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Three Essays on Village Cadres in Contemporary China

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Abstract

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This dissertation studies village cadres in China. Many researchers attribute the Chinese communist regime's strong state capacity and resilience to its ability to control its local agents. Less well known, however, is how the state manages to obtain compliance from village cadres, who serve as its agents for governing the countryside. Compared to other state agents, village cadres are unique in several aspects, especially in that they are not classified as formal officials since villagers elect them and the village itself is not a formal level of government. This dissertation unpacks the methods employed by the Chinese state to control village cadres and examines the effectiveness of these methods.

Chapter One argues that the Chinese state has sought to elicit village cadres' compliance by converting their post to something more like those of formal officials through the so-called reform of "professionalizing village cadres," which took place after the abolition of the agricultural tax in the mid-2000s. Based on an original case study of a county from a coastal province, I demonstrate that the professionalization of village cadres has taken place primarily in four areas: 1) cadre salary, 2) evaluation criteria, 3) bureaucratic structure, and 4) training workshops. I contend that in these four areas, village cadres have been effectively assimilated as formal officials that, in turn, have increased the state's influence and supervision over them. However, at the same time, I argue that the professionalization reform has been only partially successful in reinforcing village cadres' compliance with the state. Most critically, the reform failed to establish an adequate reward mechanism for village cadres, who are still excluded from promotion opportunities and receive a generally low salary. As a result, the state's ability to control and mobilize village cadres remains relatively limited.

Chapter Two argues that, to compensate for the meager formal rewards village cadres receive, the state has used corruption as a form of informal reward to motivate village cadres to follow its directives (accepted for publication by *China Review*). Using fieldwork evidence collected from nine villages in three provinces, I show that local government's stance toward corrupt activities by village cadres is determined by the latter's performance. Specifically, the findings indicate that village cadres are allowed to

engage in corruption as long as they accomplish the state tasks required of them by their superiors; however, if they fail to accomplish their state tasks, they will be punished by losing their access to corruption opportunities or, worst scenario, being charged with economic crimes. This chapter further argues that the existence of formal and effective institutions, especially the cadre-evaluation system and village elections, enables the state to limit the magnitude of corruption and to make this informal reward mechanism sustainable.

Chapter Three provides an empirical test to assess the effect of corruption on village cadres' performance incentives. This chapter hypothesizes that corrupt village cadres will have a stronger incentive to carry out state directives than do their honest counterparts since the corrupt cadres will face harsher sanctions if they fail to accomplish their tasks. Moreover, it hypothesizes that, even if the state directives assigned to them are profitable, corrupt village cadres will practice self-restraint in their corrupt activities and deliver outcomes that meet their superiors' requirements in order to avoid the sanctions that may cost them losing all their rents. I test these two hypotheses using an original dataset collected from 101 villages in China. In particular, I examine how the corruptness of village cadres, measured by the prevalence of vote-buying in the previous election, affects 1) their likelihood of proactively building new roads in their villages and 2) the quality of roads they build. The regression results support my hypotheses. While one standard deviation increase in the corruptness of a village cadre increases their

probability of building at least one new road in their term by 68%, there is no significant correlation between their corruptness and the quality of the roads they build.

Overall, the three chapters suggest that, while the Chinese state acknowledges the importance of ensuring compliance from village cadres, it has attempted to pursue this goal at a low cost, or what I call “compliance on the cheap.” As the first chapter argues, although the state sought to professionalize village cadres to more resemble like formal officials, it has tried to carry out this process without establishing an adequate reward mechanism for village cadres, which rendered the reform only partially successful in reinforcing their compliance. To compensate for the meager formal rewards offered to village cadres, the state has used corruption to incentivize village cadres to obey its directives, which simply entails local officials turning a blind eye to the corrupt activities by village cadres instead of increasing the government’s expenditures. Moreover, my findings indicate that, thus far at least, corruption has worked tolerably well in holding village cadres compliant and improving their performance. Given that exerting control over local agents is crucial for governance, the fact that the Chinese communist regime is able to keep its vast number of village cadres in line at a “cheap price” has contributed to the durability of its governing and rule.

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1. Professionalizing China's Rural Cadres

1.1 Introduction

How to control agents at the local levels is always an essential concern of the state. In China, the state needs to secure compliance from village cadres, who serve as its agents for governing the countryside. However, village cadres are unique from other state agents in China in two ways. First, they are not classified as formal officials since, according to the law, the village is not defined as a formal level of government.¹ Second, village cadres are held accountable not only by superior officials but also by village residents, who elect and dismiss them.² A dilemma faced by the state is that its interests often conflict with those of villagers, which can be seen from the implementation of a number of state directives that encountered villagers' strong resistance in many places, including tax collection, birth control, and land requisitions (O'Brien and Li, 2006; Cai, 2010). When the conflicts occur, whether village cadres choose to align with the state, or the villagers, profoundly shapes the outcomes of these directives (Oi, 1989). In this regard, the state should have an incentive to make village cadres more state-facing. Surprisingly, we know little about how the state deals with this dilemma and ensures its control over village cadres.

In this paper, I argue that an important method the state has employed to elicit compliance from village cadres is by converting their post to something more like those

¹ Organic Law of the Villagers Committee, Article 2.

² Organic Law of the Villagers Committee, Article 11.

of formal officials through the so-called reform of “professionalizing village cadres (村干部职业化),” which was initiated after the abolition of the agricultural tax in the mid-2000s.³ Drawing upon fieldwork conducted in a county in a coastal province, Q County, I show that the professionalization of village cadres has taken place primarily in four areas: 1) cadre salary, 2) evaluation criteria, 3) bureaucratic structure, and 4) training workshops. I contend that in these four areas, village cadres have been effectively assimilated as formal officials that, in turn, have increased the state’s influence and supervision over them. However, despite these changes, I also argue that the professionalization reform has been only partially successful in reinforcing village cadres’ compliance with the state. Most critically, the reform has failed to establish an adequate reward mechanism for village cadres, who still lack opportunities for career advancement and receive a generally low salary. As a consequence, the state’s ability to control and mobilize village cadres remains relatively weak. In short, professionalization, thus far at least, has not resolved the state’s dilemma with village cadres.

This paper contributes to several strands of literature. First, my study speaks to a large body of work on the sources of authoritarian resilience. Scholars have identified the professionalization of the government from factionalism as a key component of the Chinese regime’s institutionalization (Nathan, 2003; Gilley, 2003). Nevertheless, most attention has focused on professionalization at the central or provincial levels (Lan,

³ For a general introduction on the professionalization of village cadres, see, for instance, Li (2017).

2000; Christensen et al., 2008; Christensen et al., 2012). In contrast, my study shifts the focus to the professionalization of the village government and provides new insights into the regime's resilience at the grassroots level. This perspective echoes to Ahlers et al (2015)'s call that "China's 'authoritarian resilience' cannot be fully grasped without adopting a local state perspective to examine the way that policy-making plays out at county level and below, where the state 'meets the people'" (7).

Moreover, my research is directly related to the study of village cadres, which have attracted considerable attention from Western scholars since China initiated its economic reform in the 1980s. While most existing literature focuses on how village cadres' identity and duties have been reshaped by market development and village elections, especially how they have been increasingly "commercialized" and become "entrepreneur cadres" or "capitalist entrepreneurs" (Oi, 1985; Yan, 1995; Yao, 2012; Chen, 2014; Yan, 2015), my study examines the state's intentional efforts to reinforce their political identity as state agents and weaken their role as villagers' representatives. To my knowledge, except for one book chapter written by Xuefeng He (2021) that addresses the professionalization of village cadres, there is no English-language scholarly publication on this topic, creating a notable gap in the literature.

Furthermore, this study sheds new light on the burgeoning Chinese-language literature on the professionalization of village cadres. Unlike Western scholarship, studies produced by Chinese scholars on this topic abound (Du, 2015; Li, 2017; He, 2018; Jing, 2018; Shi, 2019). It has also been noted that this tendency of

professionalization is ongoing. As Yuejing Jing (2018) observes, “a nationwide new trend of professionalizing village cadres has widely emerged in the countryside” (49). Nevertheless, most studies are merely descriptive, lacking a theoretical framework of analysis. By detailing and analyzing the process of professionalization, my study conceptualizes this reform as the regime’s essential effort to extend its reach to rural society (Shue, 1988). Indeed, with the consolidation of village elections, how the state has managed to respond to the increasing pressure and competition from villagers for control over village cadres needs to be examined. In addition, in contrast to existing studies that emphasize the alleged advantages of professionalization, such as how it improves village cadres’ administrative skills, my study discusses the flaws of this reform and its consequences.

This study is based on my intensive fieldwork conducted in Q County in the summer of 2019. The professionalization of village cadres in this county started in 2009, consistent with the national trend. I selected this county partly because I had strong connections in this place, which was very convenient for collecting data and conducting interviews. Two types of qualitative data will be presented in this study. The first type of data is government documents and archives. The second type is interview data collected from 23 respondents, including village cadres, township officials, and county officials. Some of the respondents have served in their posts for decades. Their personal experiences provide valuable insight into the process and impacts of the reform of professionalization in Q County.

The paper is organized as follows. The second section reviews the literature on the state's strategies for keeping village cadres in line since the de-collectivization in the 1980s. The third section describes the professionalization of village cadres in Q County and discusses its impact on state-village cadre relationship. The fourth section examines the incompleteness of the professionalization reform and its consequences. The last section concludes and suggests an agenda for future research.

1.2 Village Cadres and the Reach of the State

Under the Chinese Communist Party, the Chinese state has consistently sought to elicit compliance with its dictates from village cadres, what Vivienne Shue (1988) has termed the "reach of the state." A main obstacle to the "reach of the state," according to Shue, is village cadres' loyalty to their village community, making them committed to "represent the views of peasants to higher levels" and "defend their localities against unpopular state rulings" (98). As a result, the state's directives are often distorted and deflected by village cadres to protect local interests. While Shue focuses on the collectivization era under Mao, she appears more optimistic about the state's control over village cadres in the Deng era. In particular, she posits that the de-collectivization and market reforms would weaken the solidarity of villages, thus diminishing village cadres' ties to their community and bringing them closer to the state.

Although the introduction of market forces in the 1980s indeed seemed to distance village cadres from their fellow villagers (Unger, 1985), who became busy working on their individual land plots and less dependent on village cadres for their livelihood,

village cadres surely still had good reasons to care about local interests. First, with the promulgation of the Organic Law in 1987, the power to select village cadres formally shifted from government to villagers through legalizing village elections (O'Brien and Li, 2000). Second, village cadres always faced pressure from the informal institutions in their village, such as solidary groups, and needed to protect their “moral standing” by satisfying the community’s needs (Tsai, 2007).

At the same time, the state’s control over village cadres continued to be relatively weak, if not weaker than before. While the village in the collectivization era was an administrative unit under the commune, the 1982 constitution redefined the village as a “self-governed mass organization” such that it was not designated a formal level of government.⁴ Accordingly, village cadres were not classified as formal state officials and, thus, were treated differently. For one thing, their salaries were paid by their villages and not the state (Kung et al., 2009). Moreover, they could not be promoted to positions beyond the village (Kung et al., 2009). Furthermore, they were excluded from benefits such as pensions and insurances that state officials enjoyed (Kung et al., 2009). Not surprisingly, these arrangements severely limited the state’s ability to mobilize village cadres. As Wang (2012) observes, “in contrast with the relationship between townships and villages in the 1950s, township governments in the late 1980s and 1990s could no longer make demands on villages solely through administrative fiat” (73).

⁴ Constitution of the People’s Republic of China (1982), Article 111.

In this context, in the 1980s and 1990s, the state always needed to use direct material rewards to motivate village cadres to carry out its directives, especially in the case of directives that were not supported by villagers. In the absence of salaries, the state's method was to grant village cadres a share of the revenues and rents created by the directives assigned to them. For instance, to encourage village cadres to develop rural industries, local governments usually gave them a portion of the profits of the village enterprises as their bonus if they reached or surpassed certain targets (Whiting, 2001). In Oi's (1999) view, this was a major reason for the rapid development of China's rural economy. To motivate village cadres to collect more rural taxes and fees, especially when these taxes and fees became increasingly heavy after the 1994 fiscal reform that redistributed tax revenue between central and local governments, village cadres were allowed to retain a share of the levies they collected depending on whether the collection targets were met (Zhao, 2014). Again, this proved particularly effective in prompting them to align with the state and to extract heavily from their fellow villagers (Bernstein and Lu, 2003). The same method was applied to the enforcement of birth control, where village cadres could keep a percentage of the fines they charged on villagers who violated the one-child policy (White, 2006).

When the agricultural tax was abolished in the mid-2000s to alleviate the rising rural contention caused by excessive extraction from local governments, an action that caused village cadres to lose the major source of their income, the state began to provide village cadres with a state salary to compensate for their loss of income. The state salary thus

replaced the old rewarding method. Accordingly, scholars have begun to pay more attention to the impact of state salary on village cadres' relationship with the state. As Kung et al. (2009) state, "with the abolition of the agricultural tax, village cadres are now paid by the government instead of by villagers, increasing the importance of regular salaries in the overall incentive structure" (63). Using a national survey of over 400 villages, Kung et al. find that state salaries have effectively reinforced village cadres' commitment to their state tasks. Moreover, they find that "when village cadres face competing demands from their families, the village community and the state, they tend to give priority to state tasks first, seeing them as 'hard responsibilities,' and they put community needs last" (61).

The significance of the salary to the state's control over village cadres is also emphasized by Oi et al (2012). They contend that with the provision of state salaries and the implementation of policies including "village accounts managed by townships (村账乡管)," village cadres' financial dependence on the state substantially increased. "In some places," they observe, "village cadres complained that township officials often used the threat of withholding payment of their salaries to spur them to execute some policy or directive" (657). As a result, Oi et al. conclude that these fiscal measures "have greatly increased the capacity of the state to reach the villages" (665). Hence, they believe that "Shue may have made the right prediction about the outcome of increased state reach with reform, but it is not clear that it was because of the development of markets" (668). Rather, "the penetration of the state into China's townships and villages has been fiscally

led and state determined” (668).

However, scholars have rarely examined other efforts made by the state to reinforce its control over village cadres beyond introducing an official salary in the post-agricultural tax era. The salary may provide village cadres with a more direct incentive to align with the state, but the state still has to deal with other issues to achieve effective implementation of its directives, such as the agency problem, in which agents can act contrary to the principal's interests to enhance their own interests (Whiting, 2004). Indeed, the state’s decision to abolish the agricultural tax was in part due to its inability to regulate village cadres from coercively and sometimes predatorily extracting from villagers, which exacerbated rural contention and instability (Bernstein and Lu, 2003). This is not surprising considering that village cadres were virtually excluded from the formal political system at the time. For instance, as explained below, although there were some evaluations of village cadres in the 1990s, they were less formal, partial, and poorly enforced. In contrast, in recent years, the implementation of policies in the countryside has appeared to be carried out reasonably well, in what some scholars have referred to as “effective policy implementation” and “enthusiastic policy implementation” (Ahlers and Schubert, 2012; Kostka and Hobbs, 2021; Deng and O’Brien, 2018). This dramatic difference cannot simply be explained by the fact that village cadres currently receive a state salary while previously they did not.

This paper suggests that the state’s strategy of exerting control over village cadres has encountered a fundamental shift after abolishing the agricultural tax. Although Oi et

al. (2012) correctly identified state salary as a key action made by the state to keep village cadres in line, I contend that they have missed the bigger picture. Instead, I argue that the state has held the more ambitious goal of professionalizing village cadres to more resemble formal officials so that they can develop a stronger incentive to comply with its directives. As a result, the changes that have occurred on village cadres have been thorough, profound, long-term, and extends far beyond merely providing a state salary. However, although the professionalization reform has increased the state's influence and supervision over village cadres, I argue that, overall, the reform has been incomplete and only partially successful in holding village cadres more compliant, mainly because of the lack of an adequate reward system. In the next section, I first show how this reform of professionalization has been carried out using a case study of Q County.

1.3 Professionalization of Village Cadres in Q County

The professionalization of village cadres in Q County was initiated in 2009. The reform started by including village cadres on the government's payroll, which has been seen by Chinese scholars as one of the most indicative signals that village cadres are being assimilated as formal officials. Subsequently, the reform was extended to other fields in Q County, including evaluation criteria, bureaucratic structure, and training workshops. Of course, these efforts were not completed all at once; rather, they were carried out progressively, eventually leading to what we see today. Below, I describe the changes that village cadres have encountered in each of the four areas and discuss the ways in which these changes have improved their management by the state.

1.3.1 Cadre Salary

The professionalization of village cadres in Q County began with salaries. Like village cadres elsewhere, village cadres in Q County had been paid by their villages in the past. According to Jing (2018), the state's policy toward village cadres before professionalization resembled the metaphor "wool comes from a sheep's back" (羊毛出在羊身上) (50), where the village cadres were the wool and the village was the sheep. Thus, how much village cadres could receive as their salary was largely determined by their village's income. In Q County, village income was mainly derived from two sources until the agricultural tax was removed. The first source was the village's collective revenue. For instance, as Q County had relatively rich bamboo forests, a resource that could be used for furniture making, some villages established collective bamboo processing factories in the 1990s that brought them stable profits. Some villages, instead, rented out their bamboo forests for rental income.⁵

The second source of income was associated with the rural levies the village collected, known as the *tiliu* (提留). Each year, Q County's township governments determined the levies submitted by each village under their purview. Then, based on how well the target was met, the government returned a certain percentage of the levies to the village that could be used at their discretion, which was called the *fanhuan* (返还). The *tiliu* in Q County consisted of two main categories: education fees and road construction

⁵ Interview with township official 9, August 2019.

fees.⁶ The target assigned to each village was determined by its population and villagers' income. Consequently, the salaries of village cadres often varied widely from village to village. For example, the party secretary of a village reported that while his salary during the late 1990s was approximately 1000 yuan per year, the party secretary of an adjacent village was paid more than 4000 yuan per year.⁷ After the agricultural tax was eliminated in 2006, the salary of village cadres could only depend on the village's collective revenue. This contributed to greater income inequality between village cadres in Q County since many villages lacked profitable enterprises or stable sources of income.

It was in 2009 that village cadres, mainly village leaders, in Q County began to receive a regular salary paid by the local government. This decision was announced through a document issued jointly by Q County's Organization Department, Agricultural Department, Financial Department, and Anti-poverty Office, titled "The Notification on Fulfilling the Task of Covering the Salary of Major Village Cadres from Administrative Villages" (Figure 1.1). The document indicated that the "major village cadres" of each village—defined as the village's party secretary, committee chair, and accountant—would be added to the government's payroll. The document stressed that this was an important action to "promote the building of grassroots organizations" and "reinforce village cadres' work motivations" in Q County.

⁶ Ibid. The education fee was known as the "教育附加费," which was collected from villagers to support public education in the local area. The road construction fee was known as the "道路建设费," which was collected from villagers to pave new roads. According to this township official, these two fees usually took about 3 to 5 percent of villagers' annual income.

⁷ Interview with village cadre 15, August 2019.

关于做好行政村村主要干部基本报酬落实工作的通知

各乡（镇）党委、政府：

为加强农村基层组织建设，进一步调动农村基层干部的积极性，根据《关于全面解决村党组织书记和村委会主任基本报酬的意见》（组〔2009〕18号）和《村主要干部考核管理办法（试行）》（委办〔2009〕44号）文件精神，现就做好2009年行政村村主要干部基本报酬补助工作通知如下：

一、加大扶持力度，确保村主干部基本报酬全面落实

从2009年开始，根据基本报酬全覆盖、财政全额支付、公平合理、绩效挂钩的要求，我县将全面落实村党支部书记和村委会主任的基本报酬问题。基本报酬以省财政转移支付补助为主，县乡财政配套为辅。乡镇配套资金按每村500元的标准于2010年1月30日前上交县财政扶贫专户（县农行账号：），并将2009年度各行政村主要干部目标责任制考核结果及补助资金发放方案报县委组织部审核。经审核批准后，于2010

[Copy of original document (partial)]

The Notification on Fulfilling the Task of Providing Basic Salary for Major Village Cadres in Administrative Villages

To all township party committees and governments:

To promote the building of rural grassroots organization and reinforce the work motivation of village cadres, we issue this notification on how to fulfill the task of providing basic salary for major village cadres in administrative villages in 2009 according to the documents of "The Suggestion on Comprehensively Solving the Basic Salary of Village Party Secretary and Committee Chair" (Provincial Organization Department [2009] No. 18) and "The Evaluation and Management Methods of Major Village Cadres in Q County" (Q county party office [2009] No. 44).

1. Increase support and ensure the comprehensive fulfillment of the basic salary of major village cadres

Starting from 2009, our county will comprehensively address the problem of the basic salary of village party secretary and committee chairman. The salary of village party secretary and committee chair will be fully covered by government finance in a fair and reasonable way and will be linked to their evaluation. The primary source of their salary will be from provincial fiscal transfers and will be supported by county and township finance. Township governments should provide a matching fund of 500 yuan for each village and submit the fund to the county's specific bank account for reducing poverty (account number: xxxxxxxx) by January 30th in 2010. Township governments should also submit their target responsibility evaluation results and the proposal of allocating the subsidy funding to the county's Organization Department for review...

[English Translation of the document]

Figure 1.1. The 2009 document regarding including village cadres in government's payroll in Q County. Source: Provided by township official 10, September 2019.

A standard salary for village cadres was thus established for the first time. For the village's committee chair and the party secretary, their salary levels were set based on their village's population.⁸ If the village had more than 7000 residents, then the average salary for these two leaders would be the highest at 7000 yuan per year.⁹ If the village had fewer than 200 residents, then the average salary for these two leaders would be the lowest at 4500 yuan per year. If the village fell within this population range, then the average salary would be reduced from 7000 yuan by 500 yuan for every 200 fewer residents. For village accountants, the average salary would be 1500 yuan per year regardless of the village population. Of course, the "average" salary was meant to serve as a guideline for the township government in allocating salaries. The amount distributed to each village cadre would still be based on their performance. However, the total amount a township could spend on village cadres' salaries was fixed. In a document attachment, the county government proposed a budget for each township (Figure 1.2). As we can see from Figure 1.2, the budget was determined by each township's number of villages, the population of these villages, and the average salary proposed for each type of village. This was estimated to cost the county a total of 4.65 million yuan.

⁸ This is derived from Attachment One (附件 1) of the 2009 document.

⁹ In 2009, the average exchange rate between US dollars and RMB was approximately 6.8, so 7000 yuan in 2009 equaled to approximate 1,029 US dollars.

Township	Number of administrative villages	Number of village chairs and secretaries	Number of villages (more than 1000 residents)	Number of villages (800-1000 residents)	Number of villages (600-800 residents)	Number of villages (400-600 residents)	Number of villages (200-400 residents)	Number of villages (less than residents)	Amount (Unit: Yuan)	Number of village accountants	Amount (Unit: Yuan)	Total amount (Unit: Yuan)
X town	41	82	6	6	7	6	10	6	466000	41	61500	527500
H town	27	54	3	2	6	8	5	3	305000	27	40500	345500
Z town	16	32	4	1	1	3	5	2	182000	16	24000	206000
H town	26	52	1	3	4	5	10	3	283000	26	39000	322000
C town	26	52	2	0	0	5	12	7	266000	26	39000	305000
L town	28	56	0	1	2	6	14	5	288000	28	42000	330000
Y town	19	38	0	1	1	3	11	3	195000	19	28500	223500
J town	16	32	2	0	0	2	5	7	163000	16	24000	187000
G town	9	18	1	1	1	5	1	0	104000	9	13500	117500
L town	12	24	1	0	1	3	2	5	124000	12	18000	142000
B town	8	16	0	0	1	2	5	0	84000	8	12000	96000
T town	9	18	0	1	0	1	4	3	91000	9	13500	104500
S town	8	16	0	0	0	2	3	3	79000	8	12000	91000

Figure 1.2. Budgets for village cadres’ salaries in each township of Q County in 2009 (partial). Reproduced by the author from the original document attachment. Source: Provided by township official 10, September 2019.

This expenditure of over 4 million yuan was jointly responsible by governments at different levels. This is different from the finding of Oi et al. (2012) that the salaries of village cadres were taken “directly from county-level fiscal funds provided by central government (662),” suggesting some variation across China. According to another document attachment issued by Q County,¹⁰ of the 4.65 million yuan spent on village cadres’ salaries in 2009, approximately 80% of the funds (3.76 million) came from fiscal transfers made by the provincial government (省转移支付). Of the rest, the county government provided 15% (0.72 million) as “matching funds” (配套资金), and its 12 townships collectively provided the remaining 5% (0.17 million) (Figure 1.3). Hence, even though most of the expenses on village cadres’ salaries were covered by higher-level fiscal transfers, a significant portion of them were still paid with local revenues at the county and township levels.

¹⁰ Attachment Two (附件 2) of the 2009 document.

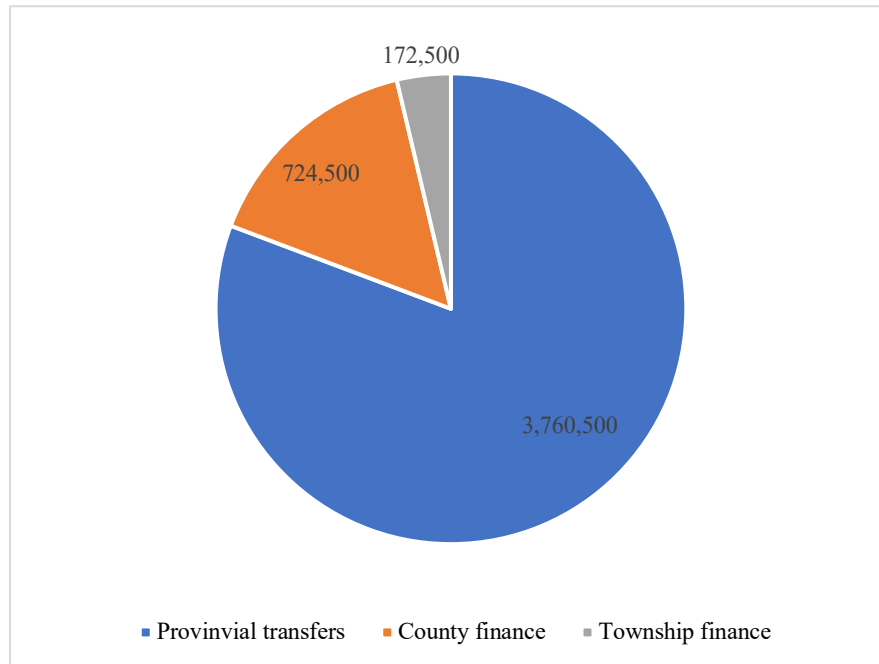


Figure 1.3. The amount of village cadres' salaries covered by different levels of governments in Q County in 2009 (unit: yuan). Source: Provided by township official 10, September 2019.

Since then, village cadres have been included in the government's payroll. There have been two patterns with their salary arrangement over the years. The first is that in a context where farmers' income has kept rising nationwide, the official salaries of village cadres in Q County have steadily increased as well. As a township official said, if the salary of village cadres is lower than the average income of farmers, it would be difficult to recruit competent candidates into the village office.¹¹ The general requirement from the county is that village cadres' average salary should be 1.5 times higher than the average income of local rural residents.¹² In 2011, the average annual salary for the village's committee chair and the party secretary was raised by 1000 yuan for all villages

¹¹ Interview with township official 10, August 2019.

¹² Ibid.

from 2009.¹³ In 2014, in the most populous villages, the average annual salary for these two village leaders more than doubled from 7000 yuan in 2009 yuan to 15000 yuan; in the least populous villages, the salaries also significantly increased to 7000 yuan from 4500 yuan in 2009.¹⁴ In the same year, the average annual salary for the village's accountant doubled from 1500 yuan in previous years to 3000 yuan. In 2018, most village committee chairs and party secretaries in Q County received an annual salary of more than 30,000 yuan, with the highest salary reaching over 40,000 yuan.¹⁵

The other pattern is that the payments village cadres receive from their villages has kept decreasing due to the government's intervention until they were eventually eliminated. In the first several years after 2009, village cadres were not explicitly banned from being paid by their villages, but the government strictly limited the amounts. For instance, a village committee chair reported receiving only two to three hundred yuan from his village each year due to the government's regulations around the early 2010s, a much lower amount than before.¹⁶ Other interviewed village cadres also confirmed that they received little to no village income during this period. Then, in 2016, in a document issued by the county government, village cadres were officially prohibited from receiving additional payments from their village; instead, they could only be paid by the government.¹⁷ This represented that the local government had completely replaced the

¹³ This number is derived from the 2011 document that revealed village cadres' salary standards.

¹⁴ This number is derived from the 2014 document that revealed village cadres' salary standards.

¹⁵ Interview with county official 2, September 2019.

¹⁶ Interview with village cadre 17, August 2019.

¹⁷ This stipulation was announced in the 2016 document issued by the Q County government that

village as the provider for the salary of village cadres.

I contend that the introduction of state salaries has helped increase the state's influence on village cadres in two ways. First, as Oi et al. (2012) have stressed, salaries can increase village cadres' financial dependence on the local government. Kung et al. (2009) have pointed out that, "economic security is important to them [village cadres]" (63). As such, when the state provides village cadres with a salary that constitutes a stable source of their income, while also prohibiting their villages from paying them, village cadres should be more likely to align themselves with the state than the village to protect their income. Second, the provision of official salary can reinforce village cadres' perception of themselves as state employees, thereby increasing their commitment to state duties. For example, several village cadres in Q County have stated or agreed that because they are paid by the government, they feel that their first identity is that of serving and obeying the government rather than the villagers, although they are elected by the latter. According to a village committee chair, "The local government pays us, so we naturally see them as the superiors and ourselves as their subordinates. We often directly call or refer to township leaders as our 'boss' (老板) in private. We have never called the villagers our boss."¹⁸

1.3.2 Evaluation Criteria

After the introduction of official salaries for village cadres, naturally, the next step

set instruction for village cadres' salary.

¹⁸ Interview with village cadre 16, August 2019.

was to determine how—and according to what criteria—to allocate their salaries. In fact, scholars have noted that since the 1990s or earlier, village cadres have been evaluated by the local government or required to sign a performance contract. Nevertheless, they were evaluated very differently from higher-level officials. The evaluation of local officials such as county and township officials, as Whiting (2004) indicates, was already comprehensive around the 1990s and encompassed a variety of quantitative measures on “social, economic, and cultural targets” (104). Each target was allocated certain points based on its priority to the higher-level government, and a score was calculated depending on how well the official accomplished each of these tasks, which in turn determined the salary and chances of promotion (Whiting, 2004).

In contrast, the evaluation of village cadres in the 1990s tended to focus mainly on specific tasks and was less formal. Considering that village cadres did not receive state salaries and could not be promoted at the time, this is not surprising. In other words, the evaluation mattered to village cadres only for those tasks from which they could derive bonuses such as industrial production and tax collection since the results affected their bonuses. For other tasks, such as promoting village elections, village cadres had poor incentives to perform, even when targets were imposed by township officials (O’Brien and Li, 1999). Consequently, local governments often signed performance contracts with village cadres for single tasks rather than placing them under a comprehensive and formal responsibility system. For instance, in a study conducted by Shukai Zhao (2014) in the early 2000s, a township official from Hebei Province revealed that “We do not have a

target responsibility system for village cadres. We mainly assess the way in which agricultural taxes are collected. This method is simple and clear” (189). Another township official from Hunan Province similarly said that “We have abandoned the responsibility system for village cadres,” since “in reality, it (the responsibility system) is meaningless to them” (Zhao 2014, 190).

That is precisely what happened in Q County when village cadres’ salaries were still dependent on rural levies. According to several village and township respondents, although some evaluations were imposed on village cadres, the evaluation results were based primarily, if not solely, on whether they collected sufficient levies as requested by their township superiors. Therefore, the method of determining their scores was very simple: if the levy targets were successfully met, then village cadres would receive a perfect score; otherwise, their scores would be reduced according to the amount of the shortage. However, with the abolition of the agricultural tax, the evaluation of village cadres, in the words of a township official, became “in name only” (名存实亡).¹⁹ This township official stated that while scores were still assigned to village cadres each year, they were basically subjective and based on township leaders’ general impressions of village cadres. Not surprisingly, village cadres were also barely concerned about their scores since they were no longer associated with their income.

A reform of the evaluation of village cadres was launched in Q County in 2009. In

¹⁹ Interview with township official 7, August 2019.

the same 2009 document that announced the establishment of an official salary for village cadres, the county government requested township governments to “reinforce the management and evaluation of village cadres” and “further improve village cadres’ target responsibility evaluation system.” Several guidelines were specified in the document. First, the evaluation criteria for village cadres should be “scientific, comprehensive, and accurate” (科学全面 准确), involving the assessment of village cadres’ performance on both “general” (全面) and “primary” (重点) tasks. Second, the evaluation results should reflect “fairness and justice” (公平公正), whereas township officials should take into account the different circumstances faced by village cadres, such as the population of their village and the amount and difficulty of their tasks when determining their scores. Third, the guidelines encouraged competition among village cadres by explicitly demanding that township governments “adequately differentiate the grades” (适当拉开档次). For instance, according to the guidelines, while there would be four grades assigned to village cadres: excellent (优秀), good (称职), acceptable (基本称职), and failing (不称职), the percentage of village cadres receiving an “excellent” grade in one township should not exceed 30 percent. These requirements indicated the government’s effort to formalize and institutionalize the evaluation system of village cadres.

The data I collected from several townships reveal that the as a result of this reform, the evaluation of village cadres in Q County has possessed the same features as of township and county officials, as documented by Whiting (2004). According to Whiting, evaluations for local officials would use performance-based criteria that reflect both

central directives and local priorities. Moreover, the local government would use these criteria to determine the salaries of its subordinates. To show how these principles have been applied to evaluating village cadres' performance in Q County, I use the evaluation table designed by Z Township in 2017 as an example (Figure 1.4).

Evaluation Tasks	Points	Evaluation Content	Evaluation Method	Evaluation Interval
Grassroots party building	20	a. fulfillment of the "10+88" task list; b. frequency of party education activities; c. fulfillment of the "two studies, one action" activity.	a. on-site visits; b. checking profiles; c. speaking to villagers.	once a month
Birth control	20	a. unplanned birth rate; b. the frequency health inspection of female villagers.	a. on-site visits; b. speaking to villagers; c. telephone spot check.	once a quarter
Water governance	15	a. cleaningness of river bed; b. flood prevention.	a. on-site visits; b. checking profiles; c. speaking to villagers.	once a month
Village cleaning	15	a. cleaningness of village environment; b. cleaningness of village roads.	a. on-site visits.	once a month
Road maintenance	10	a. general maintenance of village roads	a. on-site visits	once a month
Maintaining stability	10	a. general petition prevention; b. occurrence of skipping-level petition; c. general performance on mediating villagers' conflicts.	a. on-site visits; b. checking profiles; c. facts investigation.	once a month
Publicizing village affairs	10	a. publication of village affairs; b. publication of party affairs; c. publication of fiscal transfers.	a. on-site visits; b. checking profiles.	once a month
Managing village properties	10	a. management of village's accounts and transfers.	a. checking profiles.	once a quarter
Providing service to villagers	10	a. the establishment and maintenance of "villager service center".	a. on-site visits; b. checking profiles; c. speaking to villagers.	once a month
Periodic tasks	flexible	flexible	flexible	flexible

Figure 1. 4. Evaluation criteria for village cadres in Z Township in 2017. Source. This table is reproduced by the author from the original evaluation table of Z township, provided by township official 10.

As we can see, the evaluation of village cadres in Z Township included a number of tasks, each with specific criteria and was assigned certain points. The performance criteria reflected both central directives and local priorities. For example, party-building work, which received the most points among all tasks (20 points), has been increasingly advocated by the central government under Xi Jinping.²⁰ More specifically, its performance criteria involved three major categories of work. In fact, there were additional documents issued by the government to explain the items to be evaluated for each category of work (Figure 1.5). The water governance work, accounting for the second-most points (15 points), was based on local priority. Because of Q County's geographical location, tasks such as preventing flooding were essential for protecting local safety. The township government also paid a fair amount of attention to the quality of village governance, as several tasks engaged in assessing village cadres' performance in managing the village's property and providing service to villagers. In addition, the township government included a "periodic task" (阶段性工作) that, according to a township official, was meant to leave some flexibility in case if the upper-level governments added new tasks or emphasized specific tasks during certain periods.²¹ The points allocated to this periodic task could be adjusted by the township government depending on their importance and urgency. We can also see that, for these tasks, the Z Township government not only adopted various examination methods, including visiting

²⁰ See, for instance, <https://baijiahao.baidu.com/s?id=1648964496303040601&wfr=spider&for=pc>.

²¹ Interview with township official 10, August 2019.

villages, reviewing profiles, communicating with villagers, but also held examination on their progress either every month or every quarter.

2017 年基层党建（10+88）巡查指标

一、“三会一课”

1. 支委会每月召开一次（是或否）
2. 党支部要有专用记录本（是或否）
3. 每次支委会研究工作之前学习党章党规，及时跟进学习习总书记系列重要讲话和省、市、县委书记在重要会议上的讲话，及时学习上级工作会议精神（是或否）
4. 党员大会每季度一次（是或否）
5. 每次党员大会要学习党章党规，及时跟进学习习总书记系列重要讲话和省、市、县委书记在重要会议上的讲话，及时学习上级工作会议精神（是或否）
6. 党员数超过 50 人的，建立总支部或小组（是或否）
7. 党小组每月学习一次（是或否）
8. 每次党小组会议要学习党章党规，及时跟进学习习总书记系列重要讲话和省、市、县委书记在重要会议上的讲话，及时学习上级工作会议精神（是或否）
9. 党课每季度一次（是或否）（最近两次谁上）
10. 支部的组织生活年度计划通过党务公开等形式公告，并报上级党组织备案（是或否）

[Copy of original document (partial)]

2017 Grassroots Party Building (10+88) Examination Criteria

(1) “Three Meetings and One Lecture (三会一课)”

1. Whether a meeting is held by the party branch every month (yes or no).
2. Whether a specific record book is used by the party office (yes or no).
3. Whether members of the party branch study the party constitution and party regulations every time before they discuss their works; whether they timely study the important speeches from Secretary Xi and speeches made by the provincial secretary, municipal secretary, and county secretary on significant meetings; whether they timely study the content and spirit of upper-level government meetings (yes or no).
4. Whether the general meeting for party members is held every quarter (yes or no).
5. Whether participants of the general meeting for party members study the party constitution and party regulations; whether they timely study the important speeches from Secretary Xi and speeches made by the provincial secretary, municipal secretary, and county secretary on significant meetings; whether they timely study the content and spirit of upper-level government meetings (yes or no).
6. Whether a party branch or a party group is established when there are more than 50 party members (yes or no).
7. Whether a collective study activity is organized by the party group every month (yes or no).
8. Whether members of the party group study the party constitution and party regulations every time; whether they timely study the important speeches from Secretary Xi and the speeches made by the provincial secretary, municipal secretary, and county secretary on significant meetings; whether they timely study the content and spirit of upper-level government meetings (yes or no).
9. Whether a party class is held every quarter (yes or no).
10. Whether the party branch’s annual plan of organizational life is publicized and profiled by the upper-level party organization (yes or no).

[English translation]

Figure 1.5. Examination criteria for the subcategory of “10+88” task under party-building work. Source: Provided by township official 10, September 2019.

The salaries of village cadres are directly determined by how well they meet these performance criteria. In her case study, Whiting shows that differences in the performance of township officials can create a large gap in their salaries. This is the same case with village cadres in Q County. In another township in 2016, the village cadre who scored the highest on the evaluation received the highest annual salary of 31,000 yuan, while the village cadre who scored the lowest on the evaluation received the lowest salary

of 14,000 yuan for that year.²² Thus, in this arrangement, village cadres would have to obtain higher scores to receive higher salaries.

It should be evident that a direct consequence of placing village cadres under the cadre-evaluation system is that it enhances the state's monitoring capacity over them. As Whiting argues, the cadre-evaluation system has greatly contributed to the stability of the Chinese regime by leading to more active monitoring over officials, which in turn weakens their motivation to act opportunistically for fear of being detected. In the same vein, the evaluation reform with village cadres sharply increases their likelihood of being caught for taking actions inconsistent with their superiors' expectations. Indeed, as the evaluation in Z township showed, the local government not only clarified the list and importance of tasks it expected village cadres to accomplish, but also used a variety of methods to regularly examine their performance. And since it is now the local government that pays the salary of village cadres, those village cadres who fail to satisfy their superiors will face the consequence of losing their official income.

1.3.3 Bureaucratic Structure

In addition to treating village cadres more like formal officials in terms of salary and evaluation, the Q County government also sought to make village offices more like bureaucracies. When villages were responsible for paying the salary of village cadres, they could discretionally determine the size and composition of their office without

²² These numbers are derived from the 2016 salary sheet of village cadres in that township.

having to seek approval from the township.²³ The only requirement was that each village has a committee chair and a party secretary.²⁴ Consequently, the number of village cadres was very uneven across villages. Rich villages usually had more cadres than poor villages, given that they had more village affairs to manage and, more importantly, more funding to hire a larger group of cadres. As an example, in one of the richest villages in the 1990s, 15 people were hired to work in the village office, whereas a nearby poor village had only four cadres during the same period.²⁵ Since there were no formal requirements, the division of work between the village cadres was often unclear, and it was common for one cadre to carry out multiple duties.²⁶ Moreover, with limited supervision from above, some village cadres dominated the village office and became the “local emperors” (土皇帝) in their village.²⁷

The government of Q County has made efforts to address these issues since 2009. The first step was to regulate the size of the village office. In 2009, not long after the village cadres was added to the government’s payroll, the Q County government issued a new stipulation to limit the number of village cadres in the village. Specifically, it was regulated that the number of members affiliated with the village’s two branches, namely, the village committee and party branches, should be based on the village’s population,

²³ Interview with township official 7, August 2019.

²⁴ Ibid.

²⁵ Interview with village cadre 15, August 2019.

²⁶ Ibid.

²⁷ Interview with township official 9, August 2019.

with no less than three and no more than five members in each, including the head.²⁸ In addition, a village should have five village cadres that would be independently affiliated with a so-called “supplemental organization” (配套组织), as explained in the next paragraph. In 2012, the village’s two branches were further reduced to a minimum of two and a maximum of three members in each. The number of positions in the supplemental organization remained unchanged. As such, the structure and positions of the village office have been unified and stabilized, resulting in villages could no longer add or reduce the number of cadres by themselves.

The next step was to promote the division of work within the village office. In 2009, all villages were required to establish a “supplemental organization.” As a county official explained, the purpose of having this new organization was to reduce the work burden of the village’s two branches and enable them to concentrate on general village affairs.²⁹ This supplemental organization contained five positions, each with a clear duty. These positions were 1) an Accountant (会计) to manage the village’s financial accounts; 2) a Chair of the Women’s Federation (妇联主任) to protect the rights of women and children and oversee birth control; 3) a Secretary of the Youth League (团支部书记) to organize and manage the village’s Communist Youth League members; 4) a Captain of Militia (民兵连长) to arrange militia training and coordinate enlistment; and 5) a Chair of the

²⁸ Ibid.

²⁹ Interview with county official 1, August 2019.

Resolution Committee (调委会主任) to mediate conflicts among villagers.³⁰

Remarkably, in contrast to the past when one village cadre was often assigned multiple duties, it was stipulated that one cadre could hold only one of these positions, known as the principle of “one person for one position” (专人专职).³¹

The county government also attempted to divide the responsibilities between the village’s committee and the party branch more clearly. According to several township and village respondents, it was after the early 2010s that the county government began to increasingly emphasize that the village’s two branches, namely the village committee and the party branch, should have different work focuses: the party branch should focus more on the village’s party affairs, such as propagating the party’s agendas, supervising and disciplining village cadres’ behavior, and managing the village’s party members; and the village committee should focus more on the village’s public affairs, such as developing village economy and providing public welfare. Moreover, it was stressed that the two branches should avoid interfering with each other, although they should assist each other in completing their tasks.

The third step was to enhance the checks and balances among the village leadership. A major action taken by the Q county government was that in 2011, it announced banning the “on one shoulder” (一肩挑) practice, in which the same person concurrently holding

³⁰ The structure of the supplemental organization was slightly altered in 2012: the Chair of the Resolution Committee was removed, and a new position called “Clerk” (办事员), who would serve as the office's general assistant, was added.

³¹ Interview with township official 10, August 2019.

the positions of the village's committee chair and party secretary.³² According to a county official, the government's general idea was that ensuring two leaders in the village is generally a better option than having merely one since they can supervise and constrain each other, preventing them from dictating the village office.³³ Under this regulation, if someone was elected for one of these two positions, that person would be automatically disqualified for running for the other one.

To further strengthen the supervision over village leaders from within the village, a new position was introduced into the village office in 2012, called the "Chair of the Village Affairs Supervising Committee" (村监委会主任).³⁴ This position is elected by the village residents and, in principle, is at the same level as the committee chair and the party secretary. Their stated duty is to oversee the implementation of village affairs by the village office, especially in financial matters.³⁵ For instance, the chair of the supervising committee can examine the village's fiscal transactions or request the village office to publicize the village's expenditures to villagers whenever they deem necessary. However, the county government also added a requirement that candidates for this position must be selected from the existing members of the village's party branch (except for the party secretary), which appeared to limit the independence of the supervising chair from the village's party secretary.³⁶ Nevertheless, with the establishment of this new position, the

³² Interview with county official 5, August 2019.

³³ Ibid.

³⁴ Interview with township official 10, August 2019.

³⁵ Interview with village cadre 17, August 2019.

³⁶ Interview with village cadre 19, August 2019.

structure of village offices in Q County is now commonly referred to by local officials and village cadres as “three plus one” (三加一), with “three” representing the party branch, the village committee, and the supervising committee, and “one” representing the supplemental organization (Figure 1.6).

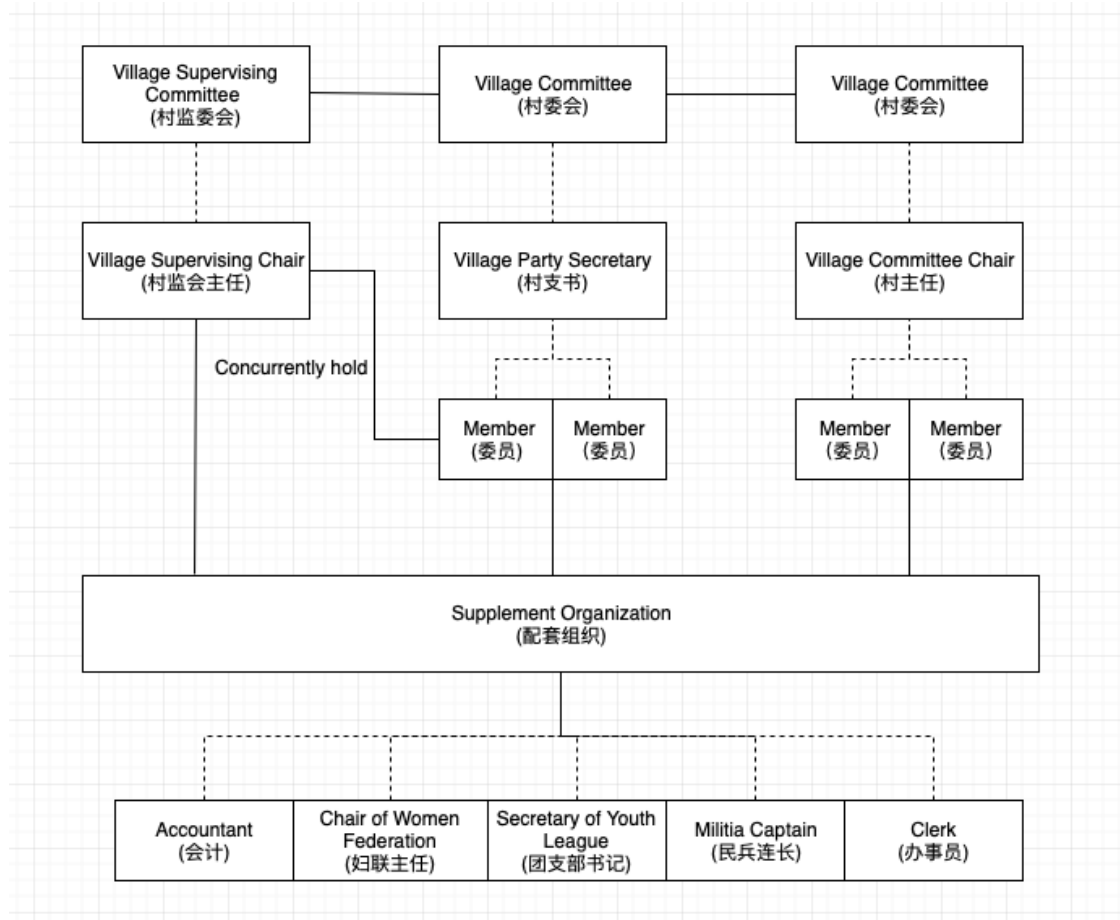


Figure 1.6. Village Office Structure in Q County in 2019. Source. Drawn by the author based on the structure diagram displayed in one village office.

I find that making village offices more like bureaucracies has allowed the government to strengthen its management of village cadres in several ways. Critically, a unified, stabilized, and relatively small village office makes it easier for township officials to keep an eye on village cadres than in the old time when villages greatly varied

in their number of cadres and could largely designate positions on their own. A township official recalled that, back to the 1990s, except for the village's party secretary and committee chair, the township leaders often had a hard time identifying who else was considered village cadres in a village.³⁷ "This is unimaginable today," said this township official, "We are familiar with not only who work in the village and what their duties are, but also their personal background. This is important for us to implement works in villages."³⁸ Relatedly, a clearer division of work among village cadres holds them more accountable for the executing their state duties. Another township official exemplified that, if a village fails to meet its economic tasks assigned by the government, while in the past when this village's party secretary and committee chair may have blamed each other for this outcome, they now usually hold the village chair responsible because economic development falls into his jurisdiction.³⁹ Finally, restraining the concentration of power by village leaders reduces the potential for the emergence of local "strongmen," who are more likely to resist and compete with the state (Migdal, 1988).

1.3.4 Training Workshops

Another profound change with village cadres in Q county is the establishment of regular and mandatory workshops involving both professional and ideological training. In China, political training has been an important tool employed by the state to reinforce its

³⁷ Interview with township official 8, September 2019.

³⁸ Ibid.

³⁹ Interview with township official 10, August 2019.

control over officials (Pieke, 2009; Lee, 2015). For example, party schools have been identified as a major platform to pursue this goal. As Tian and Tsai (2021) document, training programs in party schools serve two purposes. First, they “ensure that cadres remain loyal to the party and are familiar with its political tenets” (2). Second, they “enhance cadres’ administrative abilities, to enable them to effectively carry out policies on all of the matters pertaining to governing” (2).

In Q County, like formal officials, village cadres are now required to regularly attend various types of training workshops held by the government. In fact, since the 1990s or earlier, government workshops for village cadres have existed in Q County, but they differed remarkably from the current workshops. First, workshops for village cadres in the past were mostly optional; today, most workshops are mandatory, with attendance from village cadres affecting their evaluations and, consequently, their salaries. The categories and frequency of workshops in the 1990s were also nowhere near those of today. Most importantly, the focus of the workshops is quite different. An interviewed village cadre reported that in the 1990s, the workshops were mostly about improving village cadres’ skills in governing villages, such as how to better manage their village’s accounts and help villagers to increase crop production.⁴⁰ In the last several years, workshops have focused primarily on upgrading their ability to carry out state tasks and emphasizing their loyalty to the party.⁴¹ According to my interviews, most of these

⁴⁰ Interview with village cadre 15, August 2019.

⁴¹ Ibid.

changes occurred after the early 2010s, especially after Xi Jinping assumed office.

Like the training programs in party schools, workshops for village cadres in Q County can be divided into two main types based on their functions. The first type aims to improve village cadres' administrative skills. This type of workshop focuses on specific state directives, in which village cadres receive concrete instructions and assistance on how to approach and accomplish them. They are usually organized by county government departments that directly oversee the implementation of this directive. For instance, one of the most common workshops organized for village cadres in recent years is regarding the task of poverty reduction, which is held by the county agricultural department.⁴² In these workshops, county officials not only explain the criteria under which village cadres would be considered to have accomplished the targets, but also give detailed advice on what they can do to increase villagers' income. For example, village cadres would be taught how to apply for "start-up programs" (创业项目) from the governments for their villages. Village cadres who have effectively alleviated poverty in their villages would also be invited to introduce their experience to others, describing what they did, the difficulties they encountered, and how they overcame them. Similarly, the county organization department has held regular workshops to guide village cadres to carry out the task of party building. A county respondent estimated that the county government organizes at least six to ten such

⁴² Interview with county official 3, August 2019.

workshops for village cadres each year, while township governments may hold additional workshops depending on their needs.⁴³

My interviews with several village cadres suggest that they do find these workshops generally helpful. As a respondent said, “many village cadres, like me, lack adequate education, so that we often have a hard time understanding the meanings behind the government’s speeches and documents. Sometimes when we receive an assignment from above, we have no clue what we are expected to do. These workshops help us understand how to deal with them. After attending so many workshops, I feel that I have become more familiar with how to interpret the documents and words from above. The experience-sharing part from other village cadres during the workshops is especially valuable because they set examples for us. If we are still unsure or confused about what we should do, we can just copy them.”⁴⁴

The second type of workshop aims to enhance village cadres’ loyalty to the party. Unlike the first type of workshop that provides technical assistance to village cadres to implement state directives, this type of workshop helps village cadres become more familiar with the party’s agendas, doctrines, and history; in this regard, they are more like study sessions. For instance, the Q county government has regularly organized “party classes” (党课) for village cadres that are mandatory. A lecturer, usually an official from the township or county government, and occasionally a university professor, would be

⁴³ Interview with county official 2, August 2019.

⁴⁴ Interview with village cadre 15, August 2019.

designated to host the class. The class would be typically divided into two parts. In the first part, the lecturer would give a “theme lecture” (主题讲座) on a certain topic that is relevant to the party’s latest political tenets, focusing on how village cadres should interpret them and why it is important for them to follow them.⁴⁵ In the second part, the lecturer would lead and facilitate a discussion among village cadres regarding what they learned from the lecture and how they could follow and reflect on these tenets in their practical actions.⁴⁶ According to a respondent, these classes are held approximately once a month, usually with a different topic or theme each time.⁴⁷

These study sessions may take place outside the classroom, especially during special occasions such as the anniversary of the Chinese Communist Party. The most common activity is to organize village cadres to visit “red tourist sites” (红色景点) within or outside Q County, such as memorial parks and historic museums. At these sites, the lecturers would take the opportunity to introduce the history of the Chinese Communist Party and encourage village cadres to share their feelings and thoughts. Sometimes elderly party cadres or veterans would be invited along to share their personal stories with the village cadres. These trips usually ended with village cadres standing together and

⁴⁵ A county official exemplified that, after Secretary Jinping Xi advocated for party members to “remain true to its original aspiration and keeps its mission firmly in mind” (不忘初心牢记使命) in 2019, the Q County government promptly organized several classes to help village cadres understand what the “original aspiration” and the “mission” are referred to, and what they can do to keep their own “original aspiration” and “mission” as individuals.

⁴⁶ Interview with county official 5, August 2019.

⁴⁷ Interview with township official 10, September 2019.

singing revolutionary songs.⁴⁸

Beyond attending the study sessions organized by the government, village cadres currently also need to conduct study sessions in their villages by themselves—so-called “party-theme days” (主题党日)—in Q County that are scheduled once a month. I observed one such session in a village. In addition to the village cadres, the party members among villagers were also required to attend the session. The session consisted of three parts. In the first part, the participants watched an official propaganda film about the party and then, under the guidance of the village’s party secretary, collectively studied and discussed some of the central party’s documents and Xi Jinping’s speeches. In the second part, the participants gathered together and loudly read the Chinese Communist Party Admission Oath aloud as a pledge of commitment to the party. In the last part, following Xi Jinping’s call for grassroots party members to devote themselves to serving the masses, all the participants left the office to perform volunteer work in the village, such as cleaning public places and repairing the water canal. The entire session lasted for about two hours.

These training workshops have contributed to more effective management of village cadres. Given that village cadres are elected directly by villagers, meaning that the state can hardly control their quality through measures such as the civil service examination, professional training provides the state with the opportunity to improve their

⁴⁸ Ibid.

administrative abilities that, in turn, can facilitate the implementation of its directives in the countryside. This point can be seen from the interview with the village cadre from above, who indicated that while he often had difficulties interpreting the directives and assignments due to his lack of education, the workshops have greatly helped him overcome this obstacle. On the other hand, ideological education can help to strengthen officials' loyalty to the state, as scholars have suggested (Tian and Tsai, 2021). To be sure, in my fieldwork, a number of village cadres claimed that the study sessions such as the party classes have helped them become more familiar with the party's doctrines and missions and increased their emotional attachment to the party.

1.4 The Incomplete Professionalization and its Consequences

While the preceding sections suggest that village cadres have been effectively assimilated as formal officials in those four areas, this section, however, argues that professionalization has failed to secure compliance from village cadres to the extent the state hoped. Most critically, I argue that the reform of professionalization has failed to establish an adequate reward mechanism for village cadres, resulting in the formal control the state exerts on village cadres remaining relatively weak. For instance, although the cadre-evaluation system has enhanced the state's supervision over village cadres, there is a prerequisite for the supervision to be meaningful, which is that defections of village cadres are associated with effective punishments that they have an incentive to avoid. Otherwise, village cadres may still not take their state tasks seriously. Similarly, even though the training workshops offer practical guidance on carrying out

state directives, they will be of little use if village cadres have no motivation to follow the guidance. That said, providing incentives to village cadres is essential for securing their compliance, meaning that an adequate reward mechanism must be established.

Ideological education may, to some degree, incentivize village cadres to comply, but with the market economy thriving in today's China, it is an insufficient motivation and may only work with a portion of village cadres.

The introduction of state salaries is supposed to serve as the primary source of incentive for village cadres. As previously demonstrated, unlike in the past when village cadres were paid by their villages, they now receive a stable and regular state salary associated with their evaluation. The main problem with this arrangement, however, is that their salaries are generally poor and significantly lower than those of formal officials. For instance, in 2018, a media outlet reported that the national average salary of village cadres was merely approximately 2000 yuan per month (approximately \$285).⁴⁹ Even the central government has publicly advocated for local governments to raise the salary of village cadres.⁵⁰ In Q County, the salary for village cadres has also been relatively low, despite it being located in one of the richest provinces in China. In 2018, the average salary of village cadres in Q County was approximately 2500 to 2800 yuan per month (approximately \$360- \$400), less than half of the average salary of local township officials.⁵¹ To support their families, most village cadres in Q County held a second job,

⁴⁹ See https://www.sohu.com/a/164291438_598830.

⁵⁰ See <https://news.sina.com.cn/c/2021-02-21/doc-ikftssap7930873.shtml>.

⁵¹ Interview with township official 15, August 2019.

usually in farming or running businesses.⁵² In the interviews, a village cadre complained that the government treated them like “it wants the horse [village cadre] to run, but does not want the horse to eat the grass” (又想马儿跑, 又不想马儿吃草).⁵³

Neither has professionalization provided village cadres with opportunities for career advancement. Scholars have identified promotion as a key motivational factor that drives Chinese officials to show strong performance and outperform their colleagues, leading to the so-called “promotion tournament” (Li and Zhou, 2005). Accordingly, a major reason that officials care about their performance is that they affect their promotions. Despite professionalization, village cadres still do not have the chance to move to higher-level positions. In Q County, all the village respondents mentioned that they had not heard any village-level cadres being promoted to the township government, while the township respondents also admitted that promoting a village cadre is extremely unlikely. Therefore, the absence of promotion opportunities remains one of the most notable differences between village cadres and formal officials.

As a result of the absence of attractive rewards, local officials may find that it continues to be difficult to mobilize village cadres to follow their directives. When I asked a township official who had worked in the township government for over two decades whether the professionalization reform had increased village cadres’ compliance

⁵² Interview with township official 15, August 2019.

⁵³ Interview with village cadre 21, August 2019.

with the township government, his answer was “not necessarily.”⁵⁴ On the one hand, he acknowledged that including village cadres in the government’s payroll provided the local government with a formal and systematic tool to sanction them for poor performance. On the other hand, he claimed that because the salaries themselves are relatively poor, their sanction effect on village cadres is rather limited, especially for those who earn a much higher income than their salary. To illustrate his point, he related an incident that occurred in 2013. That year, the township government found that a village chair, who owned a retail shop in the county, rarely showed up for meetings called by the township government. The township official warned the village chair that if he continued to be absent, his salary would be reduced. However, this village chair responded that they could take up all his salary if they wanted, and he would not care. The warning apparently worked poorly on the village chair, as he continued to be absent from most government meetings in that year.

Indeed, it is not rare to find examples where village cadres were reluctant to follow the state’s directive in Q County. Another township official addressed the difficulty of implementing the one-child policy due to village cadres’ uncooperative attitudes.⁵⁵ According to this township official, village cadres in her township have poor incentives to enforce birth control in their villages and often assist their villagers in evading the government’s examination. Although the township government has sanctioned and

⁵⁴ Interview with township official 9, August 2019.

⁵⁵ Interview with township official 8, August 2019.

publicly criticized several village leaders who were caught for not reporting or hiding villagers who had more children than legally permitted, it did not significantly improve the situation. “Village cadres probably did not think that a salary of several hundred yuan (a month) would be worth them becoming enemies of the villagers,” said this township official.⁵⁶ Facing this dilemma, the local township government often has to resort to other means to monitor and control the birth rate in the villages such as conducting “sudden investigations” (突击检查) in a village without notifying the village cadres or seeking information from informal sources.⁵⁷

In the most extreme scenario, village cadres may even join or organize villagers to resist the government’s directives. A township official explained how this happened in one village in 2014 when the township government decided to shut down a brick factory in that village due to the pollution it generated.⁵⁸ This decision was strongly resisted by local villagers because some of them were employed by the factory. While the township officials initially expected the village’s committee chair to pacify the villagers, they later found that the village chair not only did not do so but was even organizing villagers to escalate the resistance by petitioning higher-level governments to keep the factory in operation. Township officials then held several rounds of conversation with the village chair, hoping that he would change his mind and persuade villagers to stop the resistance.

⁵⁶ Ibid.

⁵⁷ For example, this township official said that officials may ask their relatives or friends who live in the village if they have heard about any villagers for being newly pregnant.

⁵⁸ Interview with township official 7, September 2019.

This chair refused and claimed that if they continued to pressure him, he would quit his job. Once again, there was not much the township officials could do except withhold the chair's salary, and they indeed did, but it did not deter him. In the end, the brick factory was closed, but the township government had to provide some monetary compensation for villagers that was not originally planned.

What village cadres did in these examples in Q County are clearly not so "professional" from the perspective of state officials. It is difficult to imagine that a formal official would openly refuse or resist their superiors' mandates, as doing so would bring serious consequences of losing their salary income and, more severely, putting their political career at risk. The situation is much different for village cadres. Their performance barely affects their career given that they cannot be promoted. Their salary also has a much weaker impact on their livelihood than formal officials since the pay is relatively low, and that most village cadres have a second job. Thus, the state's ability to mobilize village cadres is still constrained. On the surface, the management of village cadres have become more professionalized and institutionalized through the professionalization reform. In reality, village cadres have not necessarily developed stronger incentives to comply with their superiors' directives due to the reform's failure to establish an adequate reward mechanism.

1.5 Conclusion

This paper has examined the Chinese state's effort to professionalize village cadres to be more resemble formal officials to elicit their compliance. Through a detailed case

study of Q County, I show that village cadres have been assimilated as formal officials in terms of their salary, evaluation, bureaucratic structure, and training workshops.

However, at the same time, I argue that the professionalization has only partially succeeded in reinforcing village cadres' compliance with the state, mainly because the formal rewards offered to village cadres are not sufficiently attractive. As a result, the professionalization reform has not solved the state's dilemma in mobilizing village cadres to follow its directives and extend its reach into the countryside.

However, if this is the case, what explains the phenomenon that state directives have been implemented tolerably well in the countryside in recent years, as addressed earlier? One possible answer is that local governments have resorted to other means to supplement the incompleteness of the professionalization reform. As noted by Xueguang Zhou (2012), Chinese local officials are inclined to "get the job done at any cost" (299). Given that village cadres are essential for township governments to get their jobs done (Alpermann, 2001), it is reasonable to expect that, in the context of weak formal rewards, local officials may seek to compensate for their weak incentive schemes by providing them some sort of informal rewards, such as the opportunities for corruption. Yet, to use informal or illicit rewards to motivate village cadres, it stills require local officials to be capable of monitoring their behaviors and performance. Monitoring village cadres was difficult in the past. Professionalization, as this paper argues, has greatly improved this situation. In this way, although the professionalization reform itself may not have solved the state's dilemma, it may have contributed to improve the effectiveness of informal

methods at the state's disposal, which can be used to pursue the same goal of ensuring village cadres' compliance.

Further research on the professionalization of village cadres should pay more attention to how it has affected villagers' relations with both the village cadres and the state. In particular, the villagers' reaction to this reform remains unclear. After all, village cadres are affiliated with their supposedly "self-governed" villages and are elected by villagers. Accordingly, villagers should view village cadres more as their representatives rather than as the state's servants. When village cadres act increasingly like state officials, it is possible that villagers may become more distrustful of village cadres and dissatisfied with the state. This may make it more difficult to implement state directives in the countryside and increase rural contention and instability. Therefore, to study the consequence of professionalizing village cadres on local governance, it is important to examine not only how it affects the state-village cadre relationship but also how it shapes the trilateral relationship between the state, the village cadres, and the villagers.

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2. Corruption in Rural China: The Surprising Incentives Offered to Village Cadres to Follow State Directives

(Modified from a paper to be published in *China Review*)

2.1 Introduction

Like other state agents in China, village cadres are expected to accomplish the state directives assigned to them by their superiors. Although today they no longer are required to collect taxes and fees from their fellow villagers, which used to be their most important state duty until the agricultural tax was abolished in 2006 (Bernstein and Lu, 2003), village cadres are still responsible for carrying out a number of directives that are crucial for rural governance, including local public goods provision (Hiroshi, 2008), local stability maintenance (O'Brien and Li, 2006), environmental protection (Lora-Wainwright et al., 2012), land requisition (Zhao, 2018), and village reconstruction (Wilson and Zhang, 2019). Under Xi Jinping, the tasks and workloads of village cadres are likely to have further increased as with the initiation of a series of rural campaigns, such as “Poverty Alleviation” (扶贫),⁵⁹ “Beautiful Countryside Construction” (美丽乡村),⁶⁰ and “Rural Revitalization” (乡村振兴).⁶¹ Needless to say, whether village cadres obediently follow these directives critically affects whether the state’s agendas and plans will be effectively implemented in the countryside.

It is also well known that village cadres differ profoundly from other state agents.

⁵⁹ See http://www.qstheory.cn/2019-08/15/c_1124879554.htm

⁶⁰ See <https://baijiahao.baidu.com/s?id=1669456947892383869&wfr=spider&for=pc>.

⁶¹ See http://www.qstheory.cn/zhuanku/bkxj/2019-06/13/c_1124617928.htm

The first main difference is that they are not appointed by the state but elected directly by rural residents.⁶² Another difference is that they receive a generally low salary that is far less than that of public sector employees.⁶³ The third difference is that because the law defines the village as a “self-governed mass organization” rather than a formal level of government, village cadres cannot be promoted beyond the village level.⁶⁴ As such, the explicit rewards that the state can offer to village cadres appear limited. Thus, considering village cadres’ importance to the state alongside their unique treatments, the following question arises: How can the state ensure village cadres’ compliance and motivate them to follow its directives? This paper addresses this puzzle.

To examine this puzzle, I begin with a more fundamental question: what prompts people to become village cadres? In fact, scholars have noted that although the formal or explicit rewards for village cadres may look hardly attractive, the informal or implicit rewards associated with village offices can still make these posts appealing to the rural populace. For instance, holding office not only grants village cadres prestige, honor, and “face” (Chen, 2014a), but also provides them the opportunity to enhance their “moral standing” that “makes people feel good about themselves” (Tsai 2007, 357). Also, since village cadres are in charge of allocating state and village resources, people may compete for offices to safeguard the collective interests of their clans or lineages (Su et al., 2011).

⁶² Organic Law of the Villagers Committee, Article 11.

⁶³ For instance, according to a news report published in 2018, the national monthly average salary for village cadres was merely approximately 2000 yuan (approximately \$250) in that year. See https://www.sohu.com/a/164291438_598830

⁶⁴ Organic Law of the Villagers Committee, Article 2.

Most notably, despite their poor salary, village cadres still have good opportunities to accumulate considerable private wealth. As Oi and Rozelle (2000) have pointed out, “by virtue of his position, [a village cadre] has access to privileged income-earning opportunities and other perks in the local community (524).” Statistically, Walder (2001) has shown a positive and significant relationship between the income of rural households and the presence of family members serving as village cadres.

How can village cadres gain these “privileged income-earning opportunities?” The literature points to both indirect and direct methods. Indirectly, village cadres can seek to establish or reinforce connections with upper-level officials during their work interactions and use these connections to facilitate their businesses (Yan, 2012; Chen, 2014a). The limitation of this method is also apparent: it can only work for village cadres who have a business. Although the percentage of “entrepreneurial cadres” has been rising in the countryside in recent years (Yan, 2012; Chen, 2014a), they clearly still remain a minority. The direct method, in contrast, is not limited to particular groups of village cadres. This method is corruption. Indeed, scholars have acknowledged that corruption has been rampant among village cadres (Oi, 1989; Unger, 2001; Birney, 2014; Wu and Christensen, 2021), whereas a variety of sources of corruption have also been identified, including village collective enterprises (Unger, 2001), state-funded projects (Wu and Christensen, 2020), and requisitions of rural land (Zhao, 2018; Whiting et al., 2018). Not surprisingly, scholars commonly view endemic corruption as a major threat to governance as it represents the state’s failure to regulate its officials (Lu, 2002). As

Minxin Pei (2006) put it, “Corruption by government officials undermines the integrity of many key institutions that enforce laws, maintain rule and order in the marketplace, and deliver crucial public services” (11).

This paper, however, argues that corruption has been used by the Chinese regime as a critical tool to strengthen village cadres’ compliance and motivate them to follow state directives. The theoretical framework for this argument draws on the findings of Keith Darden (2008), who innovatively argues that corruption “often serves as a form of unofficial compensation that reinforces rather than undermines the formal institutions of the state and can provide leaders with additional means to control subordinate officials” (26). Using qualitative, interview-based fieldwork evidence collected from nine villages in three provinces: Shandong, Zhejiang, and Shaanxi, I argue that the Chinese state has followed the same logic in managing village cadres. The findings show that local governments often intentionally permit the corrupt activities of village cadres as a reward as long as they accomplish their state tasks. However, when village cadres perform their state tasks poorly, local governments will limit their access to corruption opportunities or may charge them with economic crimes as a punishment. With regard to why local governments resort to this strategy, I argue that this is because corruption has two advantages compared to formal rewards such as salary: it incurs lower financial costs and raises the government’s political leverage over village cadres.

At the same time, I argue that local governments rely on formal institutions to limit the magnitude of corrupt activities by village cadres to make this reward mechanism

controllable and sustainable. As Darden (2008) emphasizes, to use corruption to elicit officials' compliance, the state must ensure that officials "take no more than the allotted amount" (43). However, Darden provides little explanation of the means through which the state can practically achieve this goal. I find that the Chinese state has effectively alleviated this dilemma by using two formal institutions. One of the institutions is the cadre-evaluation system, which prevents village cadres from taking "too much" for themselves by specifying the requirements of their performance. The other institution is village elections, which enable village cadres to remove "excessively" corrupt cadres and thus serve as a fire alarm alerting the incumbent cadres. As a result, village cadres have an incentive to limit their corrupt activities to the degree that is deemed as "acceptable" by both their superiors and villagers.

By explaining how the state ensures compliance from village cadres, this study contributes to two facets of the literature. First, my study speaks to the literature on cadre management. While the cadre-evaluation system has been identified as the most essential tool employed by the Chinese regime to monitor and control its agents, the general understanding of how the evaluation system works is that it uses higher salaries and promotions to incentivize officials to display strong performance (Whiting, 2001, 2004; Li and Zhou, 2005; Edin, 2003; Landry, 2008; Herberer and Trappel, 2013; Lu and Landry, 2014; Teets et al., 2017). My study demonstrates that the mechanism through which the evaluation system affects the performance incentives of village cadres, who represent the lower-level state agents that are paid less well and have fewer chances of

being promoted, is quite different. It indicates that for village cadres, the primary reward attached to the evaluation system is the opportunity to engage in corruption, and that this reward can work as effectively as the explicit rewards of salaries and promotions to guarantee their performance.

Second, my study contributes to the debate on why it is difficult to combat corruption in China. As Wedeman (2005) notes, the effect of China's anticorruption campaigns has been often limited and have led "many to view China's 'war on corruption' as half-hearted and ineffectual" (93). Scholars have attributed this outcome to a number of factors, with political collaborations between higher and lower officials, not surprisingly, being frequently cited (Zeng and Yang, 2017). Anticorruption activities also appear to be difficult to conduct in the countryside. Birney (2014) argues that this is because under the system of "rule of mandates," superior officials often encounter difficulties distinguishing whether rural cadres are following their mandates or engaging in corruption. My study suggests that even if superior officials can easily identify the corrupt activities by rural cadres, they may be reluctant to punish them. But this is not because of political collaboration. Rather, it is because superior officials are aware of the fact that corruption constitutes a primary source of rural cadres' compliance. Intense anticorruption activities can weaken their control over rural cadres and increase the difficulty of implementing their mandates in the countryside that, as a consequence, may sabotage their own evaluation and career.

The paper is organized as follows. The next section explains Keith Darden's theory

of how corruption can reinforce officials' compliance with the state. The third section reviews previous explanations of the sources of village cadres' compliance and highlights how my argument differs. The fourth section introduces the research methods. The fifth section presents the empirical findings. The last section concludes.

2.2 Corruption as an Informal Institution

Corruption has always been seen as the opposite of compliance. As Keith Darden (2008) points out in his article, *The Integrity of Corrupt States: Graft as an Informal State Institution*, "a central claim of the corruption literature is simple: the appearance of graft indicates that the institutions securing the compliance of state officials are weak or inadequate and reveals that the administrative hierarchy has broken down" (37).⁶⁵

However, by using data collected from 142 countries, Darden finds that some of the most corrupt states have displayed an impressively high level of state capacity as measured by tax collection and government expenditures as a percentage of GDP. He thus questions that if corruption did imply the state's failure to regulate officials, highly corrupt states should display a far weaker state capacity. What explains this paradoxical relationship between corruption and state capacity?

Counterintuitively, Darden's answer is that corruption has in fact helped these states enhance officials' compliance by functioning as an *informal institution* that in turn improves their state capacities. Specifically, he suggests two mechanisms through which

⁶⁵ All citations and quotations in this section is from this same article written by Darden.

corruption can play this “state-reinforcing role” (42). First and foremost, corruption can be used as, in his words, “an alternative form of compensation” (ibid.) in exchange for officials’ compliance. In this arrangement, Darden claims, “we would see an informal, implicit, and illegal contract between state leaders and subordinate officials, whereby the receipts from bribery and embezzlement would be granted in exchange for effective implementation of central directives and a share of proceed” (ibid.). Second, by permitting officials to engage in corruption, it allows the state to impose high informal pressure on officials “by increasing the potential sanctions to which subordinate officials are vulnerable in the event of noncompliance” (ibid.). That is, while an honest official “risk nothing than the loss of his position and immediate livelihood” (ibid.), corrupt official bears much severer consequences such as “loss of freedom” and “impoverishment of the official’s family” if they are convicted (ibid.). In other words, officials’ costs for not complying with the state have been significantly increased.

At the same time, Darden emphasizes that the state must have a strong surveillance apparatus through which leaders can monitor their subordinates in three aspects: 1) to know whether they follow their directives 2) to ensure that they seize an “allotted amount” and 3) to keep track of their corrupt activities. Darden argues that when these conditions are met, corruption can be constructively used by state leaders to strengthen their control over officials.

To illustrate the feasibility of this theory, Darden then uses the case of Ukraine in the 1990s as an example. Drawing on a unique dataset of audio recordings collected from

between 1999 and 2000 in the presidential office of Ukraine, he persuasively illustrates how then president of Ukraine, Kuchma, has strategically used corruption to elicit officials' compliance: he would tolerate corrupt activities by officials who were compliant with him, but expose and punish corrupt activities by officials who protested or resisted him. For example, the recordings reveal that when Bakai, then head of a Ukrainian state-owned oil and gas monopoly and a follower of the president, was investigated for embezzling funds, President Kuchma exchanged thoughts with the head of the Tax Inspection Agency on how to protect Bakai from being convicted and exposed to the public. In contrast, when Timosheko, then Deputy Prime Minister, was found to provide funds for a politician who published negative articles about the president in his newspaper, Kuchma commanded the head of the State Security Service to draw out the file of Timosheko's corrupt activities to warn and intimidate her.

However, although Darden has identified a variety of conditions that are imperative for corruption to function as an informal institution, he has offered little explanation of how these conditions can be achieved or operated. For example, if compliant officials are allowed to engage in corruption, how can state leaders correctly detect who is compliant and who is not? Also, if officials are required to take no more than the "allotted amount," how can the "allotted amount" be determined and enforced? Moreover, under what scenarios will or should state leaders choose to resort to corruption rather than other tools (especially legal rewards) to exert control over officials? A possible reason for the lack of answer to these questions is that Darden draws his empirical evidence mainly from audio

recordings but lacks direct communication with relevant actors regarding the actual practice of its mechanism. In this paper, based on intensive fieldwork conducted in three provinces, I show that not only Darden's theory precisely describes the Chinese state's strategy of ensuring village cadres' compliance, but also that the examination of the case of village cadres helps answer these questions and supplements his theory.

2.3 Informal Institutions in Rural China

In the study of rural China, scholars such as Tsai (2007) have argued that when the formal institutions of accountability are weak, informal institutions can help ensure that village cadres are performing their tasks. While Tsai focuses on how villagers have relied on local solidary groups to motivate village cadres to provide public goods and services, other scholars have noted that state has also used informal institutions to prompt village cadres to carry out its directives. Indeed, the control exercised by formal institutions of village cadres is much weaker than of other state agents. As previously addressed, first, village cadres are democratically elected by villagers; thus, the state does not directly control their appointments (O'Brien and Han, 2009). Moreover, the salary they receive from the state is generally low. For instance, according to a news report published in 2018, the national monthly average salary for village cadres was merely approximately 2000 yuan (approximately \$250) in that year.⁶⁶ Furthermore, village cadres do not have opportunities to be promoted to higher-level positions (Kung et al., 2009). In this context,

⁶⁶ See https://www.sohu.com/a/164291438_598830.

informal institutions appear to be a possible solution with which the state can seek to compensate for its weak formal control of village cadres.

One of the primary findings of early studies is that the state had adopted a what can be seen as a profit-sharing mechanism with village cadres for implementing state directives. These studies focused on the period from the 1990s to mid-2000s, when village cadres' salaries were still paid by their villages rather than the state. In practice, it was found that the state often granted village cadres a share of the revenues or rents generated by the directives they were required to implement in their villages. For example, to promote the development of rural industries in the 1990s, the local governments usually promised a share of the revenues made by the village enterprises as village cadres' rewards, which proved quite effective in stimulating the rural economy (Whiting, 2001; Oi, 1999). Similarly, to incentivize village cadres to extract taxes and fees from their fellow villagers, especially as the taxes and fees became increasingly heavy after the mid-1990s, village cadres could keep a percentage of the levies as agreed upon by the local government (Bernstein and Lu, 2003). This practice could also be seen in the implementation of the one-child policy, as the government permitted village cadres to collect a share of the one-child policy fines for themselves for enforcing the policy (White, 2006). However, when village cadres began to receive a state salary after the abolition of the agricultural tax (Oi et al., 2012), this profit-sharing mechanism was naturally abandoned and replaced by the formal salary. But as explained above, the salaries of village cadres have been low.

Alternatively, some scholars suggest that local officials often rely on patronage networks to motivate the performance of village cadres. This perspective was pioneered by Oi (1985), who argues that a village cadre is both a patron to the villagers and a client to upper-level officials and that he must rely on the latter “for his office, his right to distribute the goods available within the team, and thus ultimately his power” (256). As such, village cadres should have an incentive to keep their superiors satisfied by accomplishing their assigned tasks in exchange for preferential treatments, such as lighter procurement quotas or more state resources for their villages. Even with the consolidation of village elections, it is believed that village cadres are still dependent on their township superiors for office. As O’Brien and Han (2009) contend, township governments are still crucial for village cadres to exercise power since they control and allocate the resources that are imperative for village cadres “to fulfill many of their responsibilities, such as providing public goods” (269). Using rich fieldwork evidence, Hillman (2014) also argues that patronage networks greatly facilitate policy implementation and coordination in rural China. He finds that as village cadres need to compete for state resources such as funds and projects, township officials often use these resources as rewards to induce efforts from their village clients to follow state directives.

In this paper, I argue that a primary informal institution the state has used to elicit compliance from village cadres, but that has largely been overlooked by scholars, is corruption. My argument may share some similarities with previous explanations but, in essence, differs fundamentally. As with the profit-sharing mechanism that was widely

adopted in the 1990s, the rationale behind using corruption to reward village cadres is to strengthen their economic incentives to follow state directives. However, the form and allocation of the rewards are not the same. Under the profit-sharing mechanism, the reward for village cadres is a share of the revenues and rents derived from directives, with the amount of the reward set by the local government in advance. Yet, when the reward is the permission for corruption, village cadres themselves determine from what resources to seize or create rents and do not have to go through their superiors. Accordingly, the superiors can hardly specify the amount of rents for village cadres, which is largely at the latter's discretion.

Nor is the logic of my argument the same as that of the patronage network. Of course, a township patron may sometimes grant income-generating resources, such as state projects, to their village clients and turn a blind eye to their illegal activities in exchange for their support and compliance (Hillman, 2014). To this extent, my argument may look like a form of clientelism. It is not. The key difference is that, in a patronage network, the reward of corruption is exclusive and can only be accessed by people who are identified as clients or loyalist by their superiors. Therefore, they are not punished for corruption mainly because of their *connections* with their patrons, who are obligated to protect their perks to maintain their relations. In my argument, whether village cadres can safely engage in corruption is primarily determined by their *performance*, so that it is not exclusive. In other words, regardless of whether they have a patron, it is possible for village cadres to have constant access to opportunities for corruption. The requirement

they need to meet is straightforward: to accomplish their state tasks.

It should also be stressed that my argument can hold in the case of collective corruption or collusion among officials, which have been found to commonly exist in China's bureaucracies (Gong, 2002; Zhou, 2010). Admittedly, some village cadres may offer a share of their illegal income to their superiors as a bribe or to “drag them into the water” (拉下水) in seeking more secured protections by linking their fates together. Nevertheless, I contend that those village cadres will still have a strong incentive to accomplish their tasks for two reasons. First, village cadres need to show strong performance in their assignments to receive more state resources such as funds and projects, which, as will be shown, constitute an important source of corruption. Otherwise, the local government may allocate the resources to more competent village cadres who can get their jobs done. Second, failure to accomplish tasks, especially tasks that are prioritized by higher-level governments, may draw unwanted attention from government agencies or the public and expose their corrupt activities to a wider range. When this occurs, their superiors may no longer be capable of protecting them even if they want to. As a result, those village cadres who collude with their superiors are still subjected to the pressure of accomplishing state tasks.

2.4 Research Sites and Methods

My fieldwork was conducted in a total of nine villages in three provinces, Zhejiang, Shandong, and Shaanxi, with three villages from each province. There were two considerations for selecting these three provinces. First, they represent different levels of

development: Zhejiang is a relatively rich province, Shaanxi is a relatively poor province, and Shandong is more or less an average province. Second, I have connections in these three provinces. Given that corruption is a comparatively difficult and sensitive topic, connections are important for fieldwork. In each province, I selected a county where I had either previously conducted research (Shandong), or knew friends or officials who could arrange interviews for me (Zhejiang and Shaanxi). In each county, based on their accessibility, I managed to include at least one relatively rich village and one relatively poor village according to local standards. My trips to these counties took place in 2018 and 2019. The length of stay in each county ranged between three and ten weeks. For the rest of this paper, I will use numbers to indicate the villages: 1–3 from Shandong; 4–6 from Zhejiang; and 7–9 from Shaanxi.

Altogether, I interviewed 62 respondents, including villagers, village cadres, township officials, and county officials. The selection of the respondents was based on the snowball sampling method. To increase respondents' sense of security, the interviews were not recorded; instead, I took notes during the conversations. Some interviews were carried out in an informal format, such as during meals and car rides.

All interviews were semi-structured. Some common questions addressed to all groups included whether they were aware of local corruption and what their perceptions and attitudes were. Additional questions were prepared for different groups. For instance, for villagers, I asked them to assess the magnitude of corruption in their villages and indicate the factors they believed have affected this magnitude. For township officials, I

asked them to describe their strategies for rewarding and sanctioning village cadres and explain the effectiveness of these strategies. The length of the interviews typically ranged between 30 minutes and two hours.

I acknowledge that my selection method of the research sites has its shortcomings. Given that the research sites were not randomly selected, some may question whether the findings can represent the general situation of China. However, it would be especially difficult to conduct research on the topic of corruption in purely randomly selected villages, especially for in-depth case studies. More importantly, the most primary goals of my study are to propose a new mechanism through which the state exerts its control over village cadres and illuminate how this mechanism is practically feasible and operative. For these purposes, the findings from the nine villages provide solid evidence that supports my arguments and provides new insights into the state-village cadre relationship. Moreover, the nine villages are from three different provinces and have varying levels of development, suggesting that the mechanism of control I propose is not limited to certain locations or economic conditions. Therefore, some generality can still be drawn from these cases.

2.5 Empirical Findings

2.5.1 Opportunities for Corruption

The main argument of this paper is that, similar to what Darden finds in Ukraine, corruption has been used by the Chinese state to enhance village cadres' compliance. An underlying assumption of this argument is that opportunities for corruption by village

cadres must exist and they also widely seize these opportunities. Thus, the first task of this study is to examine the degree and sources of corruption in China's villages.

As previously discussed, the common understanding is that corruption has been prevalent in the countryside (Unger, 2001). For example, in a recent study, Wu and Christensen (2020) document that "corruption among village and township is a serious problem in China's governance of rural poverty" (1) and that "there is more corruption among village cadres than township cadres" (ibid.). My fieldwork confirms this general notion. Out of the nine villages, corruption by the incumbent or previous village cadre were reported by respondents, mostly villagers and township officials, in at least six villages. Yet, in contrast to the existing belief that income-earning opportunities for village cadres are more likely to emerge in highly developed or industrialized villages (Oi and Rozelle, 2000; Hu, 2005), my findings reveal that village cadres have good access to corruption opportunities in both rich and poor villages.

Specifically, I find that most village cadres have solicited rents from what I call *internal* and *external* resources. I define internal resources as village resources that can be directly exploited by village cadres, such as land, enterprises and natural resources. For instance, in village 1, the village chair was notoriously known for pocketing the land compensation during the village's several rounds of land requisitions.⁶⁷ In Village 7, a well-known tourist attraction in the local region, villagers complained that their village

⁶⁷ Interviews with villagers, Shandong, August 2018.

chair had often misappropriated public funds that belonged to the village's collective tourist company.⁶⁸ In Village 2, according to the respondents, the village secretary leased the village's coal resources to himself for an extremely low price and monopolized the coal production business in his village.⁶⁹ Notably, the availability of internal resources is not necessarily determined by the village's level of development. For example, the value of land or the possibility of land requisitions may depend more critically on the village's location, such as its proximity to urban areas. A village may also be poor but well-endowed with natural resources, which was the case in Village 2. That said, corruption can still be severe in poor villages.

External resources, on the other hand, are defined as resources transferred by the state to villages that can be embezzled or skimmed by village cadres. The most common source is state subsidies. In Village 3, the respondents remarked how their village cadres had stolen from their farm subsidies, a national subsidy offered to farmers for growing certain types of crops. Procedurally, the subsidy was first allocated to the village's public account and then deposited to villagers' accounts by the village cadres. However, the respondents claimed that the amount of the subsidy they received was always smaller than the amount stated in the government documents.⁷⁰

Developmental and infrastructure projects constitute another major type of external resources. These resources not only often bring village considerable external funds that

⁶⁸ Interviews with villagers, Shaanxi, February 2019.

⁶⁹ Interviews with villagers, Shandong, August 2018.

⁷⁰ Interviews with villagers, Shandong, July 2018.

village cadres can embezzle, but also provide them with the opportunities to extort bribes. An illustrative example is the poverty alleviation program. In Shaanxi Province, some village leaders were said to have demanded bribes from households who wished to acquire the title of a “poor household” (贫困户).⁷¹ Due to the state’s increasing efforts to reduce rural poverty, a “poor household” is eligible to receive a variety types of benefits in addition to regular stipends, including state-sponsored medical insurance, cheaper rental housing prices, and lower or free tuition fees for their children.⁷² But as a result of these benefits, the nomination for the title of “poor household” had become quite competitive in some places and even attracted the interest of households whose income far exceeded the poverty line. Given that village leaders could determine or substantially affect the nominations in their villages, some village leaders had taken advantage of their positions and alleged that they would nominate the household that pays them the highest price, even if the households were not qualified to apply.⁷³

Road building is another highly lucrative project for village cadres. In Zhejiang Province, local regulations stipulate that a village office can directly hire a construction company to build or renovate its village’s road if the project costs less than 500,000 yuan; otherwise, the company must be selected through a “public bidding” (招标) process.⁷⁴ Nevertheless, village cadres can strategically turn public bidding into so-called “invited

⁷¹ Interview with a county official, Shaanxi, January 2019.

⁷² Ibid.

⁷³ Ibid.

⁷⁴ Interviews with township officials, Zhejiang, August 2019.

bidding” (邀标), an arrangement under which only companies explicitly invited by the village office can attend the bidding.⁷⁵ In other words, the participants or the winner of the bid is still predetermined by the village. According to a local township official, in 2018, over 90 percent of the village road projects in his township with a cost more than 500,000 yuan adopted the format of invited bidding.⁷⁶ Due to the decisive role played by village cadres in the allocation of village’s road projects, an implicit norm has emerged in this area that companies would usually offer a certain amount of “kickback” (回扣) to the village cadres in exchange for being selected.⁷⁷

Again, I did not find that the allocation of state resources or projects was based on the village’s economic situations. This finding appears to be inconsistent with Rosenberg’s (2015) argument that richer villages tend to have a better chance of being selected for state projects given that they have a greater fiscal capacity and, therefore, a higher likelihood of completing the projects. Although Rosenberg correctly asserts that the primary consideration of local officials is to pick out the villages that are most likely to get the jobs done, it should be noted that the fiscal capacity of the village does not necessarily indicate the willingness of its village cadres. That is, the cadres of rich villages may still be reluctant to follow the directives if they do not see stakes for themselves. Moreover, a number of township officials from my fieldwork indicated that,

⁷⁵ Ibid.

⁷⁶ Interview with a township official, Zhejiang, August 2019.

⁷⁷ The existence of this norm in this county was confirmed by a number of township officials and village leaders.

rich villages often could not be considered for certain state projects due to the hard restrictions.⁷⁸ A good example is the anti-poverty project that is mostly offered to poor villages. In this situation, local governments need to have means to ensure that village cadres, regardless of whether they are from rich or poor villages, have an incentive to complete state projects as required, otherwise local officials may be implicated and sanctioned for the failure of the projects. In the next section, I will show that local governments have systematically used corruption to pursue this goal.

2.5.2 Corruption and Compliance

Darden argues that state leaders can intentionally use corruption to elicit compliance from officials. The way it operates, according to Darden, is that as long as officials remain compliant with their leaders, their corrupt activities will be permitted and protected as a reward. In contrast, when officials protest or resist the leaders, their corrupt activities will be exposed and sanctioned as a harsher punishment. My findings reveal that Chinese local governments operate roughly along the same line in dealing with corrupt activities by village cadres.

In my fieldwork, the majority of interviewed township and county respondents indicated or implied that they were aware of, or at least had heard about the corruption of village cadres in their local area. Moreover, in every county, I found concrete examples of village cadres who were not punished for corruption because of their strong performance

⁷⁸ Interviews with township officials, Shandong, July 2018; Interviews with township officials, August 2019.

on state tasks. Below, I present two examples to illustrate this point.

The first example is from village 6 in Zhejiang Province where I visited in 2018. There, I learned that most of this village's construction land and spare houses had been leased to a tourist company in 2016 for a development project that would turn the village into a tourist site featuring "traditional homestays" (民宿). Noticeably, the rental price the village office charged the tourist company was significantly lower than the market price, which frustrated some of the villagers who had turned over their houses for the project.⁷⁹ In the interview with the village chair, his explanation was simply that the land was rented out in a "bundle" (打包) and that the project could bring the village constant revenues; therefore, the village office was willing to compromise on the price to secure the deal.⁸⁰ However, after I left the village, the township official who accompanied me on the visit revealed a secret: the tourist company was in fact owned by this very chair, so practically no negotiations had occurred between the village and the company.⁸¹ This meant that the extremely cheap price was simply established by the chair himself. The township official also confirmed that township leaders were aware of this fact but had taken no actions to sanction the village chair.

Why was the village chair not punished? When I raised this question to this township official, he emphasized that this project was highly evaluated by then township leaders

⁷⁹ Interviews with villagers, Zhejiang, August 2018.

⁸⁰ Interview with the village chair, Zhejiang, August 2018.

⁸¹ Interview with a township official, Zhejiang, August 2018.

because it could help them complete their “economic tasks” (经济任务) assigned by the county government for the year. In turn, the township leaders not only publicly praised the village chair for his excellent performance but also wanted to use him as a model to inspire other village leaders to bring more development projects to their villages. According to this official, “if other village leaders see that there are ‘stakes’ (油水) for themselves, they would also be motivated to bring more investments to their villages. This can create a win-win situation for village leaders and township governments. If the government sanctions this village chair for making money for himself from the project, other village cadres may lose the incentive to carry out this task.”⁸² The township official also contended that, due to the economic significance of this project, the priority of township leaders was to ensure the project’s completion within the deadline. This goal depended on the village chair, who initiated the project and who had been responsible for its implementation from the beginning. In other words, if the village chair were sanctioned or replaced, it might negatively influence the project. In this situation, the township government was inclined to turn a blind eye to the chair’s corrupt activities as long as the project was making a good progress as planned.⁸³

Another example is from Village 1 in Shandong Province. Around 2010, a land requisition occurred in this village that took approximately 100 mu of its farmland.⁸⁴ A

⁸² Ibid.

⁸³ Ibid.

⁸⁴ I first learnt about this land taking incident several years earlier for a different research project. I examined and confirmed some of the details with villagers in 2018.

deadline was set on the delivery of the village's land to the government, and the village leader was required to meet this deadline.⁸⁵ However, many villagers refused to turn in their land or demanded higher compensation. The village leader's solution was to coerce villagers. At first, he threatened villagers that if they continued to resist, they could be arrested for "resisting the government" (对抗政府). This tactic worked on some villagers but not all. The leader then pursued a more extreme strategy: he hired some local mafia groups and directed them to intimidate the villagers and beat up the two strongest resisters. Both of the villagers were injured badly and sent to the hospital. This tactic effectively deterred other resisters. In the end, all the land was submitted to the government on time.⁸⁶

However, it was later exposed that during the land requisition, the village leader had embezzled a significant portion of the land compensation for villagers who lost their land. The official compensation was set at 21,000 yuan/per mu, but villagers received only 18,000 yuan/per mu; thus, the leader skimmed 3,000 yuan from each mu of land, yielding him an illicit income of more than 300,000 yuan.⁸⁷ Combined with the violent requisition of their land, this scandal outraged the villagers. A group of approximately ten villagers petitioned the township and county government, respectively, with a twofold demand: return their compensation and punish their village leader for corruption.⁸⁸ To their

⁸⁵ In this village, the party secretary and the committee chair was the same person.

⁸⁶ Interviews with villagers, Shandong, August 2018.

⁸⁷ Ibid.

⁸⁸ Ibid.

disappointment, neither government responded to their requests. Nothing happened to their village leader. Subsequently, these villagers decided to petition the provincial government. However, on the day of their departure, they were intercepted by township officials at the train station and forced to return to their village. The two leaders of the protesters were taken to the township government and warned that if they continued to organize protests, they would be detained in prison the next time. After this event, the villagers completely ceased their efforts to petition the governments. As a villager said, “This event made us realize that the village leader and the government were ‘on the same boat.’ The government cared only about whether the land could be requisitioned. They did not care how our land was requisitioned.”⁸⁹

In the interview with a village cadre of another village in the same township, he strongly agreed with the villagers’ assessment that the government was determined to protect the village leader.⁹⁰ According to this respondent, land requisition has always been a difficult task due to villagers’ reluctance and resistance to give up their land. This was especially the case in the village where the petition occurred, as most of its villagers depended on farming for livelihood. Nevertheless, the village leader was able to acquire the land from villagers on time and met township superiors’ expectation. This respondent thus inferred that the government’s primary concern was that if this village leader were removed, his successor might not be as effective as he was at carrying out subsequent

⁸⁹ Interview with a villager, Shandong, August 2018.

⁹⁰ Interview with a village cadre, Shandong, August 2018.

tasks.⁹¹ To be sure, when I brought up this incident to some township respondents in other places, most regarded the government's response as rational and unsurprising. One township official commented that "compared to the land taking, corruption is just a 'small problem' to the government. The real headache is when the land cannot be delivered."⁹² Another remarked that, "the government probably also wanted to show to other village leaders that as long as they stand firmly with the government, they will have the government's support when they are challenged by villagers."⁹³

While these two examples demonstrate that village cadres would be permitted to engage in corruption when they deliver strong performance, I also found evidence that when they show poor performance, the government would purportedly limit or remove their access to corrupt opportunities. For example, a township official of Zhejiang Province indicated that an implicit sanction the township government would impose on underperforming village cadres is to exclude their villages from receiving state resources or from being selected for state projects.⁹⁴ As previously mentioned, these resources account for a primary source of village cadres' illicit income. This was surely understood by the government as well. "These resources not only matter to their villages," said this township official, "but also matter a lot to these village cadres because they mean the opportunities to earn extra and considerable income. This sanction always has worked

⁹¹ Ibid.

⁹² Interview with a township official, Zhejiang, August 2019.

⁹³ Interview with a township official, Shaanxi, February 2019.

⁹⁴ Interview with a township official, Zhejiang, August 2019.

well in pressuring these village cadres to improve their performance.”⁹⁵

A county official in Shaanxi Province also introduced the informal methods employed by local governments. For example, it was a common practice that village cadres would use their power to help their private enterprises generate more revenue, such as registering their private enterprises as village collective enterprises to receive preferential treatments such as state subsidies or lower interest rates for loans.⁹⁶ The respondent claimed that while local officials would usually turn a blind eye to these practices when village cadres display a good performance on state tasks, they would change their attitudes in cases where those village cadres show a unsatisfactory performance. As a more consequential punishment, investigations or sanctions would be imposed on enterprises owned by village cadres for violating the regulations, resulting in significant fines or temporary shutdowns of the enterprises.⁹⁷ Needless to say, the economic loss from these sanctions for village cadres would far exceed formal punishments, such as reducing their state salaries.

Sometimes the punishment on poorly performing village cadres can extend beyond than losing their access to corruption opportunities. In more extreme cases, disciplinary investigations can be initiated or threatened to be initiated on those village cadres. A village cadre of Shandong Province revealed that when a friend of his, the chair of an

⁹⁵ Ibid.

⁹⁶ Interview with a county official, Shaanxi, January 2019.

⁹⁷ Ibid.

adjacent village, once failed to implement a state project due to villagers' resistance, a township leader threatened that "if you still cannot get this work done, next time I will have people from the discipline commission talking to you!"⁹⁸ It was said that this village chair was deeply frightened by this warning and eventually managed to accomplish this task.⁹⁹ Some scholars have also noted that village cadres' fear of being investigated for corruption can empower local governments. For example, He and Wang (2001) finds that in Wuli County, when some village cadres attempted to resign during the tax-collecting season because of its intensive workloads, the township government threatened to audit their villages' accounts, which succeeded in keeping these village cadres in their positions. Importantly, these findings suggest that village cadres are required to show consistently and comprehensively good performance. In other words, village cadres do not only need to accomplish those tasks from which they derive corruption rents; they must also be compliant with their superiors in other aspects and accomplish nonlucrative tasks (e.g., party building). Otherwise, their superiors may trace and expose their previous corrupt activities to punish them.

The evidence presented thus far suggest that local governments adjust their attitudes toward the corrupt practices by village cadres based on the latter's performance. However, a question that needs to be addressed is how local governments and village cadres are able to reach a consensus on what type of performance is considered

⁹⁸ Interview with a village cadre, Shandong, August 2018.

⁹⁹ Ibid.

satisfactory enough to make corruption permissible? What if the two players develop a different understanding of what “strong” and “poor” performance is? I find that this dilemma has been greatly alleviated by the existence of a formal institution, the cadre-evaluation system, which uses an array of specific and quantifiable performance criteria to assess officials’ performance (Whiting, 2004). Through these performance criteria, it is a straightforward matter for village cadres to understand the expectation of their superiors. At the same time, based on village cadres’ performance assessed by these performance criteria, it provides direct guidelines for local officials to decide whether to permit or punish their corrupt activities. Indeed, the county official from Shaanxi Province mentioned that it was mostly those village cadres who did not pass the midterm or annual evaluation who were subjected to the informal punishment (e.g., sanctioning their enterprises) from local governments. Therefore, similar to how the evaluation-system conventionally determines the salaries and promotions of officials, I argue that this evaluation system also determines the allocation of the informal rewards of corruption for village cadres.

2.5.3 Advantages of Corruption

While Darden indicates that state leaders can use corruption to control officials, he does not discuss the circumstances under which state leaders should or will choose this method. What prompts local leaders in China to resort to corruption to mobilize village cadres? For example, why is the formal pay of village cadres not raised to increase their stakes in policy implementation? Or why not exert tighter political control over them? In

this section, I argue that corruption has been an appealing option for local governments due to its two advantages, which helps them to deal with two specific dilemmas involving village cadres.

The first dilemma is that many local governments lack sufficient fiscal capacity to pay village cadres a good salary. As pointed out by An Chen (2014a), “the rewards that can be offered [to village cadres] are constrained by the financial capacity of the township” (59). However, it is well known that due to the tax reforms, especially the tax-for-fee reform and the abolition of the agricultural tax reform that caused a significant decline of local revenues, local governments have commonly suffered from fiscal crisis (Oi and Zhao, 2007). Consequently, many township governments have not been able to pay the full salary of their own officials (Oi and Zhao, 2007). At the same time, the central government has continued to assign a large volume of unfunded mandates to local governments that have further deteriorated their financial situations (Fan, 2017). In this context, local governments have weak capacities and likely poor incentives to substantially raise the salary of village cadres. Indeed, while most township and county respondents from my fieldwork expressed or agreed with the idea that village cadres have been somewhat unpaid, they also pointed out that the situation is unlikely to improve in near future since governments lack spare funding in their budgets. A county official of Shaanxi mentioned that even her salary was sometimes owed or delayed, which

inevitably happened with local village cadres as well.¹⁰⁰

A notable advantage of corruption is that it does not increase the financial burden of the governments. As Hollyer and Wantchekon (2015) remark, the leaders “need only turn a blind eye to the corrupt activities of productive officials rather than raising and distributing the funds for their wages” (501). In other words, no matter how much rents village cadres seize, it is not siphoned from the governments’ budgets. Moreover, because village cadres can earn an income much higher than their formal salary by engaging in corruption, their superiors can become less concerned about their reactions when they are unable to pay their salary in full or on time. In Shandong Province, I met a village chair who said that he had not received his salary for the past three months. Even so, he did not express unhappiness, claiming that he had not even gone to request it because he trusted the government.¹⁰¹ However, the villagers in that village believed that this is primarily because the chair has been earning considerable illicit income, such that he barely cares about his salary.¹⁰²

The second dilemma of local governments is that village cadres do not have career concerns, as they are ineligible for promotion to higher-level positions. In the words of Kung et al (2009), village cadres are merely “temporary employees of the Party-state” (65). As a result of this, many of the political tools that can affect or deter regular officials

¹⁰⁰ Interview with a county official, Shaanxi, January 2019.

¹⁰¹ Interview with a village chair, Shandong, September 2018.

¹⁰² Interviews with villagers, Shandong, September 2018.

may be ineffective with village cadres. For example, county and township officials would generally have an incentive to avoid receiving a “notice of criticism” (通报批评), a form of formal punishment of officials who commit errors in their jobs, since it will disqualify them from being considered for promotion or to receive some other type of award within a certain period of time.¹⁰³ Although township governments can also issue a “notice of criticism” to village cadres, it is much less consequential for the obvious reason that they cannot be promoted. “The impact of ‘a notice of criticism’ on a village cadre,” said a township respondent, “is more like embarrassing them in front of their colleagues rather than causing serious consequences.”¹⁰⁴

Corruption can help to increase local governments’ political leverage over village cadres. As Darden indicates, permitting corruption enables state leaders to increase the informal pressure on officials by placing them under the threat of harsher punishments for being noncompliant. In China, the severest punishments for corruption include life sentences and the death penalty.¹⁰⁵ Thus, for the fear of these sanctions, corrupt village cadres will have a stronger incentive to follow their superiors’ mandates. In the examples of the previous section, a village leader was deeply frightened when his superiors warned him that people from the Disciplinary Commission might “talk to” him if he were still unable to complete his task. As can be imagined, this village leader would strive to

¹⁰³ Interview with a township official, Zhejiang, August 2019.

¹⁰⁴ Ibid.

¹⁰⁵ Criminal Law of the People’s Republic of China, Article 383.

execute his work by any means necessary to avoid such an outcome, and he did, ultimately, succeed. Similarly, in the case reported by He and Wang (2001), it was the township's threat of investigating their village's accounts, in other words, their corrupt activities, that kept village cadres who had intended to quit their jobs remain in their posts. In other words, the corrupt activities by village cadres have become compromising material held by their superiors that can be utilized when considered necessary.

2.5.4 Constraints on Corruption

Of course, the fact that corruption has certain “advantages” does not mean that the state does not need to constrain the magnitude of corruption. As emphasized by Darden, state leaders must ensure that officials seize less than the “allotted amounts.” Indeed, if there are no constraints or monitoring on corruption, officials may be tempted to act predatorily that can ultimately result in devastating consequences for the state. For example, in Uganda, it is found that officials embezzle a striking amount of 87 percent of the education funds allocated to public schools (Reinikka and Svensson, 2004). It is thus imperative for the state to devise some means, either formal or informal, to ensure that the degree and range of corruption is controllable. Although Darden points out that officials in Ukraine would be punished if they “take *too much* for themselves rather working ‘for the state’” (46), he did not further explain how this “allotted amount” was determined and enforced. In the case of China, I argue that the establishment of two formal institutions has enabled local governments to supervise and control corruption activities of village cadres while allowing them.

One of the two institutions is the cadre-evaluation system. By indicating the specific requirements of official performance (Whiting, 2004), I contend that this institution is crucial for preventing village cadres from “taking too much for themselves” and overlooking their state tasks because of corruption. The rationale is that as village cadres know that corruption will be permitted only if they meet the performance targets as specified by their evaluation, they will prioritize meeting these targets, forcing them to limit their corruption to the degree that will not affect their pursuit of this goal. They are well aware of the fact that their superiors will deem their corrupt activities as “acceptable” only if they show that these practices have not weakened their performance, which is assessed by whether the performance targets have been successfully met.

I use the task of road building as an illustrative example. As previously addressed, in the county I visited in Zhejiang, there was an implicit norm that construction companies would offer a kickback to village cadres so that they could be selected for carrying out village’s road projects. It was reported that some village cadres had also engaged in other types of corrupt activities, such as embezzling the road funds or allocating the projects to companies that were virtually owned by their family members.¹⁰⁶ Despite the existence of these corrupt behaviors, in the interviews, local officials confidently claimed that most of the village roads had been built in good quality, and that they had rarely received complaints from villagers regarding the quality of the roads.¹⁰⁷ They attributed this

¹⁰⁶ Interviews with villagers and township officials, Zhejiang, August and September 2019.

¹⁰⁷ Ibid..

outcome to the fact that inspection of the roads from the government, once they are completed, is particularly strict. Specifically, inspections would be jointly organized by several government departments and involve a variety of actors, including officials, engineers, and villager representatives.¹⁰⁸ The criteria used for the inspection would be comprehensive, including indicators such as the road length, width, thickness, pitch surface quality (沥青路面), and bearing pressure degree of the base (地基承载力). If the roads failed to pass the examination, the village cadre who were in charge of this project would be marked as failing this task on his or her evaluation and be subject to further sanctions from the government. The road would be required to be renovated or rebuilt.¹⁰⁹

The inspection and these evaluation criteria thus constrain the corrupt behaviors by village cadres. For example, although village cadres may prefer to allocate a project to the company that offers them the highest kickbacks, they must consider the qualification and reputation of the company in terms of whether it has the ability to deliver good quality projects. As a village cadre said, “If a company offers an extremely high kickback to a village cadre, the village cadre may actually be reluctant to select this company because if they have offered so much to him, how can the company guarantee its own revenues? They will surely spend less on building the roads. The safest option is to pick a company that offers a good kickback while also has a good qualification in building

¹⁰⁸ Ibid.

¹⁰⁹ Ibid.

roads.”¹¹⁰ Similarly, while village cadres may be inclined to embezzle a maximum amount of funds, they must consider whether the rest of the funding is sufficient to guarantee the minimum requirement of road quality. “It is not wise for village cadres to take too much,” said a township official, “because if the roads fail to pass our inspection, they know that not only they may get into serious troubles but also that they will lose the government’s faith and be excluded from future projects.”¹¹¹

The cadre-evaluation system ensures that almost all state tasks have specific performance criteria. Accordingly, they restrain the corrupt behaviors of village cadres. Consider the tourism project in Village 6, where the village chair leased the village’s land to his own company for an unfairly low price. There were two major performance criteria of this project: 1) whether the project was finished on time and 2) whether the project was consistent with the original proposal.¹¹² Thus, the village chair must balance between capturing rents and completing this project. If he only intended to use the project as an excuse to acquire the village’s land but showed no efforts of implementing it, he would be sanctioned by the government, especially given that the government had used him as a model to inspire other village cadres. If he embezzled or appropriated too much funding that delayed or hindered the progress of the project, he would still be subjected to sanctions. In this way, the “allotted amount” of corruption is not an absolute value.

¹¹⁰ Interview with a village cadre, Zhejiang, September 2019.

¹¹¹ Interview with a township official, Zhejiang, August 2019.

¹¹² For example, as the project’s feature was to highlight the traditional style of homestays, some of the villagers’ houses needed to be redecorated according to a certain and universal standard.

Rather, it is a relative standard depending on the specific performance criteria, with a bottom line that state directives cannot be distorted by their corrupt activities. The cadre-evaluation system guarantees this bottom line.

Admittedly, some village cadres may attempt to pretend that they have accomplished their tasks by falsifying the data and statistics (Tsai, 2008), so that they can still maximize their capture of rents. However, I argue that there is another formal institution that constrains their corrupt behaviors, which is village elections. Scholars have shown that villagers often rely on village elections to remove corrupt village cadres (Shi, 1999; Li, 2003). At first glance, these findings are inconsistent with my arguments because if elections allow village cadres to remove corrupt cadres, the incumbents should be mostly honest cadres. However, the outcome can be different in an environment where corruption is endemic and widespread. In a study conducted by Agerberg (2020), he finds that when voters believe that most politicians are corrupt and that there are no “clean alternatives,” they become much more tolerant of corrupt politicians. The scenario described by Agerberg seems to well fit into the countryside of China. For example, Unger (2001) documents that the villagers in his fieldwork “repeatedly claimed in private that the [village] officials are almost *all* corrupt” (157). In my fieldwork, most village respondents also appeared to be familiar or aware of the corrupt practices by village cadres, yet they did not see it as unusual or surprising. One comment from a village respondent captured this sentiment succinctly: “The reality is that there are ‘no cadres

that are not corrupt' (无官不贪). We are already used to it.”¹¹³

However, villagers' anger can be triggered when they believe that the village cadres have become “excessively” corrupt, at which point they may begin to take actions to protest or resist those cadres. In the case of village 1, where villagers organized a small-scale petition to protest their village leaders for embezzling their land compensation, several respondents from this village claimed that if the village leader had stolen less, the petition might not have taken place.¹¹⁴ While these respondents had different ideas of what is an “appropriate” amount, they all agreed that the amount taken by the village leader (3000 yuan from each mu of land) was surely “too much.” The respondents mentioned that the previous village leaders had also embezzled from the land requisitions or other village resources, but none of them had been as “greedy” as the incumbent leader, which made him the first leader who was publicly protested by villagers. Of course, how much corruption is “excessive” is a subjective standard and can vary among people and locations. Nevertheless, if people are from the same community, share similar culture, and frequently interact with each other, it is possible for them to reach a consensus on when their leaders have taken “too much” for themselves.

The existence of village elections provides villagers a powerful weapon to deter and remove those village cadres whom they consider excessively corrupt. Still consider the case of Village 1. Although the village leader was not removed by the petition, it signaled

¹¹³ Interview with a villager, Shandong, August 2018.

¹¹⁴ Interviews with villagers, Shandong, August 2018.

his high unpopularity among villagers. If this situation did not improve, he would likely lose the next election. But if he wanted to continue to solicit rents, he must remain in office, meaning that he must change villagers' perception of him. Interestingly, the village respondents reported that the village leader changed substantially following the petition. It was said that not only did the village leader become more self-restrained regarding possible corruption opportunities, but he also began to publicize the village office's income and expenditures to villagers by the end of each year, even though some villagers questioned the credibility of these numbers.¹¹⁵ Moreover, he began to provide more welfare benefits to villagers, such as raising the standard of subsidies for elderly villagers and organizing more village entertainment activities (e.g., village spring festival gala).¹¹⁶ These actions eventually helped him win his re-election. In contrast, in Village 2, when most villagers became disappointed with their previous village chair after he was exposed for involving in several corruption scandals that caused significant loss of the village's property, they elected a new chair to replace him.¹¹⁷ Thus, in addition to the cadre-evaluation system, village elections add another layer of constraint on the corrupt activities of village cadres.

2.6 Conclusion

Based on fieldwork conducted in nine villages in three provinces, this paper argues

¹¹⁵ Ibid.

¹¹⁶ Ibid.

¹¹⁷ Interviews with villagers, Shandong, September 2019.

that the Chinese regime has systematically used corruption to elicit compliance from village cadres. Specifically, village cadres are permitted to engage in corruption as a reward as long as they accomplish state tasks, but are punished with losing their access to corruption opportunities or may be charged with economic crimes if they perform poorly on state tasks. Moreover, this paper discusses the sources of corruption in the countryside and the advantages for using corruption to exert control over village cadres from the state's perspective. Furthermore, it illustrates how the state resorts to formal institutions, especially the cadre-evaluation system and village elections, to limit the magnitude of corruption and to make this reward mechanism sustainable. Indeed, without effective supervision provided by formal institutions, village cadres may become predatory and extract as much rents as possible that may lead to a weakening rather than strengthening of the state's governing capacity.

This study carries important implications for the understanding of the trilateral relationship among village cadres, villagers, and the state, which is crucial for rural governance. A general understanding is that since the abolition of the agricultural tax, the relationship between village cadres and their township superiors has been significantly weakened and reshaped by the prominent decline of township and village revenues (Chen, 2014b). Going a step further, Juan Wang (2012) argues that as a result of villages' diminished resources of revenues and the increasing amounts of unfunded mandates from above, village cadres not only are losing their loyalty to state superiors, but also are becoming an emerging neglectable force and allies of peasants to resist the state.

However, in an early article, Yongshun Cai (2003) has pointed out that even though “village cadres can play a significant role in confronting the state,” they are unlikely to do so if they still “have a high stake in the post or are themselves corrupt” (680). This paper demonstrates that not only village cadres still have “a high stake” in their positions, that is, opportunities for corruption, but also that the state has managed to institutionalize their access to corruption opportunities as an informal reward in exchange for their compliance. Therefore, we have reasons to expect that village cadres will continue to remain reliable allies and agents of the regime.

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3. Making Corruption Work: Corruption and Performance Incentives in

Rural China

3.1 Introduction

Common wisdom views corruption as a major challenge to good governance. An important reason for this is that corrupt officials often focus more on extracting rents for themselves at the cost of overlooking or sabotaging their state tasks, which results in an incomplete or poor implementation of the state's directives. For instance, Reinikka and Svensson (2004) find that in Uganda, local officials steal a striking amount of 87 percent of the education funds allocated to public schools, which adversely affects the quality of schools and education programs. In another study, Reinikka and Svensson (2005) observe that when corruption is better supervised and controlled in the studied areas in Uganda, school enrollment and student learning improve remarkably. Thus, we have reasons to expect corrupt governments to be less effective at implementing policies than uncorrupt governments.

This paper advances an alternative view of the impact of corruption on policy implementation. I argue that, under certain circumstances, corrupt officials will have a stronger incentive to carry out state tasks than their honest counterparts, while these tasks are also completed in a manner that meets their superiors' requirements. Specifically, I contend that when the formal rewards offered by the state, such as salaries and promotions, are poor or unavailable, corruption may be intentionally tolerated as a reward to motivate officials to perform state tasks. Correspondingly, if the tasks are not

performed or are poorly performed, the state will impose harsher sanctions on corrupt officials by removing their sources of corruption or even charging them with economic crimes. In this setting, I argue that corrupt officials will have a stronger incentive than their counterparts to carry out state tasks and consider completing them as their priority to avoid triggering sanctions. Thus, even when the tasks are lucrative or profitable, I posit that these corrupt officials will self-restrain their corrupt activities to ensure that task outcomes are in accordance with their superiors' expectations.

I test my claims in the context of rural China, where village cadres serve as the Chinese regimes' crucial agents for governing the countryside. However, the formal rewards offered to village cadres are insufficiently attractive given that they are paid a low state salary and lack opportunities for career advancement. As a result, local governments often use corruption as a form of informal reward to motivate village cadres to comply (Zhao, forthcoming). I expect corruption to work effectively in compensating and substituting for the weak formal rewards of village cadres in driving them to perform their assigned tasks.

Empirically, I analyze original survey data collected from a total of 101 villages in China for the year 2008. In particular, I examine village cadres' motivation to perform the state task of building roads. Although the sensitivity of corruption makes it difficult to measure officials' likelihood of engaging in corruption, I overcome this obstacle by employing a novel proxy to assess the corruptness of an official: the prevalence of vote buying in the previous election. The statistical results provide support for my claims. I

find that corrupt village cadres not only tend to have stronger incentives to build new roads in their villages than their counterparts, but also appear equally concerned about guaranteeing road quality. Holding everything else equal, one standard deviation in the corruptness of village cadres increases their probability of proactively building at least one new road over the past three years (one term) by 68%. Moreover, in using a number of indicators, including road completion schedules, budget control, debts generated, maintenance periods, and average maintenance costs, I find that the corruptness of village cadres does not significantly affect the quality of roads they built.

I then conduct additional analyses to address two possible alternative explanations. The first explanation is that corrupt village cadres simply want to increase their illicit income by building more roads as opposed to completing the tasks assigned by their superiors. The second explanation is that it is the patronage network that drives village cadres to build more roads, as doing so may help them please their patrons. The results offer no evidence for either explanation.

This study seeks to make several theoretical contributions. First, my study is directly related to the literature on the effect of corruption on government. While the general view of this literature is that corruption has a negative impact on bureaucratic performance (Myrdal, 1968; Kurer, 1993; Mauro, 1995; Rose-Ackerman, 1997; Mo, 2001), some researchers have suggested that corruption may improve the performance of bureaucracy and enhance its efficiency, but only in weakly institutionalized settings (Leys, 1965; Huntington, 1968; Lui, 1985; Mauro, 1995; Meon and Well, 2010). In contrast, my study

suggests that corruption can also be beneficial for well-functioning bureaucracy, such as that found in China, by prompting officials to complete their state tasks. Moreover, as the following sections show, strong and effective institutions, particularly monitoring institutions, are required for corruption to have such a positive impact.

Second, this study speaks to the broad literature that addresses the durability of authoritarian regimes. Scholars have noted that corruption can help authoritarian rulers consolidate their power by buying support from their followers and allies, especially at the elite level, thus weakening their incentive to rebel (Wintrobe, 1998; Bueno de Mesquit et al., 2003; Gandhi and Przeworski, 2006; Blaydes, 2010). My study shifts the focus to how corruption may help maintain a regime by, counterintuitively, reinforcing the public's tolerance and support for the regime. This builds upon the empirical finding that the public are often willing to accept or support corrupt leaders who are capable of fulfilling their duties, especially when they bring the public collective and tangible benefits (Konstantinidis and Xezonakis, 2013; Munoz et al., 2016). Therefore, when an authoritarian regime can consistently have its policies implemented as promised to the public, even when it is perceived as corrupt, it can reduce the public's preference for democratic transitions.

Finally, this study sheds new light on the burgeoning literature on cadre management in China. Existing studies have heavily focused on the importance of formal rewards, particularly salaries and promotions, in exerting effective control over officials (Whiting, 2004; Landry, 2008; Lu and Landry, 2014). However, scholars have paid scant attention

to the role played by informal rewards, which may matter more to lower-level officials whose salaries are low and who are less likely to be promoted. My study presents new evidence on how the Chinese regime uses informal rewards to supplement and substitute formal rewards to ensure compliance from officials to enhance its state capacity.

The article is organized as follows. The second section introduces a theoretical framework for how corruption can promote officials' performance incentives under certain circumstances. The third section explains the context of village cadres in China. The fourth section describes my data and variables. The fifth section presents the results. The sixth section examines alternative explanations. The last section concludes.

3.2 Corruption and Officials' Performance Incentives

An important aspect of governance concerns whether the state can have its policies effectively implemented as expected. As Rotberg (2014) says, "good governance means performance and results" (511). That said, whether a state can successfully mobilize officials to follow its directives critically affects its governance. To inspire efforts from officials, the state typically provides them with two types of formal rewards: salaries and promotions. When officials know that good performance is rewarded with higher salaries or promotion opportunities, they will be motivated to complete their tasks. However, the state may have difficulty making these rewards attractive or accessible. For instance, developing countries commonly lack sufficient fiscal capacity to pay public officials a competitive salary (Migdal, 1988). One concrete example is Ukraine, where Gorodnichenko and Peter (2007) report that public sector employees receive wages 24-

32% lower than those of their private counterparts. Also, in autocratic regimes, political selection is often based on loyalties or connections rather than performance (Egorov and Sonin, 2011). In these environments, officials may lose enthusiasm for their work, which can lead to bureaucratic slack. Some officials may prefer to switch their jobs, and this is especially the case for the more competent officials who believe that they can earn a higher income by entering the private sector (Jiang et al., 2021).

In facing this dilemma, the state can consider using corruption as a form of informal reward to keep officials in line (Darden, 2008; Hollyer and Wantchekon, 2015). For example, to reinforce the incentive schemes of tax officers to collect state taxes, tax officers in poor countries are often allowed to engage in corrupt activities as their implicit rewards (Fjeldstad and Tungodden, 2003). In this way, corruption, as Hollyer and Wantchekon (2015) put it, is turned into a “a substitute for the use of high-powered wage incentives,” which “serves to increase the benefit from office and heighten the cost from removal” (501). There are two comparative advantages to using corruption as a reward. The first advantage is that corruption incurs a low fiscal cost since state leaders “need only turn a blind eye to the corrupt activities of production rather than raising and distributing the funds for their wages” (Hollyer and Wantchekon 2015, 501). The second advantage is that corruption increases the informal pressure on officials as they are subjected to harsher sanctions (Darden, 2008). While the harshest sanctions on honest officials are demoting or dismissing them, the sanctions on corrupt officials can be as severe as charging them with economic crimes and imprisoning them in jails, increasing

their vulnerability in the case of disobeying their superiors (Darden, 2008)

Empirical studies have shown that contemporary states often resort to corruption to supplement the weak formal rewards of officials, which may result in the emergence of institutionalized corruption. For instance, in Ukraine, Gorodnichenko and Peter (2007) find that although public sector employees are paid significantly less than private sector employees, they are able to enjoy essentially the same level of consumption since they are compensated by nonreported illicit income. In many Asian countries where civil servants are paid poorly, Quah (2006) argues that the lack of state leaders' political will to punish corruption is one of the most primary reasons for the prevalence of corruption in countries including Indonesia, Mongolia, and Philippines. In short, corruption is implicitly permitted and is expected to serve as an important incentive for officials to perform state tasks in those states.

However, what has rarely been examined is whether corruption can work smoothly in the way the state intends. Although some scholars suggest that corruption can have a positive impact on officials by encouraging them to speed up their work and cut the tape in a sluggish system, others disagree and contend that corruption will seduce officials to create more policy obstacles and delays such that they can collect more illicit income, which makes the system more inefficient.¹¹⁸ As Jain (2001) summarizes, scholars who have a negative view of corruption generally believe that “even if bribery speeds up

¹¹⁸ For a general review on these two perspectives, see, for instance, Lambsdorff (1999) and Jain (2001).

individual transactions, the number of required transactions in the presence of bribery may increase sufficiently to offset the efficiency with which each transaction is carried out” (92). In other words, this perspective holds that if officials see opportunities for corruption, they will have poor incentives to regulate themselves and will always see extracting more rents as their priority. Following this logic, we may think that when officials know that the corruption is implicitly allowed, this situation may be further worsened.

In this paper, I argue that corruption can serve to promote officials’ motivation to perform state tasks and complete them in the manner their superiors require, but only if two prerequisites are met. The first prerequisite is that corruption is allocated to officials in a similar way as a regular salary, that is, based on their *performance* rather than other factors, such as their *connections* or *loyalty*. The distributing mechanism should differ from clientelism or patronage networks, where officials are allowed to engage in corruption primarily because they are seen as loyalist by their superiors (Fjelde and Hegre, 2014). Instead, the mechanism is as Darden (2008) describes: “We would see an informal, implicit, and illegal contract between state and subordinate officials, whereby the receipts from bribery and embezzlement would be granted in exchange for effective implementation of central directives and a share of the proceeds” (42). In other words, under this “contract,” corrupt activities by officials will be tolerated in exchange for successful implementation of their leaders’ directives (Darden, 2008).

As the second prerequisite, state leaders must be capable of monitoring officials’

activities to know whether they are carrying out their directives. Apparently, if a state has weak monitoring capacity, officials will be tempted to behave opportunistically by simply engaging in corruption without performing their tasks, making their “contract” with the state hardly enforceable. Paradoxically, this goal would be difficult to achieve in weak or failed states where effective political institutions are usually absent. Hence, in contrast to the perspective that corruption can have a positive impact on governments only in weakly institutional environments, I contend that strong institutions, especially strong monitoring institutions, are imperative for a state to turn corruption into an effective and sustainable tool to motivate officials’ performance.

When both prerequisites are met, I argue that corrupt officials will develop stronger incentives to carry out state directives since they have high stakes in those directives than their honest counterparts, who receive the poor formal rewards. Moreover, I contend that the corrupt officials will view ensuring the completion of these directives as their priority because they are aware of the fact that failures to do so can trigger harsh sanctions on their corrupt practices. In the next section, I will discuss how the two conditions are met in the management of village cadres in China and introduce my specific hypotheses.

3.3 Village Cadres in China

Since the founding of New China in 1949, the Chinese Communist Party has relied on village cadres to govern and penetrate the countryside. As Shue (1988) indicates, “without the services of these [village] cadres, for the most part recruited right from the localities where they worked and therefore familiar with special local conditions, local

families, and local ways, the Communist Party leadership could not possibly have consolidated the new order so quickly throughout the vast peasant periphery” (98). This continued to be the case in China’s reform era. Many observers have highlighted the critical role played by village cadres in the implementation of the state’s rural policies since the 1980s, including in promoting industrial production (Whiting, 2001), collecting taxes (Bernstein and Lu, 2003), enforcing birth control (White, 2006), providing public welfare (Ahlers, 2014), maintaining stability (O’Brien and Li, 2006), and requisitioning rural land (Zhao, 2018). Today, under Xi Jinping, the importance of village cadres is only reinforced by Xi’s ambitious agendas for reforming the countryside through campaigns such as the “rural revitalization.”¹¹⁹

On the surface, the formal rewards the state offers to village cadres are limited. Although village cadres receive a salary paid by the state, the amount of their salaries are generally low. For instance, according to a news report published in 2018, the national monthly average salary for village cadres was merely approximately 2000 yuan (approximately \$250) in that year.¹²⁰ Some scholars have attributed this outcome to the fact that after the agricultural tax was eliminated in 2006, many local governments faced a financial crisis, which weakened their capacity and willingness to pay village cadres (Chen, 2014). Moreover, village cadres do not have the opportunity to be promoted beyond the village level because, by law, the village is defined as a “self-governed mass

¹¹⁹ See http://www.qstheory.cn/laigao/ycjx/2021-03/11/c_1127198193.htm.

¹²⁰ See https://www.sohu.com/a/164291438_598830.

organization” instead of as a formal level of government.¹²¹ In light of poor salaries and an absence of career advancement, it appears puzzling how the state motivates village cadres to follow its directives.

As formal rewards are not available, I argue that the state has turned to use corruption as a form of informal reward to motivate village cadres to follow its directives. Similar to other state officials, village cadres have good opportunities to pursue a wide range of corrupt practices, such as embezzling, taking bribes, and granting preferential treatment to certain people (Unger, 2001; Chen, 2014). More importantly, as my other paper shows, whether village cadres are allowed to engage in corruption is determined by their performance on state tasks (Zhao, forthcoming). Specifically, if state tasks are performed well, their corrupt activities will be permitted or protected. If state tasks are performed poorly, their corrupt activities will be prohibited or punished. For example, in a case study of a village in Shandong Province, villagers found that their village leader had embezzled a significant portion of their land compensation during a land requisition. However, because the village leader was able to acquire the land before the government’s deadline, which pleased and satisfied his superiors, the local government tolerated his corrupt activities and suppressed a small-scale protest organized by villagers against him (Zhao, forthcoming). In contrast, when another village leader failed to implement a state project in his village due to villager resistance, a township official threatened to place

¹²¹ Organic Law of the Villagers Committee, Article 2.

him under disciplinary investigation if the situation did not improve (Zhao, forthcoming).

Importantly, the existence of the cadre evaluation system, a formal institution used to control and monitor officials in China, ensures that the state can always monitor village cadres (Whiting, 2004). In this system, upper-level officials list the tasks for lower-level officials to carry out and assign points to each task based on its importance. The performance criteria for each task are also specified. Then, after a period of time, lower-level officials are evaluated on these criteria and receive a corresponding score, which affects their salary and promotions (Whiting, 2004). The cadre-evaluation system shapes corrupt village cadres' behaviors in two ways. First, it places village cadres under local government's direct supervision that reduces corrupt cadres' incentive for opportunistic behaviors. As my other paper argues, the performance criteria set the guidelines for the local government to determine when to permit or punish corruption by village cadres, which pressures corrupt village cadres to commit to their tasks and strive to receive good scores to avoid sanctions (Zhao, forthcoming).

Second, by indicating the specific requirements of village cadres' performance, the cadre-evaluation system limits the magnitude of village cadres' corrupt behaviors given that the cadres need to make sure that their capture of rents will not prevent them from meeting these performance targets. Consider the case study described in the previous paragraph. If this village chair had embezzled "too much" from land compensation that resulted in a failure to meet the government's deadline in acquiring the land, the local government would likely have held a very different attitude toward him.

Thus, based on the argument presented in the previous section, I argue village cadres who are corrupt will have stronger incentives to carry out state tasks than their honest counterparts, while these tasks are also completed well. I use the task of road building to examine this argument. Different regions may vary in terms of what tasks to include in their evaluations based on local priorities (Whiting, 2004), but building roads is a national directive assigned to village cadres (Wong et al., 2013). In other words, village cadres are expected to build roads regardless of location. For instance, many provincial governments have announced that their provinces will achieve the goal of “every village having paved roads” (村村通硬化路) by 2020.¹²² My previous fieldwork conducted in nine villages in three provinces also confirms that the matter of village roads is a significant focus of village cadres’ evaluations. Scholars have suggested that it was with the initiation of the national campaign of “Building a New Socialist Countryside” in the mid-2000s that the central government began to emphasize the need to build more roads in the countryside, as roads were seen as essential for rural development and welfare provision (Ahlers, 2014). The data used for this study were collected in 2008, providing a good opportunity to assess how well village cadres responded to this directive at the time.

Among the group of village cadres, my focus is on the village’s administrative leader—the village chair. The village chair is elected by village residents and leads the

¹²² Several examples: Sichuan Province (http://www.gov.cn/xinwen/2019-03/29/content_5378101.htm); Hunan Province (<https://baijiahao.baidu.com/s?id=1655602613033455208&wfi=spider&for=pc>); Anhui Province (http://xnr.ahnews.com.cn/news/2020/09/11/c_51167.htm).

village committee, which, by law, is responsible for “managing the public affairs and public welfare services of the village.”¹²³ Accordingly, road building generally falls under the jurisdiction of the village chair as opposed to that of the village party secretary, who is the village’s political leader and who is in charge of managing the village’s party affairs. Therefore, my first hypothesis is as follows:

Hypothesis 1: Village chairs who are corrupt will have stronger incentives to build new roads in their villages than their honest counterparts.

The quality of newly built roads also matters. It is undeniable that road building often creates more opportunities for corruption (Olken, 2007). At the same time, scholars commonly find that roads built by corrupt officials are generally of poorer quality since quality is rarely their concern (Tanzi and Davoodi, 1997; Del Monte and Papagi, 2001; Kenny, 2009). As explained above, I expect corrupt officials to behave differently when corruption is granted based on performance and that the officials are closely monitored by their superiors. In China, both the central and local governments have consistently emphasized the importance of building high-quality roads in villages,¹²⁴ meaning that corrupt village cadres will have to balance extracting rents with maintaining the quality of the roads they build. If roads built appear to be in poor condition, they will be

¹²³ Organic Law of the Villagers Committee, Article 2.

¹²⁴ An example from the central government:

<https://baijiahao.baidu.com/s?id=1640557191984088206&wfr=spider&for=pc>. An example from provincial government: <http://www.henan.gov.cn/2005/11-24/237178.html>.

punished and may lose the rents they have seized. Following this logic, my second hypothesis is as follows:

Hypothesis 2: Roads built by corrupt village cadres will not be of lower quality than roads built by their honest counterparts, at least on the surface.

3.4 Research Design

3.4.1 Data

To test my hypotheses, I use a dataset derived from the China Rural Governance (CRG) Survey conducted by the Center for Chinese Agricultural Policy in 2008. The survey was designed to be nationally representative and includes a total of 101 villages selected from five provinces of China – Jilin, Hebei, Shaanxi, Sichuan, and Jiangsu – to represent all major regions of the country. The villages were selected over three stages. In the first stage, five counties were randomly selected from each of the five provinces, resulting in 25 counties. In the second stage, two townships were randomly selected from each county, resulting in 50 townships. In the third stage, two villages were randomly selected from each township, resulting in 100 villages. One additional sample village was included, increasing the total number of villages to 101. A fieldwork team was sent to each village to conduct face-to-face interviews with village leaders and 20 randomly selected households. The survey provides detailed information on each village's characteristics, public infrastructure, village leaders, and public affairs such as elections. I use the village as the unit of analysis for my study.

3.4.2 Variables for the First Hypothesis

The dependent variable for my first hypothesis is village chairs' motivation to build new roads in their villages. In the survey, village leaders were asked to report on road projects implemented in their villages in the previous three years (one term). If a village had implemented new road projects within this period, leaders were asked to identify which of the following four actors proposed them: a. villagers, b. the village office, c. the township government or above, or d. others (please specify). According to my interviews, villagers are most likely to propose building a road when they see that village leaders have no plans to build one. This is generally less preferred by villagers because they must partly or entirely fund road building when they propose it. My interviews also reveal that township and higher-level governments typically propose road projects in a village when they are a part of state plans. For example, when the government intends to build a highway that happens to pass through a village, they need to build roads in this village first. This pursuit would fall under a different category in the evaluation of village cadres.¹²⁵ Hence, I consider whether the village office proactively proposed to build new roads to represent the village's chair motivation to perform this task: 1 indicates that the village chair had a motivation if the village office proposed at least one new road over the past three years; 0 indicates that the village chair had no motivation if the village office did not propose any road building over the past three years

¹²⁵ For example, in a county I studied in Zhejiang Province, if a road in a village was proposed by the local government, the assessment of village cadres' performance on this task would fall into the category of "state projects" (政府项目). In contrast, if a road was initiated by the village itself, the assessment of village cadres' performance would fall into the category of "village roads" (村庄道路) in their evaluation.

The independent variable is the corruptness of the village chair. Foreseeably, this is not easy to measure. Olken and Pande (2012) point out that while the most common method adopted by scholars to measure corruption is surveys collected from respondents, a major flaw with this approach is that “they may not measure corruption accurately” (482) because respondents can be biased or are incapable of identifying corruption. Alternatively, scholars have attempted to resort to more objective measurements. For instance, to estimate the cost of bribing politicians in Ukraine, McMillan and Zoido (2004) used a private record kept by a secret police chief that included a list of politicians he had bribed and the amount he had offered. Olken and Barron (2009) hired enumerators to accompany truck drivers on their trips in Indonesia to observe in person the value of illegal fees public officials extorted from truck drivers for passing checkpoints. Olken (2007) invited a team of engineers to estimate the cost of some roads built in Indonesia to compute how much has been embezzled by local officials. These methods, however, may not be easily accessible due to the availability of the source of information, the high expenditures for hiring research teams, and the potential risk of offending officials who may think that the researchers are investigating them.

In this study, I use a novel proxy to measure the corruptness of village chairs: the prevalence of vote buying in the previous village election. This approach is based upon qualitative and quantitative findings showing that in China’s village elections, vote buying is highly correlated with the existence of corruption and rent-seeking opportunities in a village (Zhao, 2018; Whiting et., 2018). Compared to other measures

for corruption, vote buying has two advantages. The first advantage is that it does not entail respondents to make a subjective judgment about whether an official is corrupt, but is based on their personal experience of encountering with vote buying. The second advantage is that for respondents, vote buying is a less sensitive topic than corruption. Unlike corruption, which is undoubtedly an illegal activity, Chinese law unambiguously defines which activities constitute vote buying in village elections (Kennedy, 2009). In some areas, vote buying has become so common that villagers have grown accustomed to it and do not see it as unusual or immoral.¹²⁶

I operationalize this variable from the following question addressed of villagers about the most recent election for the village chair: “Did you hear about vote buying in the village?” (你听说过村里有拉选票吗?). This question is intended to further reduce the sensitivity of vote buying in two ways. First, it uses a common and more neutral euphemism, “pulling votes (拉票),” in place of vote buying. Second, the question asks villagers whether they had heard of instead of whether they were involved in vote buying to reduce their concern. In Whiting et al (2018)’s study, they find that the proportion of villagers reporting vote buying is associated with the availability of rent-seeking opportunities in a village. Following this finding, I use the proportion of villagers reporting hearing about vote buying in each village to measure the corruptness of its village chair.

¹²⁶ See, for instance, https://www.sohu.com/a/260360821_357283.

I include two groups of control variables in the analysis. The first group of variables refers to the characteristics of the given village. Specifically, I control for each village's population, villagers' incomes, and whether a village has enterprises based on the expectation that village chairs may be more willing to build new roads when their villages have a larger labor force, with higher incomes and hold stable sources of income. Based on Tsai's (2007) finding that informal institutions, especially solidary groups such as temples and lineages, can encourage village leaders to provide more public goods, I include a variable measuring the strength of the village's solidary groups using the total number of the village's temples, lineages, and churches. As the building of roads is also affected by the availability of land, I control for the area of the village's farmland and whether it had encountered land taking in the previous three years.

The second group of variables measures the characteristics of then village chairs. More competent village chairs may have a higher likelihood of building roads as they are more confident about completing them. To measure their competency, I control for their years of education. Another proxy for competency is whether village chairs had held nonfarming jobs (打工) before. This is based on the finding that villagers who have work experience in non-farming sectors, especially those who have previously worked in the urban areas tend to develop higher human capital than ordinary villagers (Zhao, 2002). As political loyalty may affect village chairs' commitment to state tasks, I control for whether they are a member of the Chinese Communist Party. I also consider the effect of formal rewards on village chairs by controlling for their official salaries. Finally, I control

for the number of years they have worked in their posts. I expect village chairs who have longer terms to be more likely to build new roads, as they should be more familiar with how to carry out this task.

3.4.3 Variables for the Second Hypothesis

With regard to the second hypothesis, the dependent variable is the quality of newly built roads. In a number of studies, social science researchers have assessed the quality of roads from professional and technical perspectives by cooperating with professional engineers who inspect roads using their expertise (Olken, 2007; Wong et al., 2013). This method was not feasible for this study. Nevertheless, the CRS survey includes some questions that can shed light on how roads were built. In particular, the survey asks village leaders to report whether roads 1) were finished on time, 2) exceeded their initial budgets, or 3) incurred village debts. A reasonable assumption is that if a village chair is not concerned with road quality, road building should be more likely to be delayed or to exceed the proposed expenditure since it is the village that bears the consequences. Two more direct measurements of road quality are derived from survey questions that address 4) whether roads have already started to be maintained and 5) the average expenditures dedicated to maintenance every year. Logically, roads of poorer quality should have a higher likelihood of being maintained sooner and of costing more to maintain. In the analysis, each of the above five measures is tested.

The independent variable is the corruptness of the village chair and is measured in the same way as it is measured for the first hypothesis.

The factors that shape village chairs' motivation to build new roads may also affect the quality of the roads they build. Villages with more labor (population), higher incomes (villagers' income), or stable sources of income (existence of enterprises in the village) may build better roads since they can use more help or volunteer work from villagers and are less likely to encounter fund shortage during the building process. Village chairs who are from villages that have stronger solidary groups may be more concerned about road quality since they face higher pressure from those groups if roads are built in an unsatisfactory manner. I include these four variables in the analysis for the second hypothesis. The personal characteristics of the village chair, of course, cannot be overlooked. Presumably, we may expect roads built by village chairs who are more competent, more familiar with the job, more committed to state tasks, and receive higher formal rewards to display a better quality. It is also important to control for the characteristics of roads. Based on survey questions, I include three variables: 1) road length, 2) road width and 3) total road building expenditures. My expectation is that it may be more difficult to guarantee the quality of roads when the roads are longer, wider, and involve more expenditure since bigger road projects would be generally more difficult to manage and entail more supervision.

3.5. Findings

3.5.1 Descriptive Statistics

Table 3.1 presents the descriptive data. Vote buying, the measurement for corruption, is reported by at least one respondent in 81% of all villages. In the average village, 20%

of respondents reported that they had heard about vote buying in their village's previous election, with the highest percentage reaching 65%. These results suggest that corruption, consistent with the general view in the literature, is pervasive in China's countryside; otherwise, vote buying would not be so widespread and prevalent.

Table 3.1 Descriptive Statistics

	Mean	Std. Dev.	Min.	Max.	N
Explanatory Variable					
Proportion of villagers reporting vote buying	0.196	0.178	0	0.65	101
Outcome variables					
Initiation of road projects by village office (Yes=1)	0.446	0.500	0	1	101
Roads were finished on time (Yes=1)	0.923	0.268	0	1	78
Roads exceeded initial budget (Yes=1)	0.213	0.412	0	1	75
Roads generated village debts (Yes=1)	0.312	0.466	0	1	77
Roads were begun to be maintained (Yes=1)	0.615	0.490	0	1	78
Annual cost of maintenance (unit: ten thousand yuan)	0.229	0.498	0	3	75
Village characteristics					
Population (unit: persons)	1433	864	79	4800	101
Villagers' average annual income (unit: yuan)	3622.89	2025.81	350	10150	101
Occurrence of land takings (Yes=1)	0.485	0.502	0	1	99
Existence of enterprises (Yes=1)	0.571	0.497	0	1	98
Number of solidary groups	0.644	1.300	0	7	101
Area of farmland (unit: mu)	2415.5	2554.2	60	16650	100
Village committee chair characteristics					
Years of education	9.327	2.425	2	15	101
Years in office	4.535	3.714	1	19	101
Party affiliation (Yes=1)	0.792	0.408	0	1	101
Non-farming work experience (Yes=1)	0.280	0.451	0	1	100
Annual salary (unit: yuan)	4845.8	3953.2	0	25650	100
Road Characteristics					
Total length (unit: kilometers)	4.271	4.727	0.3	34.5	79
Total width (unit: meters)	9.994	11.065	2	85	77
Total cost (unit: ten thousand yuan)	62.381	62.328	1.2	450	74

Of the newly built roads, 45% of the villages had at least one new road that was proposed by their village office in the past term. If we consider new roads proposed by

villagers and township governments together, the average number of new roads built in a village is 1.5. For villages that built new roads in the past three years, they spent an average of 0.62 million yuan on road building. The cumulative length and width of the new roads in an average village is 4 kilometers and 10 meters, respectively. Only a small percentage of the villages (8%) had one or more roads that were not finished on time. A significant percentage of the villages had one or more roads that exceeded the initial budget (21%) and had to bear new debt brought by the roads (31%). 62% percent of the villages who built new roads already began to maintain at least one road, costing them an average expenditure of 2 ,300 yuan for the maintenance every year.

The data also allow us to identify some general features of the village chairs. A supermajority of the village chairs (79%) were members of the Chinese Communist Party. The level of education of village chairs were, however, relatively low. The average years of schooling was slightly more than 9 years, equivalent to completing middle school in China. 28% of them have worked in non-farming sectors before. The notion that village cadres receive a poor official salary is supported. As we can see, the average salary of village chairs was approximately 4800 yuan per year in 2008 (approximately \$685 according to the then exchange rate). Their average number of years in office is more than four years (one term is three years). The longest-lasting incumbent has held office for almost 20 years.

3.5.2 Regression Results

To test the first hypothesis, I employ a binomial logistic regression to examine the relationship between village chairs' corruptness and their motivation to build new roads. The first model is a bivariate model that includes the dependent variable and independent variable of interest. The second model adds controls for village characteristics, including the village population, villagers' average annual income, whether the village has enterprises, the number of the village's solidarity groups, the area of farmland, and whether the village has encountered land taking in the past three years. The third model further adds controls for village chairs' characteristics, including whether they are members of the Chinese Communist Party, whether they had nonfarming work experiences, their years of schooling, their years in office, and their official salaries. The results are presented in Table 3.2.

In all three models, the corruptness of village chairs is positively and significantly correlated with their motivation to build roads. The bivariate model shows that the coefficient of the explanatory variable is positive and is significant at the 0.05 level. An increase in a village chair's corruption of one standard deviation increases their probability of proactively building at least one new road in the past three years by 53%. The coefficient of corruptness remains positive and significant at the 0.05 level adding the controls for village characteristics and village chair characteristics in Models 2 and 3, respectively. For the model that includes all variables, the results show that one standard deviation increase in the corruptness of village chairs increases their likelihood of

proactively building at least one new road in the past three years by 68%. Hypothesis 1 is thus supported.

Table 3.2 Logistic Regression Results for Road Building

Explanatory variable	DV: Motivation to build new roads					
	(1)		(2)		(3)	
	B (S.E)	OR	B (S.E)	OR	B (S.E)	OR
Corruptness of village chair (+1 SD)	0.426** (0.210)	1.531	0.542** (0.240)	1.719	0.521** (0.253)	1.684
Village Characteristics						
Population			-0.0002 (0.0003)	1	-0.0003 (0.0003)	1
Villagers' income			0.0002 (0.0001)	1	0.0001 (0.0002)	1
Existence of enterprises			-0.139 (0.501)	0.871	-0.208 (0.526)	0.812
Number of solidary groups			0.096 (0.177)	1.101	0.054 (0.185)	1.055
Occurrence of land takings			0.453 (0.463)	1.573	0.754 (0.509)	2.123
Area of farmland			-0.0001 (0.0001)	1	-0.0002 (0.0001)	1
Village Chair Characteristics						
Party Affiliation					0.323 (0.641)	1.381
Years of education					-0.078 (0.108)	0.925
Years in office					0.134* (0.093)	1.143
Non-farming work experience					-0.400 (0.554)	0.670
Salary					0.0001 (0.0001)	1
Constant	-0.223 0.20		-0.436 0.565		-0.293 1.036	
Observations	101		95		96	
Log Likelihood	-67.204		-60.014		-50.840	
AIC	138.41		136.028		125.680	

Note: * $p < 0.1$; ** $p < 0.05$; *** $p < 0.01$

None of control variables are significant at the 0.05 level. The results indicate that none of the village characteristics has a significant effect on village chairs' motivation to build roads. This suggest that village chairs' determination to the task of road building is not necessarily affected by the conditions of their village, regardless of whether their village is small or large, rich or poor. All the variables that measure village chairs' characteristics are not significant, including their party affiliations, years of education, nonfarming work experience, and years in office. The most surprising result is likely the lack of significance of their salaries. Intuitively, we would expect village chairs who receive higher salaries to develop stronger incentives to carry out state tasks. This may be caused by their overall low pay such that some increase in their salary would not make a considerable difference to their livelihood.

I next test the second hypothesis on the relationship between village chairs' corruptness and the quality of roads they built. As explained above, I use five indicators to measure the road quality. The first four indicators are tested with binomial logistic regression. The last indicator is tested with OLS regression. The results are presented in Table 3.3.

The first dependent variable measures whether all roads newly built within the village chair's term were completed on time. If village chairs are only interested in capturing rents, they should hardly care about when the projects are completed since most corrupt exchanges occur either before (e.g., receiving bribes from construction companies

who wish to carry out the project) or during (e.g., embezzling or appropriating the funds) construction. Consequently, roads should be more likely to be delayed. The regression results do not support this speculation. The coefficient of corruptness is negative and insignificant for the likelihood of roads being finished on time.

Table 3.3 Regression Results for Road Quality

Explanatory variable	DV: Road Quality				
	Whether finished on time	Whether exceeded initial budgets	Whether generated debts	Whether began to be maintained	Annual cost of maintenance
Corruptness of village chair (+1 SD)	-0.004 (0.036)	-0.985 (0.701)	0.327 (0.357)	0.335 (0.326)	0.108 (0.081)
Village characteristics control	Yes	Yes	Yes	Yes	Yes
Village chair characteristics control	Yes	Yes	Yes	Yes	Yes
Road characteristics control	Yes	Yes	Yes	Yes	Yes
Constant	0.949*** (0.175)	-1.945 (2.125)	-3.132* (1.824)	-2.057 (1.716)	-0.118 (0.388)
Observations	68	67	68	68	65

Note: *p<0.1; **p<0.05; ***p<0.01

The second and third dependent variables measure whether any of the newly built roads exceeded the initial budget and incurred new debts for the village, respectively. Again, if village chairs intend to use road building for the purpose of engaging in corruption only, they should not be concerned about the financial consequences of the roads, such as whether they would increase their villages' financial burdens. In fact, they would probably be more likely to overspend because doing so would allow them to seize more rents. This would increase the likelihood of roads exceeding the initial budget or incurring more village debt. I find no statistical support for these speculations. When the

outcome variable is whether the initial budget was exceeded, the effect of corruptness is negative and insignificant. When the outcome variable is whether new debt was generated, the effect of corruptness is positive but still insignificant.

The fourth and fifth dependent variables report whether any of the newly built roads had already started to be maintained and the average expenses the village spent on maintaining the roads every year, respectively. As previously explained, logically, poorly built roads should be more likely to develop a rapid need for maintenance or a need to cost more for maintenance. However, the coefficient of the explanatory variable does not have a significant effect on these two outcome variables. Overall, these results suggest that the quality of roads is not significantly affected by the corruptness of village chairs. Hypothesis 2 is thus supported.

3.6 Alternative Explanations

3.6.1 Road Building as Rent-Seeking?

In this section, I examine two possible alternative explanations for the presented results on the positive association between corruption and road building. A reasonable concern is that since road building is lucrative, the primary motivator for corrupt village chairs to build more roads is simply to seize more rents rather than to complete tasks assigned by their superiors. If this is the case, those chairs should show a stronger motivation to carry out most lucrative tasks regardless of whether they help promote their evaluations. In fact, it is perhaps even safer for village chairs to extract rents from relatively low-profile tasks that are less of a priority among their superiors, as they would

be less likely to be caught and would face lighter sanctions even if they were.

To test this alternative explanation, I examine village chairs' motivation to engage in another state task that, while providing good opportunities to engage in corruption, is barely evaluated by their superiors. The selected task is the “promoting the construction of rural cultural facilities” (加强农村文化设施建设), which began to be advocated by the central government after the mid-2000s with the alleged goal of improving rural residents’ “spiritual and culture life” (精神文化生活) by building more facilities such as libraries, lecture halls, and public squares.¹²⁷ Similar to building roads, this task involves plenty of construction works that allow village cadres to pursue corrupt activities such as extorting bribes from construction companies and embezzling construction funds. However, according to my interviews, this task has always been treated by local officials as an insignificant and optional task assigned to village cadres. As a result, village cadres have been seldomly evaluated on this task.¹²⁸

The dependent variable for this test is operationalized through the question that ask village leaders to report whether their villages had built new “cultural activity facilities” (文化活动场所) in the past three years, which is turned into a binary variable: 1 indicates that the village had built new facilities, and 0 indicates that the village did not build such facilities. The descriptive data for this variable is presented in Table 3.4. As we can see, among the 101 villages, 40% of them built new cultural activity facilities, costing 85,000

¹²⁷ See, for instance, http://www.gov.cn/gongbao/content/2006/content_161057.htm.

¹²⁸ All the township officials I have interviewed during my previous research trips in Zhejiang Province indicated that they do not put this task on the evaluations for village cadres.

yuan on average.

Table 3.4 Descriptive Statistics for Cultural Activity Facilities

	Mean	Std. Dev.	Min.	Max.	N
Built cultural activity facilities (Yes=1)	0.404	0.493	0	1	99
Cost for building the facilities (unit: ten thousand yuan)	8.544	11.243	0.14	55	39

Table 3.5: Logistic Regression Results for Building Cultural Activity Facilities

Explanatory variable	DV: Building of Cultural Activity Facilities		
	(1)	(2)	(3)
	B (S.E)	B (S.E)	B (S.E)
Corruptness of village chair (+1 SD)	-0.079 (0.207)	-0.095 (0.236)	-0.243 (0.273)
Village characteristics control	No	Yes	Yes
Village chair control	No	No	Yes
Constant	-0.364* (0.204)	-1.832*** (0.610)	-0.810 (1.082)
Observations	99	93	92
Log likelihood	-66.714	-57.039	-52.648
AIC	137.427	130.079	131.296

Note: *p<0.1; **p<0.05; ***p<0.01

I use the same three models for testing road building but replace the dependent variable with the building of cultural activity facilities. The regression results are presented in Table 3.5. In all three models, the coefficient of village chairs' corruptness is negative and not significantly correlated with the dependent variable, suggesting that corrupt village chairs do not show a stronger incentive to perform this task than their counterparts, although this task is associated with good opportunities for corruption. These results provide evidence that village cadres' motivation with state tasks is not solely based on whether they allow them to collect illicit income, but also is critically affected by the importance of these tasks in the views of their superiors.

3.6.2 The Effect of Patronage Networks?

Another possible explanation for the correlation between village chairs' corruptness and motivation to build new roads is that the observed effect is cofounded by patronage networks. It has been long noted that corruption is used as a common reward to maintain patronage relations between superiors and subordinates (Kurer, 1993). Moreover, scholars have shown that patronage networks can motivate subordinates' performance by fostering mutual trust and interest (Jiang, 2018). Accordingly, one alternative mechanism is that while village cadres who are embedded in the patronage network are more likely to engage in corruption, at the same time, they have stronger incentives to accomplish the tasks specifically assigned by their patrons than officials who are not in the network. For instance, this may be the case that when more roads are built in a township, township officials are more likely to be promoted. Consequently, township officials may require that their village clients build more roads.

To address this concern, I create a new variable to measure village cadres' likelihood of being involved in a patronage network based on the assumption that officials from the same hometown are more likely to nurture patronage networks (Shih et al., 2013). In the survey, village leaders are asked to report the number of original residents in their village that are currently working in the township-level government. I treat village chairs whose village have more residents working in the township-level government as having a greater possibility of engaging in patronage networks. This variable is added to the original model on road building that includes all variables. The new regression results are

presented in Table 3.6. The coefficient of the patronage network is negative and not significant, suggesting that being involved in the network does not provide village cadres with a stronger incentive to carry out the road building task. The coefficient of village chairs' corruptness remains positive and almost significant at the 0.05 level (p-value = 0.0599). A possible explanation is that when village chairs have patrons in the higher-level government, they may become less concerned about failing their tasks as their patrons can protect them. However, they still need to demonstrate a strong performance because if they consistently fail to accomplish their tasks, they may lose both the trust of their superiors and their access to corruption opportunities.

Table 3.6: Logistic Regression Results for Road Building After Adding Patronage Networks

Explanatory variable	DV: Motivation to build more roads							
	(1)		(2)		(3)		(4)	
	B (S.E)	OR	B (S.E)	OR	B (S.E)	OR	B (S.E)	OR
Corruptness of village chair (+1 SD)	0.426** (0.210)	1.531	0.542** (0.231)	1.719	0.521** (0.253)	1.684	0.482* (0.256)	1.619
Patronage Networks								
No. villagers in the township-level gov							-0.055 (0.065)	0.946
Village characteristics control	No		Yes		Yes		Yes	
Village chair control	No		No		Yes		Yes	
Constant	-0.223 (0.205)		-0.436 (0.565)		-0.293 (1.036)		-0.195 (1.048)	
Observations	101		95		94		94	
Log Likelihood	-67.246		-60.014		-56.564		--56.178	
AIC	138.492		136.028		139.128		140.355	

Note: *p<0.1; **p<0.05; ***p<0.01

3.7 Conclusion

This study's primary finding is that when formal rewards offered to officials are poor

or unattractive, corruption, under certain circumstances, can serve as an important incentive for officials to carry out the state's directives and complete them in the manner that meets their superiors' requirements. Using a dataset collected from 101 villages in China, I examine how the corruptness of village chairs, measured by the prevalence of vote buying, affects 1) the likelihood of their building new roads in their villages and 2) the quality of the newly built roads. The results suggest a positive and significant correlation between the corruptness of village chairs and their motivation to build new roads, but no significant correlation between their corruptness and the quality of newly built roads, which support my hypotheses. I also examine two possible alternative explanations for these results, including whether the effect is primarily driven by 1) village chair's simple interest to seize rents and 2) patronage networks. I do not find evidence indicating either of these factors is the main motivator for village chairs to build more roads.

This study carries important implications for understanding the sources of stability and sustainability of authoritarian regimes. While Fjelde and Hegre (2014) find a positive association between corruption and stability in autocracies and hybrid regimes, the mechanism they propose is that those states have used corruption to buy support from the elites to reduce the latter's incentive to organize coups or rebel. My study suggests a different mechanism: the state can also use corruption to elicit compliance from officials to improve its governing capacity, which may help maintain the public's support for the regime, in turn enhancing its stability. In China, scholars find that the public, despite

perceiving the government as corrupt, still expresses high support for the government.

For example, a survey employed by Tang (2018) found that 77% of the respondents believe that the Chinese government has a high level of responsiveness to the public.

While the Chinese public's impression that the government is simultaneously corrupt and highly responsive seems puzzling, the findings of my study suggest that corruption may have reinforced the regime's ability to facilitate implementation of its directives and keep its promises to the public.

It must be emphasized, however, that I do not intend to suggest that corruption ought not be combatted and reduced, or that governments ought to select corruption over other, especially formal means go motivate officials' performance. Certain costs accrue when corruption is systematically allowed. For one thing, it may cause the adverse selection problem by attracting individuals most interested in exploiting their position to accumulate personal wealth, crowding out those candidates who are better qualified for the position. For another, even though the state may have means to control the magnitude of corruption, corrupt activities always have a negative impact on social welfare provision. Nevertheless, my main point remains that corruption can serve as an alternative option to mobilize officials to accomplish their tasks when the state cannot incentivize them with adequate formal rewards. That said, the effect of corruption on governance may vary depending on the institutional environment in which it occurs.

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