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After the Equilibrium: Democratic Innovations and Long-term Institutional Development in the City of Reykjavik

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Abstract: Although democratic innovations (DIs) are spread all over the world, there is little research on the institutional outcomes of implementing such innovations in governmental organisations. To remedy this, it is important to focus on cases where DIs have been implemented and formally connected to the policy-making process over a longer period. Reykjavik provides such a case. Drawing on observations and interviews with key stakeholders over a period of three years, this study analyses how the institutional logic of DIs influenced the local government in Reykjavik. The study presents two conclusions: First, it is clear that one equilibrium (representative democracy) has not been replaced by another (participatory democracy). Second, there is no peaceful co-existence between the two, but instead the outcome is an organisation in ‘a state of flux’. There are several factors contributing to this outcome, but three stand out: a populist power-shift, dissatisfaction with the working of the implemented DIs and deliberative ambiguity. In the final part of the article, the institutional outcome is discussed in relation to overall consequences for the political system.

Keywords: democratic innovations, ICT, local government, institutional logics

1 Introduction

As democratic innovations (DIs) spread around the world, researchers have begun to investigate the central claims made by deliberative and participatory scholars (Åström et al. 2017; Carman 2014; Christensen et al. 2015; Jonsson 2015; Michels 2011). One such question concerns the influence of DIs on long-term institutional development in local government (Coleman/Sampaio 2017; Hendricks 2016). In a changing political landscape in western democracies with decreasing or stagnated citizen confidence in governments (Dalton 2017; OECD 2013) and the increased influence of populist politics (Norris/Grömping 2017), it is of great interest

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to explore the relationship between the implementation of DIs and political stability and change. This article explores this relationship by studying the implementation of two online DIs in the local government of Reykjavik, Iceland, over a period of three years.

For a long time, DIs have been treated in academia and among practitioners and politicians as adjuncts to the representative institutional system. This notion has been nourished because most DIs have tended to be short-lived or ad-hoc islands of participation (Geissel/Newton 2012). DIs often have only a shallow connection to the policy- and decision-making processes (Åström et al. 2011; Smith 2009), and research within the field has often been experimental or semi-experimental (Jonsson/Åström 2014; Hess/Thompson 2016). More recently, however, there has been a ‘systemic turn’ in the theoretical (Jensen 2014; Kuyper 2015; Mansbridge et al. 2012; Owen/Smith 2015; Warren 2012) and empirical (Jonsson 2015; Smith 2016) study of DIs. Researchers applying this approach avoid analysing DIs in isolation, but take on a more contextual approach by analysing DIs as parts of the political system and place the interest in the systemic outcomes of DIs (Mansbridge et al. 2012). While a number of systemic aspects are covered in available analytical frameworks (Dryzek 2009; Mansbridge et al. 2012), most analytical frameworks are guided by normative democratic theory (Rowe/Frewer 2000; Smith 2009). These frameworks are, however, not specifically developed to study questions relating to long-term institutional development. Since empirical research in this field is scarce and no specific theoretical framework has been developed to study this aspect, there is no consensus on how such a case should be studied, or what framework ought to be used to understand current developments. To develop our understanding of institutional outcomes, this article will link the systemic approach to the field of institutional theory. By linking these two analytical traditions, we can gain insights into how institutional analytical frameworks can be adopted into the broader analytical toolkit that the systemic approach is currently building.

To advance our understanding of the relationship between the implementation of DIs and institutional development, it is necessary to identify cases which can provide us with meaningful data. These cases must include two criteria: (1) DIs that have been active for a longer period of time; (2) DIs that have a formal connection to the policy-making process, either in that they are implemented by the government, or that there is a policy connection by proxy. Two such examples already covered in the literature are the participatory budget processes in the cities of Bela Horizonte and Porto Alegre in Brazil (Coleman/Sampaio 2017; Wampler/Avitzer 2004).

Reykjavik, on which this study will focus, also represents such a case. The implementation of DIs in Reykjavik was brought in by a then newly-founded pop-

ulist political party, the Best Party (*Besti Flokkurinn*) and was a reaction to the political and financial crisis that occurred in 2008 and peaked in 2009. Two online DIs were implemented in Reykjavik: the e-petition platform Better Reykjavik (*Betri Reykjavik*, BR), and the online participatory budgeting platform, Better Neighbourhood (*Betri Hverfi*, BN). Until the crisis, politics in Iceland were stable and seldom provided any surprises. In the wake of the crisis, the political structure was challenged by public opinion; street demonstrations put pressure on national and local governments; and as new political actors approached centre stage, a critique of the ‘old way’ of doing politics became increasingly standard.

The main aim of this study is to provide insights into the relationship between DIs and long-term institutional development. It is guided by two research questions: (1) whether the introduction of DIs led to a change in the dominant institutional logic and corresponding governance structures in Reykjavik, and (2) whether the institutional outcome can be characterised by stability or ongoing change.

The data used in this study is mainly interviews conducted between 2012 and 2014 with key stakeholders in the process of implementing and developing the online DIs in Reykjavik.

The article is structured as follows. First, a short review of prior research on democratic innovations will be presented to highlight research gaps, and then the analytical framework of competing forms of institutional logic will be explored. Following that, the methods and data will be presented and this will be followed by the data and results and then the discussion in relation to the theoretical framework. The article will end with a discussion and conclusions.

2 Democratic Innovations

‘Democratic innovation’ is an umbrella term for political institutions which directly engage citizens in the decision and policy-making process, whether sanctioned by the government or institutionalised in the representative body (Smith, 2009). They involve a mix of participatory, deliberative and representative institutions applied within the framework of representative democracy. There is no single agreed definition, but this study applies Newton’s (2012) general description of democratic innovations:

“The successful implementation of a new idea that is intended to change the structures or processes of democratic government and politics by improving them.” (4)

The main reason why Newton's definition is most suitable lies in its focus on implementation and institutionalisation. Most other definitions focus more on the connection between government and citizens, and to a large extent neglect the need for actual implementation.

Until recently, research on DIs has mostly focused on individual outcomes and their deliberative and democratic quality (Jonsson/Åström 2014; Michels 2011), and there has been less focus on systemic effects and the endurance of DIs over time. More recently, however, a more contextual 'systemic approach' has been discussed (Mansbridge et al. 2012; Owen/Smith 2015; Warren 2012) which acknowledges that DIs have begun to change from being applied *ad hoc* to become real political institutions implemented in political systems.

The systemic debate has also spurred an empirical interest to study to effect of DIs over time. Wampler's (2012) study of the core principles of participatory budgeting, Coleman and Sampaio's (2017) study on participatory budgeting in Bela Horisonte, and Hendricks' (2016) study of the use and consequences of mini-publics in Australia all being examples. Some of the central findings from these studies concerns the problem of embedding DIs in the political system, and the consequences this can have as these institutions starts to move from being innovative novelties to long-term political institutions. One of the best examples of this is Coleman and Sampaio (2017), who conclude that the online version of the platform being studied failed due to various problems which were technical, communicational and representational, and that these problems led to decreased public trust and decreased levels of participants (Coleman/Sampaio 2017, 765–766).

While these empirical studies share a long-term focus, they do not focus on institutional outcomes. There are suggestions on how to analyse DIs from a systemic perspective available in the literature (Dryzek 2009; Mansbridge et al. 2012) and a few empirical studies that apply these frameworks (Jonsson 2015), but they are certainly not parts of a coherent theory. The systemic approach should rather be understood as a theoretical and empirical 'work in progress' (Hendricks 2016, 43). The main shift from the previous approach is that the systemic approach acknowledges the political context of the DI rather than placing it in a vacuum, and by doing so is able to analyse the outcomes and political consequences of the implementation and embeddedness of DIs in political systems. As there currently is no coherent framework for conducting systemic analyses, this study will apply an analytical framework developed by institutional theorists. Other frameworks that have been used include those that concern the impact of DIs on citizens' trust in democratic institutions (Åström et al. 2016; Christensen et al. 2015) and the deliberative qualities of policy-making processes (Jonsson 2015; Dryzek 2010; Mansbridge et al. 2012).

While most scholars would agree that DIs, by definition, carry and enable a participatory institutional logic, there are only a few cases where they have challenged the representative institutional logic and had a long-term institutional effect on the governmental organisation in question (Fung/Olin Wright 2001). Even if DIs could have a function and provide other values (Jonsson 2015; Åström et al. 2017; Irvin 2004), other empirical studies with a short-term perspective show that the representative institutional logic continues to prevail despite their implementation (Núñez et al. 2017; Åström 2004). Even in the short term, DIs are often said to be implemented on the surface of governmental organisations and therefore do not challenge the dominant representative institutional logic (Blaug 2002; Åström/Grönlund 2012; Ganuza/Baiocchi 2012).

3 Competing Institutional Logics

One of the central assumptions in mainstream institutional theory is that institutions and policies are stable over time (Peters 2012). Another, generally argued by historical institutionalists, is that institutions are path-dependent: they follow the ‘path’ set out in the creation of the institution (Mahoney/Thelen 2010). Despite this stability and path-dependency, crises do occur, causing interruptions to stability (Baumgartner et al. 2014). Such interruptions are sometimes referred to as ‘punctuated equilibrium’ (John/Bevan 2012) and can be understood as the beginning of a battle between competing institutional logics.

Analysing institutional stability and change is a central discussion within institutional theory (Mahoney/Thelen 2010; Peters 2012). When policy or institutional change occurs due to an abrupt political change (most often a political crisis), one of the dominant explanatory perspectives has been that of punctuated equilibrium theory (PET) (Baumgartner et al. 2014). Contrary to the incremental idea that institutions develop through small steps over time, punctuated equilibrium theorists hold that major changes in public policy lead to a clear break with the established order. The basic assumption of PET can be divided into four stages: first, there is institutional equilibrium; then, this equilibrium is punctuated due to a political crisis; this punctuation is followed by a period characterised by uncertainty and political battle; before a new and stable equilibrium is created (John/Bevan 2012).

The theory of punctuated equilibrium is initially appealing and appears to explain complex periods of transition through quite a simple model. However, the major problem, as Peters (2012, 78) points out, is that the theory does not provide a framework for predicting or understanding the factors behind the change.

Kraatz and Block (2008) also acknowledges that PET is “quite useful as a starting point for understanding organizational transformation”, but that the perspective becomes unsatisfactory as, “change is less rare and remarkable than it may appear” (Kraatz/Block 2008, 257). While the PET assumes that stability is the normal state for organisations, incremental institutionalists understand stability as an achievement (Kraatz/Block, 2008). Retrospectively, punctuated equilibrium theory can provide a reasonable schematic explanation of a period of crisis and the policy changes which resulted from it, but the analysis is highly dependent on hindsight (Peters 2012).

More recently, perspectives have challenged the idea of new equilibriums or whether organisations and systems can live with multiple and competing institutional logic while remaining in a perpetual state of flux (van Gestel/Hillebrand 2011). The current general trend in the field is to move away from the PET perspective, and towards understanding gradual institutional change and how organisations cope with these changes. There are a number of suggestions available on how to analyse gradual change, many of them focusing on agency and the institutional contexts. Mahoney and Thelen’s (2010) analytical framework, for example, focuses on how the characteristics of political context, characteristics of political institutions and dominant change-agents interact in the processes of institutional change (Mahoney/Thelen 2010, 18–29). As this study will apply the theory of institutional logics, this perspective will reviewed be in more depth below.

As with most other social scientific concepts, there is no all-encompassing, universal definition of institutional logic; but a core assumption is that either a society as a whole or a single organisation can constitute an institution that incorporates competing institutional logics (Thornton/Ocasio 2008). Modern Western society, for example, is to a large extent founded upon three institutions with three forms of logic at odds with each other: the market, state bureaucracy, and democracy (Alford/Friedland 1985). Institutional logic is applied in various fields of research and often focuses on single organisations such as a regional health-care system in which different actors act according to different institutional logics; these might include business logic, welfare logic, bureaucratic logic and professional ethical logic. This causes tensions within an organisation. In their examination of the workings of institutional logics, Fligstein and McAdam (2012) argue that the stability of systems is relative, even when central actors are working very hard to reproduce social order, and that “[t]o a degree, change is always going on” (7).

As Fligstein and McAdam (2012) argue for a broader perspective, they also acknowledge that most research on institutional logic takes place in sub-fields and, as Thornton and Occasion (2008) observe, often focuses on how “institutional logics and professions undergo change when activists gain control of professional

societies, critique the traditional logic, and proffer a solution hinging on a new institutional logic” (118–119).

Based on this actor-based idea of institutional change, Van Gestel and Hillebrand (2011) developed an analytical framework on how institutional logic is shaped, focusing on institutional outcomes and the factors that explain them. It identifies three institutional outcomes for organisations. The first is that one dominant form of logic prevails. This outcome follows the basic assumption of punctuated equilibrium theory: one equilibrium is replaced by another. Van Gestel and Hillebrand (2011) explain that, after a short period of struggle, a period of stability occurs in which “the dominant logic is unquestioned” (233). The second outcome is that multiple forms of logic co-exist in some way. This challenges punctuated equilibrium theory by suggesting that there is no guarantee that a new stable equilibrium is created, but that competing institutional logic can co-exist within the organisation for longer periods. The third outcome is that the organisation is characterised by ongoing change and is constantly in flux. Thus, the organisation is “characterised by constant struggles between competing logics and, even though a settlement may be reached, other logics remain in the background, to be revived whenever the opportunity arises” (246). Rather than domination by one institutional logic, or the peaceful co-existence between two, this outcome leaves the possibility that the organisation will remain in a vulnerable position due to institutional instability.

Advancing the traditional PET-framework, Van Gestel and Hillebrand (2011) present four central factors which can facilitate such outcomes. The first is a power shift; the change of dominant actors (and change of dominant institutional logic) within an organisation, due to, for example, a political election. The second is dissatisfaction; a state in which actors feel that the situation is undesirable, which generates an urgent need to do something. The third is negative choice; a state in which the stagnation of the organisation has been broken, but the actors feel that they have to choose the less of two evils. The fourth is deliberate ambiguity; a way out of a position of stalemate. In these cases, actors representing competing forms of logic “leave things open” which briefly appears to solve the issue, but in fact merely postpones the conflict (241–246). Instead of confrontation, the issue is temporarily dropped from the agenda and thus not a priority for the government to address.

The development in Reykjavik follows a typical PET-narrative; political stability, then a political crisis, then a political struggle in a ‘window of opportunity’ in which new political institutions (DIs) are being implemented to restore political legitimacy and calm the system. The case of Reykjavik is, thus, not one of long-term gradual institutional change, but one of punctuated equilibrium. The PET analytical framework is insufficient to understand the process of change, and to

be able to understand what happened after the equilibrium, and after the implementation of the DIs, we must turn to an analytical framework that focuses on this. Institutional logic does so, and will therefore be applied in this analysis.

4 Method and Data

The data are focused on three aspects of the implementation process of DIs in Reykjavik. To be able to analyse the institutional outcomes and the factors affecting it, it is important to understand the overall chain of events from the beginning in 2008 until the final data was collected in 2014. The first aspect is the contextual background to the initial implementation of the DIs, why Reykjavik chose to implement DIs in the first place, and how the process evolved. The second aspect is the adoption phase, during which civil servants and politicians within the organisation worked to integrate ideas, suggestions and priorities from the two DIs. The focus here is on the challenges which civil servants and politicians faced and are still facing. The third aspect is the actual incorporation of the DIs into the local governance structures.

This study is based on three primary sources, presented here in chronological order. The initial round of data gathering was from group interviews (n=5) conducted in Reykjavik in 2012. The interviews were mainly with civil servants that worked with BR and BN on a daily basis, but included politicians in Reykjavik.

The second source was observational data from workshops (n=3) held in Örebro (2012), Tallinn (2013) and Reykjavik (2014), in which BR and BN were the topics. The participants at these workshops were civil servants from Reykjavik, researchers and NGO representatives, all with central positions in BR and BN. These workshops were parts of a research project that, among others, included Reykjavik, The Citizens' Foundation in Iceland (the creators of the software behind BR and BN) and researchers from Örebro university. These workshops primarily focused on following up the most recent developments with BR and BN, with a particular focus on the organisational challenges.

The third (and major) source was a round (n=8) of interviews in 2014 with key civil servants (n=3) who worked with BR and BN on a daily basis, among them the project leader for BR. It also featured local politicians (n=4) representing the majority and minority, and a representative (n=1) from the NGO which hosts BR and BN. These interviews were conducted in Reykjavik over the course of one week in October 2014. They lasted 50-70 minutes, were digitally recorded and later transcribed into text. All interviews were anonymised and referenced in the text as Interviewee 1; Interviewee 2; and so on. They were conducted using a semi-

structured approach, a key feature of which is flexibility (Bryman 2008). A common template questionnaire was used in all interviews, and a battery of follow-up questions was also applied. Since the interviewees had different relationships with the project, the questions needed to be customised.

These sets of data have one major limitation: their small number. This could be a problem, but in this case it should not be as this study takes an intra-organisational perspective, and the interviewees are the very people working with BR and BN on a daily basis in different positions. By interviewing and discussing with a total of 12 people with central positions connected to this issue over a period of three years, there are reasons to assume that even this small sample size is sufficient for drawing conclusions about the organisational development.

The choice to conduct interviewees instead of other methods such as use of a survey was mainly due to the initial understanding of the development of BR and BN from the first round of interviews. Instead of focusing on the effects among participants in BR and BN, this case provided a great opportunity to understand institutional development and possible change by focusing on a small but very influential group intimately involved in the process. The questionnaire was designed to both correspond to the theoretical claims found in DI literature, and also to the actual process of implementing DIs in Reykjavik. The central idea with the design of the questionnaire was to formulate questions that focused on institutional change and development, but with open-ended questions to avoid narrowing the interviewees' focus only to the categories posed by the analytical framework. The questionnaire had four themes with multiple sub-questions focusing on the implementation, functions, general context and relationship to Icelandic politics of BR and BN. Due to the open-ended design and the opportunity to adjust questions during the interviews, the particular role of the interviewee could be explored according to the categories in the analytical framework.

5 Democratic Innovations in Reykjavik

To provide a comprehensible description of the implementation and adaption of democratic innovations in Reykjavik, this section will be divided into three parts. First, the political context in which democratic innovations emerged will be described and analysed. Second, the initial implementation phase of the institutions will be discussed based on the information gleaned in the interviews, and third the process of adapting these institutions to the governmental framework will be set out, also based on the interviews.

5.1 The Icelandic Context: The Punctuation of Equilibrium

The implementation of democratic innovations in Reykjavik started as a response to the financial and political crisis that began in 2008. In January 2009, thousands of citizens gathered in what was labelled the ‘pots and pans revolution’ (Hardarson/Kristinsson 2011), ending with the toppling of the government. The legitimacy of the political system was eroding; in an opinion poll in 2011, only one in ten Icelanders expressed ‘great trust’ in Parliament (Gylfason 2012). In just one year, the established political equilibrium had been punctuated and the political elites challenged by a wave of demands for participation from citizens. As Iceland is a small country of 331,000 inhabitants (2016), of whom 120,000 (2016) live in Reykjavik, it is hard to distinguish between different levels of citizens’ anticipation at national and local level; the legitimacy crisis was felt at both levels.

At national level, the government responded by introducing a unique democratic innovation; an online crowdsourcing process for a new constitution, with a referendum connected to it (Landemore 2014; Åström et al. 2013). In addition, two referendums were held on foreign debt in 2010 and 2011, “[t]he only known direct democratic votes on sovereign debt resettlement in history” (Curtis et al. 2014, 721). The people called for more inclusiveness and participation; less technocracy and nepotism, and the movement created in the wake of the political crisis was subsequently described as a ‘freedom of information movement’ (Beyer 2014).

At the local level, a new populist political party, the Best Party (*Besti Flokkurinn*) was formed as a response to the crisis, with citizen participation and transparency in government at the core of its political agenda (Gnarr 2014). Founded only months before the local elections in Reykjavik, the Best Party characterised itself as being made up of ‘anarcho-surrealists’ and declared that they would break all their promises if they won the local election. After a stunning election, the Best Party won the 34% of the votes and began to rule in coalition with the Social Democrats. One of its first decisions was the establishment of the e-petition platform BR, which quickly became a success, attracting high volumes of participation. In 2011, the local government went a step further and developed a participatory system, BN.

By 2014, BR and BN were run by the local government, and connected to the policy-making process with ideas and priorities adopted by committees and departments. Neither amounted to formal political institutions, both taking the form of projects. Democratic innovations in Reykjavik thus took a rather ambiguous form; the content produced in the institutions was formally connected to the policy-making process, but the institutions themselves were not.

5.2 The Implementation of Democratic Innovations

Faced with this legitimacy crisis, the new local government of Reykjavik had to act. One of its first steps was the implementation of BR. This was processed by a steering group, consisting of politicians from the majority and civil servants. In line with Icelandic political culture, which adopts a ‘winner takes all’ approach, the minority did not participate in these meetings [Interviewee 8].

The initial process from the idea to a formal decision was described by several stakeholders as having been smooth and without major differences in opinion [Interviewees 2; 5; 8]. BR started out in 2010 as a participatory online platform called *Shadow City Skuggaborg*), created by the non-profit NGO *Citizens’ Foundation*; but there were initial difficulties over how to connect it to local government. As Icelandic municipalities are obliged to communicate answers to citizens who have questions, suggestions or complaints, implementing a platform such as BR would most likely drastically increase the amount of work for civil servants. It was therefore important to find an alternative way for the city to connect to BR.

The solution agreed was for the city to enter into agreement with the NGO, allowing the latter to run the platform and deliver only some of the suggestions and ideas to the departments in City Hall. However, this turned out to be complex, and the process took more time than expected. “Originally we had the idea that we going to have a cooperation agreement between us, and it was our biggest mistake not to make that.” [Interviewee 2] It took more than a year for the NGO and the City to “settle down with something that looked like a contractor agreement” [Interviewee 2]. The institutional connection of BR is thus a contract which is renegotiated after each local election.

The design of BR is almost identical to an e-petition system, but with some features uncommon in such systems: it allows discussions both for and against the idea, and is based on ‘votes’ rather than ‘signatures’. For analytical purposes, in this article, BR will be described as an e-petition system due to its apparent design similarities; which will also connect it with the broader literature (Carman 2014; Lindner/Reihm 2011; Åström et al. 2017). The system allows any registered citizen¹ to post a new idea, and it is open for every citizen to vote for or against it, and to discuss the idea with other citizens.

¹ There is no age limit to BR. Schoolchildren and retired citizens can participate.

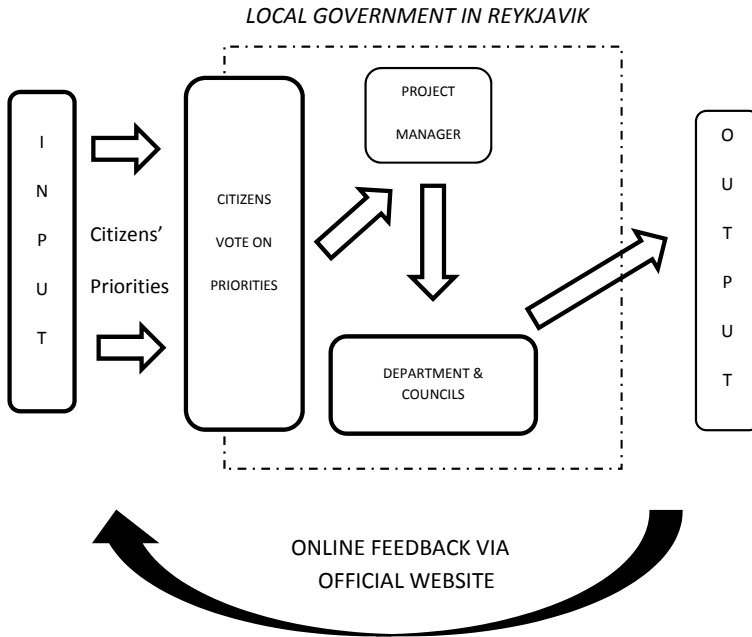


Fig. 1: Procedures for Better Reykjavik

The institutional arrangement surrounding BR is unique. Each month, a project manager² goes to the BR platform and collects the five most popular ideas for each department. These ideas are then presented and discussed within each department. The ideas are then handled as any other formal request would be within the departments. When the decision is taken either to implement or discard, a message is sent from the department to the project manager, who communicates the outcome to the citizen who initiated the idea [Interviewee 4] (See *figure 1* for an overview of the workings of BR). Thus, priority is taken into consideration in relation to its relative popularity compared with other ideas. One of the consequences is that priorities with only a few supporters (sometimes even as few as a single supporter) also have to be treated in committee as formal requests. This is regarded as a major problem, causing a great deal of frustration among civil servants and politicians as it is difficult to value priorities with so few votes [Interviewee 4; 5; 7].

² The job of ‘Project Manager’ was created with the implementation of BR. In the first two years, 2010–2012, the position was part time. Since 2013, it has been full time.

This initial period of BR can be considered a success [Interviewee 1; 2; 8]. Participation rates were good, and new ideas came into the system with regularity. A year later, in 2011, the participatory budgeting platform Better Neighbourhoods (BN) started as a complementary process to BR, with a focus on the improvement of neighbourhoods. The timing of the implementation of BN follows Wampler’s (2012) observation that participatory budget programmes “are often adopted in a window of opportunity in which a coalition of elected officials and civil society activists seek to produce social change” (Wampler 2012, 1).

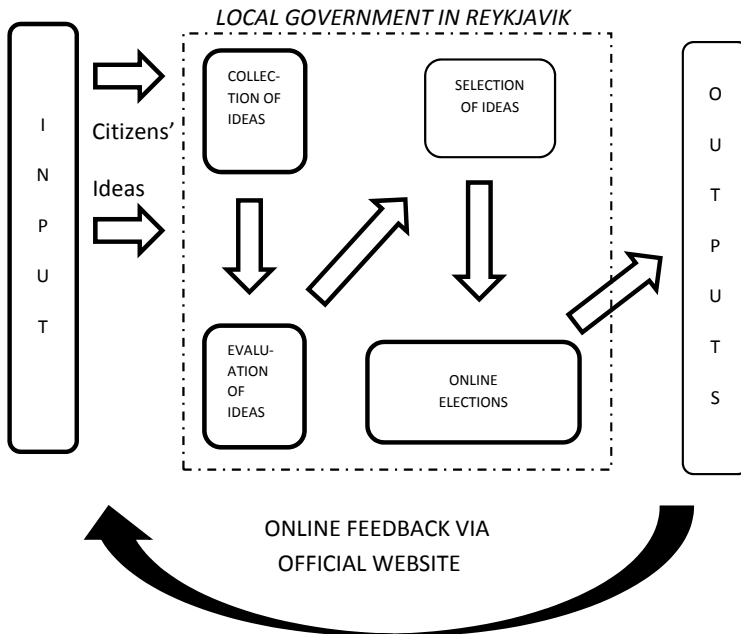


Fig. 2: Procedures for BN

While BR is characterised by bottom-up participation with little structure, BN is a formally structured process with four stages (see figure 2). The first stage is held in October each year, when the mayor holds a press conference and thereby officially opens the collection of ideas from the citizens in each neighbourhood of Reykjavik [Interviewee 1]. This collection phase is open for all citizens residing in the designated neighbourhood, and the platform is open for one month. The second stage involves the evaluation of the ideas and suggestions by a local com-

mittee, which selects the best ideas for electronic elections. In the third stage, the selected ideas are presented for the citizens to consider and, via the website, choose ideas within the framework of the budget (Kr300 million per year, or approximately €1,944,800). Citizens then design their own list of priorities within the budgetary framework and ‘vote’ on the list of things that should be done.

Since 2011, there have been three electronic elections within BN. Electoral participation has been 6%, 7%, and 8% respectively, and these low rates of participation have met with mixed responses. While some civil servants and the NGO representative view this as at the same level as other similar processes in other states [Interviewee 1; 2], politicians consider it to be a problem [Interviewee 3]. One possible solution is that the coming years may consider one or two larger projects instead of a large number of smaller projects [Interviewee 1; 2].

5.3 Adjusting Democratic Innovations to the Organisation

Once connected to the local governmental organisation, BR and BN had to be adjusted to day-to-day routines and practices. This process was still ongoing four years after the initial connection of BR, creating tensions and dilemmas within the local government. The problems and internal critique are sometimes mutual to both BR and BN, but it is sometimes important to separate the two: since there are certain tensions involved with each innovation. This section will focus on the key aspects of the adaptation process.

First, it is important to note that BR and BN have no clear-cut aim [Interviewee 4], and neither is there any documentation nor official policies regulating BR and BN. There is, however, a committee, working broadly with issues concerning ‘democracy and administration’, focusing on transparency and citizen participation. This committee is not responsible for BR and BN, but works with issues related to both.

Democratic innovations usually aim to solve a specific political problem or form part of a grander political scheme. There are no such aims with BR or BN; merely the general idea that channels for citizen participation are important [Interviewee 1; 7; 8]. The lack of a clearly stated aim causes confusion among the central actors as they do not know what is supposed to be considered ‘good’ or ‘not good’ [Interviewee 3; 4; 5; 6; 7], and it is problematic to evaluate something which lacks a defined aim. In consequence, while many interviewees describe BR and BN as good, because participation is essentially good [Interviewee 1; 3; 4; 5; 7; 8], they were unable to elaborate on exactly what it was that was good. The lack of clear aims and, as a result, lack of measurable results, leads to an organisational

confusion which in turn has created a feeling of dissatisfaction and frustration among many stakeholders.

Second, a majority of the interviewees discussed the low participation rates, and noted two major problems: a shortage of new ideas and priorities [Interviewee 4], and some priorities being handled officially despite only possessing a few signatures [Interviewee 4; 5; 6]. One interviewee argued that there should be “some limit on how many people like things before we get to discuss it in the council” [Interviewee 6]. Another noted that it can be a democratic problem, as a priority with only a few signatures hardly represents the broader citizenry [Interviewee 5]. Yet there are no discussions ongoing about strategies for how to engage the many citizens who are not currently participating in BR or BN. The organisation has thus identified a major problem—lack of citizen participation—but it is not actively working to resolve it.

Third, *none* of the interviewees considered BR or BN a threat to either the administration or the political parties [Interviewees 1; 2; 3; 4; 5; 6; 7; 8]. These findings could be interpreted in two ways. Either the local government is normatively convinced that citizen participation is good in itself and views BR and BN as natural parts of the institutional framework, or BR and BN are not functioning correctly and therefore not challenging the power vested in the local government.

A fourth feature is the striking lack of development after implementation [Interviewee 4; 5; 6; 7]. This has caused frustration among politicians and civil servants, as the design of both BR and BN was based on the high volumes of participation during the crisis, not the lower rates of politics-as-usual. Interviewees revealed that this has been “kind of stagnant in a way; there hasn’t been much development” [Interview 4], that BR “has been declining basically” [Interviewee 5] and, more self-critically, “we have been to slow in development” [Interviewee 6]. What is particularly striking is the lack of thinking within the organisation about development. Instead, the issue has fallen between two stools; the local government is awaiting development of BR and BN from the NGO, while the NGO does not see any acute need to develop the platform and has not been pressured to do so. The lack of development has contributed to a growing dissatisfaction among civil servants and politicians and a disbelief in the actual use and potential of the system.

A fifth finding is that opinions of the overall process, especially of BR, differed between politicians and civil servants. Politicians were blunter in their critique, arguing that “it is not working as it should” [Interviewee 6], and “everybody can see that this is not working” [Interviewee 5]. The civil servants were more nuanced, concentrating instead on lack of development. The case of BN is somewhat different, though, as it was developed in partnership between the NGO and local government.

A sixth finding relates to the apparent ambivalence on how to formalise the connection between BR and BN and local government. While the content created in BR that the priorities voted on are brought into the departments is formally connected to the policy-making process, BR itself is still perceived as a project [Interviewee 5]. This is puzzling, as it is normally the other way around; the DI is formally connected to the institutional system, but the content created in the DI is not formally connected to the policy-making process.

A seventh element concerns the lack of internal and external communication. When asking civil servants about their discussions with politicians and vice versa, or with the NGO and vice versa, everyone claimed that they had little or no contact [Interviewee 1; 2; 3; 4; 5; 6; 7; 8]. Neither is there any sign of external communication. While BN receives some media attention through a yearly press conference [Interviewee 1], there is no publicity at all for BR [Interviewee 1; 4]. In the initial phase it did not require any advertising, but as time has gone by and participation rates have dropped, there became a growing need to publicise its work, but this never materialised [Interviewee 2].

When summarising the themes found in the data, a sense of *dissatisfaction* among the actors working with BR and BN was apparent. As much as most things were positive at the start, they now seem to be either problematic or to have stagnated.

6 Discussion: Dominance, Co-existing Logics or an Organisation ‘in Flux’?

This study provides some insights into both the opportunities, but also the challenges that can follow from implementing DIs in local governments. The implementation of DIs can present a variety of challenges to local government, which in turn generate dissatisfaction among both politicians and civil servants and a situation of deliberate ambiguity. The study also shows that introducing DIs in local government can result in unexpected institutional outcomes and an organisation that to some extent is in a state of flux.

In letting the first research question³ guide the discussion, it should be remembered that the analytical framework developed by van Gestel and Hillebrand (2011, 241–246) identifies four factors as causing institutional outcomes

³ Whether the introduction of DIs has led to a change in the dominant institutional logic and corresponding governance structures in Reykjavik.

and change in organisations exposed to competing institutional logic: power shift, dissatisfaction, negative choice and deliberate ambiguity. This study has identified three of these factors in Reykjavik: power shift, dissatisfaction and deliberate ambiguity. I will start the discussion by addressing these factors in relation to the data presented in the study.

While the overall result of this study is that the previously dominant institutional logic of representative democracy has been challenged but not replaced by another dominating logic, it is certain that the introduction of DIs in Reykjavik has indeed altered the dominant representative institutional logic. As the Best Party entered local government with a political discourse that ‘the old system is broken’, they challenged the existing equilibrium that held the representative logic as the only viable option. By introducing BR and BN, the local government openly called for citizen participation and engagement. Once in power, however, both internal and external problems put the local government in an unsatisfying position; the old (representative) system was broken, but the new (participatory) system did not deliver the qualities it was supposed to.

Caught between these two competing institutional logics, it was hard for civil servants and politicians to argue against the participatory institutions which initially worked very well and are icons for citizen involvement in the policy-making process. This amounted to something of a dilemma; everyone involved in managing the project normatively thought it was a good idea, but at the same time recognised that it was flawed. Indeed, the (few) opponents of the system shied away from officially criticising the DIs, for fear that it would reflect poorly on them. A growing *dissatisfaction* spread among civil servants and politicians.

The dissatisfaction and the situation with the two competing logics generated what van Gestel and Hildebrand (2011, 241–246) label as *deliberate ambiguity*; all actors seemed to have made a salient agreement that BR and BN should be left untouched. So as not to cause offence to anyone, the question of how to develop or perhaps dismiss BR and BN was left open without any final decision taken. This meant that anyone with a stake in the process could feel a sense of at least temporary calm.

Taken together, the three factors influencing the institutional outcomes paint a coherent picture; the two DIs implemented in Reykjavik are institutions customised to meet the challenges of a political crisis, but as the heat of the crisis has faded and society returned to ‘politics as usual’ they seem oversized and unfit. However, instead of developing and adjusting the DIs to the current political situation, they have been left untouched, resulting in mounting frustration within the organisation.

The institutional outcome of the introduction of DIs in Reykjavik, is that the local government has not entered into a new form of political equilibrium, but has

ended up in what van Gestel and Hillebrand (2011) define as an organisation in a state of flux. It is apparent from the interview material and observations at the workshops that both politicians and civil servants are torn between the two competing forms of logic. On the one hand, there is a clear understanding that participatory channels are important and good for democracy and do not challenge the power of the political parties, but on the other, BR and BN are not functioning well and not providing the value which was intended. The logics are thus not co-existing in harmony, but at best provide an ideological complement that is useful in modern political rhetoric.

7 Systemic Stability or Ongoing Change

From a systemic point of view, DIs can provide different functions within the political system, ranging from increasing participation affecting citizens perception of political legitimacy, to improving public policies. DIs are seldom seen as institutions targeted at ‘fixing everything’, but most often are connected to a specific political issue or cause. In the case of Reykjavik, the underlying idea of introducing DIs, I argue, was to restore the political stability of the city. The Best Party did indeed argue for citizen participation and transparency from an ideological point of view, but these values should be seen as a both goals in themselves, and also as means to a higher goal—political stability. When the representatives of the ‘old establishment’ no longer having the public’s confidence, new ways of allowing citizens to participate in the policy making process was seen as a possible path towards political stability.

Given the data in this study, it is not possible to state that the introduction of DIs in Reykjavik caused more political instability, but it is possible to state that it at least did not cause more political stability either. With that being stated, it is interesting to discuss the second overarching question—is the institutional outcome characterised by stability or ongoing change?

The material allows us to interpret the situation in Reykjavik as in a state of flux which, van Gestel and Hildebrand argue, is when “while one dominant logic may emerge, it does so only temporarily and one change is followed by another” (van Gestel/Hildebrand 2011, 233). In such a state, an organisation is more vulnerable to external pressure than in a state with a dominant logic.

If this is a correct analysis, and the city of Reykjavik is in a vulnerable state, it is of systemic interest to discuss the function of online democratic innovations, as they are containing at least a seed of potential political instability. Hale and Margetts posit that:

“if online collective action is characterised by punctuations, then it looks as if such activity could inject a further dose of instability into political systems [...] if mobilisations follow a pattern of very low levels of attention punctuated by occasional ‘surts’ which grow rapidly into full scale mobilisations that merge with other elements of the political system to push policy change on to the agenda and the institutional landscape, then we can expect to see increasing turbulence in contemporary politics.” (Hale/Margetts/Yasseri 2013, 137)

Following that line of argument, the introduction of BR and BN and the competing participatory institutional logic can, in the long run, contribute to destabilising the political system by keeping it in a permanent state of flux. In the case of Reykjavik, this might also be amplified by the fact that the DIs were introduced by a populist party. While the Best Party cannot be ideologically compared with the extreme right populist parties in other European countries, it is clearly what Norris and Grömping define as a populist party as “populists typically attack ‘the establishment’ and fuel mistrust in many of the core institutions of liberal democracy” (Norris/Grömping 2017, 28). This placed the local government in Reykjavik in a position torn between an old dominating logic that the new political leadership say is not working, and a new challenging logic that they do not think will work either.

As the material shows, BR and BN (especially BR) are performing poorly, with low participation rates and few ideas. This follows a common pattern in which it can be expected that a period of turbulence is followed by one of relative calm. The difference after the introduction of BR and BN is, however, that the system can be activated again within minutes and mobilise huge numbers, and as the content created in BR and BN is formally connected to the policy-making process, the demands of the citizens cannot be waved aside (as in, for example, a street protest), but will instead go straight into the committees and departments of the local government.

What this means, from a systemic point of view, is that the prior dominant logic of representative democracy is incessantly challenged by the participatory logic as long as BR and BN are connected to policy process with its current design. These findings contribute to the normative debate about DIs, and the question about whether or not DIs are ‘good’ or ‘bad’ for democracy. From a representative democratic perspective, the findings in this study might be interpreted in at least two ways: 1) that DIs, in general, cause problems for the institutional framework rather than solve them as DIs place politicians and civil servants in problematic positions with increased internal and external expectations on actual citizen participation; and 2) that the representative logic is robust and superior to the participatory logic as it turns out that both politicians and civil servants hesitate to develop DIs once they are implemented. From a participatory democratic per-

spective, the findings could equally be interpreted in at least two ways: 1) that the fundamental ideas behind DIs (increased citizen participation) are normatively appealing to both politicians and civil servants, and that the issue is essentially about how to design to DIs that can be embedded; and 2) that politicians and civil servants are attracted by the ideas behind DIs, but that the actual cost of transferring their own real power to the citizenry is perceived to be too high. Whether this is 'good' or 'bad' for democracy is, thus, a normative issue that is perceived differently from competing normative standpoints. Regardless of normative position, the findings in this study suggests that the long-term consequence is that the local government is in a vulnerable state and in a state of flux, and that there are no signs that one of the logics will become dominant in the near future.

The findings in this study suggest that further work is needed in the field. The major limitations of this study are the low number of interviewees, and being limited in that it focussed on the inside of institutions. The citizen perspective was not included in this study, and it could be beneficial to add such a perspective in further studies to strengthen the analysis on institutional development and change.

8 Conclusions

This study has analysed how the local governmental organisation in Reykjavik has dealt with the implementation of DIs and the institutional outcomes. By drawing on interviews and observations over a period of four years and analysing this data through a framework founded on the theory of competing institutional logic, two conclusions can be drawn. First, it is clear that one equilibrium (representative democracy) has not been replaced by another (participatory democracy). Second, there is no peaceful co-existence between the two logics; instead, the outcome is an organisation in 'a state of flux'. There are several factors contributing to this outcome, but three stand out: a populist power-shift, dissatisfaction and deliberative ambiguity.

Following a *power shift* in the local government and the ideological turn with the new political leadership, who argued that the 'old system was broken', a participatory logic was introduced in Reykjavik. Early on, the introduction of the new logic was welcomed and widely supported by both civil servants and politicians. As time passed and politics returned to 'politics as usual', a growing *dissatisfaction* with the workings of these new DIs spread among civil servants and politicians. This left the project of developing the DIs in a stalemate position in which the political leadership claimed that the old system was broken, but at the same time concluded that the new system did not deliver as it was supposed to. This

led to a situation of *deliberative ambiguity* in which the participatory institutions were dropped from the agenda and afforded a lower priority.

These findings suggest that the prior dominant logic of representative democracy is incessantly challenged by the participatory logic as long as the DIs studied in this case are designed in the way they are and formally connected to the policy process. By pointing out the factors leading to institutional development and change and the institutional outcomes of the implementation of DIs over time, this study contributes to the ongoing discussion about the role and functions of DIs in political systems.

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