

Grassroots Consultative Socialist Democracy in China

How is socialist democracy actually practised? By now we have more than a century of concrete examples to study, along with many current examples. In the following I have translated some case studies from a study by Huang Junyao, published in the *Journal of the Zhejiang Party School* in 2016. The concern of the article is grassroots consultative democracy in China. It mentions from the time-to-time the local structures of governance, especially the regional People's Congresses, but these are not the main focus of the study. There are thousands of such studies in China, which analyse actual practices in order to identify their achievements and shortcomings, so as to indicate what can be improved. The study by Huang Junyao frames the analysis in terms of tensions and possibilities between 'embedded' and 'systemic' (or 'bottom-up' and 'top-down') approaches, but I will leave that material out and simply present the case studies.

The key term used in China is 'consultative socialist democracy'. The case studies are of two types: participatory budgeting, and residential sub-district consultations.

The translation follows:

A. Participatory Budgeting

1. Participatory Budgeting in Zeguo Town, Wenling City, Zhejiang Province

a) Types of democratic participatory consultations

There are three main types of participatory budgeting in Zeguo town: voters consulting with each other; democratic consultation on specific topics; and consultation through representative workstations. A sample of locally registered voters are randomly selected by a lottery. That is, the eligible voters are divided into sub-samples according to village (residential area), and the sample is drawn at a specific ratio. To ensure the historical continuity of the participatory budget, 30 per cent of the previous year's consultation delegates are also selected. In addition, 100 representatives from all walks of life are drawn from the town budget review and supervision participation and talent pools. It is worth recognising that the practice of retaining some of the deputies of the previous year, compared with the replacement of all deputies each year, is more conducive to making representatives familiar with procedural rules and improving the quality of consultations.

Democratic consultation on special topics refers to discussing major construction projects undertaken by the government, major issues that are of general concern or strongly affect the public, and important public affairs and public welfare undertakings that involve the interests of the majority of the public. The consultation is convened and presided over by the town government, and the discussion is targeted at voters, professionals and deputies of the People's Congress. Voters and professionals are drawn from the above-mentioned participation database and talent database respectively. The town government, one and a half months before the district People's Congress is held, prepares a consultation project, and provides materials such as a pre-selection plan and feasibility analysis to the participants 15 days before the consultation. At the consultation, the town government introduces the background and content of the project, listens to opinions and answers questions.

Soliciting consultation through representative work stations refers to talking directly with voters in a constituency at a representative work station. For example, consultative budget discussions are convened and presided over by the work station's People's Congress deputies, usually one week before the district People's Congress meeting. Talks include representatives of the district People's Congress, the higher level

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People's Congress, and voters and professionals within the station area. The town government sends officials to attend the consultation to introduce the principles, basis, process and other information of budget preparation and extensively solicit opinions and suggestions.

b) Steps to implement a participatory budget

First, elaborate the draft budget. In October each year, the government begins to compile the next year's budget, including all revenues and expenditures from public finance budgets, government-managed funds budgets and state operations budgets, in accordance with the requirement for full coverage, including details of in terms of category, section, and specific item.

Next, carry out budget knowledge training. The district People's Congress holds a financial budget knowledge training meeting for the People's Congress representatives and voter representatives. Members of the "Wenling Sunshine Budget Propaganda Group" are invited to give special consultation. The town's finance director introduces the budget preparation and the executive deputy mayor explains the arrangements for key projects. The process seeks to promote understanding of the budget draft in depth, and improve budget supervision capabilities.

Third, conduct extensive consultations on the budget. Democratic consultation concerning the income budget mainly focuses on how to divide the budget "cake." Budget consultation on behalf of the representative work stations is organised separately by four work stations. More than 400 people participate in the budget consultations, and each line of the budget is analysed by groups of 10. Two rounds of group talk and two rounds of intensive talk are held to repeatedly discuss and put forward suggestions for revision. In 2014, through democratic dialogue, a total of eight budget items were increased, involving 18.75 million yuan, and seven budget items were reduced or removed, involving 54.7 million yuan.

2. Participatory budget supervision in Shangcheng district of Hangzhou, Zhejiang Province

Since 2013, Shangcheng District of Hangzhou has implemented participatory budget supervision, deliberating on all special funds in the budgets of some departments. The focus of budget supervision has now expanded from the original District Disabled Persons' Federation and District Civil Affairs Bureau to five units.

The process of participatory budget supervision is divided into preliminary preparation, democratic consultation, feedback, follow-up supervision and other steps. In the early stage of preparation, the budget supervision targets are determined, budget preparation plans are submitted (by financial departments), and representatives are organised to learn laws, regulations and budget knowledge. In the democratic consultation stage, the district government and relevant departments first introduce the budget preparation plan, and then the representatives discuss in groups and hold talks with the government and relevant departments. In the feedback stage, the Ministry of Finance gives feedback to the representatives on the adoption of democratic opinions and the reasons for not adopting opinions. In the follow-up supervision stage, the district government lists the budgets of the departments under supervision, submits them to the People's Congress for deliberation, and submits the final accounts to the Standing Committee of the district People's Congress for deliberation.

The key to the town participatory budget is to allow district People's Congress deputies to participate in the budgeting process through democratic dialogue. The democratic consultation organised by the Standing Committee of the district People's Congress requires the district government to answer questions on the spot and adopt reasonable opinions. If a major question is difficult to answer on the

spot, the question must be submitted to the Standing Committee of the district People's Congress within 7 days and feedback given to the deputies.

By March 2015, Shangcheng district's participatory budget supervision had achieved several results. First, the budget preparation of departments was standardised, the budget preparation of special funds of each budget unit was detailed in light of the target, and the details of the fund arrangement were clarified, so that they could be basically understood by every deputy to the People's Congress. Second, through thorough democratic consultation, the government adopted the opinions and suggestions of deputies to the People's Congress for 126 articles, saving a total of 10 million yuan. A cadre of the District Disabled Persons' Federation (an object of budget supervision) also gave a positive evaluation of the participatory budget: "In open meetings on departmental budgets, deputies to the People's Congress may raise crucial issues, and the government must be more prudent in its budget preparation."

3. The Model of Miaoba town, Yanjin county, Yunnan province

In order to effectively manage and make good use of the township financial funds, from 2012 Yanjin County, in Yunnan province, began to carry out a township "participatory" budget reform pilot project. What follows discusses the model of Miaoba town.

The Miaoba model includes five links: representative selection, calculation of quota, democratic discussion (consultation), project evaluation, and budget preparation. In the process of selecting deputies, a total of 50 people (public councillors) were elected for a term of 3 years by means of fixed recommendation (per village), election of household deputies and random selection of deputies. The leading group of county reform organised training for public representatives and working staff, and helped deputies to master the content of budget reform and basic financial knowledge.

In regard to calculating quota, the government determines the project fund plan and the "competitive project approval" project fund plan. The project fund included in the competitive project approval should be more than 30% of the total fund of the budget project every year. Proposals jointly submitted by more than 7 representatives should be included in the government's draft project budget and be submitted to the public representatives for discussion at the forum. Public representatives have the opportunity to propose a certain amount of funding proposals, which is an important feature of the Miaoba model, since it enhances the autonomy of representatives over the budget.

In the process of democratic discussion, meetings are held twice a year to study and decide on the preparation and adjustment of next years' budget. Before each meeting, 25 people are randomly selected from 50 people's representatives to attend the meeting. The budget preparation and reporting group is composed of the mayor, deputy mayors in charge and the finance director, and this group reports to the public representatives on the budget preparation of project expenditure. At the same time, the representative who proposes the project, or the secretary of the general branch of the village (community) that benefits from the project, makes a competitive statement on the project, and the people's representatives put forward opinions, make suggestions or ask questions about the project. The presenter and the mayor, or deputy mayor in charge, will be responsible for explanations.

In regard to project evaluation, on the basis of fully listening to and adopting the suggestions for discussion, each project is put to the vote, and projects approved by more than 2/3 of the participants are regarded as included in the year's expenditure budget and announced. Projects that have not been approved shall not be implemented. If the approved project funds exceed the total amount of the participatory budget project funds, it will be implemented according to the ranking of votes.

In regard to budget preparation, the town government prepares a budget draft based on the items passed by the democratic council and submits it to the town People's Congress or the presidium of the town People's Congress for approval. The remaining funds for the projects that have not been passed will be carried over to the next democratic council to determine the implementation of the project.

It is worth mentioning that it is generally believed that the operating costs of democratic consultation in Wenling is relatively high, and it is difficult for underdeveloped areas to imitate this process. However, Yanjin in Yunnan, as a relatively undeveloped mountain county, has also explored an appropriate participatory budget model in recent years, which shows that the problem of economic cost is not insurmountable.

4. Comparison of Case Studies

Through the description of these case studies, we can identify some similarities in participatory budgeting, with implications for grassroots governance. In relation to the system of governance, participatory budgeting usually takes place at an administrative level or in a governance unit, which is helpful for straightening out the relationship between horizontal governance units – such as the supervision of the government by the People's Congress and the coordination between the People's Congress and financial departments. However, it has little spillover effect on the vertical governance level and seldom produces multi-layer linkage. In the governance process dimension, the integrity of participatory budgeting processes is valued everywhere, and communication and response mechanisms are improved in a consultative democracy. In the governance outcome dimension, participatory budgeting helps to standardise the rational use of financial funds, strengthen the responsibility of the government, and cultivate and shape the public spirit of the people.

For grassroots consultative democracy, the above cases show the characteristics of an “embedded” development path, that is, the consultation mechanism does not have an independent role, but is embedded within the existing working system in order to obtain the resources for initial development and continuous promotion. The key point of “embedded” development lies in the combination of governance system and consultative mechanism. For example, participatory budgeting has become a precondition for the budget review of grassroots People's Congresses, and the concept and technology of consultative democracy have been embedded into the functional mode of the system of People's Congresses. This has not only improved the effect of grassroots governance, but also provided institutional impetus to consultative democracy.

At the same time, participatory budgeting practices vary in form and degree from place to place.

First of all, from the perspective of production time, the participatory budget of Zeguo is more pioneering, while the cases of Shangcheng District and Miaoba town may be related to the political atmosphere after the 18th National Congress of the CPC, in which the central government strongly affirmed consultative democracy.

Second, with public participation as the orientation, Zeguo generated participants from all walks of life through “random selection + classified selection,” especially professionals. In the Miaoba model, people's representatives are mainly elected. Although the balance between regions is taken into account, the majority of the representatives are concentrated at the elite level of the village. Shangcheng district limited the participants to People's Congress deputies.

Third, in addition to Zeguo's deliberate introduction of foreign technology for practising consultative democracy, Shangcheng District still adopts the traditional consultative method, and the Miaoba model

adopts the traditional consultative + vote method, which indicates that at a grassroots level, people attach more importance to the implementation of the consultative procedure rather than the application of consultative technology, and this may become an important factor affecting the outcome of the consultation. The above comparison also reflects the differences in understanding of consultative democracy at the grassroots level.

B. Street Sub-District¹ Consultations

These case studies are drawn from specific village-like residential sub-districts three areas: Yuhang district in Hangzhou province, Pengzhou city in Sichuan province, and Linhai city in Zhejiang province. In this case, the presentation is more schematic. The names of street sub-districts appear in the text.

1. Yuhang “street sub-district consultation meeting”: the basic framework

Since 2013, Yuhang District in Hangzhou has implemented the democratic consultation and meeting system in its street sub-districts, and its Cangqian street sub-district trial is the first in China. Street sub-district consultation and discussion meetings constitute a mass, non-decision making consultative democratic method. It is under the leadership of the street sub-district Party work committee. Street sub-district Party members and mass representatives discuss street sub-district development matters, and participate in democratic management in accordance with relevant rules of discussion, procedures, and requirements – for the sake of implementing a work supervision system. The main tasks it undertakes are as follows: actively publicising and implementing the Party's line, guidelines, policies and state laws and regulations; listening to and discussing the annual work reports, financial budgets and final accounts of the sub-district Party working committees, its offices, working committees of the district People's Congress; listening to and discussing the sub-district Party construction plans, development plans, annual plans and major construction projects, etc., and putting forward opinions and suggestions; participating in the democratic evaluation and supervision of three groups of street sub-districts and their members, and putting forward work suggestions; hearing reports on the implementation of representatives' comments and suggestions; listening to and discussing other important matters of the street sub-districts. There is also a corresponding operating mechanism to refine the work of consultation and deliberation.

The consultative meeting, generally held 1-2 times a year, is convened and presided over by the street sub-district Party working committee. The term of office of a delegate in the consultative meeting three years in some districts and may be renewed; some provisions allow 5 years, with district committees or street sub-district Party work committees having consistent terms of office. The number of delegates is determined according to the actual conditions of each street sub-district. The composition of delegates requires taking into account region, age, occupation and other factors, and includes assigning a certain number of deputies to administrative units, floating Party members, and outsiders. Party deputies, deputies to the People's Congress and members of the Chinese People's Political Consultative Conference (CPPCC) at and above the district level, who are usually located in their own sub-districts, are ex-post delegates.

2. Governance functions of street sub-district consultation and discussion meetings

¹ The Chinese term used here is *jiedao*, which designates a village-like residential district in a city, with access from the street. These are common throughout China and form the most grassroots level of social life and governance. The term is translated as ‘street sub-district’ [Tr.].

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In light of the main tasks of the street sub-district consultation meeting, one can see that it is tasked with specific functions in the governance system. The first is to review the year's work. Taking Cangqian Street as an example, the first consultation meeting was held in January 2013. The delegates listened to the work report delivered by the secretary of the Party Working Committee and the director of the Working Committee of the People's Congress, reviewed the 2012 Financial Final Accounts and the 2013 Comprehensive Financial Budget report, and had group discussions. The delegates put forward many opinions and suggestions about the new local rural development ideas, small and micro enterprises, construction of schools, protection of Taiyan culture [*reference to a local champion of the Chinese culture of resistance to foreign forces], and the development of characteristic industries.

The other is cadre debriefing appraisal. In the democratic consultation meeting of Cangqian Street in July 2014, the public appraisal of middle-level cadres in the street sub-district and the semi-annual evaluation of social satisfaction were conducted. Xingqiao street also has a similar debriefing approach. The combination of consultation meetings and government performance evaluation is conducive to the establishment of social accountability mechanisms. As one cadre said: "As the leader in charge, you have to answer questions from the delegates. The leader in charge is under a lot of pressure. Once in XX Street, the representative put forward the issue of migrant workers' children going to school, asking what work the government had done in terms of planning? The leader in charge felt the pressure and undertook the task."

The third is consultation and discussion of special topics. In November 2013, Cangqian Street held its first consultation meeting on "employment." In advance, the street sub-district Party committee carried out training, research and other preparatory work, issued a draft document, "Opinions on further strengthening labour employment and implementing labour re-employment (draft)." At the meeting, the secretary of the CPC Working Committee explained the "Opinions" in detail, and the representatives put forward many proposals and suggestions on issues such as "asymmetric employment information" and "challenges facing the skilled training mechanism." The street sub-district leaders answered on the spot. After the meeting, the street sub-district Party committee went through the summary of opinions and suggestions, and revised the document. Yuhang district will continue to deepen consultation on specific topics, establish a mechanism of pre-event thematic consultation, democratic participation in the event, and post-event performance evaluation, and require towns (street sub-districts) to arrange consultation on specific topics at least three times a year.

The actual governance effect of the street consultation meetings is remarkable. In 2013, a total of 466 opinions and suggestions were collected from all street sub-districts in Yuhang District, and 100% of them were processed and feedback given. In the processing of some engineering projects, the street sub-district committee adopted the representative's suggestion to produce work plans as early as possible so as to avoid possible conflicts.

3. An analysis of consultative democratic practices in the street consultation meetings

a) Doubts concerning consultation

Some still have doubts concerning consultative democracy in street sub-district consultative meetings. In terms of the composition of consultation delegates, some street sub-districts clearly stipulate that Party members shall comprise the main body of representatives, with a proportion of not less than 70%. A method of random selection, similar to Zeguo town [see above], is often not adopted for the determining representatives, and traces of political arrangement are obvious.

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Some officials admit that they have regrets concerning the question of the representative nature of meetings, but they stress the need to strengthen their structure and quality. Otherwise, the quality of consultations may be not high, and the process of consultation may be easily manipulated by Party and government departments. In the design of the consultation system, there is still a lack of clear provisions on the application of consultation results. There is some scepticism about the effectiveness of the negotiations, whether by policymakers or bystanders.

b) Internalising consultation processes

Among the 932 street sub-district representatives in Yuhang district, 781 are front-line representatives, accounting for 83.8 percent, except street sub-district cadres. At the same time, a "1 + X" model of consultation among deputies has been established, in which ordinary Party members and the general public may be invited to attend both mid-year and annual consultative meetings, and experts, scholars and stakeholders groups may be invited to participate in consultations on specific topics. The "1 + X" mode reflects the openness of the consultative process.

In terms of consultation topics, Linping district and Donghu sub-district of Yuhang district have formulated catalogues of democratic consultation and discussion, which divide and detail the work tasks of consultation and discussion meetings. Basically, all of them are important public affairs within the scope of the street sub-district, ensuring publicity of the discussion topics.

In terms of the consultation mechanism, the sub-district requires the democratic consultation meeting or consultation on special topics to follow standard procedures. For example, the convening of an ad hoc consultative meeting is studied collectively by the sub-district leading group for democratic consultation and deliberation or jointly proposed by more than 1/5 of the representatives; the street sub-district Party committee ensures that annual performance appraisals are submitted to the democratic consultation meeting system, follows up with suggestions arising from the appraisal, and so on.

In the process of negotiation, a certain degree of equality is also shown. Consultations take the form of round-table meetings, where the street sub-district officials communicate with representatives face to face, and the street sub-district committees must respond to suggestions one by one.