Participation Effectiveness of Citizen Participatory Budgeting: The Case of Yanjin County in China

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Citizen participatory budgeting (CPB) is a mechanism to enhance governance, particularly regarding accountability and responsiveness. The growing literature on the topic, however, has not addressed the participation effectiveness of CPB in developing countries. Drawing mainly from first-hand data, this study examines the participation effectiveness of the recent CPB reform in Yanjin, a poor county in southwestern China. It is found that with a well-designed participatory mechanism, citizen representatives of the Yanjin County have effectively participated in public budgeting. This study, therefore, has important implications for other localities in China as well as other developing countries that are interested in using CPB to improve local governance.

INTRODUCTION

After its inauguration in 1989 in Porto Alegre, Brazil, citizen participatory budgeting (CPB) was adopted by cities in Brazil other Latin American countries (Cabannes, 2004), and later in a range of developing countries globally (McNeil & Malena, 2010; Dias, 2018, p. 77-88). Notably, during the past decade, the influence of CPB has even extended to developed countries (Sintomer, Herzberg & RÖke, 2008; Sintomer et al., 2012; Dias, 2018, p.161–192, 257–490). CPB has been touted as a new hope for democracy (Wampler, 2012). To its proponents, CPB represents a form of co-governance (Ackerman, 2004) or engaged governance (Khan, 2005), and as a form of social accountability (Ackerman, 2005; McNeil & Malena, 2010). Meanwhile, the limitations of CPB have also been observed. CPB may involve unrepresentative participation (Ebdon & Franklin, 2006), and worse, it may involve mainly self-selected representatives who may not truly reflect the will of the general population (Chen & Aitamurto, 2019). In some situations, the process of participation is controlled by local elites (Platteau & Abraham, 2002) and can even be dominated by local officials (Orosz, 2002). Some scholars contend that even if participation is equal and has not been commandeered by local elites, it is sometimes unclear whether CPB has actually influenced the final budget (Bräutigam, 2004) or is merely a trivial exercise (Fung, 2015). Relevantly, often only a relatively small part of the total budget has been open to citizen participation (Pateman, 2012). So far, empirical findings of participation effectiveness in CPB processes are at best mixed, especially in developing countries (Cornwall & Gaventa, 2001; Francis & James, 2003; Speer, 2012). This is largely due to the lack of sufficient data on CPB practices. To contribute to a better understanding of CPBs, we examined a recent CPB reform in China.

During the past two decades, in the course of budget reforms, CPB has evolved in China. Previously, two models of Chinese CPB have attracted international attention: the Budgetary Democratic Deliberation (BDD), practiced in Wenling, a county-level city in Zhejiang Province, and the Participation Style Budgeting (PSB), adopted in Harbin Municipality of Heilongjiang Province and Wuxi City of Jiangsu
Province. Previous research argues that CPBs have helped transform local governmental budgeting to be an inclusive and responsive process (Wu & Wang, 2011, 2012) and to enhance financial accountability in local governments (Ma, 2009, 2012; Cabannes & Zhuang, 2014; Ye, 2018). According to one study, there are three kinds of logic behind China’s CPBs: administration improvement, political reform that focuses on rejuvenating the local People’s Congress system, and citizen empowerment (He, 2011). Nevertheless, weaknesses have also been pointed out in CPB practices, such as low participation and shortcomings of procedural rules (Li, 2018).

Since 2014, a new form of CPB, called Mass Participatory Budgeting (MPB), has evolved in Yanjin County of Yunnan Province. And, with first-hand data, we were able examine its participation effectiveness. We found that with a well-designed mechanism for participation, the Yanjin MPB has been effectively performed. The Yanjin MPB is noticeable in two aspects. First, it is an enhanced model and indeed the third model of CPB in local governments in China (Ma, 2014), incorporating valuable elements from both the Wenling BDD and the Harbin-Wuxi PSB, as well as global CPB experiences. Second, although it has been argued that it is difficult for an impoverished government to successfully carry out citizen participatory budgeting (e.g., Ye, 2018), Yanjin County, where the MPB has been successfully practiced, is very poor. Therefore, the Yanjin MPB holds great implications for improving local governance, both for China and other developing countries. However, the practice has received little attention in the international literature. In a recent overview of China’s local CPBs, the Yanjin case was included (Li, 2018). Unfortunately, however, the discussion is incorrect, completely overlooking the experiment in two townships in 2012 and 2013 and the new model of MPB. Therefore, a case study of the Yanjin MPB practices is necessary.

In the next section, we will articulate a framework for effective participation. To provide a background, we will then examine the evolution of local-level CPBs in China, including that of the Yanjin MPB. Next, we will describe our research method. This is followed by a description of how the Yanjin MPB was practiced, and then a section analyzing the participation effectiveness of the Yanjin MPB. The final section is the conclusion and discussion.

A FRAMEWORK OF PARTICIPATION EFFECTIVENESS

Citizen participatory budgeting is a form of participatory governance that is designed to address well-known accountability deficits associated with representative democracy. Budgeting is the core of state governance, but conventionally it was dominated by administrative professionals and politicians. By engaging citizens in budgeting, the allocation of public revenues is expected to become more responsive to citizens’ needs (Wampler & Touchton, 2019; Beckett & King, 2002). Also, by practicing CPB, a form of citizen (societal) control over budgeting will emerge, upon which a new form of accountability will arise: societal accountability (Wampler, 2004; Ma & Hou, 2009). Nevertheless, participation effectiveness—that is, the extent to which CPB achieves these goals—depends largely on the institutional design for participation (Fung, 2006). In his widely cited article, Fung (2006) emphasized three important dimensions of the participation mechanism: (a) who participates, (b) how participants communicate with one another and make decisions together, and (c) how discussions are linked with policy or public action. In reviewing the literature of citizen participation, Ianniello et al. (2019) identified three sets of variables that appear to affect participation effectiveness: (a) contextual factors, such as information asymmetry and public officials’ attitudes; (b) organizational arrangements, such as community representation and process design; and (c) process management patterns, such as group dynamics and collaboration quality.

Drawing from Fung (2006), Ianniello et al. (2019) and other studies on CPB (e.g., Cabannes, 2004; Ackerman, 2005; Michels, 2011; Wampler & Touchton, 2019), we argue that participation effectiveness is affected by four dimensions of a CPB institution: (a) participant selection, or how participants are chosen;
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Figure 1. Dimensions and Respective Criteria of Participation Effectiveness

(b) participatory process, or how the process of participation is designed; (c) participatory action, or how participants behave when they participate; and (d) participation outcome, or whether participation has led to expected changes in budgetary decisions. Therefore, eight criteria are identified for understanding participation effectiveness (Figure 1). Compared to previous analyses, our framework is more systematic. Also, participation outcome is emphasized in our framework. Ultimately, participation effectiveness must be judged by the outcome of participation.

The first dimension of the participation mechanism is participant selection. The key issue here is the level of inclusiveness, referring to the extent to which all social groups are represented in budgetary decision-making (also see Ackerman, 2005; Michels, 2011; Wu & Wang, 2012). The central concern here is whether the selected participants appropriately represent the general public. The principal reason for introducing citizen participation in any area of contemporary governance is that “the authorized set of decision makers…is somehow deficient” (Fung, 2006, p. 67). Citizen participation is thus introduced to change the actors of public decision making, or at least to invite new actors to the governing process (Cabannes, 2004; Wampler & Touchton, 2019). However, whether citizen participation can remedy one or more of those deficiencies depends in large part on the methods of participant selection. Undoubtedly, different methods of selecting participants have different levels of inclusiveness, ranging from most exclusive to most inclusive (Fung, 2006).

The second dimension of the participation mechanism is process design—how the process is designed for engaging citizens in budgeting. For citizen participation to be successful, process design is vital, and a “half-hearted engagement is unlikely to lead to a successful citizen participation” (Ianniello et.al., 2019, p. 21). In this dimension, three criteria are central.

The first process criterion is empowerment, which concerns the extent to which citizens are granted authority in the budgetary process. Budgeting is perhaps one of the last bastions of administrative expertise, and as such, it is often considered too complex for citizen involvement. Before CPB emerged, even though public budgeting had a clear public purpose, the role of citizens in the budgetary process was passive and citizens could only influence a budget indirectly (Beckett & King, 2002). To address this participation deficiency, citizens are invited to participate in budgeting. In an ideal form of CPB, citizens would directly exercise the authority of budgeting. But in reality, citizen empowerment varies, from those offering the least authority to those offering the most authority (Fung, 2006). When citizens are not allowed to exercise the power in the budgetary process, citizen participation is at best consultative (Cabannes, 2004).

The second criterion is equal voice, which concerns whether citizens are given an equal opportunity to affect the final budgetary decisions. Studies have found that with a well-designed participation mechanism, such as the CPB in Porto Alegre, Brazil, a CPB would help engage the formerly excluded social groups in the budgetary process and hence even “invert priorities” in budgeting (Cabannes, 2004, p. 38; Fung, 2006, p. 71). However, citizen participation, including CPB, is easily captured by local elites (Platteau &
Abraham, 2002) and can even be dominated by local officials (Orosz, 2002). Also, participation can be dominated by well-organized minority groups or vocal individuals, which will alter the dynamics of the participation process (Ianniello et al., 2019). Therefore, successful citizen participation is based on the principle of equal voice (Ryfe, 2005, p. 63). It is expected that equal voice will help enhance justice in the governing process, which is a challenge faced by modern governance (Fung, 2006).

The final process criterion is budget openness, which concerns the percentage of public expenditures that are allocated through citizen participation. This issue might be irrelevant in other forms of citizen participation, but it is important for CPB. In fact, one of the most frequently debated questions in CPB initiatives is the amount of public expenditures that are opened for citizen participation (Cabannes, 2004). The reason behind that question is quite simple: The control of money is an enormous power. The amount of expenditures that the government opens for citizen participation shows the extent to which the government is willing to share the power of budgeting with its citizens. That power-sharing will, in turn, affect citizens’ interest in participating as well as their incentive to develop their capacity to participate in budgeting. In reality, a half-hearted CPB initiative may open a minimal piece of the budget for citizen participation (Pateman, 2012). In such a case, the CPB process is at best a trivial exercise or nothing more than symbolic politics. In the real world, the amount of public expenditure allocated through the CPB process varies significantly (Cabannes, 2004).

We now discuss the third dimension of participation mechanism: participatory actions by the participants. It has been argued that how participants behave in the participatory process affects participation effectiveness (Fung, 2006; Ianniello et al., 2019). The participatory actions are characterized by two main features. The first is participation activeness, which concerns the extent that individual participants actively participate in budgeting. The CPB process aims to allow citizens to play an active role in the budgeting process (Beckett & King, 2002). However, active participation requires citizens to spend time on public problems, to learn about the budgeting issues, and to develop the capacity to participate. In many situations, citizens might not behave as expected. This is especially true when the rules for participation do not grant the citizens any power.

The second feature of participatory actions is deliberation quality, which concerns how well participants interact with each other in making budgetary decisions. The CPB process returns the authority of budgetary decisions to the citizens, but there are different methods of decision-making. At one extreme, communication and dialogue do not occur and citizens just meet to express pre-existing preferences and then vote accordingly. However, in participatory governance, decision-making is more than the aggregation of pre-existing fixed preferences. In its ideal form, decision-making is a deliberative and dialog-rich process in which participants engage with one another directly as equals and reason together about public problems (Steenbergen et al., 2003; Fung, 2006). Participants will “listen to each other, reasonably justify their positions, show mutual respect, and are willing to re-evaluate and eventually revise their initial preferences” (Steenbergen et al., 2003, p. 21). Therefore, the quality of deliberation has a spectrum from the least deliberative to the most deliberative.

Finally, participation effectiveness must be judged by the outcome of participation. The primary concern is budget responsiveness, referring to the extent that the final budgetary decision has become more responsive to citizens’ needs. By adopting CPB, the budgetary process is transformed into a form of participatory governance. It is expected that this new process will bring about substantial changes in the allocation of public revenues. When citizens make budgetary decisions, revenue allocation will become more responsive to their needs (Wu & Wang, 2011, 2012). Still, more can be expected for citizen participation. Arguably, with the practice of CPB, citizens’ trust in government will increase. In that environment, citizens will become willing to collaborate with the government in both budget compilation and...
implementation. It has been found that citizens can contribute innovative ideas to policy/budget-making issues and can offer solutions to deadlocked situations (Ianniello et al., 2019). In some countries, once citizens have come to understand the government’s fiscal situation and are assured that public monies will be used for citizens’ needs, they become more willing to pay taxes, even an increased amount (Simonsen & Robbins, 2018, p. xviii-xix; McNeil & Malena, 2010). In summary, opening the budgetary process to citizen participation can be rewarded by citizen collaboration with the government.

**CITIZEN PARTICIPATORY BUDGETING IN CHINESE LOCAL GOVERNANCE**

As part of a transition from a planned economy to a market economy, following reform and opening up, Chinese government has adapted to the requirements from an evolving economy and society (Yang, 2004; Ma & Zhang, 2009). Nevertheless, the government faces an increasing challenge to ensure accountability (Ma, 2012), despite the assertion that many “things are getting done” (Ahlers, 2014, p. 2) in socio-economic development. In 1999, Chinese central government initiated a public budgeting reform and eventually established the basic institutional framework of modern public budgeting (Ma, 2009). The budgetary reform paved the foundation for financial accountability, and in that context, CPBs have been adopted since 2005 in local governance (Ma, 2009; He, 2011).

The pioneer is the so-called BDD, which has been evolving in Wenling city. In 2005, a local governance innovation named the Democratic Deliberation was extended to the field of budgeting in two townships of Wenling. In Zeguo township, 275 citizens randomly selected from the population first conducted a democratic deliberation regarding 30 infrastructure programs prepared by the government. They then scored each program according to a method of capital budgeting. Based on those citizen scores, 12 programs were chosen and compiled into the governmental budget. In Xinhe township, democratic deliberation was applied to all governmental budgets. Along with the township People’s Congress delegates, self-selected participants first expressed their opinions on the budget compiled by the government, and then the government revised its budget in accordance with the citizens’ opinions (Ma, 2009; Ma, 2014; He, 2011). In 2006, Xinhe redesigned its BDD process, interweaving the BDD with a budget revision procedure in the budget-review stage of the township People’s Congress. Together with the delegates of the People’s Congress, citizens were invited to discuss and question the budget, and the government revised and resubmitted the budget incorporating their input. If delegates as well as citizens were still dissatisfied with the new budget, delegates could submit a budget revision bill to the People’s Congress. Once such bill was passed, the government was required to revise the budget accordingly. Since then, the Xinhe model has become the dominant form of the Wenling BDD (Ma, 2009; Ma, 2014). In 2008, it was promoted to the municipal level. From 2008 to 2018, a total of 50 municipal department budgets went through the BDD process, involving 4,729 citizens (Lin & Man, 2019). Admittedly, compared with the Zeguo model practiced in 2005, the Xinhe model is a weak form of CPB because participants do not have the power to propose expenditure programs and to change the governmental budget. Essentially, the focus of the Xinhe practice is to rejuvenate legislative oversight, and citizen participation is at best a supplement (He, 2011).

Another well-known model of CPB is the so-called PSB that was first introduced in Harbin and Wuxi in 2006. Under that model, citizen participation covered the entire process of budgeting, from program selection, to supervision of program execution, to program evaluation. However, it was applied to only a tiny part of infrastructure expenditures, usually no more than 1% of the total general budget. Also, PSB was practiced mainly at the village level under the township and street level under the urban district. Together with two methods of participant selection, two decision methods were used for choosing programs. In one method, village or street committees would first organize a citizen meeting to investigate the concerns of villagers or urban residents, and then they would prepare infrastructure programs. To
choose from the programs thus prepared, the township or urban district government would hold a meeting in which the directors of village or street committees would negotiate with each other. In another method, the decision was made by the voting of citizen representatives (CDRF, 2008; Ma, 2009). The PSB was initially practiced in several pilot townships and urban districts in Harbin and Wuxi, and over the next several years, it rapidly spread in the two cities (CDRF, 2008). The PSB was more focused on citizen participation than the Wenling BDD was, but it had weaknesses. First, in the PSB, the selection of citizen representatives varied among townships and urban districts; some entities allowed directors of village/street committees to represent citizens, others let villagers or street residents elect their representatives, and still others selected participants randomly, and some even used a ballot to select participants. Second, decision-making methods varied in the two cities; whereas negotiation was frequently adopted by Harbin’s townships and urban districts, voting was the main method used by Wuxi (CDRF, 2008; Zhang, 2010). Third, only a tiny part of the budget was opened for citizen participation-usually no more than several percent of the total budget. Unfortunately, due to leadership turnover, the PSB came to an end in Harbin in 2011, and at roughly the same time, it began to wane in Wuxi, although it still survived at the community level as a tool of self-governance. Nevertheless, the seeds of CPB had been planted in the soil of local China, where societal demands for accountability are huge. Inspired by the Harbin-Wuxi PSB, several localities have introduced the PSB into their budgeting process: Shunde municipality of Guangdong Province in 2012 (Li & Tian, 2014), Maizidian street committee of Chaoyang District of Beijing in 2012 (Li et al., 2013), Huaiyin District of the Jinan metropolitan of Shandong Province in 2015 (HDG, 2015), and Meilan District of the Haikou metropolitan of Hainan Province in 2016 (Li, Ye & Xiang, 2017). In 2012, a refined PSB evolved in Yanjin County of Yunnan Province, and in 2014 it was enhanced and renamed MPB.

The Yanjin MPB is worthy of academic inquiry. First, it is an enhanced model and indeed the third model of CPB in local China. To introduce CPB to Yanjin, the reformers of the Yanjin County Government seriously compared the strengths and weaknesses of different CPB practices, including the Wenling BDD, the Harbin-Wuxi PSB, and even CPB practices in Brazil. Generally speaking, the Yanjin model combines the democratic deliberation of the Wenling BDD and the citizen participation of the Harbin-Wuxi PSB. Nevertheless, it has refined the method of participant selection and the procedural rules governing the participation process. Notably, to find a better form of CPB, the Yanjin reformers carried out a two-year (2012-2013) experiment, designing two different models of PSB and then experimenting with them in two townships. In Miaoba township, a bottom-up PSB was introduced, in which citizens selected from villages were granted the power to propose programs. They then deliberated on the programs and made program selections through voting. In Dousha township, a top-down PSB was implemented, with programs prepared by the township government. Citizens were invited to discuss the programs, and then they chose programs through voting (Li, 2017). In October 2013, with the support of the Finance Department of the provincial government and assistance from an expert group including several budgeting scholars, the Yanjin County Government evaluated the two-year PSB experiments. Then, the PSB process was redesigned and renamed MPB. From the end of March to early April 2014, the new MPB was practiced in four townships of Yanjin, and the next year it was extended to all 10 townships of the county (Li, 2017). Second, compared to other Chinese CPB practices, the Yanjin MPB is the sole case successfully practicing a CPB in a poor locality. Yanjin is a very poor county of Yunnan Province, with 10 townships scattered in a mountainous territory of 2,091.5 square kilometers. In 2010, the county government collected ¥91.99 million in general budgetary revenues plus ¥3.88 million in government funds, which together were far short of its expenditure needs. Consequently, the government’s expenditures had to be heavily supported by a total of ¥789.56 million in fiscal transfers from upper-level governments (Yanjin Finance Bureau, 2011; Ma, 2014).
**RESEARCH METHODS**

In the case study of the Yanjin MPB, a mixed-methods design was used. We collected the following qualitative data: (a) official documents about Yanjin County public finance and budgeting, the MPB practices in 2014, and the participatory institutions of the former PSB and the current MPB; (b) personal observations of the PSB practices in the budget adjustment stage in the two experimentation townships of Yanjin during October 10-11, 2013; (c) personal observations of the MPB practices in the budget compilation stage in two townships during April 2-3, 2014, and voice recordings of citizen deliberation meetings of the other two townships; (d) opinions and discussions that arose in the consultation stage in October 2013; and (e) interviews with local participants and officials during our various observations and consultations. Additionally, a survey was conducted in the four townships practicing MPB in early April 2014. Questionnaires were distributed to a total of 136 participants, from whom 132 questionnaires were collected, 122 of which were valid (Ma, 2014).

To examine the participant selection, we analyzed the resumes of all participants to obtain personal information such as gender, age, profession, and political identity. With the data from the survey, we double-checked that information. Also, in the survey, we directly asked the participants’ opinions about the fairness of participant selection. Concerning the participatory process, we first analyzed the institutional rules about empowerment, voice equality, and budget openness. Then, drawing from other data sources, for example, our personal observations or programs initiated by participants, we double-checked whether these rules were implemented. To evaluate participation activeness and quality of deliberation, we added questionnaire items asking participants to report their willingness to participate. In certain cases we transformed qualitative data into quantitative data. For example, after hearing the recordings of the deliberation meetings we counted how many times participants questioned a given program. Lastly, to assess the outcome of participation, a mixed-method was also used. For instance, after cataloguing all the MPB programs, we computed the percentage of those programs which met citizens’ urgent concerns well. Meanwhile, in the survey, we asked the participants’ opinions about the extent to which the final decision was responsive to citizens’ needs.

**THE PRACTICES OF THE YANJIN MPB**

**Participant Selection**

It might seem the most democratic to invite everybody to participate, but that is not necessarily the best solution (Ianniello et.al., 2019). As Fung (2006, p. 67) said, although complete openness has an obvious appeal, “those who choose to participate are frequently quite unrepresentative of any larger public.” In the Wenling BDD, participatory budgeting is indeed open to all citizens, but participants are self-selected; citizens participate voluntarily, depending on whether they have the interest and time. In the Harbin-Wuxi PSB, there is no uniform method for citizen selection.
Consequently, random selection, which may be “the best guarantee of descriptive representativeness” (Fung, 2006, p. 68), is seldom used. To address those problems, the Yanjin MPB institutionalized a “double-method” for selecting participants.

Yanjin is a rural county. In 2014, it had a population of 388,000 people scattered over a mountainous territory with a limited transportation system. It was thus hard to include all citizens in participation (Ma, 2014). Therefore, in the Yanjin MPB, a double-method was applied to select citizen representatives known as “qunzhong yishi yuan” (群众议事员) which means someone speaking about and discussing public affairs on behalf of the masses. In this article, those participants are translated as Mass Councilors (MCs).

The first selection method was random selection. Each village was given a fixed quota of MCs, of 0.5‰ of its population. Within each village, every villager-group (村民小组 cunmin xiaozu) could recommend one candidate. Given the fixed quota, each village’s MCs were randomly selected from among those candidates. Nevertheless, under this method, the total number of MCs for a village was largely determined by the village’s population size. To ensure that all villages were equally represented, therefore, a second method, named “Quota Recommendation” (dinge tuijian) was adopted: Regardless of the size of the village population, each village could recommend two MCs. To recommend those two MCs, the village committee must hold a villagers’ meeting attended by at least two-thirds of the villagers. In that meeting, the village was allowed to choose its two MCs either through voting or negotiating (Yanjin County Government, 2014; Ma, 2014; Lin, 2014). Figure 3 presents the MCs that were selected to participate in budgeting in the four townships in 2014.

Noticeably, the MCs served in that position for a term of three years (Yanjin County Government, 2014). Admittedly, this reduced the chances of other citizens participating in budgeting for the two subsequent years, but the term also had its own advantages. The three-year term helped motivate MCs to better represent their citizens’ needs - for example, by spending more time on investigating those needs. The term also enabled the MCs to accumulate experience in the budgeting process and improve their capacity to participate (Ma, 2014).

Proposing Programs
Participants in the Yanjin MPB were involved very early in the budgeting process. Notably, they were granted the power of proposing programs. Under the current Chinese budgeting system, the general budget

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Figure 3. The Two Types of MCs in the Four Townships of Yanjin

Note: This figure was published in Lin (2014, Figure 1) and has been modified and used in this paper with permission.
is composed of personnel expenditures (e.g., salaries), operating expenditures (e.g., water and electricity fees), and program expenditures related to certain policy goals (Ma, 2009). In the Yanjin MPB, MCs were granted the power to propose program expenditures, with each MC limited to two programs. This was indeed a great improvement, compared with both the Wenling BDD and the Harbin-Wuxi PSB. Most importantly, MCs were required to investigate village citizens’ needs comprehensively, as a prerequisite to proposing programs. Nevertheless, had all programs been proposed by MCs, the total program budget might have been bound by narrow village-level interests. Therefore, the township government also could propose programs, although it was limited to programs related to the interests of the whole town (Yanjin County Government, 2014; Ma, 2014). As Table 1 shows, in the 2014 practices, during Stage 1, most programs were initiated by MCs. Moreover, in one township, the government even gave up its authority to propose programs.

The Yanjin MPB also featured another important innovation: After allocation of budgetary revenues to basic expenditures, mandated expenditures related to upper-level policies, and reserve funds, the remaining total, including non-earmarked fiscal transfers, were required to be allocated through the participation process (Yanjin County Government, 2014; Ma, 2014). Thus, all fiscal revenues over which the township government held budgeting autonomy had to be allocated through the MPB (Jia, 2014). As Table 1 shows, in 2014, budgetary revenues available for the MPB program expenditures ranged from 16.50% to 29.61% of total budgetary expenditures.

<table>
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<tr>
<th>Stage: Program</th>
<th>Number</th>
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<tr>
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<td>0</td>
<td>2</td>
<td>63.47</td>
<td>4</td>
<td>399.01</td>
<td>5</td>
<td>251.2</td>
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<tr>
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<td>32</td>
<td>790.61</td>
<td>80</td>
<td>4004.65</td>
<td>36</td>
<td>1022.42</td>
<td>32</td>
<td>1186.26</td>
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<td>Government-initiated</td>
<td>0</td>
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<tr>
<td>MC-initiated</td>
<td>32</td>
<td>790.61</td>
<td>25</td>
<td>700.02</td>
<td>14</td>
<td>415.20</td>
<td>14</td>
<td>502.00</td>
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<td>Choose through the Deliberation Meeting</td>
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<td>Government-initiated</td>
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<td>0</td>
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<td>2</td>
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<td>3</td>
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<tr>
<td>MC-initiated</td>
<td>20</td>
<td>418.24</td>
<td>12</td>
<td>255.45</td>
<td>10</td>
<td>415.20</td>
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<td>321.40</td>
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</table>

Total Budgetary Requests for Programs Decided by the Deliberation Meeting
305.02 250.43 275.90 275.60
Total Revenues Available for the MPB Programs
340.00 310.00 279.00 315.00
Total Budgetary Expenditures
2060.42 1598.73 1142.65 1063.87
Percentage of MPB Revenues in the Total Budget
16.50% 19.39% 24.42% 29.61%


**Budget Review**

Compared with CPBs practiced elsewhere, the Yanjin MPB added a unique but perhaps controversial stage of citizen participation—that of program review, in which the county government organized professionals from relevant governmental sectors or other specialized entities to review all of the programs proposed for citizen participation. The review centered on whether each program met the legal and technical requirements with which program budgets needed to comply. The results were then publicized to all MCs 10 days before the next stage, the democratic deliberation meeting (Yanjin County Government, 2014; Ma, 2014).

As Table 1 shows, a large number of the programs initiated by MCs did not undergo the program review. Nevertheless, this was not a sign that the government dominated or controlled the MPB process; it was mainly associated with the fact that participants did not have sufficient expertise in developing program budgets. Some programs that failed to go through the review were technically infeasible, others were beyond the township government’s legal responsibility, and some violated the procedural rule that each MC could propose no more than two programs (Ma, 2014). As a matter of fact, most of the programs that successfully went through the review process were initiated by MCs, as shown by Table 1.

In the deliberation meeting, the MCs first listened to the township government to report the fiscal situation and the program review results, including relevant explanations, primarily of why certain programs had not passed the program review. The meeting then reached the most exciting moment of democratic deliberation, starting with a so-called program statement. For each program, the initiator would stand up to present a statement on the following issues: why the program was necessary, how large the budgetary request was, and to what extent citizens would benefit from the program. Next, other MCs asked questions about the program, and the MC-presenter of that program, along with other supporting MCs, would respond. After all programs had gone through the Wenling style democratic deliberation, it was time for all of the MCs to make their final choices through voting. Thereafter, all programs were ranked according to their total supporting votes. Finally, given the total amount of revenues available for the MPB process, the final decision of program choices was made by the program ranking. The programs thus chosen were then added into the government’s budget and submitted to the Township People’s Congress for approval (Yanjin County Government, 2014; Ma, 2014). In 2014, all of them were approved.

Table 1 presents the Yanjin MPB programs that were decided by the deliberation meetings. In Niuzhai, all of these programs were initiated by MCs, and in the other three townships, most programs were MC-initiated. Notably, two townships each had one government-initiated program that failed to win sufficient MC support.

**Participation in Budget Execution**

Borrowing from the Harbin-Wuxi PSB, citizen participation in the Yanjin MPB was extended to the stage of budget execution. However, there was a difference; in the Harbin-Wuxi PSB, participants were involved in overseeing the government’s implementation of the programs, but in the Yanjin MPB, the MCs themselves were responsible for executing the programs that they proposed. Furthermore, to certain extent, spending authority was granted to MCs, without whose approval no money...
could be spent (Yanjin County Government, 2014; Ma, 2014; Lin, 2014).

Furthermore, as had been practiced in Yanjin in 2012 and 2013, the county’s MPB process was extended to the budgetary adjustment stage. In that stage, MCs held the power to allocate revenues that had been collected but exceeded the budgeted amount and also the remaining revenues that were initially arranged for the MPB programs. Usually, unfunded programs on aforementioned program ranking list would be taken into consideration (Yanjin County Government, 2014; Ma, 2014).

PARTICIPATION EFFECTIVENESS OF THE YANJIN MPB

We now examine participation effectiveness of the Yanjin MPB as practiced in 2014, using the framework that we developed.

Participation in Budget Execution

Participation inclusiveness is greatly affected by the method of participant selection. In the Yanjin MPB, the double-method for selection helped ensure a very good level of inclusiveness. With the use of random selection, the population size of each village was weighed: Villages with a larger population had more MCs than those with a smaller population. In addition, at the village level all candidates had an equal chance to win selection. Furthermore, the use of quota recommendation helped correct any potential underrepresentation related to random selection, so that all villages had an equal chance to recommend two MCs, regardless of their population size. The survey results showed that 50.00% of MCs agreed that the selection of participants was completely fair, and 35.25% of them agreed that it was relatively fair (Ma, 2014, p. 24, Table 6). Table 2 further presents the profile of the MCs. The sociodemographic data show that, although some limitations existed, the selected participants represented the composition of the rural community population well. In general, all of the various social groups in the rural communities had representatives.

Herein, the issue of greatest concern may be that of the MCs’ political identity. With the use of quota recommendations, the concern existed that village committee cadres could easily become MCs and that these cadre-MCs would be more likely to follow orders from the township polity and hence be less likely to speak for the citizens’ needs. Admittedly, in the four townships, 44.76% of the total 143 MCs were village-level cadres (Table 2). Nevertheless, it is incorrect to say that these cadre-MCs would be less likely to speak for their villages (Ma, 2014). In the Chinese political system, the village committee is not a level of polity but instead is a self-governance organization for a rural community. Furthermore, at present, the village level is the sole place where competitive elections are used to select village committee directors. Moreover, only in one township, Dousha, were there more cadre-MCs than non-cadre-MCs.

With regard to education, as many as 50.00% to 62.50% of MCs have received a middle school education, which is higher than Yanjin County’s average adult educational level (Lin, 2014). This was caused by two factors. First, to ensure that MCs were capable of participating, the Yanjin MPB required (with exceptions) that MCs hold at least a middle school education (Yanjin County Government, 2014). Second, in recommending their candidates either for the random selection or the quota recommendation, village citizens tended to recommend villagers whom they considered to be very capable of speaking out and standing up on behalf of their urgent concerns. Consequently, the villagers with a high-level education could easily overpower the others. Nevertheless, despite this educational requirement, lower educational-level populations had their own representatives. Villagers with just a primary school education or below were chosen to be MCs, ranging from 3.85% to 18.75% in the four townships (Table 2), and there were even several illiterate MCs. Moreover, MCs thus selected were indeed very capable of participating and representing their community’s interests, as we will discuss later. Therefore, in general, the educational level should not have undermined the inclusiveness of participation.
In terms of age, most MCs were above 30 years old, making them old enough to have thorough knowledge about local situations (Ma, 2014). Unfortunately, however, in the rural areas of southwestern China, the tradition of male dominance persists and female citizens were underrepresented among the MCs (Lin, 2014). Currently, even when a female citizen is recommended as a candidate, she is inclined to recommend a male family member, for example her husband, to replace her. This is indeed the biggest limitation of the Yanjin practices.

**Empowerment, Equal Voice, and Budget Openness**

Compared with other Chinese local CPBs, the Yanjin MPB has been prominent for its significant
First, MCs were granted the power to propose program expenditures (Ma, 2014). As Figure 4 shows, although both MCs and the township government could propose programs, in the four Yanjin townships, almost all programs were initiated by MCs. Even after the program review, the percentage of programs proposed by MCs still ranged from 77.78% to 100%. Second, decisions were made entirely by MCs during the democratic deliberation meeting. The whole meeting was chaired by a non-MC fellow citizen, without any governmental intervention. Public officials, such as the township mayor, attended the meeting, but only as silent observers of the MCs’ democratic deliberation (Ma, 2014). Most importantly, the final choices were determined by MCs voting. Third, citizens were further empowered in budget execution, as has been discussed.

Also, equal voice was the established rule of the Yanjin MPB and was well-implemented in the whole process, as we observed in the 2014 practice. First, the right to propose budget programs was equal for all participants. Each MC could propose a total of two programs. In the budget review process, several programs were removed simply because they violated that rule. Second, in the deliberation meeting, each MC had an equal right to speak his or her opinion about every program submitted to the meeting for deliberation. Third, each MC had only one vote in the final decisions.

Finally, the Yanjin MPB is noteworthy in that it opened a large part of the government’s budget for citizen participation (Ma, 2014). At first glance, the participation scope of the Yanjin MPB seems narrow because the MPB was applied to just one part of the governmental budget: program expenditures. However, in the Chinese budgeting system, program expenditures constitute the most meaningful area for citizen participation. First, personnel and operating expenditures are already set according to legal or budgetary regulations, so only in the area of program expenditures is there room for citizen participation to make a governmental budget change. Second, most program expenditures (e.g., infrastructure) are closely related to citizens’ quality of life.

To reiterate, in program expenditures, all fiscal revenues over which the township government holds...
budgeting autonomy must be allocated through the MPB. Thus, the Yanjin MPB has institutionalized a large amount of fiscal revenues for allocation by citizen participants (Jia, 2014). In other Chinese CPBs, only a tiny part (usually a few percent of the total expenditures) is set aside for citizen participation each year. But in the Yanjin MPB in 2014, on average 22.48% of the budgetary expenditures in the four townships were decided through the MPB process, and the percentage was nearly 30% in one township (see Table 1). Of infrastructure expenditures, 100% were allocated through the MPB process. These are indeed high percentages, even compared with citizen participation in other countries. In Latin American and European cities, for instance, the percentage of public expenditure in the total budget decided by citizen participation ranged from 2% to 10%, and in infrastructure expenditure, the percentage ranged from a few percentage to 100% (Cabannes, 2004).

Table 3. MCs’ Participation Activeness in the 2014 Yanjin MPB

<table>
<thead>
<tr>
<th></th>
<th>Niuzhai</th>
<th>Miaoba</th>
<th>Dousha</th>
<th>Zhonghe</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total MCs</td>
<td>32</td>
<td>48</td>
<td>26</td>
<td>37</td>
<td>143</td>
</tr>
<tr>
<td>Total MCs Attending the DDM</td>
<td>32</td>
<td>44</td>
<td>24</td>
<td>36</td>
<td>136</td>
</tr>
<tr>
<td>Attendance Rate (%)</td>
<td>100.00</td>
<td>91.67</td>
<td>92.31</td>
<td>97.30</td>
<td>95.10</td>
</tr>
<tr>
<td>Total Programs Initiated by MCs</td>
<td>32</td>
<td>80</td>
<td>36</td>
<td>32</td>
<td>180</td>
</tr>
<tr>
<td>Proposal Ratio per MC</td>
<td>1.00</td>
<td>1.67</td>
<td>1.38</td>
<td>0.86</td>
<td>1.26</td>
</tr>
</tbody>
</table>

Note: Computed with data from Tables 1 and 2.

Participation Activeness and Quality of Deliberation
In the Yanjin MPB, MCs demonstrated a high level of activeness in participation. The survey used the rating of five-point scale for MCs to report their participation willingness. As the survey revealed, 60.66% of the MCs reported that they were strongly willing to participate, and 30.33% of them were willing to. In addition, 62.30% of them were strongly willing to participate in program execution, and 27.87% of them were very willing (Lin, 2014). In reality, the MCs participated very actively. First, in the four townships, the attendance rate—the percentage of MCs that eventually attended the deliberation meetings—was very high, ranging from 91.67% to 100%. Second, the ratio of program proposing was relatively high, as measured by the average number of programs proposed by each MC. Each MC proposed an average of 1.26 programs, a high number given the rule that each could propose no more than two programs (see Table 3).

Also, in the process of participation the MCs had presented a high quality of deliberation, as we observed in the 2014 practice. In each township, the entire process of the deliberation meeting was carried out orderly; there were intensive dialogue and significant deliberation among the MCs, with other MCs questioning every program, and in some situations there were sharp but polite debates (Ma, 2014). For example, in the deliberation meeting of Zhonghe, 36 MCs attended the meeting, 26 asked questions, and the most active MC even asked questions eight times. Furthermore, for the 18 programs that were deliberated in the meeting, there were 61 questions, meaning that on average each program was questioned 3.39 times (Lin, 2014).

Budget Responsiveness and Citizen Collaboration
The Yanjin MPB have made an encouraging achievement in budget responsiveness, as is shown by the nature of the programs decided by citizen participation. In the four townships, MCs proposed 180 programs. As is shown by Figure 5, 70.00% of those projects were for bridge and road construction and 9.44% were for irrigation facilities. At the end of the deliberation meeting, 56 programs had been chosen, and of those programs, 40 were for bridges and roads and 5 were for irrigation. In other words, 80.36% of the 56 programs are the types of projects
most needed by Yanjin’s rural community (Ma, 2014; Lin, 2014). Yanjin is a poor county located in a highly mountainous area, and visitors may be shocked by its non-advanced infrastructures. Therefore, the decisions made through the MPB were responsive to very urgent needs of the local people. In our survey, 22.95% of the MCs agreed on all of the programs proposed and indeed passed those that reflected local citizens’ concerns, and 45.90% of MCs agreed that most of the approved programs did (Ma, 2014). Thus, this suggests that although 44.76% of the MCs were village-cadres, they had acted on behalf of their villages’ interests.

In addition, the Yanjin MPB practice harvested an unexpected gain. Through the practice of real citizen participation, local citizens had become collaborative with their local governments, a change in the mode of governance that paid off with positive changes for citizens. First, in the four townships, local citizens were willing to personally contribute a large amount of extra money and hours of labor toward executing the programs initiated by the MCs and then chosen in the deliberation meeting (see Table 4). As then county mayor Xiao Li said, this was an unanticipated gain for the government. Before the MPB was instituted, had the government decided to implement such projects, all monies would have had to have come from the government coffer. Second, with the practice of MPB, local citizens rather than public administrators became the major force for program implementation. Formerly, when the government decided to implement infrastructure programs, it would certainly face many tough issues in program implementation. For example, to build a road, land always must be expropriated from farmers, but no farmer wants the road to go through his/her yard, and even if a farmer does agree, he/she is likely to ask for as much compensation as possible. The government therefore has to negotiate toughly with farmers. But now, the government no longer needed to be involved in interest coordination among the relevant social groups, and the villages themselves would work out solutions for such issues. To then Mayor Xiao Li, this was another unexpected gain.

**CONCLUSIONS AND DISCUSSION**

The Yanjin MPB is the third model of CPB in local China. It incorporates the budgetary democratic deliberations of the Wenling BDD, but it performs better than the BDD both in improving inclusiveness of participation and in empowering citizens in the budgeting process. Meanwhile, it has drawn useful elements from the Harbin-Wuxi PSB, such as extending citizen participation to the budget execution stage. Moreover, many additional innovative improvements have been made. For example, it has uniformly applied a double-method to participant selection, and
it has highly empowered its participants. It is because of these enhancements in the participation mechanism that the Yanjin MPB had performed with significant participation effectiveness.

The MPB practice in Yanjin is encouraging for China. In an environment in which local governments tend to be mainly accountable to upper-level authorities (Chan & Gao, 2009), CPB helps make local governance responsive to local citizens’ needs. Even more encouraging, with the practice of CPB like the Yanjin model, the change in the way the local state governs society has transformed local citizens from an excluded passive population to collaborators in local governance. With budget programs having been transformed from government-initiated to citizen-initiated ones, citizens now voluntarily pay extra money into the budget, and they also act to solve the problems that arise in program implementation (Li, 2017). The Yanjin practice holds further implications for improving local governance. If a CPB can be successfully implemented in a poor county like Yanjin, there is no reason it cannot be introduced in any other place.

Nevertheless, the Yanjin MPB, along with the other Chinese CPBs, faces the challenge of sustainability. Until now, CPBs have been introduced into local governance by certain local political entrepreneurs (e.g., mayors) who are capable of winning political support by implanting new ideas into the governance process. However, when there is a leadership turnover, the CPB reform may be terminated (Ma, 2009), as happened with the Harbin-Wuxi PSB. In the Yanjin case, the MPB was suspended during 2016 and 2017, due to a leadership turnover in late 2015. Fortunately, although a new mayor was appointed, former mayor Xiao Li was promoted to be the county secretary of the standing committee of the Chinese Communist Party (CCP). In 2017, Yanjin County resumed its citizen participatory budgeting. And, in 2018 the MPB was carried out in several townships of Yanjin.

Clearly, the experiences of Brazil and other Latin American countries can be informative for China. In some of those countries, national legislation has been enacted to introduce a CPB into local governance. In the future, China is expected to adopt a top-down approach to carry out its CPB reform, first legitimizing CPB at the national level and then promoting CPB in local governance. Politically, there is room for this approach. In the third Plenary Session of the 18th CCP Congress held in 2013, it was proclaimed that China would continue its efforts to develop community-level democracy through widening the channels for citizen participation. Unquestionably, a CPB like the Yanjin MPB is a mechanism that serves the purpose of developing community-level democracy well. Nevertheless, this occurrence is largely dependent upon a window of opportunity.

**REFERENCES**


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**Table 4. Citizen Contributions to the MC-initiated Programs (Unit: ¥10,000)**

<table>
<thead>
<tr>
<th></th>
<th>Niuzhai</th>
<th>Miaoba</th>
<th>Dousha</th>
<th>Zhonghe</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total Expenditures for MC-initiated Programs</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Voted by the Meeting</td>
<td>418.24</td>
<td>255.45</td>
<td>415.20</td>
<td>321.40</td>
</tr>
<tr>
<td>Budgetary Requests for Programs</td>
<td>305.02</td>
<td>230.43</td>
<td>369.30</td>
<td>219.60</td>
</tr>
<tr>
<td>Citizen Contributions to Programs</td>
<td>113.23</td>
<td>25.02</td>
<td>45.90</td>
<td>101.80</td>
</tr>
<tr>
<td><strong>Percentage of Citizen Contribution (%)</strong></td>
<td>27.07</td>
<td>9.79</td>
<td>11.05</td>
<td>31.67</td>
</tr>
</tbody>
</table>

Note: a The table was published in Ma (2014, Table 13) and has been modified and used in this paper with permission. b Labor hours were converted into monetary value in terms of average payment per hour.


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