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How Interest Groups Partake in Participatory Budgeting

Which Mechanisms Do Interest Groups Use to Take Part in Participatory Budgeting Processes?

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Abstract

Participatory budgeting as a participation method gives citizens the opportunity to engage in budgetary policy-making decisions. Interest groups have an incentive to survive as an organization by securing resources. This thesis examines whether interest groups partake in participatory budgeting processes and to what extent they are able to have an influence on the outcome. This thesis demonstrates that interest groups are present within participatory budgeting processes. These groups make use of outside lobbying strategies to mobilize potential voters in order to secure additional funding. The empirical approach of this thesis consists of an explorative qualitative analysis and seven interviews with stakeholders involved in participatory budgeting from Antwerp, Belgium and Stuttgart, Germany. The results indicate that interest groups act as mediators and facilitators between public administrations and citizens. This thesis establishes an adapted stakeholder relationship between the different stakeholders involved.

Key words: participatory budgeting; interest groups; lobbying; interviews



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1. Introduction

Citizen participation is an important key element of democracy. It gives citizens an opportunity to take an active, influential role in decision-making, in addition to the ordinary vote-casting which only takes place every now and then. Various engaging participation methods exist, with different adaptations being used all over the world. These methods shift the decision-making power to a more local level, and into the hands of ordinary citizens. As Crouch points out in his influential work *Post-Democracy*, there lays potential for evading the problems of post-democracy at local level, due to the greater accessibility and ease of participation in formal politics (Crouch, 2004: p.114). Giving citizens, who generally lack the necessary political knowledge, the opportunity to get involved in local decision-making could reveal new opportunities for enhanced participation and the strengthening of democratic values. Participatory institutions have the potential to deepen the quality of democracy, through the actions of government officials and citizen-participants, by extending rights and benefits to individuals who were previously denied access (Wampler, 2008: p. 62).

Pivotal to most of these participation methods is the deliberative idea that central to democracy should be a particular kind of communication that involves the giving of good reasons and reflection upon the points advanced by others (Dryzek & Dunleavy, 2009: p. 215). Deliberative democracy, as a broad concept, assumes that citizens reflect upon their own preferences, values, and judgements in light of their participation in political dialogue with other individuals (Dryzek & Dunleavy, 2009: p. 216). Theories of participatory democracy, deliberative democracy and social capital assert that citizen involvement has positive effects on democracy: it contributes to the inclusion of individual citizens in the policy process, it encourages civic skills and civic virtues, it leads to rational decisions based on public reasoning and it increases the legitimacy of the process and the outcome (Michels & De Graaf, 2010: p. 481).

One of the most frequently used and well-established participation methods is participatory budgeting. This concept allows the participation of non-elected citizens in the conception and/or allocation of public finances (Sintomer et al., 2008: p. 5). In general, no particular target group is specified for participatory budgeting. All citizens — regardless of age and education — should have the opportunity to provide their suggestions to drafts of public budgets (Scherer & Wimmer, 2012: p. 100). Participatory budgeting is usually initiated and organized by a city's administration department, with the participant selection scheme consisting of different stakeholders. According to Button and Ryfe, stakeholder selection involves organizers in a process of identifying groups likely to be affected by a decision and issuing a formal invitation to representatives of these groups (Button & Ryfe, 2005: p. 23).

Even though participatory budgeting functions as a tool to strengthen citizen participation, and therefore aims to increase output-legitimacy of public policy decision-making, it is not only citizens

who are encouraged to shape policies. Interest groups focus significant effort and resources on the rule-making process as well (Furlong & Kerwin, 2005: p. 369). They can act as a key democratic “transmission belt”, since they excel at capturing the intensity of interest of a fragmented public (Jordan & Maloney, 2007: p. 7). Furthermore, interest groups do not necessarily act on their own behalf only, as they take the public perception into account as well. Research by Uhre and Rommetvedt has shown that over time civil associations and interest groups, regardless of their type and constituency, have increasingly generalized their policy positions, and that the number of arguments based on mere self-interest has dropped significantly (Uhre & Rommetvedt, 2019: p. 248-249). Interest groups could thus possibly venture into the realm of citizen participation, gain relevant insight into the public opinion, but also try to sway the public in their favor. Consequently, this could potentially lead to an influence on the policy decision-making process. As Mansbridge argues, interest groups contribute to deliberative processes by bringing to bear additional information and new perspectives - thus rather changing preferences than simply exerting pressure or adding a new force to the search for an equilibrium among interests (Mansbridge, 1992: p. 32).

When it comes to research, both fields, participatory budgeting (or citizen participation in general) and interest groups, tend to be analyzed detached from each other. There is a vast amount of research on the efficiency of citizen participation methods, with many authors proposing to implement those procedures in the decision-making process of public policy (e.g. Allegretti & Herzberg, 2004; Baiocchi & Lerner, 2007; Dias, 2014). Also, it was established that including the public in the decision-making process can reduce conflict and build trust. It can improve the quality of the decision made by incorporating local knowledge in the process, which can ultimately lead to better outcomes (Callahan, 2007a: p. 157). A different research field has been focusing on interest group influence on policy processes for many years (e.g. Dür & De Bièvre, 2007; Gilens & Page, 2014). In their their meta-analysis of studies on policy influence, Burstein and Lipton conclude that virtually all sociologists and political scientists [...] hypothesize that political parties, interest groups and SMOs (Social Movement Organization) influence public policy, and it is safe to assume that they generally expect the impact to be substantial (Burstein & Lipton, 2002: p. 398). In the European governance context, Tanasescu argues that interest groups no longer function exclusively to persuade but also become important partners of the public authorities in the making and implementation of policies (Tanasescu, 2009: p. 34).

The literature shows that today's research mainly concentrates on either participatory budgeting or interest groups, the research fields have not been combined so far. As a consequence, there could possibly be a connection between both research fields that has not been evaluated yet. Torfing hints at this linkage, but then fails to further elaborate with his idea of collaborative innovation in the public sector. According to Torfing, in many mature democracies, it has become a well-established norm that affected actors have the right to participate in decision-making processes dealing with

issues that somehow affect them (Torfing, 2016: p. 131). This is essentially what participatory budgeting is set up to establish: letting citizens partake in the budgetary decision-making process and giving them the chance to voice their opinion. However, as Torfing points out, invoking all the affected actors might prove impossible and thus have to be content with bringing in the most intensely affected stakeholders or finding representatives for different affected communities (Torfing, 2016: p. 131).

Interest groups could possibly be part of the participatory budgeting process, thus shaping the policy outcome of a certain financial budget that might favor them. Especially if we consider the stakeholder selection by the organizing committee of a participatory budgeting process. They are, in theory, actively initiating deliberative participation forms and consequently invite the stakeholders involved, who possibly could be an organized group. An additional important factor to take into account is that the expertise among members of [interest] groups, their sensitivity towards changes in their activities, and their presence in local councils are advantages that can be mobilized when interest groups are allowed to participate in local government affairs (Bekker, 1996: p. 37). If this is indeed the case, it must be considered whether citizen participation (or participatory budgeting to be precise) really paints a representative picture of citizen's beliefs and intentions, or if these participatory methods rather create a misleading image, due to possible capture by well-organized interest groups. Does the deliberative idea of citizen participation methods, such as participatory budgeting, really hold true to its values of producing an inclusive decision-making process? Or would the citizens, as Jason Brennan claims, act as so called "hooligans"? It is a possibility that they would, instead, happily manipulate one another, use language in a deceitful way to confuse people, and lie, if doing so helps their side (Brennan, 2016: p. 61).

Here is a possible underlying conflict that is worth taking a more in-depth look at. The need for more prevalent research into the linkage between participatory budgeting and interest group influence is alarming, since interest group stands are not substantially correlated with the preferences of average citizens, as research by Gilens and Page has shown (Gilens & Page, 2014: p. 570). Further, what individuals perceive to be their interest, varies with, and depends on the horizon in which they navigate the network of direct and indirect independencies and behavioral effects that link the realization of the interests of one actor to those of others (Schneider & Grote, 2009: p.1). As a consequence of the named challenges, a number of questions arise: Do interest groups invest resources into the participatory budgeting process in order to achieve their desired outcome in this sub-section of public decision-making? How do they manage to do so? By actively trying to persuade other participants in a deliberative, open way or by publicly advertising their desires and objectives? Or do these groups rather assert pressure on decision-makers themselves, without generating too much public attention and avoiding the political discourse? Maybe participatory budgeting does indeed only attract citizens and thus creates a safe space for discussion, where only individuals

represent their own interests. Thoroughly considering and evaluating all the above aspects and characteristics, results in the formulation of the following research question: **Are interest groups present in participatory budgeting and to what extent can they influence the outcome?**

To answer this question this research will unfold as follows: First, both the concepts of interest groups and participatory budgeting will be defined in-depth, in order to have a solid conceptualized framework to build upon. The next chapter lays out the methodology and gives a comprehensive overview about the ensuing research. The results chapter presents the research outcome in detail. This chapter puts the analysis into context with other theories, and offers the opportunity to critically reflect on the theoretical implications. Ultimately, the discussion chapter brings together the different theoretical implications, resulting in an adapted framework that puts the different stakeholders involved into a new relationship to each other. The conclusion gives a concise overview about the research, limitations that occurred, future research directions, and practical recommendations for the implementation of participatory budgeting.

2. Literature Study and Conceptual Model

Concepts are the building blocks of scientific reasoning, and of human cognition in general. They are essential for core scientific activities such as theory formation, description, categorization, and causal inference (Toshkov, 2016: p. 84). Therefore, it is important to revise relevant literature in order to have a solid foundation to build a concept upon. Concepts are closely linked to empirics and are necessary to fulfill the research objective. Toshkov defines a concept as a set of individually necessary and jointly sufficient conditions that delimit unambiguously what qualifies as its empirical realizations (Toshkov, 2016: p. 86). The literature that is being used along the research was obtained from scholarly data bases accessible through the author's library account at the University of Antwerp or freely accessible through the internet. In the internet, the digital online archive JSTOR, the online citation and literature database Web of Science, as well as Google Scholar was used.

Participatory Budgeting

Citizen participation is contrived and implemented in different shapes and forms, giving policy makers vast opportunities to let citizens take part in the public policy decision-making process. In recent years, there has been a trend towards a considerable rise in numbers of new participation procedures, as citizens insist on being able to contribute their ideas and opinions to a project and to be informed about all aspects of a decision-making process (Nanz & Fritsche, 2012: p. 10). Terchek

and Conte argue that a strong democracy is defined by politics in the participatory mode: “The future of democracy lies with strong democracy - with the revitalization of a form of community that is not collectivistic, a form of public reasoning that is not conformist, and a set of civic institutions that is compatible with modern society” (Terchek & Conte, 2001: p. 174). Taking Callahan’s definition of citizen participation as the foundation of the theoretical construct of this research, it is clearly defined that participation is involved in the planning and administrative processes of government. It is the interaction between citizens and administrators that focuses on policy issues and service delivery. Callahan makes a clear distinction and points out that it differs from political participation, which encompasses voting or contacting elected officials. It also differs from the broader concept of civic engagement where individuals support their community through volunteer efforts and civic activism (Callahan, 2007b: p. 1181).

To be more precise, this research focuses on participatory budgeting, one of the many possible participation methods applicable for engaging citizens. Participatory budgeting is a decision-making process through which citizens deliberate and negotiate over the distribution of public resources. These programs create opportunities for engaging, educating, and empowering citizens, which can foster a more vibrant civil society and helps to promote transparency (Wampler, 2007: p. 21). Thus, it includes the realm of knowledge and direct action, not only the realm of representation and accountability, as does the traditional political participation (Gaventa & Valderrama, 1999). Sintomer et al. point out that in addition to the main characteristic of participatory budgeting, the participation of non-elected citizens in the conception and/or allocation of public finances, five further criteria need to be added: (1) Discussion of financial/budgetary processes; (2) the city level has to be involved, or a (decentralized) district with an elected body and some power over administration and resources; (3) it has to be a repeated process over years; (4) some form of public deliberation must be included within the framework of specific meetings/forums; (5) some accountability is required so that the output reflects the public will (Sintomer et al., 2013: p. 10). Depending on the desired outcome that a participatory budgeting design is supposed to achieve, it is important to differentiate between different elements of budgetary participation. The Impact Model of Citizen Participation in Budgeting by Ebdon and Franklin is based on a review of extant literature and consists of four key elements that are all “deemed critical to structuring budget participation”. According to the authors, three commonly reported elements (independent variables) represent (1) the governmental environment, (2) the design of the process, and (3) the mechanisms used to elicit participation. The fourth element (a common dependent variable) represents the goals and outcomes desired from participation in budgetary decision-making (Ebdon & Franklin, 2006: p. 438).

Nonetheless, it should be noted that it is challenging to analyze the wealth of participatory budgeting experiences in due to the uniqueness of each experience (Cabannes, 2004: p. 28). With regards to the variety of different participatory budgeting processes all over the world, Sintomer et al. summarize

three broader trends that could be compared with each other. The first is participatory budgeting, which aims at fundamental change and is part of a broad transformation process. These processes are based on an interaction between governments and grassroots social movements. Its goals are to overcome social injustice and to establish sustainable development and are especially prevalent in Brazil and Latin America. The second trend is participatory budgeting, which aims to bring about reforms. The objectives are sometimes wide-ranging, but often involve modernizing the administrative bureaucracy. Some participatory budgets are part of a third trend, where the procedures are largely only of symbolic nature. According to the authors, here you can find a gap between officially declared goals and real effects. It is not a question of consulting the citizenry, but the assemblies serve to legitimize a path that has already been set, with changes being undesirable (Sintomer et al., 2012: p. 45-46).

Interest Groups

A clear conceptualization of the concept “interest group” is essential to the validity of this research design. The clarification and refinement of concepts is a fundamental task in political science, and carefully developed concepts are, in turn, a major prerequisite for meaningful discussions of measurement validity (Adcock & Collier, 2001: p. 529). Many different definitional approaches to the interest group literature have been established, often deploying synonyms such as “pressure group”, “interest group” or “organized group”. The “definitional boundary problem” with regards to the interest group terminology needs to be fine-tuned to identify more clearly the “animals in the interest group zoo” (Jordan et al., 2004: p. 196). It is therefore crucial to have a solid theoretical concept that precisely defines what an interest group is.

Interest groups are an important staple in the formation and the implementation of individual interests. But what exactly defines a group? The underlying definition of the group term follows the American economist and political scientist Olson description, as in that the word “group” is used to describe “a number of individuals with a common interest”. Olson argues that when a number of individuals have a common or collective interest, [...] individual, unorganized action will either not be able to advance that common interest at all or will not be able to advance that interest adequately. Organizations, he follows, can therefore perform a function when there are common or group interests, and though organizations often also serve purely personal, individual interests, their characteristic and primary function is to advance the common interests groups of individuals. It is important to stress that group members still have their own preferences, “purely individual interests, different from those of the others in the organization or group” (Olson, 1993: p. 26).

Due to the aforementioned “abundance of neologisms” with regards to the terminology in the field of interest group studies, Beyers et al. propose three key factors that define an interest group: organization, political interests, and informality. Organization relates to the nature of the group and excludes broad movements and waves of public opinion that may influence policy outcomes as interest groups. Political interests refer to the attempts these organizations make to influence policy outcomes [...] on the behalf of constituencies or a general political idea. Informality relates to the fact that interest groups do not normally seek public office or compete in elections but pursue their goals through frequent informal interactions with politicians and bureaucrats (Beyers et al., 2008: p. 1106). Beyers et al. go further and argue that the concept of interest group itself can be somewhat misleading as it refers to the fact that individuals, organizations or institutions are associated in a body that designs strategies and tactics aimed at influencing public policy. According to the authors, a distinction has to be made between interest groups and so-called interest organizations: “These institutions are not, strictly speaking, part of government, but they show some level of organization, they exhibit policy preferences and their capacity to mobilize resources makes them potentially powerful”. Interest organizations, they infer, are equivalent to interest groups, although they are not strictly speaking aggregating (or grouping) the preferences of some constituency (Beyers et al., 2008: p. 1108). Similarly, Gable put forward that interest groups originate whenever an identity of interests is reorganized by a group of people who are willing to organize or act in concert to promote and defend their interests; they become political interest groups when their objectives are sought by attempting to shape public policy (Gable, 1958: p. 85).

Since interest groups are in constant contention of shaping public policies, it is not only important to conceptualize what actually constructs a group, but also to outline the way these approach and entice in the decision-making process. Lowery and Brasher came up with four stages of the “Influence Production Process” that tries to answer the question whether interest organizations alter the content, and ultimate resolution of the policy agendas governments consider, or whether they merely respond to those agents by reinforcing the link between elected representatives and citizens. The first stage of the influence production process concerns the mobilization and maintenance of individual interest organizations. This is the initial organization phase where latent interests in society come to be represented by specific interest organizations. The second stage is the interest community stage where they enter an interactive population of other interest organizations that all have different positions, either acting as supporters or opponents. The exercise or attempted exercise of influence is the third stage of the influence production process. How to select among and then employ the various influence tools available is at center of this stage. Lobbying and campaign finance activity represent the most well-known and controversial tools. The final stage is the policy and political outcome stage and concerns the aggregated consequences of the use of influence tools by organized interests (Lowery & Brasher, 2004: p. 17-19).

Beyers defines two interest group influence strategies, voice and access, that relate to different political arenas and to different pieces of information processed within these arenas. Access strategies concern the venues where policy-relevant information is exchanged with public officials through formal or informal networks. Voice strategies take place in a public arena and differ from access strategies in the sense that information transmission from interest associations to policymakers occurs indirectly (Beyers, 2004: p. 213-214). Interest groups could therefore apply both strategies in the participatory budgeting process, during the citizen involvement phase and through formal and informal networks.

3. Methodology

Measuring interest group influence on policy decision-making has been at center of political science research for many years. As a relatively new field of study [...] theoretical approaches and methods used in interest group studies have been in a constant process of evolution (Colli, 2020: p. 2). There is a variety of different research methodology being applied, such as quantitative text analysis (Klüver, 2009), qualitative process-tracing (Fairfield, 2015), and quantitative analysis (Beyers et al., 2014) to measure interest group influence.

This research design is essentially built upon a qualitative research framework, with expert interviews being the main source of data. Interview data is central for conducting this research with its exploratory aim, mainly trying to seek out if interest groups take part in participatory budgeting processes. With this exploratory goal in mind, and the importance of interview data, a qualitative research design offers the best options to carry it out in the most efficient way. As Silverman notes, qualitative research is the type of research that finds out about people's experiences: "It helps us understand what is important for people" (Silverman, 2019: p. 3). Not only is doing qualitative research beneficial for my research purposes, but due to the scarce availability of quantitative data on interest group presence within participatory budgeting, a large-N study would simply be insufficient, explaining the focus on qualitative data.

Another advantage of qualitative research is the possibility to refrain from setting up a well-defined concept, of what is studied, beforehand, and from formulating hypotheses in the beginning in order to test them. Hypotheses are rather developed and reined in the process of the research (Flick, 2018: p. xi). Not stating hypotheses antecedently is especially pragmatic for the exploratory-driven, theory-building approach, since it presents the necessary leeway to gather inferences during the research analysis. As Hennink et al. argue, perhaps one of the most distinctive features of qualitative research is that the approach allows you to identify issues from the perspective of your study participants and

understand the meanings and interpretations that they give to behavior, events or objects (Hennink, et al. 2020: p. 10).

Sampling: Case Selection

In order to attain a sample of the study population, that helps to fulfill the research aim of exploring possible interest group presence and potential influence in participatory budgeting processes, a well-reasoned sampling strategy is vital. This research makes use of purposive sampling, which involves a purposeful selection of cases and participants, based on certain characteristics, which are important and relevant to the study. Additionally, it enables a selection of a robust sample that provides both depth of understanding and diverse perspectives on the study issues (Hennink et al., 2020: p. 92).

To orderly select a case, one inevitable (or necessary) condition is fulfilled: there must be participatory budgeting in the specific case. There are many possible cities and regions, that use participatory budgeting, ranging from Barcelona to Helsinki, and that might be suitable for the research. But, with this rather simple logic applied, it leaves a large number of options open that has to be narrowed down. In order to do so, certain framework conditions will be elaborated in the following paragraph: for this specific research design, three important factors have to be considered. First of all, the size of the budget on offer by the city is relevant. It can be stated that the bigger the budget, the higher is the possible incentive by interest groups to partake in participatory budgeting. According to Zhang and Liao, the size of the budget is usually considered the key indicator of government capacity, and budget allocation reflects the order of priorities in the community (Zhang & Liao, 2011: p. 282). Consequently, it does not make sense to analyze a small budget in a rural city, without many possible outside influences. Therefore, the case selection has to take place within an urban context, and the budget size has to play a crucial role as well. The second factor goes hand in hand with the first one. It describes the variety of different interest groups, and their proximity to the participatory budgeting process in general. The case should be located in a place, where as many diverse interest groups as possible have an incentive to take influence in the participatory budgeting outcome. By way of example, a city that is based in close proximity to an industrial complex or nature reserve is likely to have more industry or environmental interest groups, respectively. The third and final factor is that the participatory budgeting case should showcase a relatively high participation rate. Wampler argues that one of the founding principles of participatory budgeting is active citizen participation, with the core idea being that new ideas and actors are drawn into the political system to address basic problems faced by the community (Wampler, 2012: p. 3). Therefore it can be said that if the participation rate is high that the process is salient in that specific surrounding, generating interest to participate from both citizens and interest groups.

Taking all these factors into consideration, the following two cities were identified as appropriate. Stuttgart (Germany) is an option due to its proximity to big industrial companies such as Daimler, Porsche or Mahle. Additionally, its participatory budget usually has an 8 to 10 percent participation rate, and the city generally has a reputation for its fondness of citizen participation. Their participatory budgeting process is integrated into a double-budget that determines its revenues and expenditures every two years. Since 2011, all residents living in the city have been able to participate in planning the city's budget. Ideas that improve revenues, save money or use expenditures wisely are in preferred demand. The citizens vote for and discuss about the different project proposals on a dedicated internet platform. The best-judged and most-voted on proposals are examined by the specific departments involved and assessed whether the proposals are feasible to implement. Finally, the city council decides which proposals will be enacted. The results of these decisions are presented on an internet platform under the respective proposal. Suggestions and proposals that are not financially feasible cannot be dealt with within the framework of the participatory budget.¹ The other option is Antwerp (Belgium). Here, the inhabitants of the District of Antwerp can decide on 1.4 million Euros or 10 percent of its annual budget and help determine what the priorities are and which plans will be implemented. This sizable amount of funds could give interest groups a major rationale to partake. The participatory budgeting project is called “Burgerbegroting” and has been taking place since 2014. The inhabitants of the District of Antwerp are involved in four distinct steps. First they choose themes and how much money is going to be distributed on each theme at a Citizens’ Budget Kick-off event. The second step involves the submitting of ideas that focus on the specific themes. In the third step the projects are picked and voted on at a Citizens’ Budget Festival. The final and concluding step is the realization of the project.²

By doing a causal process observation, it is possible to collect data and information about the context and mechanisms that contribute to the understanding of the prevalent relationship between the different stakeholders. But, it is crucial to remember that observations do not equal evidence straight away. Only after being assessed for accuracy and interpretation within context it is feasible to make further assumptions. This is especially vital with the interview data that is being gathered, because this data type generally produces rather obtrusive data that reflect an individuals opinion, not necessarily true recollections of a situation. Only after evaluating them in a broader context, it is possible to start making inferences about the causal mechanism.

¹ <https://www.buergerhaushalt-stuttgart.de/informieren> (accessed May 21st 2022)

² <https://burgerbegroting.be/wat-is-de-burgerbegroting> (accessed May 14th 2022)

Data Collection Method

The study population that consequently comes into question has to be involved in participatory budgeting processes in some shape or form, either by organizing it from an administrative position or by taking part in it as an interest group representative, for instance. Selecting the population with diversity in mind from the outset, ensures the access to a wide variety of different opinions, recollections, and insights, which adds to the validity of this research. Expert interviews will make up the main source of gathered data, with the goal of attaining input by the interviewees about possible interest group presence and influence in participatory budgeting. The recollection of aspects of a process and sequencing of events by individual stakeholders, who are involved in participatory budgeting process, are the most valuable data sources. Conducting the interviews in a semi-structured way, and working with a questionnaire of around three to four main questions, then coming up with follow-up questions on the spot, has great benefits. The reason being that uncovering causal processes may best occur through open-ended interview questions that leave room for the respondents to express their own perceptions of the issues (Martin, 2013: p. 119). Qualitative interviews provide [...] access to social worlds, as evidence of both “what happens” within them and of how individuals make sense of themselves, their experiences, and their place within these social worlds (Miller & Glassner, 2019: p. 54). The interview questions were organized by three main themes, in order to gain as much insight into the research objective as possible. Additionally, the interview questions all concerned the main research focus, albeit altered to the given interview situation. The central subject of the first theme questioned whether the interview partners were aware of interest group presence at any point in time. The second theme consisted of questions regarding the position the interview partners were holding within the participatory budgeting process. The rationale behind this theme was to receive some hints in relation to the apparent interest group influence and the tactics being used by these groups. The third and final theme focussed on the possibility of inviting groups into the participatory budgeting process which in turn lead to comprehensive insights into likely structural differences in participation behavior from the citizens involved.

Within this research, seven extensive interviews were conducted, three of those with stakeholders involved in Antwerp, and four from Stuttgart. These interviews took more or less one hour each, with some of them being a tad bit longer or shorter. From these seven stakeholders, two were interest group representatives, four interview partners were involved in overseeing and doing administration work in their respective participatory budgeting, and one interviewee held a volunteering position. Of the three interviews in Antwerp, two were conducted in-person, with the other one taking place via an online meeting. For the interviews with the partners in Stuttgart, two were held via online meetings, and two by telephone. The interviews with the partners in Antwerp were conducted in English, the ones in Stuttgart in German. Transcription was done literally and completely, with only

slight modifications to avoid colloquial syntax. The interviews that were done in German were not translated into English in full. Consequently, the coding and subsequent research analysis was conducted bilingually, with the translation only coming into effect once the results were cited and put within context in the research. Pauses, laughter, throat clearing or other non-verbal elements were not taken into account. The conversations were recorded with the iOS application “Voice Memos”. With the aid of the recordings, every interview was transcribed using the iOS word editing program “Pages”. Before the interviews started the permission to record was requested. This makes the transcription significantly easier and less time-consuming since the interviewer can later consult the recorded material. Other benefits include the facts that the interviews can be conducted in a more relaxed manner, less notes have to be taken, and the subsequent evaluation becomes more reliable since the interviewer can be fully immersed in the talk itself. The interview partners will not be named and the transcription ensured the necessary anonymity.

With the exploratory goal of this research the evidence received from the interviews has to be taken under strict evaluation. Looking at patterns would not only validate the notion, that interest groups indeed take part in participatory budgeting, but also give crucial insight in how they managed to do so. By conducting interviews with stakeholders, who are or were involved in certain participatory budgeting meetings, evidence can be collected that proves the sequence of possible interest group influence (by recollection of the stakeholders about what had happened and how chronologically the influence has shown). Stakeholder evidence is also valuable with regard to traces of events that took place, such as certain incidents of outside or inside influence, and also account evidence, so how specific ideas were exchanged and what was at center of a discussion. This is exceptionally important, considering that participatory budgeting usually involves meetings where citizens come together to deliberatively discuss about the proposed budget and certain projects. Thus, evidence that is gathered this way is crucial for the exploration whether interest group presence exists or not.

Data Analysis Method

Extensive data analysis is the most important and core task of this research project. Saldaña and Omasta label this “synthesis”, which combines different things in order to form a new whole and is the primary heuristic for qualitative data analysis: “Researchers review a relatively large and varied assemblage of empirical materials [...] and reflect on how they interrelate and work together” (Saldaña & Omasta, 2022: p. 191). There are several qualitative approaches to data analysis, such as discourse analysis, grounded theory, action research, and narrative analysis (Willig, 2014). All these approaches, to some extent more or less, are not apt for the particular research goal. The data analysis method that best aligns with the exploratory, theory-building approach of this research design would be thematic analysis.

Thematic analysis is a method for developing, analyzing and interpreting patterns across a qualitative dataset, which involves systematic processes of data coding to develop themes - themes are [the] ultimate analytic purpose (Braun & Clarke, 2022: p. 4). This analytic approach has many advantages that are beneficial for the research, the main one being that thematic analyses move behind counting explicit words of phrases and focus on identifying and describing both implicit and explicit ideas within the data, that is, themes (Guest et al., 2012: p. 10). Consequently, building on these implicit and explicit ideas it is possible to explore probable explanations and hypotheses.

Many different research methods can either be applied inductively or deductively, so does thematic analysis. According to Boyatzis there are three different ways to develop a thematic code: 1. theory driven (deductive), 2. prior data or prior research driven, and 3. data driven (inductive). All of these approaches to developing themes and codes move the researcher toward theory development. They differ, however, in the degree to which the thematic analysis starts with a theory or the raw information (Boyatzis, 1998: p. 29). Since the aim of this research is explorative and tries to develop a theory, neither a deductive nor a prior data or prior research driven approach would fit. The downside of inductive approaches to thematic analysis is having trouble identifying the dependent variable (Boyatzis, 1998: p. 41). This is certainly the case with this research. Crucially, there is another possible approach, an abductive one. There is a linkage between the thematic analysis method and the abductive reasoning approach. Themes do not necessarily need to reflect patterns and commonalities (Ravitch & Mittenfelner Carl, 2021: p. 240). Abduction and induction share the feature of being ampliative, meaning that they do not guarantee the truth of the conclusion on the basis of the truth of the premises (unlike deduction); they lead to a conclusion that—one might say—goes “beyond” the premises (Douven, 2019). This suits the unproven, unexplored link in the research field between interest groups and participatory budgeting. Recent work by Kempeneer and Van Dooren has shown that an abductive approach can work in political science (Kempeneer/Van Dooren 2021). The research results can consequently be embedded into already established theories and be put into context. This combination, consisting of my own research results and the analysis within other theories, and the abductive reasoning approach, will ultimately lead to the establishment of a new theoretical outlook on the inclusion of interest groups within participatory budgeting.

Data Coding

Once the interviews were orderly carried out and the transcription taken care of, one important step follows: the coding of the quantitative interview data. Thematic analysis is a process for encoding qualitative information (Boyatzis, 1998: p. 4). A code in qualitative analysis is most often a word or short phrase that symbolically assigns a summative, salient, essence-capturing, and/or evocative attribute for a portion of language-based data [...] (Saldaña, 2021: p. 5). The coding process can be

divided up into two different steps, first cycle coding and second cycle coding. For the purpose of this research, a structural coding approach in the first cycle is the most beneficial way of collecting primary codes for further analysis. According to Saldaña, structural coding is particularly appropriate for qualitative studies employing multiple participants, [...] semi-structured data-gathering protocols, [...] or exploratory investigations (Saldaña, 2021: p. 130). After these initial coding efforts, and classifying them into categories and sub-codes, the next step, a more in-depth analysis, follows. The transition from first cycle coding to the second cycle opens up several opportunities for further analytical explorations: constructing concepts from categories; outlining based on code frequencies; drawing preliminary models of the primary actions at work in the data; and reorganizing and reassembling the transformed data to better focus the direction of the study (Saldaña, 2021: p. 280). With the thematic analysis method in mind, the second cycle coding with the best fit for this research is pattern coding. Whereas first cycle coding is a way to initially summarize segments of data, pattern coding, as a second cycle method, is a way of grouping those summaries into smaller number of condensed categories, themes, or concepts (Saldaña, 2021: p. 322). Additionally, pattern coding is especially appropriate for condensing large amounts of data into a smaller number of analytical units; searching for causes and explanations in the data; forming theoretical constructs and processes; and laying the groundwork for cross-case analysis by generating common themes and directional processes (Saldaña, 2021: p. 322). Being able to form theoretical constructs and processes is suiting the overall research trajectory in particular. The opportunity to do cross-case analysis between the two cases has further advantages and could give additional insight into the possibility of interest group presence. The interview transcripts were coded using the qualitative data analysis computer software package NVivo.

Limitations

Before progressing to the results and, ultimately, to the discussion parts of this research paper, it is necessary to single out some of the caveats of this research design. The interest group influence literature has been subject to the inherent difficulty to measure actual influence. As Dür emphasized, there are at least three distinct problems that hamper the measurement of influence: the existence of different channels of influence, the occurrence of counteractive lobbying and the fact that influence can be wielded at different stages of the policy process (Dür, 2008: p. 561). Therefore, it is difficult to assess whether perceived influence can actually lead to valid interpretations, and to draw general conclusions out of these instances.

The small sample size is not comparable with a large data collection and may not be representative or scalable to a general context. Thus, the study merely presents a good explorative approach for theoretical adaptations and deriving specific recommendations for action. Further, the abductive

reasoning approach only gives slight added value to the legitimacy of the research results, since it is based on incomplete observations. This can be traced back to the small sample size. It also must be said that the data analysis and data coding system and categories are also to some extent subjective. Though they were for the most part derived in reference with the research objective and the interview guideline, the categories and sub-categories were created abductively. This means that they are based in part on personal subjective assessments, which evidently limits the objectivity of the study's results.

Doing interview research has some downsides that have to be stressed. Interview data, generally, is rather prone to bias. This can lead to inaccurate data. Because interview partners might want to prove that their participatory budgeting program is working, their interview responses might be biased. Responses from participants could also be biased due to their stake in the program or for a number of other reasons. Generalizability is another issue. When in-depth interviews are conducted, generalizations about the results are usually not able to be made because small samples are chosen and random sampling methods are not used (Boyce & Neale, 2006: p. 3-4). Additionally, the interview data can be unreliable, since they consist of participants' recollections that can potentially be contradictory, inaccurate, or not truthful (Roulston & Choi, 2018: p. 242).

4. Results

After the data collection and the subsequent transcription and coding efforts, the succeeding part of this research devotes itself to the data analysis. The following paragraphs will concisely elaborate all relevant findings and considerable interdependencies. Since the research methodology was already explained in-depth, there is no further need to go into detail once again on how exactly the data was collected and consequently analyzed.

The research shows two main findings that are relevant for the research outcome and need further elaboration. Firstly, the main results that constitute to the central research objective, about possible interest group presence in participatory budgeting, will be presented. Additionally, the results contain detailed insights into how these groups present themselves. These results are then followed up by striking additional findings that show structural differences in the general participation behavior of citizens, and which might be linked to interest group presence and successive influence.

The first finding focusses on the main research question and gives insight into whether interest groups do indeed take part in participatory budgeting processes or if they are absent. Before further postulating these research results, however, it is important to point out that the data analysis showed some tendencies for three sub-categories of interest group influence. The results will be presented

accordingly. First, there are some signs that there is no clear-cut, distinctive answer to the closed question, of whether interest groups show presence in participatory budgeting or not, and whether they have influence in shaping the decision-making process. It seems that the subjective conception, by the interviewed stakeholders about the interest group terminology, has somewhat of an intermediating effect. Secondly, there are some noticeable tactics the groups in question use that are going to be laid out. The third analytical result focuses on the already existing efforts, and/or the possibility of inviting interest groups into the applied participatory budgeting processes.

Interest Group Presence

Regarding the main research question, of whether interest groups partake in participatory budgeting or not, the gathered data gives no clear answer. All interview respondents point out that there are instances where they noticed some type of organized presence on the participatory budgeting process. They could not quite define whether these groups were indeed interest groups by definition or just individual citizens who organized themselves for the sake of participating more efficiently. As a consequence, there is neither sufficient proof for general interest group presence, nor that these interest groups managed to shape the policy outcome. Overall, there is no clear pattern noticeable that can give a definite indication that interest group presence and successive influence is the norm when it comes to participatory budgeting.

Interesting to point out is that there is some sort of definitional issue when it comes to the pinpointing of interest group presence and influence, with some interview partners claiming that business lobbying does not exist, but other lobbying, most often by civil society groups, does indeed happen. In both cities, two interview partners gave a similar response, as in that they sometimes have citizens lobbying for new topics, lobbying to get more money for a specific theme. These are, according to one interview partner, “insiders”, citizens that are allowed to be part in the process. In contrast, “outsiders”, so commercial companies or politicians, are excluded from the process. “We don't get much business lobbying at all. There is not much to be noted”, similarly emphasized another interview partner. If, and then the definitional ambiguity still remains, the interview partners talked about apparent interest group presence and influence, it all happened during the initial parts of the participatory budgeting process. One interview partner gave a distinct example of how interest groups at least tried to have an impact. In one instance, where that process is organized completely in an online voting sphere within an online participation platform, one interview partner recounted that they noticed a “definite” sudden influx of approval for a specific project: “The increase in likes was the first thing we noticed, then that we got a lot of new registrations on the portal.”

In contrast to these overall corresponding statements by the stakeholders, which are all, to some extent, involved in the administrative body of participatory budgeting, is one interview partner representing an interest group. In that particular case, the interviewee clearly stated that they use the participatory budgeting process in their city with own, clear-defined intentions in mind. They are fully knowledgeable about how the system of the voting, and thus the securing of funds, can work in their favor: “We are a big organization and how to get your project is to be with a lot of people”. One interview partner who works in the administrative organization of the participatory budgeting project in the same city is completely aware that this motion of mobilizing voters in their respective groups or organizations exists. The interviewee clearly stated that if one can mobilize more people, one influences the process more heavily. But, importantly, according to that interview, this is an essential part of how their participatory budgeting process is set up.

On the contrary to the statements about seemingly advances and approaches by interest groups in the beginning phases of the process, all interview partners that are involved in the organizational, administrative workings of their respective participatory budgeting process came to the same acknowledgment with regard to the latter parts of the process. They are, across both cases, not aware of a situation in which any interest groups or participants have tried to assert their interests at the point of the final decision-making process, the inclusion in the budget. Important to note here is that some interviewees who claimed there was no definite influence taking place, in other parts of the interview reiterated a different, more nuanced perspective. A perspective that is much more uncertain and presuming rather than bold and direct.

Group Tactics

Interest groups use a wide array of different tactics to shape public policy outcomes. They can, for example, make use of “inside” or “outside” lobbying strategies. According to De Bruycker and Beyers, “inside lobbying” is defined as advocacy activities that are directly aimed at policymakers. “Outside lobbying”, in contrast, are tactics to address policymakers indirectly and are geared at raising the awareness of a broader audience by communicating through various forms of public media (De Bruycker & Beyers, 2019: p. 59). Similar results, with regard to the distinction between these two lobbying strategies, were observable in the analysis of the interview data. What has become evident during the interviews, is that when interest groups are partaking in participatory budgeting, they use tactics that resonate more closely with outside lobbying strategies. There has been no sign of inside lobbying per se, except for one instance where one group affiliate said that they use inside lobbying in attempts to sway politicians, but, important to point out, not in the realm of participatory budgeting.

Almost all interview partners emphasized how the participants in the participatory budgeting process took advantage of traditional media outlets, such as newspapers, and social media channels, in order to gain attention for their respective project, with the aim to raise more votes. These are classical outside lobbying approaches which can take the form of press releases and conferences, contacts with journalists, public campaigning, social media advertising, or protest events (De Bruycker & Beyers, 2019: p. 59). One respondent said that those individual project proposals and interests which make the rounds through the press beforehand, are often the projects that end up further ahead in the participatory budgeting voting. Other mobilization tools that were mentioned in the interviews include email newsletters, informative websites, printing of promotional cards and the commission of professional advertising agencies.

Apart from these mobilization tools that have an attention-seeking function, one that tries to generate support from the broader public, there are some other mobilization efforts that need to be pointed out separately. There were two instances, both in the same city case, in which interest group representatives described in their interviews, how they mobilize their members of their organization for them to take part in the participatory budgeting voting process, and thus have an impact on the outcome. First, as already mentioned in the initial part of the analysis, one group made use of their organizations membership size and could therefore bring them to the voting day and let their members vote for a specific project. The same interviewee also gave insight into how different groups come together before the voting, sit together and discuss their voting intentions. Apparently this is a common tactic that this being used, based on the guiding, mutual principle of “If I vote for you, you vote for me”. Second, the aforementioned email newsletters seemingly do not only fulfill informative duties to keep members up to date about the latest progress, activities etc., but apparently are also utilized to mobilize their members to vote. One interest group representative said that they use their quite large email newsletter audience, in order to address their members, asking them “to vote in the first election for the topics we have the most chance to ask for funding”. They filter out their email newsletter based on which member is actually eligible to vote, select them and then ask them to do the voting in their favor.

Throughout the analysis of several tactics, that include undertakings on how to engage their members or how to gain broader attention by the public, it has become evident that popular mobilization plays an almost essential role in how interest groups try to have an impact on the participatory budgeting outcome. One interviewee underlined the importance that within a participatory process, people can mobilize and find people who share their interests, draw attention to problems. Another interview partner even asserted that “if you are able to mobilize more people, you influence the process more heavily”.

Interest Groups Invitation

As already outlined in the paragraphs above, there is no clear and generalizable indication for interest group presence and influence in the participatory budgeting processes that were subject to this research. On the seemingly contrary, and quite remarkably, in the Antwerp participatory budgeting project the administrative organizers are even actively reaching out to organizations and social groups, urging them to partake in the budgetary voting process. They seek out to those groups in the neighborhoods where the organizers believe that they have an audience that would not yet take part. The organizations they approach are poverty organizations, youth organizations or elderly people for example. These extra efforts they make to reach as many people as possible, and as differently as possible, is part of their so-called “DNA”. This consequently leads to “quite a successful diversity of people” as one interviewee proudly explained. These groups are fully aware of their position in the process, with one group representative affirming that if organizations such as theirs would not take part, and thus not bringing in that diversity, the participants would not be as diverse as they are now thanks to the organizations.

Whereas the invitation of civil society groups is an essential part of the participatory budgeting process in Antwerp, it is only a mere possibility in the other analyzed case, Stuttgart where there are no coordinated efforts in approaching specific groups or to mobilize them in particular. Instead, they issue invitations in a more general manner. However, the city administration works closely with an independent, voluntary working group which dedicates its efforts to reach out to citizens, to groups, and to ensure and promote more participation: “That is the goal of participatory budgeting. Our goal is that many groups of civil society participate, no matter what their opinion is.” Increasing diversification of the participants involved is only a partial factor that is being considered here and appears to not be a driving force behind the possibility of inviting interest groups. Instead, the desire seems to reach an overall increase in participation numbers, without focusing on the potential structural differences and inequalities in the participation behavior. Though, one city-affiliated stakeholder involved is aware about the prospects of inviting a diverse crowd, and even supposed the idea that by integrating “social players”, it could be an important case in point for enhanced diversification. Apparently there exist uncertainty about how this can be achieved, as the interview partner proposed the looming question of how exactly groups could be more involved or made aware about other possibilities to engage.

Structural Differences

This second part of the results section focuses on the structural differences that based on the gathered interview data, proved to be a considerable factor of how successful an interest can be

positioned and presented in the participatory budgeting process. Except for one interview, all interviewees pointed out clear indications that to some extent, there is structural difference within the participation behavior of the citizens involved. This indicates that out of a wide-ranging variety of factors, some apparently have more determining significance in how effectively individual citizens can position themselves in the participatory budgeting process.

The main factor, which determines how impactful a project can be put forward by an interest group in the participatory budgeting process, is the size of the group. This goes along with the organizational know-how and power these groups innate outside of the participatory budgeting process. They can use their organizational skills, knowledge about general administrative, policy processes to a much larger extent. One interviewee pointed out that it is “simply the case” that people who are not organized, who perhaps do not have the resources, the time capacity or the motivation, are less likely to participate. Another interviewee perceived a similar dynamic in their participatory budgeting process. The interview partner claimed that the groups who are well-organized, consist of a decent network structure and have a lot of manpower and money have an advantage. As a consequence, they can mobilize very well. Crucially, this organizational advantage comes into play beyond participatory budgeting as well. According to the interviewee, groups use these possibilities at other city participation methods to present and place issues on the agenda, sometimes successfully. A clear example of how the group size could influence the voting outcome is given by one respondent. She set forth two instances of how the group size affects the relative ease, or the difficulty, in how these groups can gain votes. If a group had, for example, a mailing list containing 10.000 members, they could easily raise 250 votes, according to the interviewee. In contrast, if an individual in a neighborhood only wants a little corner for plants, they have much greater difficulty in raising these 250 votes.

In addition to the sheer group size, socio-economic differences in the participation behavior are closely linked to the advantages a group can extract. In one interview, the interview partner claimed that there appears to be a strong shift, stronger participation of the socio-cultural groups “who are simply better at it, who can make better use of the opportunities”. The interviewee concludes that these groups, if they succeed in achieving a good result in the participatory budget, as a consequence have a good basis for arguing politically with the administration that it must be implemented. Important to stress is that one interview partner ferociously denounced such claims, contending that there are no differences stemming from either socio-economic or socio-cultural backgrounds. Speaking to a different stakeholder however, who is involved in the same city, a different narrative was presented, one where there seems to be a strong tilt towards the educated, the middle class, or on people who are active in associations, groups: “This is a fundamental, structural problem that cannot be solved so easily.”

Apart from the group size seemingly being a considerable influential factor, other factors were brought up in the interviews as well, albeit not to the same extent. During the interviews, four additional factors came up, possibly contributing to the overall explanatory effects of structural differences in participation behavior by citizens. These factors include the gender of the participants; as well as the age; the neighborhood the citizens are living in; and whether a migration background exists or not. Important to stress is that in both cases, data about these factors are not collected by their respective organizers, so the following presented recollections by the interview partners are based on their own individual perception. Except in one case, in Antwerp, there was a recent evaluation about the participatory budgeting process and its participants, with the relevant data collected being the gender of the participants, an age distribution, and the neighborhood they are living in, based on the post code only.

Talking to the interview partners about the gender of the participants revealed different recollections. In the case where an evaluation took place, there were slightly more women partaking in the participatory budgeting process. In the other case, the stakeholders involved presented quite a contradictory account about the gender distribution. One respondent, although reassuring twice that they do not hold any data on it, estimated that there is a majority that is male. Another respondent gave a more evenly distributed assertion, saying that the participation between women and men is “definitely” very balanced, it being always about 50/50. There are no particular deviations from this composition, they are all pretty equal, according to this interview. Yet another interview partner painted a completely different picture to the other stakeholders involved, claiming that a lot of women are involved in local politics. The distribution being 80 percent women and 20 percent men. There are apparently many more women than men involved in voluntary work, too. Due to the mixed responses gathered it is therefore problematic to give clear inferences.

Since the age of the participants was also evaluated in Antwerp, it is possible to get some marginal conclusions out of it, according to the interview partner involved in this case. Overall, they get quite a “nice” division of different ages involved, with no particular age group standing out. The age factor was not too noticeable in the other case, except for one interview partner who recounted, that they have been to many events on the ground, sometimes accompanying projects there. The interviewee called to mind, depending on the topic, that they could see that the audience was mainly older people. The conducted interviews thus gave no clear indication if there are some structural differences concerning the age of the participants, and whether these impact the participation generally.

With regard to whether the neighborhoods, where citizens live, have an effect on their participation or not, the interviews did not present any coherent evidence that would assume such an explanatory effect would exist. Although, there were two hints given by two interview partners who pointed out that it should be taken into consideration when talking about structural differences in Antwerp. One

interview partner perceived, when speaking about active citizens, those who take initiative and know the way of how to set up a project, that an apparent inequality between different neighborhoods in how actively those citizens get involved exists. A similar suggestion by a different interview partner in the Stuttgart case follows a similar direction. Accordingly, they factually have a strong disparity between the outer city districts and the inner city, where relatively few people take part. As a possible reason for their area being under-representative, the interview partner suggests, is that they, for example, have a very high proportion of people living alone, many of whom are only there for work and then possibly somewhere else on the weekends.

The final factor being analyzed is the existence of a migration background by the participants, and whether this affects their active involvement in participatory budgeting or not. Once again, it is important to point out that the following results stem from the interview partner's own perceived reality. First of all, there was no generally applicable notion evident that would suggest some inherent disadvantages which would impede citizens with a migration background in their participatory behavior. Regardless of this general dismissal, one interview partner made clear that apparently there is some sort of discrepancy in participation resulting from migration backgrounds. They estimate, unfortunately for them, that they do not reach people with a migration background as well as other parts of society. The interview partner emphasized, more than once, that there are linguistic barriers for citizens with a migration background in place, hindering them to participate effectively. They see other reasons for these differences, for example that people with migration backgrounds tend to be more socialized in their own community. Another possible reason is that they do not even know that these participation possibilities exist or simply are not that interested in such topics.

5. Discussion

As the analysis has shown, interest groups are not influencing participatory budgeting processes to the extent where one could establish an overall theoretical assumption of interest group influence in participatory budgeting. The results neither indicate whether the proven, although marginal, interest group presence offers opportunities nor obstacles for participatory budgeting. Regardless, the presented analytical results give rise to the need for further, in-depth assessments on what implications these results could have, not only for the interest group literature and participatory budgeting, but also broader implications for democracy in general. It is especially important to put the role of interest groups, despite it being only a minor one, into context, and to try to clarify the vague perception of whether the perceived presence is good or bad. Like Gray et al. point out, there exists incongruity about the role of interest groups in the literature. Whereby many political scientists are more positive about the role of organized interests in democracies, a significant tradition of

scholarship argues [instead] that the interest system is biased and, therefore, unrepresentative of the popular will (Gray et al., 2004: p. 411).

The following discussion part will combine the research results, the abductive reasoning method, and other research insights, which ultimately leads to the formation of a new adapted theory, that puts the different participatory budgeting stakeholders involved into an altered interdependency, one that is dissimilar from the commonly assumed relationship between citizens and public agencies. Opposed to what participatory budgeting processes generally imply, it is not the fact that citizens and public agencies or administrations are the sole stakeholders involved, but instead there is an intermediate link that binds them together: interest groups.

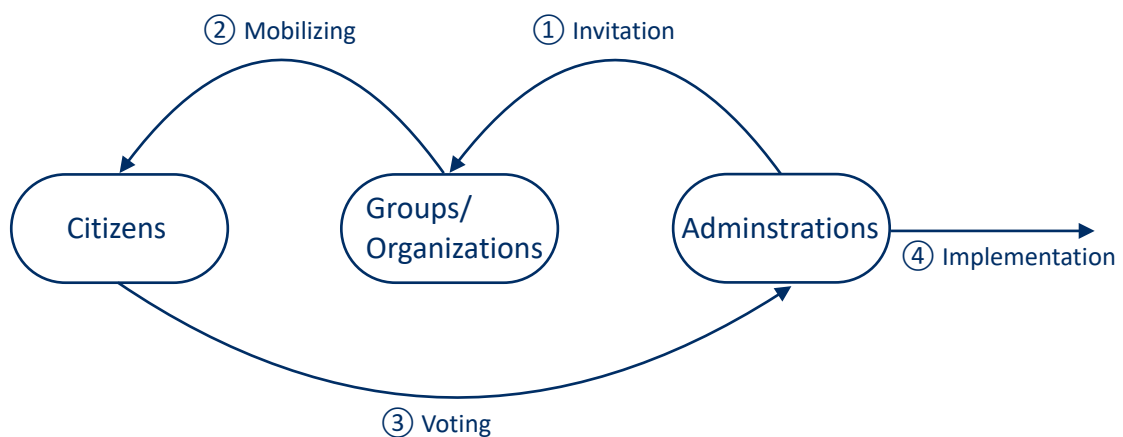


Figure 1: The adapted stakeholder relationship in participatory budgeting

After thoroughly examining the research results and embedding these into other theories, it is possible to put the different stakeholders involved into a distinct theoretical relationship with each other. These results, in combination with the abductive reasoning approach, thus present a new theory on how different stakeholders are involved in participatory budgeting and how they relate to each other. This relationship is different to the commonly acknowledged relationship that only consists of citizens and public agencies or administrations (Wampler, 2000). Instead, there are the interest groups which are mediating between them and act as facilitators. The participatory budgeting process, with the inclusion of groups and organizations, can thus be divided into four steps. At first, public agencies, city administrations, or whoever is responsible for setting up the process invite different stakeholder groups and organizations with the goal to diversify the process. These stakeholders then mobilize citizens and the general public with outside lobbying strategies, pointing out which project should be voted for. These stakeholders act as some sort of mediators or facilitators to gather potential votes. In the third step, these individual citizens take up the voting advice they received, participate in the participatory budgeting process, and ultimately vote for that

specific project. The final step once again involves the agencies and administrations who go over the results and ultimately implement the projects that gathered the most votes. Important to note here is that the final decision-making power, whether the voted for project will be implemented or not, lays in the hands of these agencies and administrations. They could potentially ignore a project if it is not fitting the overall conditions which are set out before the process starts. This depends in large parts on the way the participatory budgeting process is structured and designed. Many different variations exist, some setting up fixed amounts of money, with others being more flexible in their approach. The subsequent section will go over each step in detail and emphasize the implications the research results have on each stakeholder and the different links connecting them.

① The Invitation of Interest Groups Into the Participatory Budgeting Process

Participatory budgeting is often seen as a tool to strengthen civil society and democracy by creating “opportunities for engaging, educating, and empowering citizens, which can foster a more vibrant civil society and helps to promote transparency” (Wampler, 2007: p. 21). Nevertheless, as Geissel et al. put into question, if dialogue-oriented participation processes, such as participatory budgeting, really suffice as effective means for enhancing democratic values or if they are pointless innovations instead? The authors express this ambiguity with three points of contention. First of all, they emphasize that, on the one hand, it is expected that after discursive debates, citizens make well-considered, reflected and meaningful substantive proposals and incorporate these into the policy process. On the other hand there is the opinion that dialogue-oriented, consultative procedures would not achieve anything. The second point of conflict is what the authors call “potential inclusion”, which raises the hope that marginalized groups, that are far removed from politics and education, would be given the opportunity to make their voices heard through these participation procedures. However, the “rhetoric of closeness to citizens” is often put in contrast with the dominant interests of groups with strong resources and organization skills. The last controversy laid out by the authors is the (democratic) qualification of citizens resulting from partaking in participatory budgeting, and deals with the dichotomous question of whether individual citizens would actually be promoted in their political and democratic competence through their participation, or whether this goal is actually unachievable (Geissel et al. 2015: p. 154-155). These are just some of the points that show how contentious participatory budgeting can be, with potential significance for implementing such processes and which need to be considered when designing such a process.

The research analysis showed that interest group influence, or rather the lack thereof, in participatory budgeting is not necessarily a cause for questioning the legitimacy of the participation method, which bodes well for the method itself. Ultimately, there is some other implication the research results reveal which need to be emphasized, and which potentially opens up other ambiguous trends, like

the ones outlined by Geissel et al. Firstly, as the results have shown, it seems that the stakeholders, who are involved in administrating and organizing the participatory budgeting processes, are safeguarded to external opinions that could potentially have an impact on guiding the policy-making process. Inside lobbying attempts simply do not happen. Braun presents that these relationships between interest groups and civil servants usually exist. The author gives a concise overview of the three general assumptions of the public agency-interest group interactions. A first explanation hypothesizes that interest groups are in control of interactions with public agencies, reflecting the traditional assumption of capture. The author points out a second general assumption about interactions between public agencies and interest groups which emphasizes the exact opposite, namely, that public agencies are perfectly capable of monitoring and controlling interactions or networks with interest groups to serve the agency's purposes. A final general assumption falls in between these two assumptions, emphasizing a mutually beneficial relation rather than a potential asymmetry, ensuring the continuity of these interactions (Braun, 2012: p. 293-294). Within the context of this research, it became clear that interest group capture does not appear to happen. Additionally, there are no sufficient indications for the second assumption, that the public agencies in question are exploiting the interest groups their favor. With regard to the final assumption of Braun, the potential of having reciprocal interaction, there seems to be some hints that this could be the case. Although, this relationship is not the sort of give-and-take relationship that Braun envisioned, one that emphasizes the benefits of durable exchanges, which are often defined by characteristics of corporatist institutional arrangements, or the emphasis of their contribution to inertia and stability in policymaking processes (Braun, 2012: p. 294). Instead, as outlined before, interest groups use participatory budgeting to get additional funding, and public agencies try to get groups and organizations to join the process, consequently trying to increase legitimacy.

Nonetheless, this presents further implications which affect public agencies or administrations who are responsible for organizing participatory budgeting, and concerns mainly the possible invitation of groups or organizations into the process. During the interviews, the interview partners were asked whether they actively seek out to groups or organizations, so they are incentivized to participate in the process. Depending on their answer, follow-up questions focused on if they had ever given it a thought, about potentially inviting them (if they do not invite them) or what the rationale behind the invitation is (if they do invite them). In Antwerp, the invitation of groups and organizations into the process is part of their DNA. Stuttgart, in contrast, does not actively invite these types of stakeholders to their participatory budgeting. Both cities have different approaches, and it is crucial to stress that neither approach is necessarily "right" or "wrong", since both show instances of outside lobbying, and inside lobbying is improbable to taking place. This leaves both options open for the people who are responsible for setting up and implementing the participatory budgeting. As a consequence, it can be implied that the relationship between public agencies and interest groups in the participatory budgeting context is not necessarily an openly reciprocal relationship, but that it is more of the

nature of being a “mutually beneficial relation”, indeed as Braun summarized (Braun, 2012: p. 294). This would mean that interest groups want to take advantage of the money that is being distributed in participatory budgeting, and public agencies want to capitalize off of inviting interest groups to increase diversity. This relationship is non-reciprocal, with both seeking out their respective objective independently.

What became apparent in the analysis, is that the invitation of interest groups creates an interdependent dynamic which has further ambiguous implications for participatory budgeting, and which needs to be weighed up against each other. For one, inviting and actively seeking out interest groups, for them to take part in participatory budgeting, has arguably a greater effect on diversifying the participating members, which in turn enhances the legitimacy of the method. This is especially beneficial, considering that it is generally assumed that in participatory budgeting it is groups that are already politically active, have more resources available, [...] and thus have the time, money and know-how to participate in the relevant processes and can consequently ensure that their preferences are taken into account (Geissel, 2008: p. 3). Inviting interest groups, interest organizations, or citizen groups from a wider societal spectrum could thus combat the lack of diversity that is often prevalent in participation methods in general. Here is where the ambiguity strikes once again. Although the invitation of groups can diversify the pool of participants, these groups could potentially be lacking diversity as well. Hanegraaff et al. showed that citizen groups have disproportionately older, highly educated, and politically moderate citizens as members (Hanegraaff et al., 2017: p. 23). Consequently, this would only self-reinforce the diversity disparity, which could ultimately lead to the fragmentation of stakeholders involved in participatory budgeting. Now it would not just be individual citizens partaking anymore, but instead many well-organized groups and organizations. Public agencies and/or city administrations therefore need to take this sort of ambiguous trade-off into consideration when designing the participatory budgeting process. If they were to invite interest groups, they should make the process of stakeholder selection, which identifies groups likely to be affected by a decision, as transparent as possible.

The research analysis exposes some cracks in the theoretical framework within the interest group conceptualization. Interest groups, defined by Beyers et al. as having a certain level of organization, political interests, and informality, are not taking part in the participatory budgeting processes that were subject to this research (Beyers et al., 2008: p. 1106). It seems as if these types of groups do not employ any resources into gaining benefits out of participatory budgeting. This contradicts the general belief, as Dür points out, that an interest group that strongly favors a specific policy but is unable to convince decision-makers of the policy’s merits, may try to have an indirect impact on decision-making by mobilizing and shaping public opinion directly (Dür, 2019: p. 516). Shaping the broader public opinion is potentially not achievable by this participatory method, as the policies are

most often only marginal and not as big in scope. Instead, they use lobbying strategies to mobilize voters within the participatory budgeting process.

Albeit the conceptualization of the interest group terminology being built upon a solid foundation, the analysis showed that these types of groups, as conceptualized, are not present. However, as the analysis has shown, other types of interest organizations are indeed taking part in the participatory budgeting process. This has implications on the concept validity, and thus the interest group definition needs to be revised, taking the research results into account. Here, the distinction between interest groups and interest organizations by Beyers et al. is an essential addition. According to the authors, interest organizations are equivalent to interest groups, although, strictly speaking they are not aggregating the preferences of some constituency, such as individuals, firms or organizations. They are united in their function to influence public policy (Beyers et al., 2008: p. 1108-1109). Beyers et al. further distinguish between three types of such interest organizations: special interest organizations, social movement organizations, and civil society organizations, which are all dependent on group mobilization to some extent (Beyers et al., 2008: p. 1109). Based on the insight that the interview partners offered, and the successive analysis, which showed apparent mobilization attempts by certain groups, the addition of interest organizations into the conceptualization is much needed. Whereas the literature on social movement organizations focuses on how citizens form grass-roots networks and organizations use non-institutionalized forms of claim-making and how contentious politics contributes to the creation of political identities, the interest group literature approaches tend to stress the semi-institutionalized process of lobbying and the importance of resources such as expert knowledge (Beyers et al., 2008: p. 1110). This divergence between non-institutionalized and semi-institutionalized ways of claim-making became apparent whilst conducting the research. Once again, it is difficult to precisely categorize whether the groups and organizations partaking in participatory budgeting are social movement organizations, who use non-institutionalized actions, or interest groups, taking advantage of semi-institutionalized strategies. Based on the research results it seems, as if on the one hand, the groups and organizations involved act as social movement organizations with non-institutionalized forms of claim-making, thereby focusing on the opportunities the political structures offer, as well as the processes of identity formation and the mobilization of resources. On the other hand, these groups and organizations do that within the semi-institutionalized context of lobbying, in this case outside lobbying. Further, public agencies are not necessarily dependent on groups' or organizations' functional expertise. Instead, they are more interested in inviting these groups and organizations into the participatory budgeting process to raise diversity (Beyers et al., 2008: p. 1110). Important to add is that these groups and organizations have no malicious motivation that would work against the general interest. This is different to the notion of Lowery and Brasher who claim that although while some organizations represent narrower interests than others, all interest organizations are special interests in the sense of representing some subset of the general public. Special interest would further imply

that organizations invariably and inevitably work against the general interest (Lowery & Brasher, 2004: p. 6). Groups and organizations arguably have their own interests and want to achieve their own respective objectives, but not by undermining the public welfare.

Similar to the fuzzy distinction that hinders a clear conceptualization of the stakeholders involved, whether the groups involved are interest groups and/or social movement organizations, is the overall differentiation between citizen participation and civic engagement outlined by Callahan. Civic engagement, according to Callahan, implies that individuals support their community through volunteer efforts and civic activism (Callahan, 2007b: p. 1181). This is certainly the case within the participatory budgeting context. The groups and organizations involved are dependent on the support of individual members and the public, which would mean that these individuals support the group or organization by voting for the specific project in the participatory budgeting. Groups and organizations within participatory budgeting are involved in civic engagement, and in citizen participation which involves the planning and administrative processes of government (Callahan, 2007b: p. 1181).

② Interest Groups as Mediators and Facilitators

Although this research was not able to show any clearly measurable indication of interest group influence on participatory budgeting processes, there were still some hints that interest groups are aware of the benefits and opportunities that participatory budgeting can potentially bring them, and therefore show their presence. Overall, interest groups are to a large extent reliant on external resources, such as money and validation. This has also become evident in the analysis, whereby interest groups do put effort into reaching out to their members and the general public, especially by using so called “outside lobbying” strategies, albeit with a different objective that the general strategic notion implies.

Ken Kollman’s influential work on lobbying strategies generally defines “outside lobbying” as attempts by interest group leaders to mobilize citizens outside the policymaking community to contact or pressure public officials inside the policymaking community (Kollman, 1998: p. 3). By signaling a high level of public support and drawing a larger audience of stakeholders into a policy debate, lobbyists aim to exert pressure on policymakers and convince them to act accordingly (De Bruycker & Beyers, 2019: p. 59). An outside lobbying strategy comprises such tactics as organizing demonstrations, distributing press releases, and putting advertisements in newspapers (Dür & Mateo, 2010: p. 116). Social media advertising is another outside lobbying strategy that can be utilized (De Bruycker & Beyers, 2019: p. 59). According to the conducted research analysis, outside lobbying by interest groups does exist in the context of participatory budgeting, but not with the same outright

underlying ambition as Kollman's theory would suggest. There is a significant difference between pressuring public officials into potentially changing the policymaking outcome by using an outside lobbying strategy, and using outside lobbying strategies in order to gain preferential votes in the participatory budgeting process by getting the attention of their constituency. This variation is indeed noticeable, as the interview partners recounted several incidents where interest groups tried to mobilize their members or tried to attract the general public. These groups used outside lobbying tools, such as email newsletters, informative websites, printing of promotional cards, and the commission of professional advertising agencies, as well as publishing media articles. It is important to stress, that the aim was not to influence policymakers in their decision-making, but to sway the public opinion instead.

Those interview partners involved in the organization of participatory budgeting projects were not only pointing out that they were not aware about any "inside lobbying" attempts. They specifically claimed that no organized groups approached them individually. In contrast to outside lobbying strategies, "inside lobbying" strategies imply close consultation with decision-makers, as groups aim to gain access or make direct contact with policymakers. In terms of specific tactics, this can entail the scheduling of private meetings, attendance at civil society dialogues, or participation in advisory groups (Colli & Adriaensen, 2020: p. 502). Inside lobbying is further defined as advocacy activities that are directly aimed at policymakers. Such political activities do not generate much public exposure and are usually not visible to a broader audience or individual citizens (De Bruycker & Beyers, 2019: p. 59). This lobbying strategy does not emerge within participatory budgetary. All the interviewed stakeholders were asked about the respective position they are holding in the participatory budgeting process, and based on that position, whether they get approached by interest groups, who ask for favors, propose ideas, or try to have an impact on the final outcome of the budgeting process by asserting some sort of pressure. Close relationships between interest groups and the organizers of participatory budgeting, that would flourish with inside lobbying, do not exist. This would suggest that the general consensus in the interest group literature, which often assumes that interest groups have favorable access to policymakers, thus providing them with necessary information, does not hold true in the realm of participatory budgeting (McKay, 2012: p. 908). With the displayed results, it becomes evident that if interest groups are engaging in participatory budgeting, they use more of an outside lobbying strategy in a broader sense, that is suited to their objectives in gaining votes. Inside lobbying strategies seem to be non-existent in this regard. This is highlighted by the lack of proposals by interest groups directly aimed at the involved stakeholders.

Even though the interest group presence was only marginally noticed in this research, there are still some other noteworthy trends that need to be put into context within the interest group literature, especially concerning the motivation of why interest groups would even take part. As Lowery argues,

the most fundamental goal of organizations must be to survive as organizations. All of the other goals that they might have are necessarily secondary considerations since failure to survive will preclude achieving any of them (Lowery, 2007: p. 46). Lowery's argument would then explain why interest groups would partake in participatory budgeting: securing necessary funds for projects or other ventures in order to survive as an organization. In both instances where interest group representatives were interviewed, they affirmed that getting extra money is indeed a driving motivational force in their participation. This apparent desire for additional funding, combined with the preferred outside lobbying strategy would in turn imply that interest groups are increasingly becoming more dependent on their members and the potential support from the public. This begs the question at which point interest groups become too dependent on external acknowledgment, in order for them to survive as an organization. Speaking to an interest group representative, it became evident that they "have to collect money" and that they get it through different means, one of them being participatory budgeting, although only to a small extent. The interview partner continued to elaborate on a seemingly contradiction between participatory budgeting and participation, arguing that if one has a movement [organization] and wants to keep it alive, you better give structural subsidies instead of participatory budgeting [money] which is dependent on other citizens who might either vote for your project or not. The interviewee concludes that what participatory budgeting does is just rating how good ones exposure and forces of mobilization are, not necessarily the intrinsic qualities of the project itself.

That public opinion is a major concern for the organizational survival of interest groups shows research by Hanegraaff and Poletti. They assert that citizen groups who fear that changes in public opinion might affect their survival chances increase their relative use of outside lobbying (Hanegraaff & Poletti, 2019: p. 139). Applied to the context of the participatory budgeting research, this could potentially explain the affinity of using outside lobbying strategies to mobilize the public, and consequently securing additional funds that guarantee their organizational survival. Additionally, Weiler and Brändli point out that outside lobbying strategies play a crucial role for cause groups, groups that represent diffuse interests of the wider population to achieve their goals, be noticed by the public and obtain scarce resources from potential new supporters (Gais & Walker, 1991; Binderkrantz 2008, as cited in Weiler & Brändli, 2015: p. 748). Interest groups use specific mechanisms to shape public opinion. Dür has shown, that interest groups mainly matter for public opinion through the arguments that they convey. This effect is particularly large for people with little information about a policy (Dür, 2019: p. 529). Since participatory budgeting is usually conducted with some sort of argumentative, deliberative phase that includes the exchange of opinions, it is therefore likely that interest groups take advantage of "framing" and "persuasion" effects (Dür, 2019: p. 516). Whether these lobbying strategies and the dependency on public affirmation actually translate into successful implementation is difficult to assess. Although it seems likely that there is a link between public opinion and interest group mobilization, Rasmussen et al. point out that it is

difficult to know whether such behavior results in interest group success (Rasmussen et al., 2018: p. 144).

③ Citizens and the Will of the Many (Or of the Few?)

The research results have implications and show effects on interest groups and participatory budgeting itself, especially when embedded into other well-established theories. Whether these results have potentially deeper implications for democracy as a whole is difficult to assess, since the research focused only on participatory budgeting, which in itself is negligible in its scope. Participation rates tend to be low, with many citizens not even being aware of the possibility to take part. In addition, since the research results are based on the individual recollections of the interview partners, it is challenging to give a concrete outlook on the effects on democracy. Therefore, the effectiveness and legitimacy of participatory budgeting as a mean to enhance democracy, or to avert apparent democratic deficits, can neither be denied nor validated by the research results. Regardless of the vague research outcome, and important to stress anyway is that there are some indications in the research that need to receive more attention: Structural differences in participation behavior still persist in lower-scope participation methods. Even though participatory budgeting, as one of the citizen participation tools that aims at strengthening democracy, does not attract the broad masses of the public, there are trends noticeable that would imply asymmetric participation behavior by different societal groups.

Based on Barnes and Kaase (1979), and Tilly (1986), Magonette argues that the level of civic participation in Western democracies can be seen as a continuum: “at one end of the spectrum, a certain number of citizens have no interest in politics at all – they do not read newspapers, are not, and do not want to be, informed about public issues, and they do not vote, petition, or demonstrate ...; at the other end, active citizens are informed about and discuss politics, vote, get involved in political parties, trade unions, NGOs and civic associations, and use all ‘forms of contention’”. The author further suggests that between these two limits, most citizens simply try to understand public issues and participate through conventional electoral events (Magonette, 2003: p. 148). Instead, Brady et al. argue that motivations such as interest in politics are not enough to explain political participation. According to their resource model of participation, the resources of time, money, and skills are also powerful predictors of political participation (Brady et al., 1995: p. 285).

There seems to be a link, that what Brady et al. call “powerful predictors of political participation”, are to some extent also viable determinants in successful participation in participatory budgeting. If differences in socio-economic factors, such as age, gender, or migration background, and most importantly the group size and organizational knowledge not only have a decisive effect on general

participation behavior itself, but consequently also on the outcome of participatory budgeting, then this self-reinforcing effect needs to be given more attention. As long as these structural differences of participants continue to exist in citizen participation applications, such as participatory budgeting, they need to be taken into consideration, especially with regard to the potential overall benefits these methods can unlock. According to a recent OECD report, the collected evidence and data support the idea that, generally, citizen participation in public decision-making can deliver better policies, strengthen democracy and build trust (OECD 2020). These citizen participation applications must therefore ensure that the participants are as diverse as possible, covering all parts of society, or else those applications will just favor the citizens who have preferable motivations and are inclined to participate due to their favorable status.

④ Public Administrations and the Ultimate Implementation

The whole process of participatory budgeting generally comes to an end once the public administrations validate the voting results, and consequently start implementing the chosen projects. While the majority of the attention focuses on the selection of policies, Wampler argues that an important aspect of participatory budgeting is the implementation of the selected projects. According to the author, the implementation is an ongoing process, taking place all year long (Wampler, 2000: p. 13). With regard to this final part of the process, the conducted interviews and research analysis revealed another implication: One that is of significance for the legitimacy of participatory budgeting, and affects the technical and procedural setting. This implication is crucial to point out, as the implementation phase ultimately is linked to the public perception, and consequently to the overall objective of participatory budgeting, the strengthening the trust and believe in democracy. According to Åström et al. and the broader literature on citizen engagement, the degree of satisfaction with participatory procedures is usually seen as important in reaching judgments on trust. [...] Dissatisfaction with participatory experiences [...] tends to be associated with negative views on how democracy and its policies function in practice (Åström et al., 2017: p. 578).

What became apparent in the interviews is that the interview partners voiced concerns and points of critique aimed at participatory budgeting processes. This is striking, as the interviews were conducted mainly with people involved in administration and planning of such processes. Especially the low participation rates tend to be an issue. Both the interviewees from the public administrations, and even from the interest groups were vocal about it. According to Schneider and Busse, the administrations take this into account, whereby the usually low number of participants leads to skeptical views on the legitimization of proposals (Schneider & Busse, 2019: p. 269). Important to stress is that the cities that were subject to this research both handle the final policy decision-making differently. The District of Antwerp lets its inhabitants decide on specific themes. The subsequent

submission of projects by different groups or citizens have to fit thematically, and the administrators are only then green-lighting these projects, if they match the themes accordingly. Consequently, if a project gets voted for, it will be approved for implementation, as the practicability was assessed beforehand. In contrast, Stuttgart follows along the lines of a three-phase model. The first phase, the phase of information, citizens are supplied with information about the budget and the participatory budgeting procedure. In the second phase, the phase of participation and consultation, citizens are able to contribute their ideas, make proposals for planning the budget and provide feedback on existing proposals. In the final phase, the phase of accountability, decision-makers and administrators provide information on the outcome of the participation, and explain and justify their decisions as to which proposals will be implemented and which will not (Ruesch & Wagner, 2013: p. 4-5). Both cities use a different method, with feasibility assessments at different points in the process. Neither approach can be labelled as more appropriate to enhance participation numbers since both have their respective deficits. Other issues that were pointed out during the interviews included administrative constraints and extremely long process times. These could potentially be harmful for the process itself, and thus erode the outcome legitimacy. These could further lead to frustration of the participants. If the participatory budgeting process does not deliver on what it promised in the beginning, citizens and groups can become upset, further decreasing trust in democracy and public institutions. As Ganuza and Baiocchi note, participatory budgeting today is prized for its value-neutrality, its ease of implementation, and its ability to attract many different kinds of institutional stakeholders. However, according to the authors, this has not been without ambiguities. They argue that there are potential conflicts provoked by a new idea of participation and an administration with routines and objectives designed for economic efficiency. Competing logics of participation, representation, and what counts as expert knowledge can come to clash within even the most well-organized participatory budgeting process (Ganuza & Baiocchi, 2012: p. 8-9). Therefore, it is essential that the whole process is as transparently designed as possible right from the get-go. Deliberation and contentious discussions are a valuable asset of citizen participation but it needs to be clear how the process is set up and which stakeholders are involved. As Röcke points out, there are factors that have a positive impact on the implementation of a participatory budgeting process that produce tangible results. These are a clear political will or leadership strategy that deliberately aims at going beyond established practices of citizen participation, and a strong power position for implementing these goals, as well as a certain level of administrative and wider political support [...] (Röcke, 2014: p. 169).

6. Conclusion

Citizen participation can be very useful in educating the public about key trade-offs and gaining valuable input from citizens about their priorities and preferences (Ebdon & Franklin, 2006: p. 444). This is especially vital considering one of the main objectives of citizen participation: The strengthening of democracy. Participation tools such as participatory budgeting give citizens the opportunity to engage in budgetary decision-making and to initiate new project proposals. Interest groups have an impact on policy decision-making as well and focus significant efforts on shaping the outcome in their favor. Within the participatory budgeting literature it is often assumed that it is just citizens taking part, thereby ignoring other stakeholders such as interest groups.

Let us return to the twofold research question: First, are interest groups present in participatory budgeting? Secondly, if they are, do they influence the process? In order to verify the presence and influence of interest groups empirically, an explorative qualitative study was conducted. Crucial insight was gathered by carrying out interviews with seven stakeholders involved in participatory budgeting in Antwerp, Belgium and Stuttgart, Germany. As the research results have shown, interest groups are indeed showing presence and do partake in participatory budgeting. They are aware of the potential benefits participatory budgeting could bring them and therefore mobilize their members and the general public with the aim to gain votes and ultimately secure project funding. These groups do so by using a variation of outside lobbying strategies. Whether these lobbying efforts pay off, and thus influence the policy outcome was not assessable within this research. Proper interest group influence, for instance by inside lobbying strategies that involves the close consultation with public administrations was not detected. Further, business lobbying was not detected. Instead, groups partaking in participatory budgeting resemble civil society organizations. Overall it can be assumed that interest groups are present in participatory budgeting, and ultimately that they can be seen as a valid stakeholder involved. With regard to what extent they can actually have an influence on the outcome, the research showed some indicators that could potentially be beneficial for these groups. Factors such as group size and socio-economic advantages enhance the likelihood of achieving profitable outcomes from participatory budgeting.

Based on the results and analysis, this research in turn has developed a new theoretical assumption about the relationship between the different stakeholders involved in participatory budgeting. Generally, it is assumed that this relationship consists just of public administrations, those that are responsible for setting up and initiating participatory budgeting processes, and individual citizens who participate. The adapted theoretical relationship established in this research adds interest groups and organizations as reasonable mediators and facilitators who connect the other two stakeholders with each other. Contrary to the two-way relationship of citizens and public administrations, interest groups and organizations act as a transmission belt between them (see Jordan & Maloney, 2007: p.

7). Public administrations invite these groups and organizations into the participatory budgeting process with the goal of diversification in mind. The key objective of interest groups and organizations is to survive so they use participatory budgeting to get additional resources and to realize new projects. To achieve this, they mobilize their respective members and the general public, and emphasize the need to vote for their project. Factors that can enhance the likelihood of getting a majority vote share, and thus getting project funding are group size and structural, socio-economic advantages.

Several limitations were encountered during this research which need to be reflected upon. There may be an inherent and systemic bias of the members participating in the interviews. For instance, participating members may generally be more involved in participatory budgeting activities and thus have a more favorable opinion. Most interview partners held an administrative position. This can potentially lead to downplaying the influence of outsiders within their respective participatory budgeting process. No one would want their project to be undermined by harmful external citizens, or at least they would not necessarily want to acknowledge it that it is taking place. This can partly be traced back to the overall methodological drawback of conducting interview research. Additional drawbacks of this research design are the small case selection and study population. Building a theoretical adaption of the stakeholder relationship based on just two cases and seven interviews makes it difficult to generalize the findings of the study to other settings. Further, the abductive reasoning approach only leads to a plausible conclusion on the impact of interest group presence but does not verify it.

With regard to future research directives, it became apparent that interest groups and organizations should be seen as valid stakeholders involved in the participatory budgeting process. Therefore, future research that focuses on participatory budgeting should take them into account. In order to increase the external validity of the adapted stakeholder relationship, there is a need for larger scale studies. Expanding the case selection and study population by conducting large-N survey studies can clarify whether the proposed relationship within this research analysis is accurate or not.

The research results have further implications for the implementation of participatory budgeting that need to be considered in order for the process not to have detrimental effects. Stakeholders who are involved with the planning and organizing of participatory budgeting processes should therefore take the following recommendations into consideration. With the apparent interest group presence, and their favorable advantages that come into play, public administrators should be as transparent as possible when they decide to invite interest groups. Communicating openly to the general public that the participatory budgeting process include organized groups as well could provide a level playing field for the voters, which would then reduce the advantages of these groups. According to Cabannes, there are three key moments during the PB process where transparency and accountability can be assessed: at the beginning of the process, informing and mobilizing citizens,

letting them know when assemblies are taking place; after the final decisions, informing citizens about the value of the PB projects, when they will start and end, and exactly where they will be implemented; and when projects are over and functioning, and this is particularly important for basic services projects, disclosing the value of the works, the various monetary and non-monetary contributions and the maintenance costs (Cabannes, 2015: p. 279). Additionally, if the administrative stakeholders end up inviting these groups, they should ensure that they clearly define what constitutes an interest group. This would definitely establish which stakeholders are allowed to take part and which are denied access. Most importantly, public administrations need to keep the ambiguous trade-off in mind that was outlined in the discussion chapter. The invitation of groups and organizations into the participatory budgeting has great effect on diversifying the partaking crowd. But, important to keep in mind, these groups and organizations are often lacking internal diversity as well. Furthermore, if public administrations decide to actively invite organized groups, they should be aware about pluralist “in-built tensions” that could arise. According to Eisfeld, these tensions exist between original individual interests and eventual group action. Group action today has come to be treated as a substitute for individual action in reaching political outcomes, thereby diminishing chances for individual-centered democracy. This inference applies the more, because political resources enter the picture as a second pivotal element. Their maldistribution skews the political process, eventually fatally flawing it in favor of powerful minorities (Eisfeld, 2006: p. 11).

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