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Deliberative democracy at China's grassroots: Case studies of a hidden phenomenon

Jonathan Unger

*Australian National University*

Anita Chan

*University of Technology*

Him Chung

*Hong Kong Baptist University, himchung@hkbu.edu.hk*

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## **Deliberative Democracy at China's Grass Roots: Case Studies of a Hidden Phenomenon**

**Jonathan Unger, Anita Chan, and Him Chung**

### ***Abstract***

Dictatorial China contains vivid examples of deliberative democracy on issues vital to local participants. In our case studies, collective decisions were arrived at based on modern Chinese egalitarian beliefs that may not apply to other countries. One is a 'moral economy' element rooted in aspects of China's prior socialist era. But our case studies also contain three elements that are relevant to programs of deliberative, participatory decision-making elsewhere in the world. First, the Chinese examples have all occurred within longstanding communities. Second, the members of these communities have faced concrete issues of a type that they felt they had the knowledge to resolve. And third, all of these communities had access to institutional frameworks established from above that the local populace could utilize as deliberative forums.

Most of the research and analyses regarding deliberative democracy have focused on democratic countries. In a book that Jan Elster edited about deliberative democracy, he defines it as "decision-making by discussion among free and equal citizens",<sup>1</sup> and at first sight we might presume such deliberations are rooted in an open and democratic society. In line with this, a book on deliberative democracy edited by Archon Fung and Erik Olin Wright focused on four case studies around the world: neighborhood-based deliberations in Brazil over a municipal budget; deliberations by neighborhood councils in Chicago over policing and public schools; multi-stakeholder deliberations in the U.S. to protect endangered species; and village-level

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<sup>1</sup> Jan Elster, ed., *Deliberative Democracy* (Cambridge: Cambridge University Press, 1998), 1.

deliberations in Kerala, India, to promote equitable development.<sup>2</sup> All four of these types of local deliberative forums were established by progressive government bodies which believed in extending democratic principles by empowering participatory governance.

China seems an unlikely candidate for such initiatives at the grass roots. Yet, against what many might believe, autocratic China contains vibrant examples of deliberative democracy, which has been implemented among a far greater part of the populace, at their own initiative, than is true for most other parts of the world. In point of fact, as will be seen, within the past quarter century a majority of China's rural population have experienced deliberative democracy at the grassroots.

In this article, we will provide interesting examples of deliberative democracy hidden from public view in rural hamlets, within so-called villages-in-cities (*chengzhongcun*), and within the factory walls of some of China's state-owned enterprises. During research trips in China, we have come across deliberative democracy in these three types of locales, sometimes involving issues of crucial importance to participants. They entailed deliberative democracy in its strongest form, where deliberations by all concerned directly determine important decisions, not merely provide an indirect influence.<sup>3</sup> Yet above the grass roots level, as will also be observed, China provides infertile ground for participatory or democratic procedures. The wider public sphere is bedeviled by controls over association, advocacy, and expression, and little space exists there for non-official deliberative inputs or autonomous associational life.

In the article's Conclusion, we will propose several key factors that we believe – generally, for communities worldwide – enhance the potential for deliberative democracy, even in countries that do not practice electoral democracy at a national level or embrace civil liberties.

### *Deliberative Democracy among Farmers*

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<sup>2</sup> Archon Fung and Erik Olin Wright, eds., *Deepening Democracy: Institutional Innovations in Empowered Participatory Governance* (London: Verso, 2003).

<sup>3</sup> Our examples of deliberative democracy thus are significantly different in nature from those discussed in an excellent recent article about what its authors call “authoritarian deliberation” in China, in which “most practices combine a high degree of government control of the agenda with either consultation or deliberation”. Baogang He and Mark E. Warren, “Authoritarian Deliberation: The Deliberative Turn in Chinese Political Development,” *Perspectives on Politics* 9, no. 2 (June 2011): 278.

The most widespread examples of deliberative democracy in China are to be found inside villages. We are not referring to the elections for village head that were mandated by China's 1988 Organic Law on Villagers Committees. Only a minority of these elections operate in a legitimately democratic fashion, and even that minority rarely involve deliberative practices. Rather, we are referring to groupings that lie below the level of a village, the 'villager small groups' (*cunmin xiaozu*).

These villager small groups were titled 'production teams' during the period of Mao-era collective agriculture. At that time, 15-50 families were members of a production team and owned the land as a group, worked the land together, and divided up the harvest yields in kind and cash each year based on how much labor each family had contributed. Subsequently in the early 1980s, in the early years of Deng Xiaoping's rule, when the land was divided up among families to farm independently, this was normally done on a *per capita* basis: a family with six members received twice as much land to cultivate as a family of three.<sup>4</sup> But they did not receive legal ownership of this land. That is, the villager small groups have continued today to own the agricultural land in most parts of China, while their member families hold a right to cultivate the land apportioned to them without any rental charge. Surveys in China have shown that most farmers have preferred this system rather than a system of private land ownership. For example, a 2004 survey by Chinese researchers of 306 farm families, spread across 40 rural counties in Anhui province, found that 71 percent of the respondents favored retaining what the Chinese author referred to as "land cooperatives", while only 7 percent opposed this.<sup>5</sup>

One salient reason is that the de-collectivization of agriculture and the return to family farming created a dilemma for many households. They found they faced a shortage of land as children were born and their family grew. They and fellow villager small group members turned to an unusual solution. One of the authors headed a research project that carried out a

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<sup>4</sup> Jonathan Unger, "The Decollectivization of the Chinese Countryside: A Survey of Twenty-eight Villages," *Pacific Affairs* 58, no. 4 (Winter 1985): 585-606.

<sup>5</sup> "Nongmin dui nongdi zhidu gaige de renzhi—jiyu Anhui sheng nonghu diaocha ziliao fenxi (Farmers' Sense of the Agricultural Land System Reforms—Analyzing the Materials from a Survey of Anhui Province Farm Households), *Zhongguo Nongcun Jingji* (Chinese Rural Economy), no. 7 (2005): 46. Similarly, in a 1994 questionnaire survey of 800 farm families in eight counties spread across China, only 14% of the respondents declared they preferred permanent land ownership rights to be held by each household. Fully 65% favored periodic land reallocations to redistribute plots to families that had grown in size, and only 19% were opposed. James Kung and Shouying Liu, "Farmers' Preferences Regarding Ownership and Land Tenure in Post-Mao China: Unexpected Evidence from Eight Counties," *The China Journal*, no. 38 (July 1997): 45-48.

questionnaire survey in 2008 of 476 villager small groups spread across 57 of Anhui Province's rural counties.<sup>6</sup> The survey revealed that fully 452 out of the 476 villager small groups—that is, 95% of all the groups—had *reallocated* the fields among families at least once since 1984. Even more striking, about three-quarters of these land distributions were carried out explicitly in order to re-equalize landholdings on a *per capita* basis. In short, these land reallocations are decided upon by villager small groups (as will be seen, in a process of deliberative democracy) in order to provide extra land for families that had expanded in size through births or weddings, while families that had decreased in size through deaths and the departure of daughters into marriage lost land.

Farmers as a group have turned to this solution due to their prior experience as production team members, when there had been mechanisms to guarantee the subsistence needs of households throughout the family cycle. Households in that earlier period under Mao had been assigned small plots (*ziliudi*) near their homes on which to grow vegetables for their own consumption, and the size of these plots expanded and contracted each year as families added and lost members. Villagers who had become accustomed to their production teams making these economic adjustments in order to balance out the economic stresses of the family cycle were favorable to continuing such adjustments in the current period, albeit in a different form. In doing this, they have been bucking the Chinese government, which opposes such land reallocations and has passed a law outlawing them. Nonetheless the land reallocations quietly continue.

Notably, this is one of the few ways in which villager small groups have acted cohesively as communities in the decades since household farming commenced. Now that farming was carried out on relatively small plots, large machinery sometimes was left to rust rather than be shared among families, and farmers almost never organized themselves into informal purchasing or marketing cooperatives in order to gain advantages in the market. Yet a large majority of them have engaged in land reallocations, which are very difficult to carry out and which create

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<sup>6</sup> The results of this survey are discussed in detail in Sherry Tao Kong and Jonathan Unger, "Egalitarian Redistributions of Agricultural Land in China through Community Consensus: Findings from Two Surveys", *The China Journal*, no. 69 (January 2013). Some of the wording in the following several paragraphs is borrowed from that paper.

winner and losers in each villager group. A lot of families obviously felt a lot was at stake here for their household economy, enough to overcome a reluctance to otherwise act as a community.

These reallocations of land are decided upon democratically. Our 2008 Anhui survey asked how the most recent land reallocation for household demographic reasons had been decided. Our data show that when the most recent land redistribution was proposed, 68 percent of the villager small groups required a vote of popular consent at an assembly of all of the small-group households. According to interviews that accompanied the survey, the usual scenario was that as pressures built among some expanding families for a new reallocation of fields, they called upon the villager-small-group head to convene a villager-small-group assembly. This normally was held at the group leader's home during the winter, before the spring planting season. One representative from each household was invited to participate in the often lengthy discussions and vote. Often an assembly was convened during the Chinese New Year when the village's migrant workers were home for the holiday, so that they could share in the decision making. The Anhui survey statistics show that, on average, a three quarters vote of approval (precisely 74.87% in the survey statistics) was needed in the small-group assemblies before a land reallocation could be approved. In practice, some groups strove for an even greater degree of consensus. Several interviewees reported that if, after lengthy discussion, unanimity could not be reached at the meeting, a second long meeting was held, and if need be a third meeting, until an overwhelming consensus or unanimity was reached.

Efforts to persuade the families who would lose land often hinged on the argument that the land reallocations favored different families at different times in keeping with the family cycle, and that those who would now lose land had gained land at a previous reallocation or would regain land at a future time when in greater need of it. In many cases, villager small groups established schedules for future land redistributions as a guarantee that today's losers would be future winners.<sup>7</sup> The persuasion was sometimes reinforced with appeals to equity: that it was the right thing to do. As a survey respondent noted in 2008, "As the population changes, it's reasonable (*heli*) that after several years a land reallocation will assure that everyone has land". A second respondent observed, "Local people still consider that having reallocations is a

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<sup>7</sup> In the 2008 Anhui survey, 40% (187 out of 475 villager small groups) reported that they redistributed land at fixed intervals.

necessity, that it's a principle of being fair and reasonable (*gongping heli*), to resolve poverty, and to be appropriately caring”.

These and similar comments were in line with a ‘moral economy’ perspective. The term, coined by E. P. Thompson, relates to a situation where a group of people, when challenged by changed economic circumstances, look back to the moral order and practices of a previous period and insist that these values should guide current decisions, particularly in terms of guaranteeing their subsistence needs.<sup>8</sup> In keeping with this, families in need of land could rely upon a consensus within the villager small group that the old spirit should prevail of guaranteeing subsistence needs throughout the family cycle.

Over time, as China's economy has undergone an enormous transformation, the incidence of land redistributions has declined. Our Anhui survey statistics show that between 1996 and 2008, only 33% of the villager small groups reallocated land in order to provide more land to growing families. A major reason for this decline is that far higher numbers of young villagers have been leaving the countryside to take up work in factories and construction sites in urban areas. In many villages, this means a lower dependency on agriculture, and separately, with less labor available in villages, it also means less population pressure on the land.<sup>9</sup>

In line with these trends, only 16% of the group heads in the survey believed their groups would reallocate land during the next ten years, 45% believed their groups would not, and 38.5% answered they didn't know. But at the very same time, 85% of the small group heads declared their own personal support for continuing to carry out land redistributions. One of them saw it as a matter of promises and fairness and explained that some villagers had given up land in previous reallocations in the expectation that they would regain land during a future reallocation. Others noted that the long-term or permanent departure to the cities of migrant workers upsets the land balance in villager small groups, necessitating new land redistributions. Others saw an ongoing

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<sup>8</sup> E. P. Thompson, “The Moral Economy of the English Crowd in the Eighteenth Century”, *Past and Present* 50, no. 1 (1971): esp. 78-9.

<sup>9</sup> Two sets of regressions tested whether work migration was the most salient factor in the reduction of land redistributions during the post-1995 period. With both sets of regression analysis, the results show a significant association (statistically significant at a 5% level) between work migration and a lower incidence of land redistributions.

need for a safety net for migrant workers who might lose their factory jobs and have to retreat back home: as one interviewee explained, “In our small group, we’ve never had a case of anyone who’s gone out and then came back and didn’t get a share of land”. A number of group heads also noted a recent upsurge in a desire to farm. One observed, “Since the Party Central Committee and State Council abolished the agricultural tax [in 2006] and implemented a policy of agricultural subsidies, in my small group some of the households that have added members have urgently sought to increase their landholding.”

In light of this, even though the practice of land reallocations has declined it might not entirely fade out as the rural economy continues to change. What occurs in future will depend on the consensus of opinion in villager small-group assemblies after lengthy deliberations. Moreover, as other types of important issues arise that affect the villager small groups, their members can be expected to continue to assemble to thrash out decisions through democratic deliberations until consensus get reached. To date, the small-group assemblies continue to be the most widespread example of deliberative democracy that affects the largest number of people anywhere in the world. First within production teams and then under the new title villager small groups, these grassroots assemblies of neighbors and fellow joint property-holders have been held for some five decades, and there is no reason to believe they will not continue to convene in decades to come.

### *Deliberative Democracy (and Resistance) in an Urbanized Village*

In some parts of China, as the rural areas near cities industrialize or become absorbed into the expanding urban landscape, the land and residences of villager small groups get requisitioned and the farmers are left with inadequate compensation. In some other parts of China, though, the villager small groups get to keep much of their land during industrialization or urbanization—and their members often benefit greatly in the process. This is often the case in Guangdong Province in southern China, though it can also be found in other important regions in China.<sup>10</sup>

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<sup>10</sup> For instance, Beibei Tang of the Australian National University has discovered this to be the case in urbanizing villages in the major city of Wuhan in central China and also in the city of Shenyang in Manchuria. Sally Sargeson, also at ANU, has had similar findings for the villages she has studied in coastal Zhejiang Province in the Yangtze region.

This retention of collective landholdings is a normal state of affairs in Guangdong's Pearl River Delta, one of the core areas of industrial globalization and the source of much of the merchandise that fill our stores. There, villages often remain in place as residential communities while factories and worker dormitories get built on their agricultural land. To maximize income, the villager small groups often (though not always) have combined their landholdings at the village level in order to possess a stretch of land large enough to convert efficiently into an industrial zone. They also normally transform themselves into shareholding property companies, Inc. By doing so their land becomes less vulnerable to a take-over by higher-level authorities. But these so-called companies are really rural-style collectives in disguise. Much as they did in the villager small groups, each villager owns a share in the company. Each receives dividends each year from the collective property, sometimes amounting to more than the annual incomes of middle-class urban households.

The village-level 'companies' are supposed to hold large shareholder meetings to determine company policy and decide on the company's directors, but normally such meetings either do not get held or have no or little influence, and rarely appear to involve deliberative democracy. The reason is clear. By shifting ownership of the land upward from the villager small groups to the village as a whole, the arena has moved from one without a preexisting power structure, where neighbors can meet together to make decisions, to a level that is controlled by a village Communist Party secretary and an organization of village officials. As a dominant presence, they almost always simultaneously serve as the CEOs and directors of the village property companies. Given their stake in this property, ordinary villagers have a good reason to try to protect their interests by bringing informal collective pressure, sometimes successfully and sometimes not, on the leaders of the village/company. In an industrialized village in the Delta that two of this paper's authors have studied, community social pressures—the power of opinion—succeeded in keeping the leaders from overly feathering their own nests to the detriment of the community.<sup>11</sup> In some other cases, in the Delta region, villagers must resort to hostile protests in order to exert community influence over their collective property.

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<sup>11</sup> Anita Chan, Richard Madsen, and Jonathan Unger, *Chen Village: Revolution to Globalization* (Berkeley: University of California Press, 2009), Chapters 13, 14, 15.

When villages in Guangdong that stood at the edges of Guangzhou and Shenzhen were absorbed into these two expanding mega-cities, a similar process of combining collective land at the village level and retaining private village residences got played out. One such village-in-the-city is called Xinxiang.<sup>12</sup> The residential district of the village remained untouched as Guangzhou expanded around it. Not long after, the villagers entrepreneurially knocked down their homes and privately erected cheaply built 5-to-8 story apartment buildings that flagrantly violate urban safety and building codes. They have crowded large numbers of migrant-worker tenants into these profitable firetraps.

This is not their only source of income. While Guangzhou's government requisitioned much of the village's agricultural land to create streets and urban neighborhoods, the village shareholding company was given enough compensation to convert the village's remaining agricultural fields into valuable urban real estate. Xinxiang today lies close to Guangzhou's new central business district, and in 2011 the shareholding company's diverse properties and businesses generated profits of about 200 million RMB (about US\$30 million), much of which got distributed to the 4,000 native villagers.

But some of the local villagers of Xinxiang complained of a lack of accountability and transparency by the shareholding company's leaders, who are simultaneously the village head and village Party secretary. By official regulation, the shareholding company, in which each villager holds one share, is supposed to hold leadership elections every three years, but no election has ever been held. With control over a great deal of money, the company/community leadership has entrenched itself in a self-perpetuating, powerful position. The feeling of distrust came to a head when Xinxiang's residential area became ripe for redevelopment.

By the mid-2000s it no longer made financial sense to retain cheaply built slum-like apartment buildings in the village's residential area. Far more money could be earned by converting the area into towering office buildings and high-rise apartment complexes for Guangzhou's well-to-do. In 2007, the Guangzhou city government proposed this to Xinxiang.

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<sup>12</sup> Xinxiang is one of four case studies presented in Him Chung and Jonathan Unger, "The Guangdong Model: Collective Village Land, Urbanization, and the Making of a New Middle Class", *China Perspectives*, no. 3 (September ) 2013.

Discussions almost immediately broke out among villagers. Many of them were wary about giving up control over their own private rental incomes and becoming more dependent upon a shareholding company leadership that they distrusted. A small crowd of villagers demonstrated at the village entrance, demanding that the shareholding company publicize its financial records and consult with the villagers on the impending redevelopment.

The dispute between the company and these villagers led the city government to intervene. Under pressure, the shareholding company partially capitulated. It released the demanded information and organized three household surveys starting in 2009 to elicit opinions on redevelopment. For each, a detailed questionnaire and updated redevelopment plan was sent to each family.

This was followed by two large open forums for villagers to speak their minds, attended by all of the company leadership. In a display of deliberative democracy, at both of these meetings the villagers engaged in lengthy discussions. A number of speakers said that they wanted to continue to collect rents themselves directly from tenants. They had no objection to building a large number of large fancy apartment buildings, but they proposed that a cluster of the new apartments should be handed over to each family. The owner could live in one apartment and personally rent out the others. Some of the speakers suggested a formula that they referred to as “inch-to-inch rehousing”: for each square meter of apartment space they currently owned, they wanted to control an equal amount of apartment space in the new buildings. It became clear to both the company leadership and the participants by the end of these meetings that this option had gained the most support and was emerging as a community consensus. The company gave in and major amendments were made to the redevelopment plan. The company guaranteed ‘inch-to-inch rehousing’.

Ultimately, only 24 households out of more than a thousand refused to sign an agreement for redevelopment and obstructed demolition of their buildings. They were sued by the shareholding company for damaging the collective interest of the village, and a court in 2011 decided entirely in favor of the company. The court gave special weight to the fact that the ground was collectively owned and that the company could demonstrate it was acting as representative of the great majority of villagers.

As of 2014, 22 enormous buildings ranging from 35 to 51 stories are being built on the quarter square kilometer site. Some are office buildings and some are residential towers containing 4,258 luxury apartments. Ownership of all of this property will belong to the collectively-owned shareholding company, including all of the apartments, but the native villagers will individually control and rent out the apartments, and they will be able to pass this control and income to their descendants. The rule is that they cannot ever sell control over any apartment to a non-native villager. The villagers support this ultimate retention of company/collective village ownership. The popular sentiment is that what remains of the village territory is ancestral and inviolable, and should be so in perpetuity. It is not to be sold for commercial gain; it is theirs forever, collectively, as a group.

This preference might seem surprising, given that a private property market is the norm in urban China today. But the village land since the mid-1950s has been collectively owned, for far longer than most of the villagers can personally remember, and they accept and feel comfortable with the idea. It is a specific heritage of the Maoist period that resonates with their feelings of community.

This feeling is also influenced by lineage traditions in south China. Xinxiang has four lineage groups and traditionally contained five lineage halls. As part of the property redevelopment, the village property company is paying to construct five expensive new lineage halls, with handmade Qing dynasty-style bricks and intricate handcrafted ornamentation. These are being built to honor village tradition and as a public assertion that Xinxiang is sacred ancestral land. The old nondescript village temple has been declared a heritage site and will remain untouched. It and the ancestral halls sit on extremely valuable land, devoted to totally non-commercial purposes. This is not what an ordinary profit-seeking company would do. Rather, the company directors/village leaders are bending to the will and beliefs of the populace.

Deliberative democracy had won the day, both through informal discussions among villagers and formal open forums. Collective shareholding property companies such as this, of which there are many tens of thousands in China, provide vehicles for an upsurge of popular will and of deliberative decision-making at crucial points of time.<sup>13</sup> This is in line with the practices

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<sup>13</sup> As just one example, at a second of our village-in-the-city fieldwork sites, named Liede, a similar dispute over redevelopment erupted, and it was resolved in 2007 through a similar set of lengthy intensive discussions at

of the village companies' predecessors, the villager small groups. In Xinxiang, the native villagers can anticipate that future important junctures at which decisions must be made will also be subject to grassroots pressures and sometimes may lead to deliberative assemblies.

*Deliberative Democracy in a State-owned Enterprise*

The best organized and most extensive single instance of grass-roots deliberative democracy in China that we know of was implemented at a prosperous state-owned distillery in a large inland city. It is not a local "model" factory, and there was no effort by Chinese authorities to steer us to it.<sup>14</sup> During four months of interviewing at this enterprise in 2002-04, two of the authors secured in-depth oral histories from over five dozen of the distillery's employees and retirees during more than a hundred long unsupervised interviews. The distillery had prospered after China opened the door in the 1980s to a market-driven economy. Interviewees recalled that intense deliberations occurred in 1994 after the distillery's leaders decided to use some of the profits to construct a new housing estate to accommodate about a third of the plant's thousand employees.<sup>15</sup> At that time, most of the employees still lived in rundown housing scattered across the city. In some cases, three generations of a family were packed into one or two small, dank rooms, without any kitchen space or nearby tap water. When the proposed construction was announced, there was an atmosphere of excitement among employees, as well as anxiety as to who would be able to secure an apartment.

In line with national government policy as of the mid-1990s, the new housing estate's apartments would be sold to employees at a price lower than the market rate. A vital issue centered on who would be given priority to obtain one of these brand-new apartments. And among those fortunate employees, who would be given the opportunity to purchase the best, largest apartments? Seeking to avoid favoritism, the national regulations stipulated that a point

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meetings, where a grassroots consensus became evident and prevailed. There, too, it was decided to provide 'inch-to-inch rehousing' and collective company ownership of all property.

<sup>14</sup> We were granted access to the enterprise through the efforts of a Chinese academic who sits on its board of directors.

<sup>15</sup> This episode has been discussed previously in Jonathan Unger and Anita Chan, "The Internal Politics of an Urban Chinese Work Community: A Case Study of Employee Influence on Decision-Making at a State Owned Factory", *The China Journal*, no. 52 (July 2004): 1-24. Much of the wording in the following pages regarding the distribution of apartments derives from that earlier paper.

system based on transparent criteria should be devised at each enterprise. These regulations emphasized the principle of work seniority by stipulating that a point should be given for each year spent at an urban job. Beyond this, an enterprise could choose to grant extra points for high educational credentials, for instance, or for occupational rank or for holding a leadership post.

A 16-member preparatory group was appointed by the distillery's director, including 13 representatives from various sections of the company, and the group went out across the city to investigate how other enterprises had formulated their policies. They discovered enormous variations. At some firms, the top leaders were to be credited with only one extra point, and engineers only half a point, which paled in significance alongside the point credited to employees for every year they had worked. At some other factories, though, factory leaders were being credited with 20, 30 or even 40 extra points. One of the members of the distillery's investigative group recalled in a disapproving tone, "That's how those factory heads were able to secure excellent housing for themselves; they'd just add, add, add".

Even while the investigations were underway, a few of the distillery's managers were talking over ideas that would have favored precisely this outcome. The enterprise director had appointed himself and the eight deputy directors to serve as a nine-member "housing allocation leadership group", and several of them privately proposed that a substantial number of extra points should be given for technological skills and management rank, even for newcomers to the enterprise. It was also proposed that one of the apartment buildings should contain particularly large apartments with three bedrooms, to be reserved for senior management and the most senior technical staff. All of the apartments available to ordinary employees, which would be limited in number, would contain only two bedrooms.

Rumors about these proposals rapidly spread, and set off alarm bells. Nothing was more important to the employees than a chance, which might never come again, to obtain a new subsidized apartment, one that they would be able to pass on to their children and grandchildren. They had never possessed anything of value, and everything hinged on this opportunity.

A small group of middle-ranking managers who had entered the distillery in the early 1970s as workers drew up a petition protesting against the rumored proposals and asking that the main criterion be length of service at the enterprise. Large numbers of ordinary workers signed it,

alongside most of the production workshop heads and foremen and older white-collar staff. An old Party member and decorated army veteran recalled to us his own feelings at the time: “Why should only you leaders live in high-class housing? [He loudly knocks on the table to emphasize his point]. How about us workers? Why shouldn’t we live in high-class housing also? It should all depend on how long you’ve contributed to our enterprise.”

He and most of our other interviewees turned to a ‘moral economy’ point of view to bolster their argument. But it was not the normal type of ‘moral economy’ argument that was being heard among Chinese state-enterprise workers during the 1990s. At that time, quite unlike the distillery, many state enterprises were doing poorly financially, and the government instructed that they could downsize their workforces and lay off large numbers of workers. Throughout China, such workers responded by appealing to the official rhetoric of the prior Maoist era, which preached that workers were the masters of the country and that a debt of gratitude was implicitly owed to them, especially the older ones. This notion was also remembered and taken to heart by workers at the distillery in the 1990s, and they made strategic use of it. But they took a very different moral-economy tack. Rather than express a nostalgia for the Maoist period, as workers threatened by layoffs elsewhere in China did, the distillery employees argued that they had patiently lived in bitter poverty and deprivation throughout the Maoist period that they had worked themselves to the bone decade after decade for the good of the enterprise and country, and that they themselves had built up the distillery. Using rhetoric of the earlier time, they said that the distillery’s leaders were morally duty-bound to grant them favored treatment in the present day. They anticipated that the enterprise director would accede to their view.

E.P. Thompson devised the term ‘moral economy’ in a paper analyzing food riots in 18<sup>th</sup> century urban England, in which “the men and women in the crowd were informed by the belief that they were defending traditional rights or customs .... An outrage to these moral assumptions, quite as much as actual deprivation, was the usual occasion for mass action”.<sup>16</sup> James Scott extended this moral economy concept to pre-capitalist Southeast Asian villages, which were tightly bound social communities. In Scott’s portrait the moral-economy perceptions held by poor farmers often had proved effective without any need for violent protests. Through the

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<sup>16</sup> E. P. Thompson, “The Moral Economy of the English Crowd in the Eighteenth Century”: 78-9.

pressure of opinion in the community, the richer farmers and landlords had felt constrained to meet the poor majority's notion of economic justice by acting in a redistributive fashion through charitable acts, or through lowering rents at times of drought, etc. In short, those who control assets may share the community's premises about a 'moral economy' and may accede to community pressures willingly. The core of the 'moral economy' premise rests, after all, not on antagonistic confrontation *per se*, but on a community's insistence that those in power abide by the preservation, in Scott's words, of "the structure of a shared moral universe, a common notion of what is just".<sup>17</sup>

That is precisely what occurred at the distillery. When the distillery director—who was simultaneously the Party secretary—received the petition asking that priority to obtain an apartment be according to length of service at the distillery, he convened a meeting of the middle-level company officials. Most of them had been with the company for many years, had risen from the ranks, and had signed the petition. He conceded the justice of their position. A workshop head who had signed the petition and attended the meeting remembers: "He said, 'old workers are the pillars', including people like us." The enterprise community's 'moral economy' sentiments had won out.

In the following days, the enterprise director let it be known that the issue of housing was of such importance that, rather than have the enterprise leaders simply decide from above how the apartments would be allocated, the decision would be given over to the enterprise's Staff and Workers Representative Council (*zhi gong daibiao dahui*). This system of councils in Chinese state enterprises derives historically from the so-called workers' councils of the Soviet Union and Eastern Europe. The best known of the workers' councils were in Yugoslavia, where, unlike the rest of the Communist Party-led countries, they held major decision-making powers. In China, in contrast to Yugoslavia, after the Anti-Rightist campaign of 1957 they became mere window dressing and eventually atrophied. After Mao's death they were revived, and a State Council proclamation in 1980 announced that they should be established in all enterprises, to provide some offsetting leverage *vis à vis* the new discretionary powers that were being proposed for managers.<sup>18</sup> At least on paper, though not normally in practice, a council holds the power to

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<sup>17</sup> James C. Scott, *The Moral Economy of the Peasant* (New Haven: Yale University Press, 1976): 167.

<sup>18</sup> This was declared in the State Council-issued "Report on the Pioneering Program on the Expansion of Enterprise Autonomy and Plans for the Future", 1980. A former Shanghai trade-union researcher, writing while a researcher at

examine the enterprise's major strategic policies, especially those related to the fate of the enterprise, such as ownership restructuring, merging with other firms or declaration of bankruptcy. It is also supposed to have the power to reject the appointment of a new manager or dismiss a sitting one, and to have a say on wages, on industrial safety issues, on employee welfare programs, and on housing.<sup>19</sup> But the council sittings were organized by an enterprise's trade union, which is a branch of enterprise management, and so the councils normally (but not always) have been ineffectual.

During the course of the 1990s, fewer of China's state-owned enterprises continued to convene regular council sessions, as the power of managers expanded and as more state enterprises plunged into the red, slashed employee benefits, and downsized their workforces. But the councils continued to exist, even if inactively, at 92 per cent of the state enterprises surveyed in 1997 and analyzed by one of this paper's authors,<sup>20</sup> and in some parts of China they remained active. In some provinces, they even were given the capacity to dismiss enterprise managers, possibly because provincial authorities saw this as a means to weed out incompetent and corrupt managers. In 1998 in Liaoning province, more than 2,300 managers of state-owned enterprises were dismissed or demoted after failing to obtain the necessary 60 per cent of the votes from their enterprise's council.<sup>21</sup> In the same year, in the city of Tianjin 660 state-enterprise managers were sacked and another 1,550 enterprise officials were demoted or transferred after receiving less than 50 per cent support in a council vote of confidence.<sup>22</sup>

One of us conducted research in the early 2000s at a number of state-owned factories, and while in most of them the councils only existed in a *pro forma* way, if at all, at a minority they did have meaningful functions. In a printing factory that Anita Chan visited, for instance, the staff and workers representative congress provided a consultation mechanism between workers and management. At a science research institute that she visited, the staff, unhappy that research

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ANU, has called the 1980s the "golden age" of the staff and workers representative councils. Jiang Kelin, "Gonghui yu dang-guojia de chongtu: bashi niandai yilai de Zhongguo gonghui gaige" (The Conflicts between the Trade Union and the Party-state: The Reform of the Chinese Trade Union in the Eighties), *Xianggang shehui kexue xuebao* (Hong Kong Journal of Social Sciences), no. 8 (Autumn 1996):. 121-158.

<sup>19</sup> These rights were codified in Article 52 of the Enterprise Law of 1988.

<sup>20</sup> Zhu Xiaoyang and Anita Chan, "The Institutionalization of Workers' Articulated Interests", *Chinese Sociology & Anthropology* 37, no. 4 (Summer 2005): 6-33. The figure of 92% was derived by Zhu and Chan from the raw data of a large nationwide survey sponsored by the All-China Federation of Trade Unions in 1997.

<sup>21</sup> This was reported in *China Daily*, and appeared in the electronic magazine *China News Digest*, June 1, 1998.

<sup>22</sup> *Gongren ribao* (Workers Daily), April 10, 1998.

funds were being siphoned off by some colleagues to set up their own private practices, suddenly “discovered” the power of the council. Representatives were democratically elected, a council meeting was convened to halt the malpractice, and the council subsequently began to be convened on a periodic basis.

Chinese media reports have described how the members of several councils in the 1990s and early 2000s took matters into their own hands and desperately called themselves into session in attempts to forestall the sale of enterprise assets, to block the enterprise’s privatization, or even to dismiss the managers.<sup>23</sup> A much publicized case was a paper mill in the city of Zhengzhou, where workers used the council to wrest control of the mill from corrupt management, after the workers discovered that the managers were asset-stripping and enriching themselves in the process. In the end the workers got back their factory, despite an ambivalent, wavering attitude taken by the city government. A local government official admitted to a reporter that once this factory set a precedent, some twenty other such cases erupted in Zhengzhou over the course of several years.<sup>24</sup>

At some other state enterprises, like the prosperous distillery, management saw itself as benevolent, and management–employee relations remained on good terms. At such an enterprise, the councils have met once or twice each year into the 2000s with the blessings and indeed sometimes the initiative of the enterprise director.

At the distillery, interviewees in 2002-04 said the council had some influence *vis-à-vis* employee welfare policies and housing, but on many other policy issues council representatives felt that they are out of their depth. As an interviewee at the distillery explained,

“At ordinary times, for things not considered particularly important to people, council members just let the leadership get on with it. The council sessions let people hear a bit

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<sup>23</sup> *Nanfang gongbao* (Southern Workers News), August 16, 2000; *Gongren ribao*, February 9, 1998, and March 28, 1996; *Yangcheng wanbao* (Yangcheng Evening News), May 14, 1998; and *Nanfang zhoubao* (Southern Weekend), June 11, 1999.

<sup>24</sup> This paper mill is discussed in Chen Feng, “Privatization and its Discontents in Chinese Factories,” *The China Quarterly*, no. 185 (March 2006): 42-60; Tong Xin, “The Cultural Basis of Workers’ Collective Action in a Transitional State-Owned Enterprise During a Time of Transition”, and Zhu Xiaoyang, “‘Misreading’ of the Law and ‘Imagined Home’ in Z Factory,” both in a Special Issue on Workplace Governance and Worker Participation in China’s Transitional Economy, Part II, *Chinese Sociology & Anthropology* 38, no. 1 (Winter 2005): 42-70 and 3-41. The emphases of these authors were on the paper-mill workers’ use of “cultural discourse” rather than on the institutional mechanisms available to regain enterprise ownership.

about policies and express their opinions, even though the opinions were not very useful, since ... ordinary workers don't know the entire situation, after all; they only know their own patch. This makes most council meetings formalistic. But when there's a serious matter at stake, in a case like the distribution of the new apartments in 1994, which appealed to the direct interests of the staff and workers, then the representatives want to express their opinions."

The man who had headed the distillery trade union back in 1994 remembered: "The state didn't decree that the distribution of the apartment purchases should go through the enterprise councils, but as a democratic process, it should. To have it passed by the council made it easier to implement the program."

In 1994 there had not been new elections of the distillery's council members for some time. Since the housing issue was so important to employees, each factory workshop was told to elect several representatives, the exact number depending on the workshop's size, to sit at the council sessions to decide upon the apartment sales. Like so many "elections" in China, the nominees were essentially pre-selected, in this case by the workshop heads. Several told us that they had selected nominees who were mature, respected by their mates, and relatively articulate. A number of workshop heads nominated themselves, since they were vitally concerned about the apartment distributions. The representatives needed to be approved at a meeting of the whole workshop, and most of the nominees were quickly and smoothly approved. But in some cases a nominee was set aside during discussions and another workshop member was chosen by consensus.

The new council consisted of more than a hundred employee representatives. This number was in line with a government regulation stipulating that approximately 10–15 per cent of employees should be council representatives. The distillery had set its own ratio at 12 per cent.

Written proposals were presented to the council by the group of 16 that had conducted the investigations of other enterprises' housing sales. A participant recalls: "There was a lot of debate on each proposal, which was then voted on with a show of hands. On several matters where they didn't agree, the majority didn't raise their hands and rejected the proposal. At times the atmosphere was intense."

The council was convened for three long rounds of meetings over a period of a couple of months, with a break of several weeks between each round. At the start of each break, the council's deliberations were discussed at a meeting of all of the employees of each workshop. The discussions sometimes ran for a long time, as one employee after another expressed opinions from the floor. For the next few weeks discussions continued informally among workmates. According to interviewees, a sense developed of where public opinion lay, and the representatives carried the weight of workshop opinion back to the next round of council sessions, influencing proceedings. Interviewees did not, of course, use the term deliberative democracy, but their descriptions matched the concept to a tee. Through these deliberative mechanisms, a number of particular issues got thrashed out extensively both within the workshops and on the council floor. Most of the sections of the enterprise were composed largely of blue-collar workers, and repeatedly the viewpoint of that majority prevailed. They wanted their fair share of apartments, on terms they considered just, and as will be seen, this view carried the day when council decisions were ultimately made.

As one example, during the previous half decade, as the distillery became prosperous and expanded, a number of people had obtained jobs there through personal connections with enterprise officials. In the lead-up to the council's first session, the newcomers argued in favor of the government regulation that stated employees' prior years of employment at other urban workplaces should be fully counted. They argued that the government regulation prevented the council from coming to any other decision. But this was hotly disputed by workers and staff who had been at the distillery for many years and who turned to the 'moral economy' argument that the enterprise's own workers had built up the enterprise and that by the standards proclaimed in previous times they should now be rewarded for their years of deprivation and loyal work. In the end the newcomers' objections were brushed aside and the council voted to provide them with only one point for every two years that they had worked elsewhere.

But council members were careful to grant special treatment to the enterprise leadership, some of whom were also newcomers. It was decided after discussion that an exception would be made for those who had not transferred to the enterprise of their own accord but rather had been assigned there from above by the municipal food-industry bureau. This privileged only 7 or 8

personnel, including the enterprise director and several of the deputy directors, who were given a full point for every year of their careers.

Several other national regulations were ignored. The deputy chair of the distillery trade union remembers: “The regulations from above stated that years of university education should be counted as work years on a one-to-one basis, but at the council meetings we decided not to count these years at all.” Few of the distillery’s employees had been to university, and their opinion prevailed.

There was discussion about whether employees who had been sent as young people to live and work in the countryside for a number of years in the 1960s and 1970s should get a point for every year they were there. Some were against this, on the grounds that they had not contributed to the enterprise. But emotional arguments were also presented on their behalf in the workshop meetings and the subsequent council deliberations, about how they had answered Chairman Mao’s call, had suffered hard lives in the countryside, and deserved special treatment. What really counted was that a considerable percentage of China’s ordinary urban people, including many of the distillery’s current employees, had been sent to the countryside as teenagers, and so the council easily passed the motion granting them a full point for each year they had spent there.

The issue of military service was resolved even more easily. A regulation from above, directing that years in the army were to count in full, was never questioned. About 20 per cent of the employees at the enterprise were army veterans due to a government policy to give priority to demobilized military personnel in job allocations to state enterprises. Even more important, a disproportionate number of the foremen and respected middle-level personnel at the enterprise were from the army. In the deliberative discussions throughout the enterprise, it was felt they should be given their due.

A micro-politics was at work—a democratic constituency politics, in which the weight in numbers and influence of each interested constituency was evaluated at the council meetings and at the discussions throughout the enterprise. This damaged the chances of the enterprise’s retirees, since they were not entitled to sit in the council or to participate in the workshop meetings. A number of them drew up a petition arguing that they were being squeezed out, but it had little

effect. An interviewee recalls: “At our workshop meeting the retirees were discussed, but people reasoned that most of them already have housing to live in. And besides, quite frankly, if you started including retirees, where do you draw the line? There are too many of them.” The deliberative democracy processes weighed only the self-interested views of participants. The council decided the retirees were ineligible to obtain a new apartment.

The council agreed that the top managers should receive 4 bonus points, middle-level personnel 2 points, and ordinary employees who had been at the enterprise for more than ten years should receive one bonus point, plus a point for every year they had been employed there. So an old worker who had been at the enterprise for, say, forty years received 41 points, swamping the points of a top manager who had only worked for 20 or 30 years. To assure transparency, all of the points awarded to each employee were listed on public notice boards, which were pored over by crowds of employees. One interviewee remembers with obvious satisfaction, “The factory leaders didn’t have so many years of work and so they ended up down on the list”. He could recall precisely how each of them placed. The director of the enterprise was listed 21st. The factory manager was No. 30. Other enterprise leaders placed lower. The best and biggest apartments went not to them, but to ordinary older workers and staff.

In the midst of the council’s sessions, the enterprise leadership decided that much of the new housing should be more spacious than had originally been proposed or budgeted for—3-bedroom apartments of 100 or more square meters. A question arose, however, as to how ordinary older employees would be able to afford these large apartments. After deliberations, the Staff and Workers Representative Council provided a solution. It decided that employees who had over 30 work years to their name (and they alone) should get a substantial price reduction for the portion of their apartment over 60 square meters. For each year they had worked, they would receive a 2 per cent reduction, and thus those in their late 50s, with some 40 years of work under their belts, would obtain an 80 per cent discount. This reduction violated government regulations. But as the deputy head of the enterprise’s administrative office, who had been assigned to assist the council, admitted to us, “We tried our best to relax the policy guidelines so that our people could pay less. This is a Chinese characteristic, right?”

One reason for the generosity of the council, it seems, was that many of the council representatives were of an age where they themselves would qualify for the price reduction. But

interviews suggest that there was also another important reason. It was part and parcel of the shared blue-collar ‘moral economy’ perspective that justified giving the older blue-collar employees their fair due. As one interviewee expressed it, “The older you are the more you had contributed to the enterprise. Before, they just worked and worked, with no bonuses, and their wages were low, so all they did was to contribute. And that’s why this 2 per cent special discount was passed by the council.”

The employees who gained an apartment were asked to select and pay for it before construction began. Those who stood highest on the list chose first, using the blueprints. Most of the largest apartments went to old blue-collar workers close to retirement age. Most of them had entered the distillery in their mid-teens in the 1950s and were very poorly educated—some were practically illiterate. The series of decisions that had emerged from the deliberative processes had privileged them and not the highly skilled or the enterprise leaders. They got to choose the prized bottom floors of the tall buildings, with large living rooms, three bedrooms, and small private courtyards outside the living room where they enjoy weekend lunches and entertain guests.

We have been inside a considerable number of apartments and probably saw the whole range of those built. They tend to be large and well-ventilated by urban Chinese standards. Most residents have plowed a fair amount of money into their homes, with nicely tiled living-room floors and decent furniture. There is an obvious pride of ownership. They fully own the apartments and are free to sell them on the open market at full value to anyone in the city; but relatively few of them had left the community. When the weather was good on weekends and public holidays, the widest lane in the housing estate was crowded with tables of mahjong players, as neighbors congregated.

The distillery’s circumstances changed dramatically while we were in the midst of fieldwork research. In 2003, as we sat in the outdoor courtyard of one of the apartments, we were shown that day’s local newspaper with a headline announcing the distillery’s imminent MBO (management buy-out of the company’s assets) and privatization. Such buy-outs were increasingly common during those years, to the point that the newspaper headline simply used those three English letters “MBO”, as if most newspaper readers would instantly recognize the Anglo-American acronym for a management buy-out.

In order to go forward officially with the MBO, a Staff and Workers Representative Council meeting was called into session to approve the shift. But the meeting was controlled from above. Documents were handed out, and a report on the MBO proposal was read out, filled with all of the details, but members were out of their depth and said little. They could not understand the complexities of the proposal and felt unprepared to query its rationale. The questions that council members asked revolved around personal worries over how this would affect employment, retirements, and continued pension rights. The privatization of their enterprise was approved by a show of hands without any real discussion or dissent.

Despite privatization, the distillery has continued to act in a somewhat benevolent, paternalistic fashion toward employees.<sup>25</sup> But in a privatized corporation the institutional context for the council is gone, and we strongly doubt that it still plays any genuine function today. Councils continue to exist, though, in a number of the remaining state-owned enterprises, and some of these function on a regular basis and offer a venue for deliberations.

### **Obstacles to Higher Levels of Participatory Democracy**

Although participatory decision-making deliberations have been carried out in a variety of venues, the environment in China is not conducive to deliberative democracy at levels higher than the grass-roots enclaves that we have described. There are sometimes public hearings in cities on matters of utilities rates, etc., but it is not clear that these hearings actually affect policy. Every city, county, and province has a permanent Political Consultative Conference, as does the national government, but the Conferences are entirely composed of elites who have been groomed and rewarded by the Party. The government wants inputs into policy by loyal experts, and this is a vehicle. So, too, is the assortment of academic journals that largely publish policy prescriptions. These forms of input are closed to non-elite, non-expert, and non-academic citizens.

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<sup>25</sup> The distillery's privatization and the effects in later years are discussed in Anita Chan and Jonathan Unger, "A Chinese State Enterprise under the Reforms: What Model of Capitalism?" *The China Journal* no. 62 (July 2009), especially pp. 21-24.

In many polities, associations of all sorts provide organized arenas for the development and expression of a constituency's opinion, which then influences public policy. This associational life that stands between society and the government is the main constituent of civil society. Organized civil society is unusually weak in China, inasmuch as the state insists that all associations be registered and sponsored by a government organ, in a clear-cut imposition of state corporatism.<sup>26</sup> Some very local groups are allowed to operate outside of this state corporatist framework if they are sufficiently innocuous, small, local, and low-key, such as neighborhood charities whose volunteers help provide welfare services to the needy. Some other NGOs, such as small environmental groups, use ingenuity to survive below the radar of state surveillance. But generally, associations exist at the sufferance of the national or local state within a strongly corporatist structure that leaves scant space for autonomous or even semi-autonomous deliberation.

In sum, deliberative democracy does exist in China, exemplified by the three types of case studies that we have observed. But there is an unfortunate disconnect between the vibrant examples that we have examined and an ability to build upon grass-roots initiatives at any broader level.

John Dryzek, one of the major current writers on deliberative democracy, was largely right—perhaps more right than he imagined—when he wrote, speculatively, “we might dismiss contemporary China as thoroughly lacking in deliberative capacity if we focus on central state institutions and the public sphere, severely circumscribed by controls over the media and restrictions on association, advocacy, and expression. If China does have any deliberative capacity, then it might be found in participatory innovations at the local level, designed in part to cope with the unwanted side effects of rapid economic growth. Those [within China] interested in the democratization of China could look for ways of building up from this localized capacity”.<sup>27</sup> The one respect in which we feel Dryzek's projection is doubtful is that last hopeful sentence about building up from a localized capacity. The Party stands adamantly in the way.

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<sup>26</sup> Jonathan Unger and Anita Chan, “Associations in a Bind: The Emergence of Political Corporatism,” in Jonathan Unger (ed.), *Associations and the Chinese State: Contested Spaces* (Armonk: M.E. Sharpe, 2008), 48-68.

<sup>27</sup> John S. Dryzek, “Democratization as Deliberative Capacity Building,” *Comparative Political Studies* 42, no. 11 (November 2009): 1383.

## Conclusions

Despite the well-organized, repressive structure of the Chinese polity, in various crevices at the grass roots at a low enough level that participants can feel a visceral common identity, deliberative democracy involving ordinary people exists in China. In this article, we have observed it in three distinctly different settings. Based on our knowledge of these and other cases and our sense of China more broadly, we believe that certain generalizations can be made. There are four shared elements among the cases that have allowed deliberative decision-making to occur. We believe that three of these four factors can be applicable at the grass roots in countries elsewhere in the world, including countries that, like China, are not democracies.

The facilitating factor that is not relevant to many other countries is an egalitarian sentiment that had been encouraged in the socialist period of Mao's rule, even though its practice had normally been tightly constrained by the Mao-era authorities. In fact, that earlier period had witnessed strongly top-down decision-making in almost all matters, and grassroots groups did not have the same opportunities as today for deliberative participation. But people today can pick and choose what they want to from the language and ideas of that period. The ideals that were officially espoused then had put a premium on material equality, on the worthiness of workers and farmers, and on community sharing. These have provided ordinary people in the post-Mao period with a heritage of attitudes and rhetoric that they have sometimes put to use when faced by important issues in their communities, and which, as we have observed, have sometimes led to the convening of participatory forums.

There are also three shared ingredients that are applicable to other parts of the world. First, in all of our case studies, deliberative participation was facilitated by the fact that participants had feelings of being members of a community, one in which they held a strong bond and a material interest. The distillery had developed that ethos during the Maoist and early post-Mao era, as a socialist *danwei* (all-encompassing workplace community) that stressed the career-long common bond of members. At this particular *danwei*, trends during the 1980s and early 1990s had strengthened these feelings. Under the command economy of Mao's time, the distillery leaders had had to focus on meeting the targets of the Party-state. They had almost no

scope to be benefactors at the workplace, since they had no leeway to decide on the salary scale and living conditions, which were determined at higher levels. In the post-Mao reforms, the enterprise was allowed to retain much of its profits and to determine how these were spent. Whereas in many state-owned enterprises there were no profits and indeed there often were shortfalls and cut-backs in the 1990s, at the distillery and some other profitable state firms employees believed they held a shared vested interest in the prosperity and a special shared link to each other. A few of the enterprise officials and workers even used the term “the factory’s a family” (*yi chang wei jia*) when talking with us.

More obviously, villager small groups—clusters of next-door neighbors who often had ancestral blood ties—are natural intimate communities. The villager groups’ social boundaries and sense of inclusiveness were reinforced by decades of shared work experience and shared land ownership. A village-in-the-city, similarly, is an age-old community of kin and neighbors with a strong sense of common identity. Being surrounded today by a sea of outsiders has only strengthened this sense of a common ancestral identity. In all three of these types of groups, a feeling of shared community provides a natural setting for shared deliberative decision-making.

A second factor that facilitated deliberative participation was that all of these groups faced readily understandable, concrete issues in which all of the group members had a palpable interest. At the distillery, access to ownership of decent accommodation was at the forefront of employees’ concerns, and they felt fully qualified to discuss who should get priority. All of the families in a villager small group had a strong interest in having enough land to cultivate, and all were well acquainted with land redistributions dating from the time of the collective era’s vegetable plots. The urban villagers held a vital stake in redevelopment, and a shared desire to retain control of rental income. The members of all of these groups had ample reasons to want to actively participate in deliberations on these issues.

A third factor that has enabled deliberative democracy is that, in all of these cases, the deliberative forums have been embedded in institutional frameworks that were established from above, by the authorities. (This is true, too, of the case studies that Athol Fung and Erik Olin Wright have discussed, where progressive higher-level authorities shaped the deliberative democracy forums.) The discussions our paper has described about disbursing state-enterprise apartments took place within a staff and workers representative council, an institution with a

socialist heritage that had been rejuvenated in state enterprises by Deng Xiaoping. The villager small groups exist because the central government decided to retain shared land ownership after de-collectivization and has kept the villager small groups intact. The villages-in-the-city have retained socialist-era village institutions and their collective property rights during urbanization. And in each case, the specific forum to deal with a pressing issue could be convened due to permission, approval, or even prompting by superior authorities. The deliberative sessions on housing were a brainchild of the enterprise director. The large open meetings to discuss how to undertake the village-in-the-city's redevelopment were encouraged by the city government to resolve a conflict and were organized by the village/property company leadership. The villager small group assemblies did not usually meet in secret to discuss land reallocations because they had no reason to fear that the county or rural township governments would oppose this. Quite the contrary. Rural officials normally sympathized with the difficulties faced by growing families, and in the first decade after the return to family farming, up through 1994, county and rural township officials often took the initiative and suggested to villager small groups that the time had come to hold assemblies to decide whether or not to implement land redistribution. The officials largely stopped making such suggestions after the central government moved to ban land reallocations in the mid-1990s, but they did not intervene in support of central government policy. Instead they chose benignly to ignore the villagers' initiatives to convene small-group assemblies and pretended these did not occur. None of the small-group heads recalled any pressures from above to desist from redistributing land.

This facilitating factor also simultaneously points to the limitations of grass-roots deliberative democracy in China. It needs a forum that is established or approved of or at least tacitly permitted by the locally empowered authorities. And as has been observed, the authorities rigorously constrict such activity from occurring above the grass roots and from affecting anything beyond the very local.