

CIVIC ENGAGEMENT THROUGH PARTICIPATORY BUDGETING IN CHINA: THREE DIFFERENT LOGICS AT WORK

BAOGANG HE*

Deakin University, Australia

SUMMARY

This article seeks to develop an understanding of participatory budgeting (PB) in China by examining its three distinctive logics—administrative, political reform and citizen empowerment—and how they operate and intertwine. The background to recent PB is outlined, followed by an overview of the three logics, the mapping of PB developments and activities across China, a discussion of various patterns and related characteristics of PB, an evaluation of PB against a number of criteria within the three logics and a consideration of the prospects for PB. The analysis draws on several sources, including newspaper and journal articles, personal involvement in five PB experiments over the last 6 years, and numerous field trips and interviews with national and local officials. The overall conclusion is that, while the administrative logic will remain dominant in PB experiments, the empowering of local People's Congresses will continue to be constrained by the caution of the central leaders and resistance from local governments. Likewise, the empowering of citizens through PB will be limited by government control. Copyright © 2011 John Wiley & Sons, Ltd.

KEY WORDS—China; civic engagement; participatory budgeting; administrative reform; political reform; citizen empowerment

INTRODUCTION

Participatory budgeting (PB) originated in Brazil in the late 1980s as a redistribution mechanism that favoured the poor (Baiocchi, 2005). It is a form of active civic engagement that enables citizens to participate in budgetary decision-making processes. It is also a mobilisation strategy of the political left whose mandate is liberation, self-governance and radical democracy. When PB was introduced into China, the Chinese government reshaped its core ideas by projecting PB as a programme to curb corruption, improve administrative efficiency and enhance state capacity (Collins and Chan, 2009). Reshaped in this way, PB becomes a tool of administrative incorporation, expanding participation and narrowing contestation. This has made it an attractive instrument in other state-dominated administrative mechanisms such as the Feedback Unit in Singapore and the Law of Complaints in Vietnam (Rodan and Jayasuriya, 2007).

Behind China's PB are three distinctive logics based on administration, political reform and citizen empowerment. Each logic denotes different conceptualisations and understandings of PB, constituting different frameworks in which PB programmes and activities operate. Each generates and reproduces behavioural patterns and leads in different directions.

The administrative logic addresses questions concerning how administrators go about introducing PB and how PB can strengthen and improve the administrative process. When the administrative logic dominates PB, the concept of citizenship is likely to be diluted and even lost other than in terms of the possibility for some public scrutiny of budgets.

The political reform logic differs from the administrative logic in that some local officials, scholars and NGOs have used PB to rejuvenate the local People's Congresses in China to make them work more effectively and to make

*Correspondence to: B. He, School of Politics and International Studies, Deakin University, Australia. E-mail: baogang.he@deakin.edu.au

the deputies more powerful (Ma, 2007). Under this logic, PB has less to do with the narrow budgeting process than it has with a broad political reform programme (Yang, 2007; Li, 2008).

The citizen empowerment logic is characterised by activist citizens and NGOs who regard citizen participation in the budgeting process as a political right, and demand the power to decide the allocation of budgets in local communities. PB aims to cultivate and empower citizens and, in doing so, changes the relationship between the state and citizens in favour of the latter. Much of the literature on PB is built upon this empowerment logic (Santos, 1998).

While the political reform logic and citizen empowerment logic overlap, they differ from each other in important ways. As political reform, PB is essentially an elite-dominated process, while as citizen empowerment PB is citizen-centric. In addition, the former aims to establish representative democracy in which deputies examine the budget, whereas the latter wants to establish direct democracy in which ordinary citizens discuss and decide the budget.

Of course, the three logics are not clear-cut; they intertwine. While some elements of the three logics are compatible and mutually complementary, others conflict and undermine each other. Most cases of PB are less than straightforward in the real world. They often border on two logics, and sometimes overlap. Nevertheless, analytically these three logics assist in developing an understanding of the complexity of PB in China, and in establishing a framework for valuable comparisons to be made with other systems.

Reports of various journalists and the small number of academic discussions on the subject celebrate PB experiments by focusing on political reform and citizen participation (Ma and Niu, 2007; Su, 2007; Zhang, 2007a, b; Chu, 2008). They often lack critical scholarly analysis and solid empirical data, often being framed by enthusiasm for citizen empowerment. Consequently, the administrative logic of PB has been understudied and overlooked.

BRIEF HISTORY OF PB IN CHINA

While the idea and practice of PB in Brazil were only formally introduced into China in the late 1990s (Zhongguo fazhan yanjiu jijin hui, 2006; Chen, 2007), since the early 1990s Chinese villagers or village representatives have monitored budgeting with the aim of ensuring that village leaders collect money for public goods, distribute village income in a fair way and invest village money effectively (He, 2007). This was called 'the openness of the village account' and 'the democratic management of the village account' (Cai and Yuan, 2005; Feng, 2007).

In 1991, the local People's Congress in Shenzhen set up a budget committee in which deputies had an opportunity to examine the budget. In 1998, Hebei province introduced sector budgeting, meaning that partial budgets were disclosed to the people's deputies of the People's Congress for examination and deliberation. In 2004, Huinan township in Shanghai undertook an experiment in public budgeting. Similar experiments in Xinhe and Zeguo townships were conducted in 2005; they subsequently spread to 8 neighbouring townships in Wenling in 2009, and to 79 townships in Taizhou prefecture city in 2010. PB was also introduced by a dozen or so street-level governments between 2006 and 2008 in Wuxi and Heilongjiang.

Strong calls have been made for budgetary transparency and openness throughout China. Success, however, has often been hard won against the reticence of governments. In Shenzhen, for example, three ordinary citizens began demanding access to budget information in 2006. They went through quite a trial, submitting requests to a dozen central governmental agencies and a dozen local governments, but were denied each time until in October 2008 the Shenzhen Department of Public Health permitted them to read the health budget (Wang, 2007; Huang, 2008). By the end of 2010, a third of 92 departments in Shenzhen had disclosed budget information.¹

In summary, at the village level there are thousands of PB projects in place. At the town or township level there are more than a dozen PB projects. More than 20 PB projects have been at the street level. Only a few PB projects have been at the city level and national level. The number of PB projects is still very small compared to the number

¹Southern Metropolis Daily, 19 January 2011, p. A09.

of villages, townships and street-level governments. Nevertheless, the direction of PB is clear: more and more PB experiments are being introduced.

THE THREE LOGICS OF PB

In China, there are three different understandings of PB in terms of the three logics identified above. Under the administrative logic, PB provides citizens with a mechanism to express their preference and opinions, and seeks to match the people's choice with the government's plan. It examines the allocation of the budget, identifies the priority of projects and establishes a modern public financial system. The principles of PB are the transparency of budgeting and equitable access to public resources.

Under the political reform logic, PB is viewed as an instrument for introducing local democratisation in China. It broadens the definition of PB, as the agents of participation include not only ordinary citizens but also deputies who were previously excluded from the budgeting process. People's deputies are seen as citizens, or representatives of citizens. In a strict sense, they should not really be considered to be part of PB because they are elites. But in the unique Chinese political system, PB aims to make them more powerful and responsible to the citizens who elect them. Projects of this kind in China deserve to be called PB, as often there is a process in which deputies have consulted and connected with citizens. Notably, background conditions influence the understanding and process of PB. In China, with the absence of regime-level democratisation, PB is at best seen as local democratisation. China's PB is more governance-centric than that of Brazil where the Workers Party was to attract more voters through PB and where PB became a radical democracy programme stemming against the tide of neo-liberalism.

Under the citizen empowerment logic, PB is a process in or through which citizens and NGOs can demand access to, allocate and decide the budget. This logic is very close to the experience in Brazil, but it does not dominate in real politics in China.

PROBLEMS, INCENTIVES AND MOTIVES OF PB

Serious problems exist in budgeting processes in China. Problems principally include an over concentration of budget power, a lack of transparency, little citizen participation in the checking and monitoring of budget systems, favouritism, a lack of social equity and a failure to consider fully the needs of disadvantaged groups. Often, executive discretion overrides legislative oversight. The extra-budget slush fund is a source of corruption.

To deal with the above problems, the Chinese government has introduced budget reforms, including the separation of revenue and spending for extra-budget funds, the centralisation of expenditure management and government account services (Ang, 2009), the elimination of multiple decentralised accounts and the establishment of the account secondment system. In addition, the National People's Congress (NPC) set up the Budgeting Work Committee in 1998, and the local People's Congresses have experimented with budget deliberation reform (Yang, 2004; Ma, 2005).

A further reform involves citizens. This is necessary to deal with the common problem worldwide that people's needs are often not met in state budgets. PB attempts to make a departure from the normal bureaucratic budget process.

In the past, the budget process was the sole business of the state, but as concern increases over matters such as public welfare and the provision of goods and services the budget is evolving into a public budget. Underlying this transformation from state to public budget has been the changing landscape of political economies. In some local counties or townships in Zhejiang, for example, private business tax contributions constitute more than 70 per cent of the local budget.² This highlights a need for greater citizen participation, transparency, consent and deliberation (Leib and He, 2006). When citizens and the private sector pay taxes, they demand budgetary transparency to ensure their monies are not wasted. This underpins the citizen empowerment logic. The dynamics in China today are

²Interview with local officials in Zeguo and other townships in March 2005.

sometimes reminiscent of the early history of parliaments in England in which the middle classes bargained with monarchs for political voice in exchange for their tax revenue (Bates, 1991).

The incentives of introducing PB in China include curbing corruption, improving governance, achieving openness and transparency, providing social services for local people, and using the results of PB to deal with rightful resistance (O'Brien and Li, 2006; Hess, 2009). PB can protect government officials from charges of corruption by increasing credible transparency. With local government revenues being increasingly dependent on business, almost all officials are usually regarded as corrupt in Chinese popular culture. However, leaders are learning to use transparent and participatory decision-making in order to avoid or minimise accusations that their decisions have been bought by developers and other business elites.

In cases where decisions are difficult and inflict losses, PB enables leaders to deflect responsibility onto processes and thus avoid blame (Weaver, 1986). There is often tension between limited resources and high demand—exactly who gets the service first is a tough decision. Citizens' participation provides a political shield for officials who have to make such tough decisions on budget issues.

Often local leaders aim to create a political 'brand' for such political experiments. Wenling leaders seek 'honour' for their contribution to political reform. This seems to be the motivation underlying the political reform logic. All PB experiments depend on the willingness of the leaders who provided the critical resources in the first place to carry out them, but there are inherent limits in sustaining PB.

ORGANISERS OF PB

Many actors play a part in organising PB. International funding plays a significant role. The World Bank has led, developed and encouraged the spread of PB all over the world, has facilitated south–north dialogue, and has organised projects to enhance capacity building. The funding from the World Bank to developing countries explains the fact that most PB experiments and projects occur in developing countries. In China, the World Bank provided funding for the PB experiment in Jiaozuo city. The Ford Foundation has also provided funding for research, conferences and even the cost of PB experiments.

Bureaucratic pluralism is another driving force. Different governmental organisations compete for resources and influence. The Ministry of Finance in China has made efforts to build a modern financial system in which PB is a small part. The NPC and local People's Congresses have established budgeting committees. Deputies are engaged in the examination and deliberation of budgets, and budgets are now required to be made public. Notably, the chairman of the Wenling People's Congress, Zhang Xueming, has actively promoted PB experiments, instructing 5 townships to do so in 2008, 6 in 2009 and 10 in 2010.³ The Development Foundation of the State Council has also played a critical role in organising large-scale PB experiments in Wuxi and Heilongjiang.

Most PB projects are a top-down process with limited input from the bottom-up. This differs from the case of Brazil where participatory organisations have been set up by, and gained support from, the leftwing political party. Chinese PB takes place without a two party system and electoral pressure. The CCP plays a central role in backing, approving and monitoring PB experiments. Often, local party organisations make the crucial decisions on PB projects.

Chinese scholars and NGOs have played an important role in aiding PB projects and pushing them in the direction of political reforms and citizenship empowerment (Yang, 2009). Action Aid International China (AAIC), China's branch of Action Aid International, has organised a few PB projects at the village level. The China and the World Institute (CWI), headed by Li Fan, advised on the PB experiment in the Xinhe township. Ma Jun, an expert in budgeting and local government from Sun Yat-Sen University, also trained the deputies in Wenling. Scholars from Deakin University and Stanford University have also provided assistance to Zeguo's PB project. However, despite a few NGOs being involved in PB projects, civil society alone remains ineffectual and inactive in developing PB in

³Interview in Wenling in 2009.

China. In contrast, in Brazil civil society groups such as neighbourhood associations have been active and hugely effective in this regard.

In the context of authoritarianism, it is impossible to develop any independent form of public deliberation. Such practices in China contrast with more common PB practices in Brazil and Western liberal societies where the existence, involvement and organisation of civil society is central to, and even becomes a criterion with which to assess, PB experiments.

VARIOUS PATTERNS OF PB

There is an array of PB models: for example, citizen-domination in Brazil, negotiations among stakeholders in other parts of Latin American and NGO activism in the UK where funding applications are made to local governments and managed by NGOs for local communities. In China itself, there are significant variations in PB in terms of patterns, institutions, procedures and methods. PB can be categorised as revenue-generated, expense-distributed and budget-monitored. While village PB projects include all three aspects, township PB projects are limited in most cases to the expense-distributed category.

PB usually involves the following processes: the administrative decision to introduce PB and its theme, the decision on the proportion of the budget that will be subject to PB (which can vary from 3 to 10 per cent in most cases), the information collection stage, the proposal and its selection stage, expert consultation stage, citizens' meetings and deliberations, the final government decision stage and the implementation stage. There are also hidden processes involving negotiation between the government and scholars, advice and funding from international donors—and, importantly, monitoring by the Public Security Bureau. Different patterns are apparent under the three logics of PB.

PB under the citizen empowerment logic

PBs at the village level have citizen empowerment mechanisms and effects which take into consideration how to collect funds, generate revenue and best use village wealth. Action Aid International China was involved in a PB project in Yuedong village in Anhui province. As a result of this project, the paralegal association in Yuedong was successful in resisting an unlawful levy imposed by the township government. It also organised a participatory evaluation of the effectiveness and efficiency of the government's budget allocation in Guangxi.⁴

A series of deliberative forums were organised between March and June 2006 in Bianyu village in Zeguo Province. Five key issues were considered: migrants, a village plan, rubbish management, tree planting and the management of collective village land. These issues involved the village budget in terms of how much the village fund would pay and how much the villagers would have to contribute. The result of this deliberation determined the village policy on how to use village money (He and Wang, 2007; He, 2008).

Deliberative polling (DP) experiments were organised and facilitated in the town of Zeguo involving policy consultation and public deliberation with reference to budgetary matters (He, 2008; Lin and Hu, 2008). Six experiments were carried out on 9 April 2005, 20 March 2006, 20 February 2008, 21 February 2009, 6–7 March 2010 and 23 January 2011. They considered the choice of 30 (in 2005) and 35 (in 2006) infrastructure projects affecting the future of the town and the total town budget in 2008–2011. On each occasion, a scientifically determined random sample of the township was brought together for a full day of deliberation. Participants were given carefully balanced briefing documents. Small group discussions with trained moderators were held, and questions that were developed in the small groups were brought to two large sessions with a panel of 12 different experts. Two surveys were carried out before and after each of the deliberations. In the 2005 experiment, the final result of the surveys was submitted to the local People's Congress, which then endorsed it as the government's policy *via* a vote (He, 2008: Chapters 11 and 12; Fishkin *et al.*, 2010).

⁴http://www.chinacsrmap.org/E_Org_Show.asp?CCMOrg_ID=121: accessed on 6 March 2008. The next two paragraphs are based on and address personal initiatives and involvement.

PB under the political reform logic

Parliamentary examination of national, state and local budgets dominates in countries such as the UK, USA and Australia. In a similar vein, Chinese financial reforms have attempted to strengthen the role of the People's Congress to the calibre of parliamentary power in the West. PB should be understood in relation to this central political reform objective. Two cases are relevant here.

The first case involved the selection of public service projects by Peoples' deputies in Huinan Town near Shanghai Pudong International airport. Some 15 per cent of the 2004–2006 total town budget was allocated for projects that would improve the daily life of the people. Between 2004 and 2006, 32 projects, with a total budget allocation of 149 600 000 Yuan, were chosen by elected local deputies.

The PB process commenced with a consultation between local People's deputies and citizens over public service projects. A working team consisting of local experts examined the merit of each project and considered the overall budget and distribution. The working team then submitted a proposal to local deputies for deliberation. In Huinan, experts and local elites played a significant role in deciding on final projects. This is because local officials think that ordinary citizens lack the knowledge and skills to examine the township budget. Citizens have merely been consulted in terms of their preferences and desires. The PB process provided an opportunity for local deputies to express the desire of the people. In one instance, when a building proposal for a local school was not on the agenda, about a dozen deputies left the meeting in protest.

The second case is the deputies' examination of the budget in Xinhe (Chen and Chen, 2007; Zhu, 2007a; Chen, 2008). In 2008, in Xinhe town, Wenling city, Zhejiang Province, citizens first participated in the early stages of the budget process by expressing their preferences and concerns. Then, 90–110 deputies were divided into three groups examining the budget, followed by heated debates held in the local congress over each budgeting item. As an outcome of these debates, local deputies proposed a revised version of the overall budget. A final budget proposal was then voted on by the local deputies. During one 2-h session in Xinhe on 23 February 2008, the majority of deputies demanded an increase in a certain section of the budget and reduced government expenses on a few items such as cars.

PB under the administrative logic

Most examples of PB are in the administrative logic category. Jiaozhuo city, Hunan Province, for example, under the supervision of the Ministry of Finance, has introduced a series of public budgeting reforms as part of a World Bank project beginning in 1999. It has established and improved a number of procedures in achieving balanced budgets, monitoring budgeting implementation and opening up budgets to citizens and deputies for scrutiny and discussion.⁵

In Wenling city, Zhejiang Province, more than 80 participants from 16 towns discussed the public transportation sector budget on 13 January 2008. Four small group discussions were held in the morning and one plenary session in the afternoon. Many suggestions were made. For example, it was proposed that the maintenance cost of village-to-village roads should be included in the city budget, with the limited funds available being used as effectively as possible. It was recommended that the subsidy for senior citizens should not be included in the transportation budget, as this would be seen as corruption (Zhang, 2008; Zhu, 2008).

HOW THE THREE LOGICS OPERATE IN THE PB PROCESS

The administrative logic

Under the administrative logic, PB aims at building a modern financial system, creating the integration and collaboration of different bureaucratic units, improving administrative efficiency, developing a more transparent budgeting process, strengthening administrative units and providing public goods which meet the needs of the people—subject to a degree of public oversight and scrutiny (Ma, 2009). The bureaucracy dominates the budgeting

⁵<http://www.sccoop.gov.cn/main/gncj/200912/20091219162153.html>: accessed on 2 April 2010.

process, with PB largely being a top-down process. But it can generate citizen interest by addressing common daily issues such as the construction or upgrading of local public hospitals, roads and local swimming pools or the improvement of public safety and security. It is now quite common for local officials to let people prioritise the 10 most important things in their daily life.

The main stages of the budgeting process in China involve expressions of preferences by citizens, proposals by bureaucratic units, budget examinations by financial officers, expert assessments, party and government committee discussions and the deliberations of the People's Congresses. Looking at the whole process, it is clear that administrators dominate, while popular participation plays a small but increasing role.

The administrative logic of PB has enabling effects on citizen emancipation. Citizen participation becomes a necessary part of the administrative logic because public good projects must meet the needs of the people. Administrators rely on citizen participation to justify, legitimise and implement budgeting. The participation of citizens underlies new management strategies and practices in which the more enlightened leaders in PB experiments feel obliged to hand at least a little of their decision-making power over to citizens in order to fully win their support. For example, deliberative polling on budgetary matters in Zeguo gave the local government greater power to persuade opponents of powerful local businesses and individuals to support selected public projects. Deliberation has created a communicative power that has greatly assisted local administrators to implement their decisions (He, 2006, 2008).

The administrative logic of PB has also constrained citizen emancipation. Beijing authorities will not allow PB to be used by dissidents or opposition forces. Both national and local leaders have to weigh up the political risks of PB so as to keep the formation of any independent citizen movements at bay (Cai, 2008). While PB activities are to an extent a global phenomenon, the establishment of a national PB network in China has proven to be difficult. Only in non-political areas such as education programmes and programmes inclusive of women can citizen-centric PB be fully developed and promoted. Limited and controlled participation is a part of the administrative order. Administrative PB is governance-driven, rather than centred on citizen empowerment, with PB experiments needing political and administrative approval to ensure the necessary resources and political authority. Strong government control explains the low level of citizen empowerment in China.

Several Chinese local officials who had been invited by the Ford Foundation to visit Brazil were inspired by Brazilian PB, but had strong reservations about its citizen-dominated process. They viewed it as too egalitarian, too favourable to the poor, and as essentially unsustainable.⁶ PB in China is largely a controlled and orderly experiment.

Governance-driven PB focuses mostly on functional areas of administration, at best producing good governance. PB projects in China have curbed corruption in a limited way. By opening up the budget process, local deputies and citizen participants are able to question the budget allocation for government personnel and items such as an unspecified 'other category' or 'contingency fund'. But this does not reduce bureaucratic domination of the budget process.

Regardless of differences in context, organisation, ideology and power relations, all PB projects are an integral part of a public management strategy, with a number of remarkable similarities between many of the projects. First, there exists the problem of public access to information. Information is often asymmetric, with administrators gaining and understanding more information than ordinary citizens. To solve this problem, information must be available to citizens. However, when citizens are provided with detailed information about budget items—for example, 48 pages of the Zeguo township budget—they are usually unable to understand it as fully and clearly as they need to. To deal with this problem, the organisers of PB must provide simplified or condensed versions. But by the same token information can be lost, unintentionally distorted, or intentionally manipulated in many PB experiments.

Second, PB is an aggregative mechanism and an instrument of redistribution. PB distributes public funds to meet the needs of the people in the areas of development and the delivery of public goods or services. Nevertheless, in

⁶Interview with Wuxi officials in 2007.

Wuxi, for example, PB outcomes tend to favour the older population at the expense of other groups. Comparatively, in Brazil, PB outcomes favour the poor due to self-selected participants and the influence of the Workers' Party. Thus, how do local officials deal with unequal distribution at street, district, village or township level? Wuxi's solution was to set up a Project Bank to ensure that all streets have an equal share, while Xinhe's was to work out a satisfactory scheme through a sophisticated bargaining and deliberative system.

The third challenge is to achieve balanced budgets. This is a universal issue that all PB projects face. When people are given a chance to be involved in the allocation of a budget, they tend to demand more, and this inevitably leads to a budget stretching or even crisis. China has developed a number of methods and practices to achieve a balanced budget. Wuxi officials were forced to set a cap of 300 000 Yuan in 2007 after learning a lesson from the 2006 PB experiment when local residents persistently asked for more and more money. In Xinhe, the rule of balance is that an increase for some items be followed by a decrease for others. Zeguo has used random selection methods to minimise any bias towards one particular group, and has developed a dual decision-making arrangement involving both the people's voice and deputies' deliberation. In Huinan, the greater power has been given to financial experts. In all of these cases, local governments have maintained the administrative discretion to ensure a balanced budget. Consequently, the need to have a balanced budget constrains the power of popular participation and the empowerment of PB.

The political reform logic

PB in a developing democracy like Brazil exists as an extra-parliamentary invention or monitoring mechanism, but it is often regarded as redundant in a fully established liberal democracy because representative legislatures scrutinise budgets. In contrast, in China, PB is perceived as a political reform programme that aims to rejuvenate the People's Congress system, with the agenda of establishing a genuinely representative system. In this context, the concept of PB is stretched to include the participation of deputies in examining budgets, although there is also input from ordinary citizens. Thus, PB in China, as in some other countries, can be seen as a hybrid form of democracy which combines basic levels of participation and representation (Zhu, 2007a, b; Zhang and Zhang, 2007; Li *et al.*, 2008). Nevertheless, the component of direct democracy in Brazil is much larger than that in China, and PB in Brazil is seen as moving beyond the notion of representative government.

It would be a unique phenomenon if Chinese PB experiments could empower 50 000 local People's Congresses. In the PB experiments till date, several local party secretaries and the heads of local governments have given up some power—for example, the institutionalisation of deputies' rights to examine and veto budgets—to local People's Congresses in order to pass budgets unopposed by dissenting deputies. Power holders have had to take into account the opinions and desires of deputies by making some compromises. At the same time, they have also developed sophisticated methods to control dissident deputies—for example, by way of 'closed-door' consultations and the open voting method so that they are able to monitor the voting process.⁷

Obviously, the CCP dominates the whole process of PB. Legislative power has been strengthened in an effort to provide more legitimacy for the party's decisions. This process is different from Brazil where the Workers' Party views legislative power as an obstacle. Often, when an executive authority organises PB, the objective is to insulate it from legislators. Comparatively, this process is quite striking. When PB is in conflict with legislative power in Brazil, the Workers' Party pushes for and oversees PB experiments. Conversely, in China, when PB strengthens legislative powers the CCP moves to ensure that it is capable of controlling the whole PB process. This comparison illustrates how different political logics operate with regard to the role of the party. Clearly, any view on empowering citizens cannot overlook the role of the party or parties in the PB process.

Local People's Congresses are the main organisations and actors in the PB process. In the Xinhe and Huinan townships, deputies debate and deliberate on the budget. In Zeguo, citizens make a choice and submit their results to the local People's Congress; the deputies then have the right to revise what is presented to them. In Wuxi, working committees for PB projects include local deputies and the local congress has a critical role in passing or

⁷Interview and personal observation in a PB project in 2009.

rejecting any project over 3 500 000 Yuan. While the local congress has the right to decide the budget allocation, the citizens and the residential assembly have the opportunity to choose the projects.

In recent years, local People's Congresses have become more assertive. In 2008, the Xinhe People's Congress voted down two revised proposals, and the local congress in Zeguo nearly forfeited the whole 2008 budget when one group of deputies walked out of the meeting because their proposal on a school issue had not been discussed.

In terms of the political reform logic, PB in China is different from that in Brazil. In China, PB is a strategy for introducing local democratisation through forms of representation and participation. In contrast, in Brazil it is a left-party agenda and a radical democracy programme. It is neither a Stalinist programme, nor a neo-liberal minimal state programme. Rather, it is a political campaign and mobilisation tool for the Workers' Party, playing an 'instrumental role in PT electoral successes' (Baiocchi, 2005). PB occurs within a democratising polity and society in Brazil. Since Brazil's democratisation, PB has burgeoned into a social movement.

In China, PB experiments are evolving in the absence of regime-level democratisation. Governance-level participation appears as a real alternative to regime-level democracy as the CCP has not yet extended empowered participation to the regime-level. While the regime has a capacity to generate and benefit from PB by channelling political demands away from regime democratisation, as it stands governance-driven PB does not yet add up to a democratic regime. In this respect, critics regard PB as 'misplaced democracy' or a delusion of Chinese democratisation for the reason that the Chinese government has imposed administrative control over the budgeting processes. They also note the CCP's resistance to general elections, which are seen as fundamental to the creation of meaningful legitimacy (He and Warren, 2011).

The citizen empowerment logic

Some measures and strategies are being deployed to empower citizens, ensure authenticity and reduce manipulation. For example, in 2008 in Wenling, a government regulation was introduced to regularise PB practices. Regularised PB meetings empower individuals with a set of rights such as the right of public consultation, the right to equal concern in public, and the right to initiate a meeting and propose motions. The most important is the right to consent, with any local public project needing to be agreed on by the people and endorsed by the signatures of all involved. In Wuxi, citizens have the right to monitor the budgeting process. The chosen project is determined by a vote by residential representatives or local deputies, and sometimes by randomly selected participants through a survey.

The citizen empowerment logic can be demonstrated by the effect of budget openness. In 2005 and 2006, Zeguo did not release the whole budget under PB experiments but merely a small part of the township budget. If Zeguo had continued to hide full budgets in subsequent experiments, the PB situation there would have looked very difficult. In 2008, there was a significant breakthrough when the full budget—all 48-pages of it—was made available to the public. It was the first budget process in China to do so. However, it was not smooth sailing. The information about the revised items in 2008 was concealed from the deputies and citizens in the 2009 PB meeting. Deputies and citizens vigorously complained about the lack of transparency of the budget revision in its actual implementation. Eventually, common sense prevailed. As a result of the complaints, the 2010 PB briefing document prepared and released by the government provided the information on how the 2009 budget had been revised. This example shows how the citizens' right to have access to information in the name of openness can be realised, even if it is a gradual process. Obviously, the next step will be to have deputies and citizens participating actively in future budget discussions and revisions.

A development in empowering citizens is the attempt by some local leaders to give up some power in the PB process. In the Zeguo experiment, most officials sat outside a classroom to observe a meeting and they were not allowed to speak out to influence the choices of ordinary citizens. Ultimately, the final choice of the citizens was endorsed by the Zeguo People's Congress as official policy. Citizens were empowered through the process of an open and transparent mechanism, with the experiment contributing to the construction of social capital and mutual trust between the local government and citizens. Zeguo Party Secretary, Jiang Zhaohua, admitted that 'Although I gave up some final decision-making power, we gained more power back because the process has increased the

legitimacy for the choice of projects and created public transparency in the public policy-making process. Public policy is therefore more easily implemented'.⁸

Experience concerning the citizen empowerment logic is limited, fragmented and constrained by the administrative logic (*cf.* Cooke and Kothari, 2001; Hickey and Mohan, 2004). There is a gap between an ideal version of PB in which citizens are active, critical and capable of allocating funds and the real world of citizens who are instrumental and materialistically oriented (*cf.* Nylen, 2003). Several patterns of behaviour have emerged in Chinese PB meetings. Citizens often call for increases in budgets for projects relative to their life circumstances, followed by a demand to decrease government expenditure. They demand the distribution of public funds in an egalitarian manner, which can have an adverse effect of serving to strengthen the resolve of the administrative logic. In the eyes of administrators, citizens cannot be fully trusted and given the full power to allocate budgets, although governments need to consult them.

The degree to which citizens decide the budget varies. In Wuxi, the chosen project reflected the people's preferences. While the voting of residential representatives determined the final project, it did not decide the total amount allocated in the budget, which was pre-decided by administrators. In Huinan, the first input about various projects came from citizens, but local officials and deputies decided the result. Generally, local governments played a dominant role. The amount of money that citizens were able to control in the entire budgeting process was very limited. Local officials doubted people's capacity to examine the budget. In preparation, it was proposed that 3 per cent of the total budget be allocated to a public goods project, allowing participants to discuss and decide on the most important projects. But the city government had its own plan in the belief that people did not know how to make the decision, and that the populist choice would lead to an unfair distribution.

Citizens often have limited knowledge about budgets. The number of citizen participants is relatively small, usually only a few dozen—though, in Zeguo's case, there were 200–300 people. The level of interest from citizens is often relatively low unless the government provides material incentives, like Wuxi's government does in the form of financial grants, with each district receiving 200 000–300 000 yuan for PB projects. Some participants are only interested in the benefits of specific local public projects rather than in wider issues. Several participants, when saying "our leaders give us an opportunity to make a choice", thought it was a paternalistic offer by the leaders rather than a recognition of their involvement in PB being their right.⁹

More broadly, it is extremely difficult for NGOs to organise and campaign for PB without the government's backing. Chinese NGOs are constrained by political concern over national security. The Beijing government is worried that NGOs will grow out of control, in particular the ones that are funded by foreign donors. Public security organisations closely monitor the operation and activity of NGOs. The governmental concern with 'bad' NGOs has strengthened the administrative logic founded in political and administrative control. In this environment, civil society is weak in its push for PB experiments. This is in clear contrast to the success of PB in Brazil which has been partly the result of the activism of NGOs. Their strength has enabled them to push the boundaries created by administrative powers. In a radical democratisation of Brazil, citizens now decide budget distributions.

CONCLUSIONS

In China, PB experiments have promoted a degree of transparency and fairness, provided opportunities for deputies and citizens to examine, discuss and monitor budgets and improved the communication between government and citizens. In some cases, PB has rejuvenated the local People's Congresses and led to the limited development of administrative reform. However, it has not led to substantive changes in power structures. Both the system as a whole and the fundamentals of budget processes have remained the same, and in most cases the budget is still considered a state budget rather than a public budget.

The vast majority of PB takes place at the local level, in particular in villages. There are a number of successful stories at this level. Recently, however, considerable effort has been made to expand PB to higher levels of

⁸Interview with Jiang in Wenling in 2005.

⁹Interview with more than 40 randomly selected participants in Zeguo in February 2010.

government. It will be interesting to see whether city-level public consultation on public goods projects will develop into meaningful PB projects.

In the next decade, there will be more PB experiments and an increasing participation of citizens. The NPC endorses the Xinhe model and encourages the further spread of experiments in townships. It is likely that the government will gradually pass more facilitatory regulations and laws regarding PB.

The Beijing authorities will continue to support PB experiments so long as they keep away from oppositional politics and focus on the administrative system. The empowering of local People's Congresses will remain constrained by the caution of the central leaders and resistance from local governments. Likewise, the empowering of citizens through PB will be limited by government control. In essence, the administrative logic will remain dominant in PB experiments, with the logics of political reform and citizen empowerment largely only being secondary as supplementary by-products.

REFERENCES

- Ang YY. 2009. Centralising treasury management in China: the rationale of the central reformers. *Public Administration and Development* **29**: 263–273.
- Bates RH. 1991. The economics of transitions to democracy. *PS Political Science and Politics* **24**: 24–27.
- Baiocchi G. 2005. *Militants and Citizens: The Politics of Participatory Democracy in Porto Alegre*. Stanford University Press: Stanford.
- Cai B, Yuan S. 2005. Tuijin cunwu gongkai he minzhu guanli de xin qidian: dui mishan shi guanche luoshi zhongban shiqi hao wenjian de diaocha yu sikao (Promoting the openness of village affairs and a new starting point of democratic management: investigation and reflection on Mishan city's implementation of document, No.17). *Zhongguo minzheng (China Civil Affairs)* **1**: 35–37.
- Cai Y. 2008. Power structure and regime resilience: contentious politics in China. *British Journal of Political Science* **38**(3): 411–432.
- Chen J. 2007. Canyu shi yusuan de lilun yu shijian (Theory and practice of participatory budgeting). *Jingji shehui tizhi bijiao (Comparative Economic and Social Systems)* **130**(20): 52–57.
- Chen J, Chen Y. 2007. Difang zhili zhongde Canyu shi yusuan: guanyu zhejiang wenling shi xinhe zhen gaige de anli yanjiu (Participatory budgeting in local governance: a case study of reform from Xinhe Town, Zhejiang Province). *Gonggong guanli xuebao (Journal of Public Management)* **4**(3): 76–83.
- Chen Y. 2008. Canyu shi yusuan de Wenling moshi (The Wenling Model of participatory budgeting). *Jinri zhongguo luntan (China Today Forum)* **5**: 95–98.
- Chu S. 2008. Dangqian nongcun gonggong changpin gonji jizhi chuaxin de yige shijiao: canyu shi yusuan (A new perspective of innovation mechanism of rural public goods supply: participatory budgeting). *Guangdong caijing zhiye xueyuan xuebao (Journal of Guangdong College of Finance and Economics)* **7**(4): 18–21.
- Collins P, Chan. HS. 2009. State capacity building in China: an introduction. *Public Administration and Development* **29**: 1–8.
- Cooke B, Kothari U (eds). 2001. *Participation: The New Tyranny?*. Zed Books: London.
- Feng Y. 2007. Guanyu cunwu gongkai he minzhu guanli zhidu jianshe de sikao (Reflection on the openness of village account and the construction of democratic management system). *Dangzheng ganbu luntan (Cadres Tribune)* **10**: 238–239.
- Fishkin J, He B, Luskin RC, Siu A. 2010. Deliberative democracy in an unlikely place: deliberative polling in China. *British Journal of Political Science* **40**(2): 435–448.
- He B. 2006. Participatory and deliberative institutions in China. In *The Search for Deliberative Democracy in China*, Leib E, He B (eds). Palgrave: New York; 176–196.
- He B. 2007. *Rural Democracy in China*. Palgrave/Macmillan: New York.
- He B. 2008. *Deliberative Democracy: Theory, Method and Practice*. China's Social Science Publishers: Beijing.
- He B, Wang CG. 2007. Deliberative democracy in rural China: a case study of Bianyu experiment. *Sociological Studies* **3**: 56–73.
- He B, Warren M. 2011. Authoritarian deliberation: the deliberative turn in Chinese political development. *Perspective on Politics* **9**: 269–289.
- Hess S. 2009. Deliberative institutions as mechanisms for managing social unrest: the case of the 2008 Chongqing taxi strike. *China: An International Journal* **7**(2): 336–352.
- Hickey S, Mohan G (eds). 2004. *Participation, from tyranny to transformation? Exploring new approaches to participation in development*. Zed Books: London.
- Huang H. 2008. Shenzhen gongmin de gonggong yusuan zhilu (Shenzhen citizens' journey of participatory budgeting). *Nanfang zhoubao (Nanfang Weekend)*, 6 November: 13–14.
- Leib E, He B (eds). 2006. *The Search for Deliberative Democracy in China*. Palgrave: New York.
- Li F. 2008. Zhongguo jiceng gonggong zhengce canyu de xin fazhang (New development of China's grassroots participation in public policy). *Minzhu yu Kexue (Democracy & Science)* **5**: 30–32.
- Li W, Lu Y, She Y. 2008. Lun yusan minzhu yu canyu shi yusuan (On budgetary democracy and participatory budgeting). *Dangdai Jingji (Contemporary Economics)* **3**: 142–143.
- Lin L, Hu G. 2008. Guanzhu zhengfu qiandai zi zhuanli baodao: Yusuan gaige zhi zeguo shiyan (A special feature on taking charge of government's pocketbook: the budgetary reform in Zeguo). *Minzhu yu fazhi (Democracy and Legal System)* **10**(3): 4–8.
- Ma J. 2005. *China's Public Budgeting Reform*. Central Translation and Compilation Publisher: Beijing.
- Ma J. 2007. The politics of Chinese budget reform. *Journal of Sun Yat-sen University (Chinese)* **3**: 23–34.

- Ma J, Niu ML. 2007. Chonggou Zhongguo Gonggong Yusuanjizhi (Reconstruction of the Chinese public budget system). *Zhongguo Fazhan GuanCha (China Development Observation)* **2**: 13–16.
- Ma J. 2009. If you can't budget, how can you govern? *Public Administration and Development* **29**: 9–20.
- Nylen WR. 2003. *Participatory Democracy versus Elitist Democracy: Lesson from Brazil*. Macmillan: NY.
- O'Brien KJ, Li L. 2006. *Rightful Resistance in Rural China*. Cambridge University Press: Cambridge.
- Rodan G, Jayasuriya K. 2007. Beyond hybrid regimes: more participation, less contestation in Southeast Asia. *Democratization* **14**(5): 773–794.
- Santos B. 1998. Participatory budgeting in Porto Alegre: toward a redistributive democracy. *Politics and Society* **26**(4): 461–510.
- Su Z. 2007. Canyu shi yusuan de gonggong touzi xiaoyi (The efficiency of public Investment of participatory budgeting). *Gonggong guanli xuebao (Journal of Public Management)* **4**(3): 84–89.
- Wang H. 2007. Shiyao canyu shi yusuan jianshe yangguangxing caizheng (Experimenting participatory Budgeting and building transparent budget). *Jiangnan Luntan (Jiangnan Forum)* **2**: 31.
- Weaver RK. 1986. The politics of blame avoidance. *Journal of Public Policy* **6**: 371–398.
- Yang D. 2004. *Remarking the Chinese Leviathan*. Stanford University Press: Stanford; 235–248.
- Yang Z. 2007. Canyu shi yusuan tuidong defang zhengfu zhili gexin: fang shijie yu zhongguo yanjiu suo suozhang Li fan (Participatory budgeting promotes innovation of local governance: an interview with Li Fang, the head of the World and China Institute). *Zhongguo gaige (China Reform)* **6**: 22–29.
- Yang Z. 2009. Gongmin shehui tuidong canyu shi yusuan gaige (Civil society pushes the reform of participatory budgeting). *Zhongguo Gaige (China Reform)* **310**(7): 55–57.
- Zhang N. 2007a. Canyu shi yusuan gaige shiyao (The Experiment of participatory budgeting reform). *Jue Ce (Decision-Making)* **7**: 36–37.
- Zhang N. 2007b. Canyu shi yusuan gaige shiyao: jinsheng leguan (Reform and experiment of participatory budgeting: caution and optimism). *Zhongguo fazhan GuanCha (China Development Observation)* **2**: 21–22.
- Zhang S, Zhang L. 2007. Woguo jiceng minzhu jianshe zhong de canyu shi yusuan (Participatory budget in the building of grassroots democracy in China). *Hua Shang (Chinese Businessman)* **24**: 67–68.
- Zhang X. 2008. Shenhua gonggong yusuan gaige, zengqiang yusuan jiandu xiaoguo: guanyu Zhejiang Wenlin shi canyu shi yusuan de shijian yu sikao (Deepening the reform of the public budget and enhancing the effect of budget monitoring: the practice and thinking of participatory budgeting in Wenlin city, Zhejiang Province). *Renda yanjiu (People's Congress Study)* **11**: 19–22.
- Zhongguo fazhan yanjiu jijin hui (China Development Research Foundation). 2006. Zhongguo fazhan yanjiu jijin hui fu bu xi canyu shi yusuan kaochao baogao (Draft) (the Report of China development research foundation on participatory budgeting in Brazil).
- Zhu S. 2007a. Canyu shi yusuan yu zhengzhi shengtai huanjing de chonggou: Xinhe gonggong yusuan gaige de guocheng he luoji (Participatory budgeting and reconstruction of political ecological environment: the process and Logic of Xinhe's public budgetary reform). *Gonggong guanli xuebao (Journal of Public Management)* **4**(3): 90–95.
- Zhu S. 2007b. Cong yuansheng dao luansheng: jiceng minzhu zhengzhi jianshe- Wenlin minzhu kentan he canyu shi yusuan zhi bijiao yanjiu (From the origin birth to twins: present continuous building of grassroots democratic politics: a comparative study of Wenlin's democratic heart-to-heart forum and participatory budgeting). *Gansu xingzhen xueyuan xuebao (The Journal of Gansu Administration Institute)* **3**: 13–20.
- Zhu S. 2008. Wenling canyu shi yusuan de yanjin yu shenhua: jiyu yusuan minzhu kentan shiyao shangjing de jiedu (The evolution and deepening of Wenling participatory budgeting: An explanation of the talkfest of "experiment scene"). *Hunan rongye daxue xuebao (The Journal of Human Agricultural University)* **9**(3): 1–9.