

Participatory Budgeting: Development and Limitations

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Over the past five years, Wenling City— particularly Xinhe Township—in southeastern Zhejiang Province has been pioneering openness and public participation in local budgeting. Although there are flaws in the reform, it is nevertheless highly significant in that it underscores a clear problem in local governance, breathes life into the normally inert local people’s congresses, and introduces a degree of democratic supervision. Local leaders can justly take pride in these reforms. Although there have been efforts in other parts of China to introduce legislative supervision of local budgets, there are significant obstacles to popularizing this innovation, including recent efforts to centralize control over budgets.

Local people’s congresses in China are generally inert bodies. The constitution gives them certain powers, at least in name, but these powers are rarely exercised. As reported in *CLM* 19 (Fall 2006), Wenling City, in southeastern Zhejiang Province, has begun experimenting with opening up the budget process to the public, imparting a degree of transparency not seen in the rest of China. Wenling had been experimenting with citizen forums, known as democratic consultation meetings (民主恳谈会), since 1999.

Over time, this “deliberative democracy” has been combined with budgeting in two (recently expanded to five) of Wenling’s 11 townships. This reform has evolved in two directions. In Zeguo Township (泽国 镇), officials have used a random selection process to choose citizens to participate in deliberations with representatives in the people’s congress over capital construction projects, particularly in prioritizing which projects should go forward first. This process has revealed significant differences between the priorities of citizens and the political elite. This difference is summed up in the three “I never thoughts” (*meixiangdao* 没想到): (1) We never thought there was such a difference between what the decision-makers estimate public opinion to be and what the people really thought, (2) We never thought that the ‘people’s voice’ that officials heard was not the real ‘voice of the people,’ and (3) We never thought that the mechanisms used by Party committees and governments at the basic levels to collect and reflect public opinion were so flawed.¹ This model was a clear innovation when it was introduced in 2005, and injects public opinion into the deliberative process.² Nevertheless, it only exposes a portion of the township budget (about 20 to 30 percent) to public scrutiny, and the random selection of citizens (by lottery) actually attenuates the ability of people to represent the interests of their communities and participate in the give and take of democratic governance.³

Democratic consultation developed in a different direction in Xinhe Township (新河镇), also in Wenling City. Officials in Wenling were beginning to explore ways in

which democratic consultation meetings could be combined with local people's congresses. In August of 2005, Wenqiao (温峤) Township, suffering from drought, called a democratic consultation meeting to solicit views on increasing expenditures for the local reservoir. People were supportive of the measure (though they had different views on how the water should be distributed), and the government revised the local budget to allow expenditure of an additional 2 million yuan. The measure then went before the presidium of the local people's congress, which called a meeting of the people's congress, and the proposed amendment was passed.⁴ This was unusual in that residents' views were taken into consideration before budgetary action was taken. But this was an ad hoc procedure rather than a regularized practice.

Nevertheless, on the basis of this experience, officials in Wenling consulted with scholars, particularly Li Fan of the Beijing-based NGO China and the World Institute (世界与中国研究所) and Ma Jun of Sun Yat-sen University in Guangzhou. Together, they worked on a model that would combine democratic consultation, which existed outside China's legal structure, with local people's congresses, which had legal status but were completely ineffective. The model they came up with consisted of three parts. First, a preliminary review (初审) of the budget. This was the "democratic consultation" part of the process. Prior to the formal convening of the people's congress session, the Finance and Economics Small Group, under the direction of the presidium (*zhuxituan* 主席团), would organize three groups to look at the budget from the perspective of industry, agriculture, and society. These groups would include those citizens who wanted to join on a voluntary basis, discuss the budget with the government, and write a report. This was the main democratic consultation part of the process.

Second, the people's congress would convene and examine the budget. At this stage, the township government would report on the implementation of the previous year's budget and the budget proposed for the new year. The three groups that had preliminarily examined the budget would also report on their views. Delegates to the people's congress would raise questions. Ordinary citizens from the township were permitted to audit the session. In theory they were only allowed to pass questions to delegates to raise, but in practice they were allowed to raise them directly themselves. Following the discussion, delegates would break into groups (片) to discuss the budget and raise suggestions for revision. The presidium would then, on the basis of properly written suggestions, propose "budget amendments" (预算修正议案), which would then be voted on by delegates.

Third and finally, the Finance and Economics Small Group was to supervise implementation of the budget.

This model was adopted in Xinhe Township in 2005. The primary reason that it was adopted in Xinhe was that the Party secretary was open-minded and Wenling officials were able to convince him to try it. Neither this nor the reform adopted in Zeguo was forced upon the townships by higher-level authorities; rather it was a process of discussion and persuasion. That any form of deliberative democracy was adopted was in some ways unexpected. After all, local budgets are normally tightly held, local

congresses are usually empty organs, and officials prefer to operate in an unconstrained manner. But, as they do in many other areas, tensions existed in Wenling, including conflicts over land acquisition, and officials sought ways to prevent citizens from petitioning. The fact that Wenling is an area in which the development of private enterprises made society relatively strong was also a factor. In the event, in 2005 Xinhe Township decided to adopt this new model.

Even in that first year in which this model was implemented, the budget was presented to delegates in reasonable detail, listing 11 sources of income, the largest portion of which, about 19 percent, came from the sale (*churang* 出让) of land.⁵ It also listed 19 large categories of expenditures, which were subdivided into 56 categories of expenditure.⁶ Even in this first effort, delegates raised questions that led to the readjustment of some 2.37 million yuan (2.2 percent of the budget), including a reduction of 250,000 yuan from the government operating budget (about 1.5 percent of the 16 million yuan allocated to government operations).⁷ More importantly, the township people's congress, which had considered the budget at its meeting in July, met again in September to consider implementation. Normally township-level people's congresses meet only once a year for one day (often for only half a day). One of the really important breakthroughs in the Xinhe model was an increase in the number of days the local people's congress met, without which the people's congress could hardly carry out its function.

As reported in *CLM* 19, the combination of the democratic consultation meeting and township people's congress that took place in March 2006 took an important step forward. Reflecting on the outcome of the 2005 experiment, observers felt that the rate of participation was not sufficiently high, that delegates had not fully expressed their opinions, that the procedure had not been rigorous enough, and so forth, so prior to the opening of the budgetary meeting in 2006, the Seventh Plenary Session of the 14th [Xinhe Township] People's Congress passed the "Implementation Methods for Xinhe Township's Budgetary Democracy (trial)."⁸ One of the improvements made was to try to strengthen the role of the Finance and Economics Committee (*caijing xiaozu* 财经小组). The congress presidium nominates the members of this group, but the congress approves their participation. The regulations do not specify the size of this group, but in 2006 it was expanded from five people to eight to strengthen its function.⁹ Another improvement was to specify the right of delegates to raise resolutions for the revision of the budget.¹⁰

Prior to the opening of the congress, professors from Sun Yat-sen University, Qinghua University, and elsewhere worked with the delegates to emphasize their responsibilities and rights to supervise the township budget. In addition, the 92.97 million yuan budget was broken down into 15 major categories and 110 sub-categories, almost twice as many as the year before. For instance, the 15.87 million yuan allocated for administrative expenses (行政管理费) was broken down into 17 sub-categories. It was unprecedented for a township government to reveal its budget in such detail to the local people's congress. Moreover, the draft budget was distributed in advance of the meeting. Delegates could take it home and discuss it with their friends and colleagues. In effect, the budget was opened to public view. Furthermore, the preliminary inspection (初审) of

the budget was open to the public. Five days prior to the opening of the people's congress session, notices were posted saying that those interested could attend the democratic consultation meeting, raise questions, and express their views. They were also permitted to audit the people's congress session and express their views, orally or in writing to the delegates. Over the first three years of this new process, 872 members of the public attended hearings on the budget, raising a total of 350 suggestions and demands.¹¹

The Xinhe model allows delegates to revise the budget. Any group of five or more delegates who petition for revision will have their petition considered. The initially difficult part for delegates unused to the revision process was that petitions have to be written in a specific form, specifying the suggested change in a line item and a corresponding change in a different line item so that the budget remains in balance (in other words, one cannot call for a greater expenditure in one area without specifying a reduction in another area, nor can one write a resolution simply calling for more money to be spent in some area). The resolution is then given to the presidium, which decides if it meets the standards. If so, the resolution is voted on by the whole congress. In 2006 and 2007, there were 24 resolutions for revision of the budget (预算修正议案) raised, three of which ultimately passed. This may not seem like a large change, but it was nevertheless unprecedented.

Following the successful holding of the people's congress meeting in March 2006, another session was held in July to listen to the Finance and Economics Committee report on the implementation of the budget. The members of this committee are designated by the presidium of the people's congress from delegates to the congress, and they have the right to hire specialists, such as accountants, to help them in their assessments.¹² As will be discussed below, however, this innovation has never been particularly effective.

Toward Institutionalization

The biggest challenge to the Xinhe experiment came when the local Party secretary was transferred out. This was not a rebuke to his efforts; on the contrary, he had a reputation as capable and likely to be promoted in the future. The new secretary, however, did not feel a need to continue the participatory budgeting that had been adopted over the previous three years. In January 2007 the local people's congress met and passed the township budget, apparently in a single day and without significant discussion. The Wenling propaganda department, which had been promoting the Xinhe reform, was not even aware of the meeting until it was over.

What had happened was not unusual in the history of reform in China. Reforms are often promoted, or at least supported, by local officials for personal reasons, which can span the range of human motivation from idealism to trying to distinguish oneself from one's peers in an effort to get a leg up in the competition for promotion. Whatever the reason (and in Xinhe's case the Party secretary did seem to be motivated out of idealism and open-mindedness), when that official is transferred in the normal course of

events, the reform tends to wither. Reforms tend to be highly personalistic; institutionalization is perhaps the most difficult part of the reform process.

The discontinuation of Xinhe's participatory budgeting process, however, created an outcry. Local officials who had promoted it tried to rally support. Scholars who had participated in it generated ideas for reviving it, and media outlets that had reported extensively on earlier reforms now expressed disappointment. Even Huang Zhendong, a member of the Standing Committee of the National People's Congress, visited Wenling and called for reviving Xinhe's experiment.¹³

Without doubt the most important source of backing for the process was Wenling City, particularly its people's congress, which had heretofore remained silent on Xinhe's experiment. As important as that backing was, the most interesting support came from the delegates to Xinhe's people's congress. These delegates were upset at being cut out of their participatory role in the approval of the local budget. Delegates to the people's congress are almost all local elites—village cadres and local entrepreneurs (and there is much overlap between the two categories)—and they all have interests to represent. Having previously been involved, they were able to reflect their disappointment, usually through private conversations with government officials.

According to Chinese law, once the people's congress has met and approved the local budget, it cannot be reconvened to reconsider that budget. But it can be convened to consider Resolutions on Revising the Budget, and that was what happened. The local Party secretary, seeing the degree of support for Xinhe's reform, reversed himself, and on 4 April 2007 a second session of the 15th people's congress was held. At that session, the new chair of the Wenling city people's congress, Zhang Xueming, praised the reform Xinhe had pioneered, and vowed to extend the reform throughout all the towns of the city as well as to the city itself.¹⁴

The meeting took place over two days (in contrast to the one-day meeting that had approved the budget). The discussion was apparently lively, frequently focusing on the budget itself, which was not on the agenda, rather than adjustments to that budget. Finally one resolution adjusting the budget was passed.

In 2007 the issue was not so much formulating the budget as it was building support for the reform. The Xinhe Township reform had survived in part because it had become a model widely discussed throughout the country. Leaders in Wenling City took pride in its status as a pioneer, and began supporting the reform more vigorously.

Debate

Up until this point, the questions raised by delegates to the people's congress were civil if sometimes sharp, and township officials had replied with as much detail and persuasiveness as they could muster. The meeting that opened on 24 February 2008, however, proved much more contentious. At this democratic consultation portion of the

session, delegates from Tangxia district (*pian* 片) asked that the amount of funds being invested in the Tangxia middle school be increased. That afternoon, deputy township head Luo Jianrong replied that the amount of funds requested—one million yuan—was too large for a resolution on readjusting the budget, but the township would handle it through a separate measure.

Hearing that their request was not going to be made into a resolution, delegates from Tangxia district indignantly got up and left the meeting hall. Outside the building, one delegate shouted, “3.5 million yuan are allocated for the construction of a park, so why is no money used to support the education of our children?” Township officials talked to the heads of the Tangxia delegation and explained their intention to merge the Tangxia middle school with the city school, and have the Tangxia elementary school move into the current middle school building. What funds needed to be put into Tangxia middle school for maintenance would be invested. This explanation was not conveyed clearly by the leaders of the Tangxia delegation to the members, with the result that the delegates still felt that their resolution had been denied.¹⁵

Nevertheless, the Tangxia district delegation was persuaded to return to the meeting hall, but since its members were still unhappy, the atmosphere of the meeting was “lively.” One delegate declared, “Which is more urgent—nurturing our children or maintaining the old city district? The government should increase funding for education and not allocate funds to construct the urban district.”¹⁶

All of a sudden a real debate was emerging between delegates with different interests, but there was no provision in the regulations adopted in 2006 for debate. Previously the procedure had been for delegates to raise questions and township officials to respond. Now, delegates were arguing with each other over priorities. Li Fan and Chen Yimin of the Wenling propaganda department quickly conferred with township leaders, and they decided to open up a period of debate. More precisely, they decided that after various resolutions on adjusting the budget had been drafted they would convene the people’s congress as a body and permit debate. As Zhou Meiyuan, a researcher with the Shanghai people’s congress, commented, this was the first time in the history of people’s congresses in China that there had been a debate between delegates.¹⁷

Everyone quickly realized that a debate could allow delegates a chance to try to persuade each other, build coalitions, and compromise. Such possibilities, however, were not grasped this first time. In the end, resolutions calling for increased funding for maintaining the old district and for rebuilding a road both went down in defeat (the resolution on Tangxia middle school was not presented). This was the first time resolutions had gone down in defeat, and it reflected the emergence of interest advocacy—but without the necessary logrolling to achieve consensus.

The 2009 Meeting

On the afternoon of 3 March, Xinhe Township again convened a democratic consultation meeting to consider the 2009 budget. There were 120 congress delegates and mass representatives participating in the usual three groups: agriculture, economic development, and society. An official presented the work of the government in 2008 and reviewed the draft budget for 2009. Two hours of discussion followed.

Two days later the people's congress session convened. Of the 112 delegates to the congress, 97 were present at the meeting. There were also a number of village cadres, industrial associations, and a few citizens who came to listen in on the proceedings. Reports were heard in the morning, and in the afternoon began the "democratic consultation" part of the meeting. A total of 14 delegates raised questions. One asked what would happen if the government were not able to sell the land at the estimated price (about half of the income of Xinhe Township comes from the sale of land). Another argued that the expenditure for the disabled should be increased from 370,000 to 500,000 yuan. Another complained about the high cost of hooking up to running water, another commented on the need to spend more to maintain historical sites so as to boost tourism. After listening to such comments for two hours, the presidium retreated to a conference room to debate how the budget should be revised. Perhaps strangely, this discussion was presided over by the township Party secretary, not the chair of the people's congress.

The next morning, after listening to the government's proposed resolutions for revising the budget, the delegates broke up by district (there are seven districts in Xinhe Township). The discussions in these district conferences were quite vigorous, focusing largely on the issues of public safety and the environment. Sure enough, when the plenary session reconvened, a resolution to increase the public safety budget from 1.48 million yuan to 1.68 million yuan was tabled, as was a second resolution to increase the "daily sanitation" budget from 600,000 to 1 million yuan. The extra funds were to come out of the preparatory funds.

Unlike the previous year, when the resolutions raised by delegates had been focused on the interests of their particular districts, these resolutions affected the welfare of all people, so there was very little discussion of them. Accordingly the presidium called a vote, and the delegates marked their ballots and put them in the ballot box at the front of the hall. The first resolution carried with 68 votes in favor, 14 against, and 6 abstentions, while the second resolution carried with 73 in favor, 9 against, and 6 abstentions.

Over the five years of carrying out this experiment in participatory democracy, it appears that the regulations have become more precise, the procedures are followed more carefully, and that delegates have become more skilled in expressing their interests and drafting resolutions that are likely to appeal to the majority of the delegates.



Delegate Raising Question

Deepening the Reform

Having decided in 2007 that participatory budget-making should survive, Wenling, particularly the Wenling City people's congress, began to promote the system more vigorously. Zeguo Township, which had previously opened only its capital construction projects to public review, moved in 2008 to open up its entire budget. Moreover, it leapfrogged Xinhe Township in its willingness to detail expenditures: its 248 million yuan budget was revealed in 48 pages of text, while Xinhe's only takes two or three. Borrowing a page from Xinhe's experience, Zeguo had its people's congress review the budget and vote on proposals for revision and on the draft budget. Finally, the budget passed by only six votes!

At the same time, participatory budget making was extended to Ruoheng (箬横), Daxi (大溪), and Binhai (滨海) townships. In Ruoheng, they stretched the process out, having three levels of review. On 29 and 30 January, congress delegates and representatives of "the masses" met in six different districts, going over the budget in each place and getting input. Then on 20 February congress delegates were given training and divided into three groups (economics, society, and township construction) to review the budget. Separating these two reviews by nearly a month was intended to give both delegates and members of the public time to become familiar with the budget and to

discuss it. Finally on 22 and 23 February the Ruoheng people's congress met, reviewed the budget one more time, and approved it. Daxi and Binhai basically followed the Xinhe model with some variations.¹⁸



Delegates Discuss Budget in District Sessions

In addition to extending the budget reform to these three additional townships, Wenling city subjected its transportation department to “democratic consultation.” On 13 January 2008 the standing committee of the city people's congress opened up a review of the department's budget to congress delegates, ordinary citizens, retired cadres, responsible leaders of townships and street committees, department heads, specialists, and members of the finance and economics committee of the people's congress. Altogether over 80 people convened. After listening to reports, people broke into groups to discuss the budget. Then everyone reconvened as a body and one person from each group reported on their discussions. Finally the budget was approved. The course of discussions was reported on a special television station, in newspapers, and on the government's website.¹⁹

Effectiveness

There seems little doubt that the budgetary reforms in Wenling, whether they have followed the Zeguo model or the Xinhe model, have brought an unprecedented openness to budgetary affairs at the local level. Moreover, they have infused a degree of life into an organ—township people’s congresses—that is normally lifeless and even useless. But one still has to ask questions about the limitations of this model.

One obvious limitation is the composition of the township people’s congresses. Most delegates appear to be village cadres, successful entrepreneurs, or retired cadres (with more than a little overlap between these categories). In other words, delegates are themselves very much part of the socioeconomic elite; they are not in any sense an oppositional political force. Although they are elected in a competitive process, such elections have not been studied, and there is little information on how the delegates are chosen. Perhaps it is best to view them as part of an expanded local elite, willing to protect local (elite) interests but not to challenge the prevailing order in which they participate.

The biggest weakness in the Xinhe model is implementation. Ideally people’s congresses would meet once a quarter, but to date they have only been able to convene twice a year. This is a major improvement over the one day a year meetings in other localities, but it is not sufficient to supervise the implementation of local budgets. The Xinhe model tries to compensate for this deficiency by creating a role for the Finance and Economics Committee. As noted above, this committee was expanded in 2006 from 5 people to 8 in an effort to make it play a more important role, but it has been a disappointment. The primary reason that this committee cannot play a more important role in supervising the implementation of the budget and participating in the drafting of the following year’s budget is that the congress presidium plays the leading role when the people’s congress is not in session. And the presidium is too close to the township government to be independent.

Aside from these structural issues, there are questions about evaluating the effectiveness of the Wenling/Xinhe model in restraining local expenditures. Interviews with local officials suggest that the openness of this budgetary reform does indeed bring pressure on officials and restrains their spending.²⁰ There is some evidence that this process has restrained the indebtedness of Xinhe Township. In 2004 Xinhe had a deficit of 55 million, but this was reduced to 43 million in 2006²¹. But evaluating this and other trends is difficult in the absence of data from other townships. Is the spending of Xinhe Township more restrained or better directed than that of other towns?

Moreover, it is surprisingly difficult to compare various line items in the budget. For instance, under the “government operations budget,” the 2005 budget specified that there were 102 employees, 75 retirees, and three people who had “left their posts” (退職人員), who cost a total of 6.5 million yuan. However, “wages and welfare” costs in the 2009 budget, amounting to 7.78 million yuan, include 28 contractors (自聘人員), but does not specify the number of other employees. In other years, the cost of contractors is

listed separately, sometimes specifying the number and sometimes not. So it is extremely difficult to answer such basic questions as whether the cost of township employees is going up or not and, if so, whether the increase is due to more employees or to higher wages.

The 2005 budget allocates 1.2 million yuan for “Social Security and Housing Fund” (社会保障及住房公积金), but that item is reduced 40 percent to only 500,000 yuan in the 2006 budget—and then disappears in subsequent budgets. Were these funds no longer needed? Were these expenses folded into other line items? There is no record of delegates having complained about these expenditures and no explanation given.

To take another example, “Communist Party Activities” (共产党事物) are listed in the 2009 budget as costing 1.3 million yuan (why Party activities are a line item in a government budget is a different matter!). There is also a separate line item for “Activities of Mass Organizations” for 410,000 yuan. In the 2008 budget, however, there is one line item for “Party Building and Discipline Inspection” that costs 500,000 yuan, and a separate item listing the costs for “Federation of Labor, Communist Youth League, and Women’s Association Committees” as 1 million yuan. Are these items comparable? Should we assume that total expenditures on Party Activities have fallen from 1.51 million yuan in 2008 to 1.5 million yuan in 2009? Probably, but it is difficult to say for sure.

In short, it seems that the openness of the budget process marks real progress, but how much progress and of what sort is difficult to say.

Implications for Other Parts of China?

The Wenling model has drawn great attention from scholars and reformers because it seems a viable way to open up the black box of government, enliven the local people’s congresses, and bring accountability to local government. It is also favored because there is no way at present to exercise constraint on the Party itself. Opening up government processes, however, appears to be an indirect way of constraining the Party. Although local officials are no doubt reluctant to be constrained in any way, even they seem to recognize that greater openness eases social contradictions. Reportedly there are few, if any, petitions going to higher levels in Wenling since the adoption of these budgeting reforms.

Despite these advantages, the Wenling model is likely to prove difficult to spread. Even after the extension to three new townships in 2008, there are still six townships in Wenling that have not adopted participatory budget-making. Apparently this is because local Party and government officials prefer not to be constrained. And this is the case even when the Wenling City people’s congress is supporting the spread of this reform.



Voting on Budget Revision Resolutions

To date, there is no evidence that other places in Taizhou Municipality (which is a prefectural-level city into which the county-level city of Wenling is incorporated) have adopted this model. This is doubtless due in part to the fact that those who pioneer

innovations get a certain amount of favorable publicity (and political credit) while those who follow get little credit, even if their actions improve governance.

There are, however, broader issues that are likely to interfere with the spread of an innovation that appears to have potential for improving local governance. One is the relative poverty of interior areas that could benefit from this sort of innovation. Holding a two-day session of the local people's congress in Xinhe Township costs approximately 200,000 yuan (over \$30,000). Many interior townships would be lucky if they had an annual income of this amount; spending large sums to convene meetings of their local people's congresses is unimaginable.

Another obstacle is the movement toward county management of township finances (乡财县管). This system appears to be an administrative response to public pressures from below. In particular, as village-level protests have spread in response to perceived corruption and abuses of power among village leaders, higher-level leaders have moved to implement township management of village finances (村财乡管). The taking over of township finances by counties appears to be part of this same effort to curb corruption and abuses of power at lower levels, but with the effect that the emergence of quasi-democratic institutions at the basic level will be undermined.

In short, as interesting and important as the innovation in Wenling appears to be, its implications for the rest of China appear to be quite limited.

Notes

¹ "Lin Long, *Hu Guoqiang pinglun Zeguo minzhu kentan*" [Lin Long and Hu Guoqiang evaluate Zeguo's democratic consultation], retrieved from <http://wlnews.zjol.com.cn/wlrb/system/2008/08/15/010609262.shtml>.

² Howard French, "China's New Frontiers: Tests of Democracy and Dissent," *New York Times*, 19 June 2005, section 1, p. 6; and Ethan J. Lieb and Baogang He, *The Search for Deliberative Democracy in China* (New York: Palgrave, 2006).

³ Zhou Meiyuan, "Xiangzhen renda yusuan shencha de shijian yu sikao" [Reflections on the practice of budgetary review by township people's congresses], in Li Fan, ed., *Wenling shiyan yu Zhongguo difang zhengfu gonggong yusuan gaige* [The Wenling experiment and China's local government: Reform in public budgets] (Beijing: Zhishichanquan chubanshe, 2000), p. 317.

⁴ Chen Yimin "Cong 'minzhu kentan' dao 'canyushi yusuan,'" [From "democratic consultation" to "participatory budget making"] in Li Fan, ed., *Wenling shiyan yu Zhongguo difang zhengfu*, p. 287.

⁵ *Churang* means "to part with," a phrase that leaves ambiguous a change in ownership; after all, if land is owned by the "collective," it is not clear that it can be "sold." On the other hand, there is no provision for the land to somehow be taken back after it is "parted with," so it is, in fact, sold.

⁶ The budget is in Li Fan, ed., *Wenling shiyan yu Zhongguo difang zhengfu*, pp. 24–27.

⁷ Jia Xijin, "Gonggong yusuan zhong de gongmin zhiduhua cayu" [The institutionalization of public participation in public budgeting], in Jia Xijin, *Zhongguo gongmin canyu: Anli yu moshi* [Public participation in China: Cases and models] (Beijing: Shehui kexue wenxian chubanshe, 2008), p. 182.

⁸ "Xinhezhen yusuan minzhu shishi banfa (shixing)" [Implementation methods for Xinhe Township's budgetary democracy (trial)], 8 March 2006, retrieved from <http://www.wlrd.gov.cn/show.asp?sid=1202>.

⁹ Chen Yimin, "Yusuan minzhu: Xiangzhen canyushi gonggong yusuan de tansuo" [Budgetary democracy: Exploring participatory public budgets for townships], *Xuexi shibao*, 24 May 2006, retrieved from <http://theory.people.com.cn/GB/40557/49139/49143/4398402.html>.

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- ¹⁰ See “*Xinhezhen yusuan minzhu shishi banfa (shixing)*,” chapter 3.
- ¹¹ Chen Yimin, “*Cong ‘minzhu kentan’ dao ‘canyushi yusuan’*,” p. 290.
- ¹² Jia Xijin, “*Gonggong yusuan zhong de gongmin zhiduhua canyu*,” pp. 183–184.
- ¹³ Huang led a delegation to Wenling on 4 December 2006 to discuss democratic consultation. See <http://www.wlrd.gov.cn/show.asp?sid=943>. Local observers say that he expressed support for the Xinhe model, though this support must have been voiced in general terms since the people’s congress meeting that bypassed democratic consultation had not yet occurred.
- ¹⁴ Yang Ziyun, “*Xinhe yusuan minzhu jianjin gaige*” [The incremental reform of Xinhe’s budgetary democracy], *Zhongguo gaige*, 2007, no. 6, reprinted in Li Fan, *Wenling shiyan*, p. 228.
- ¹⁵ Yang Ziyun, “*Xinhe yusuan minzhu jianjin gaige*,” pp. 242–243.
- ¹⁶ Yang Ziyun, “*Xinhe yusuan minzhu jianjin gaige*,” p. 244.
- ¹⁷ Zhou Meiyun, “*Xiangzhen renda yusuan shencha de shijian yu sikao*,” pp. 312–313.
- ¹⁸ Zhang Xueming, “*Shenhua gonggong yusuan gaige, zengjia yusuan jiandu xiaoguo*” [Depeening the reform of public budgeting and increasing the effectiveness of supervising the budget], dated 19 June 2008. Retrieved from <http://wlrd.gov.cn/show.asp?sid=2853>. Zhang Xueming is the chairman of the Wenling City People’s Congress.
- ¹⁹ Ibid.
- ²⁰ S. Philip Hsu, “In Search of Public Accountability: The ‘Wenling Model’ in China,” *Australian Journal of Public Administration*, vol. 68, no. 81 (March 2009), pp. S40–S50.
- ²¹ Chen Yimin, “*Cong ‘minzhu kentan’ dao ‘canyushi yusuan’*,” p. 291.