





Available online at www.sciencedirect.com

### **ScienceDirect**

Procedia Economics and Finance 25 (2015) 579 - 589



www.elsevier.com/locate/procedia

16th Annual Conference on Finance and Accounting, ACFA Prague 2015, 29th May 2015

# Participation of Non-Resident Students in the Creation of Participatory Budget in Wroclaw

Jarosław Olejniczak<sup>a</sup>\* Dorota Bednarska-Olejniczak<sup>b</sup>

<sup>a</sup>Department of Finance, Wroclaw University of Economics, Komandorska 118/120, Wroclaw53-345, Poland <sup>b</sup>Department of Marketing Management, Wroclaw University of Economics, Komandorska 118/120, Wroclaw53-345, Poland

#### Abstract

This paper was mainly intended to enable a preliminary assessment of the factors qualifying the out-of-town full-time students, temporarily staying in Wrocław, for the participation in creating the participatory budget of Wrocław. We can observe that only small group of students voted for participatory budget of Wrocław. Main reason of non-voting was a lack of information about participatory budget and possibility of voting. Some of respondents were also misinformed about possibility of voting. It seems also that that main reason of non-voting is really lack of interest. In introducing participatory budget one of main players is local community. Applicants, non-governmental organizations, district councils, schools or other institutions are able to motivate citizens for voting. In our survey we discovered that these actors didn't play a single minute. Surveyed voting-students had heard about participatory budget from friends, family members, or they had found information from social media, town internet page and posters. The main factors influencing the choice of the projects by surveyed students were in general: descriptions of tasks in the electronic voting system, tasks descriptions available on the town website, information spread by the applicants (online, by leaflets, posters, banners and other ones) and opinions of family members. Summarizing we can notice that main problem is lack of information provided by different town and non-governmental bodies and what results poor acquisition of voters.

© 2015 The Authors. Published by Elsevier B.V. This is an open access article under the CC BY-NC-ND license (http://creativecommons.org/licenses/by-nc-nd/4.0/).

Peer-review under responsibility of University of Economics, Prague, Faculty of Finance and Accounting

Keywords: Participatory budgeting; Local government; Voters

<sup>\*</sup> Corresponding author. *E-mail address:* jaroslaw.olejniczak@ue.wroc.pl

#### 1. Introduction

The idea of social participation, including a participatory budget, in functioning of the local self-government is not a new phenomenon in highly developed countries. The basic problems inhibiting the citizens' activity at cocreating the participatory budget are: its relatively weak legal empowering as well as the citizens' low awareness of their chance to take part in managing the commune. It may result in passiveness, or disbelief and unwillingness of the citizens to participate in the processes of choice of significant from their point of view investment enterprises to be carried out by the communes. It is related to the fact that despite a few years of Polish experiences in creating participatory budgets and many local self-governments which have undertaken the effort, still for many units of the local self-government the social consultations held on the grounds of communes councils' resolutions are of non-binding nature, and verification of the notified projects is within the municipal officials competence. This article is intended, on the one hand, to present the process of creating the participatory budget in Wrocław, and on the other hand to enable a preliminary assessment of the factors qualifying the out-of-town full-time students, temporarily staying in Wrocław, for the participation in creating the participatory budget of Wrocław.

#### 2. Research methods, scope and purpose of work

The article consists of two parts. In the first one, the procedure of creating participatory budget in the city of Wrocław in 2014 is presented , as well as the changes introduced in the procedure at selecting the new projects in 2015. Analysis of the above procedure is aimed at indicating the existence of high possibilities for each Wrocław citizen's co-participation (also without other citizens' support) in creating projects with a chance of carrying out. As it has been mentioned, the idea of participatory budget is not new, but in view of the lack of legal framework it is necessary to present solutions applied in a given local community for obtaining a better point of reference for the carried out surveys. The article presents available resolutions of the City Council of Wrocław, decisions of the City Mayor, information materials from the Public Information Newsletter of the City of Wrocław and the city website.

The second part of article presents the survey results obtained by questioning students of Wrocław economic universities in the period from January to March 2015 regarding their attitudes on a possibility of participation in preparing the participatory budget for the year 2014. The surveys referred to the students studying temporarily in Wrocław (not resident in Wrocław), since the aim of analysis was establishing to what extent they avail themselves of the opportunity to co-participate in creating the participatory budget, which was created by the Council of the City of Wrocław.

The survey was attended by 189 full-time students mostly from second year of bachelor studies. 160 of them were not from Wrocław – and that was our target group. The gender of surveyed students was not representative of youth population. About 2/3 of them were female (104) and 1/3 (56) male (this is rather typical relation between number of male and female in Wroclaw University of Economics among student groups). Selection of the sample was intentional – it was assumed to be "pilot" survey. In the survey, a questionnaire of 16 questions regarding participation and attitude to the idea of the Wrocław City participatory budget was included. In majority of questions, the participants were able to justify their responses.

The first group of questions referred to the assessment of the procedure concerning selection of projects for the participatory budget. The questions regarded both a general assessment and technical elements, such as the way of voting, time for submitting projects, the city and citizens information policy.

The second group of questions concerned the reasons and types of choices made by the surveyed, as well as reasons for a possible non-participation in social consultations, as well as proposals regarding amendments in the budget's further editions.

¹ Previously discussed in Bednarska-Olejniczak, D. - Olejniczak, J., 2015. Budżet obywatelski i uczestnictwo młodych obywateli w działalności gmin na przykładzie studentów uczelni ekonomicznych Wrocławia. In: Jedlicka, P (Ed.) 2015 Mezinarodni vedecka konference Hradecke ekonomicke dny 2015, Sbornik konferencni prispevku,, Hradec Kralove 2015, vol 1, pp. 62-74

## 3. The Participatory Budget of the City of Wrocław - concept of creating, effects in 2014 $^{2}$

The participatory budget, also called the participatory budget may take different legal forms and concern both soft projects (e.g. culture and education) and hard projects (investments). In case of large cities, one model of participatory budget does not exist<sup>3</sup>, but it may be stated that relatively often the formula of social consultations is applied, following the law on communal self-government<sup>4</sup>. In case of Wrocław, the City Council already in 2005 took a resolution<sup>5</sup> on a possibility to carry out consultations with the citizens in order to learn their opinions in the issue submitted to consultations. However, it was marked in the resolution that the result of consultations is not binding for the City authorities. According to the resolution records, the consultations may be based on expressing the opinion or submitting comments in the case subject to consultations, replying to an enquiry or choice of one suggested solutions. From the citizens' point of view, it means that the decisive point in projects selection is within the competence of the city authorities.

In case of the participatory budget of Wrocław, the city authorities assumed that the participatory budget 6:

- shall increase civil attitudes among the citizens of Wrocław and co-responsibility for the city,
- shall show the citizens of Wrocław the mechanisms of city's functioning,
- shall allow to know the needs of Wrocław's citizens better.

The works on creating the participatory budget for 2014 were started in 2013 following the evaluation of the 2013 piloting participatory budget. The process of projects' choice was divided into four stages. Stage 1 - submitting projects - lasted from January until March 2014. In 2015, the stage was left without changes. It was the initial recruitment of all the "hard" type projects (according to the adopted rules those might be projects regarding investments, repairs and regarding maintenance of communal property or located on the communal land. During that stage, the City Hall organized briefings with the citizens aimed at making them acquainted with the rules of making applications. It is important that the project at that stage should include a calculation of the estimated cost and the project justification. The calculation is all the more important that in Wrocław since 2014 the projects have been divided into three groups according to value and within the groups they are qualified for financing. A specific project was the responsibility of the project leader – i.e. an individual of age, who caused the project did not need the support of other subjects at the stage. Stage 2 - opinionating - was planned for the period of March-May 2014 and was aimed at analysis and opinionating complex projects by the competent units of the City Hall and indicating the necessary areas for correction to enable the project implementation. Stage three, during which between June and July 2014 consultations took place between the competent staff of the city hall and leaders aimed at introducing the necessary amendments to the projects, was very significant (it refers to elements questioned during verification of the projects, which make it impossible to carry out the project fully or partly). It was possible to withdraw projects or fuse projects related as to the scope into one project. As the effect of consultations, out of about 500 projects only 315 left. In 2015 the stage was extended by dividing it into three parts - until the end of June a consultation meeting with the project leaders was planned, until mid-July it was possible to submit the corrected projects, and until the end of August their verification.

The last stage of preparing the participatory budget included carrying out a consultation process with the residents of Wrocław in form of traditional and electronic voting, with the assumption that the resident may give one vote for the maximum 3 reported and positively verified projects. In 2015, an important amendment was introduced

<sup>&</sup>lt;sup>2</sup> Based on Bednarska-Olejniczak, D., Olejniczak, J., 2015. Budżet obywatelski i uczestnictwo młodych obywateli w działalności gmin na przykładzie studentów uczelni ekonomicznych Wrocławia. In: Jedlicka, P (Ed.) 2015 Mezinarodni vedecka konference Hradecke ekonomicke dny 2015, Sbornik konferencii prispevku., Hradec Kralove 2015, vol 1, pp. 62-74

<sup>&</sup>lt;sup>3</sup> https://mac.gov.pl/budzet-partycypacyjny 16.10.2014

<sup>&</sup>lt;sup>4</sup> Ustawa o samorządzie gminnym art.5 a ust. 2 ustawy z dnia 8 marca 1990 r. o samorządzie gminnym (Dz. U. z 2013 r. poz. 594, 645 i 1318), art. 5a ust.2

<sup>5</sup> Uchwała Nr XXXVII/2437/05 Rady Miejskiej Wrocławia z dnia 21 kwietnia 2005 roku w sprawie zasad i trybu przeprowadzania konsultacji z mieszkańcami Wrocławia

<sup>6</sup> www.wroclaw.pl/wbo[10.10.2014]

as each of the voters may give only one vote for each of the groups. Thus, the competition between the projects of a similar type and scale will be strengthened, which may contribute to activation of the local communities. An important issue, from the point of view of the carried out research, is enabling voting in case of individuals not registered as residents in Wrocław (the only detail required from the voters is their PESEL number). It means that the students residing in Wrocław temporarily may have influence upon the investments within the participatory budget.

As a result of voting for particular projects, projects were selected for implementation after their division into three groups depending on their verified value. The general sum of resources assigned for project implementation in the 2014 Wrocław Participatory Budget was divided in the following way:

- for projects of the value not exceeding 100 thousand PLN 5 million PLN,
- for projects of the value over 100 thousand PLN up to 500 thousand PLN 8 million PLN,
- for projects of the value over 500 thousand PLN up to 1.5 million PLN 7 million PLN.

The condition for the project implementation in one of the three groups is obtaining a possibly maximum number of votes provided the resources in a group are distributed "until they are used up". In 2015, a higher maximum amount was introduced – up to 2 million PLN, and also the minimum number of votes (100) which must be collected for one project to be implemented. It must be noted that the number of votes given for particular projects which were qualified for implementation was maximum about 900 to a minimum of 11 in the group of projects of up to PLN 100 thousand. The dominating projects concerned road investments (26 projects) and recreation (projects). In the group up to PLN 500 thousand, the number of voters for selected projects amounted from 2000 to 8000 people. The dominant projects here were within the scope of roadbuilding, education and recreation. The last, third group received the highest support (from 4 thousand to 15 thousand people), and included one bicycle project, one educational projects and two roadbuilding ones, as well as two recreational ones. The total number of voters according to the details of the City Hall amounted to about 137 thousand citizens of the city inhabited by over 630 thousand people. It was almost a threefold increase of the number of voters as compared to the year 2013.

#### 4. The results of surveys

As an introduction we may look at answers of respondents about their participation in voting process(fig.1). As we can notice almost 15% of survey participants did not vote. There is a significant difference between in participation of men and women. We can observe that almost 20 per cent of men and little over 11 per cent of women participated in 2014 voting.

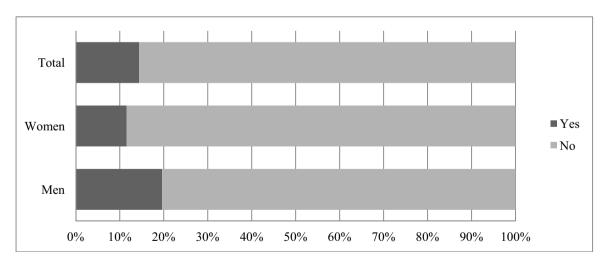
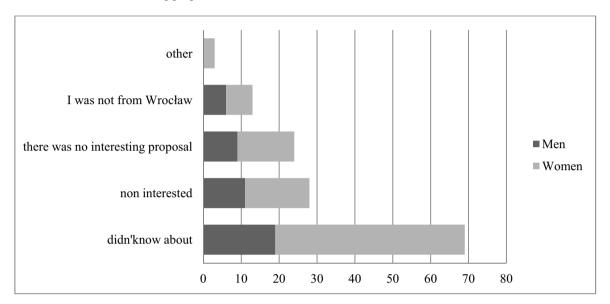


Fig. 1 Question: Did you vote and how did you vote in the finished edition of the participatory budget in Wrocław?

From the chosen point of view of this article very important seems to be identifying reasons of non-voting. Next graph (fig. 2) shows main reasons pointed in questionnaire. The most important reason was a lack of information about participatory budget and possibility of voting (over 80 students). It's very important that about 12 students pointed that main reason was being not from Wrocław, while such persons had possibility of voting also. We can observe that there were about 30 students that declared their lack of interest. In additional open-ended question only small group of students declared a possibility of participation in next year voting. It seems that main reason of non-voting is really lack of interest. 24 students (15 women, 9 men) pointed that they were aware of participatory budget – but "there was no interesting proposal" for them.



Source: own calculation based on survey results

Fig. 2 Question: Why didn't you take part in voting projects notified to the participatory (participation) budget?

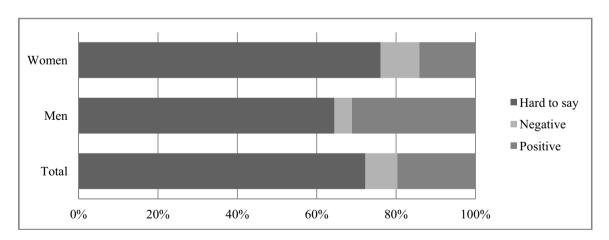
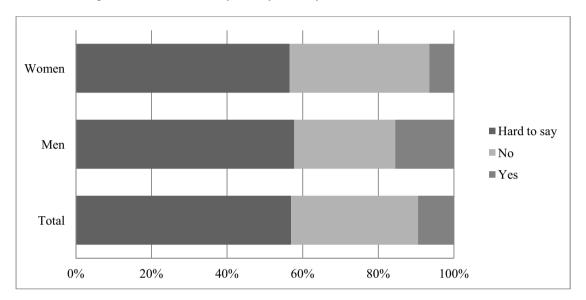


Fig. 3 Question: What is your opinion on availability of information on the notified projects and a possibility of becoming acquainted with the applications before voting? (non-voters)

About 20 per cent of students had positive feelings on availability of information on the notified projects and a possibility of becoming acquainted with the applications before voting. It seems that main reason of such situation was lack of information about participatory budget at all mentioned above. On the other hand almost 90 per cent of voting students were satisfied.

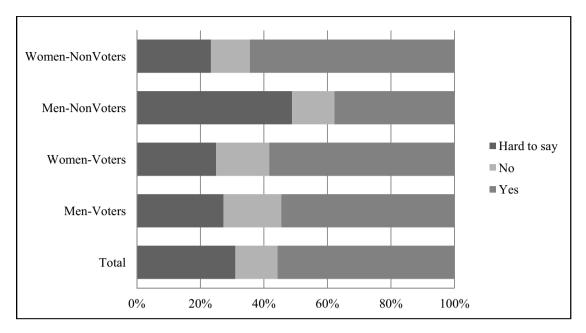
In introducing participatory budget one of main players is local community. Applicants, non-governmental organizations, district councils, schools or other institutions are able to motivate citizens for voting. Asking non-voters about any actions of them on behalf of promoting projects reported in the participatory budget we notice that most of them, despite many possibilities, were not noticed by surveyed students (fig. 4). Only about 10 per cent of asked non-voting students could recall any activity – mostly billboards and brochures.



Source: own calculation based on survey results

Fig. 4 Question: Have you noticed any actions of applicants, non-governmental organizations, district councils, schools or other institutions on behalf of promoting projects reported in the participatory budget? (non-voters answers)

One of main problems in voting is the way of doing it (fig. 5). For young people Internet is the main channel of communication. But as we can see they are aware that there are also old people, who are used to vote traditionally. Over 50 per cent of asked students admit that not only Internet voting is urgent. About 13 per cent of surveyed group prefer Internet voting only.



Source: own calculation based on survey results

Fig. 5 Question: Do you think there is a need, apart from voting online, of a traditional voting by inserting a card to the urn?

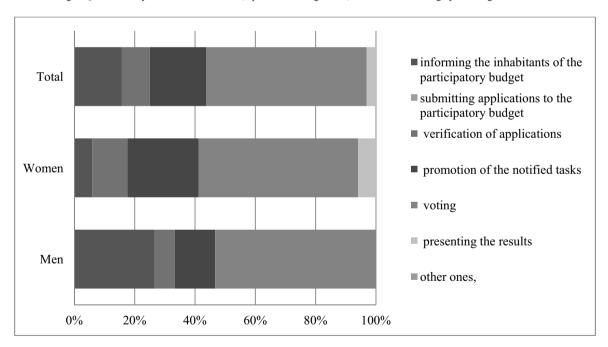


Fig. 6 Question: Which stages of the participatory budget finished edition do you assess most highly?(voters)

In next question students were asked to point which stages of the participatory budget they consider most important. It was multiply answer question, but usually no more than two stages were pointed. Over 55 per cent of respondents (voters) think that voting stage was most important. There is a slight difference between voting men and voting woman. Over 22 percent of voting men pointed that very important is also informing the inhabitants of the participatory budget at all, while only 5 per cent of women. On the other hand women prefer to be informed about particular task instead of being informed about participatory budget at all. From the voters point of view such stages like submitting applications (projects) to the participatory budget or verification of projects are less important. It's understood because among surveyed voters no one had own project for participatory budget. Also presentation of results is not important for surveyed students – it could be due to possibility of observing how chosen projects are developed in real world. Most of them are connected with local area so voters simply are using new facilities.

To vote for proposal, people have to know about such possibility. So it is good to know where voters learned about participatory budget (fig. 7). While there is variation across genders, overall, surveyed voting students were most likely to hear about it from friends (15 per cent), family members (21,5 per cent), or find information social media (11 per cent), town internet page (19 per cent) and posters (15 per cent). Men mostly rely on town internet page (25 per cent) and information from family members (21 per cent), while women on information from friends and family members (both over 21 per cent).

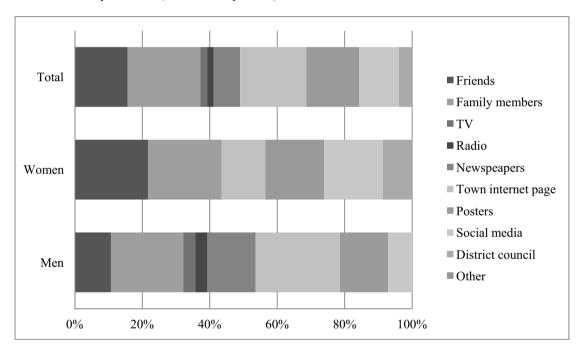
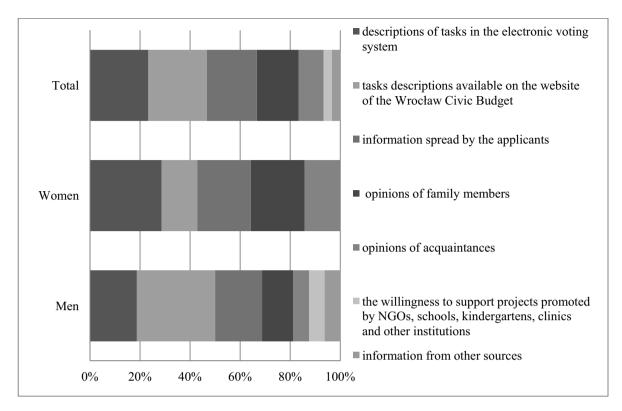


Fig. 7 Question: Where did you learn about the participatory budget in Wrocław? (please select all the options which were the source of information)

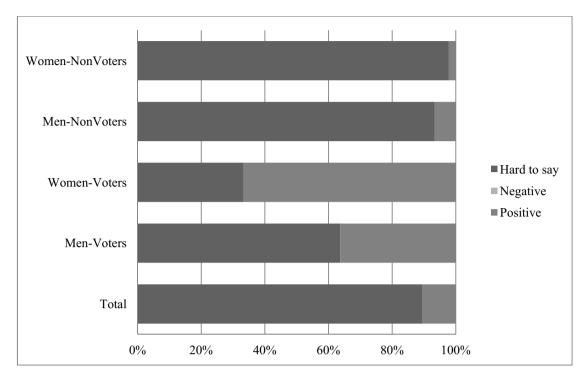


Source: own calculation based on survey results

Fig. 8 Question: What factors influenced mainly the choice of tasks you voted for in the finished edition of the participatory budget?

The main factors influencing the choice of the projects by surveyed students (fig. 8) were in general: descriptions of tasks in the electronic voting system (23 per cent), tasks descriptions available on the town website (23 per cent), information spread by the applicants (online, by leaflets, posters, banners and other ones) (20 per cent) and opinions of family members (16 per cent).

It's puzzling that the willingness to support projects promoted by non-governmental organizations, schools, kindergartens, clinics and other institutions aren't considered as one of main factors, because very often such non-governmental organizations have big impact on voters. There is also difference between genders. Men prefer mostly tasks descriptions available on the town website (which are more complicated), while women simplified versions of it presented in voting system.



Source: own calculation based on survey results

Fig. 9 Question: What is your opinion of the finished (2014) edition of the participatory budget in Wrocław?

To sum up we have to point that in opinion of voting respondents, participatory budget of Wrocław in 2014 was rather successful. Over 60% of voting respondents have positive feelings about it, and rest of them claims that it is hard to say how good it was. Of course when asking whole sample we notice that only slightly over 10 per cent of respondents think positively about it. But as we mentioned earlier – most of surveyed students didn't know about participatory budget of Wrocław.

#### 5. Conclusion

We can observe that only small group of students voted for participatory budget of Wrocław. Main reason of non-voting was a lack of information about participatory budget and possibility of voting. Some of respondents were also misinformed about possibility of voting. It seems also that that main reason of non-voting is really lack of interest. In introducing participatory budget one of main players is local community. Applicants, non-governmental organizations, district councils, schools or other institutions are able to motivate citizens for voting. In our survey we discovered that this actors didn't play a single minute. Surveyed voting-students had heard about participatory budget from friends, family members, or they had found information from social media, town internet page and posters. The main factors influencing the choice of the projects by surveyed students were in general: descriptions of tasks in the electronic voting system, tasks descriptions available on the town website, information spread by the applicants (online, by leaflets, posters, banners and other ones) and opinions of family members. Summarizing we can notice that main problem is lack of information provided by different town and non-governmental bodies and what results poor acquisition of voters.

#### References

Bednarska-Olejniczak, D., Olejniczak, J., 2015. Budżet obywatelski i uczestnictwo młodych obywateli w działalności gmin na przykładzie studentów uczelni ekonomicznych Wrocławia, In: Jedlicka, P, (Ed.) 2015. Mezinarodni vedecka konference Hradecke ekonomicke dny 2015, Sbornik konferencii prispevku,, Hradec Kralove 2015, vol 1, pp. 62-74

http://www.wroclaw.pl/files/wiadomosci/tabela%20wszystkie%20projekty.pdf [29.10.14]

https://mac.gov.pl/budzet-partycypacyjny [16.10.2014]

Uchwała Nr XXXVII/2437/05 Rady Miejskiej Wrocławia z dnia 21 kwietnia 2005 roku w sprawie zasad i trybu przeprowadzania konsultacji z mieszkańcami Wrocławia

Ustawa z dnia 8 marca 1990 r. o samorządzie gminnym (Dz. U. z 2013 r. poz. 594, 645 i 1318)