

# Policy Diffusion at the Local Level: Participatory Budgeting in Estonia

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## Abstract

The existing studies on participatory budgeting (PB) have paid very limited attention to how this participatory tool has spread across local governments (LGs), what kind of diffusion mechanisms have played a predominant role, and which actors and factors have influenced its adoption. Our article seeks to address this gap in the scholarly discussion by exploring the diffusion of PB across LGs in Estonia, where it is a rather new phenomenon. Our qualitative study demonstrates that the diffusion of PB in Estonia has so far been driven by the interaction of two mechanisms: learning and imitation. We also find that an epistemic go-between, information-technological solutions, and the characteristics of the initial adopter played a significant role in shaping the diffusion process.

## Keywords

participatory budgeting, local governments, policy diffusion, citizen participation

## Introduction

Participatory budgeting (PB)—a process of citizens' involvement in the budgetary process—was pioneered in the Brazilian city of Porto Alegre at the end of the 1980s and has, by now, been widely applied all over the world, numbering at least 1,500 cases (Baiocchi and Ganuza 2014).<sup>1</sup> It has often

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been celebrated as the triumph of participatory democracy, as the “democratic innovation” stemming from the South, enabling the empowerment of citizens through engaging them in public decision-making processes.<sup>2</sup> The growing number of PB cases worldwide demonstrates the deficiencies of representative democracy that does not fully satisfy citizenries anymore (Geissel 2009). The notions of political distrust and citizens’ apathy are commonly used to describe the political landscape in many countries today. It is, therefore, important to find ways to combine elements of direct and indirect democracy, which is what PB as a social experiment strives to do (Novy and Leubolt 2005). Fung and Wright (2003, p. 7) categorized PB as one of the “empowered deliberative democracy” reforms that are “democratic” in their reliance on the participation of ordinary people, “deliberative” in their advancement of “reason-based” decision making, and “empowered” in their efforts to “tie action to discussion.” Thus, it is expected that PB, by integrating elements of representative and direct democracy, can, on the one hand, enhance the legitimacy of authorities, and, on the other hand, provide citizens with participation skills.

Reflecting the growing spread and importance of PB, there is an increasing body of scholarly research describing the implemented PB practices and their results (see, for example, Cabannes 2004; Franklin, Ho, and Ebdon 2009; Krenjova and Raudla 2013; Shah 2007; Sintomer, Herzberg, and Röcke 2008; Sintomer, Röcke, and Herzberg 2016; Souza 2001). Although several studies point to the “global diffusion” of PB (Ganuza and Baiocchi 2012; Goldfrank 2012; Sintomer et al. 2014), only limited attention has been paid to how this participatory tool has *diffused* across local governments (LGs) *within* a country. The literature on policy diffusion—which started with the seminal works of Rogers (1962), Walker (1969), and Gray (1973), and has since blossomed into hundreds of studies (for recent overviews, see Graham, Shipan, and Volden 2013; Shipan and Volden 2008)—can provide us with useful analytical lenses for exploring the spread of PB.<sup>3</sup> Despite the potential insights the policy diffusion literature could offer, so far only two studies (Spada 2014; Wampler 2010) have employed it for examining the spread of PB. These studies, however, have used *quantitative* approaches to explore the diffusion of PB. They have, for example, examined the impacts of party affiliation of elected officials, the wealth of the municipality, and the geographic location on the adoption of PB in the Brazilian LGs (Spada 2014; Wampler 2010). Given the rising importance and popularity of PB, however, it would also be useful to uncover—via more *in-depth* methods of *qualitative research*—what kind of mechanisms, actors, and factors drive and influence the spread of this instrument. Qualitative approaches to exploring the diffusion of PB help to shed additional light on the motives of LG officials for

adopting PB, what kind of factors are significant in affecting their decision to pursue PB, and how other policy actors (e.g., what the policy diffusion literature calls “go-betweens”) can influence the diffusion process. Exploring what kind of mechanisms have driven the diffusion of PB, in turn, can help us understand its outcomes. The policy diffusion literature has argued, for example, that policy innovations driven by the mechanism of learning can lead to more effective policies than those motivated by imitation (e.g., Tolbert and Zucker 1983).

Our article seeks to address this gap in the existing scholarly discussion on PB. We do this by exploring the diffusion of PB across LGs in Estonia. We view Estonia as a particularly useful case for exploring the spread of PB. First, it is a new democracy with, so far, limited traditions of using participatory tools at the local level. Thus, the Estonian case could provide useful insights about how PB spreads in *prima facie* relatively unfavorable conditions and what factors facilitate the diffusion of a participatory initiative in a setting where political culture does not yet entail extensive engagement of citizens in governmental decision making. Second, the relative newness of the adoption of PB tool by the Estonian LGs allows us to track the diffusion mechanisms when they are still relatively fresh in the policy actors’ minds.

Indeed, PB in Estonia is a rather new phenomenon, launched first by the city of Tartu in spring 2013. The topic was introduced to the Tartu city authorities and later on consulted by an Estonian nongovernmental organization (NGO)—e-Governance Academy (eGA) Foundation. A couple of years later, this policy instrument has spread all over the country, numbering 14 LGs in Estonia, as of January 2016. Our article aims to answer the following research questions:

**Research Question 1:** What mechanisms have driven the interdependent spread of PB among Estonian LGs?

We are particularly interested in whether the diffusion has been driven by the mechanisms of imitation, learning, competition, or coercion—and whether the predominant mechanism of diffusion has changed over time.

**Research Question 2:** Which factors and actors have stimulated the diffusion process?

We are interested, *inter alia*, in what role the modern technologies (in particular the IT solutions available to the Estonian LGs) have played in the diffusion process. The empirical study uses qualitative methods (analysis of legal and policy documents, observation of procedures, and semistructured interviews with public officials) to answer these research questions.

The article is structured as follows. First, in the “Theoretical Framework” section, we develop a theoretical framework, which draws on the literature of policy diffusion to outline the typology of diffusion mechanisms and to discuss the factors that shape the diffusion process. The “Findings” section reports the findings of our empirical study and discusses their implications in light of the theoretical propositions on policy diffusion. The “Conclusion” section summarizes the results of the study.

## Theoretical Framework

Diffusion has been defined as “any pattern of successive adoptions of a policy innovation” (Eyestone 1977, p. 441). However, it has been acknowledged that diffusion can occur without any interdependency among actors (e.g., because of the common contextual effects) (Gilardi 2003; Meseguer 2006). Therefore, Gilardi (2003) distinguished between spurious and interdependent diffusion. Whereas the former is the outcome of independent actors reacting to similar pressures, the latter is a result of the influence from others. In this article, we focus on interdependent policy diffusion, whereby “one government’s decision about whether to adopt a policy innovation is influenced by the choices made by other governments” (Graham, Shipan, and Volden 2013, p. 675). The definition of policy diffusion leaves open the questions of *why* and *how* policies diffuse (Graham, Shipan, and Volden 2013). Hence, one of the main research areas in the policy diffusion literature is the diffusion mechanism, which can be characterized as “a systematic set of statements that provide a plausible account of why the behaviour of A influences that of B” (Braun and Gilardi 2006, p. 299).

In the following discussion, we outline the core theoretical insights of the policy diffusion literature about the mechanisms of diffusion and the impact of various actors and factors on the process. Although the arguments developed here are general (i.e., relevant for any policy innovation), the conjectures and propositions about the mechanisms of policy diffusion and the role of various actors and factors in the process can be expected to be applicable to the diffusion of PB across LGs as well.

The numerous studies that have explored the process of policy diffusion have used various terms to capture the different mechanisms at play<sup>4</sup> and also attempted to develop typologies of diffusion mechanisms (e.g., Braun and Gilardi 2006; Douglas, Raudla, and Hartley 2015; Gilardi 2003; Graham, Shipan, and Volden 2013; Karch 2007). The most often used typology distinguishes between four mechanisms of diffusion: learning, imitation, competition, and coercion.

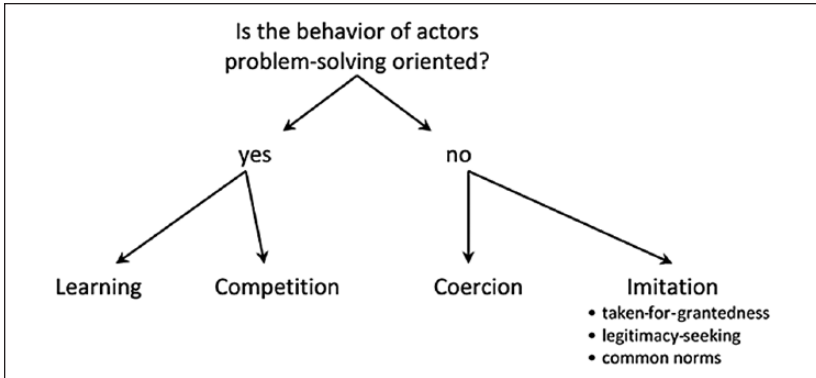
*Learning*, one of the most popular diffusion mechanisms referred to in the literature, is an elusive concept subject to extensive theorization (Meseguer 2006). In terms of diffusion processes, it is often stated that learning takes place when policy actors update their beliefs about the effectiveness of a policy based on the experience of other jurisdictions (Braun and Gilardi 2006; Meseguer 2006). By observing the adoption of a policy and its impacts, policy makers in a given jurisdiction can learn from the experiences of others (Shipan and Volden 2008). In other words, we can speak of learning as a diffusion mechanism when the behavior of jurisdiction A has an impact on that of jurisdiction B because it “conveys relevant information about policy choices” (Braun and Gilardi 2006, p. 299). When the adoption of a policy innovation is driven by learning, officials seek to assess whether a policy innovation used elsewhere would help them address specific problems in their jurisdiction (Shipan and Volden 2008).

In the case of *imitation*, policy makers do not alter their beliefs about the efficacy of policies. Instead, they adopt a policy innovation because it helps them to enhance their reputation and legitimacy or because it has become the norm.<sup>5</sup> The goal of the jurisdiction here is to raise its profile and receive reputational payoffs (Douglas, Raudla, and Hartley 2015). In the case of imitation, the adopter jurisdictions may view the policy innovation as a “stamp of legitimacy,” meaning that it is “deemed acceptable by other policy makers” (Martin 2001, p. 477). Thus, the adoption of the policy instrument would allow the jurisdiction to demonstrate that it is acting in a proper and adequate manner (Braun and Gilardi 2006).

*Competition* (sometimes referred to as competitive interdependence) drives policy diffusion when the adoption of a policy by one jurisdiction creates policy externalities that have to be taken into account by other jurisdictions (Braun and Gilardi 2006; Simmons and Elkins 2004). When the adoption of a policy in jurisdiction A creates spillovers for jurisdiction B, the latter might respond to this by adopting a policy that takes into account these externalities (Füglister 2012).

Finally, *coercion* is present in the majority of the theoretical discussions on the mechanisms of policy diffusion. It implies that a coercive actor uses sticks and carrots, for example, in the form of grants and regulations, to induce the government to adopt a particular policy (Douglas, Raudla, and Hartley 2015).<sup>6</sup>

Figure 1 provides a schematic overview of the four main mechanisms of policy diffusion. Taking the perspective of Gilardi (2003), the mechanisms can be distinguished on the basis of their problem-solving orientation. Learning and competition are geared at problem solving, whereas imitation and coercion (at least in the eyes of the adopter) are not. Imitation encompasses such



**Figure 1.** Diffusion mechanisms.

Source: Krenjova and Raudla, drawing on Braun and Gilardi (2006) and Gilardi (2003).

mechanisms as taken-for-grantedness, legitimacy-seeking, and common norms (Braun and Gilardi 2006; Gilardi 2003). It is worth emphasizing here, however, that diffusion mechanisms are often interrelated and hard to disentangle; they are often viewed as complements rather than substitutes (Graham, Shipan, and Volden 2013). In particular, there can sometimes be a rather vague line between learning and imitation. For example, some authors claim that learning does not need to be exclusively about policy effectiveness; policy makers may want to learn about policy's political viability or implications for reelection. They might learn not only from policy but also from political outcomes, in which case the boundary between imitation and learning becomes somewhat blurred (Gilardi 2010; Graham, Shipan, and Volden 2013).

The mechanisms that play a role in the diffusion of a policy innovation also depend on the *characteristics* of a policy at hand. Nicholson-Crotty (2009) argued that such policy characteristics as *salience* and *complexity* of a policy influence whether policy makers decide to forgo a more detailed gathering of information about a policy (i.e., policy learning) and opt for a more immediate adoption of the policy. Thus, policy innovations characterized by high salience and low complexity are more likely to diffuse rapidly. Also, he argued that in cases where the initial adopter has a history of innovativeness, the policy is likely to be adopted quickly by others. This implies that the *reputation* of an initial adopter can play an important role in the decision about “skipping” learning.

As emphasized in the existing scholarly discussion on policy diffusion, even if we look at the same policy innovation, the underlying mechanisms of its diffusion may *vary over time*. On one hand, it has been observed that while

“early adopters” of the policy innovation are often driven by learning, for the “late adopters,” imitation is likely to be a more important mechanism (Simmons and Elkins 2004; Tolbert and Zucker 1983). On the other hand, it has been argued that the effect of learning should increase over time as more evidence about the effects of the policy innovation become available (Gilardi, Füglistler, and Luyet 2009).

Recent literature has pointed to the importance of different actors in the macro environment of jurisdictions who are able to influence diffusion mechanisms. Graham, Shipan, and Volden (2013) differentiated between *internal actors*, *external actors*, and *go-betweens*. The last group can, in turn, be divided into *top-down* and *epistemic go-betweens* (Douglas, Raudla, and Hartley 2015). Internal actors are those inside the governments that consider the adoption of the policy (i.e., elected politicians, bureaucrats). External actors are those governments that already adopted the policy, and go-betweens are actors that act across multiple jurisdictions (Graham, Shipan, and Volden 2013). The top-down go-betweens exert top-down pressure on the lower-level jurisdictions, and epistemic go-betweens—in the form of professional associations, think tanks, and advocacy groups—diffuse knowledge and evidence about the policy through conferences, publishing manuals and books, and lobbying governments (Douglas, Raudla, and Hartley 2015; Karch 2006). Stone (2000), for example, had looked at the role of think tanks in the process of policy transfer and argued that their importance lies in the ability to diffuse ideas by acting as a clearing house of information, as advocates of policies, by networking and by providing expertise on specialized policy issues. She argued that the prime importance of a think tank in the diffusion of a policy process is in “the construction of legitimacy for certain policies and in agenda-setting,” and it is usually part of the think tank’s mission to analyze the developments abroad and their applicability to local conditions (Stone 2000, p. 66). However, think tanks are very dependent on formal political actors, who are responsible for the actual adoption of the policy. Hence, the knowledge that think tanks provide is not a sufficient condition for diffusion to occur. Stone emphasized that their impact on policy diffusion is conditioned by “the technical feasibility, value acceptability, budgetary constraints and the degree of political support or opposition” (Kingdon 1984, p. 21).

In all the institutional entities mentioned above, an important role can be played by individual “policy entrepreneurs.” Kingdon (1984, p. 129), who was one of the first scholars who used the term “entrepreneur” in the context of public sector, defined policy entrepreneurs as “advocates for proposals or for the prominence of ideas.”<sup>7</sup> In contrast to other actors and organizations that participate in the policy making, policy entrepreneurs have the desire “to significantly change current ways of doing things in their area of interest”

(Mintrom and Norman 2009, p. 650). Thus, policy entrepreneurs are individuals who seek to promote policy change and are willing to invest their resources of expertise and persistence to pursue the adoption of a policy innovation (Mintrom 1997; Mintrom and Norman 2009). Policy entrepreneurs can facilitate the adoption of policy innovations by identifying problems, highlighting the failures of current policies, building coalitions to promote change, and undertaking demonstration projects (Brower and Biermann 2011; Mintrom and Norman 2009).

In the following section, we use the analytical framework developed above for examining the diffusion of PB across LGs in Estonia. Thus, we will be focusing on the following sets of questions: First, what mechanisms have driven the interdependent spread of PB among Estonian LGs? Has the diffusion been driven predominantly by imitation, learning, competition, or coercion—or a combination of these mechanisms? Has there been a shift of a predominant mechanism over time (e.g., from learning to imitation)? Has the PB model used by early adopters (e.g., its salience and simplicity) influenced the diffusion process among later adopters? Did the reputation of the early adopter(s) shape the diffusion mechanism(s) among later adopters? Second, which factors and actors have stimulated the diffusion process? In particular, was the diffusion of PB among LGs in Estonia facilitated by any go-betweens (e.g., think tanks or NGOs) and policy entrepreneurs? If yes, what role did they play?

## Findings

### *Background About LGs in Estonia*

Independent LGs were reestablished in Estonia in the early 1990s, when most of the legislation on LG and its finances were written. The Constitution of the Republic of Estonia (1992) states in §154 the right of local authorities to manage local issues: “All local issues shall be resolved and managed by local governments, which shall operate independently pursuant to law.” It can be argued, however, that the actual financial autonomy of the LGs in Estonia is rather limited: They are almost fully dependent on central government transfers in the form of shared taxes or grants. The (share of the) personal income tax and grants from the central government make up 70% of LG revenues (Sannik and Jõgi 2011). In administrative-territorial terms, Estonia is divided into 213 municipalities (30 cities and 183 rural municipalities). There is a great variation in size: The largest is the capital city Tallinn with a population around 440,000, while two-thirds of LG units have less than 3,000 inhabitants.<sup>8</sup>



## *The Adoption of PB in Estonian LGs*

The topic of PB was first introduced to the decision makers in Estonian LGs in the autumn of 2011 in the framework of the project “Participatory Budgeting in Local Governments”<sup>9</sup> implemented by eGA.<sup>10</sup> The project was focused on the elaboration of the PB model for the Estonian conditions and its introduction to LGs in Estonia. Its activities included the analysis of the international PB experience, the development of a suitable PB model for Estonia, consultation with stakeholders and adaptation of the model, publishing and dissemination of PB manual, and conducting seminars on the topic.

After a discussion seminar in December 2011, the talks about a pilot project in Tartu were revived in spring 2013. The city of Tartu, located 185 km south of Tallinn with a population of roughly 100,000 residents, is the second largest city in Estonia. It became the first city in Estonia to try PB and decided to allocate 1% of its investment budget through PB. The preparation process of the PB pilot project in Tartu was led by eGA (Krenjova and Reinsalu 2013). Although initially, only the city of Tartu showed interest in adopting PB, soon after Tartu’s experiences with PB received nationwide attention, other LGs decided to jump on the bandwagon. By January 2016, 14 municipalities in Estonia have already implemented the PB initiative. Table 1 and Figure 2 give an overview of these cases. As Table 1 indicates, PB has been adopted by larger and medium-sized municipalities: None of the LGs with PB have less than 2,000 inhabitants. As of January 2016, one city (Tartu) has implemented three rounds of PB (one per each fiscal year), three cities have had two iterations, and the remaining have had one.

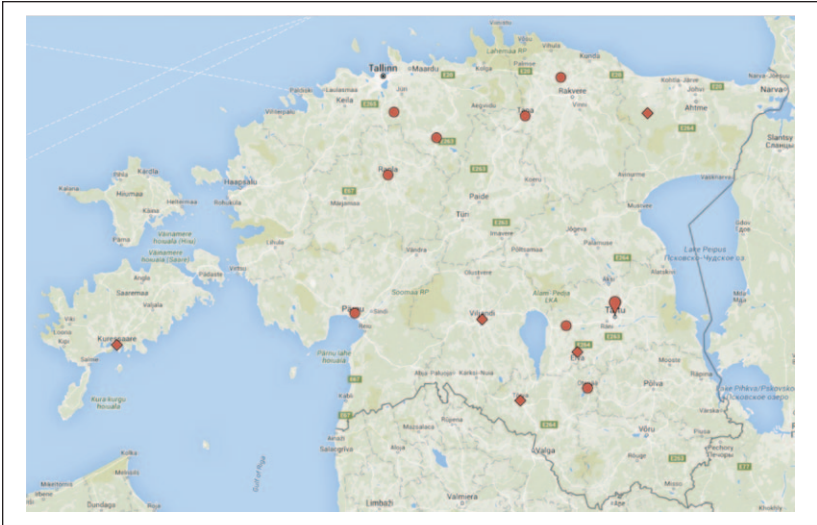
The PB models used by the Estonian LGs have minor procedural differences. Variations concern the amount of money allocated for PB, the characteristics of the voting procedure (open vs. closed, the number of votes per participant, and the electronic platform used), and the duration of the process. The general model consists of the following stages. First, the local authorities decide upon the amount of money to be provided for PB from the local budget. As seen from Table 1, this sum can range from 140,000 to 5,000 EUR, which constitutes only a small fraction of a local municipal budget. Second, the gathering of ideas from the residents on how to spend the PB budget takes place. Third, the submitted ideas are analyzed and discussed in one or several phases, depending on the municipality. For instance, the analysis and the discussion of the submitted ideas in Tartu last approximately one month: The initial expert analysis that focuses the technical feasibility of the project proposals (e.g., whether the budget of the proposal is realistic) is followed by open thematic forums, where proposed ideas are discussed by citizens and experts in the field. Fourth, the residents vote on the selected ideas. The

**Table I.** PB Cases in Estonian Local Governments.

Local Government (Cities and Parishes)	Population	The Initiator of PB	Inception of PB (Year)	Amount of Money for PB (EUR)	Voting Method KOVTP/Paper	VOLIS/ Paper	Turnout (%) Last PB Voting	% of Total Budget
Tartu City	98,332	eGA	August 2013	140,000	VOLIS + on paper		4.7	0.09
Kuressaare City	13,009	Electoral campaign 2013	April 2014	30,000	VOLIS + on paper		3.8	0.15
Elva City	5,666	Electoral campaign 2013	October 2014	10,000	Only VOLIS		4.6	0.11
Viljandi City	17,549	Head of the Parish Council/eGA	October 2014	30,000	VOLIS + on paper		5.1	0.13
Tõrva City	2,690	Electoral campaign 2013	December 2014	10,000	KOVTP + on paper		3.1	0.26
Lüganuse Parish	2,941	Parish elder	December 2014	20,000	Digital signature + on paper		5.1	0.58
Tapa Parish	7,739	Parish elder	January 2015	15,000	Only on paper		5.7	0.18
Puhja Parish	2,219	NA	February 2015	5,000	VOLIS		NA	0.15
Rapla Parish	9,051	Parish Council (Coalition)	April 2015	30,000	KOVTP + on paper		3.4	0.19
Otepää Parish	3,727	Parish elder	August 2015	8,000	KOVTP + on paper		2.7	0.14
Kose Parish	7,209	Parish Council (Opposition)	September 2015	10,000	KOVTP + on paper		2.5	0.11
Pärnu City	39,784	City Government	October 2015	30,000	VOLIS + on paper		2.2	0.05
Kilili Parish	5,229	Head of the Parish Council	December 2015	15,000	KOVTP + on paper		13.2	0.19
Halljala Parish	2,441	Parish elder/eGA	January 2016	7,500	KOVTP + on paper		4.7	0.26

Source. Krenjova and Raudla, drawing on the interviews, websites of LGs, Statistics Estonia (population data as of June 5, 2015), State Gazette, personal communication over email (Krenjova, 21.04.2016, 24.05.2016, 25.05.2016).

Note. PB = participatory budgeting; eGA = e-Governance Academy; VOLIS = Estonian acronym for "information system for local councils" (volikogu infostisteem); KOVTP = Estonian acronym for "service portal for a local government" (kohaliku omavalitsuse teenusportaal).



**Figure 2.** The spread of PB in Estonia (January 2016).

Source. Google maps. Adjustment by Krenjova and Raudla.

- 📍 Indicates the initial adopter in August 2013
- ◆ Indicates emerged PB cases in 2014
- Indicates emerged PB cases in 2015 and in January 2016

Note. PB = participatory budgeting.

voting takes place via e-tools (KOVTP and VOLIS) as well as on paper. The average turnout has so far been 2.5%, which is rather low and points to one of the major challenges PB faces in Estonia. Finally, after the winning project is picked by the voters, the local authorities proceed with the implementation of the winning idea.

As PB is a rather new practice in Estonia, only preliminary remarks can be made about where the Estonian model fits in the taxonomy of PB models elaborated by scholars in the field. Sintomer et al. (2014) distinguished between six models of citizen participation: participatory democracy, proximity participation, participatory modernization, multi-stakeholder participation, neo-corporatism, and community development. Broadly speaking, the Estonian PB model can be viewed as a hybrid of the first three. Even though the voting results are *binding* for the local authorities (i.e., citizens do have a direct decision-making power) like it is in the case of the pioneering Latin-American PB models, the marginal proportion of the overall budget they can decide upon (as indicated in Table 1) and the lack of social justice criteria make the Estonian version of PB different from these exemplary PB models.

Thus, we would be hesitant to categorize it as belonging fully to the category of “participatory democracy.” The Estonian PB model also includes elements of “proximity participation,” like dealing with small issues as well as having a low degree of politicization and mobilization. This model is focused on improving communication between citizens and local authorities, which is also one of the foci of PB in Estonia. On some dimensions, PB in Estonia is also similar to the “participatory modernization” model, which focuses on good management and increased legitimacy and is influential in Germany (Ruesch and Wagner 2014). Both proximity participation and participatory modernization models, however, are based on “selective listening,” that is, they have only consultative value, which is not the case in Estonia, where the citizens’ vote is binding. The case of Tartu, which has a more elaborate PB procedure than the other LGs and tries to involve different stakeholders through discussion forums, has the potential to move closer to the multi-stakeholder participation model, which is popular in Eastern Europe. For example, the version of PB used in Sopot, Poland, as described by Kębłowski and Van Criekingen (2014), is similar to PB in Tartu, though there are some significant differences with regard to the preselection of proposals by the local authorities. In the other LGs in Estonia, the public deliberation part of the PB procedures is mostly limited to the public presentation of proposals by the citizens; few LGs have discussion meetings or forums engaging citizens. Deliberation is, however, enabled by the electronic platform VOLIS, where, in addition to casting their vote, citizens can also publicly submit their own proposals and comment on the others, which, in principle, enables at least some online deliberation.

### *The Diffusion of PB in Estonia: Mechanisms, Actors, and Factors*

To explore the mechanisms behind the diffusion of PB in Estonia and to identify the factors and actors that contributed to the spread of this instrument, semistructured face-to-face and telephone interviews were conducted with LG officials from 13 (out of 14) municipalities implementing PB in Estonia by January 2016. While 12 of the interviews were conducted between January 2016 and April 2016, the interview with the officials of Tartu took place in February 2015. We approached the municipalities with the request to conduct an interview with the person who has the most information about the PB process in the given city/parish. Hence, in the majority of cases, we interviewed one person per municipality, except for two cities, where the interviewee decided to involve another official knowledgeable about the process. Unfortunately, we did not receive access to 14th municipality, which is why our interviews cover 13 out of the 14 cases. In terms of composition, 64% of

the interviews (nine cases) were conducted with elected officials and the remaining with civil servants.

The interviewees were asked about the PB procedure they adopted, how they found out about PB in the first place, who initiated it, what goals and motives drove its adoption, and what factors facilitated and hindered the adoption. The interviews were transcribed and coded independently by the two authors.

Relying on interview data and the perceptions of LG officials is certainly a major limitation of our study because it allows for a social normativity bias in reporting on the motives and goals of adopting PB. However, due to guaranteed anonymity, we received many frank answers during interviews, which leads us to believe that the bias is not excessive.

*Diffusion mechanisms of PB in Estonian LGs.* All respondents admitted that the example of Tartu was the primary source of information about PB, and for most of them, Tartu was the main case they were referring to when designing their own procedure. The media coverage of the first PB in Estonia was extensive,<sup>11</sup> and, hence, all municipalities were aware of the emerging initiative in Tartu through newspapers, radio, and TV. Therefore, according to most of the interviewees, the initial idea to implement PB in their own municipality came from the example of Tartu.

When asked about the reasons and motives behind the decision to adopt PB, almost all the respondents stated that an important goal was to involve citizens in local decision making and to get to know their worries and problems. In the words of one interviewee, “The elections are every four years, but PB allows asking for citizens’ opinions every year . . . It allows us to find out what the residents really want” (Interview F 2016). Or, as another put it, “Here in the local government, the officials may not always know what ordinary citizens want, what their main concerns are . . . It allows us to map the existing problems and gather additional ideas” (Interview B 2016). There was, however, one interviewee who noted, “Ideally, we would hope that through PB the residents propose a project that we were planning to undertake anyway” (Interview C 2016).

When asked further about the motives that led to the adoption of PB, several interviewees pointed to the low level of citizens’ involvement and participation in LG affairs. It was noted, for example, that the inhabitants have shown only limited interest in taking advantage of the participatory options open to them in the past (e.g., participating in public discussions over the long-term development plans and multiyear budget strategies and submitting their opinions about city planning) (Interview A 2016; Interview F 2016; Interview H 2016; Interview I 2016; Interview J 2016). Thus, it was hoped

that the adoption of PB would help to address this problem and that giving the citizens the chance to decide directly on the allocation of money would make participation more attractive for them. As one of the interviewees put it, “Perhaps PB—by allowing citizens to decide over finances – creates a habit of being more engaged” (Interview J 2016).

The citizens have become increasingly alienated from what the city government does and lost the sense of community. Their interest in city planning, for example, is very low. The hope was that PB would help to bring the city government closer to the citizens . . . and also to make citizens think what is needed in the city. (Interview I 2016)

We hoped that PB would activate the inhabitants and also allow us to collect information about their preferences regarding investments. . . . PB would help to develop the attitude that “who is active” will get their preferences implemented. (Interview K 2016)

People often think that they have their own life and the city government lives its own life . . . Nobody comes to us spontaneously, in order to tell us what they want. . . . PB allows us to overcome such a gap—people can see that their wishes can actually be realized. (Interview A 2016)

Three of the interviewees also pointed to the *educational* role of PB for the citizens. One of them mentioned that PB allows the municipality to educate the citizens about “the scarcity of resources” (Interview F 2016). An interviewee from another city (an early adopter) explained,

It is a pedagogical tool to teach citizens about the use of public resources—how it should be transparent, understandable and if you propose an idea you are responsible for it as well . . . It is not so that you can just propose it and then run away. . . . It also helps to teach the citizens that in order to achieve your goal, you need to cooperate. (Interview D 2016)

PB makes citizens think more systematically about the consequences of different spending proposals. (Interview I 2016)

In many cases, however, especially among the later adopters, the interviews indicated that the adoption of PB was primarily driven by motives of “following the trend,” enhancing legitimacy, and increasing “prestige”—features more characteristic to imitation rather than learning. As one of the interviewees put it, “Others are already doing it, so we want to do it as well” (Interview J 2016). Another stated, “It was a trendy thing, seemed new and cool, so we decided to adopt it as well” (Interview F 2016). Also, one of the respondents claimed that

as PB had already reached their county, they decided “to go with the flow” (Interview H 2016), while another respondent, when recalling how PB emerged in their LG, suggested that the journalist of the local county newspaper provoked the initiation of PB by asking if their LG is implementing PB too - “I think it was one of the journalists who asked, whether we are doing it too, and I answered, of course we are, and included it into the budget.” (Interview J 2016).

Several interviewees also conceded that by adopting PB, they could improve the image of an LG in the eyes of citizens because it creates the appearance of being an innovative local authority. As one of the interviewees put it, “Using PB allows us to create the image of being progressive and innovative” (Interview H 2016). In the words of another, “Using PB certainly enhances our prestige—it shows that we are an innovative city, willing to try out new things” (Interview L 2016). In one case, the interviewee even explained that PB was adopted to “make up” for a corruption scandal that had forced the parish elder to resign: It was viewed as an instrument for restoring some trust and showing that “things are done differently now” (Interview C 2016). In another case, the adoption of PB was linked to increasing the rate of the land tax: “The adoption of PB helped us to justify the increase in the tax rate—then we could argue that the additional revenues from the land tax would be used for financing the PB project(s)” (Interview H 2016).

With regard to motives related to competition, some of the interviewees did agree that PB can enhance the competitive advantage of the LG. For example, “If we let the citizens decide over a portion of a budget and others don’t, then it does give us a competitive advantage” (Interview L 2016). In none of the cases, however, was it viewed as a predominant trigger behind the adoption decision and even when it was mentioned, this factor appeared to have played only a minor role. Coercion was not mentioned by any interviewee as a motive behind the adoption of PB.

Table 2 gives an overview of the diffusion mechanisms that could be observed in different cases. In line with the theoretical expectations, we can see that the importance of imitation as a diffusion mechanism has increased over time and appears to be a more important motive for the later adopters (compared with the earlier ones). At the same time, the table also reflects that in several cases, the motives related to learning and imitation—that is, the attempts to solve the problem of limited participation and enhance the image and/or follow the trend—were mentioned in the same interview, indicating that diffusion may be driven by a *combination* of factors that interact. In several cases, the interviews indicated that although the primary trigger behind the adoption of PB (especially among the later adopters) were factors associated with imitation

**Table 2.** Diffusion Mechanisms in PB Cases in Estonia.

Local Government	Learning	Imitation	Competition	Coercion
Kuressaare (April 2014)	++	0	0	0
Viljandi (October 2014)	++	0	0	0
Elva (October 2014)	++	+	0	0
Tõrva (December 2014)	+	++	+	0
Lüganuse (December 2014)	+	+	0	0
Tapa (January 2015)	+	0	0	0
Rapla (April 2015)	+	+	+	0
Otepää (August 2015)	+	++	0	0
Kose (September 2015)	+	+	0	0
Pärnu (October 2015)	+	+	0	0
Kiili (December 2015)	0	++	0	0
Haljala (January 2016)	+	++	0	0

Source. Krenjova and Raudla.

Note. 0 indicates that the mechanism did not play a role in the adoption of PB. + indicates that the mechanism played at least some role. ++ indicates that the mechanism played a strong role. PB = participatory budgeting.

as a diffusion mechanism, the contemplation of PB also led to a more conscious acknowledgment of the preexisting problem(s) of citizens' passivity and limited participation (i.e., learning).

When it came to deciding *which model* to adopt, all of the LGs in Estonia used the example of the pioneer—Tartu—in deciding on how to implement PB. As one of the interviewees noticed, if one looks at the procedural acts governing the use of PB in different LGs, they are rather similar, “it seems as if the act of Tartu was taken and changed a bit in accordance with the local conditions” (Interview G 2016). At the same time, we can also observe that when elaborating on the PB procedure for their own municipality, the early adopters only looked at Tartu (Interview D 2016; Interview I 2016), but as PB spread to further LGs, some of the late adopters investigated the procedures of other LGs as well. Some also pointed to other LGs in their *county*<sup>12</sup> that served as examples for them (Interview H 2016; Interview J 2016). As all information on PB is available online (both on the websites of LGs and in the electronic State Gazette<sup>13</sup>), the analysis of the formal procedures of PB in Estonian LGs is rather unconstrained and was, hence, used as the primary method of gathering information about PB by all respondents.

However, most of the interviewees also mentioned that they tried to analyze the shortfalls of the format used by Tartu and also made conscious efforts to adjust the PB to local conditions (like the size of the municipality). Some



have experimented with the voting procedure (in terms of whether the results are observable in real time or after the voting is closed) (Interview I 2016) and the source of PB funds (e.g., increase in land tax) (Interview H 2016). The majority of the cases have shorter implementation periods than Tartu (the shortest being 1.5 months) but some LGs are considering prolonging this period (Interview D 2016) and are also looking into how to time the procedures better to encourage participation and voting (Interview K 2016). Some interviewees also pointed to potential adaptations to the object of proposals (e.g., proposals could also be made for organizing an event or providing a service rather than only for an investment) and to the possibilities of allowing citizens the opportunity to co-fund a proposal if it exceeds the sum allocated to the PB budget (Interview G 2016). Thus, we can again witness an interaction of *learning* and *imitation* taking place in the diffusion of PB in Estonia. While learning was somewhat limited, in the sense that the later adopters *only* looked at Tartu (and other early adopters in Estonia) rather than any other PB possibilities (from other countries, for example), there were still attempts to critically assess the pros and cons of the specific model adopted by Tartu (and other early examples) and to adjust the specific format to the local conditions. In two cases, the interviewees mentioned that after PB had been adopted in the LG, they personally looked closer into the topic of PB and read up on experiences from elsewhere (in Brazil in particular) (Interview G 2016; Interview K 2016).

In line with the theoretical predictions discussed in the “Theoretical Framework” section, we can observe that the *reputation of the early adopter(s)* and the *characteristics of the policy innovation* (salience and complexity) played a role in the diffusion of PB across LGs in Estonia. The first adopter—the city of Tartu—positions itself as “the city of good thoughts” and the “intellectual capital” of Estonia. It houses the Supreme Court of Estonia and the Ministry of Education and Research as well as the University of Tartu, which is the biggest and the oldest university in Estonia.<sup>14</sup> Tartu also has the reputation of an innovative city in e-governance and citizens’ engagement. For example, it has been involving citizens in decision-making processes on many local matters starting from everyday local issues (e.g., citizens as creators of tourist brochures) to the usage of e-tools (in particular, social media) in the preparation of public transportation tenders and the spatial planning of the city center (Krenjova and Reinsalu 2013). The outstanding reputation of Tartu does appear to have contributed to the rapid diffusion of PB as well as to the decision “to skip” learning (at least in some cases) by other LGs. Furthermore, the literature on policy diffusion suggests that policy innovations with *high salience* and *low complexity* are more likely to diffuse rapidly as well as induce the policy makers to immediately adopt the policy without

detailed gathering of information (Nicholson-Crotty 2009). The very broad international conceptualization of PB as a policy innovation enabled Tartu to adopt a rather “simple” version of PB, which certainly facilitated its diffusion to other LGs. According to the interviews, PB is perceived by approximately half of the respondents (with a majority of the late adopters) as a rather “easy” tool for engagement. The interviewees also reported that the implementation of PB does not cause any drastic increases in the workload. Furthermore, as PB practice is rather new to Estonia, the salience of this topic—as reflected also in the extensive media coverage—is high, which according to our interview data has certainly facilitated the diffusion of PB.

*Actors and factors influencing PB diffusion in Estonia.* Except for Tartu, where PB was initiated by the NGO, in all other LGs, *internal actors* initiated the process: either the head of or a member of the local council, parish elder or a member of the LG. Also, there were three instances when PB was part of the electoral campaign in the 2013 local elections and was later incorporated into the coalition agreement. It is noteworthy, however, that two other respondents (besides Tartu) mentioned the NGO (eGA) when referring to the initiation of the process. One of the interviewees was in frequent communication with an expert from eGA during another project (Open Government Partnership in Local Governments),<sup>15</sup> which was focused on the enhancement of the capacity of LGs in Estonia to implement open, transparent, and engaging governance. Participation in this project partially influenced the decision to adopt PB (Interview H 2016). eGA also introduced the concept of PB and the experience of the pilot project in Tartu at a council meeting in another LG, which later became one of the early adopters of PB. The decision makers of that city received consultations from eGA before the adoption of PB in their own municipality as well as after it. As the respondent claimed, the NGO played a large role also during the second year of implementation, when the municipality had already gained some PB experience and was able to ask for more advice (Interview D 2016).

Hence, looking at the actors that might have stimulated PB diffusion (external, internal, and go-betweens), the role of the *epistemic go-between*—eGA—is clearly observable. In 2011, eGA started to share the knowledge and to spread the idea about PB among LGs in Estonia by conducting seminars and publishing the manual that introduced the concept to Estonian LGs in the framework of its project (Interview M 2015). It has to be noted, however, that initially the idea of this project came from the founder of eGA, Mr. Ivar Tallo, who was in turn introduced to this concept by Prof. Alexander Trechsel from European University Institute in Italy. However, when it comes to PB implementation and knowledge diffusion on the national scale in Estonia, eGA has

played a profound role. It initiated and consulted the implementation process of the pilot project of PB in Tartu in 2013 and advised on further adaptation of the PB process during the next PB cycles. eGA has also introduced the concept of PB, presented the initial PB experience of Tartu, and indirectly influenced the decision of the PB adoption through its Open Government project activities in two other LGs. Therefore, eGA (with its experts) can also be considered as a policy entrepreneur who was promoting policy change in budgeting at the local level and facilitated the adoption of a new policy instrument. Furthermore, by publishing analytical reports and providing information on the first PB experience in Tartu, eGA played the role of the facilitator of learning.

PB diffusion in Estonia was clearly influenced by *external actors*: other LGs that had already implemented PB. As already mentioned, the most influential external actor was the city of Tartu, which was the main reference of all respondents. The first LGs to implement PB among other LGs in their county also stimulated the diffusion of this initiative. In this regard, it can be argued that Tartu being the main reference case for other LGs played an important role in making PB diffusion more rapid because it *legitimized* the rather small amount of money used for PB. The small PB budget is likely to have stimulated the spread of PB among late adopters, some of which claimed that there was no real controversy about the adoption of PB, as the amount of money is not that large (Interview B 2016; Interview C 2016).<sup>16</sup>

Among the factors that were conducive to the adoption of PB mentioned by respondents was the availability of the electronic platform and infrastructure for online voting.

Online voting in the PB procedures in Estonia is conducted through either of the two available information systems: KOVTP or VOLIS, both of which are available for LGs for a fee.<sup>17</sup> These systems were developed by a private company and funded initially through European Structural Funds with subsequent financial support from the Estonian government. KOVTP (Estonian acronym for “service portal for a local government” – “kohaliku omavalitsuse teenusportaal”) is a service portal for LGs that offers a website solution with a specific layout of information and an interface with many applications. VOLIS (Estonian acronym for “information system for local councils” – “volikogu infosüsteem”) is the information system for municipal councils and governments that enables them to conduct meetings and sessions online.<sup>18</sup> It should be noted that KOVTP is a much more popular (and cheaper) system being used by approximately 150 LGs, while VOLIS has 25 active clients (Interview N 2016). Both of the systems have a separate functionality (module) for public voting via ID card<sup>19</sup> as well as the function to automatically check the residency of the voter according to the population register.<sup>20</sup>

However, while PB functionality in VOLIS was elaborated specifically for the PB pilot project in Tartu, funded by Tartu city government, and has required features of security for personal and voting data, the voting enabled by KOVTP was designed for conducting public polls only. Hence, the latter, for instance, does not prevent double voting, which implies that the municipality has to check the voting data (presented in Excel) and manually delete the double voters (Interview N 2016).

While some of the LGs saw the existence of these e-tools as a comfortable way of organizing PB voting and enhancing transparency of the procedure (e.g., Interview B 2016; Interview G 2016; Interview J 2016), one of the respondents stressed the limited accessibility of one of the e-tools—VOLIS. According to the interviewee, there is no opportunity to purchase the separate PB module of VOLIS, because the owner of the system is not selling separate functionalities. However, purchasing the whole system (VOLIS) to perform online PB voting alone is clearly not reasonable and not affordable for small municipalities. The respondent argued that the nonavailability of decent e-tools for online voting is the main barrier for extensive diffusion of PB in Estonia, as the usage of KOVTP for PB is not the “correct” way to implement it. “The state,” as the interviewee put it, “was not able or did not want or could not provide the needed electronic channels free of charge for organizing it (PB)” (Interview L 2016).

Among the factors influencing the spread of PB, the level of financial resources at the disposal of an LG was also mentioned. One of the interviewees argued that the availability of financial resources was the conducive factor of PB adoption: “We became richer and life became better. Today we are not in the situation when we have to count every cent” (Interview C 2016). Conversely, the lack of financial resources was also viewed as a possible factor that could hinder the adoption of PB (Interview C 2016; Interview E 2016; Interview F 2016). As one of the respondents claimed, other LGs and especially smaller ones have to be aware that there is probably a minimum amount of money required for PB budget, below which the whole process might become meaningless (Interview F 2016). Taking into account the smallness of some of the parishes in Estonia, the financial constraint might be the main inhibiting factor for them in terms of PB adoption.<sup>21</sup>

## Conclusion

The goal of our article was to examine the spread of PB in Estonia through the theoretical lenses of policy diffusion literature. Despite the widespread adoption of PB across the world, there have been only limited attempts to understand and explain the mechanisms driving the diffusion. Our study is

thus a first attempt to employ the theoretical framework of policy diffusion for qualitative research on PB. Even though the number of investigated cases is limited, our study provides useful insights about the diffusion mechanisms and can provide input for further studies exploring the spread and implementation of PB. Also, although looking only at one country does limit the external validity of our generalizations, it allowed us to control for environmental conditions that might vary in a cross-country study.

The theoretical discussions on policy diffusion usually distinguish between four main diffusion mechanisms: learning, imitation, competition, and coercion. Our empirical study of the spread of PB in Estonia suggests that neither competition nor coercion were relevant mechanisms in the diffusion process of PB in Estonia. Most of the LGs were oriented to solving a problem of limited citizen participation and hoped that PB would help to activate the citizenry. However, the majority of them were also following the emerging trend of PB, with the aim of trying to be perceived as innovative local authorities. Hence, the diffusion of PB in Estonia has so far been driven by a combination of learning and imitation. In line with the predictions of the existing literature on policy diffusion, we can observe that the importance of imitation as a diffusion mechanism has been increasing over time: For the later adopters, legitimacy-seeking and norm-following have often been weightier motives for the adoption of PB than considerations related to learning.

Furthermore, as predicted by the literature on policy diffusion, the low complexity and high salience of this policy instrument contributed to the quick adoption of PB by an increasing number of local authorities. More specifically, the rather simplified version of PB that was elaborated by the NGO who introduced the concept of PB to Estonia (eGA) and the city of Tartu for the pilot project, in combination with the small amount of money allocated for PB, facilitated the quick adoption and the skipping of learning by other LGs. The extensive media coverage of the PB process in Tartu contributed to high salience of this policy instrument, aiding its diffusion. Furthermore, the reputation of the first adopter—the city known for its innovativeness—legitimized the model and also stimulated the diffusion. We can also observe that most of the diffusion of PB in Estonia was relatively “detached” from the international developments: Most of the LGs adopting the PB just looked at the model used by Tartu and did not examine other variants of PB adopted in other countries. Thus, in the Estonian case, the “first mover” who kick-started the PB diffusion played a fundamental role in what kind of PB has traveled to LGs in Estonia.

The eGA Foundation undoubtedly played a profound role as a policy entrepreneur: It advocated the introduction of the idea of PB in Estonia and invested its expertise in the adoption of this policy instrument. The NGO

disseminated the knowledge about the concept among LGs in Estonia as well as the evidence of the first pilot project by publishing analytical reports and providing information on the first PB experience. Hence, as an epistemic go-between, eGA stimulated the diffusion as well as acted as a facilitator of learning.

The PB diffusion in Estonia was also influenced by the availability of the existing e-tools for LGs that enabled them to conduct online voting on PB projects and hence decreased the costs of implementation. The role of Information and Communication Technologies (ICTs) in the process of formation of Estonian PB model(s) warrants further investigation. More specifically, it would be fruitful to examine more closely to what extent the availability of the ID card infrastructure and e-tools have had an impact on how PB is being institutionalized in the Estonian context. Also, if the spread of PB in Estonia continues, further research might focus on what kind of influence (if any) this instrument might exert on the political culture of the country. It is also worth researching what the peculiarities of PB model(s) in Estonia are, how the process is implemented, and what kind of instrument actually “traveled” from Brazil to Estonia.

With regard to the further outlook and sustainability of PB in Estonia, several factors may play a role. The majority of the officials we interviewed were inclined to continue with the implementation of PB owing to the positive experiences and benefits it has delivered. Also, given that the sums of money allocated to PB in the LGs are very small, the officials have limited incentives to discontinue it. Indeed, once the residents have been given the opportunity of PB, taking it away from them might be politically unpopular. However, in light of territorial amalgamation reform (with the goal to have at least 5,000 residents in each municipality) Estonia is currently undergoing, the future of PB becomes somewhat harder to predict. On one hand, there might be even more need for participatory processes like PB because of the greater distance between elected officials and citizens in larger municipalities. Also, the combined financial resources of amalgamated municipalities might contribute to the continuation of the process as there would be more funds available for PB. On the other hand, the adoption of PB is a political decision and it is not possible to forecast which of these initiatives will be continued in the amalgamated municipalities. In addition, expenses related to the ICT tools for implementing PB may call into question the further spread of PB to other LGs.

What kind of lessons can practitioners in other countries learn from our study? Our research demonstrates that having only small sums of money allocated for PB might be a “nonthreatening” way for local authorities to start experimenting with it, especially in countries where the local financial

autonomy is relatively low (which is the case in most of the Central and Eastern European countries). As the Estonian cases show, besides enhancing legitimacy, PB can also serve educational purposes for both sides. On one hand, authorities can use this instrument for learning about engagement practices and also experiencing how people can generate valuable ideas and provide them with useful information about investment needs. On the other hand, the residents have opportunities to learn about the scarcity of budgetary resources and also to acquire skills for participation. The Estonian experience with PB demonstrates that ICT solutions can facilitate the spread of the process and lower the costs of implementation, and, hence, practitioners in other countries should also strive to make the most use of them. It has to be kept in mind, though, that the e-voting infrastructure available in Estonia is still relatively unique, and this option may not be available in other countries. Our research also indicates that if the e-tools provided for PB are too expensive, they may start imposing limitations on poorer municipalities. Thus, using public (e.g., central government) funds to subsidize such ICT tools and make them available for free is likely to enhance the adoption of PB. Furthermore, our study also shows that to demonstrate the feasibility and benefits of PB, the kick-start of this process could be made by an exemplary city, with a high reputation among the other LGs. In the Estonian case, the city of Tartu had the willingness of elected officials and capacity of civil servants, combined with previous experiences with other types of participatory initiatives, which contributed to the emergence of a showcase that other municipalities wanted to learn from or imitate. Finally, our research shows that epistemic go-betweens (e.g., NGOs) can significantly facilitate *learning* about PB and aid LGs to adopt and improve their PB practices.

Our study demonstrates that the theoretical framework of policy diffusion could be a useful starting point for further comparative studies about how PB has spread in other countries. Further studies could look at, for example, whether the diffusion of PB is as strongly affected by the “first-mover” LG as it has been in Estonia. Also, one could explore whether epistemic go-betweens have played a similar role in introducing the PB in other settings. Finally, given the specificity of the Estonian context (especially its rather unique e-governance infrastructure), it would be fruitful to explore whether PB has diffused more slowly in (otherwise comparable) countries that lack such information-technological solutions.

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## Notes

1. According to other estimates, there were between 1,269 and 2,778 participatory budgeting (PB) cases in 2013 (Sintomer et al. 2014), including between 474 and 1,317 in Europe at the end of 2012 (Sintomer, Röcke, and Herzberg 2016). This difference, as outlined by Sintomer, Röcke, and Herzberg (2016), is due to the fact that it is difficult to get reliable data about the process.
2. However, recent studies on PB clearly point to the ambiguous impact of this instrument and the fundamental transformation of the idea of PB into a “value neutral” device (Baiocchi and Ganuza 2014; Ganuza and Baiocchi 2012).
3. It has been studied, for example, how policy diffusion is influenced by geographical proximity between the jurisdictions (e.g., Berry and Berry 1990), the prevailing ideology of the policy officials (Grossback, Nicholson-Crotty, and Peterson 2004), resource capacity (Bhatti, Olsen, and Pedersen 2011), and demographic characteristics (Tolbert and Zucker 1983).
4. In their literature review, Graham, Shipan, and Volden (2013) pointed to 104 different terms that have been used during the decades of diffusion studies.
5. The same features have been outlined by some authors as separate diffusion mechanisms, for example, common norms, taken-for-grantedness (Braun and Gilardi 2006), and legitimacy-seeking (Gilardi 2003).
6. In the context of a local jurisdiction, a national or state government can play the role of these actors (Douglas, Raudla, and Hartley 2015; Graham, Shipan, and Volden 2013).
7. Brower and Biermann (2011) distinguished policy entrepreneurs from policy intellectuals (those involved in the generation of new ideas), knowledge brokers (those providing links between different knowledge sources), and policy advocates (the ones that translate ideas into proposals). In their view, policy entrepreneurs are those actors that are involved throughout a policy change process. Mintrom (2013) differentiates interest group leaders from policy entrepreneurs in that they seek to change status quo policy arrangements.
8. To be more precise, 39 local government (LG) units out of 213 have a population under 1,000 inhabitants and only three cities have more than 50,000 residents (Narva: 58,375; Tartu: 97,332; and Tallinn: 413,782). The smallest municipality is Piiressaare rural municipality with 63 people, and Ruhnu Island the second smallest with 97 inhabitants (Estonian Ministry of the Interior; official website <https://www.siseministerium.ee/et>, Accessed November 3, 2015).
9. The project was financed by the Open Estonia Foundation.
10. e-Governance Academy (eGA) is a think tank and consultancy organization established in 2002 by the United Nations Development Programme, the Open



Society Institute, and the Government of Estonia. Since then, eGA has worked as an independent and mission-based nonprofit, nongovernmental organization aiming at the creation and transfer of knowledge and best practices concerning e-governance, e-democracy, and the development of open digital societies (eGA; official website <http://www.ega.ee>).

11. Tartu city government gathers media reflections about PB in Tartu on its official website <http://www.tartu.ee>. The links are accessible at [http://www.tartu.ee/?lang\\_id=1&menu\\_id=2&page\\_id=24703](http://www.tartu.ee/?lang_id=1&menu_id=2&page_id=24703) (Accessed June 5, 2016). During 2013, there were 39 media reflections about PB pilot project in Tartu.
12. The county is the first-level administrative unit in Estonia that aims to represent the central government at the regional level. County governments have supervisory and advisory functions regarding local authorities. Estonia is divided into 15 counties.
13. Riigi Teataja (in Estonian) or State Gazette is an official electronic publication of all Estonian legislative acts. See <https://www.riigiteataja.ee> (Accessed May 19, 2016).
14. The webpage of Tartu city for tourists is <http://www.visittartu.com> (Accessed May 19, 2016).
15. See the description of the project at the official website of the eGA: <http://www.ega.ee/project/open-government-partnership-in-local-governments-2/> (Accessed April 24, 2016).
16. The argument of small PB budget was also used by the opponents of the process during the initiation of PB by the early adopters. Namely, in one of the LGs, the debate focused on the PB budget being too small (Interview D 2016; Interview I 2016) and not large enough to be called “participatory budgeting.” In the opponents’ view, the concept of PB implies the possibility to have a say on the whole municipal budget rather than just a very small part of it, which creates misunderstandings for the public (Interview F 2016). Furthermore, the initiation of PB was also called “populism” by the opposition parties (Interview A 2016).
17. The monthly charge is 34 EUR for KOVTP and 63 EUR for VOLIS (Interview N 2016). VOLIS is the Estonian acronym for “information system for local councils” (volikogu infosüsteem); KOVTP is the Estonian acronym for “service portal for a local government” (kohaliku omavalitsuse teenusportaal)
18. Andmevara official website: <http://www.andmevara.ee/en/web/eng/products> (Accessed April 22, 2016).
19. Estonia has a national ID card system that enables every citizen to be identified in an electronic environment. More information about Estonian e-governance infrastructure can found at [e-estonia.com](http://e-estonia.com).
20. According to most PB procedures, only registered residents are eligible to vote.
21. This stands in contrast to the observation made in a quantitative study looking at the diffusion of PB in Brazil: Spada (2014) found that the availability of slack financial resources did not affect the adoption of PB significantly.

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