

REGIONAL ASPECTS OF PUBLIC GOVERNANCE

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SUSTAINABLE PARTICIPATORY BUDGETING: A CASE OF BALTIC PORT CITIES

Keywords: sustainability, participatory budget, Baltic port cities

MacLennan (2022) reminds us of the many global risk factors that have increased over the last few years: societal risks, social cohesion, livelihood crises, the deterioration of mental health, etc. Societal and environmental risks are a major concern, despite the fact that on 25 September 2015, the United Nations issued a sustainable development resolution adopting the 2030 Agenda for Sustainable Development.

The European Union works continuously in international cooperation for sustainability, peace, the rule of law, human rights and the rules-based international order (European Commission, Directorate..., 2019). EU countries are steadily implementing the 2030 Agenda and invest in sustainable development. However, different regions and cities face different sustainability challenges. Zeng, Yu, Yang et al. (2022) for instance, states that the cities in emerging economies experience rapid urbanization, which is characterized by poor planning, weak institutional systems and insufficient essential urban public services. The inability to provide basic services therefore leads to socio-economic vulnerability of the city.

Considering unequal democracy level and different economic level the cities try to find their unique attitude and ways for problem solutions. For instance, Bailey, Solomon (2004) and Fenton (2017) analyze issues of port cities and highlight the negative adverse impacts of seaport development on the city environment and its residents, such as increase in noise levels, deterioration of air quality, loss of biodiversity, increase in water pollution levels, negative impacts on public health and safety, etc. The complex of economic, social and environmental goals for sustainable development thus, are becoming a major challenge for both port authorities and port city's residents, and require mobilization for joint decision-making by governments, stakeholders and citizens alike.

Budge (2020) and Cabannes (2021a) propose participatory budgeting (PB) as a useful innovation useful innovation that allows the public to participate meaningfully and effectively in sustainable development issues. According to Dvorak, Burksiene, Duda, Obrikiene, and Narbutiene (2020), PB is a democratic process in which citizens participate in the designing and decision-making

of the municipality's local budget. Wampler, McNulty, and Touchton (2017) believe that the PB initiative strengthens civil society by expanding the range of civil society's activities and by promoting new forms of partnerships with governments. PB also increases transparency by empowering citizens with more information and knowledge about public affairs and enabling the monitoring of government activities. In other words, PB can improve the quality of governance and increase the accountability of the public sector in responding to sustainability issues.

However, Budge and Hall (2019) note that citizens are often indifferent to sustainability issues, believing that they have no ability to have a real impact on the seemingly intractable challenges of sustainable development. In line with this view, PB, whose main idea is to strengthen democracy and citizen participation, can be perceived as unpopular in young democratic Baltic cities, assuming that port city residents do not believe in their own power to tackle climate change arising from port activities and do not propose PB projects that could change the current situation to more sustainable one.

Therefore, this study aims to analyze the relationship of PB projects in the three Baltic port cities (Klaipeda, Lithuania, Riga, Latvia and Tallinn, Estonia) to the goals of sustainable development in general and to the reduction of the negative impacts of port activities in particular.

A qualitative document analysis approach was used to investigate and assess the expression of sustainability principles in the participatory budgets of Baltic port cities. The qualitative content analysis helped to identify thematic categories that allow a systematic assessment of the phenomenon under study. The document analysis method was used to search for sustainability dimensions in the Baltic participatory budget projects. The research criteria were based on the basic model of sustainable development (triple bottom line) and the 17 Sustainable Development Goals. The results were interpreted in the context of city-port interactions using subjective content analysis.

Research context

It is worth mentioning that participatory budgeting emerged in the world more than three decades ago, and only came to Europe at the end of the first decade of the second millennium, so it is a relatively new field for Europeans, and even more so for the Baltic port cities' societies. Hence, the choice of the port cities was driven by a common scientific problem: ports make impact not only on nature, but also on the surrounding port city and the people living there.

Klaipeda is the third largest city of Lithuania. Riga and Tallinn are both port cities and state capitals (see Fig. 1).



Figure 1 – Port cities of Lithuania, Latvia and Estonia

Source: adapted from <https://www.nationsonline.org/oneworld/map/Baltic-Sea-map.htm>

The history of PB in the Baltic states is quite short: the first PB project was implemented in Estonia in 2013, in Lithuania – in 2018 and in Latvia – in 2019.

In 2019, Riga Municipality held its first ever participatory budget competition and citizens' vote. During the first three years of the call, 36 projects were submitted for implementation. Of these, 9 projects have been fully implemented and 27 are currently in various stages of implementation.

In 2021, Klaipėda launched the first ever Citizens' Initiative. In the first year, 3 projects were selected from a shortlist of 17 ideas. In 2022, 31 proposals were submitted by Klaipėda residents, 14 were selected for voting and 3 were chosen for implementation. The municipality does not officially provide precise information on the progress and completion of the projects.

In 2020, the PB idea in Tallinn was announced and launched; 16 projects were selected for implementation in the 2020-2021 and 2021-2022 periods. No more official information on the progress of the projects was found.

Participatory budgeting in the context of sustainability

Nowadays, public participation goes beyond voting in elections or being a member of a political party; it involves more direct forms, such as a co-decision procedure or joint implementation of public tasks (Leśniewska-Napierała and

Napierała, 2020). Public participation is also defined as an integral part of sustainable development, arguing that sustainability cannot be reached without human involvement.

PB is associated with the promotion of participatory democracy (Cabannes, 2004), deliberative democracy (Volodyn, 2019; Birskyte, 2013) and direct or e-democracy (Peixoto, 2008). Indeed, it is not so much about the form of democracy that participatory budgeting benefits, but the advantages of participatory budgeting itself, because PB enables citizens to participate directly in the decision-making process (Manes-Rossi, Brusca, Orelli, Lorson, & Haustein, 2021). The PB initiative means addressing the problems of democracy, such as issues of inclusion, low political participation and apoliticality. According to Drobiaziewicz (2019), PB is considered as an indicator of good governance in a sustainability-oriented city. If to remind, sustainability idea is based on the framework of three dimensions (so called triple bottom line, see Fig. 2) which was identified in the report “Our Common Future” by the United Nations World Commission on Environment and Development in 1987.

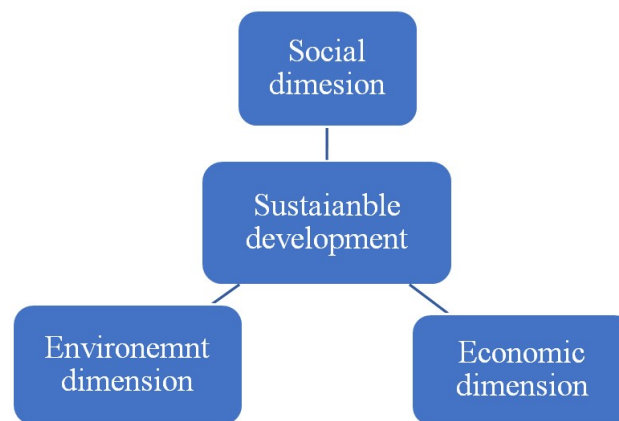


Figure 2 – Tripple bottom line

Barmelgy and Rasheed (2016) stress that climate change is no longer just an environmental or scientific issue, but is becoming a sustainable development challenge that requires urgent, dynamic policy and technical responses at regional, national and local levels. Local government actions and responses have an impact on sustainable development, ensuring the integrity of all ecosystems and protection of biodiversity.

Despite a similar primary idea, the procedural implementation of PB varies from one country to another. PB is therefore applied very differently depending on location, conditions and contexts. As Krenjova and Raudla (2013) argue, there is no one-size-fits-all PB model. Despite that the models are uniquely dependent on the politics of the locality (Dvorak, Burksiene, et al. (2020), they nevertheless, offer clear guidelines for those who want to practice democratized participatory governance (Cabannes and Lipietz, 2015).

Also, it is important to perceive that the contribution of PB to democracy needs to be seen in the context of its civic education function and the empowerment of actors in the process (Cabannes and Lipietz, 2017). First, participatory budgeting strengthens democracy: it creates a channel through which citizens can express their priorities, and it increases the credibility of government and the trust of citizens. Second, it increases transparency in fiscal policy and in the management of public spending, reducing the scope for clientelism, elite capture and corruption. Third, social learning is promoted. By participating in the budget process, participants gain knowledge about budget policy and the position of the community in the budgeting process. Fourth, the participatory allocation of public money helps to distribute resources more efficiently and promotes social justice. Fifth, PB helps to build stronger communities (Birskyte, 2013).

To be honest, however, research papers go beyond the advantages of PB budgeting, researchers also highlight the negative aspects of this initiative (see Table 1).

Table 1 – Positive and negative aspects of PB

Positive aspects	Negative aspects
<ul style="list-style-type: none"> • Stronger democracy • Increased public trust in government • Increased civic participation • Increased social justice • Improved living conditions • Greater transparency • Involving of youth and marginal groups • Increasing citizens' competences on budget issues and public services 	<ul style="list-style-type: none"> • Citizens' lack of confidence in initiative and disengagement due to unimplemented projects • Weak citizen involvement due to lack of transparency • Risks of inefficiency and deviation from the original objective • Lack of resources to implement the process • Municipal staff's inability to manage the process • High involvement of interest groups not representing the local population • Lack of competence of citizens in choosing priorities

Source: authors' own elaboration

According to Meira Costa (2018), participation in building a better world would reinforce the search for consensus through legitimate interactions between local populations and local authorities. Bednarska-Olejniczak and Olejniczak (2018) point out that PB requires an active involvement of citizens, which is directly influenced by the level of democracy power. Thus, in young democracies, citizen engagement may be weak, due to the challenges that limit democratic development in these countries (i.e., transparency, trust in government, governance capacity, etc.). However, the negative aspects of PB are due to specific experiences and certain unique situations, rather than the general weaknesses of PB as an initiative.

Thus, the overall benefits of participatory budgeting outweigh the potential local disadvantages. This suggests that each municipality, if properly prepared, could eliminate the downsides and effectively implement a PB initiative in the municipality's territory (Cabannes, 2021b).

Research results

The PB projects were searched on the websites of the municipalities concerned:

Klaipeda – <https://dalyvauk.klaipeda.lt/>;

Riga – <https://www.riga.lv/lv/lidzdalibas-projekti>;

Tallinn – <https://www.tallinn.ee/et/kaasaveelarve>.

The implementation principle of the PB process, as captured in the documents analyzed, defines PB projects as initiatives in which citizens can participate directly and decide on the allocation of resources to fund projects that are most relevant to them.

All the projects studied were evaluated using a triple bottom line model (see Fig.2) to show their relationship to sustainability aspects. The social dimension was found to be 100% predominant in all projects. It can therefore be concluded that public welfare and social issues are the priority areas where citizens see the greatest problems when applying and voting for projects.

It is worth mentioning that there are no projects overwhelming all three SD dimensions at a time, but some of them (the very minority, however) overwhelm either social and environmental or social and economic dimensions (see Fig. 3).

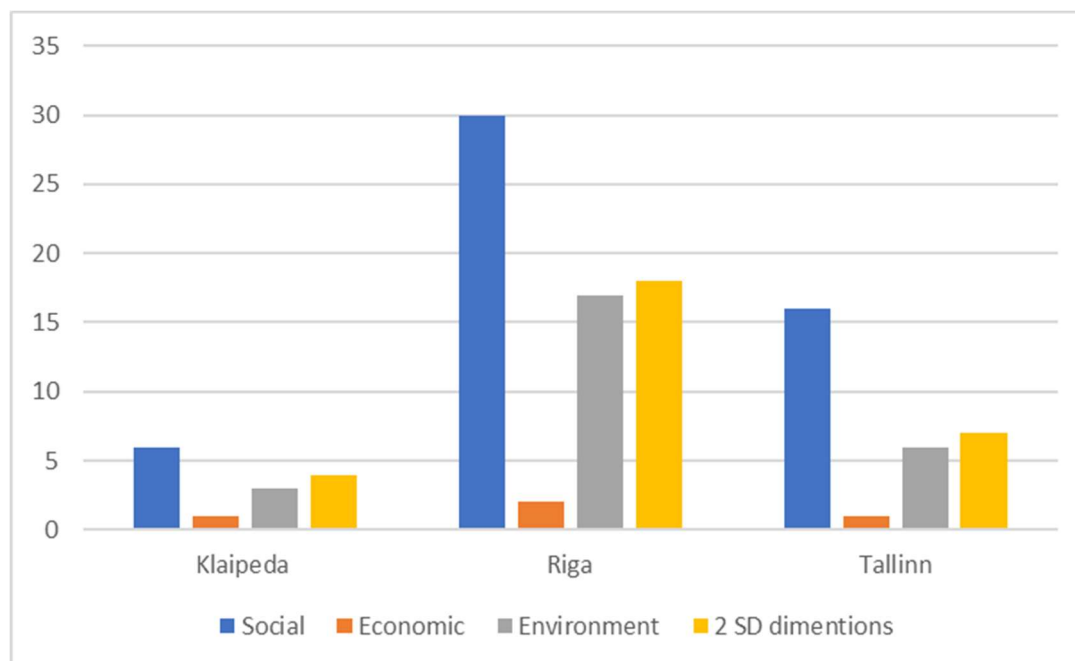


Figure 3 – PB projects considering SD dimensions

Source: authors' own elaboration

All projects then were compared in the context of the 17 SD goals (see Fig. 4). We found that no one PB project is related to the SDGs #1, 2, 5, 7, 9, 14, 16 and 17⁴⁵.

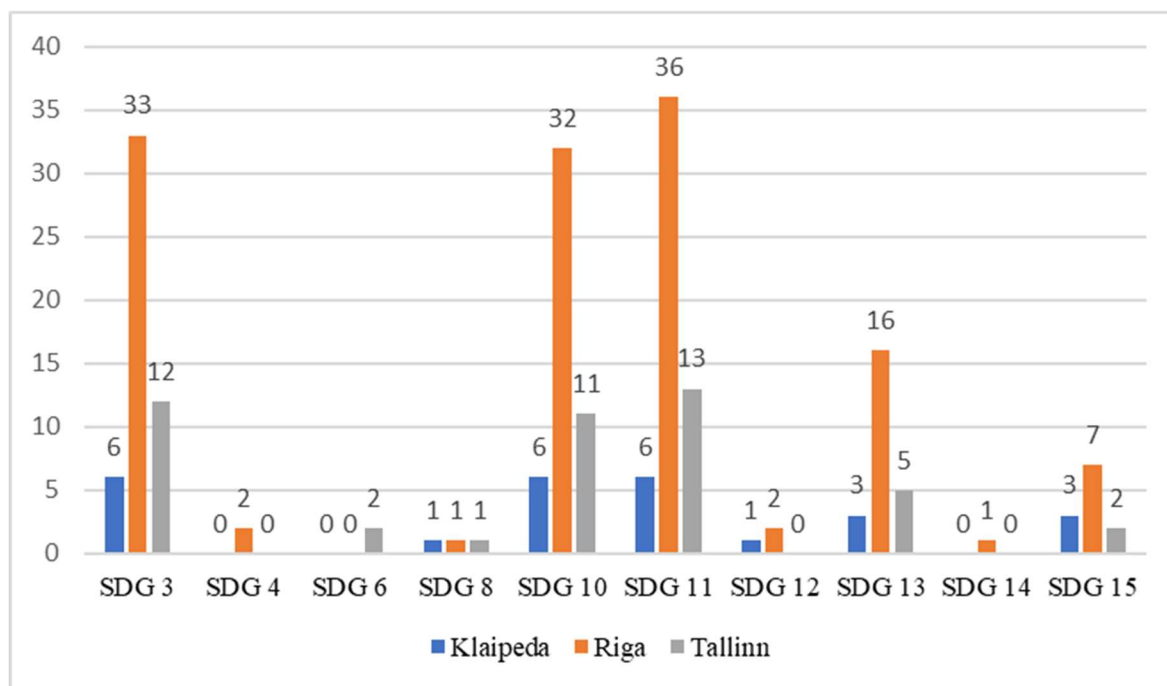


Figure 4 – Reflection of 17 SDGs in the projects

Source: authors' own elaboration

The results revealed that most PB projects in general are addressed to social issues. The greatest number of PB projects in all cities tries to achieve these social goals: SDG #3 (Good health and welfare), SDG #10 (Reduced inequalities), SDG #11 (Sustainable cities and communities). The environmental goals (SDG#13 – Action on Climate Change and SDG#15 – Living on Land) are given less attention, while the economic goals are given particularly little (SDG#8 – Decent work and economic growth) or even no attention.

In general, all the port city projects analysed pursue sustainable development objectives, but given the challenges posed by port activities to the city and its inhabitants, it is evident that the participatory budget projects analysed are not port-related and do not give priority to addressing port-related issues.

Discussion

Compliance with the principal provisions of the SD could help to ensure a better quality of life for the inhabitants of port cities in the vicinity of ports, while at the same time introducing a number of restrictions designed to reduce the damage caused by ports. Oniszczyk-Jastrzabek, Pawłowska, Czermański

⁴⁵ See SDGs in <https://sdgs.un.org/goals>

(2018), Wagner (2019) stress that cooperation between city and port authorities, involving different interest groups, is a key to sustainability in a port city.

Several examples can prove the benefit of interrelation between the city and the port. For instance, the HafenCity project was implemented in Hamburg, which had a vision to facilitate the inclusive creation of a "port city" by redeveloping the waterfront. The project started a transit-oriented development of the area by creating high quality infrastructure: metro and bus stations, cycle and pedestrian paths. New energy solutions based on the provision of heating from a range of renewable sources: solar, biogas and industrial waste were proposed and sustainability of buildings was ensured. As a result, the HafenCity area is now a combination of buildings, infrastructure and services, an available space with mixed uses (Eleftheriou, Knieling, 2017).

Tomasso (2023) presented the Port of Rotterdam project analyzed. The port authority has committed itself to climate neutrality in the context of urban innovation and experimentation, assuming its role as the city's main energy actor. It aims to become an 'international hydrogen supply hub' - producing, importing, using and transporting hydrogen to other countries in North-West Europe. At the same time, the port has launched the PORTHOS project: "Port of Rotterdam CO₂ Transport Hub and Marine Water Storage" to reduce CO₂ emissions into the air.

The above examples show that port city development strategies should include reciprocal relationships and joint actions between the city and the port. Given the diversity of processes in ports and the potential for very high energy consumption and the discharge of large quantities of heterogeneous pollutants (solid waste, liquid waste and airborne pollutants), there is a strong need for a knowledge-based system to manage port environmental issues. Investments in research and development are usually associated with new technologies, but the innovation process can also involve a discounted process of small improvements that can bring benefits to business processes or society at large (Kura, Dunn, Iyer, & Bourbour Ajdari, 2014).

We argue that port cities could initiate PB projects (even as small improvements) that invest in the necessary research and knowledge-based systems to ensure the sustainable development of cities and ports. This requires political understanding and a willingness to draw up PB regulations that encourage projects that address the problems posed by ports.

Conclusions

Participatory budgeting projects are an important initiative to ensure that citizens are actively involved in local public affairs. However, an examination of the participatory budget projects of Baltic port cities showed that while these

projects can be implemented in port cities, they often do not address the important problems posed by ports, such as infrastructure deficiencies, the effects of pollution caused by excessive maritime traffic, or difficulties in managing port areas.

Citizens are indifferent to climate issues or do not believe that they can make impact on the decisions related to sustainable port city development and therefore prioritize social projects.

In the respected port cities, the PB projects mainly address only social issues. They are designed to address local rather than structural problems, and thus cannot ensure the long-term development and sustainability of port cities.

Political actions are necessary to make changes in the PB rule of law and procedures. Politicians and public authorities should take port related problems into account and to adopt solutions that address these problems for the well-being of citizens.

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