Despite the world-wide triumphant progress and obvious superiority of democracy, the quest for an optimal ‘politike’ has not reached the “end of history” (Fukuyama). Quite the opposite is the case: many democracies are facing increasing malaises. For example, the distrust of political elites as well as general political dissatisfaction are growing and many citizens doubt the abilities of representative democracies to govern complex societies or solve current problems.

While these malaises – some authors even speak of diseases, “demystification” and “deconsolidation” (Dalton et al. 2003; Habermas 1973; Offe 2003) – do not necessarily lead to far-reaching political crises, they are viewed as cause for concern. This concern is the breeding ground of new variants of democracy. More and more citizens, politicians and political scientists pin their hopes on the democratization of democracy to cure the malaises.

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1 This research was supported by a Marie Curie Intra European Fellowship within the 7th European Community Framework Program.
Especially democratic, participative innovations – as means of democratization of democracy by including citizens into processes of political will-formation and decision-making – would help to improve the quality of democracy, to overcome political apathy, to reduce the lack of legitimacy, to increase political satisfaction and would lead to more effective policies.

However, there are dissenting voices. They warn of the dangers of participative innovations and the inclusion of laypersons and actors, who are not legitimated by an electoral procedure. Under the cover and rhetoric of ‘grassroots democracy’ and ‘participatory governance’, the interests of groups with good resources and organizational strength could be pushed through – to the detriment of the common good (Raymond, 2002: 183). According to these voices participative innovations impede legitimate decision-making in the public interest, because they contain the risk of dominance by pseudo-democratic elite and by special interests (Papadopoulos, 2004: 220).

The hypotheses that participative innovations are either a cure or a threat shall be examined in this presentation. But which innovations are worth considering? Based on a general survey of a comprehensive literature search conducted at the Social Science Research Centre Berlin in 2006, collating over 500 publications on or related to democratic innovation, the following four main democratic innovations can be identified:

1. Direct democracy, i.e. people express their will or can even decide on a policy by referendum/popular vote.
2. Co- and network-governance, i.e. political decisions are made in cooperation with citizens, e.g. participatory budgeting.
3. Consultative procedures, i.e. local actors such as civil society and business groups discuss about problems and give advice to the decision making bodies, e.g. Local Agenda 21.
4. Electoral reforms, e.g. direct election of the mayor or open electoral lists.

The Federal Republic of Germany (FRG) is an especially interesting case for scrutinizing the benefits and threats of democratic innovations. Since its founding in 1949, its political system has rested firmly on the principle of representative democracy. The framers of the German constitution, fearing supposed anti-democratic popular tendencies, designed moderating institutions between the people and the exercise of power. Political parties became the most important of these. Political scientists have characterized the FRG even as a “party-state”, because parties control access to the legislatures and make all of the most important
political decisions. Today however, the concepts of representative democracy and of the “party-state” are under pressure and Germany has tested several participative innovations.

The local level is particularly suited to investigating whether participative innovations are a cure or a threat. Participative experiments at the local level have a long history in Germany. Already the Prussian Städteordnung of 1808, for instance, conceded power and competencies to the local level with the intention to activate the local engagement of citizens. However, in the 1950s the founding fathers and mothers of the FRG adhered strongly to the principles of representative democracy also at the local level and, for example, established the strong position of political parties. Yet, since the re-unification the situation has been changing and the local level is becoming in Germany a dynamic field for experiments. As will be shown in the following paper, the principles of representative democracy are complemented with participative approaches and the dominance of political parties is fading slowly.

The outline of the presentation is as follows: After a short description of local politics in Germany I will develop a framework for the evaluation of democratic innovations and explain the method I used in my study. The core of my presentation is the report about experiences in Germany with participative innovations at the local level and the analyses of their impacts. In my conclusion I summarize the findings and draw some implications for the world of politics.

**Local politics in Germany**

‘Municipalities must be guaranteed the right to regulate all local affairs on their own responsibility.’

(Article 28, paragraph 2 of the German constitution)

Although most of legislative and policy-making powers lie in Germany with the federal and partly also the state level (Bundesländer), the policy implementation and administrative functions are almost entirely left to the states, which delegate most of these tasks to the local authorities. Not surprisingly, approximately 80 per cent of state and federal laws are implemented at the local level and two-thirds of all public investment is processed at the local level. The local authorities must fulfill a number of legally mandated, obligatory duties, for example general education, street maintenance, transportation, provision of services, sewage, waste disposal and others. Traditionally local authorities have also been responsible for local social services, e.g. kindergartens, home for senior citizens or social work for disadvantaged people. However, municipalities have a certain amount of flexibility and leeway in implementing these mandatory functions. And they can also decide on several voluntary tasks, for example, urban development, economic, and cultural policies (e.g., building leisure facilities, cultural amenities, public utilities).
The system of local taxes is a mixed system. The main local tax revenue is the share of the two most important types of tax, i.e. income and value-added taxes, as well as some smaller state grants and fees. The federal government decides in coordination with the state governments on income and value-added taxes and on the share the local authorities receive. Local authorities have almost no influence on these decisions and depend fully on top-down legislation. Local authorities can also levy taxes themselves, which are primarily property taxes (Grundsteuer) and trade or sales taxes (Gewerbesteuer) as well as some other smaller taxes. However the revenue of these taxes is decreasing gradually and generally the municipalities depend severely on the revenue of the aforementioned shared taxes. So, all in all, the strong constitutional position and the important role in policy implementation of local governments go hand in hand with a strict financial corset, little competencies to levy taxes and almost no voice in federal decisions on tax-sharing.

Nowadays German municipalities are under serious financial pressure. They have to fulfill more and more duties – often without receiving additional resources. For example, they carry the burden to take care of the up to now growing number of unemployed people. A so called “Gemeindefinanzreform” (2003/2004), a reform on the financial situation of the municipalities, was an attempt to bring some relief. However this reform did not suffice. Current participative experiments must also be seen in the light of this financial crisis. As we will see in the following reports, in many municipalities local political-administrative elites took up the idea of democratic innovations to enhance the economic conditions, to relieve the financial burden of the municipality, to save money and to reduce local budget deficits. The improvement in the quality of democracy was and is not necessarily the main objective in many municipalities, which have introduced democratic innovations, but is often more of a rhetorical argument.

How to measure the quality of democracy – Framework

How can participative innovations be evaluated? Frameworks for evaluating democratic innovations are rarely spelled out. Although the call for a “concise research agenda” was made as early as 1979 (Sewell/Philips) and continued to echo in the following years, it remained almost unheard (Abelson/Gauvin 2006; Rowe/Frewer 2004: 521 ff.). The few studies working with a framework applied two different approaches:

Some authors developed criteria by relating to the perspectives of the participants. According to this kind of study “success must be defined and judged by those involved.” (Moore 1996: 168) Thus, criteria were based on the statements of participants in democratic
innovations and mostly refer to impacts on the participant and the group, for example improvement of political knowledge and civic skills or the enhancement of social capital and trust (Carnes et al. 1998: 390; Moore 1996: 156).

Other authors tried to develop a *theory-oriented frame*. Under Habermas’ influence, Renn et al. (1995) introduced fairness and competence as pivotal criteria. Holtkamp et al. (2006) refer to efficiency, effectiveness and legitimacy. Not identically, but in a similar vein Papadopoulos and Warin (2007: 455 ff.) use the following criteria: „openness and access“, „quality of deliberation“, „efficiency and effectiveness“, „publicity and accountability“. Holtkamp et al. (2006) refer to efficiency, effectiveness and legitimacy. Not identically, but in a similar vein Papadopoulos and Warin (2007: 455 ff.) use the following criteria: „openness and access“, „quality of deliberation“, „efficiency and effectiveness“, „publicity and accountability“.

Rowe et al. (2004: 93) suggest two criteria, namely “acceptance criteria” and “process criteria,” each of which is divided into several subcategories (see also Rowe/Frewer 2004). Referring to these criteria Abelson and Gauvin (2006) differentiate between “context evaluation”, “process evaluation” and “outcome evaluation” – using sub-categories such as representativeness, deliberative quality, effects on policies, on decision-makers, on the participants and on the general public (similar Chess/Purcell 1999). And a report by the OECD (2005) refers to the criteria effectiveness, support for participation and development of social capital (similarly: Abelson/Gauvin 2006; Beierle/Cayford 2002; Chess/Purcell 1999).

Most of these criteria, however, are facing four crucial problems: First, they are either too abstract to be used empirically or, second, they lack any theoretical background. Third, criteria for the evaluation of success and prerequisites for success are often mixed up: for example, the subcategories “access to resources” and “early involvement” are prerequisites and favorable conditions for a successful participatory process and not criteria to evaluate success, as the authors suggest. And fourth, ex ante and ex post impacts are often not differentiated properly, meaning that impacts which are predisposed by design a priori and impacts which can only be measured after the end of the procedure are lumped together. For example, the fact that consultative procedures have no decision making competency is part of the design and not an ex post impact. So it is problematic or even absurd to evaluate a consultative procedure by measuring its mechanisms of accountability.

Based on the theoretical arguments for and against democratic innovation as well as on the described literature, four criteria can be identified as crucial for an analytical framework: i.e. legitimacy, effectiveness, civic skills, and social capital. All aforementioned topics coalesce and relate in one way or another to these four criteria. However, legitimacy, effectiveness,

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2 The subcategories are: representativeness, independence, early involvement, influence, transparency, resource accessibility, task definition, structured decision making, cost-effectiveness.
civic skills, and social capital are complex concepts and need further explanation. They are outlined in the remaining part of this chapter.

Legitimacy

The term legitimacy is applied in political science in three different ways. In research on public opinion and political culture, legitimacy refers to citizens’ support of political objects, for example the political system or politicians (“perceived legitimacy”). From the perspective of (constitutional) law, legitimacy is synonymous with legality. Legal legitimacy is generated through compliance with existing rules and laws. In representative democracies legal legitimacy is generally generated through the selection of political representatives by free and fair ballot.³

Finally, new concepts of legitimacy based on general democratic principles – and not necessarily based on law – are assuming an increasing role. These concepts refer to input-legitimacy, throughput-legitimacy, and output-legitimacy, which is also called effectiveness and will be explained in the following paragraph (Scharpf 1999): Input-legitimacy focuses on the input-side of a political system. It means the involvement, participation and representation of all stakeholders, including marginalized groups. Studies on throughput-legitimacy focus on the quality of processes, in particular transparency (Bickerstaff/Walker 2001; Renn et al. 1995). In a similar vein, but with a greater focus on the theories of deliberative democracy, some researchers examine the deliberative quality of participatory procedures (Halvorsen 2001). According to this approach, based on Habermas’ concept of deliberative democracy, legitimacy is produced by the deliberative quality of discourse and by rational debate based on the equity of the participants.

Effectiveness

Political effectiveness refers to a political system's capacity to solve collective problems and to reach the goals a constituency wants to realize.⁴ In political science, performance is measured by the effective achievement of shared goals, such as economic growth, full employment, control of violence and criminality, or low budget deficit (Lijphart1999).⁵

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³ However, perceived legitimacy and legal legitimacy do not necessarily correlate; perceived legitimacy is not necessarily generated by legal legitimacy. Sinking voter turnout is as much a sign of this gap between perceived and legal legitimacy as the frighteningly low level of trust in and support for politicians.

⁴ In contrast, analysis of efficiency focuses on the cost-benefit principle. A procedure is considered efficient when high returns are achieved at little expense.

⁵ In current research a differentiation is made between output (policies, public spending) and outcome (actual resolution of the problem). For example, studies on output ask about policies and public spending concerning the health care or
How do studies of democratic innovations measure effectiveness? In terms of democratic innovations related to some local problems the measurement is straightforward: an innovation is considered effective if it solves a local problem, such as water pollution (e.g., Geissel/Kern 2000). However, very often the objectives of a community are not that clear and the collective aims must be developed and identified or be a matter of compromise before they can be “translated” into policies. Accordingly, some democratic innovations are designed to find out, what the objectives of a community are. So the criteria “ability to solve a problem” can not be applied to all innovations. It must be taken into account that participative innovations might also just elaborate on a problem and improve public debates (e.g., Freitag/Wagschal 2007; Guston 1999; Petts 1995).

Civic skills

Several proponents of participative innovations stress their significance for the enhancement of civic skills (e.g., Mansbridge 1999). This argument is based on the idea that democracies can only survive if the population has achieved a certain level of democratic and civic skills (Inglehart/Welzel 2005). From this point of view the question as to how civic skills can be improved is crucial. Democratic innovations are regarded as a catalyst for developing these skills, because citizens would broaden their knowledge about politics and improve their civic skills through involvement (Renn et al. 1995; Gundersen 1995: 6, 112). Some authors even expect, that “participating in democratic decisions makes participants better citizens”. (Mansbridge 1999; Fung/Wright 2001; Barber 1984: 232; Pateman 1970). From this point of view even those citizens who previously pursued purely selfish goals are transformed into responsible citizens working for the common good. However, it is unlikely that all civic skills can be enhanced in the same pace and breadth. Some skills, such as knowledge, for example, might be improved quite quickly and easily, whereas democratic skills like tolerance might be more difficult to acquire.

Social Capital

In academic circles, the concept of social capital is closely associated with the name Putnam. In his study, “Making Democracy Work,” Putnam (1993) investigated the reasons for the good democratic, economic, and administrative performance of northern Italian cities as compared with the performance in the unsuccessful communities of southern Italy. Most education systems, whereas studies on outcome look at the actual achievement, e.g. low infant mortality or high educational level of the population (Roller 2002).
explanations, such as the level of education in a community, its size, or population density, emerged as irrelevant (ibid: 118 f.). The decisive factor was a phenomenon that had hitherto been neglected in research, i.e. social capital, defined as trust, (horizontal) networks, and reciprocity norms. An active civil society with horizontal networks and social trust flourished in the successful communities of the north, whereas hierarchical networks and little trust in fellow citizens dominated in the south. The higher the level of social capital, Putnam concluded, the more effectively the local economy, government, and administration is run. A flourishing civil society with a high level of social capital ensures a successful community.

In recent years, several authors reminded of the dark sides of social capital, such as nepotism and corruption (Raymond 2002). In the ensuing debate on “good” and “bad” social capital the differentiation between binding and bridging social capital was introduced. Binding social capital merely strengthens contacts within the same group or societal segment. In contrast, bridging capital leads to the connection of and cooperation between the members of different social strata and groups. Bridging social capital, in particular, would appear to produce the above-described positive results. So it must be taken into account that democratic innovations can support the development of bridging or bonding social capital.

**Method**

The method used in the study is a kind of meta-analysis⁶ based on existing empirical studies. The selection of the empirical studies for this analysis – out of the already mentioned compilation of literature – was based on three criteria. First, I have sorted the publications according to scientific quality, clarity of the method, reliability and the validity of the research. This ruled out, for example, self-promoting documents. The collection of literature identified as fulfilling this criterion was reduced to around 150 publications. Second, they had to contain empirical information relevant to the four aforementioned criteria. Third, to the extent that it was possible, I chose recent studies.

Although it might seem problematic to draw general conclusions from studies, which are very heterogeneous in terms of methods of data collection and analysis (e.g., expert consultations, surveys, and documents), a number of identical experiences can be identified. On the whole, based on different empirical findings, astonishingly homogenous pictures can be painted.

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⁶ Generally meta-analyses compare, evaluate, and contrast empirical studies.
Experiences at the local level in Germany

Direct Democracy

Until the beginning of the 1990s direct democratic elements were more than rare in Germany. Only Baden-Württemberg provided this option since 1956. However, after reunification in 1990 all eastern German states introduced direct democratic elements for the local level in their state constitutions and during the 1990s all western German Bundesländer followed. In contrast to some other European nation states, in Germany consultative as well as binding referenda are possible. Generally a popular vote can be introduced by the local council or by the citizens themselves. A referendum launched by the citizens starts with a petition (Bürgerbegehren) and if this petition is successful a referendum takes place. All German states decided that certain local issues can not be a matter for the popular vote, e.g. the organization of the administration or the salary of the local civil servants. These issues are listed in a so called "negative catalogue".

The hurdles for initiating and passing a referendum are in Germany much higher than in Switzerland or in most US-american states: A certain number of signatures, i.e. a quorum for signature, is needed to start a petition. This quota varies, depending on the Bundesland and the size of the municipality, between 2% and 17%. For the referendum often a quorum for participation, meaning citizens casting their vote, and always a quorum for agreement ("Zustimmungsquorum") are necessary. The exact quorum depends again on the Bundesland and the size of the municipality (see table 1 for details).

Table 1: Regulations in German Bundesländer

<table>
<thead>
<tr>
<th>Topics allowed</th>
<th>Quorum for signature/ supporting an initiative</th>
<th>Quorum for agreement</th>
<th>Procedure citizen-friendly</th>
</tr>
</thead>
<tbody>
<tr>
<td>ooo many</td>
<td>oo 5 - 10%</td>
<td>25%</td>
<td>No</td>
</tr>
<tr>
<td>ooo few</td>
<td>ooo 3 - 10%</td>
<td>10 - 20%</td>
<td>Yes</td>
</tr>
<tr>
<td>oo selective</td>
<td>oo 10%</td>
<td>25%</td>
<td>No</td>
</tr>
<tr>
<td>ooo</td>
<td>oo 10%</td>
<td>25%</td>
<td>No</td>
</tr>
<tr>
<td>oo</td>
<td>o 10%</td>
<td>30%</td>
<td>No</td>
</tr>
<tr>
<td>oo</td>
<td>ooo 2 - 3%</td>
<td>none</td>
<td>yes</td>
</tr>
<tr>
<td>oo</td>
<td>ooo 10%</td>
<td>25%</td>
<td>Partly</td>
</tr>
</tbody>
</table>

Since the beginning of the 1990’s local direct democratic elements were introduced in several countries. However, direct democratic elements vary significantly: they can be binding or just consultative, they can be obligatory or facultative, and they can be initiated by the local council, the mayor or – in Austria, Finland, Germany, Switzerland, the Czech Republic, Hungary and in Italy – also by the citizens.
Not only the different quora vary immensely between the German Bundesländer. The designs for local direct democratic elements differ vastly also in several other areas: Some states had established a so called “positive catalogue” describing specifically, which topics can be a matter of public voting, and excluding all other topics. Other states do not provide such a positive catalogue. Some states demand that a petition for a referendum must include a plan how to cover the costs of the proposal; other states do not demand such a plan (e.g., Bavaria). In some states the local council decides whether a petition for a referendum is accepted, in other states an independent organization makes this decision. It also varies whether the mayor can launch a referendum. In some states it is possible; in other states it is not possible. Furthermore minor, however important details, differ as well, for example the place where signatures for a petition can be collected (only in the city hall or everywhere), the time frame for collecting the signatures (number of weeks) or the option for postal vote (see for a details description of all differences Mittendorf 2008).

Generally referenda are more often launched in bigger communities than in smaller ones, whereas participation is higher in smaller municipalities (ibid.: 86, 93). However, the number of local referenda in Germany is still very low. It can be said that Germans don’t use direct democratic option very often. About 200 local referenda are held in Germany every year. Statistically, in every municipality a referendum would be held on average once in two hundred years (Wollmann 2003: 93). But the number of referenda varies significantly between the states. Comparing the number of referenda in every state with the rules and hurdles, the conclusion is evident: With higher hurdles less referenda are launched. Bavaria,

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8 With the exception of Rheinland-Pfalz all Bundesländer have meanwhile abolished the so called positive-list.
9 The topics of referenda mostly focus around change of local borders, traffic and infrastructure, e.g. sewage, public swimming pools (see for details Mittendorf 2008: 83).
10 Baden-Württemberg 288, Bayern 1.521, Brandenburg 190, Bremen 6, Hamburg 47, Hessen 267, Mecklenburg-Vorpommern 91, Niedersachsen 172, Nordrhein-Westfalen 480, Rheinland-Pfalz 97, Saarland 10, Sachsen 225, Sachsen-Anhalt 221, Schleswig-Holstein 266, Thüringen 64 (numbers are valid in 2007; see Mittendorf 2008: 81).
which has the lowest hurdles, is the most active state, and Nordrhein-Westfalen, which has partly citizen-friendly rules, ranks second. Statistically in Bavaria each community has a referendum, on average, once every 24 years.

However, all authors agree, that the numbers don’t tell the whole story: Although the number of popular votes is still very low, the option or even threat of a petition for a referendum often forced local city councils and authorities to take citizens’ preferences into account and to act more responsive. Referenda became a striking “sword of Damocles” (Holtkamp 2006: 195).

Evaluation

What about the actual impacts of direct democratic elements in Germany? They are difficult to describe, because up to now scientific research in this field is still rare for Germany.\(^\text{11}\) Findings on Germany mostly refer to the Bundesland “Nordrhein-Westfalen”, which “hosted” a few research projects.

Whether perceived legitimacy and input-legitimacy have been improved is unclear. We still do not know exactly, which groups of society cast their votes in German referenda. However, the topic of a referendum seems to be crucial for the participation. If a politically passive stratum of society has the impression that casting the vote can make a change in their lives, they seem to take part. If they do not sense a connection between the topic and their existence, they do not participate. Transparency of the decision-making process seems to be enhanced. However, some authors point to the problem, that political negotiation among political-administrative elites would take place behind closed doors to avoid the “sword of Damocles”. Citizens would be informed when it is too late (Holtkamp 2006). More research is

\(^{11}\) Several studies have been conducted on the impacts of direct democracy in Switzerland or in US-american states, where direct democracy has a much longer tradition than in Germany. To give you at least some information, I will describe some findings of these studies: Legitimacy: Citizens of states with comprehensive direct-democratic options are more likely to regard their political system as legitimate. Whereas, for example, 88 percent of the Swiss are politically contented, the European average lies between 50 and 60 percent (European Social Survey in 2004; Bowler/Donovan 2002; Lindner in 1999; Möckli in 1994). Nevertheless, trust in politicians and the government is not improved by direct-democratic procedures (e.g., Gilens/Glaser/Mendel in 2001). The findings on the input-legitimacy of direct democratic procedures are ambiguous. Some authors state that marginalized social strata and groups take part, others provide opposite results. Participation depends on the topic. Effectiveness: Direct-democratic procedures seem to improve the effective resolution of problems, at least in Switzerland. Swiss cantons providing more direct democratic options achieve a better performance than those with fewer options. The former have lower debt rates (per capita) and they provide services more efficiently. They also score better when it comes to the fulfillment of welfare-state policies (Vatter 2006). However, the effectiveness of direct democracy depends on whether the popular poll was requested by the state authorities (“top-down”) or by the citizens (“bottom-up”). Whereas “top-down” referenda generally reinforce the status quo, “bottom-up” referenda more often lead to novel solutions. Thus, Vatter (2006) defines referenda initiated “from above” as a “brake” in contrast to referenda “from below” which he refers to as an “accelerator.” Civic skills: Citizens in states with direct democratic options seem to acquire political knowledge. For example, citizens in states holding referenda concerning the European Union are much better informed about the EU than states that do not hold EU referenda (Benz/Stutzer 2002).
necessary to find out which hypothesis proves right. The effects on policies and debates are hard to measure as well. Petitions and referenda were effective insofar as they demonstrate the preferences of crucial groups of the municipality. But statements on the overall effectiveness are still tentative. However, there is little doubt that the option for direct democratic decision-making has positive impacts on civic skills, such as political knowledge, political interest and attention on debates about local politics.

It might be mentioned that this is just one side of the story: In several cases political discontentment even increased. The reason for the growing discontentment was that about 30% of the petitions were not permitted and several popular decisions, which were approved by the majority of the participation citizens, were not accepted because they did not reach the “agreement quorum”, meaning the rate of participation was not high enough. But this is of course not an effect of direct democracy, but the effect of the strict limitations set by the quora rules or by the local authorities.

Co- and Network-Governance

Co-Governance implies that decisions are made cooperatively between political representatives, citizens and societal groups. One of the most famous innovations in this field is participatory budgeting, which is discussed next.

Participatory budgeting means that citizens decide on the allocation of local public finances, especially of financial investments. Participatory budgeting can have different forms, but generally it is an ongoing process with several meetings including some form of public deliberation often taking place within a prearranged framework. The meetings can be neighborhood meetings or thematic assemblies, they can be closed or public, the number and rhythm of meetings can vary (e.g., once a month, twice a month) and delegates can exist or not. The discussion can be informal or structured by specific rules, mediators can be involved or not, there might be affirmative actions to guarantee the participation of politically marginalized groups. The decision making competencies differ vastly.

Participatory budgeting started in Latin America (Porto Alegre), but it is now also famous in Europe. In Europe more than sixty processes of participatory budgeting have taken place and the number is increasing, especially in Germany, Spain, Italy and France.
In Germany more and more municipalities are implementing a type of participatory budgeting, called “Buergerhaushalt”.

Source: http://www.buergerhaushalt-europa.de/
Participatory budgeting was introduced in Germany in the 1990s at first in medium-sized municipalities such as Vlotho, Hilden, Hamm, Emsdetten. But nowadays also larger cities, e.g., Bonn or districts of Berlin (Lichtenberg, Köpenik) followed. In the year 2007 there were about twenty municipalities in Germany working with participatory budgeting. Almost 2% of German citizens live in municipalities applying this innovation.\(^\text{12}\)

In Europe, participatory budgeting is more often used in municipalities with a left-wing local government. However, in Germany this is not the case: About half of the municipalities with participatory budgeting have a conservative or liberal mayor and half a social democrat.\(^\text{13}\) This German “idiosyncrasy” is likely due to two facts. First, in Germany participatory budgeting was not necessarily introduced to improve the quality of democracy. The main objective was mostly to reduce public spending. And saving financial resources is by no means a purely left-wing interest. Second, participatory budgeting is in Germany a consultative process. The local council remains generally the decision making body and participatory budgeting just means that citizens can provide ideas and suggestions to save money. In contrast to participatory budgeting in Spain or Italy, where citizens can decide on parts of the municipalities’ financial investments, in Germany the citizens can just make

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proposals – mainly on how to cut public spending. Sintomer and others call this process “selective listening”, because the local government decides which proposals of the citizens it takes into account (ibid.). In Germany the glamorous and modern term “participatory budgeting” turns out to be merely modern in its semantics, but a relatively old-fashioned form of consultation. In a strict sense, the German “Buergerhaushalt” does not fit into the category of co-governance, because the decision-making process remains tightly in the hands of the local legislative elites. This is also attractive for conservative and liberal local political-administrative elites.

The following case study of Emsdetten illustrates the German features. Emsdetten has been strictly conservative with a CDU mayor since decades, but is in Germany a forerunner concerning participatory budgeting. Similar to other procedures in Germany, participatory budgeting is in Emsdetten purely consultative and had its start back in 2001. In the beginning, the main objective of the procedure was to find a strategy together with the inhabitants to balance the financial deficit of 2.8 Mio. Euro. This rather general objective changed somewhat during the following years and became more specific (e.g. to cut local library or sewage costs), but nevertheless the main topic was always how to conserve financial resources. In 2005 the topic changed slightly and the question on how to improve the local quality of life became more prominent.

During the procedure the inhabitants were informed comprehensively on public spending and the local budget. The discussions on the local budget were open to all citizens who wanted to take part. However, to prevent social biases, in addition ordinary citizens were selected at random and invited to take part. The attempt to attract ordinary citizens was partly successful. Not all invited citizens took part, but only the interested ones. Participants were, as could be expected, mostly well educated middle class citizens, already politically active or at least politically interested citizens. The average age was 46 years, 30% of the participants were women. Foreigners were clearly underrepresented. This pattern was similar to the pattern in the other procedures of “Buergerhaushalte”.

The second case study, Berlin-Lichtenberg, illustrates a similar design. Berlin-Lichtenberg is a district of Berlin with several social problems (e.g., high unemployment, xenophobia, right-wing extremism among youth). Participatory budgeting started there in 2005. The primary agency and initiator was the Bezirksamt Lichtenberg, the Borough Council of Lichtenberg. The methods included a paper survey, several neighborhood meetings and a four week online discussion. At local festivals information stands, posters and leaflets were provided as well as some kind of mass media coverage. Similar to Emsdetten, the local
council received budget proposals from citizens and made final funding decision. The local council passed 37 of the 42 proposed budget and policy amendments. Although the budget deficit of the municipality did not disappear, which was a major objective, the pilot phase (2005) was regarded as successful, and the local council has decided to implement participatory budgeting as a regular undertaking.

The initiators were very aware of two challenges, first to reach the disadvantaged target groups and/or minorities and second to involve participants in the complexity of the problem. Several tools were used to get in touch with minorities, such as mini-events for fringe groups, tech support for online participants, free access to the online-dialogue in local libraries, proactive phone support for the participants of the survey, and interpreters for hearing-impaired citizens at public meetings. How inclusive was the initiative? About 4000 people participated in the different programmes during the first year. The paper survey reached a representative share of the local population. Concerning the online catalogue the education of the participants was higher than in the total population and younger people were underrepresented.

The second challenge, to impart knowledge on the complexity of the financial budget, was and continues to be demanding. To meet this need, the online discussion was, for example, accompanied by a detailed information section, a moderated discussion forum, a budget calculator, preference polling, newsletter, interviews with politicians and so on. Unfortunately, the actual success of these instruments has not been scrutinized.

Despite the German, purely consultative form of so called participatory budgeting, also “real” forms of participatory budgeting in the sense of Co-Governance have taken place in Germany – however mostly labeled different. One example is a procedure called Citizen Jury, which was initiated in Berlin by a federal program called “Social City” (Soziale Stadt). The Citizen group consisted of both randomly selected citizens as well as members of the local civil society. The Jury ran from January 2001 to December 2003 and was assigned a monetary budget for projects. Special efforts were made to reach all target groups and to ensure a representative composition of the Jury. However, foreigners still remained underrepresented. Citizens were paid 20 Euros per meeting, which lasted on average 3 hours. The Jury had 500 000 Euros to finance projects for the urban rehabilitation of the neighborhood.\(^\text{14}\) Any resident or association could present a project to the jury, which than deliberated on the proposal. All in all 72 projects were evaluated and about half of them were financed.

\(^\text{14}\) This is 0.03% of the total budget of the Berlin Senat.
Evaluation

Concerning input-legitimacy, the findings are clear-cut: Without special tools, participatory budgeting is a matter of the middle class and especially of already active and organized citizens.\textsuperscript{15} However, most political actors are aware of this bias and try to cope with it, for example by a random selection of ordinary citizens or special events (ibid.). In cases with comprehensive information about the municipality’s budget, transparency seemed to be improved (e.g. Rheinstetten). According to a research by Sintomer and others the deliberative quality is usually low in German procedures. Except in one case (Lichternberg) the deliberative quality was regarded as medium. The effectiveness is difficult to grasp. The main objective of participatory budgeting in Germany was to overcome the financial crises of the municipality. This objective was not met. However, the question is whether financial “belt-tightening” should be the only objective of such a procedure. According to the research by Sintomer citizens’ understanding of the municipality’s budget improved particularly in the German municipalities. The development of social capital depended on the design. It could hardly be developed in the cases where only one meeting took place. However, in municipalities where ongoing processes were established, social capital was enhanced.

New forms of consultative procedures

Several forms of local consultative procedures have been established in German municipalities. The most widespread and famous is the Local Agenda 21, which will be discussed next as well as other participative procedures, which have been tested in Germany.

1. Local Agenda 21\textsuperscript{16}

The Federal Republic of Germany was a latecomer in the promotion of Local Agenda 21 (LA 21) processes (Wolf, 2005: 47; Lafferty, 1999). German umbrella organizations of local governments eventually picked up on the idea LA 21 at the end of the 1990s: the Deutsche Städtetag, the Deutsche Städte- und Gemeindebund, and the Deutsche Landkreistag finally signed a joint statement of support for LA 21 in 1997 and LA 21 turned out to be a success in

\textsuperscript{15} http://www.buergerhaushalt-europa.de/, access April 2008.

\textsuperscript{16} The Agenda 21 Global Action Program, which was adopted at the United Nations Conference on Environment and Development (1992), assigned the local level a special significance (Chapter 28). Especially at this level the main aim of Agenda 21, sustainability, were to be achieved by horizontal decentralized networks of different local actors, especially civil-society, economic groups, citizens, politicians, and administration. A high value is placed on the incorporation of marginalized population groups, such as youth and women (Rösler, 2000: 21). Local Agenda 21 (LA 21) networks do not have any decision-making powers, but can draft decisions and present proposals to the elected representative bodies which ultimately hold the power to make decisions.
the following years: By 2006, 20 per cent of German communities had put in action a LA 21 process.

LA 21 processes seem to have passed beyond their peak in the last few years, with new programs and procedures coming to the fore. This development, however, should not be interpreted simply as failure. Rather, LA 21 provided a valuable impetus for new initiatives in many communities, and some similar programs continue to exist under different names. The question of interest here is whether legitimacy, effectiveness, civic skills and social capital were accelerated through LA 21.

Input legitimacy: In terms of the total population of the municipalities, the proportion of participants active in the LA 21 processes rarely exceeded one percent – with clear social bias and the dominance of the “usual suspects”. Despite various attempts to involve weak and marginalized groups, for example, through specific dialogue methods, they were hardly represented (Saturra 2005: 109; Drewes 2003: 211 ff.). However, it was mainly civil society groups from the ecological and social sector, e.g. environmental, ‘one-world’ and global justice groups, who became involved in LA 21 processes – as advocates for the common good. Strong, privileged special interest groups hardly participated. So all in all, most groups taking part pushed forward public welfare – not special interests (z. B. Schophaus 2001).

Throughput legitimacy/ transparency: The procedural transparency was improved to a limited extent. However, most parts of local decision making processes remained nontransparent. Particularly, civil-society actors complained that the selection of the civil-society associations, invited by the political representatives for participation in consultation processes, were not transparent. It was not always clear why certain groups were involved in consultation and other groups were left out.

Effectiveness: In contrast to the objective of the Local Agenda 21 processes – sustainability - the general assessments of their effectiveness tend to be sobering; some authors even describe the outcome as “disastrous.” The effects of LA 21 processes on sustainability policies of municipalities are estimated as relatively insignificant. However, the expectation that consultative procedures such as local Agenda 21 could achieve a paradigm change in municipal politics and administration was unrealistic. The participants became disillusioned early on: Many citizens and civil-society groups tried to influence the agenda-setting of the councils and administrations, but were disappointed about decisions that did not meet their expectations. Due to the interminable and often futile “drilling of thick planks” (Weber), they abandoned the attempt to exert a lasting influence on politics. They shifted the focus of their attention to limited projects of small spatial scope, for example they took care of
a local forest or park (e.g. Wolf 2005: 225). However, in these small scale projects the LA 21 groups often worked very effective.

Civic skills: The impact on the civic skills of the citizenry as a whole was rather tiny, but the participants improved their political knowledge as well as their knowledge on sustainability significantly.

Social capital: Most LA 21 stressed the positive result that social capital was improved among representatives of the civil society groups, local administration, and local politicians.

2. Other participative procedures

Germany has a long tradition of citizens' rights in local planning procedures, which are however, not always put into practice. Since the 1990s more and more municipalities started to experiment with other participative instruments. In several municipalities local advisory boards have been introduced as kind of special representational body, often for special groups or topics (e.g. foreigners, senior citizen, and handicapped people). These advisory boards have generally no decision–making competencies, but – as the title implies – have advice-giving functions.

Several other consultative, mostly discursive instruments are “tested” as well. These procedures are not institutionalized and the introduction depends mostly on the engagement of local actors, e.g. local political-administrative elites, civil society (e.g. Hannover, Munich). The objectives of these procedures differ vastly: Some are expected to give advice on local mission statements or local policies; some should develop alternative options for local projects.17 For these purposes the following procedures are regarded as suitable: “Plannungszellen” (planning cells), “Round Tables”, “Cooperative Discourse”, “Citizen Juries” or Focus Groups, to mention just a few.18 In multi-stakeholder conflicts mediation processes or consensus conferences were applied, which aim to negotiate compromises and find solutions that are acceptable for all stakeholders.19 All these different terminologies

18 See for detailed information: http://www.kate-stuttgart.org/content/e827/e5257/learning_community_handbuch_2006_11_16_END_isbn_ger.pdf
19 One example is the mediation process on the future of Frankfurt-Airport, where different stakeholders had conflicting plans about the construction of a new runway at. “The mediation process on the future of Frankfurt Airport was the most comprehensive of its kind in the country. In combination with the follow-up Regional Dialogue Forum on implementing its results, this process is paving the way for a regional balance of interests that goes beyond the scope of the formal procedures of the extension planning. At the initiative of the Government of the Federal State of Hesse, regional players and the public were brought on board. As a result, decision-making processes and balancing measures are more transparent, and the stakeholders in society are able to make a fairer evaluation.” (http://www.trustnetinaction.com/article.php3?id_article=100, access: May 2008).
insinuate unambiguous differences between the different procedures and clear-cut procedural structures. However, this is not the case: similar procedures may be named differently in different municipalities and differing procedures might have the same labels. The already discussed Citizen jury in Berlin for example illustrates the confusion of terminology in this field.

The evaluation of these participative, consultative procedures is complicated, not only because of the mixed up terminologies. Up to now several case studies have been conducted, but only few empirical studies compared several of the mentioned participative procedures. For the following evaluation I summarized the findings of several case studies.

Whereas some authors detect improved perceived legitimacy (Holtmann 1996: 214), other authors found some decline (Holtkamp 2006: 198). It seems that the local context and especially the local administrative-political elites play a decisive role. If the participants of a consultative procedure get the impression that their suggestions are taken into account, perceived legitimacy increases. Proposals however, which are perceived as ending up in the drawers of bureaucrats, increase political dissatisfaction.

Input-Legitimacy is difficult to foster, because as I have already mentioned several times marginalized societal groups are difficult to mobilize. Consultative procedures with self-selected participants seem to be often, but not always, a kind of mouthpiece for already privileged groups. The effectiveness of the different consultative procedures depends on the topic. Generally it can be said that simple problems with possible win-win solutions have the highest chance to be effectively solved with the help of a consultative procedure. Complex problems and conflict-riddled cases are seldom solved. For example procedures of mediation rarely found solutions all stakeholders could agree on (Holtkamp 2006: 199).

Similar to the question of perceived legitimacy findings on political skills such as interest or participation differ vastly. Whereas some authors detect an increase in political interest especially in local matters (Holtmann 1996: 214), other authors found out, that apathy can be increased (Holtkamp 2006: 198). Similar to the impact on the perceived legitimacy it was decisive whether local administrative-political elites cooperated or not. Generally it can be said, that participants always enhanced their knowledge. The impact of consultative procedures on the social capital depends completely on the design, e.g. on the recruitment of the participants, the number of meetings and rules for discussion.
Electoral reforms

New electoral laws for the local level were introduced in Germany during the 1990s. For example, “EU foreigners” as well as 16- and 17-year old citizens were granted local voting rights. Furthermore the so called “5%-/3%-Klausel”, which determined that a party needs at least 3% to 5% of the votes to get a seat in the local council, was abolished. Two electoral reforms are especially important and will be described in more detail. They give the voters more opportunities for selecting their candidates and diminish the traditional dominance of political parties: first, direct election of the mayor including the option of recalls, and second, a personalized electoral system.

**Direct election of the mayor**: until the 1990s (successful) parties decided who became mayor. However, during the 1990s most federal states (Bundesländer) changed the law: nowadays the mayor can be elected directly by the people. It was expected that a directly elected mayor would enhance transparency and legitimacy, act more independently from the “party machine” and lead to more efficient politics. Also the responsiveness would be enhanced, because to be reelected a mayor will need the support of the citizens (not the party).

What impact did the direct election of the mayor have? This electoral novelty is still very “young” and experience is still “fresh”. However, some social scientists started early and have conducted case studies as well as scrutinized the effects. Despite several differences between the Bundesländer in detail, some general findings can be stated. Citizen-orientation turned out to be one of the major criteria for citizens to vote for a candidate. The candidates are well aware of this demand and try to fulfill it. Thus it could be said that legitimacy is enhanced. Most candidates try to build up good communication channels with the citizens and elected mayors mostly try to take the preferences of the citizens into account – as a matter of necessity to be reelected. There are also convincing indications that directly elected mayors are more effective: they refer in their decisions to citizens’ interests and are better able to push through their policies in the city council than non-directly elected mayors. In other words, they have more capacities for decision-making and the decisions match more often preferences of the constituency (see for an overview: Holtkamp 2006: 191-195).

In several states the introduction of the direct election of the mayor went hand in hand with the option for recall, meaning that mayors can be removed before the end of their turn by way of a local public vote. In most federal states (Bundesländer) only the local council can start such a recall procedure. In only three states can citizens initiate the recall procedure (Brandenburg, Sachsen, and Schleswig-Holstein). Brandenburg is an especially interesting case. The first law on recall (1993) provided a rather low hurdle: if ten percent of the
constituency signed a petition for recall, a referendum had to take place. In the five years from first introduction of this law, 21 petitions for recall were initiated. 15 of these lead to a recall referendum and about half of the these were successful and the mayor had to give up his/her position (Witte 2001: 62). In other words, about 10% of the full-time mayors were “threatened” by recall and less than half of them have actually lost their position. However, in 1998 the parliament of Brandenburg decided that the low hurdle for recall was too dangerous and increased the percentage necessary to launch a public vote on recall. Not surprisingly, the number of recall petitions and recalls dropped drastically after the change of the quorum.

**Personalized electoral system:** Germany’s electoral system combines proportional representation (“party ballot”) with majority voting based on single-member district (“direct candidates”). However, the party ballot is the most important one. Until recently party lists have always been closed. This means that voters could only vote for a party list but not for specific candidates. The decision on the ranking of the candidates on these closed electoral lists was made by the parties. This is changing in more and more federal states (Bundesländer): at the local level and in a couple of states also on the state level (e.g., Hamburg) electoral lists are no longer closed. Constituents can elect the candidates they want, no matter where the candidates are ranked on the list. Voters can accumulate votes on one or several candidates and they can vote for candidates of different parties. Voters now have more influence on the composition of local councils then they had with the closed lists.

Generally after the introduction citizens do not make much use of newly introduced personalized electoral system (e.g. in Hamburg 2008), but as experience increases in municipalities so does usage. In Darmstadt, for example, about 60% of the voters used their possibilities to split and cumulate votes. Of 50,000 casted votes 30,000 changed the ranks of the candidates on the electoral party lists. Only 14% of all candidates remained in their original rank.

Improvements concerning the quality of democracy are difficult to measure. This innovation is fairly new and few studies have been conducted on the effects. However, it seems plausible, that some findings on the directly-elected mayor are similar to the effects of the personalized electoral system. Apparently, candidates are attempting to take citizen preferences into account and opening good communication channels with them.

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20 Other criteria for evaluation do not really fit to these reforms, e.g., the quality of deliberation or social capital can hardly be improved. The same is true for transparency.
Final results, outlook and some concluding remarks

Can the decisive question of this study, whether participative innovations are a cure or a threat be answered? Table 3 (below) summarizes the findings.

Table 2: The impact of democratic innovations in Germany

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<td>Throughput-legitimacy/ transparency</td>
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<td>Deliberative quality</td>
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<td><strong>Effectiveness</strong></td>
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<td>Public policies</td>
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<td>Public debates</td>
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<td><strong>Civic skills</strong></td>
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<td>Knowledge</td>
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<tr>
<td>Democratic skills</td>
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<td>+</td>
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<td><strong>Social capital</strong></td>
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<td>Bonding social capital</td>
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<td>Bridging social capital</td>
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++ = strong impact, + = moderate impact, 0 = no impact, - = negative impact, * = mixed results/no results, impact depending on the design, n.a.=not applicable

Table 3 illustrates how difficult and complex this question is. Especially two different findings should be highlighted: First it summarizes differences between the impacts of the four innovations. The strengths of direct democratic procedures lie firstly in the criteria of input-legitimacy, because all citizens can get involved, and secondly in effectiveness, because referenda often impact directly on policies. However, direct democracy improves neither democratic skills such as tolerance nor social capital. Procedures of co-governance are effective in the sense that they have strong impacts on debates and policies. They also foster – in some cases – input-legitimacy and transparency. Concerning consultative procedures participants often develop democratic civic skills. These procedures sometimes also strengthen bridging social capital because they foster communication and cooperation between the members of different societal groups which normally do not come together on a “face-to-face” basis (Feindt et al. 2000: 218, 237). However, the level of effectiveness is small because consultation mostly takes place in small groups without direct access to decision-making bodies. Electoral reforms have an impact on transparency and effectiveness, but do not build up social capital and hardly improve the deliberative quality of local debates.
One could argue that input-legitimacy is improved, because citizens can choose their representatives themselves. Citizens get more interested in local politics and especially in local politicians, when they can elect them directly.

Second these findings are only a start for further evaluation. The table allows just a rough estimate because (and this is the second major finding) the impacts of all innovations depend crucially on the specific designs. For example direct democratic procedures have very different impacts depending on whether they are binding or non-binding, whether they are launched “top-down” or “bottom-up” or whether they provide just two alternatives (“yes-no”) or more alternatives. Consultative procedures differ in many ways: for example according to the recruitment of the participants (self-selection versus random sampling versus sampling which guarantee a certain level of representativeness), according to the selection of the topic (by the participants or by the authorities), and according to the access to decision making bodies.

The design of the innovation often depends on the attitudes of local political-administrative elite are also decisive. Political-administrative elite act differently according to their concept of leadership. If they are convinced that they have the political overview and must prevent citizens from unwise suggestions and decisions, they will hinder political involvement of the citizens or try to channel it to insignificant playfields. If they regard citizens as wise enough to make useful suggestions and decisions. These concepts determine significantly, whether and which innovations are tested.

However, some implications can be deduced for those politicians who want to give the citizens a stronger voice. Among the greatest disadvantages of the consultative procedures as well as the described forms of co-governance is their political marginalization. It is up to the representative bodies to neglect or accept their proposals. However, there is a second option: the proposals can also be legitimated through direct-democratic procedures. Until now, this has seldom occurred, but a two-stage procedure whereby conceptual ideas are developed in consultative, discursive procedures and subsequently decided on via direct democracy could be practical. While it is often discussed whether discursive processes (‘arguing”, “deliberating’) or ‘voting’ lead to “good” policies (Fishkin & Luskin, 2004), the combination of ‘arguing’/”deliberating” with direct democratic voting procedures could mitigate some of the weaknesses of both forms. The combination would prevent citizens’ proposals from disappearing into the desk drawers of politics and administration. And referenda would be preceded by a consultative, discursive process—a demand that is repeatedly made in debates on referenda.
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(To be completed)


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