A functionalist approach to democratic innovations

Maija Jäske (mhkarj@utu.fi), Social Science Research Institute, Åbo Akademi, Turku, Finland
Maija Setälä (maiset@utu.fi), Department of Philosophy, Contemporary History and Political Science, University of Turku, Turku, Finland

Abstract

This article argues that it is important to analyse different democratic innovations in terms of their functions in democratic systems. For example, while citizens' initiatives have a role in agenda setting, practices of citizen deliberation should help collective will-formation and referendums facilitate collective decision making. The article provides a framework for the analysis of various instruments of direct, deliberative and participatory democracy based on their functions, and evaluates five democratic innovations from the perspective of this framework. It is pointed out that, when properly used, even advisory participatory instruments have a potential to improve the functioning of representative decision making. Moreover, the article shows how democratic innovations can functionally complement each other.

Introduction

Institutional devices that increase direct participation of ordinary citizens are no longer located at the margins of democratic politics. Referendums such as the Brexit vote and the Irish abortion referendum have fundamentally shaped European politics in recent years. At the same time, deliberative mini-publics have taken foot in real policy-making processes in countries such as Canada and Ireland. At the local level, cities have been particularly enthusiastic about delegating fiscal powers to citizens by participatory budgeting. In many cases, however, implementation of a particular democratic innovation has also 'failed' by the standards of either politicians, wider public or academics (e.g. Spada & Ryan, 2017). There is thus an urgent need to understand the roles democratic innovations might play in the democratic system, not least because policy-makers face decisions on choosing suitable institutional devices.

Direct democratic instruments such as referendums and citizens' initiatives are democratic institutions where a critical mass of citizens influence policies and political agendas. Although their basic idea – engaging the citizens – seems intuitively very appealing (Smith, 2009, p. 111), they have largely fallen off the radar of contemporary theories of participatory and

deliberative democracy. In this article, we take a functionalist approach (c.f. Fung, 2006; Warren, 2017) and argue that it is important to analyse different mechanisms of citizen participation in terms of their key functions in the democratic process.

There is already a rich literature theorising the democratic potential and effects of different democratic innovations (Fung, 2003; Kuyper, 2018). The problem with the current state of research is, however, that both theoretical work and empirical studies often focus on the merits and preconditions of one particular institutional device. Some authors have taken a step toward a more comprehensive understanding of the role of democratic innovations in democratic systems, and viewed them in interaction with representative institutions (Hendriks, 2016; Setälä, 2017). Nevertheless, the fields of democratic theory and empirical political science still lack a more holistic discussion on how different democratic innovations might contribute to the quality of democratic systems. Although there is a shared understanding that a single instrument cannot fix all 'democratic malaises' (Geissel & Newton, 2012), important questions remain unanswered. What functions can referendums serve that cannot be fulfilled by deliberative mini-publics? Or, apart from bringing issues on political agenda, what other functions can be served by citizens' initiatives? Furthermore, are there combinations of democratic innovations that could contribute to several democratic functions?

We start the article by discussing direct, deliberative and participatory variants of democratic innovations. Thereafter, we introduce an approach that emphasizes core functions of the democratic process, namely agenda-setting, will-formation, decision-making and accountability. The functionalist framework is applied on five innovative institutional designs to analyse how they might serve the key functions of democratic process, regarding inclusiveness of democratic process as a normative criterion. Here we zoom into agenda initiative, the Citizens' Initiative Review, the Citizens' Assembly, government-initiated referendum and participatory budgeting. Finally, we argue that the evaluation of democratic innovations from the functionalist perspective requires an analysis of how they are coupled with representative institutions as well as with other democratic innovations.

For democratic theorists, the article helps establish common ground for discussing devices for direct citizen participation while acknowledging the different premises upon which different democratic theories are based on. For practitioners, the article offers a clarification between common types of democratic innovations, and suggestions on their use in policy-making for different democratic purposes.

Democratic innovations

As a response to democratic deficits and popular demands, representative democracies have started to experiment with new forms or participation and citizen engagement. In democratic theory literature, these institutional devices are known as democratic innovations, i.e. "institutions that have been specifically designed to increase and deepen participation in the political decision-making process" (Smith, 2009, p. 1). Typically, these institutions focus on single policy issues and have innovative design features such as random selection or facilitation (Fung & Warren, 2011). Furthermore, common to these institutional devices is that they are in various ways linked to other political institutions like legislatures (Saward, 2001a, p. 577).

There is, however, tremendous variation among the mechanisms that are discussed under the heading democratic innovations (Elstub & Escobar, 2019). In referendums and citizens' initiatives, citizens decide or express their opinions on policy issues through universal and secret ballot (Altman, 2010, p. 7). Deliberative mini-publics such as citizens' juries, deliberative polls, and citizens' assemblies include a (near) random sample of citizens who engage in facilitated group discussion and learn evidence from experts and advocates (Smith & Setälä, 2018, p. 301). Participatory budgeting, on the other hand, includes ordinary citizens in deciding about allocating public money (Sintomer, Röcke & Herzberg, 2016, p. 18).

Not all of the instruments that deepen citizen participation are historically new phenomena. Referendums and initiatives have been frequently used in Switzerland and particular states in the US for centuries (Smith, 2009, p. 111). They have therefore been described as *traditional* radical democratic institutions, as contrast to *modern* radical democratic innovations such as deliberative mini-publics and participatory budgeting (Schaub, 2012). These more recent innovations have emerged especially in the field of administration and policy (Warren, 2009) or they have been put forward by established political actors (Sintomer, Herzberg & Röcke, 2008).

Democratic innovations also have different theoretical and genealogical origins (Floridia, 2017). Normative democratic theories typically have one or few institutional devices that they use to crystalise and demonstrate their core values (Saward, 2001a). For direct democratic theories, these core values are political equality and responsiveness to citizens' demands (Saward, 1998). Participatory democrats, on the other hand, emphasise participation mechanisms at the local level and different areas of social life, due to their educative and emancipatory effects on individuals (Pateman, 1970). Finally, deliberative democratic theory sees public reasoning as a core value that is best achieved through inclusive deliberation in legislatures, mini-publics or in the public sphere (Thompson, 2008).

Considering these historical and theoretical characteristics of different democratic innovations, it is perhaps not surprising that empirical research on referendums and initiatives has progressed somewhat independently from the deliberative and participatory research traditions. On the one hand, a large body of literature has looked at the micro and macro effects of referendums and initiatives in the US and Switzerland (e.g. Boehmke & Bowen, 2010; Damore, Bowler & Nicholson, 2012; Dyck & Lascher, 2009; Lupia & Matsusaka, 2004; Tolbert & Smith, 2005; Fatke & Freitag, 2013; Stutzer & Frey, 2006). Others have investigated the effects of deliberative discussions on individuals and groups (e.g. Andersen & Hansen, 2007; Farrar et al., 2010; Grönlund, Herne & Setälä, 2015; Suiter, Farrell & O'Malley, 2016; Lindell et al., 2017; Boulianne, 2018). On the other hand, a research tradition has evolved around the study of participatory budgeting (e.g. Baiocchi & Ganuza, 2014; Cabannes, 2015; Sintomer et al., 2016; Swaner, 2017).

Focusing on a single model of democracy and a single democratic innovation does not, however, take us very far with the comparison of different institutional devices and their potential roles in the democratic system, as Warren (2017) has recently pointed out. Even though deliberative, direct and participatory theories of democracy share some broad principles – such as equality, inclusion or freedom – the problem with finding common terminology stems from the fact that they interpret these principles in different ways and promote different versions of them (Saward, 2001a, p. 577; Setälä, 2006).

Some recent developments encourage bridging the divide between direct and representative democracy on the one hand, and direct, deliberative and participatory democracy on the other hand. By shifting the focus to communication and reasoning processes preceding decisions, deliberative theory has blurred the previously hard distinction between representative and direct democracy (Saward, 2001a, p. 576), allowing, for example, parliamentary discourses and moderated group discussions among lay citizens to be analysed by same methods (Himmelroos, 2017; Steiner, Bächtiger, Spörndli & Steenbergen, 2004). In many places, direct democracy is adopted in its 'soft' form, meaning citizens' initiatives and referendums that leave the final decision to the hands of politicians (Jäske, 2017), bringing them closer to consultative participatory and deliberative instruments. Furthermore, democratic innovations are no longer seen as alternatives to representative institutions. The concepts of *sequencing* (Goodin, 2008) and *coupling* (Hendriks, 2016) have been used to characterise the temporal order of actions and the flows of communication between different democratic forums and institutions.

The functionalist framework

Instead of talking past each other, direct, participatory and deliberative democrats could benefit from identifying various design features of democratic innovations – such as initiator, participant selection, mode of communication, and influence – and reflecting them against the general functions of democracy. In this section, we put forward a functionalist approach to democratic process, which can be applied in the analysis of democratic innovations.

Several democratic theorists have listed broad functions a democratic system must accomplish in order to be counted as democratic (Dahl, 1989; Dryzek, 2009; Fung, 2006; 2003; Mansbridge et al., 2012; Warren, 2017), paving the way for functionalist analysis of democratic practices and institutions. Functions can be understood as key questions to which a democratic theory must provide answers (Saward, 2001b), or goals that a political system must accomplish in order to count as "democratic" (Warren, 2017, p. 43). According to Warren, democratic systems need to fulfil the functions of empowered inclusion, collective will-formation and decision-making.

Our aim is to provide a framework of analysis of the functions of different democratic innovations in the context of democratic decision-making process. While our analytical framework is built upon Warren's distinctions, we depart from it in two respects. Firstly, because we are interested in the role of democratic innovations in policy-making processes, we want to use a more detailed distinction and therefore treat the processes of agenda-setting and will-formation as separate. When it comes to decision-making, we distinguish between processes of decision-making from those of accountability. Accountability is particularly important in the context of representative democracy, which is a system based on delegation of authority to elected representatives.

Secondly, while empowered inclusion is considered as a core function in Warren's framework, we treat inclusion as a normative criterion according to which we evaluate the contribution of different democratic innovations to different democratic functions. That is to say, inclusiveness is fundamental feature of democracy that should characterise all democratic functions. Our interpretation of inclusion and, consequently, evaluations of democratic innovations, is largely guided by the theory of deliberative democracy. In other words, the inclusiveness of democratic decision-making requires that the viewpoints of individuals affected by a decision are represented and fairly treated in the process of public deliberation leading to decision-making. In Young's (2000) terms, the notion of inclusion should thus preclude both 'external' and 'internal' exclusion of affected interests. When it comes to different democratic functions, inclusiveness requires that processes of agenda-setting are open to viewpoints of those affected,

collective will-formation is based on equitable weighing of those viewpoints, collective decisions reflect inclusive will-formation and decision-makers are accountable for those affected by decisions. Consequently, the idea of inclusion operates differently in democratic institutions designed to serve different functions. This applies also to democratic innovations; consider, for example, the idea of equiprobability of selection in deliberative mini-publics in contrast to open self-selection in citizens' initiatives and participatory budgeting.

Various democratic innovations can also have 'side-effects' that are positive from the democratic perspective, e.g. citizen education or self-realization. We do not regard them as democratic functions because they are essentially by-products of democratic participation, namely something that cannot be the sole aim of engagement in politics (Chan & Miller, 1991). There are also generic favourable conditions that serve as preconditions for the key democratic functions. For example, state capacity and generalised trust in a society can serve as favourable preconditions for democratic systems (Warren, 2017). Transparency, i.e. disclosure of information concerning government institutions and policies, serves especially the function of accountability (Kosack & Fung, 2004).

In the following, we discuss each of the key functions in the context of representative democracies, and the potential of democratic innovations to contribute to them, regarding inclusion as a criterion for evaluation. Our discussion of different functions follows the order in which they emerge the policy-making process. In representative democracy where democratic innovations are located, *political agenda* can be set in different ways. Issues may become politicised and enter the parliamentary arena through political parties and interest organizations, but also through citizen participation in initiative campaigns or deliberative assemblies. In general, the function of agenda-setting can be said to be fulfilled if a policy question enters the public sphere by becoming politicised, or if a new policy issue or alternative enters the empowered sphere, whether it be national parliament or local administration. In this article, we are primarily interested in the latter type of agenda-setting, i.e. feeding into the agendas of collective decision-making bodies. In this respect, the functions of agenda-setting and collective will-formation are closely interlinked (Warren, 2017, p. 44).

The potential of different democratic innovations for inclusive agenda-setting depends on the initiator of the process and level of specification. A democratic innovation can enhance inclusive agenda-setting well if it allows citizens and their collectives to choose freely which issues they want to put forward to the empowered forums of collective will-formation and decision-making. For example, institutions of citizens' initiatives are expected to function precisely in this way. However, even if the agenda of the participation process is defined from

outside, the level of specification may vary a lot. In deliberative mini-publics, for example, agendas have ranged from as broad as ways to tackle climate change to as narrow as whether or not to ban genetically modified farming. Obviously, in a comparison between these two, the former has more potential for agenda-setting.

In a democratic system, *collective will-formation* requires reflection of the viewpoints of all bound (or affected) by the decision in order to form judgments on policy choices (Warren, 2017, p. 44). The inclusiveness of political agenda, i.e. openness of empowered forums to different interests and societal viewpoints, can be regarded as a prerequisite for democratic will-formation. The quality of collective will-formation depends on the extent to which it is inclusive in the sense that all relevant viewpoints are subject to public deliberation where arguments are judged equitably by their merits. In these processes, individuals should have access to relevant factual evidence as well as different viewpoints and arguments. In addition, collective will-formation should ideally be based on democratic deliberation where evidence and arguments are weighed even-handedly. Democratic deliberation entails public exchanges of arguments in inclusive forums as well as internal reflection in individual minds. In representative democracies, collective will-formation is expected to take place especially among elected representatives, e.g. in parliamentary committees, before making decisions by voting. Yet in a well-functioning democracy, will-formation processes in representative forums should be linked to the wider public sphere and the civil society. The need for all-encompassing public deliberation seems to be particularly pertinent whenever citizens are expected to make decisions directly, e.g. in referendums.

When evaluating the collective will-formation potential, deliberative mini-publics seem to stand out as fit to perform this task. In mini-publics, the availability of balanced factual information as well as access to different viewpoints is ensured. Deliberative mini-publics often start with a learning phase through written or oral presentations, and involve facilitators as well as norms and practices encouraging weighing arguments on their merits. Obviously, also other direct and participatory mechanisms have potential to facilitate or entail processes of will-formation, e.g. in public discussions preceding referendum votes and in the context of participatory budgeting.

Third, democratic systems must also have the capacity to get things done, i.e. *make collective decisions* and implement them (Warren, 2017, p. 44; Dryzek, 2009). Elected legislative bodies such as parliaments are the key decision-making forums in representative democracies. Decisions made by the majority of elected representatives or citizens in a binding referendum are clear examples of performing the function of collective decision-making. In order to be

democratically legitimate, decision-makers should represent the wider public, and the decision should be based on inclusive processes of collective will-formation, typically in parliaments or other representative bodies that are linked to the wider public sphere. In other words, the quality of decision-making depends on whether they are based on inclusive processes of agenda-setting and will-formation.

Unlike binding referendums, democratic innovations are often advisory and hence only provide input to actual decision-making processes. However, it is possible to identify examples where democratic innovations – such as advisory government-initiated referendums – impose quite heavy political obligations on decision-makers. Therefore, democratic innovations in which the authorities are only committed to give a response can also influence decision-making. The decision-making potential of democratic innovations seems to depend on the extent to which they impose obligations on decision-makers in terms of handling, responding to and following citizens' input. This view is supported by empirical studies showing that at the local level, participatory budgeting and carefully organised processes have stronger effects on policy (Font, Smith, Galais & Alarcon, 2018).

In addition to agenda-setting, will-formation and decision-making, we consider *accountability* as one of the core democratic functions in representative systems based on delegation of authority. Accountability can be expected of those institutions and actors which actually are responsible for making collective decisions, such as elected representatives (Dryzek, 2009; Kuyper, 2016; Saward, 2001a). Accountability requires a certain level of transparency, i.e. the possibility to monitor decision-makers' conduct. In representative democracies, accountability is often understood in terms of retrospective accountability of representatives to voters. Regularly held free and fair elections allows voters to throw the 'rascals out', i.e. to deprive the benefits of the office from representatives if they are dissatisfied with their conduct. In addition to the opportunity to impose sanctions on decision-makers, accountability has also a discursive element. In other words, inclusive accountability can be understood in terms of the requirement of giving reasons or justifications on policy choices (Thompson, 2008) to those affected by these policies. This requirement should apply to citizens, politicians and bureaucrats whenever they make public decisions.

Facultative referendums (Setälä, 2006) are a classic example of rejective mechanisms that make policy-makers accountable on an issue-by-issue basis. Although facultative referendums occur after a parliamentary decision, they enhance discursive accountability also in anticipation of the prospect of a referendum (see below). Other democratic innovations can perform the accountability function in various ways. They may enhance discursive accountability if they

incentivise decision-makers to give public justifications for their decisions, either before or after the decision is made and implemented. Brown (2006, p. 211) notes that deliberative mini-publics can foster accountability 'outside the panel' by establishing contracts where decision-makers commit to providing justifications for reasons rejecting or adopting citizens' recommendations.

Five democratic innovations in functionalist framework

In this section, we analyse and evaluate five real-world examples of democratic innovations and their contributions within the functionalist framework. The purpose is not to provide a comprehensive account of all democratic innovations, but rather to illustrate how the functionalist framework is applicable to various innovations. We pay particular attention to how well these democratic innovations serve the core functions by the criterion of inclusion, and thereby show the normative underpinnings of the functionalist approach.

In the analysis, we focus on specific cases that illustrate the potential of certain types of democratic innovations more generally. However, some of the effects identified in the analysis may not occur in other political contexts where similar kinds of democratic innovations are applied. Moreover, there is quite a lot of variation across the world on how procedures such as agenda initiatives and participatory budgeting are implemented. Because we rely on secondary sources, we have chosen cases that are rather well known and studied, although surely other and perhaps even more interesting cases might exist around the world. In addition, because we focus on well-documented cases, democratic innovations have had clearly discernible – arguably sometimes negative – impacts.

Agenda initiative: The case of Finland

So-called agenda initiatives do not lead to a popular vote but are considered by a representative body (Setälä & Schiller, 2012). By design, they should serve the function of agenda-setting. In parliamentary democracies, agenda initiatives seem to represent a feasible compromise between those who support the principle of parliamentary sovereignty and those who support the expansion of people's direct involvement in policy-making processes. Since 2012, the Finnish Constitution defines the right for 50 000 citizens eligible to vote (about 1.2% of the total electorate) to make legislative proposals that the Parliament (*Eduskunta*) will discuss and decide on. There are only a few restrictions on the types of laws that can be proposed with citizens' initiatives. Moreover, there is an online collection system of signatures, which makes

it possible for smaller and more marginalised civic groups to reach the signature threshold, and thereby the system seems to enhance accessibility of the instrument.

In order to be an institution that enhances inclusive agenda-setting, citizens' initiatives need to be dealt with by a forum of collective will-formation and decision-making. In Finland, citizens' initiatives are processed like other law proposals in Parliament, and initiators have the right to be heard during the committee deliberation on the initiative. In this respect, citizens' initiatives are institutionally 'coupled' with deliberative processes taking place in the Parliament (Christensen, Jäske, Setälä & Laitinen, 2017). Because agenda initiatives encourage representatives to justify their decisions in public, they have enhanced the discursive accountability of representatives.

Although the agenda initiative institution has brought about some legislative changes in Finland, it has certain inherent limitations in a parliamentary system where the government largely sets the legislative agenda. Nevertheless, the experience of the citizens' initiative in Finland suggests that it has served as a channel to raise awareness on issues that remain underrepresented in the parliamentary decision-making agenda (see e.g. Christensen et al. 2017). The political impact of initiatives is thus not limited to legislative changes, since they have also increased awareness of specific issues and influenced citizens' and representatives' attitudes on them.

Citizens' Assembly: The case of Ireland

Deliberative mini-publics such as Citizens' Juries and Citizens' Assemblies are panels involving (near)randomly selected citizens representing different viewpoints who engage in facilitated deliberation (Smith & Setälä, 2018). As already pointed out they are, by design, apt for the function of collective will-formation. However, deliberative mini-publics have been criticised for being disconnected from actual decision-making and even for undermining processes of public will-formation in the public sphere (Curato & Böker, 2016). At the same time, there are some recent examples where mini-publics have been well integrated with decision-making and therefore might not be subject to these lines of criticism.

The Irish Citizens' Assembly was preceded by a Constitutional Convention (2013) which was organised as a response to the post-recession legitimacy crisis in Ireland. The task of the Constitutional Convention was to give recommendations on a list of proposals for constitutional reforms. In addition, it could propose any constitutional amendment it wished to consider. The Convention consisted of 66 randomly selected citizens and 33 elected representatives from the *Oireachtas* and Northern Ireland Assembly (Farrell, 2014). The main

motivation for including elected representatives in the Convention was to increase their commitment to the deliberative process. Apart from its composition, the Convention followed the procedures used in deliberative mini-publics.

The Citizens' Assembly was established by the Irish government in 2016. This time only randomly selected citizens were included in the deliberative process. The Citizens' Assembly model has been previously experimented in various contexts, such as British Columbia and Ontario (Smith & Setälä, 2018). Citizens' Assemblies usually convene over several weekends and provide policy recommendations based on thorough deliberations. Stratified random selection and facilitation of discussions helped ensure both 'external' and 'internal' inclusion of the deliberative process, i.e. that relevant viewpoints are represented in discussions and that they are considered even-handedly by their merits. The task of the Irish Citizens' Assembly was to consider constitutional issues, most notably abortion, as well as other policy issues such as climate change and ageing. The political sensitivity of the abortion issue was one of the main reasons why politicians were not involved in the deliberations of the Citizens' Assembly (Suiter et al., 2016).

The Constitutional Convention and Citizens' Assembly were advisory bodies, which means that it was up to the parliament to decide how their recommendations are dealt with. However, the government pre-committed itself to respond to the recommendations in a timely fashion. In this respect, the deliberative processes actually fed into representative decision-making and enhanced discursive accountability of elected representatives. Some of the recommendations made by these deliberative citizen bodies have led to constitutional referendums, while others have been dealt with by the parliament. The most visible policy changes followed from these two deliberative processes are undoubtedly the legalisation of same-sex marriage and abortion which were passed in constitutional referendums in 2015 and 2018.

Citizens' Initiative Review: The case of Oregon

Started in 2009 in Oregon, US, the Citizens' Initiative Review (CIR) is a democratic innovation that combines a small deliberative body with a state-wide ballot initiative process (Gastil, Knobloch, Reedy, Henkels & Cramer, 2018). In the CIR, a quasi-randomly selected panel of 24 ordinary citizens deliberates for five days on a ballot measure put forward by the state's electorate. After hearing expert witnesses and deliberating in facilitated group discussions the CIR panel produces a Citizens' Statement summarising key findings over the measure, as well as pro and con arguments. The recruitment procedure as well as facilitation in group

discussions ensures the external and internal inclusiveness of the panel. The statement is sent by mail to all registered voters as part of the official Voters' Pamphlet.

In the direct democratic process, the CIR is thus located between the processes of agenda-setting through a ballot proposal and a binding decision by a popular ballot. As the agenda is fairly narrow and pre-determined, the deliberative panel cannot bring new issues to the legislative agenda or for the electorate to be voted upon. Another feature that results from how the CIR is located in the decision-making process is that it does not have a mandate or capacity to make collective decisions. The decision-making power in the case of the CIR remains at the hands of the Oregon electorate in a binding referendum.

The CIR is expected to contribute to the function of collective will-formation by enhancing reflection and deliberation of opinion-formation among voters before direct democratic ballots (Warren & Gastil, 2015). The Citizens' Statement presents reflected and reasoned views on the main arguments in support of con and pro options. This statement serves as a guideline for the whole electorate, which is the body authorised to form the collective will and to make a decision on the proposal. Although voters form their opinions independently, the fact that the CIR statement is sent to every registered voter by official channels at least increases the likelihood that the whole electorate can take advantage of this well-reflected piece of information. The wider public is also provided basic information about the CIR as part of the statement they receive, and some might hear about the process from media channels.

So far, survey research indicates that the public has considered the CIR a trustworthy source of information (Warren & Gastil, 2015). Furthermore, the CIR provides the wider public with reasons and arguments for and against the initiative, contributing to processes of more inclusive will-formation also outside the CIR panel. While the CIR helps voters to make more informed and reflected choices, it still does not change the fact that voters make their decisions in secrecy without any mechanisms of (discursive) accountability.

Government-initiated referendum: The case of Brexit

Referendums are sometimes organised by governments on *ad hoc* basis to resolve some important or divisive issues, such as constitutional matters or territorial issues. In these types of decisions, governments may feel obliged to consult the people in order to make a decision in process that is perceived as legitimate (Morel, 2001, p. 61). Sometimes these kinds of processes bring about irreversible decisions that have long-term impacts. One of the most recent examples of this kind of a referendum is the British referendum on the membership in the EU in June 2016.

The motivations behind this referendum were related to internal divisions on the issue within the ruling Conservative Party, challenged by the anti-EU UK Independence Party. Despite its formally advisory character, the Brexit referendum has turned out to be decisive or *de facto* binding. The majority of MPs voted according to the result of the referendum to start Brexit negotiations with the EU, and the Conservative Government has been committed to follow the result of the referendum. Moreover, the general perception is that the result of the referendum can be legitimately overturned only by organising another referendum on the issue – an option that has been ruled out by the ruling government.

The Brexit referendum was heavily criticised for the lack of public deliberation, political polarization and the role of misinformation in the referendum campaign. Moreover, like other referendums on European integration, also Brexit referendum was at least to some extent 'a second-order' referendum where voters expressed, not only their views on the issue itself, but also on national issues (Vasilopoulou, 2016). Therefore, it remains questionable whether the result of the referendum was an outcome of a careful judgement of the pros and the cons of the EU membership (Offe, 2017). Although the referendum may appear as an inclusive way of making a collective decision, problems of the referendum campaign have led to a situation where the legitimacy of the result of the referendum remains disputable. From the functionalist perspective, the problem in this referendum was the poor quality of the collective will-formation process in the referendum campaign. Moreover, like in many other advisory referendums, the referendum process has undermined the prospects of inclusive will-formation at the parliamentary arena and, in addition, parliamentary accountability (Setälä, 2006). In this case, a government-initiated referendum seems to be leading to a decision which is based on ill-judged and unrealistic expectations and difficult to implement in practice.

Participatory Budgeting: The case of New York

Participatory Budgeting was piloted in the city of New York in 2011-2012 (Gilman, 2016). Since the pilot project, PB has become an institutionalised part of budget allocation in NYC where elected representatives have been committed to follow citizens' opinions. Eligibility to participate in the PB process was debated in the planning phase of the PB pilot (Gilman, 2016, p. 59). Like elsewhere, the PB process in NYC started with open assemblies where any neighbourhood resident or stakeholder can express concerns, needs and ideas for developing the neighbourhood. Anyone at least sixteen years of age and living or working in the community could become a budget delegate, instructed to develop projects of certain magnitude in terms of their financial and other impacts.

In this respect, the PB pilot had a high potential to inclusive agenda-setting. Its agenda-setting power was, however, restricted by a number of facts (Gilman, 2016). For example, the scope of possible projects was in practice narrowed to physical projects in built environment, excluding for example initiatives that would train or hire staff for public schools or health services. Overall, city officials, regulations and practical concerns played a big role in determining which of the ideas from open assemblies actually can be developed into viable project proposals.

At the final stage of the PB pilot in NYC, community residents at least eighteen years of age were invited to vote upon the projects developed by budget delegate committees and presented to the electorate in exposition-type events and on public websites. Elected officials representing the neighbourhood in the city council had committed beforehand to implement the winning projects that come out of the vote (Gilman, 2016, p. 93-96). In terms of democratic functions, Participatory Budgeting in New York seems therefore to fulfil the function of decision-making. The fact that the projects were presented to the wider public after the working period of budget delegates gave possibilities for residents to become aware of different alternatives and their benefits for the community. But it is possible to raise questions regarding the inclusiveness of especially this part of the PB process. Most notably, self-selection in learning about project proposals as well as biases in the final online vote raise questions of how reflective will-formation was and whose interests the final vote actually represents.

In order to sum up the previous brief analysis, the ways in which these five democratic innovations perform the key democratic functions are described in Table 1. We identify the contributions of participatory processes to the key democratic functions in the following way. Two + signs indicate a strong positive impact while one + sign indicates a weak or indirect positive impact in terms of a particular democratic function. 0 is used to indicate a negligible impact in terms of a particular democratic function. Moreover, we recognise the possibility that a democratic innovation might undermine some democratic function by a minus sign in brackets (-).

Table 1 Five Democratic Innovations from a Functionalist Perspective

The case of democratic innovation	Setting agenda (inclusion of viewpoints of those affected)	Forming collective will (equitable judgements of all viewpoints)	Making decisions (reflecting outcomes of	Accountability (giving justifications for

			collective will-formation)	those affected by decisions)
Finnish agenda initiative	++	0	0	+
Irish Citizens' Assembly	+	++	+	+
CIR (Oregon)	0	++	0	0
Government-initiated referendum (Brexit)	0	0 (-)	+	0
Participatory budgeting (New York)	++	+	++	0

Admittedly, the interdependencies between different democratic functions complicate our evaluations and therefore the table is only indicative. For example, although the Irish Citizens' Assembly has brought about legislative changes, its effects on collective decision-making were indirect in the sense that it was up to elected representatives to make decisions concerning which of its recommendations are taken up and submitted to a referendum. The Brexit referendum seems to bind the hands of elected representatives even more, although the negative impact of the referendum on parliamentary will-formation has seemingly created a situation of a legislative stalemate.

Our analysis highlights only the clearly discernible effects of the democratic innovations. However, the analysis shows that individual democratic innovations cannot help serve all the key functions of a democratic system and that sometimes they might not serve any of the four functions of the democratic process. It is even possible that some democratic innovations may undermine certain democratic functions, while they may be contributing to others. Because the impacts of democratic innovations do not depend only on the type of innovation but also how well it is implemented and 'coupled' with other institutions, the evaluation of democratic innovations would not necessarily be the same in other contexts where similar democratic innovations are used.

Discussion: Democratic innovations in a context

In what follows, we will analyse democratic innovations more carefully in the context of representative institutions and other democratic innovations. In representative democracies, there are particular institutions and practices designed to serve the process functions of agenda-

setting, will-formation, decision-making and accountability. A comprehensive evaluation of democratic innovations from the functionalist perspective thus requires also an understanding on coupling and sequencing between different democratic innovations as well as the institutions of representative democracy (Hendriks, 2016; Goodin, 2008). Only this kind of analysis helps understand how democratic innovations can contribute to the democratic functions and how they affect the functioning of other democratic institutions more generally. The analysis of sequencing and coupling of democratic innovations also helps understand why democratic innovations often have a negligible impact – this is arguably even a more typical case than the ones described above.

Moreover, analytical tools developed in the literature on direct democracy are helpful in the evaluation of democratic innovations. For example, democratic innovations are likely to have a more profound impact on democratic functions whenever they are institutionalised, compared to when they are used on an *ad hoc* basis. This does not, however, preclude the possibility of important policy changes following from e.g. *ad hoc* referendums or mini-publics. As pointed out earlier, many democratic innovations such as agenda initiatives and deliberative mini-publics are advisory in the sense that they merely provide input to decision-making among elected representatives. Without any specific measures, the impact of these kinds of participatory processes is likely to remain negligible. The impact of advisory instruments may be enhanced by requiring representative decision-makers to give a formal response to citizens' proposals and thus enhance deliberative accountability. For example, the impact of the Finnish agenda initiative, Irish Constitutional Convention and Citizens' Assembly are based on elected representatives' pre-commitment to respond to their proposals.

In contrast, advisory referendums are sometimes criticised for having 'too much' impact on decision-making among elected representatives. Advisory referendums have arguably a negative impact on parliamentary will-formation when representatives simply follow the result of a referendum without giving any substantial arguments related to the issue itself. This problem is particularly pertinent whenever the quality of public deliberation preceding the referendum is poor, like it was the case in the Brexit referendum. Moreover, the *de facto* binding character of advisory referendums may also undermine parliamentary accountability and will-formation processes since it may lead to a failure of representatives to deliberate and justify their position on the issue in question.

Democratic innovations may provide an alternative venue of decision-making when they are used 'in place of' representative procedures (Setälä, 2006). Binding referendums are the most important case where political decisions are made outside representative forums, but also

participatory budgeting sometimes entails delegation of decision-making powers on budgetary matters to citizen participation processes.[1] Nevertheless, even binding referendums necessarily interact with representative institutions in different ways. There are significant differences, however. In the US states, the initiative and referendum processes remain formally detached from the state legislatures, whereas Swiss system of direct democracy entails parliamentary negotiations and governmental counterproposals. In the Swiss system, the processes of collective will-formation on initiatives take place, not just among voters, but also in the parliamentary arena.

Democratic innovations also have a potential to enhance the accountability of representatives. As pointed out above, they may enhance discursive accountability by 'forcing' parliamentarians to take a stand on policy choices. The Swiss institution of a binding, citizen-initiated facultative referendum has a more direct and profound effect on accountability of representatives. A certain number of citizens can require a referendum on laws recently passed by a parliament, allowing accountability on issue-by-issue basis. In anticipation of facultative referendums, governments try to establish a broad consensus for their policy proposals already before they are dealt with in the parliament (e.g. el-Wakil, 2017).

In addition to interaction with representative decision-making, another question is how various democratic innovations should be coupled and sequenced with each other in order to fulfill the core functions of the democratic process. While direct democratic mechanisms of initiatives and popular ballots fulfill the functions of agenda-setting and decision-making, they can be criticised for bringing about flawed or insufficient processes of collective will-formation. The CIR has been designed to complement direct democratic practices by addressing the deficiencies in collective will-formation by facilitating information-processing and reflection among votes.

Concluding remarks

In this article, we have shown that democratic innovations may have diverse contributions to the key functions of the democratic process. Moreover, we have argued that one single innovation cannot and should not be expected to fix all problems of democracy. They can only provide partial solutions, although especially combinations of democratic innovations can potentially contribute to several democratic functions at a time. Therefore, the term democratic

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[1] The policy influence of participatory budgeting, however, varies across countries and localities. In Germany, for example, the impact of citizens' budget proposals has been found to be rather diffuse and context-specific (Schneider & Busse, 2018).

innovation should perhaps not always be associated with an improvement in the prevailing processes of decision-making. While democratic innovations are often designed to serve a particular function, they may have – positive or in some cases negative – indirect effects on other functions. In other words, combining democratic innovations with representative procedures or with each other may not always be so seamless. Partly this may stem from different interpretations of inclusion and representation involved in different democratic procedures. Moreover, concurrent processes that fulfil the same democratic function may give rise to competing claims of legitimacy.

The insights brought about by the functionalist approach underline the importance of thoughtful institutional design. It is necessary to pay attention to the coupling and the interaction between democratic innovations and representative institutions on the one hand, and between different types of democratic innovations on the other. The introduction of democratic innovations should be based on an analysis of the problems in the functioning of the democratic system as well as the capacity of democratic innovations to address these problems. In addition, certain democratic innovations, especially direct democratic ones that have strong impact in decision-making, should be combined with other innovations that can contribute to those functions that they fail to address, collective will-formation in particular.

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