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Citizen participation in strategic planning in large cities: The limited achievements of Budapest and Warsaw city governments since 1990

Paper prepared for the CINEFOGO Conference
"Citizen Participation in Policy Making"
14-15 February 2007, Bristol

Abstract

The paper is based on research that explored the participation of interest groups and citizens in strategic planning processes undertaken by large city governments in post-socialist cities of Central Eastern Europe since the beginning of the 1990s. Strategic planning was one of many new ideas and methods transferred to post-socialist cities by international organisations assisting the reforms in the 1990s, and by the inter-city exchange with Western city leaders and local administrators. As an integrated policy-making activity at the city level, strategic planning is understood as an instrument for building effective local governance in order to overcome the problem of coordination of activities by a large number of players due to economic globalisation and political fragmentation. The paper will present the research findings that focus on the involvement of citizens in these processes in Budapest and Warsaw.

The comparative analysis shows that the two case studies demonstrate consolidation of the political elite consisted of local politicians, public officials and external planning experts contracted out by city authorities. There is no evidence that shows a shift towards greater involvement of collective interest groups, be they business sector-related or civil in the character of their activities. In the same time, general public remained uninvolved - only informed - and the institutional aspect of strategic planning did not contribute to improving the state of local democracy by bringing decision-making closer to ordinary citizens.

The public consultation process was organised according to the minimal official requirements of what is necessary, and its purpose was to inform the public of the results of planning activity and to ask for limited feedback that would justify the job already done. The lack of will to make the whole strategic planning process closer to the public by involving citizens in the planning process certainly does not help to develop the capacity of citizens to understand the possibilities and constraints of public actions in the urban environment of big cities. The paper will also offer a tentative view of the obstacles to participatory policy-making in post-socialist Budapest and Warsaw, especially concerning the involvement of citizens in decision-making processes at the city level.

The paper is based on the author's wider research that explored the governance-building potential of developmental planning processes undertaken by large city governments in post-socialist cities of Central Eastern Europe (CEE) since the beginning of the 1990s. Strategic planning was one of many new ideas and methods transferred to post-socialist cities by international organisations assisting the reforms in the 1990s, and by the inter-city exchange with Western city leaders and local administrators. As an integrated policy-making activity at the city level, strategic planning is understood as an instrument for building effective local governance in order to overcome the problem of coordination of activities by a large number of players due to economic globalisation and political fragmentation.

This paper will present the findings of the research that particularly focus on the involvement of citizens in these processes in the cities of Budapest and Warsaw. First, it will be explained why the research focused on the strategic development planning as a distinctive policy making area and how the concern with public participation features in urban planning. Then, the wider context of strategic policy-making processes in post-socialist cities of Budapest and Warsaw will be presented, followed by the summary of the studied planning process in two cities and the comparative analysis of different types of actors and their relations in these princesses. Finally, the paper will be concluded by discussing obstacles to public participation and urban governance in the political and social milieu of large cities in the post-socialist part of Europe.

Strategic planning as an integrative policy-making activity

The strategic planning paradigm and methodology entered the practice of city management in the Western European and North American cities during the 1980s. It was first developed in the private business sector and in the 1980s started being used and adapted by the public sector for the purposes of envisioning the development and guiding future actions of public institutions. It can be defined as developing a frame of reference for guiding future actions aimed at making favourable development happen in the city (Mastop 2000). Its object is subsequent actions, processes, not a blueprint for future products of development. It requires continuous interaction between various actors before and after the formal adoption of the strategic document; it is open-ended and should be continuously updated.

Strategic planning is a set of concepts, procedures and tools to assist leaders and managers to integrate their policy efforts. In the broadest understanding, it can be divided in ten sub-processes or steps:

1. Initiating and agreeing upon a strategic planning process;
2. Identifying organisational mandates;
3. Clarifying organisational mission and values, including the analysis and recognition of stakeholders;
4. Assessing the external and internal environment to identify strengths, weaknesses, opportunities, and threats;
5. Identifying the strategic issues facing the organisation, network or community;
6. Formulating strategies to manage these issues;

7. Reviewing and adopting the strategic plan or plans;
8. Establishing an effective organisational vision;
9. Developing and effective implementation process; and
10. Reassessing strategies and the strategic planning process (Bryson 1996).

This general process is not linear, but rather iterative in practice. Very often it also does not start at the beginning, depending on what reasons lead the organisation or community to experiment with and undertake the strategic approach in the first place. The sixth stage of strategy development can be considered as strategic planning in the narrow technical sense: according to the rational-deductive logic it includes elaboration of the *vision* and *strategy* based on the definition of the main problems facing the organisation or community, and decisions on *strategic goals*, *operational objectives*, implementable *programmes*, *policies* and *tasks*.

The strategic planning paradigm, in addition to brining the new way of thinking about the city development and new tools for a more effective developmental planning process, requires much more attention to be paid to the participation of other societal groups in elaborating and implementing strategy. This new participation concern highlights the shift from the emphasis on the technical knowledge towards political coordination as the dominant aspect of public planning.

‘Public participation’ concern in urban planning

Call for wider public participation in local decision-making has been an integral part of the urban governance project since its very beginning. Growing concern about the

generally low or declining public interest in local politics prompted a contemplation and action towards arguing for and supporting greater involvement of the non-governmental players in the policy-making processes for local communities. The shift from local government to governance is understood to a large degree as a way of dealing with this concern for participation in local politics. The key questions for understanding practices of participation, their achievements and weaknesses in different local and national settings, ask who the public is and which non-local public sector actors actually get involved in local policy-making process in cases where cooperation between governmental and non-governmental actors really takes place.[1]

Urban planning for local communities, especially strategic planning, is at the forefront of local policies where concerns about wider public participation have been expressed. This is because of the very rationale for urban planning undertaken by local authorities. The key question behind the participation concern in urban planning is who is, and who should be, making decisions about development issues concerning the local residents.

The students of planning have found that participation is understood and practised in many ways, serving different functions in different national and local settings. Considering the role public participation seems to have in plan-elaboration in different cases, the literature shows at least four different arguments for "more participation":

[1] For a useful distinction between individual citizen participation, involvement of associations of civil society, and involvement of 'resourceful societal actors' see Klausen and Sweeting (2005).

1. To help secure the implementation of the plan by building commitment of a number of local players and the public at large, i.e. to extend and in that way strengthen the political ownership of the plan in order to increase the chances of implementation;
2. To help local politicians, especially councillors, make informed decisions about the development needs and possibilities; in this case, decisions are made and political ownership of the plan is claimed by local public authorities;
3. To strengthen the legitimacy of the multi-agency and multi-layered local public sector in front of the electorate and interest groups in cases where public interest in local affairs and trust in the leadership role of local authorities in the urban development-related issues is low or declining;
4. To enhance democratic participation because more participation of the wider public is always better and relies on the basic democratic value.

The first argument for more participation is related to the concern with effectiveness of urban developmental planning. The argument suggests that building consensus among the players who have the resources and capacity to influence local development increases the effects of public interventions defined in the plan. Who these influential local players are depends on the local context, but they can be all from business or other organised interests to local citizens at large (see Healey et al. 1997; Forester 1989).

The second and third argument for more participation, or rather the function that participation has during the plan-making process is nicely illustrated on the examples of the British and Norwegian community planning practices studied by Abram and Cowell

(2003). This comparative research was undertaken with the objective of exploring the discourses and practices behind the claims of greater public participation and sectoral integration of policies that were used in promoting strategic planning (termed 'community planning' in these two countries).

> Both cases exhibit rather less public participation than one might have expected. In Scotland, expectation might be driven by the way official guidelines for community planning give emphasis to understanding community aspirations (…); in Norway, from its reputation as one of Europe's more participatory democracies (…) The reputation of 'participativeness' of Norwegian political practice, for instance, stems as much from high level of party membership and greater general expectations of being 'listened to' than from comprehensive participatory policy making. In neither case study the researchers identified the use of hands-on participatory planning. While there were community-based citizen participation processes going on in both authorities (…) in neither case were they truly central to the plan-making process (Abram and Cowell 2003: 18).

Abram and Cowell found that public participation is understood differently in the British and Norwegian contexts: from political participation in terms of party politics, through inter-agency coordination to secure better implementation management, to wider public consultations being held in the final stages of the plan-preparation. "In both case studies, one might conclude that the day to day practices of strategy-building were more corporatist than participatory, albeit that efforts had been made to draw in a wider range of 'stakeholders'" (Abram and Cowell 2003: 21). And further on, "[i]n Scotland, despite a community-centred and participatory rhetoric, community planning has been most thoroughly embedded as an instrument for 'network management' between public bodies

and for service delivery reform at local authority level. In Norway, the greater direct powers of elected councils mean that *kommuneplan* function more clearly as an instrument of local *government*" (Abram and Cowell 2003: 32).

The Norwegian case illustrates well what was described here as the second argument for 'more participation'. Namely, that participation in the plan-elaboration was in reality a consultation process at the final stage of plan–preparation before it goes to the council for approval. The British case, however, illustrates the function participation can play described above as the third argument for more participation. In this case much effort during the plan-making process is devoted to extend 'ownership' to the main public sector partners, being numerous and very fragmented.

The collaborative approach to planning based on the Habermasian discourse on communicative action (see Fischer and Forester 1993; Forester 1989, 1993; Healey 1997) expresses a clear normative, democratic argument for more participation by local citizens, not only organised interests or different elites.

As we can see, the requirement for greater participation in urban planning is quite ambiguous in itself and leads to very different practices. That is why it is called here 'participation' concern instead of democratic concern, because some arguments and practices are not based on the concern with improving the state of local democracy. Some are much more oriented towards the effects of planning, meaning the implementation prospects of plans. The main focus of my paper is on how this participation has been

dealt with in the general developmental and spatial development strategic planning in post-socialist Budapest and Warsaw.

Studying strategic planning in cities in Central Eastern Europe

Due to the fact that many cities around Europe and beyond have been undertaking strategic planning and management since the 1980s (Faludi 2002; Healey et al 1997), strategic urban planning seemed to be a particularly useful and eventually indispensable tool for large cities such as Budapest and Warsaw to reconsider their position, problems and opportunities in the new national (intergovernmental), Central East European, European and global environment. International organisations taking part in the transformation processes in the region also played a big role in promoting the strategic planning paradigm and methodology (e.g. the World Bank's approach to *City Development Strategies* in Buckley and Mini 2000, Freire and Stren 2001).

Focusing the research project on strategic planning was based on the idea that the integrative nature of the planning processes will help detect the general attitudes and changes in the attitudes of local public actors towards collaboration with non-governmental actors that is more than accidental, *ad hoc* or specific project-driven. The idea was that if there was a real change in attitude towards greater involvement of citizens in local policy-making, it would show in studying participation during the strategic planning processes in post-socialist cities of Central Eastern Europe.

I will analyse the developments in two biggest post-socialist cities in CEE, now EU cities, Budapest and Warsaw since the beginning of the 1990s. Large cities above one million inhabitants are rare in CEE[2] and can be found only in capital cities such as Budapest, Prague and Warsaw. Their experience reflects the experiences of smaller cities in the region, but also constitutes a category of its own. In addition to the capital city status, the complexity of governing large cities is related to the size, large number of individual and collective actors, larger distance between citizens and local authorities than in smaller cities, and their wider regional importance in addition to the national importance.

Two case studies – on Budapest and Warsaw – were developed on the basis of the research designed around the chronology and analyses of political and planning events in two cities. The main emphasis was put on the initiation, elaboration, political deliberations and negotiations, and final approval of the main strategic document(s) and other relevant planning documents. When it was possible, an investigation and analysis was undertaken of what happened after the approval, i.e. how the strategic planning document was used and attempts at implementation managed once it became official policy. I paid special attention to the identification of the actors involved in the strategic process, and their role, significance and expectations given to their involvement by those who initiated the process.

[2] The term Central East Europe here covers the fastest transforming post-socialist countries like Check Republic, Hungary, Poland, Slovakia, and Slovenia, that were also in the first wave of post socialist states to enter the European Union. In the region of South Eastern Europe, and east from the CEE countries towards the former Soviet republics, there are large cities above one million inhabitants, but their experiences after 1990 have been different, and they were out of the scope of the original research.

As research methods I used two basic techniques: analysis of various available written documents in two cities, and semi-structured interviews with local officials and planning experts involved at some point in the planning process and local experts observing and analysing local political and planning processes.

The wider context of local decision-making in post-socialist Budapest and Warsaw

Within the European and wider international context, the post-Second World War experiences of Budapest and Warsaw shows strong similarities. Both cities have been the capitals in their countries that experimented with a socialist regime for about four decades. Socialist decision-making concerning city development was highly centralised and fragmented along sectoral lines. Departments of local administration were subordinated to the ministries of the central state, and the later were subordinated to the decisions of the Communist party. The state had the providing role, being responsible for almost all investment into city development.

By the time of systemic change and opening to the international markets in 1990, both cities were about the same size (see Table 1) and, together with Prague, constitute a category of cities above one million inhabitants in the post-socialist region of Central Eastern Europe. In both Hungary and Poland, decentralisation and democratically elected local governments were central pillars of the systemic reforms. Capital cities were the object of special institutional arrangements, different than in smaller cities. A two-tier institutional system was introduced in both cities, although with different division of

responsibilities and their coordination between the city-wide government level and lower municipal/district government level.

Table 1 – General comparative indicators for Budapest and Warsaw

	Budapest	***Warsaw***
Population size	1.7 million	1.7 million
% of national population	17 %	4.4 %
Population of the metropolitan area	2.4 million (one fourth of the national population)	2.5 million (about 6.5% of the national population)
Unemployment rate	4.4% (2004)	6.5% (2005)
GDP per capita	14,400 EUR (2003); about 210 % of national average	15,000 EUR (2005); about 300 % of the national average
Average monthly gross earnings	760 EUR (2003)	860 EUR (2003)
Total local public revenues	2.14 billion EUR (2003)	1.47 billion EUR (2004)
Total local public revenues per inhabitant	1,258 EUR (2003)	869 EUR (2004)
Total local public expenditures	2.17 billion EUR (2003)	1.78 billion EUR (2004)
Total local public expenditures per inhabitant	1,270 EUR (2003)	1052 EUR (2004)

Calculated on the basis of statistical data (Hungarian Central Statistical Office 2004, 2005; Statistical Office in Warsaw 2005).

In Hungary, *the Act on Local Governments* in 1990 introduced a municipal level of government with a broad range of responsibilities as one of the main pillars of the new democratic system. In the 1991 *Act on the Capital City*, that was later incorporated as a special section of the *Act on Local Governments*, the two-tier administrative structure of Budapest introduced in 1950 was strengthened by introducing two elected tiers of government: the municipal government (at the city level) and 22 (later 23) district governments. The two levels of local government in Budapest were granted equal legal rights, neither was subordinated to the other.

After experiencing the inefficiency of such a government system in the capital city, in 1994, the 1990 law was amended. The revisions introduced direct elections for all mayors, and specified in more detail the duties and powers of the two levels of government in Budapest. A fundamental principle is that the government of the city of Budapest should perform duties and exercise rights of local government that concern the whole of the city or more than one district, and those that derive of the special role of Budapest as the capital city.[3] Both tiers of local government are provided with their own assets, subsidised from the central budget, and entitled to collect revenues of its own. Even though this system has eased to some extent the difficulties of negotiating coordination of tasks, the government of the capital city has remained fragmented.

There has been five local election in Budapest since the first democratic election in 1990. Budapest electorate has chosen the same person for mayor – Gabor Demszky from the liberal party – in all five elections. It is a clear indicator of stable city leadership in times of great changes in city management. Mayor Demszky is the prominent figure of the *Alliance of Free Democrats* (SzDSz). His party formed the minority government in the City Council in the first election period (1990-94), and after 1994 ruled the city in coalition with the *Hungarian Socialist Party* (MSzP). This is another indicator of the extreme stability of the political leadership at the city level. The turnout in local election was between 37% in 1990 and 53% in 2002, predominantly lower than the national average in local election.

[3] The mandatory responsibilities of the city government include spatial planning for the whole city, main infrastructure development and maintenance, and organisation of public utilities that

In Poland, the newly elected Polish Parliament in 1990 passed the *Local Government Act* that started the decentralisation reform by introducing the municipality (gmina in Polish) as the basic until of local government. The administrative structure of Warsaw radically changed three times since then. First, in 1990 Parliament passed the *Law on the Administrative System of Warsaw* or so-called *Warsaw Act*. This new law about the capital city established Warsaw as the Union of seven municipalities of Warsaw, though the municipalities kept all rights and responsibilities like any other gmina in Poland. The Union had no direct power over its seven municipalities.

The second radical reform in the administrative structure of Warsaw was introduced in 1994, after Parliament passed the new *Warsaw Act* or the *Law on the Organization of the Administrative System of Warsaw*. The new law created a large central municipality, Gmina Centrum with approximately 960,000 people or 58 % of the whole city population, corresponding approximately to the pre-Second World War boundaries of the city of Warsaw or the land which had been nationalised in 1945. The new *Warsaw Act* created ten municipalities around the Gmina Centrum. These eleven municipalities constituted the Union of the Municipalities of Warsaw. On the top of this, the Centrum municipality was divided in 7 districts with no legal personality, but with their own councils and budgets. In practice this meant that the city of Warsaw had three internal administrative levels.

Yet another change came about in 2002. A newly elected national Parliament passed a new and radically different *Act on the Structure of the Capital City of Warsaw*. All of

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pasted into the city government ownership.

Warsaw became a single municipality with the powers of a county. The internal division of municipalities ceased to exist. Instead, the city is divided into 18 districts with limited powers and resources.[4] The legislative authority in the new Warsaw municipality resides with the Warsaw City Council, and the mayor of Warsaw is the executive authority. Another big change came from the 2002 amendment to *the Law on elections for municipal councillors*, which introduced the direct elections of mayors and regional governors. In 2002, therefore, the mayor of Warsaw was directly elected for the first time since the beginning of decentralisation in 1990.

There has been six local elections in Warsaw since the first democratic elections in 1990. The City of Warsaw changed five mayors and 2 commissioners in the four terms before the last local elections in November 2006. Another sign of the political instability in local leadership has been the growing fragmentation of the City Council with the composition of the governing coalition changing after each elections. In 1994, the turnout at local elections for the Warsaw City Council was about 28%, in 1998 42% and in 2002 41%.

In May 2004, both Hungary and Poland were among the first wave of post-socialist countries to become members of the European Union. The pre-accession preparations to bring the institutional systems of the two countries in tune with the EU standards and practices led to the adjustment of political practice in Budapest and Warsaw, since the capital cities were about to become new European metropolises. So, new opportunities

[4] Districts handle local matters such as local roads, schools, kindergartens, the issuing of driving licenses, the registration of residents, etc. Their budgets and financial policies have to be consistent with those of the city. The members of district councils are directly elected, and the district council elects the district mayor.

for financial support from the EU funds and the need to improve their respective weight and competitiveness within the EU urban network started featuring in the political consideration of the city leaders in the same time in both cities.

In comparative terms, GDP per capita suggests that after more than a decade of fast development in a market economy, both cities are still significantly below their West European counterparts. Despite being indisputable national leaders in terms of economic development and attraction of FDI, their GDP reached the level of between 14,000 and 15,000 EUR per capita in mid 2000s (see Table 1). That is far below about sixty large European cities with GDP per capita between 20,000 and 75,000 EUR in 2001 (data on European cities taken from Parkinson 2005).

Considering the characteristics of the civil society in Budapest and Warsaw, although the number of NGOs is growing in the CEE countries, the representation of collective interests of various segments of the civil society is still weakly developed, especially at the local level. The growing number of NGOs does not directly translate into better representation of citizen interests in dealing with local authorities. Furthermore, it does not directly lead to better communication between citizens and local authorities, or even a step further to community involvement into the local decision-making processes. As Swianiewicz pointed out in the recent cross-national study of the complementarily of urban leadership and community involvement, practical experience in community involvement is extremely limited in CEE countries (2005: 123).[5] So, the issue here is not

[5] As an illustration of the general Polish experience with the role of NGOs in local service delivery, only "about 44 per cent of Polish local governments contracted NGOs to provide *some* local services. This is even more evident in Hungary, where 88 per cent of local governments

the strength of civil society as such, but rather the existence and quality of local interest representation in the urban setting. However, there is very little systematic research done on this aspect of the civil society and its capacity to engage in local politics in Hungary and Poland in general, let alone their capital cities.

Budapest has a booming civil society, but only in relative terms. One third of all non-profit organisations in Hungary are located in Budapest, about 16,000. The representation of social interests at the local government level is not very developed, i.e. there is a no sense of constructive participation of social groups in local policy-making. In Budapest, the right to attend public hearings and comment on the work of the City Council is not frequently used. There are not enough strong social interest groups that can legitimately lobby for the people they claim to represent. On the other hand, all activities of the Mayor and the City Council are publicised. Newspapers regularly cover the city politics. Regular public opinion surveys on different issues are organised by city authorities. But ordinary citizens are still wary or disinterested in getting actively engaged with issues that are important to them.

In his research on the public perception of local government in Poland in general, Swianiewicz pointed out that "this picture might be summarised as sympathetic disengagement – most people like decentralisation, but do not care very much about local governments, do not think of it as very important for their everyday lives, and prefer to stay almost entirely uninvolved" (Swianiewicz 2001: 219). This is related to the

declared contracts with NGOs, while 37 per cent of Hungarian municipalities also engaged in consultation with NGOs during local decision making" (Swianiewicz 2005: 120; emphasis is

extremely weak tradition of civil involvement in the public affairs in the socialist regime, and cannot be fast overcome.[6]

Strategic planning processes in post-socialist Budapest and Warsaw: Main planning events under study

In the period between 1990 and the end of 2005, authorities at the city level in both cities undertook for the first time strategic planning for the general city development, aiming for a twelve to fifteen year period. However, comparing the nature of the strategic planning processes, the two cases differ in the general establishment and dynamics of strategic thinking and in the level of policy-integration in the strategic decision-making.

The main general strategic planning documents studied in the case of Budapest were the *Budapest City Development Concept*, elaborated in the period 1997-2003, and *The*

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mine).

[6] In a study based on the survey of chief administrative officials, CAOs in the Polish municipalities over 50,000 inhabitants (larger municipalities) reported public demonstrations concerning local matters in about 41% of those municipalities, citizen's petitions on various local issues in 43%, requests for direct meetings between local officials and group of citizens in 69%, local government decisions were challenged in a court or at a higher administrative authority in 60% of municipalities, and civil society organisations submitted proposals on some questions of public interest in 63% municipalities. In the same study, in 32.4% of larger municipalities in Poland CAOs considered that citizens had a big influence in local decision-making, in 42.6% of larger municipalities citizens had moderate influence, and in 25% only small influence (Pop 2005).

In the same survey in Hungary, CAOs in the Hungarian municipalities over 50,000 inhabitants (larger municipalities) reported than in about 41% of those municipalities there were public demonstrations concerning local matters, in 73% there were citizen's petitions on various local issues, in 73% there were requests for direct meetings between local officials and group of citizens, in 27% of municipalities local government decisions were challenged in a court or at a higher administrative authority, and in even 91% municipalities civil society organisations submitted proposals on some questions of public interest (compared to 63% in Poland; the same type of findings is given for Poland in the chapter on Warsaw). In the same study, in only 22% of larger municipalities in Hungary CAOs considered that citizens had a big influence in local decision-making, in 33.3% of larger municipalities citizens had moderate influence, and in 44.4% only small influence (Pop 2005).

Podmaniczky Programme: The Medium-term Programme of Budapest 2005-2013 approved in 2005. In the period from 1990 until early 2006, Budapest city authorities undertook several strategic planning activities that can be considered as one continuous process of establishing the foundations for integrated strategic public management. This process and inclination towards strategic thinking among city's political leaders started soon after the first democratic local elections. The preparation of a strategic plan for the general city development *Budapest Development Concept* came only as the last stage of the comprehensive management reforms undertaken in the 1990s. It was built on the results of the previous strategic activities and basic values for development set up by the political leadership The most significant reform was the financial management reform of 1995-96 that introduced a seven-year budget planning period. This reform disciplined the way city leadership and administration made decisions about existing revenues, and new funding. It also introduced a sound system of multi-year capital investment planning. The continuity of the process is directly related to the continuity in the city leadership for the last sixteen years.

In the case of Warsaw, after a first attempt in 1993-94 that ended with no approved strategic document, two general strategic plans were elaborated and approved since 1990: *The Warsaw Development Strategy until 2010* elaborated in 1997-98, and *The Warsaw Development Strategy until 2020* elaborated in 2004-05. The three strategic processes were unrelated to each other, each of them started as completely new endeavour, without considering the product of the previous process. The *Strategy until 2020* adopted in 2005,

started being developed anew, completely neglecting to reflect on the previous 1998 document *Strategy until 2010*.

Spatial strategic planning has been an integral component of the general strategic planning activities in both cities, but it has been also exercised as a separate, legally required planning activity. In Budapest, there are two main spatial development policy documents: a more general policy document *Structure Plan for Budapest*, and a master plan called the *Framework Regulation Plan*. The first post-socialist *Structure plan* was approved in 1997, later revised in 2005. The first post-socialist master plan was approved in 1998, and put under revision in 2006. In Warsaw, since 1990 there have been three strategic planning processes focusing on the spatial development policy for the entire city (1997-98, 2000-01, and 2004-06). The first two ended with an adopted official spatial policy document called *Study of Conditions and Directions of Spatial Development of Warsaw*, and the third was waiting to be approved in 2006. The nature of this spatial development policy document for Warsaw has been more strategic than in the case of the *Structure Plan for Budapest*.

Actors in the strategic planning processes

Since general strategic documents are not legally required in Hungary and Poland, no legal guidelines specify how to organise the planning process, who to involve in the planning, the purpose of the consultation process or the organisational process of strategic plans. In theory, this situation leaves a lot of space for local authorities to experiment and introduce innovative techniques of public inclusion in planning.

However, the evidence shows that in practice city authorities tend to stick to the minimal requirements for organising the consultation process for spatial plans (usually set up by the planning or building laws). This self-imposed restriction on the participation of other-than-city-government actors in the actual planning process and the lack of will to organise at least a consultation process with participative features other than asking for official opinions on the final draft reflects the general attitude of local public authorities towards inclusion of citizens and other more organised 'outsiders' into local decision-making processes.

The only actors that *participated* in the planning activities in both cities were departments of city administration, especially the department responsible for the preparation of the strategic plan, city politicians, and professional experts, predominantly external and contracted out by the department in question. External planners led the planning efforts in Budapest and the first strategic document in Warsaw in 1998. The city administration led planning activities in the case of the second strategic document in Warsaw approved in 2005. In this case, once submitting the expert's version of the strategic plan to the public officials, contracted external experts were not involved in the decision-making on the final list of goals, objectives and tasks. City political leaders initially remained distant from the planning process in Budapest, but once involved exercised some influence on the characteristics of the final document in order to grant their political approval.

Other actors featured only in the official consultation process in the end of the planning process or in sporadic gatherings when the results of previous planning were presented for input. The community of professional experts not involved in the planning process,

representatives of the business associations, selected non-governmental organisation, representatives of lower and higher government levels, were all treated almost the same way. They were given an opportunity during conferences or forums to react to the draft documents; some of them were asked to send written opinions as it is required in the case of spatial plans. Citizens were informed through the media about the content of the documents, and given one scheduled opportunity to give an opinion on the final draft.

The comparative analysis shows that all three types of actors involved treated the contribution of actors beyond the circle of public officials, city political leaders and contracted external experts as insignificant from the very beginning, though at a personalised level some might have another view. The consultation process was organized according to the minimal requirements of what is necessary, and its purpose was to inform the public of the results of planning activity and to ask for limited feedback that would justify the job already done. It is true that after the consultation process, some comments were incorporated or mistakes corrected, but nothing changed in the system and logic of strategic goals, objectives and tasks finalized before the consultation process. Since the consultations were public relations activity rather than a participation process, the stress in media reports was much more on listing the proposed projects or showing images of future objects of construction, than on explaining the logic of strategic planning to the wider public. It is not possible to offer empirical evidence, but there is reason to believe that the general public cannot really distinguish one type of a plan from another. The lack of will to make the whole strategic planning process closer to the public by involving citizens in the planning process certainly does not help to develop the

capacity of citizens to understand the possibilities and constraints of public actions in the urban environment of big cities.

Considering the participation of different types of actors in the case of Budapest, there is no difference between the two phases of the planning process for the *Development Concept* as the strategic document, and the preparation of the *Medium-Term Programme*. The city administration was involved only in communicating information to external planners considering different sectoral issues and proposals, excepting only the Chief Architect's Office which served as the main unit managing the planning efforts. Budapest district governments' politicians and planners were consulted in all consultation rounds, their official opinions were asked according to the legal requirements, but they were hardly involved in the planning process. Professional experts external to the planning activity, Budapest agglomeration settlements, and civil organisations were invited to periodical conferences when different versions of the *Concept* were presented. These conferences, and later forums, for the final version of the *Concept* and for the *Programm*e, were the dominant forms of an event in the consultation process. Ordinary citizens were invited through announcements in the media to the same events, but very few actually decided to come. As it was legally prescribed, the central state authorities were asked for written opinions before the documents could go for approval to the City Council; otherwise they were not being involved.

Therefore, strategic developmental planning in Budapest hardly shows any trace of participation of business and civil actors in the planning process despite the language of

cooperation and partnership referring to ‘widespread political and professional approval,’ and promising cooperation with a wide-range of social and business actors (Municipality of Budapest 2005a; similar in Municipality of Budapest 2003). There was hardly any attempt to devise a special strategy to involve civic groups and ordinary citizens, which remain at the margins of political decision-making and act only as the recipients of final decisions. City authorities were satisfied with a minimal consultation process, designed to satisfy unspecific regulations set up for the consultation on spatial plans.

In the similar fashion, the empirical evidence shows that the strategic processes in Warsaw have been limited to city authorities. The main actors in the general strategic planning processes and in spatial development planning were the two departments of the City Hall (Department for Development Strategy and European Integration and the Land Management Department, later the Chief-Architect’s Office), deputy-mayors responsible for strategic development, and a small number of contracted external experts, mostly urban planners. The Warsaw case demonstrates weak internal public sector integration, and a limited involvement of external experts. There was no direct participation of the business representatives and NGOs. Their involvement was limited to the sporadic meetings in the consultation phase. The involvement of the municipal authorities (Warsaw *gminas*) existing before 2002 and Warsaw districts after 2002 was very limited. Regional authorities were consulted only in the very last stage when almost final document was sent for their opinion. The national authorities were not directly involved in any way.

In the Warsaw case, however, limiting wider participation to the consultation process and limiting the consultation process to what was legally necessary had different reasons for the first strategic document approved in 1998 and the second one approved in the end of 2005. The first development strategy was done in a very fragmented and conflict-ridden system of local politics, and city authorities had no formal powers to ensure the implementation of city-wide policies. The reaction of the experts drafting the strategy and city administration working with them was to avoid discussions with those who showed strong opposition to integrated city-wide planning. Involving business associations, NGOs and citizen groups, even if there was a strong inclination to it, probably would not have lead to increased political ownership of the strategic directions in the extreme context of fragmentation of the local public sector, and therefore seemed as ineffective and time-consuming exercise to city planning authorities and involved experts alike.

The 2005 strategic document was, however, developed without those problems. The empirical evidence shows that there was an attempt to include actors outside of the city administration during 2004, especially the three meetings with non-governmental actors in the summer and fall 2004. Nevertheless, the 2004 meeting and the final 2005 consultation phase meetings with non-governmental actors were organised in such a way that no real participation in the decision-making process could develop. The structure of those meetings – a presentation from somebody from the Department for Development Strategy, no materials and questions sent in advance to the invited participants, putting different profiles of participants together, with different levels of understanding of public planning processes and different interests in the urban setting – did not leave any

possibility for well-informed, up-to-the-point, extensive comments, let alone any real exchange of opinions and information. Participation in the planning process, even in a segment of it, can develop only through purposeful, repeated and well-structured communication, not in *ad hoc* meetings where participants are asked to comment on the spot.

Effects of the strategic planning processes on building institutional relations of local governance

This analysis of institutional relations of strategic planning processes in Budapest and Warsaw since the beginning of transition, suggests that strategic planning processes have had only a limited effect on the development of the relations of governance in these two fast developing post socialist cities. That means that no change in the initial local government arrangement towards a form of governance relations was detected. The two case studies demonstrate consolidation of the previously existing governing arrangements by consolidating the political elite consisted of local politicians, public officials and external planning experts contracted out by city authorities. There is no evidence that shows a shift towards greater involvement of collective interest groups, be they business sector-related or civil in the character of their activities. In the same time, general public remained uninvolved - only informed - and the institutional aspect of strategic planning did not contribute to improving the state of local democracy by bringing decision-making closer to ordinary citizens.[7]

[7] Using the distinction pointed at by Klausen and Sweeting (2005) between traditional political participation in government vs. participation in governance, my research shows that the first type of participation is still relatively low in Budapest and Warsaw, excluding voting in local elections, and the second type is almost non-existent in the sphere of integrative policy-making such as strategic planning.

Contrary to the urban governance thesis that the proliferation of economic and social actors with their resources and power to influence urban development would lead local authorities to build close relations with some non-governmental players in order to be able to govern cities and influence urban development with limited local public resources, there is no evidence in Budapest and Warsaw that a similar process of building networks beyond the public sector has yet occurred. In small area initiatives, building close relations with involved business interests or local residents is noticeable (some brownfield developments or poor neighbourhoods' regeneration), but these networks developing in small areas do not translate into partnerships for larger action programmes or public participation in general strategic decision-making by city authorities.

Interestingly, however, the rhetoric of cooperation and partnership is already common in the political language of both announcements of what projects the city authorities will do in a near future and in complaining that others do not want to cooperate with the city or are not honestly interested in cooperation. Cooperation rhetoric developed faster than the

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Klausen and Sweeting define participation in government as "taking part in the processes of formulation, passage and implementation of public policies. It is concerned with action by citizens which is aimed at influencing decisions which are, in most cases, ultimately taken by public representatives and officials" (Parry et al. 1992: 16, as quoted in Klausen and Sweeting 2005; 220). It includes implementation, but it primarily concerns influencing the nature of the policy, i.e. the formulation of the policy.

In contrast to this type of participation, participation in governance "tends to refer to the involvement and interaction of the organisations and institutions which have responsibility for or are concerned with collective action in the public sphere. Horizontal relationships between actors or stakeholders in networks are characteristic of governance, and it is implied that those participating in governance are affected by the policy" (Klausen and Sweeting 2005: 220). Interactive decision making is the characteristic of this type of participation and this type of governing. "In contrast to traditional participation in government, participation in governance tends to refer to the interaction of a number of collective actors" (Klausen and Sweeting 2005: 221).

genuine feeling that non-governmental actors needed to be included in local public policy-making, or the desire to approach those actors in order to increase the influence of the public sector in city development through network or coalition building. Consequently, the capacity of city administration and politicians to accommodate a participatory or network building approach with their bureaucratic or politics–driven routines remains weak, with no visible will to developed it.

Instead of developing broader governance relations, public institutions focused on integrating city-level government activities and coordinating with the lower tier of district government. Therefore, the internal integration of the local public sector decision-making has been the main challenge for public authorities in Budapest and Warsaw since the beginning of transition, and has been achieved with various success.

Obstacles to developing public participation in local policy-making in post-socialist Budapest and Warsaw: A tentative view

Finally, one can ask why strategic planning in Budapest and Warsaw did not produce any governance relations and more participatory policy-making in the fifteen years following the systemic change. Why has the opportunity not been used, contrary to the expectations of the strategic planning paradigm and international support for strategic planning as a tool for building institutional relations characteristic for urban governance rather than government? Why is it that internal public management was the main institution-building challenge taken on by city authorities in both cities? Why could a greater involvement of collective interest groups and citizen participation not be achieved? What obstacles led instead to the consolidation of political and selected professional elite?

Decentralisation reforms in the beginning of the post-socialist transition placed a great value on municipal autonomy, thus Budapest and Warsaw were faced with two-tier administrative systems that supported fragmentation in the city-wide policy-making. Coupled with a lack of experience of new political leaders and administrators with the autonomous working of democratic municipal authorities, integrated public management within the fragmented administrative structures presented a great challenge for city leadership in both cities. Furthermore, financial support from the central government for municipal level authorities in fulfilment of their mandatory tasks was limited. Anti-capital city sentiments country-wide - averse to understanding specific problems of large cities such as Budapest and Warsaw - were often dominant in the national parliaments when considering legislative decisions affecting capital cities. This all shows that intergovernmental relations – both vertical and horizontal – were a serious obstacle for city authorities in their attempt to coordinate policies.

In such a fragmented local government system, establishing political leadership at the city level was a challenge. In Warsaw, effective political leadership was impossible throughout 1990s despite the ambitions of the successive mayors. The instability of political leadership, shown by in the fact that Warsaw had five different mayors and two commissioners in four election terms, cannot be explained solely by the extremely fragmented and volatile administrative structure of the capital city, but it was greatly facilitated by it. A new administrative reform was always looming on the national political agenda, expected with high hopes or deep fears. In other words, the local context

was frequently changing, which led to low political expectations about long-term decisions. In such a situation, the political orientation of the mayor and city council plays a minor role in explaining the attitudes towards inclusion of interest groups and participation of citizens in strategic policy making processes.

In this respect, Budapest is a different case. It shows great political stability at the city-level in spite of the relatively fragmented but also more stable two-tier local government system. In the situation when the city mayor and the political coalition running the City Council remain unchanged for sixteen years, the political orientation of the city leadership can be a significant factor in explaining the attitude of the city government towards greater participation of non-governmental actors in policy-making. However, we see no difference in the attitude of local authorities towards inclusion of business and civil interest groups and citizens at large in strategic policy-making. A lack of interest in applying partnership and participatory methods is visible in both cases – both in Warsaw with its unstable political leadership and in Budapest with its stable leadership and predominantly liberal values for city development.

Nevertheless, building governance relations requires not only the willingness on the government side, but also willingness and capacity on the part of non-governmental actors to be potential partners to the local public sector. Though many foreign investors are interested in Budapest and Warsaw, neither local entrepreneurs nor foreign companies express much interest in policy-making. Business sector associations exist, but are not strong and willing to get involved in local development processes beyond the immediate

interest of their members. The associational aspect is even weaker when it comes to civic interests. Existing NGOs are either weak representatives of the civil interest they claim to represent, or have very limited resources and organisational capacity to get involved in public policy making. This demonstrates that despite fifteen years of democratisation and favourable economic development, the potential partners for city authorities are either weak or disinterested in policy-making, while city authorities do not encourage civil organisations to develop the capacity to work closely with city authorities in developing, implementing or monitoring policies. This also shows something about the present political culture in post-socialist cities, both on the side of non-governmental actors – be them individual or collective – and on the side of public authorities.

Concluding remarks: Possibilities of public participation in strategic planning in large cities?

Looking at the evidence of limited and rather procedural public participation in strategic planning at the city government level in both Budapest and Warsaw, it can be concluded that cooperation with non-governmental actors might develop in site-specific or individual policy initiatives, but it does not affect the general pattern of public policy-making and the attitude of local public authorities towards inclusion of both collective actors and citizens. This conclusion, however, leads to raising further questions about the expectations, realistic possibilities and limits of public participation in local policy-making.

First, at what level of local decision-making in larger cities can we realistically expect public participation to develop or to be supported by local public authorities? Is the

project level, usually more site-specific than general policies, the most likely level of local decision-making where the demand for public participation arise both from the public sector and citizens' perspectives? Is it also the only decision-making scale where local authorities can come up with the strategy and method of involving citizens without difficulties? Or decision-making processes associated with *policy*-development, be it sectoral or more general developmental policy, can be designed to include public participation in the actual decision-making on the directions for future development?

Second, are there greater methodological difficulties in involving the public in such policy-making processes in large cities vis-à-vis smaller cities and towns, and how to overcome these size-specific difficulties with an adequate participation strategy? Many times in interviews for my research it came out through the first-hand experience of planning experts that some smaller cities, primarily in Hungary and but also in Poland, achieved greater participation and more interactive process in strategic planning than capital cities. Public officials, on the other hand, often questioned the idea of feasibility of public participation in policy-making in a large city referring to the methodological difficulties in designing a participation strategy in a city of 2 million people. These comments always indicated that there might be something about the sheer complexity of large-size cities in the same time being capital cities and affected by many expectations and interests, that added yet another dimension to the list of factors that impeded the development of public participation.

Finally, what are the effects of the EU discourse supporting public participation in decision-making on the actual level and quality of participation at the municipal level? In the post-socialist CEE, this EU discourse has been supported by the international organizations offering advise on decentralization reforms since the early 1990s. The rhetoric of participatory decision-making in the local matters is clearly present in the political language in CEE, but the actual practice of public participation greatly lags behind. Budapest and Warsaw authorities do not miss the opportunity to state the wide consultation with the public, almost as an expression of political correctness, but when asked about the details of how they did it and who actually took part in decision-making, there is very little that they can say to demonstrate their commitment to developing participatory decision-making processes.

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