastructure, equipment), relational (level of trust between citizens and local administration, level of recognition of achievements), or institutional (level of promotion and civic engagement in PB processes and projects). One of the indicators for social sustainability in a municipality could therefore be citizen involvement (PB voter turnout), which differs in Slovene municipalities from up to one percent to almost forty percent. Low social sustainability indicators were often used by mayors and municipal administration as reasons for not implementing, or even discontinuing PB practices. Another could be the share of inclusive (available to everyone) PB projects. Parks and other public areas, infrastructure, and recreation facilities serve and are available to everyone – no matter your background, ethnicity, gender, or financial status – and all promote social sustainability in local communities.

Social sustainability is understood as a positive condition within communities, and a process within communities that can achieve that condition (McKenzie, 2004), determining the well-being of people and their right to be members of the community with the purpose of improving their living conditions, including human capital development, job creation, health, and safety. The development of the term “social sustainability” has gone through intensive academic discussion reflecting several different approaches and perspectives, resulting in the consensus that social dimensions and implications of sustainability undoubtedly connect with broader environmental (named also bio-physical) and economic issues and challenges (Eizenberg and Jabareen, 2017; Vallance, Perkins and Dixon, 2011).

TABLE 3

Most frequently planned or carried out projects in municipalities with implemented participatory budgeting practices

Nature of PB project	Environmental	Recreational infrastructure	Public infrastructure	Promotion of tourism and culture
Number and percent of chosen PB projects (of 518 total)	45 8.7%	146 28.2%	236 45.6%	91 17.5%

Source: Authors (2022).

The participatory budgeting projects in different municipalities share some common characteristics, which can be combined in the term “socially oriented”. It is more than obvious that citizens prefer projects with intensive social components, covering quality of life, public spaces, social infrastructure, basic needs, social capital, justice, equity, etc. Interestingly, those needs are still more essential (e.g., public and recreational infrastructure projects represent almost three quarters of all PB projects), while needs addressing cultural, environmental, humanitarian, and other aspects, lag behind. The municipal PB projects implemented do not address some typical social sustainability goals such as ending poverty and hunger, employment, health issues, which seem to be reserved for the state or even international level. The municipal PB projects rather reflect the peoples’ tendencies of understanding the role of municipalities in providing a certain local-level public infrastructure in local communities which is available to everybody for general use and in turn heightens the quality of life by providing safety, access to goods, leisure and sports activities, etc. in a community. These results can be interpreted as showing that citizens’ awareness about the high quality of life has increased; they also point out that people in smaller/rural/less developed municipalities do not want to fall behind larger/urban more developed municipalities in terms of social infrastructure, quality of life, etc. The result is that PB is predominantly understood among the local population as a tool for implementing different “public infrastructure projects”, aimed at increasing a variety of already presented social sustainability goals.

6 DISCUSSION

Even though the LSGA does not directly mention the term PB, there is no doubt that it gives explicit legal ground for the use of optional PB on the municipal level. Referring to the financial autonomy of municipalities on the expenditure side, the legislature did not decide to regulate PB as a mandatory tool in the budget preparation and execution process. However, the optional PB concept was legally adopted in 2018, while the first PB pilot project was conducted in 2015. Such regulation implements a constitutional understanding of the financial autonomy of municipalities and acknowledges their discretion when deciding on the use of PB measures. Some discretion is left to municipalities even with respect to the definition of funds intended for PB, deciding on who can propose projects, and how, and vote on them, etc. as long as public finance rules are obeyed.

Numerous positive effects of PB mechanisms have been identified, such as information sharing, oversight, accountability, knowledge, and the creation of policy networks, to increased efficiency of the spending of funds, faster economic growth, more balanced development of urban and rural municipalities, reducing social disparities, better management, and identification of infrastructure, increased confidence in democratic processes, increased activation of the population, etc. (Touchton and Wampler, 2014; Mathebula, 2015; Radu, 2019). Some of those can be confirmed also for Slovenia, such as increased activation of the population, and better identification of (social) public infrastructure. Nevertheless “a soft approach” to PB regulation does not seem to have brought the desired results in the short period, which can be confirmed by our results and the fact that three years after the legislation enactment, only fourteen percent of municipalities have used PB. It is clear that the share of municipalities applying PB is low, and consequently, the overall impact is lacking. What is the reason for this?

Probably, among other reasons, it can be found in the views of some mayors, who see PB as expensive, burdensome, and not interesting enough to cause a high voter turnout. As a result, they decided not to propose PB, due to the discretion they have in managing the municipal budget area. On the other hand, the mayors with positive attitudes towards PB stated that it should be left to the individual municipality to develop a tailor-made “systemically, financially, personnel and technically sustainable model for the implementation of PB”. All of the above leads us to the conclusion that municipal autonomy, mayoral discretion, promotion of democracy, transparency, and positive examples seem to be the right organizational model for the prevailing number of municipalities in Slovenia. The soft state-established legal-ground approach for practicing PB, therefore, has not resulted in a widespread PB practice at the municipal level and is not in line with the organizational sustainability concept of municipal PB as an inclusive, functioning, and repeatable process.

As far as the prevailing social sustainability aspect is concerned, the challenges of the Slovenian PB model are much more complex and must be thoroughly reconsidered. The numerous and varied scientific contributions have led to a certain degree of conceptual and terminological chaos, which compromises the usage of the term social sustainability. While some authors are clearly focused on basic needs and primarily address the “underdevelopment” of the general sustainability concept, others consider changing the behavior of the affluent elite and promoting stronger environmental ethics. This wide spectrum of views is spread also among those who see social sustainability more in terms of maintaining or preserving preferred ways of living or protecting particular socio-cultural traditions (Vallance, Perkins and Dixon, 2011).

The results of our research showed that the social sustainability term is understood only in part, and interpreted by partial (own) interests and ideological predispositions, on local as well as national levels. The accelerated and efficient development of this concept requires a deeper understanding of the social dimensions of the term sustainability and its potential conflicts with environmental and economic aspects.

Does PB play an important role in promoting social sustainability projects? With a closer look at the nature of the projects selected by local inhabitants participating in the PB process in Slovenia, it would seem small(er), less expensive projects play a greater role than one might think. One of the reasons is that municipalities grant a limited amount of funds to be used for PB projects, usually ranging from a couple of hundred or thousand euros to a few ten thousand euros – up to one percent of the municipal budget. The second would seem to be that citizens choose projects and topics directly connected to their free time and personal interests (leisure, recreation, health, security, etc.). Such needs of the local population living in a certain community can be mostly satisfied with simple measures and investments which improve the quality of life in a certain area. For example, the goals of social sustainability regarding small public transport infrastructure projects are that the infrastructure is fair and equitable, respects human safety, security and health, promotes community development, and cultural heritage preservation (Lozano, Dueñas-Osorio and Padgett, 2014). The diversity of projects is a natural result of the different interests of the local population. Some interests are probably common and those projects addressing such interests get the most votes. To satisfy all of the local population, at least to some extent, a multitude of different projects must be proposed and chosen, addressing different topics. That is why some municipalities organize special youth PB projects, having in mind the younger population has specific needs and interests.

As long as we understand the municipal social sustainability aspect as one promoting PB projects aimed at improving the quality of life and living of the local population in every municipality, we can conclude that in municipalities where PB is practiced, it is used in line with the municipal social sustainability agenda.

Referring to research starting points and the results of our analysis, holistic and critical assessments of the role and significance of the PB concept from different perspectives are needed in Slovenia. The basic platform for an objective assessment of the PB concept success in Slovenia (and probably also in other countries of the world) should focus on reflections and potential responses to the following questions and findings:

- What share of municipalities' budgets should be planned for PB?
- Should the PB procedure be uniform and centralized for all municipalities in the country?
- Can the explicit benefits and costs of the procedure be assessed and what are the concrete weaknesses of the concept?
- Should transparent (separate) financial reports be published?
- How is one to balance and harmonize the interests and wishes of citizens with the interests of economic initiatives and the broader socio-political community?
- How can one decide about projects in which the professional judgments in line with municipal authority and citizens' wishes conflict?

- One possible area of research should also focus on the fact that many municipal PB projects are localized. In small municipalities, this poses a challenge since PB is not understood as an inter-municipal tool, while public infrastructure often crosses municipal borders (roads, bicycle paths, parks, etc.). For such public infrastructure to be truly inclusive and improve the quality of living of local residents, projects should be implemented to their fullest possible extent. Similar is the situation with bordering municipalities in different countries. Some tools of cross-border cooperation do exist but do not include multi-municipal PB practices. Issues regarding cross-municipal and state need to be put on future research agendas.

Because previous research papers have not comprehensively addressed these issues and dilemmas, future research projects in the field of PB should focus on a thorough analysis of the related problems and effects of PB in the municipal environment, as well as an investigation of wider implications of PB on socio-political development on the national level.

7 CONCLUSIONS

Participatory budgeting has developed as one of the collaborative innovation models contributing to sustainability and participatory politics improvement. Starting in Latin America, it has spread into Europe and other parts of the world. This trend reached Slovenia as a pilot project in 2015.

Our research results show that only fourteen percent of municipalities started the practice of PB in the last seven years. For some, it was only a one-time thing, and they did not repeat the practice. There were different tools for the citizens' project proposals used as well as different possibilities of voting for those. As far as PB funds are concerned there are no major differences among municipalities using PB practices, e.g., up to one percent of municipality funds were allocated to PB, while some differences can be identified in other areas. For instance, more than one-third of municipalities' decided on implementing limitations regarding the exercise of the right to vote during the Covid-19 pandemic, e.g. voting in 2020 was possible only with the use of a digital application.

The results of our research also indicate that the PB concept is not widely spread among Slovenian municipalities. In this aspect, the Slovenian PB concept enables an optional approach and flexible forms of participatory democracy and PB practices at a local level, which can adapt to changing circumstances and demands of specific municipalities.

Our results can serve as reminders to legislators in other countries that a soft legislative approach promoting the understanding of municipalities as "self-governing", leaving discretion regarding the implementation of municipal PB procedures to municipal authorities does not bring about the desiderated results of widening the use of inclusive, repetitive PB practices.

Municipalities themselves have discretion, to decide (1) whether they will use PB or not, (2) what amount of funds they will set aside for PB projects, (3) who can participate in the project proposal and selection process (different voting age limitations), (4) where PB will be organized – part of a municipality or a municipality as a whole. Such a soft approach supported by flexible state legislation of the PB concept is in line with the constitutionally accepted understanding of the financial autonomy (self-government) of municipalities and mayoral discretion. As such it had little effect on the intensity of implementing functional and repeated/sustained PB practices in Slovenian municipalities and on the organizational aspects of PB, which are left to the discretion of municipal authorities. This understanding of the PB concept allows municipalities to be better equipped – if they choose to – at addressing different challenges in the future and promoting projects of social sustainability in the municipal competence area. As far as social sustainability is concerned, existing municipal PB practices are in line with the social sustainability agenda and there is potential for development and growth, if the use of PB practices extend to other municipalities.

Disclosure statement

All authors declare that they have no conflicts of interest.

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