Guardians and Gridlocks: Bureaucracy, Bargaining, and Authoritarian Policymaking

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Abstract

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How do authoritarian rulers make credible power-sharing agreements? What institutions commit authoritarian rulers to share government spoils with other elites? This dissertation investigates the role of bureaucracy in authoritarian politics. I argue that autocrats make their promises to share power more credible by delegating resource-allocating authority to a fragmented bureaucracy. The fragmentation of decision-making authorities increases rulers' costs to sway policy decisions in their favor, thereby shielding certain policies from top-down manipulation. The fragmentation also induces bottom-up competitions for government spoils among policy recipients, most notably among territorial administrations. Those with greater bargaining power and the right tactics can navigate the fragmented system and therefore secure more favorable policy treatment from the central government. I use evidence from China's high-speed railway development program to test this argument. Original data on government investment decisions on infrastructure and official behaviors is used to explore the role of fragmented bureaucracy in authoritarian policymaking.

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Chapter 1
Introduction

The Motivation of the Study

> "In January 2004, the State Council discussed and passed the historical Medium- to Long-term Railway Network Plan, for the first time proposed the construction of over 12000 kilometers of high-speed railway..... By the end of 2014, China has more than 14000 kilometers of high-speed railway in operation, which accounts for 60% of the total length of high-speed railway in the world." "The development of China's high-speed railway in pictures and words, by year (in Chinese)," *Sina.com*, 3/31/2017[1]

> In 2004, the Chinese central government's investment in railway totaled only 51.6 billion RMB (6.3 billion US dollars). Since then the annual government investment grew more than 70% every year for five years (except for 2007). In 2010, the annual investment reached 709.1 billion RMB (104.3 billion US dollars). The growth experienced a short stabilizing period after 2010 and reassumed in 2013. From 2014 to 2016, the Chinese central government invested more than 800 billion (129.2 billion US dollars) annually in railway construction (808.8 billion RMB in 2014, 823.8 billion RMB in 2015, and 801.5 billion RMB in 2016). *Chinese Government Investment in Railway, by year* (Author's data)[2]

> "It has only been a month since (Shaoyang) party secretary Gong was promoted (from Mayor) to the current position. The first thing he did in his new position is to visit Beijing. In less than 4 days, secretary Gong tirelessly visited Central Disciplinary Commission, Central Propaganda Department, Central Organization Department, State Development and Reform Commission, Ministry of Commerce, Ministry of Finance, Ministry of Industry and Information Technology, National Railway Administration, and the China Railway Corporation, soliciting investment projects, securing funding, and seeking support from the center, all for the development of Shaoyang." *Shaoyang Daily,* 5/16/2016

This study started as an attempt to understand the politics behind China's high-speed railway program. From 2005, in less than a decade, China outdid what a few countries (Japan,

[1] http://cj.sina.com.cn/article/detail/2297995081/204648 (last accessed 7/30/2017)

[2] The author performed the RMB-Dollar conversion using the median exchange rate of the given years.

Germany, France, South Korea, etc.) have achieved over a half century in high-speed railway development. By the end of 2014, when this study started, China has built a high-speed railway network longer than any other countries combined. Behind the rapid expansion of China's high-speed railway is the strong support of the central government. Since 2005, the Chinese central government's investment in railways has grew exponentially, and in recent years (2014-16), the investment has reached more than 800 billion RMB (approximately 129.2 billion US dollars) per year. In comparison, the interstate highway system in United States cost in total 128.9 billion dollars (with 114.3 billion dollars from the federal government).[3] China's high-speed railway program, by many measures, is the largest state-directed infrastructure program in modern history.

Such a mammoth project adopting frontier technology in transportation is nonetheless overseen by an authoritarian government. Unlike large infrastructure projects in democracies, which are often subjects of open political contention, the politics revolving around China's high-speed railway has rarely been under public scrutiny.[4] Politics however is never absent, especially when this amount of money is involved. Numerous bargaining, negotiation, and deal-making among various actors and constituents of the regime constantly take place behind closed doors. The complexity and contention of this process are no less than those in democracies. The unique nature of authoritarian politics, one that lacks transparency and an impartial third party that could enforce bargaining, brings more uncertainties to this process.

[3] See U.S. Department of Transportation, Federal Highway Administration, Highway History, https://www.fhwa.dot.gov/interstate/faq.cfm#question6 (last accessed 7/30/2017). The estimate is made in 1991, and is not adjusted for inflation.

[4] A few exceptions when high-speed railway dominate China's news cycle include the removal of the former railway minister, Liu Zhijun in Feburary 2011, and the collision accident of two high-speed trains in July 2011.

This makes the study of China's high-speed railway more interesting. Without the presence of elections and an effective legislature, how does the Chinese government allocate trillions of dollars of investment across different segments of the regime? Why do the outcomes of such decisions favor certain localities over others? What are the relevant players and how do they act to influence the policymaking and implementation in this process? What are the mechanisms or institutions that facilitate the bargaining among these players?

These questions are not only of interest to people who study China. In fact, they tap on one of the fundamental issues in the study of politics—the question of who gets what, when and how (Lasswell, 1936). The conventional wisdom posits that in a polity like China, one that lacks institutions of accountability, the ways government allocates resources often follow the logic of patronage (e.g., Eisenstadt & Roniger, 1980; Hicken, 2011; Scott, 1969). The idea is that the powerful tend to divert resources to an exclusive group of recipients—often based on some predetermined associations with the powerful—in exchange for their support and services.

This intuition has been proved to be largely correct in the Chinese content. Numerous studies have found that the allocation of government controlled resources, such as bank loans (Shih, 2004, 2008), fiscal transfers (Jiang & Zhang, 2015), and government appointments (Shih, Adolph, & Liu, 2012), are directed by leaders to favor their close associates. This pattern seems to stand at both the central and local level.

The logic of patronage faces some pitfalls in explaining the allocation of investment in infrastructure. First, unlike government appointments or loans, the recipients of central government's investment in infrastructure are regions instead of individuals. Even though

officials still have opportunities to benefit personally from the investment, such as kickbacks from contracting opportunities, they nonetheless only take a small portion of the total investment. Furthermore, once the infrastructural investments are realized (e.g., when the roads are built), the patrons can hardly reverse or retract the benefits associated with the investment. The reversibility of policy benefits is at the core of a sustainable patron-client relationship (Robinson & Verdier, 2013). The patrons should be able to withdraw the benefits if they find out the subordinates are no longer loyal to them, and such a threat in turn keeps the subordinates loyal to their patrons. The irreversible nature makes infrastructure a less effective tool to sustain a patronage relationship (Saito, 2006). In many regards, therefore, infrastructural investments are close to programmatic goods (Kitschelt & Wilkinson, 2007). They target a wide range of population, and are not contingent on the beneficiaries offering their support or services.

The questions that motivate this study therefore are multifold. First, in a country where politics is ridden with patronage, what is the logic for distribution of various government controlled benefits? How do we understand the variations in the allocation of government investment in infrastructure? Do they reflect the calculations of central leaders or something else? If top-down patronage does not explain the allocative patterns, then what are the mechanisms and institutions that govern the exchanges and bargaining in the distribution of these investments, and who are the relevant actors that the central government is dealing with?

More broadly, through inquiries into interactions among the regime insiders, this study also seeks to understand the nature of authoritarian rule in China and beyond. Why do

authoritarian rulers deliver goods and services that benefit a wide range of actors? What are the institutions that commit the ruler to share power and resources with others? Ultimately, an attempt at understanding the politics of high-speed railway in China might help inform the theoretical linkage between institutions, elites bargaining, and authoritarian survival.

Institutions and Authoritarian Power-Sharing

Before introducing my argument, I first lay out its theoretical building blocks. The way in which an authoritarian regime allocates resources is intrinsically linked to the power dynamics between the ruler and the elites (Bueno de Mesquita, Smith, Siverson, & Morrow, 2005; Haber, 2007). Institutions, either formal or informal, play an important role in structuring ruler-elite relationship.

To stay in office, an authoritarian ruler needs to share power and resources with his ruling coalitions in exchange for their support (Bueno de Mesquita et al., 2005; Haber, 2007; Wintrobe, 1998). The ruler's promise to share power and resources however is hardly considered credible (Boix & Svolik, 2013; Magaloni, 2008). The ruler would face little threat of sanction if he fails to honor his promises and chooses instead to abuse or exploit fellow elites. Scholars conceptualize this scenario as the credible commitment problem (North, 1990; North & Weingast, 1989).

Knowing such incentive structure on the part of the ruler, elite members of the regime tend to invest their loyalty in the subversion—rather than the continued rule—of the incumbent ruler. Elite conflicts over allocation of power and government spoils are a major cause for authoritarian breakdown (e.g., Geddes, 2004; Smith, 2007). A typical intra-elite

conflict often starts with the ruler attempting to exploit elites to enrich himself, or disproportionally favoring certain individuals at the expense of the remaining elites. When the cost of bearing with an exploitive ruler surpasses a certain point, the risky option of taking actions to remove the ruler becomes viable to the elites.

A stable authoritarian rule therefore hinges on the institutions that commit the ruler to share power and resources with other elites (Boix & Svolik, 2013; Magaloni, 2008; Myerson, 2008; Svolik, 2012). Existing studies point to various institutions that facilitate credible authoritarian power sharing, including political party (Gehlbach & Keefer, 2011; Magaloni, 2008), legislature (Gandhi, 2008; Malesky & Schuler, 2010), constitution (Albertus & Menaldo, 2012; Myerson, 2008), judiciary (Moustafa, 2007), hereditary succession (Brownlee, 2007; Menaldo, 2012), term limits (Ma, 2016), and so on. A general intuition obtain from this research tradition is that institutions provide means by which elites can coordinate among themselves to pose credible threats against the ruler.

These studies provide a strong foundation on which to build. A less emphasized aspect in this research tradition is how these institutions mediate the distribution of resources among the ruling elites. The research on authoritarian elections is a notable exception. Authoritarian elections are often considered to curb the ruler from abusing the elites and help allocate resources in a way that maximizes the ruler's chance of staying in office. According to Magaloni (2008), multi-party elections, even largely manipulated ones, give the ruling elites an "exit option" that can impose credible threats against the ruler. The departure of a major faction could cost the ruling party the next election. Fearing the possibility of electoral defeat, the ruler would refrain from abusing important members of the ruling coalition. Elections also

reveal information on loyalty, which in turn allow the ruler to use government spoils (such as investment, subsidies, loans, and public housings) to reward loyalists and punish malcontents. Such election-based distributive politics—also known as the "punishment regime (Blaydes, 2010; Magaloni, 2006)"—is critical behind the longevity of electoral autocracies in places like Mexico (Magaloni, 2006), Egypt (Blaydes, 2010), Taiwan (Rigger, 1999), and Singapore (Tremewan, 1994).

This prevailing theory of power sharing through elections also begs additional questions. Not every authoritarian state holds periodic, (semi-)competitive elections. How do autocrats in regimes without multi-party elections credibly convince the elites that they can enjoy a share of spoils and not worry about being betrayed by the ruler? What logic do these regimes adopt when they distribute government-controlled resources without elections serving as a monitoring and intermediary institution? Taken more broadly, what are the institutions that help reduce policy uncertainties and let authoritarian elites place their loyalty in the long-term survival of these regimes?

The Role of Bureaucracy in Authoritarian Power-Sharing

This study focuses on the role of bureaucratic institutions in authoritarian power sharing. An authoritarian ruler makes his promise to share power more credible by delegating the authority of allocating government resources to an alternative institution, namely an elaborative, technocratic central bureaucracy.

The bureaucracy's ability to remain relatively independent from the ruler rests partly on the rational-legal institution, characterized by bureaucrats' expertise and adherence to

professionalism (Weber, 1978). The "separation between power and authority (Johnson, 1982)" through bureaucratic delegation has been well documented by studies of bureaucratic autonomy in democratic settings (Johnson, 1982; Miller, 2000; Miller & Whitford, 2016; Niskanen, 1971; Weber, 1978). Although individual bureaucrats need to respond to the orders of elected officials, the bureaucracy as a whole also acquires a life of its own (Niskanen, 1973). Such independence allows bureaucracy to play the role as a "scheme of checks and balances (Knight & Miller, 2007, p. 1)," preventing elected officials from acting against the constituents' best interests and reducing policy uncertainties generated by electoral cycles (Miller & Whitford, 2016).

In authoritarian states, the fact that autocrats can purge disobedient officials limits individual agency's ability to remain independent. The credibility of bureaucratic delegation is instead supported by the creation of fragmented decision-making authorities within the authoritarian bureaucracy. Such a system bears the following features. It divides the policy-making authority among multiple agencies, each of which oversees a specific segment of the policy yet lacks jurisdiction over others. Failures in securing approval from one of these agencies result in policy paralysis. Reaching policy decisions therefore requires laborious consensus-building effort among these agencies.

Such fragmentation of decision-making turns participating agencies into "veto players (Tsebelis, 1995)" in policy-making process. It augments specialized agencies' regulatory influence beyond their professional purview. Thereby, once such a system is in place, it also creates an enduring stake among these agencies to collectively preserve the system. Their bureaucratic expertise helps them mask the cumbersome procedures with technocratic

justifications, giving the system a legitimate façade.

The fragmentation of decision-making authorities raises the cost of policy manipulation on the part of the authoritarian ruler. A ruler who wants to shift the policy in his favor needs to bring on board bureaucrats from a range of agencies. The ruler might face little difficulty in forcing one agency to acquiesce once, but it would incur considerable costs to repeatedly force the bargain with multiple agencies. It therefore reduces the ruler's incentives to intervene. This intuition is similar to what Haber (2007) characterizes as "organizational proliferation." To prevent one side from unilaterally breaking the power sharing agreement, one solution is to create competing organizations that raise the coordination cost of taking such actions.[5] A parallel real world example of this logic is the coup-proofing strategy of authoritarian rulers who rely heavily on the military. To prevent military generals from launching coups, authoritarian rulers strategically devise multiple military organizations and internal security agencies to ensure the hands of the generals are tied (Quinlivan, 1999).

Observable Implications of the Argument

This argument of power sharing through bureaucratic delegation generates several observable implications. The first is that an authoritarian ruler's ability to make policy and allocate resources at his pleasure is shaped by the degrees of bureaucratic fragmentation. The presence of an elaborative, technocratic bureaucracy with fragmented decision-making authorities limits top-down policy intervention by the ruler.

[5] In Haber (2007), the strategy of organizational proliferation is applied by the dictator to limit the influence of his key support group (i.e., the "launching organization"). In the context of this study, the proliferation of bureaucracies in decision-making process serves to limit the dictator's capability to intervene in the policy-making process.

Such a relationship should be observed through between-country comparisons. Cross nationally, however, not many authoritarian states are equipped with strong government institutions (Menaldo, 2016). Building and funding an elaborative and functional bureaucracy involve taxation (Levi, 1988; Migdal, 1988). It entails an equilibrium situation in which the ruler can induce citizen compliance on taxation while simultaneously repress citizens' demand for political representations. To achieve these goals, the ruler needs to have a bureaucracy with sufficient infrastructural and despotic capacity to begin with (Mann, 1984).

More meaningful comparisons can be found within a single country with strong bureaucracies. The source of variations comes from differential levels of bureaucratic fragmentation across different policy areas. In some policy areas, a single agency monopolizes the authority to make and implement policies, whereas in some other policy areas, the such authority is divided among multiple bureaucratic agencies. The difference in fragmentation is often determined by the virtue of policies in question. Some policy issues are more sophisticated, therefore require the expertise and cooperation of multiple specialized agencies. For example, issues such as airports or railways construction involve more technicalities than government appointments or fiscal transfers, and therefore invite more specialized bureaucracies in the decision-making process.

As suggested by the argument outlined above, the ruler's cost to manipulate policies is lower when fewer bureaucracies are involved. We should expect more top-down policy manipulations in policy areas where decision-making authority is more unified. The distributive patterns of policy benefits in these areas therefore are more likely to mirror the incentives and calculations of the ruler.

Conversely, we should expect fewer top-down interventions in issue areas involving multiple bureaucracies (i.e., fragmented authorities). In these issue areas, the distributive pattern can instead be explained by the interactions between the bureaucracies and the recipients of the policy benefits.

The "recipients" are not individual citizens. Instead, they are powerful organizations or agents with whom the bureaucracies negotiate policy terms, such as territorial administrations or state-owned enterprises. There has been a long scholarly tradition in treating organizations, rather than individuals, as the actors in elite bargain.[6] Conceptually, these recipients can be understood as members of the ruling coalition, who desire a share of policy benefits from the ruler. The ability of these recipients to solicit resources through bargaining with the central bureaucracies shapes the allocation of policy resources.

This bottom-up explanation also invites another question. Why is the bureaucracy able to resist pressure from above (ruler) but not those from below (recipients)? Why can't the bureaucracy resist both and allocate resources purely based on technocratic merits? A straightforward answer is that the bureaucracy needs the cooperation of the local recipients to implement policies (Lieberthal, 2004, p. 181). Crafting technocratic policy decisions also requires local recipients to feed central bureaucrats with information on local conditions. One important source of local recipients' bargaining power stems from their ability to control and manipulate upward information needed by central bureaucrats to make relevant policy decisions.

[6] For examples of scholarly treatment of organizations as unit of analysis in elite bargain, see Lieberthal (1992) and Solinger (1996).

Figure 1.1 provides a summary of the argument and the observable implications. In the figure, the solid lines represent relationship and interactions among relevant actors in the argument, whereas the dashed lines point to observable implications of the argument.

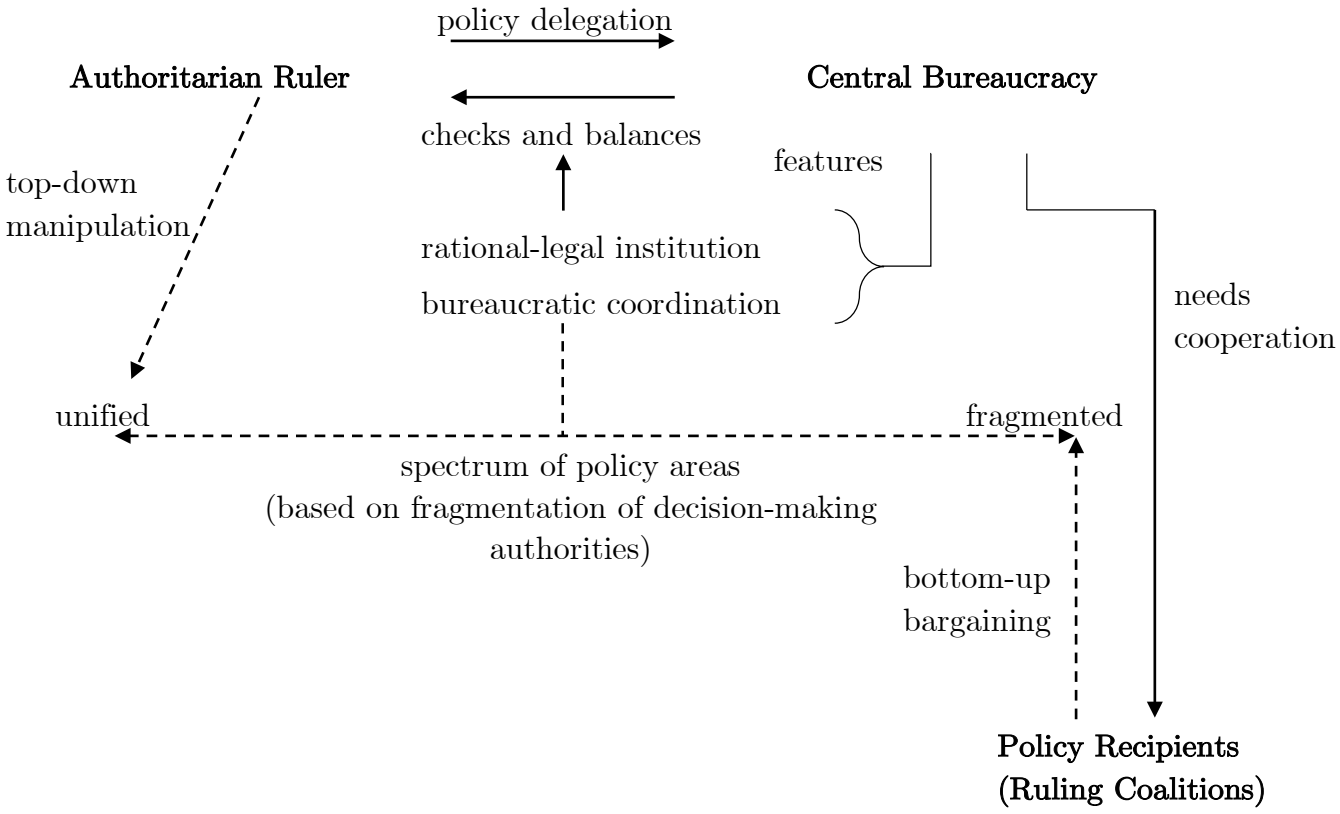

Figure 1.1: A Summary of Argument and Observable Implications

To recapitulate, an authoritarian ruler enhances the credibility of his commitment to share power by delegating the policymaking authority to a central bureaucracy. The bureaucracy's ability to insulate itself from the influence of the ruler relies partly on its expertise and adherence to professionalism. The credibility of delegation also crucially rests upon fragmented decision-making authorities within the bureaucracy. Manipulation of policies that are overseen by multiple bureaucratic agencies with non-overlapping authorities incurs

considerable cost on the part of the ruler. The distributive patterns of government spoils in these policy areas therefore should be less suggestive of the ruler's incentives or intention. They are instead shaped by interactions between the bureaucracies and the recipients of specific policy benefits.

The Case: China and the Chinese Bureaucracy

This study uses post-Mao China as the case for empirical testing. While economic modernization often breeds instabilities within existing political orders (Huntington, 1968), China's rapid economic growth in the past four decades is juxtaposed with strikingly political stability (Nathan, 2003). The ruling Chinese Communist Party (CCP) has maintained a cohesive elite coalition during this period. The rapid economic growth allows the party to gain control over a significant amount of resources, and the allocation of these newly acquired wealth among the regime insiders has been taking place in a largely non-conflictual manner. In the meantime, the regime lacks some common institutions that support authoritarian power sharing. There is no competitive election at the national level. The party-state is omnipresent in almost every corner of the society (Burns, 1987), which means that there are no "exit options" or alternative political spaces for disgruntled party elites. The legislature, which comparative scholars contend as a meaningful institution in co-opting powerful opponents (Gandhi, 2008), is only a "rubber stamp (Truex, 2014, 2016)" in China.

These contradictions beg questions. What institutions credibly commit the communist party to share power among important players of the regime? How does the regime allocate government spoils in a way that minimizes elite tensions?

This study looks at the Chinese bureaucracy for answers. The contemporary Chinese state has its root in the imperial Chinese bureaucracy (Lieberthal, 2004, p. 171), which is "the oldest state apparatus in the world (Tsai, 2017, p. 296)." As early as in the 7th century, China already developed a bureaucracy that had many resemblances to its modern counterpart, including sophisticated hierarchies and a professional system of recruitment, promotion, and specialization (Qian, 1982). The imperial bureaucracy and its strong capability to govern endured numerous dynastic cycles (Wittfogel, 1957).

Both Chinese and foreign historians have noted a marked tension between the imperial bureaucracy and the emperors--the supreme ruler of imperial China (Kuhn, 1992; Qian, 1982). Qian (1982) characterized the monarch-bureaucrat relationship as the central theater of political contention in China's imperial history. On the one hand, the emperors needed the bureaucrats to rule the vast empire. On the other hand, the rigid and cumbersome routines of the bureaucracy placed checks on the emperors' attempt to rule at whims. Although the emperors routinely executed prime ministers (*zai xiang*) whose power overshowed theirs, they were never able to get rid of the bureaucracy completely.

I want to note that the description here is not meant to argue the "uniqueness" of the Chinese case. As suggested by the discussion above, the role of bureaucracy in limiting the power of politicians is widely observed in contemporary democracies. The purpose of the discussion of the Chinese history is to answer the question of where does a strong bureaucracy come from. Whereas in some places it needs to be built (however very difficult), in contemporary China, the CCP regime inherited a strong, elaborative bureaucracy from the past.

Bureaucratic Fragmentation and Policymaking in Post-Mao China

A notable feature of the imperial bureaucracy that has persisted into contemporary age is the fragmentation of decision-making authority. The imperial bureaucracy in the Tang dynasty (7^{th} to 10^{th} century AD), for example, was divided into three departments (*san sheng*), namely the central secretariat (*zhongshu sheng*), the chancellery (*menxia sheng*), and the department of state affairs (*shangshu sheng*) (Wechsler, 1979). Bureaucrats in these departments were recruited through merit-based imperial civil exams (*keju*). A typical policy-making process involved the central secretariat first drafting a policy proposal, and then acquiring written approval from the emperor, followed by scrutiny and possibly rejection by the chancellery, and finally implementation by the specialized ministries in the department of state affairs (Qian, 1982). No action could be taken without first achieving consensus among the three departments and the emperor.

Lieberthal (2004) documents similar dynamics in the contemporary Chinese bureaucracy:

> "Despite the highly authoritarian nature of China's political system, actual authority is in most instance *fragmented*. There are numerous reporting lines throughout the system—through the party, through the government, to the territorial organs, and so forth (p. 187)."

> "One consequence of the structure of the Chinese political administration is that important issues require the cooperation of officials who are in different bureaucratic domains and who therefore lack jurisdiction over each other. Construction of a major new steel plant, for example, may demand the active support of individuals in the Ministry of Commerce, the Finance Ministry, the State Development and Reform Commission, and the local government and party authorities (for road building, housing construction, sanitation, removing peasants from their land, and so on). If foreign capital is involved, the People's

Bank and others will also have to come on board (p. 189)."

> "Because of the general fragmentation of authority in the system, resolving a matter below the center often requires building a consensus among an array of pertinent officials..... Chinese policy making is, consequently, characterized by an enormous amount of discussion an bargaining among officials to bring the right people on board (p. 191)."

The market reform in the post-Mao era further contributes to the fragmentation. Officials' behaviors have become less value-based (i.e., ideological), and are increasingly driven by material interests. The communist rulers can no longer use ideologies to mobilize cooperation among officials in different bureaucratic domains. Numerous "trade-up" take place between bureaucratic agencies, involving "personnel assignments, funds, access to goods and markets, and so forth (Lieberthal, 2004, p. 191)," to strike a bargain over policies (Lieberthal, 1992; Lieberthal & Oksenberg, 1988; Mertha, 2009). These bargaining increase the cost of individual leaders to unilaterally manipulate policies, and ensure a more inclusive policy-making process among relevant actors.

Not all polices follow a single logic in decision-making. As noted earlier, in areas such as government appointments, bank loans, and fiscal transfers, the party leaders have considerable control over the allocation of policy benefits. Empirical studies of these areas find that central leaders use the policies to benefits their associates or local clients (e.g., Jiang & Zhang, 2015; Shih, 2004, 2008; Shih, Adolph, & Liu, 2012).

A commonality of these issues is that the decision-making authority is centralized in a single or a few bureaucracies. For example, appointments of government positions are handled exclusively by the party's organization department, and the distribution of bank loans is controlled by the People's Bank of China (PBOC) and the commercial banks under PBOC's

direct oversight. As I argued earlier, the leaders' cost to coordinate policy consensus among bureaucrats is relatively low in these cases, and therefore they can exert influence via top-down interventions.

Meanwhile, there are also many important policy areas in which decision-making authority is decentralized among numerous agencies. They often require bureaucratic expertise in various aspects of the technicalities of the policy decisions. Examples include the constructions of steel plants, dams, airports, and other large-scale, cross-regional infrastructure projects. Figure 1.2 lists the necessary steps a Chinese province needs to take before building a high-speed railway. I acquired these information through conversations with a senior staff member at the governor's office of an eastern Chinese province (Author's interviews 11/6/2015, 6/24/2016). Steps are listed in a chronological order, and relevant central bureaucracies involved in the steps are shown in the parentheses with underscores.

1. Inclusion of the proposed route in the long-term railway plan (State Development and Reform Commission, Ministry of Transportation, China Railway Corporation*)
2. Call for tenders for the route designing agency (China Railway Corporation)
3. Crafting of the pre-feasibility report (designing agency)
4. Internal review of the pre-feasibility report (China Railway Corporation)
5. External review of the pre-feasibility report (market consulting firms)
6. Approval of project suggestion report (State Development and Reform Commission)
7. Crafting of the project feasibility report (designing agency)
8. Internal review of the feasibility report (State Development and Reform Commission, Ministry of Environment, Ministry of Land and Resources, China Railway Corporation)
9. External review of the project feasibility report (market consulting firms)
10. Approval of the project feasibility report (State Development and Reform Commission)
11. Approval of construction plan (China Railway Economic and Planning Research Institute)
12. Land taking and cleaning by provincial government
13. Call for tenders for construction companies by provincial government
14. Construction begins

*The China Railway Corporation is formerly known as the Ministry of Railway (until 2013). The Chairman of the company is a minister-level official appointed by the state council.

Figure 1.2: Bureaucratic agencies involved in the construction of high-speed railways

This information suggests a clear pattern of bureaucratic fragmentation. More than five central bureaucracies with specialized authority each has a say in the decisions leading to the construction of a railway. Provinces cannot bypass any single agency before they are statutorily permitted to start the construction.

A central leader who intends to sway these policies in certain direction (e.g., to favor a region) needs to bring on board bureaucrats from a range of agencies. It would incur considerable costs on the part of the leader. Officials who make concessions on one policy expect "others will try to 'trade up' on their deals as soon as conditions warrant their doing so (Lieberthal, 2004, p. 191)".

Usually, central leaders manipulate these policies to achieve specific goals, such as helping the careers of local associates—as infrastructure investments fuel local economic growth and in turn boost the careers of local officials (Whiting, 2004). The leaders however have less costly alternatives to achieve these goals. They can, for example, directly promote their associates by manipulating personnel appointments. As I argued above, these actions are less costly as they involve fewer overseeing agencies. A rational leader therefore is less likely to invest valuable political capitals in manipulating these policies while they can achieve the same goal with much less effort. Consequently, the distributive patterns of policy benefits are less indicative of the leaders' intentions.

The theory advanced earlier suggests that policy decisions in these areas are instead shaped by behaviors on the part of the recipients. Territorial administrations (provinces, cities, counties, etc.) are the most prominent recipients of central policies in China. They have both the incentives and the power to sway central policy decisions.

Both direct and indirect incentives drive leaders of local governments to procure central projects. Directly, these central infrastructure projects bring a significant amount of investments in fixed assets, which can boost the local economy and in turn improve local officials' chances of promotion (Whiting, 2004). These projects also benefit local officials and localities through indirect channels, such as the increase in land price, which contributes to local extra-budgetary fund (Whiting, 2011), as well as lucrative business opportunities for local contractors connected with local officials.

The territorial governments also have the means to bargain with the central bureaucracy. The market reform since the late 1970s promotes decentralization to encourage

local initiatives in growing the local economy (Jin, Qian, & Weingast, 2005; Montinola, Qian, & Weingast, 1995; Xu, 2011). As a result, local governments now hold the authority on most issues in their jurisdictions, many of which are crucial to the successful implementation of central policies. Consequently, "all major central construction projects and enterprises require active provincial cooperation in mobilizing and organizing resources and support services," and while "the Center can in theory override this provincial power through harsh penalties (such as purges) for inadequate support, but over the long run, active cooperation works better for both sides than does the Center's use of coercion (Lieberthal, 2004, p. 181)." This cooperative relationship gives local governments leverage to negotiate favorable policy treatment with the Center.

The empirical section of this dissertation investigates the consequences of bureaucratic fragmentation. It seeks to unpack the distributive patterns of central policy benefits in areas with more fragmented authorities. The discussions so far suggest that bureaucratic fragmentation creates a "market place of competition" among the policy recipients (i.e., local governments), relatively free of top-down intervention. The patterns of provision in these policy areas therefore are more indicative of the interactions between the bureaucracy and the local governments.

I focus on China's high-speed railway development project, a state-led infrastructure development initiative since 2005, to extract empirical evidence that test these arguments.

Research Overview

The empirical sections of the dissertation focus on China's high-speed railway development project over the past decade. The goal of the section is to look at the distributive pattern of the government's investment in the project, and to test the argument advanced above. Since 2005, the Chinese central government has invested over 3 trillion RMB (460 billion US dollars) in its high-speed railway program. By the end of 2014, China has a high-speed railway network longer than those in any other countries combined.

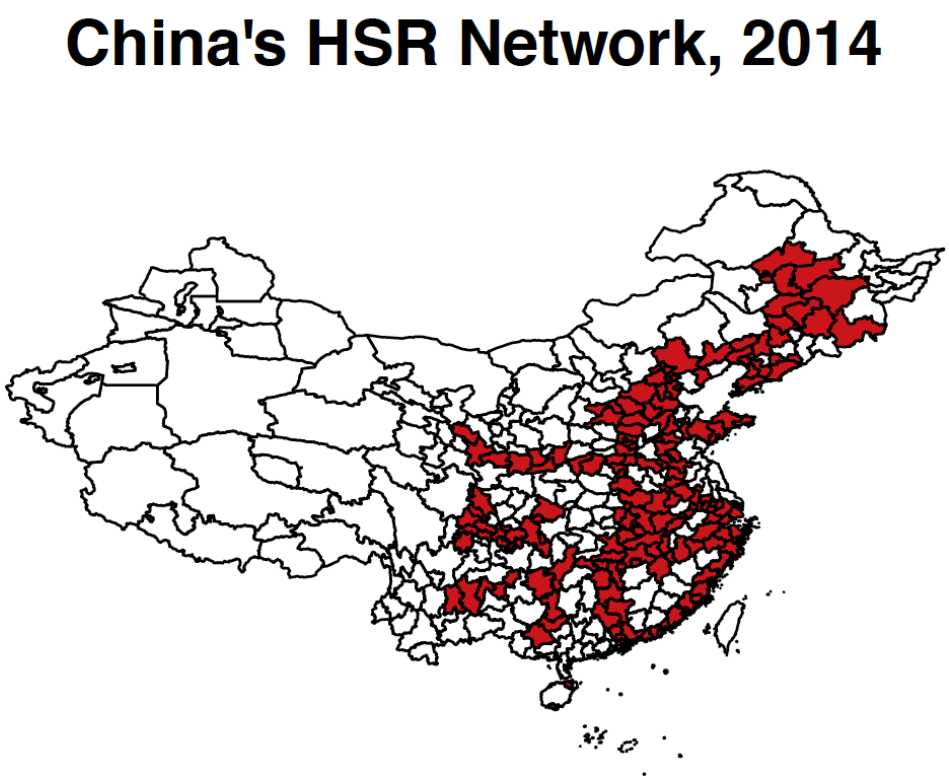

Figure 1.3: Cities with at least one high-speed railway station by the end of 2014

The high-speed railway program is marked by significant regional variations. Figure 1.3 shows a map of Chinese cities with those having at least one high-speed railway station colored in red (by 2014). How does the Chinese government decide where to spend the money, why does it prioritize the construction in certain parts of the country, and what are the

political factors behind such geographical variations? More importantly, what underlying power dynamics does this pattern of distribution suggest?

To answer these questions, I draw on an array of evidence, including 49 interviews with government officials and scholars during my fieldwork in China, archives of government policy documents at various levels, and an original dataset on the constructions of high-speed railways across different parts of China. In addition, I also worked with two local cadre training institutions and implemented a survey among 346 local Chinese officials. Use both direct questions and survey experiment techniques, I try to measure officials' perception of bottom-up bureaucratic bargaining and its role in decision-making. Combined, these sources allow me to triangulate on the complex dynamics of intragovernmental bargaining within the Chinese state.

The findings lend strong support to the argument advanced earlier. I find that the decisions leading to the construction of high-speed railways and stations are shaped by the bargaining power of the local governments. Through fieldwork, I find that local government's bargaining power stems from both institutional and extra-institutional sources.

The first half of the dissertation investigates how the institutions and hierarchies within the party state lead to uneven distribution of bargaining power among territorial administrations, creating winners and losers during bottom-up policy solicitation activities.

I start by exploring the institutional sources causing the uneven bargaining power among localities. I collect an original dataset on the "policy presence" of cities in the official documents of China's 31 subnational units (i.e., provinces, centrally administered cities, and

ethnic autonomous regions).[7] I find that cities with their leader holding dual appointment in the provincial leadership tend to receive more mentions in the most recent provincial five-year planning document. This pattern is robust after accounting for a range of socio-economic indicators such as population, GDP, fiscal revenue, and whether the city is a provincial capital. Using a detailed case study, I attribute the increased "policy presence" of the city to the enhanced bargaining capability of the city leaders derived from their dual appointments. The logic resembles the findings in democratic contexts where legislators holding leadership positions in congressional committees have more agenda setting power. This result suggests that the uneven distribution of bargaining power among territorial administrations is recognized and further consolidated by the institutional arrangement of the party state.

I then turn to examine how differential bargaining power affect locality's bargaining in issue areas with fragmented bureaucratic authority (i.e., high-speed railway construction). I collect an original dataset on newly constructed high-speed railways since 2004. The dataset includes rich information such as the time of approval by central government, the amount of investment, the time of completion, and the location of each station.

Using this dataset, I show that provinces and cities with leaders holding dual appointments at higher levels—a proxy of a locality's greater bargaining power, were systematically given priority in construction from the central government. They are not only given earlier permissions to build the railway, but they are also allowed to build more stations within their jurisdictions.

[7] The hierarchies of China's territorial administrations are province, cities, counties, and township. Cities are directly under provinces.

In this analysis, I also include local leaders' personal connections with central leaders. Contrary to the expectation that Chinese politics follows a patronage logic, connections with central leaders appear to show no effect on the policy decisions. This result is consistent with the prediction of my argument, that the distribution of policy resources in this area is governed by the logic of bottom-up solicitation, instead of a top-down patronage politics story.

In the second half of the dissertation, I examine how locales with relatively weak influence in the party state resort to extra-institutional sources of bargaining power to negotiate with the center. These are places disadvantaged by the institutional arrangement of the party states. Their peripheral positions within the party state limit their voice and capability in soliciting policy benefits through formal channels. They instead seek help from actors outside of the party state, and often through means that are less institutionalized.

Using interviews and surveys with local officials, I find that officials at the bottom of the hierarchies often rely on the pressure of the local population to strengthen their bargaining positions against their superiors. One such strategy, which I term "collaborative instability," is tacit tolerance by local officials of demonstrations in which citizens demand policy benefits from above. The people in the streets help send a costly signal to the higher levels, that you either satisfy the demand of the locale or put social stability at greater risk. This logic is behind numerous local "high-speed railway protests" across China in recent years (e.g., Allen-Ebrahimian, 2015). This finding not only points to an interesting alliance between local officials and citizen mobilization that has so far been overlooked in the literature, but also suggests the limit of power-sharing through bureaucratic fragmentation. Bottom-up bargaining distorts allocation of resources in a way that favors those that are already powerful

in the system. Those that are weak have little institutional means to bargain for more resources. This encourages weak players to take risky strategies out of institutionalized channels, which, if not properly handled, could potentially destabilize the regime.

These empirical tests are summarized in Table 1.1.

Table 1.1 Observable Implications and Empirical Tests

Observable Implications	Empirical Tests
1. Policy recipients differ in their bargaining power	- Analysis of 331 Chinese cities' policy presence in their respective provinces' 5-year planning documents
2. Distribution of policy benefits is a function of local bargaining power in policy areas with fragmented authorities; Localities with stronger institutionalized bargaining power can secure more policy benefits from the center	- Analysis of high-speed railway investment and construction data from 2005 to 2014
3. Weak players seek extra-institutional sources of bargaining power to strengthen their bargaining position vis-à-vis superiors	- Case study of "collaborative instability" in China - Survey with Chinese local officials

My Contribution

This study seeks to contribute to several bodies of literature.

First and foremost, this study re-examines the role of bureaucracy in authoritarian politics. While both popular discourse and scholarly research perceive bureaucracy as impersonal policy tool of politicians, I argue that it limits the power of authoritarian rulers. The credibility of bureaucratic constraints lies in the rational-legal institution of the bureaucracy as well as the fragmentation of decision-making process within it. Scholars have found bureaucracy plays similar role of constraining executive power and preserving policy independence in other contexts, such as imperial China (Qian, 1982), developmental autocracies (Haggard, 1990), and modern western democracies (Knight & Miller, 2007; Miller, 2000; Miller & Whitford, 2016). The intuition of this argument also helps to explain why historically certain despotic rulers (such as Mao Zedong) sought to destroy bureaucratic institutions when they tightened grip on power (Huang, 2000; MacFarquhar & Schoenhals, 2009). This study thereby joins a growing list of research that look at institutions that commit authoritarian rulers to share power and contribute to authoritarian durability (Boix & Svolik, 2013; Gehlbach & Keefer, 2011; Kokkonen & Sundell, 2014; Ma, 2016; Magaloni, 2006, 2008; Menaldo, 2012; Moustafa, 2007; Myerson, 2008; Svolik, 2012).

Relatedly, this argument also contributes to our understanding of political accountability in authoritarian regimes. Why do authoritarian officials take actions that benefit the economy and the population without elections holding them accountable? A highly influential strand of literature argue that certain institutions, such as merit-based promotion, help align the interests of local officials with the developmental goals the Center (Li & Zhou,

2005; Maskin, Qian, & Xu, 2000; Whiting, 2001). These studies, however, presume that the leaders at the center are benevolent. Authoritarian rulers are not by default benevolent. The same institution that disciplines local officials to pursue economic growth could also incentivize them to take atrocious actions, had the central leaders wanted to pursue bad policies (Arendt, 1963; Kung & Chen, 2011). The argument advanced in this study supplements existing theories by highlighting the role of bureaucratic institutions in tying the hands of the rulers. Bureaucratic fragmentation prevents authoritarian rulers from unilaterally imposing policies that would undermine the interests of the regime at large.

Second, this study also unpacks the logic of distributive politics under bureaucratic fragmentation. The question of who get what, when and how is central to the study of politics (Lasswell, 1936). As Kramon & Posner (2013) point out, the patterns of distribution vary significantly depending on the political context in which distribution takes place and the types of policy benefits being distributed. The argument that bureaucratic fragmentation limits top-down policy manipulations places this study in a different category to the dominant approach in the literature, which argues that authoritarian leaders use policy benefits strategically to buyoff constituents' loyalty (Blaydes, 2010; Bueno de Mesquita et al., 2005; Magaloni, 2006; Magaloni, Diaz-Cayeros, & Estévez, 2007). Instead, this study documents a pattern of provision shaped by interactions with the policy recipients. Such bottom-up perspective is also documented in policymaking in other developing contexts (Evans, 1995).

Of course, this study does not seek to overturn existing theories of distributive politics. Instead, I try to offer explanations on the allocation of a type of policy goods that has so far been under-theorized. State-led infrastructure programs are typical examples of this type of

goods. The scale and sophistication of these programs distinguish them from other types of government spoils, such as government appointments, subsidies, or bank loans. Not only do their deliveries require active cooperation among bureaucratic institutions, once delivered, it is also more difficult to reverse or retract the benefits associated with these projects (i.e., unless one demolishes the roads or railways). Yet the reversibility of policy benefits is at the core of a patron-client explanation for distributive politics—the idea that the patron could punish the disloyal clients by withdrawing the benefits previously given to them (Hicken, 2011; Kitschelt & Wilkinson, 2007; Robinson & Verdier, 2013). The *quid pro quo* logic of patronage politics therefore is less persuasive in explaining the distribution of large-scale infrastructure investment in authoritarian states. The bottom-up bargaining model proposed in this study provides an alternative framework to make sense of the distributive patterns of these projects. Answers to questions of how government make decisions on infrastructure investment are not only theoretically interesting, but also have important real-world implications in improving people's life in different parts of the world.

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Chapter 2

Institutional Sources of Local Bargaining Power: Evidence from Provincial 5-year Plans

Introduction

In this chapter I investigate the effect of local leaders' institutional rank on local policy representation. The question of why some places receive more favorable policies than others has generated a host of highly contested explanations in comparative politics literature (e.g., Golden & Min, 2013). Many have attributed such variations to the weak institutions in developing countries. In these countries, policies are formulated, often at the discretion of the rulers, to favor rulers' friends and associates (e.g., Bates, 1974; Bueno de Mesquita, Smith, Siverson, & Morrow, 2005; Hodler & Raschky, 2014; Shih, 2008; Shih, Adolph, & Liu, 2012). In this narrative, formal political institutions play a weak role in shaping policy outcomes.

This chapter, in contrast, provides empirical evidence that suggests that formal institutional arrangements also matter in determining the distributions of policy favor. I pay attention to the dual appointment system in China's local party organizations, which renders differential bargaining power among territorial administrations vying for policy benefits from above. I show that municipalities with their leader holding simultaneous appointment at a higher level is more likely to receive favorable policy treatment from the provincial government. This result is consistent with the notion that the allocation of policy benefits is moderated by the bottom-up solicitation activities, and that localities' bargaining power matters in determining the outcome of this intragovernmental process.

The primary case of study is the most recent (the 13th) 5-year plan among Chinese provinces. Provincial 5-year plan is a document that serves as a guidance for policy actions by various provincial and sub-provincial governmental organizations in a 5-year period. The plan is formulated and approved by the provincial leadership, and is practiced by every provincial unit in China.[1] The plan includes specific policy

[1] Include provinces, autonomous regions, and centrally administered cities.

proposals and development programs for sub-provincial regions (i.e., cities, districts, and counties). I measure the amount of attention each city received in their respective provincial plan, and examine whether variation in policy attention is correlated with the position of their city leaders in the party hierarchy. I find that cities with their leaders holding dual appointment in the provincial leadership team on average receive more policy attention. This correlation remains robust after accounting for a range of social, economic, and political factors that might explain policy variations at the sub-provincial level. In addition, I also find that provinces where cities other than the provincial capital are represented in provincial leadership team tend to have a more decentralized, and less pro-provincial-capital policy plan. A detailed case study following the quantitative analysis shows how the process by which a city leader's elevated position in the provincial leadership helps the city extract more policy benefits from the provincial and central government.

The goal of this chapter is twofold. First, it provides micro-level evidence on the political process of policymaking in subnational China. The empirical pattern established in this chapter substantiate a key assumption regarding policy competition in China, that not all localities are created equal in this process. Some places (the "cardinals"), as defined by their positions within the party state, inherit greater bargaining power than the others (the "clerics"). Such differences among localities not only lead to different amount of attention in the policy planning process, but also—as we will investigate in next chapter—result in inequalities in the *actual* policy treatment among localities.

Second, this chapter also offers an analysis on how formal institutions and informal bargain over policy favors interact with one and another in the context of China. So far the research of distribution of policy favors in China have focused exclusively on the traits and behaviors of leaders in charge (e.g., Shih, 2008; Shih et al., 2012). The institutional context of these leaders (i.e., their positions, ranks) nonetheless received little attention.[2] Studies in other context, such as US congress (i.e., Berry & Fowler, 2016), or post-soviet Russia (i.e., Baturo & Elkink, 2014), nonetheless find that the

[2] A notable exception is Huang (1999).

positions held by individual leaders play an important role in politics. In fact, even in context like post-soviet Russia where the authority of institutions have been significantly eroded by charismatic leaders, research finds that the power of office still dominates the personal influence of officeholders (Baturo & Elkink, 2014). This study substantiates the power of institutions in behind-the-door bargaining by investigating the relationship between localities' position in the party state's hierarchies and their policy treatment.

The chapter proceeds as follow. I first discuss the dual appointment system of the Chinese party state and how that affect locality's bargaining power. I then introduce provincial 5-year plans, and present the main hypothesis along with discussion of politics in the plan drafting process. Then I detail the empirical strategy and the data, followed by the results. The chapter concludes with implications of the finding beyond provincial 5-year plans.

Dual Appointment System: Cardinals of the Party State

Despite shared incentives in soliciting preferential policies from above, not all local governments are endowed with the same power to do so. Some locales have inherited greater bargaining power within the government than others to begin with.

Here I use the words of Lampton (1992, p. 37) and define bargaining as "a process of reciprocal accommodation among the leaders of territorial and functional hierarchy." The notion of bargaining reflects the fact that "there are large, competitive bureaucracies and territorial administrations (ibid)." Bargaining power therefore refers to one's ability to achieve favorable terms in such intra-bureaucratic interactions that often involve multiple competitors.

It is crucial to note that the term "bargaining power" is to describe a rather holistic feature of the local government, instead of that of any individual leaders—even though characteristics of local leaders are undeniably connected to the bargaining power of localities. Much of a local governments' bargaining power is inherited from the past, and is institutionalized in the rules, norms, and hierarchies that have been governing local political dynamics, irrespective of any leaders in charge.

For conceptually clarity and easy reference, I make a rather stylized dichotomization of local governments with differential bargaining power. I label those with greater bargaining power and influence within the regime as "*cardinals*" and those without strong influence as "*clerics*." I borrowing these two terms from the literature on American congressional politics (Berry & Fowler, 2016), in which scholars examine why some congressional members are better at procuring earmarks for their constituencies (cardinals) than others (clerics)—a context that bears some similarities to this study. Again, these metaphorical terms anthropomorphize territorial administrations instead of individual leaders in charge. Below I focus on the institutional sources of bargaining power for the "cardinals."

The major source of power for "cardinals" lies in the institutionally consolidated arrangement that gives these locales advantages in soliciting policy benefits from above. The one arrangement that appears most consistently among territorial administrations and functional bureaucracies is the "dual appointment" system. Simply put, it gives the head of a regional government or a bureaucracy a concurrent appointment at higher levels.

To understand what dual appointment is and why it matters, we need to start with the ways in which Chinese bureaucracy is organized. The CCP has built a nomenclature system that effectively encompasses every state employment in China (Ang, 2012; Burns, 1987; Manion, 1985; McGregor, 2010), including positions in the central and local governments, party organs, state-owned enterprises, and social organizations (such as public hospitals, schools, universities, and newspapers). These positions are organized vertically, each given a rank in the hierarchy, and each is accountable to its supervisors one level up (O'Brien & Li, 1999). This rule applies to every organization and individual from central to local, with only the exception of the politburo standing committee, whose members are the top-ranked officials that technically answer to no one.[3]

[3] This is not the case when there is a preeminent leader like Mao and Deng.

The dual appointment system gives the head of an important territorial government or functional bureaucracy a concurrent position at one level above her own rank. For example, the party secretary of a provincial capital city always sits on the provincial party standing committee; the head of a city's public security bureau in most occasions also holds the position as the deputy mayor or as a member of the city party standing committee. This arrangement essentially makes the head of that locality or bureaucracy a member of the leadership team that supervises peer localities or agencies.

The dual appointment system is an institutionalized recognition of the differential influence inherited by various bureaucratic units. The appointment rarely varies by the specific leaders in charge, but instead depends on the importance of the organizations in question. The two examples given above—provincial capital cities and public security bureaus (at various levels)—are good illustrations of this logic: the provincial capital is important to provincial authority, as it houses provincial government and numerous other provincial-level institutions; and the public security apparatus is critical in maintaining social stability—a top political priority for officials at various levels (Wang & Minzner, 2015). The dual appointment system therefore remains as a relatively *stable* arrangement as the order of influence among localities or functional bureaucracy does not change overnight. Take Suzhou—an industrial hub in Jiangsu province and the gateway to Shanghai—for example: the city's party secretaries over the past three decades have been consistently given a seat in the provincial party standing committee.[4]

Dual appointment brings more benefits and privileges than simply status recognition. By holding a position at one level above, the leader becomes closer to the central government than her peers, reducing the cost of channeling the locality's requests above. Having one's situation and demands heard by leaders above is a crucial first step to solicit support. Local information, nevertheless, often gets diluted and distorted as it travels across hierarchies of bureaucracy and tries to reach the center (e.g., Lorentzen, 2013; Oi, 1989; Solinger, 2001; Wallace, 2016). Such informational problems

[4] See, for example, "Further rise of Suzhou's Status: Provincial deputy secretary appointed as the city's party secretary [in Chinese]," *Sina.com,* 6/24/2014, http://news.sina.com.cn/c/sd/2014-06-24/095430413154.shtml (last accessed 8/22/2016).

often cost the localities the chance of receiving proper attention from above, and further reduces their chance of securing support. Dual appointment mitigates this problem by reducing the level of hierarchies that local information needs to cross.

The dual appointment system—which makes local leaders members of the leadership team above—also enables appointees to promote and incorporate their local agenda into leadership decisions that have binding power over all localities. This mechanism works similarly as to the "agenda setting" argument in the congressional politics literature (e.g., Baron & Ferejohn, 1989; Romer & Rosenthal, 1978), where studies find that chairmen of congressional subcommittees are able to dominate decision-making processes and make proposals with little input from rank-and-file members. Such power is particularly important as local governments often share diverse and conflicting interests. Localities with dual appointment can legitimately force their agenda among peer locales through mandates by upper level leadership, and block the voices of peer localities that have competing demands.

These factors collectively give the "cardinals" with dual appointment enormous advantages in soliciting policy benefits from above. If we compare the process of policy solicitation among locales to a race, then the "cardinals" not only start running much earlier than the rest, but also play the role of referees in the meantime—they are able to dictate the rules in their favor when strong competitors appear.

I test this hypothesis using an original data of China's provincial 5-year plan. I examine whether having a dual appointment in the provincial leadership helps the city acquire more policy representation in the provincial policy documents. I first introduce background information on China's 5-year plan.

Background Information: Provincial 5-year Plan

Government 5-year plan for social and economic development is a legacy of the planned economy era. The first 5-year plan was initiated in 1954. Following the national plan, local governments (provinces, cities, and counties) also make their own 5-year plans. Since 1990s, the nature and content of 5-year plans at different levels began to change. They become a combination of both goals and guidance, with less emphasis on binding

targets of production for officials to fulfill (Naughton, 1996). The provincial 5-year plan is a reduced form of the national 5-year plan at the provincial level. A provincial 5-year plan typically has the following components: a brief review of the achievement during the past 5-year, a lengthy statement of governing philosophy for the next five years, overall development goals, including targets for key social economic indicators, and more detailed goals and plans for specific areas of governance, such as economic restructuring, regional balance, urbanization, rural problems, transportation, trade, social welfare, environment protection, and etcetera. Yet unlike the national plan, which only speaks of general principles, the provincial plans are quite detailed in specific policy actions. Take transportation for example, the provincial 5-year plans list individual infrastructure projects in highways, railways, airport, subways, and ports that are planned to be constructed or subject to consideration over the next five years.[5]

The plan drafting process at the provincial level is similar to that of the national plan (Heilmann and Melton 2013, 593). Provincial governments rely on the reports of functional bureaucracies (i.e., provincial bureaus) and territorial authorities (i.e., city governments) to compile a list of policy priorities in the provincial plans. In the meantime, the provincial governments, which have the monopoly in the plan drafting process, also decide what to keep or exclude. They coordinate among sub-provincial territorial administrations and provincial bureaus to ensure that the finalized plans not only represent local and departmental interests but also reflect the overall developmental priorities that the provincial governments seek to pursue.

Many China observers often question the utility of the 5-year plan—to what extent do local governments treat it seriously. They often dismiss it as nothing more than a "wish list." Scholars however have contended that these documents play a crucial role in coordinating policy actions among different segments and layers of government. Various institutions are established to conduct annual and mid-term evaluations of lower levels of governments' implementation of the plans (Heilmann and Melton 2013, 603). In addition to specifying numerous binding and indicative targets that serve as

[5] For example, see Section 1, Chapter 8, "Building a Modern, Comprehensive Transportation System" in the *13th 5-year plan of Guangdong Province*, pp. 96-101.

yardsticks in the evaluation of local officials' performance, these plans also provide localities "an official authorization of local development ambition and discretionary policy-making power (Heilmann and Melton 2013, 592)." When local projects need permissions from upper level governments (i.e., functional bureaus of the provincial government) or loans from banks, being included as a part of the provincial plan gives local officials significant policy capital. They can leverage such status to solicit cooperation from other parties.[6] In addition, being included in the provincial plan also qualify localities to receive various subsidies from the provincial governments. Such incentives propel localities and organizations to "lobby to get a sentence or two reflecting their specific interests included so they could later point to this important imprimatur (Naughton 2005, 8)."

Political Interference in the Plan Drafting Process

The provincial party leadership plays a central role in the plan drafting process. An "expert commission" under the supervision of the provincial government is responsible for putting together a draft (Author's interview 6/24/2016). The persons in charge of the commission are often officials from the provincial governor's office (省政府办公厅). In formality, the drafting includes a wide consultation process. Various organizations and individuals, including officials at cities, provincial bureaus, state-owned enterprises, social organizations, and scholars, were asked to offer suggestions. The processes of how these opinions are gathered, selected, considered, accepted, or rejected however are not clear. The provincial party committee holds the final authority over the revision of the draft. When completed, the provincial party committee submits a "suggestive" draft of the plan before the annual meeting of provincial people's congress, during which the "suggestion" is finalized into the official plan.[7]

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[6] In the comparative politics literature, scholars have noticed the power of seemingly useless institutions (such as constitution) in authoritarian politics (Boix & Svolik, 2013; Myerson, 2008; Svolik, 2012). They contend that such institutions serve a focal point that allow authoritarian elites to coordinate collective actions, especially those against rulers' transgression of the power-sharing agreement, which in turn contribute to the stability of authoritarian rule. The provincial level plan can be conceptually understood in the same spirit. They serve as a leverage that the local governments can invoke at the time when they need to defend their interests.

[7] In an interview at the Zhejiang Urban And Rural Academy of Planning and Design (浙江省城乡规划设计院), a staff member told me that despite being a nominally independent entity from the government, they seek the opinions of the local leaders first when tasked to formulate plans for local development projects; then they calibrate the ideal plans to meet the demand of the leaders; The final product might still look as scientific and impartial from an outsider's view, the scaffoldings of the plans nevertheless bare the touch of the local leaders from the very beginning (Interview 49, 20161224).

In this drafting process, cities that are represented in the provincial leadership team have an advantage. To briefly recapitulate, city leaders under most occasions are subject to the provincial leadership. But in some cases, city leaders are appointed concurrently as a member of the provincial leadership. These often are cities whose party secretaries sit in the provincial party standing committees, or in some occasions, concurrently serve as deputy provincial governors. The influence vested in these dual appointments allows them to sway provincial plan in their favor, often at the price of cities not represented in provincial leadership team.

In the context of Chinese provincial plan, a seat within the provincial leadership team not only ensures that the needs of the locality will be heard by the provincial leaders in a timely fashion, but also gives the locality an upper hand in competing against other localities. Such power is crucial as localities close to each other often share competitive agendas. Many policy benefits are also exclusive to other regions. For instance, city A and the nearby city B both want to build a highway to the provincial capital. They each propose a plan with similar estimates of cost and benefit. They know that if the plan of the other city were accepted by the provincial government, then they would lose their chance to have a direct highway connection to the provincial capital. Having their leaders sitting in the provincial committee, the localities can make their proposals stand out among competing policy requests. These localities therefore enjoy better chances to have their proposals of projects included into the provincial plan—which as Heilmann and Melton (2013) describe, provides "policy safeguards (592)" for local developmental ambitions.

A testable hypothesis derived from this discussion is:

> *Core Hypothesis: Policies related to a city will be disproportionally represented in the provincial plan when the city's leader is a member of the provincial leadership team.*

This hypothesis does not assume that in a counterfactual world without political influence, policy proposals would be uniformly distributed among cities within a

province. It would be unrealistic for a provincial government to give the same policy treatment to a metropolis of 10 million people and a small city of half million people. The assumption is that in an environment without political interference, the provincial government makes policies based on each city's endowments. The variations in policy attentions therefore should be associated with indicators such as the size of each city's economy, population, and revenue. Cities that generate more economic activities, host more population, or collect more revenue, should receive more policy attentions from the provincial government. The residual variations—those that cannot be explained by the technocratic rationale—are interpreted as the results of political bargaining.

The prominent status of provincial capitals in China provides a compelling point of evidence to this hypothesis. In every province, the party secretary of the provincial capital city is an *ex officio* member of the provincial party standing committee. In the meantime, these cities receive disproportional policy favors from the provincial government. Take Xi'an—the capital city of Shaanxi for example, although the city only accounts for 22.8% of provincial population and 30.9% of provincial GDP (2014 data), the number of policies related Xi'an amounts to 40.6% of all policies related to cities in the Shaanxi province in its 13th 5-year plan (author's data). The provincial capitals' advantage is much more than number of policies on paper. They have been consistently given priorities when the provincial governments launch large scale infrastructure projects, implement new policy experiments, or try to find a host city for major foreign investors.

In many provinces, provincial capital is the only city that has a guaranteed seat in the provincial party standing committee. In these provinces, the capital city tends to dominate the policy agenda of the provincial government. Prominent examples nclude Sichuan, Shaanxi, Hubei, Hunan, Gansu, Yunnan, and Anhui. In mocking how the provincial governments' agendas are tilted to favor the provincial capitals, people often refer to these provinces using the names of their capitals. For example, Sichuan is often referred to as the "Chengdu province" in popular discourse and by Chinese netizens.[8]

[8] For an example, see https://www.zhihu.com/question/46391891

There are also several provinces where cities other than the provincial capital have seats in the provincial leadership team. For example, The five *jihua danlie* cities (计划单列市)—Dalian, Qingdao, Ningbo, Xiamen, and Shenzhen—all have a seats in their respective provincial party standing committees; In Jiangsu province, the party secretaries of Wuxi and Suzhou are *ex officio* members of the provincial party standing committee, along with the provincial capital Nanjing. In these provinces, the provincial capitals can hardly dominate policymaking agenda. They have to share policy spoils of the provincial government with localities that have an equal institutional footing in the provincial leadership. In other words, the distribution of policy benefits is more decentralized in these provinces.

This leads to the second testable hypothesis:

> *Extension of Core Hypothesis: In provinces where cities beyond the provincial capital are also represented in the provincial leadership team, the provincial policies are less biased to favor the provincial capital.*

It is noteworthy that within CCP's hierarchy, the members of provincial leadership—especially those of the provincial party standing committee—are appointed by party leaders at the center.[9] This unique personnel management structure rejects the concern that the relationship between representation in provincial leadership and local policy favoritism is a result of political capture. It is however true that the central leaders tend to appoint party secretaries from larger cities in a province—economically or population wise—into the provincial leadership team. As discussed earlier, these are often cities that would receive most policy attention even without political interference. What we are interested in are whether positions in the provincial leadership provide any *additional* policy advantage to these cities.

Measuring Distribution of Policy Attention in Provincial 5-year Plans

I use the number of city-related policies in each province's most recent (13^{th}) 5-year

[9] This corresponds to the CCP's system in which each level is accountable to the party organ at one level up [cite Li and O'brien]. The provincial party committee, therefore, is controlled by the party leaders at the center.

plan (2016-2020) to measure the degree of policy attention each city receives from their provincial government. Although there are other ways of measuring provincial government's policy treatment of the cities, I choose to use provincial 5-year plan for several reasons. First, 5-year plan is one of the most important policy documents at the provincial level. It serves as the general policy guidance for not only the provincial government but also for lower tiers of governments (e.g., cities, counties). It is the most straightforward reflection of what the provincial governments consider as policy priorities in the next five years. Second, provincial 5-year plan is a universal institution across all Chinese provinces. Not only do they follow a similar format but they are also formulated and passed in the same time (at the annual provincial party congresses in the spring of 2016). This feature makes comparison across provinces possible. Finally, provincial plans are also digitized and easily accessible to the publics, making them an ideal subject for scholars to study intra-provincial policy dynamics.[10]

A city gets mentioned in a provincial 5-year plan usually under three occasions. Here I use the Zhejiang provincial 13th 5-year plan (hereafter "Zhejiang plan") as an example. First, cities are mentioned when a provincial policy scheme coordinates cross-regional development. In the Zhejiang plan, the provincial government seeks to promote the expansion of four metropolitan areas (Hangzhou, Ningbo, Wenzhou, and Jinhua-Yiwu) that involve the four core cities and several satellite cities (Shaoxing, Huzhou, Jiaxing, Zhoushan, Taizhou). The provincial government also plans to build a "grand corridor of technology and entrepreneurial innovation" in the west part of Hangzhou (杭州城西科创大走廊), an ambitious urbanization project aiming at replicating the Silicon Valley in Zhejiang. Second, cities are also mentioned for individual projects within their own territories. These are the projects proposed and executed by individual city governments but are included to enrich the lists of the provincial plans. In the Zhejiang plan, examples of such include the construction of new lines of the Hangzhou, Ningbo subway systems, and the expansion programs of the Ningbo-Zhoushan Port and the Hangzhou International Airport. Third, cities are also mentioned for the proposed projects or plans that would require permissions

[10] In fact, the National Development and Reform Commission has an online repository that collects all provincial 13th 5-year plans. See http://ghs.ndrc.gov.cn/ghwb/dfztgh/ (last accessed: 10/23/2016).

or investments from the central government. These are usually large scale infrastructure projects controlled or regulated by relevant central bureaucracies. In the Zhejiang plan, this is reflected in the proposals to construct the Hangzhou-Taizhou, and Hangzhou-Wenzhou high-speed railways.

I tally the mentions of China 333 municipalities in the plans of 27 provinces and autonomous regions. I then calculate the total number of mentions by each province, and divide the number of each city by the provincial total. It is formalized in the following share:

$$Share_i = \frac{NM_i}{\sum_1^P NM_i}$$

in which NM_i denotes the number of mentions for each individual city i, and $\sum_1^P NM_i$ denotes the total mentions of P cities in a province. In this way, each city's policy treatment is standardized to a score ranging from 0 to 1, with 0 indicates the city receives no attention at all from the provincial government, and 1 indicates that the city completely dominates the provincial policy platform to the extent that no other cities in the province are mentioned in the provincial 5-year plan.

Descriptive Statistics

The average share across the country is about 0.081 (or 8.1%) per city. This is consistent with the fact that each province has on average 12.3 cities. There are nonetheless huge variations across cities. A handful of cities receive zero mentions in their respective provincial plans, and some cities receive as many as more than 50% of all mentions in their provincial plan. The standard error of the national average is 0.081.

The contrast between the cities with and without a seat in their provincial leadership is stark. Figure 1 shows the kernel density distribution of shares between these two groups of cities. An overwhelming majority of cities without a seat in the provincial leadership (as shown in red solid line) receive less than 10% of the total mentions in their provincial plan, whereas most cities with a seat in the provincial leadership (green dash line) receive more than 10% of mentions. The average share for cities without a provincial leadership seat is 0.057 (with a standard error of 0.034), and

the average for cities with a seat in provincial leadership is 0.227 (with a standard error of 0.122). A simple two tailed t test suggests that the difference between the two groups is statistically significant at the 0.001 level.

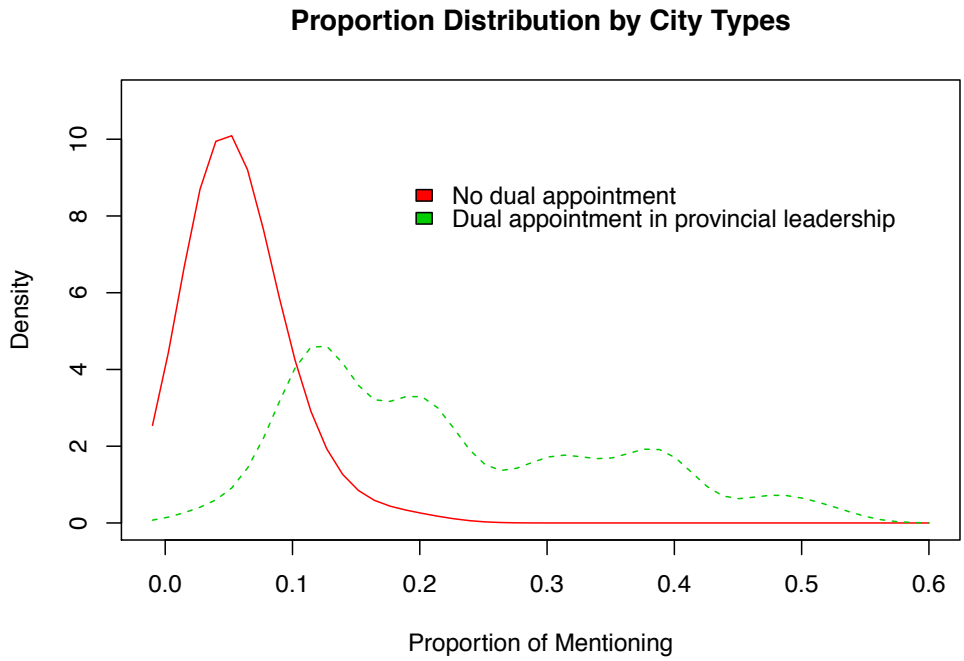

Figure 1: Comparison Between Two Types of Cities

Estimating the Power of Representations in Provincial Leadership

To explain the variation in policy attention from the provincial government, the main explanatory variable is a dummy of whether the party secretary of a city holds a seat in the provincial leadership team. In most cases, this would mean a concurrent appointment in the provincial party standing committee, but in some rare cases, this could also mean simultaneously serving as the deputy provincial governor. I look at the 5-year period prior to the drafting of the provincial plan (2011-2015), and code cities whose party secretaries had concurrently served more than four years in the provincial leadership team as 1, and 0 otherwise. The reason for the four-year criterion is because there are often some delays in personnel appointments. In many occasions, the dual appointment in the provincial leadership came several months after an official was appointed the party secretary of a city. In other cases, when a city party secretary was promoted to serve as a member of the provincial leadership, it might also take a while for her to officially step down from her position at the

city. In this latter case, the short overlap of appointments would falsely identify a city as the one being represented in the provincial leadership team. The four-year criterion effectively avoids these coding noises.

This coding strategy yields 47 cities that have been represented in the provincial leadership team over the observation period. As noted earlier, the provincial capitals of all 27 provinces have a seat in their respective provincial party standing committees. 15 provinces have at least one city beyond the provincial capital that is represented in the provincial leadership team, and there are 20 such cities nationally.

It is without doubt that cities represented in the provincial leadership teams are not qualitatively similar from those that are not. As noted earlier, the party's central leadership appoints the members of provincial leadership committee, and these appointments tend to be given to the important cities in a province. In fact, these are often the largest cities—economically, or population wise—in their respective provinces. Figure 2 shows the kernel density distributions of GDP, population, and revenue between two groups of cities. As evidenced in each of the plot, the distributions of cities without seats in provincial leadership (red solid line) are highly skewed toward the left (i.e., smaller values), whereas the distributions of cities with representations in provincial leadership (green dash line) are much less skewed to the left. This suggests that cities with representations in provincial leadership team on average generate a larger GDP, have more population, and collect more fiscal revenue.

Figure 2: Comparison of Socio-Economic Indicators Between Two Groups of Cities

It is thus not surprising to find out that provincial governments give more policy attentions to these important cities, and their prominent status, as discussed earlier, is also most likely the reason that their leaders are given seats in the provincial leadership committees. What we are interested in is whether representation in the provincial leadership provides localities an *additional* political mechanism to influence policymaking at provincial level.

To do so, I control for several important factors that could also explain the amount of policy attention each city receives from the provincial government. They three socio-economic indicators are GDP, population, and fiscal revenue.[11] Because we are comparing the overall influence of cities, I choose to use the aggregated numbers instead of the per capita measures. To ensure that the data is normally distributed, I take natural logarithm of these indicators.

In addition to these three indicators, I also include a dummy variable indicating whether the city is a provincial capital city. This control rules out the possibility that the association we might observe is purely driven by provincial capitals—which are often the largest cities in Chinese provinces, and whose party secretaries are *ex officio* members of the provincial party standing committees.

The outcome variable—the share of each city's policy attention in relation to the provincial total—depends on the number of cities in a province. In other words, cities in a province with very few cities could have artificially large share of mentions despite that policy attentions are relatively equally distributed among the cities. To account for this bias, I also include a control variable that indicates the number of cities in a province. This variable does not vary among cities in a same province.

Finally, I also include provincial dummies to account for unobserved heterogeneities at the provincial level.[12] These heterogeneities could include but are not limited to

[11] The socio-economic indicators are from 2012, and are acquired from China data online.

[12] In the model specification where I include provincial dummies, I drop the variable that counts the number of

factors such as whether the province is a coastal province, whether it is economically more developed, whether it receives more policy benefits from the central government, and whether the province might have a different plan drafting process than the others. The inclusion of provincial fixed effect reduces noises when we compare cities from different provinces.

This leads to the following model specification:

$$Share_i = Dual\ Appointment_i + Controls_i + Provincial\ Dummy + \varepsilon_i$$

in which $Share_i$ is the share of policy attention each city receives in their provincial plans, $Dual\ Appointment_i$ is a dummy indicating whether the city party secretary is concurrently a member of the provincial leadership, $Controls_i$ denotes an index of control variables at the city level that account for social, economic, and other political factors that might also explain the variation on the left-hand side. $Provincial\ Dummy$ accounts for unobserved variations at the provincial level.

Results

I employ ordinary least square (OLS) models to estimate the correlates of policy attention. In Table 1 (see appendix), I present seven different model specifications. The first model only has the key explanatory variable, namely whether the city's party secretary sits in the provincial leadership team. The second through the fourth model each includes a socio-economic indicator as a control variable. The fifth model further controls for whether the city is a provincial capital. The sixth model control for the number of cities in a province, and the seventh model replace that one with provincial dummies that account for all provincial-level heterogeneities.

The key explanatory variable is positively and significantly associated with the outcome across all seven specifications. This lends strong support to the hypothesis that positions within the provincial leadership give cities an advantage in procuring policy support from the province. The magnitude of the effect is also substantial.

cities in a province, because both variables do no vary within a province and therefore can't be accommodated in a same model. The provincial dummies however do capture the variations in number of cities.

Based on the fully specified model with provincial fixed effect (model 7), being represented in the provincial leadership is associated with a 5.3% increase of share of mentions comparing to those that are not represented in the provincial leadership. This increase is substantial because the average share of mentions is about 8.3%. Also, this effect already accounts for provincial capital dummy, suggesting an average, non-capital city could also enjoy a huge boost in policy attention if its party secretary sits in the provincial leadership team.

Among the three socio-economic indicators, only revenue is positively and significantly associated with the outcome across all model specifications. This results can be interpreted in two different ways. The first is that GDP data is not as reliable as fiscal revenue data, as many studies have found rampant manipulations in Chinese local officials' reporting of the data (Wallace, 2016), therefore the none robust coefficient of GDP can be interpreted as a result of measurement error. The second and related explanation is that provincial leaders value revenue more than GDP in determining the importance of a city as the former is tangible and hard to manipulation (Lü & Landry, 2014), and therefore tend to divert more policy attention to localities that are able to produce more revenue.

The provincial capital dummy is positively and significantly associated with the outcome. Being a provincial capital helps boost a city's share of mentions in the provincial plan by more than 10% (based on model 7). We need to bear in mind that this result has already accounted for whether a city has its party secretary in the provincial leadership (i.e., the key explanatory variable). This means that in a province with multiple cities holding seats in the provincial leadership, the provincial capital on average still stands out as the clear winner of policy favors. This result speaks well to the so called "capital bias" in China's political economy. Unlike United States or elsewhere in the world, where political capitals (be it national or sub-national) are often geographically separate from economic centers, China is known for having political centers simultaneously being the hub of economic activities. This phenomenon is closely related to the fact that the Chinese government at different levels play an central role in the operation of China's national economy (Huang, 2008; Pei, 2016).

Additional Test: Multiple Representations and Policy Decentralization

The analysis so far lends strong support to the core hypothesis, that cities with their leaders hold seats in the provincial leadership team receive more policy attention in the provincial plan. This association is indicative that special positions in the hierarchy allow the cities to advance their interests by controlling provincial policymaking agenda. To lend further support to this intuition, we test an extension of the core hypothesis, which predicts that the provincial policy platform will be less biased to favor the capital city—whose party secretary is always a member of the provincial party standing committee—if party secretaries from others cities also sit in the provincial party standing committee. The idea is that if other cities also hold the same position in the provincial leadership team, they will likewise use the power to solicit a share of the policy spoils from provincial government, and the ability of the provincial capital to dominate the provincial policymaking process will be limited. In other words, we should expect more decentralized distribution of policy attention in this situation.

To test this conjecture, I look at two different measures at the provincial level as the outcome of interest. The first is the share of each provincial capital's mentions in their respective province's 13^{th} 5-year plan. It is a straightforward measure of how prominently provincial capitals stand out in the provincial policy platforms.

The average share for provincial capitals is 28.7%. This is a big number consider that on average each province has about 12 cities, which means that the other 11 cities will divide the remaining 71.3% of the mentions, and each on average would only receive about 6.5%. There are nonetheless huge variations among the provincial capitals. Some provincial capitals capture as high as more than 40% of the mentions of cities in their provincial plans (e.g., Xining, Haikou, Xi'an and Zhengzhou), whereas some others have barely more than 10% (e.g., Jinan, Shijiazhuang, and Hohhot).

The second measure is the share of the provincial capital divided by the share of the most mentioned city other than the provincial capital. It is represented in the

following formula:

$$Ratio = \frac{s_{capital}}{s_{MMC}}$$

in which $s_{capital}$ represents the share of the provincial capital, and S_{MMC} represents the share of the most mentioned city other than the provincial capital. Since in almost every province, the capital city receives the most mentions,[13] this measure is also equivalent to the ratio between the mostly and the second mostly mentioned cities. This measure aims to capture the dynamics of competition between the provincial capital and its closest competitor. A ratio close to 1 suggests a relative equal distribution of influence between the provincial capital and its competitor, and as the ratio increases, it suggests that the provincial policy platform is more tilted to favor the provincial capital.

The nation-wide average ratio is 2.05. This means that on average, provincial capitals are mentioned twice the times the second most mentioned cities in each province. Only three provinces have a ratio smaller than 1, and their ratios are either around (Shandong) or above 0.9 (Hebei, Inner Mongolia). This suggests that even in provinces with very weak provincial capitals, the amount of policy attention the provincial capitals receive is not very much different from that of the cities that receive the most attention. The remaining 24 provinces have a ratio greater than 1, 13 have a ratio greater than 2, five have a ratio greater than 3, and one has a ratio greater than 4. In Sichuan province, the provincial capital Chengdu is mentioned 4.6 times more than the second most mentioned city Deyang.

The unit of analysis here is province and China only has 27 provinces,[14] which does not give us much power in statistical analysis. I choose instead to simply compare the means of these two measures between provinces that only have provincial capital being represented in provincial leadership and those that have more than one city in the provincial leadership. The comparison is presented in the table below. Out of 27 provinces, 15 have at least one city other than the provincial capital being

[13] The few exceptions are Hebei, Shandong, and Inner Mongolia.
[14] This number includes provinces and autonomous regions. It does not include centrally administrated cities (Beijing, Shanghai, Tianjin, and Chongqing), since no cities are under the administration of these cities.

represented in the provincial leadership. The table below presents the comparison of the two measures between these 15 provinces (as listed under "Type 2"), and the remaining 12 provinces that only have party secretaries of provincial capitals in their provincial leadership (listed under "type 1").

Comparison Between Two Types of Provinces

	Type 1 Provinces	Type 2 Provinces
Share of Provincial Capital	27.2%	30.7%
Ratio	1.78	2.39

As shown in the table, provinces in which the provincial capital is the only city represented in the provincial leadership have a clear "capital bias." The provincial capitals on average get 3.5% more mentions in the 5-year plan of these provinces, and the ratio between the capital and the most mentioned city other than the capital is 0.61 larger. While the difference of the shares is statistically indistinguishable—a result likely due to the small sample size (N=27), the different between the ratios is statistically significant at the 0.1 level. This comparison provides suggestive, although in no way conclusive evidence, to the intuition that the presence of multiple cities in the provincial leadership team dilutes the provincial capital's ability to dominate provincial policy platform.

A Case Study

The statistical analyses so far have established a clear association between city leaders' dual appointment in provincial leadership and the city's enhanced policy representation. I now use a case study to show how local leaders use their elevated positions to bargain more policy resources for the localities.

The case concerns the proposed construction of the Hangzhou Bay Railway Bridge in Zhejiang. The bridge was first proposed in 2008, when the first Hangzhou Bay Bridge was completed.[15] The proposed railway bridge connects Ningbo and Jiaxing, and reduces the travel time between Ningbo and Shanghai under an hour by high-

[15] http://news.sohu.com/20081022/n260170322.shtml (last access 8/2/2017)

speed train.

Ningbo is the clear beneficiary of this project. It gives the city more convenient connection to Shanghai. Ningbo city government therefore has tried to move forward the project for nearly a decade. Every year, the provincial and national people's congress representatives from Ningbo would submit motions asking to expedite the progress of the project.[16]

The proposal however did not see much progress since it was first proposed. The project involves more actors than Ningbo. It requires the coordination between Zhejiang and Shanghai, and between Zhejiang, Shanghai, and the Ministry of Railway. What is more intricate is the dynamics within Zhejiang. Ningbo is a *jihua danlie* city, so the city's finance is completely independent from the provincial government. The city needs to negotiate with the provincial government on sharing the cost of construction. In addition, Zhejiang adopts a system in which provinces directly manage the finance of its counties. The provincial government not only needs to bring Jiaxing municipal government on board, but also needs the consensus from the counties under Jiaxing, which will independently contribute to the cost of the construction. This web of actors with diverging interests kept the project from moving on, despite Ningbo's effort. In 2016, the bridge was not listed as a "to-be-completed project" in Zhejiang's 13th 5-year plan (2016-2020).[17]

The situation changed in mid 2017. In May, the party secretary of Ningbo Tang Yijun was promoted to the deputy provincial party secretary.[18] The position is number 3 in the province, only after provincial party secretary and governor. In the meantime, Tang was not removed from his position as the party secretary of Ningbo. Although the party secretary of Ningbo has always been the member of provincial party standing committee, it is the first time the city's party secretary assumes the dual appointment as the deputy provincial party secretary. It means that the city's

[16] For example, see http://hznews.hangzhou.com.cn/chengshi/content/2016-01/28/content_6058909.htm (last access 8/2/2017).
[17] http://zjnews.zjol.com.cn/zjnews/201608/t20160803_1818942.shtml (last access 8/2/2017).
[18] http://www.sina.com.cn/midpage/mobile/index.d.html?docID=fyetwtf9604798&url=news.sina.cn/gn/2017-05-02/detail-ifyetwtf9604798.d.html (last access 8/2/2017).

party secretary is now ranked even before the secretary of the provincial capital.

Tang, like his predecessor, tried to move forward the Hangzhou Bay Railway Bridge project. After his visit to China Railway Corporation in June (as deputy provincial secretary of Zhejiang), the project saw some major progress. The bridge is now listed by China Railway Corporation as "to-be-constructed between 2016-2020," and the project feasibility report will be completed by the end of 2017.[19]

While we do not have access to details of the meeting between Tang and officials at the China Railway Corporation. According to the limited information by news report, the meeting had several "breakthroughs," including reaching consensus on the methods of finance and the form of contract with the railway administration.[20] As noted earlier, the project involves all three layers of government entities in Zhejiang province (province, city, and county). Many of those are beyond the jurisdiction of Ningbo. It is safe to assume that Tang's concurrent appointment as the province's No. 3 figure provides additional assurance that locality's promise to cooperate with the railway administration will carry through. Imagine if Tang were just a normal party secretary of Ningbo, the China Railway Corporation might be concerned that other provincial entities (e.g., provincial government, Jiaxing, and counties under Jiaxing) would not fully cooperate.

This case shows a vivid example of how local leaders use the power and influence of the dual appointment at higher levels to bargain for policy benefits that the localities would otherwise not be able to get. I hope this case will help increase readers' confidence in the statistical association we discover earlier.

Concluding Remarks

In this chapter I try to explain the variation in the amount of policy attention Chinese cities receive from their respective provincial governments. As the evidence suggests, the distribution of policy resources—through the perspective of provincial 5-year plans—is not purely driven by economic calculation of the technocratic

[19] http://news.cnnb.com.cn/system/2017/07/15/008657362.shtml (last access 8/2/2017).
[20] Ibid.

bureaucracy, but also influenced by the positions of the cities within the party hierarchy. Cities with leaders holding simultaneous appointment in the provincial leadership tend to receive *additional* policy attention from the provincial government.

The findings in this chapter help us to understand the widening gap of inequality among Chinese localities. In Dali Yang's book "Beyond Beijing" (2002), the author importantly recognize that the cleavages of regional inequalities develop not only along the east-west and costal-inland dimensions, but also grow within each province, between central and marginal cities. This chapter considers the placement of localities in the hierarchies of the party state as one of the primary causes for the widening intra-provincial inequality.

I also need to be forthright about several limitations of this study. The primary concern is the measurement of policy treatment, which is the number of times each city appears in their provincial 5-year plans. First, I treat each appearance as qualitatively the same, and lump together mentions of localities under different occasions or policy areas. Second, appearance in government planning documents does not always translate into real policy actions. The implementation of policy plans is also a process fraught with bargain. The very factor examined in this chapter could also exacerbate the gap among localities during the policy implementation process. To deal with these problems, I look at a specific issue area, which is the construction of high-speed railway, in the chapter that follows.

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Provincial Policymaking: Result Tables

August 3, 2017

Table 1: Policy Attention and Representation in Provincial Leadership

	Dependent variable:						
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Appointment in Provincial Leadership	0.169***	0.180***	0.179***	0.173***	0.095***	0.079***	0.053***
	(0.009)	(0.011)	(0.011)	(0.011)	(0.013)	(0.012)	(0.010)
GDP (logged)		−0.006	−0.003	−0.031**	−0.026**	−0.015	−0.010
		(0.005)	(0.006)	(0.013)	(0.011)	(0.010)	(0.011)
Population (Logged)			−0.006	−0.002	−0.007	−0.003	0.001
			(0.006)	(0.006)	(0.006)	(0.005)	(0.005)
Revenue (logged)				0.026**	0.021**	0.015*	0.034***
				(0.011)	(0.009)	(0.008)	(0.010)
Provincial Capital					0.138***	0.138***	0.107***
					(0.015)	(0.013)	(0.011)
Number of Cities						−0.006***	
						(0.001)	
Constant	0.057***	0.100***	0.116***	−0.060	−0.012	0.061	−0.344***
	(0.003)	(0.032)	(0.035)	(0.081)	(0.071)	(0.065)	(0.077)
Provincial Fixed Effect	No	No	No	No	No	No	Yes
Observations	333	282	281	281	281	281	281
R^2	0.531	0.564	0.566	0.575	0.678	0.738	0.852
Adjusted R^2	0.529	0.561	0.561	0.569	0.672	0.732	0.834

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

Chapter 3
The Political Geography of High-Speed Railways in China

Chapter Abstract: This chapter presents empirical evidence to the core argument advanced in the theory chapter, which posits that the allocation of policy benefits in arenas with fragmented authorities is shaped by bottom-up bargaining. I draw on a variety of evidence to test this argument. First, using an original dataset that documents 54 high-speed railway projects in China, I exploit the geographical and temporal variations in the construction of China's high-speed railways between 2004 and 2014. I find that localities with their leaders holding dual appointments at a higher level—which serves as a proxy for greater bargaining power—are given priorities by the central government. They are among the first to be given construction permissions, and they are also allowed to build more stations and lines. This correlation is robust after accounting for a host of alternative explanations, and holds at both the provincial and municipal levels. I supplement this finding using evidence from a survey with 346 Chinese local officials. Employing a list experiment design, I try to solicit officials' perception on the influence of bottom-up bargaining in policymaking. Consist with the findings so far, I find that local bargaining power is widely recognized by the regime insiders as an important factor that influences central government's allocative decisions.

1 Introduction

The rapid expansion of China's high-speed railway is a notable highlight of the country's economic development since mid 2000s. In less than a decade, China invested over 3 trillion RMB (approximately 460 billion US dollar) in developing a network longer than high-speed railways in every other country combined. This development has been widely covered by western media, and generates a dose of "China envy" in both popular consciousness and policy circles of the west.[1] The politics behind China's high-speed railway expansion nonetheless has received little to no scholarly attention. The processes by which different actors of the CCP regime engage with one and another and push ahead with the construction remain largely opaque to the outsider. How does the central government design and decide the sequence of construction across different parts of the country? Why does it give priorities to some places over the others? How do local governments respond to this central initiative that would bring huge amount of investments—and also impetus for future growth—to the localities? The answers to these questions are not only meaningful to our understanding of China's high-speed railway project, but are also closely related to some of the most important questions in the studies of dictatorships.

The existing explanations on the political geography of resource allocation in non-democracies are mostly situated in electoral autocracies (e.g., Blaydes, 2010; Bueno de Mesquita, Smith, Siverson, & Morrow, 2005; Magaloni, 2006). The intuition is that the incumbent ruler uses resource in hand to please the electorates and to enlist their votes in the elections. The allocations of government resources therefore are systematically patterned on the timings of electoral cycle as well as the levels of

[1] See for example, "China's amazing new bullet train," *Fortune*, 8/6/2009, http://archive.fortune.com/2009/08/03/news/international/china_high_speed_bullet_train.fortune/index.htm (last accessed 5/12/2016); President Obama said in 2010 that "there's no reason why Europe or China should have the fastest trains when we can build them right here in America," justifying his 8 billion proposal of jump-starting a nation-wide high-speed railway network in the United States. See "President Obama, Vice President Biden to Announce $8 Billion for High-Speed Rail Projects Across the Country," *The White House Office of the Press Secretary*, 1/28/2010, https://www.whitehouse.gov/the-press-office/president-obama-vice-president-biden-announce-8-billion-high-speed-rail-projects-ac (last accessed 5/12/2016).

support to the incumbent across different regions. The case of China however presents several challenges to this hypothesis. First, the CCP regime does not hold competitive elections—even nominal ones—by which they could have gauged the state of regime support and distributed resources accordingly. Second, public investment in infrastructure like high-speed railways translates into lasting public goods once it is realized, which sets it apart from other forms of government expenditures such as poverty relief program, agriculture subsidies, and social welfare that the incumbent could retract once his constituencies turn their backs against him. Such irreversibility suggests that the ruler will be unable to solve the commitment problem often present in a patron-client relationship (Robinson & Verdier, 2013), if they choose to use infrastructure investment in high-speed railway to consolidate support.

Another line of explanations attribute policy variations the technocratic solutions the state adopts to solve development problems (Johnson, 1982). Under this argument, state's differential allocative decisions across regions can be understood as the result of rational calculations to maximize the efficacy of policy instruments in places with different local endowments. The major pitfall of this argument, as detailed in the theory chapter, is that there is a lack of deliberative institutions in authoritarian regimes that help central authority heed local information necessary for effective policymaking (McCubbins & Schwartz, 1984). Also, the argument assumes a rather "clean" world in which policymaking process is free of outside intervention, whereas in reality, central government's allocative decisions, especially those in public transportations, are often subject to the influence of lobbying by various interest groups (e.g., Cadot, Röller, & Stephan, 2006).

This chapter offer empirical evidence to a third explanation—the one advanced in the theory chapter—that attributes the local variations in central investment to the differential bargaining power of territorial administrations. Instead of concerning a

unitary, strategic actor at the center, the theory adopts a bottom-up perspective in which numerous local bureaucratic agents—each with the incentives to maximize its share of resources (Levi, 1988; Niskanen, 1971)—compete with one another to solicit investment from the center. Those with greater bargaining power exploit their advantageous positions within the regime to project their demands to leaders at higher levels, and also exclude the voices of those agents with competing demands. They are, therefore, better positioned to secure preferential policy treatments from above.

I draw on a host of evidence to test this argument. Using a unique monthly dataset on the start and end date of 54 high-speed railway routes from 2004 to 2014, I find that provinces of which the leaders hold simultaneous appointment at a higher level—a proxy for greater bargaining power within the bureaucracy—are able to secure a project from the center and start the construction earlier than the others. This association is robust after accounting for a variety of factors such as whether the provincial leaders are factional members of the party's incumbent general secretary, whether they are "princelings"—sons and daughters of revolutionary veterans, the economic and population size of each province, the size of local revenue, and most importantly, the railway passenger volume of each province. A similar correlation also holds at the municipal level. Cities where their leaders hold appointment in the provincial leadership are among the first to construct the high-speed railways, and are also permitted to build more stations along the line. The association appears to be weaker between more bureaucratic bargaining power and the completion time of high-speed railways—which usually takes several years—in each place, suggesting leaders are less willing to exert effort when they could not expect themselves to claim the credit of the outcome.

Second, to supplement these findings, I conducted a survey with 346 local officials. The goal of the survey is to empirically assess whether the said mechanism of

bottom-up bargaining is indeed the underlying logic driving the association I documented by the observational data. Using list experiments (also known as the "unmatched count technique"), I was able to elicit officials' genuine perception of this rather behind-the-scene activity. The results suggest that an overwhelming majority of officials recognize local solicitation as an important factor that has influence on central government's decision-making, and they also believe that whether a place receives preferential policy treatments from above depends importantly on the extent to which local leaders are able to exert influence.

The findings in this chapter support one of the core implications of the dissertation's theory. That is, in policy arenas with fragmented authorities, leaders' ability to manipulate policies to their favor is limited. The distribution of policy benefits is instead governed by interactions between the central bureaucracy and the localities. Those with greater bargaining power can secure more favorable policy treatment from the center.

The findings in this study contribute to our understanding of distributive politics in authoritarian states. The question of who get what, when and how is central to the study of politics (Lasswell, 1936). As Kramon & Posner (2013) point out, the patterns of distribution vary significantly depending on the political context in which distribution takes place and the types of policy benefits being distributed. The focus of this study—the distribution of large scale infrastructure investment by authoritarian governments—distinguishes itself from the existing literature in several ways.

First, there is no contested elections in authoritarian regimes like China. This means that the pattern of provision cannot simply be explained by politicians' incentive to get elected and the according attempts to buy off constituents as many scholars have documented in democracies or electoral authoritarian regimes (e.g., Blaydes, 2010;

Golden & Min, 2013; Kitschelt & Wilkinson, 2007; Magaloni, 2006; Min, 2015; Stokes, Dunning, Nazareno, & Brusco, 2013).

Secondly, large-scale infrastructure investment is also different from other forms of policy benefits such as loans, subsidies, public housing, and cash transfers. Once delivered, it is hard to reverse or retract the benefits associated with large-scale infrastructure. Yet the reversibility of policy benefits is at the center of a patron-client relationship—the idea that the patron could punish the disloyal clients by withdrawing the benefits previously delivered to them (Hicken, 2011; Kitschelt & Wilkinson, 2007; Robinson & Verdier, 2013). The lack of this commitment mechanism means that the logic underlying the distribution of large-scale infrastructure is also not consistent with the *quid pro quo* exchange of patronage politics that is common in authoritarian context (e.g., Eisenstadt & Roniger, 1980; Shih, 2004, 2008).

Finally, unlike in many occasions where allocation of public resources is mediated by informal institutions (such as local solidary groups (Tsai, 2007) or personal ties among officials (Hodler & Raschky, 2014; Shih, 2008)), the construction of large-scale infrastructure requires the involvement of an elaborative, multi-layered bureaucracy to tackle the logistics and technicality of the project. How the interactions between the constitutive parts of the bureaucracy affect distributive outcome nonetheless receives little scrutiny.[2] The findings of my dissertation suggest that the contestations among different territorial administrations and functional units of the bureaucracies, shaped by their differential positions within the nomenklatura of the party state as well as their ability to mobilize local population, can result in patterns of provision that differ significantly from other contexts.

[2] In the democratic context, Shefter (1977) finds that the presence of a strong, effective bureaucracy curbs clientelism as the ruling parties can no longer claim the credit of delivering the goods and services. The relationship between the sophistication of bureaucracy and patterns of provision is less clear in the authoritarian context.

The remainder of the chapter proceeds as follow. Part 2 briefly review the core argument and hypotheses advanced in the theory chapter, and offer suggestive evidence to the plausibility of argument using evidence from a survey experiment of Chinese local officials. Part 3 provides background information on the empirical test—the politics of China's high-speed railway expansion. Part 4 and 5 present the empirical tests and results. Part 6 concludes the chapter.

2 Bureaucratic Bargaining, Local Solicitation and Policymaking

To quickly recapitulate, the argument links policy benefits in policy arenas with fragmented authority to bottom-up bargaining by the local governments. The variation in receiving government investment, especially central investments in infrastructure, is a function of the differential bargaining power among territorial units vying for such scarce resources. Locales with stronger bargaining power within the bureaucracy are able to procure more investment from the central government, and vice versa.

This argument rests upon several scope conditions. First, it reflects the strategic response of local officials in a regime that has been characterized as "political centralized, yet economic decentralized (Landry, 2008)." In China, the central government collects more than 50% of the total revenue and is only responsible for less than 25% of the total expenditure (Wong, 2013). This leaves the central government an enormous amount of resources, most of which goes back to the local government in the forms of either transfers or investment—like the one in high-speed railway. Local government, on the other hand, has every incentive to solicit such resources from the central authority. It is not only because that local officials are what Niskanen (1971) calls "rational, budget-maximizing bureaucrats," but also because of the additional benefits associated with acquiring such resources. In the context of China where the central authority still has a tight control over local

officials' career—through merit-based evaluations of officials' performance in local governance (Whiting, 2004; C. Xu, 2011), securing additional investments that could boost economic growth becomes more imperative for the officials.

The outcomes of such bottom-up solicitations vary importantly by locality's bargaining power. Lampton (1992, p. 37) contends that the notion of bargaining reflects the fact that "there are large, competitive bureaucracies and territorial administrations." Bargaining power therefore refers to bureaucratic units' capability to secure greater share of resources in such intra-bureaucratic competition. In the context of bottom-up solicitations of policy benefits, greater bargaining power matters in two critical aspects. First, it determines whether the demand of the locality can penetrate layers of bureaucratic hierarchy and effectively catch the attention of decision-makers at the center. Secondly, it also determines whether the locality can outperform their counterparts who are trying to send similar signals to the central government that they should be the recipients of policy benefits.

Bargaining power is a rather stable characteristic of bureaucratic units. Territorial government and functional bureaucracies typically acquire their bargaining power through their positions within the regime. Localities with higher administrative ranks (such as provinces and cities), by the virtue of their position in the hierarchy, have more power than the subordinating localities (such as counties and districts). Bargaining power also comes from well-recognized norms that govern local political dynamics. There are informal ranks in terms of "importance" for localities or bureaucracies with equal ranks. For example, provincial capital is often considered more important than ordinary municipalities, and public security bureau is more important than other regular bureaus, say health or sports bureau. Such informal ranks of power are often recognized and consolidated by formal institutional arrangements: the heads of provincial capital cities and public security bureaus are often given dual appointments at one level above. These formal arrangements

essentially make local leaders a member of the leadership team at above, and give them additional advantages in bargaining. They are not only one level closer to the central leadership, reducing the difficulties in channeling local demands to the center, but also allow them to influence the agenda of policymaking at one level up and block the voices of competing localities with similar demands.

To summarize, the distribution of policy benefits from the center is a function of competition among localities. The bargaining power of localities importantly shape the outcomes of bottom-up solicitations. Those with greater bargaining power exploit their advantageous positions within the regime to better deliver their demands to the center, and to suppress the chances of their competitors from sending the same signals above. They are therefore better positioned to secure policy benefits from the center.

The discussion so far leads to two testable hypotheses:

> *H_1: Bottom-up bargaining activities by local government shape central government's allocative decisions regarding investments in infrastructure projects.*

> *H_2: Everything else equal, regions with more bargaining power within the regime are more likely to procure favorable policy treatment from the central government.*

It is important to note the distinctions between this argument and the conventional wisdom of patronage politics. The patronage politics argument contends that officials with close connections to the ruler are favored with various kinds of spoils, such as government positions, bank loans, and transfers (Shih, 2004, 2008), and such connection is based on shared birthplace, education, and workplace experience (Shih, Adolph, & Liu, 2012). While patronage politics mainly operates at the level of

individual elites, the bureaucratic competition theory focuses instead on the holistic feature of bureaucratic units, irrespective of whether the officials in charge is connected with top-level leaders. For example, despite sharing equal rank, the National Development and Reform Commission (a ministerial level commission) has been far more powerful than Ministry of Culture in China; similarly, Guangdong province also enjoys more influence than the neighboring Guangxi province. Simply put, the argument focuses on the power or the influence vested in the bureaucratic organizations, not the power based on leader's factional affiliation within the regime.

3 The Politics of China's High-speed Railway: Background Information

The rapid expansion of China's high-speed railway network in the past decade—from non-existent to longer than the rest of the world combined—provides an ideal setting to test the hypothesis outlined above. While foreign observers have often seen the high speed-railway as another testimony to the so-called "China miracle,"[3] the politics behind it has surprisingly received little scholarly attention.

The decisions leading to the construction of the high-speed railway are make at the central government, through a fragmented decision-making process. The Ministry of Railway controls the planning, construction, funding, and operation of high-speed railway routes and stations.[4] Several other central ministries, such as the State Development and Reform Commission, Ministry of Land and Resources, Ministry of Transportation, and Ministry of Environment, also have relevant jurisdictions in overseeing the construction. Local governments cannot bypass the central ministries. They do not have the technical know-how to build the railways by themselves. The construction is monopolized by the subsidiary companies of the Ministry of Railway. Local governments also do not own the railway or participate in the operation after

[3] For example, see "China's Economic Miracle, As Seen Through Its Trains" *Diplomat*, 12/29/2015, http://thediplomat.com/2015/12/chinas-economic-miracle-as-seen-through-its-trains/ (last access 5/7/2016).

[4] In March 2013, The Ministry of Railway was dissolved and reorganized into the China Railway Corporation, a state owned enterprise directly under the State Council. Sheng Guangzu, the last Railway Minister serves as the first President of the China Railway Corporation. I use Ministry of Railway throughout this paper to avoid potential confusion by switching names.

the construction is completed. The Ministry of Railway is responsible for running the network across different regions. Therefore, obtaining consensus among the central bureaucracy is critical for local government to have high-speed railways. Failure in acquiring approval from any one of the ministries would result in delays for months or years.

Despite this fragmented and cumbersome process, local governments see the construction of high-speed railway as a luring opportunity. First, the construction itself brings a huge amount of investment in fixed assets. I collect a dataset on the 54 high-speed railway projects that started from 2004, the year Chinese central government issued the plan to upgrade its railway network.[5] The total investment of these projects amounts to 1.97 trillion RMB (or 304 billion US dollar). These investments, which mostly come out of central government's pocket,[6] can be a big boost to the local economy. Secondly, the construction of the high-speed railway also promises the localities better accessibility, which further enables them to attract other factors that are conducive to economic growth. A relevant research that looks at the construction of highways in China finds that improved access to transportation contributes significantly to local industrial development (H. Xu & Nakajima, 2015). Additionally, the construction of the high-speed railway, especially the stations, also helps to boost the local land market, in which the local governments transfer the use-right of state-owned land to private developers and collect land transfer fees as an important supplement to local revenue (Whiting, 2011).

As a result, high-speed railway projects become highly sought after by the local governments. Despite of having no jurisdiction in the construction, local governments actively include plans for new high-speed routes in the local development plans and

[5] See The Mid- and Long-Term Plan of Railway, passed by State Council, January 2004, http://www.gov.cn/ztzl/2005-09/16/content_64413.htm (last access 5/7/2016).
[6] The local government is often responsible for a smaller share of total investment. This arrangement allows the Ministry of Railway to retain the control of the railway after its completion.

in the government work reports during each year's local people's congress. A quick research at the provincial twelfth five-year plans (2010-2015) shows that every province has proposed construction plans for high-speed railway routes, with the exception of Tibet.[7] The head regional officials also pay frequent visits to the Ministry of Railway and other central ministries in Beijing, meeting with central bureaucrats to whom they try to make a strong case for giving priorities to their locales.[8] Such trips to Beijing are euphemistically called "*pao bu qian jin* (literally meaning "run into ministries and then money comes in", which is a homophone to the Chinese term "running forward fast")" by the media. In some extreme cases, local officials even tacitly tolerated local mass mobilizations that demand a local high-speed railway station to gain some leverage in their bargaining with the upper level government (See the next chapter).

By the end of 2014, 21 provinces have high-speed railways under construction, and 17 of them have routes that are completed and in operation. Among these provinces, substantial variations exist in terms of the timing that the construction started. It is noteworthy that even the difference of only one or two years in start time is meaningful, since most high-speed railways took only two to three years to complete.[9] This geographical variation in the high-speed railway construction across provinces provides a good opportunity to test the hypothesis.

4 Empirical Strategy

To restate, my central hypothesis is that localities with more bargaining power in the central bureaucracy is able to get ahead in securing high-speed railway projects. I

[7] Based on my online search of the 31 province's development plan.

[8] For two recent example, see "(Zhejiang) Governor Li Qiang visits China Railway Corporation in Beijing [in Chinese]," *Zhejiang Railway*, 4/18/2016, http://www.zjrailway.com/rjicms/zjrailway/chnl96/12428.htm (last accessed 5/9/2016); "Yunan Party Secretary and Governor have meeting with the head of the China Railway Corporation in Beijing [in Chinese]," *CPC News*, 3/3/2016, http://cpc.people.com.cn/n1/2016/0303/c117005-28169059.html (last accessed 5/9/2016).

[9] For example, the construction of the Shanghai-Hangzhou high-speed railway only took 20 months, and the 1318km long Beijing-Shanghai high-speed railway, the longest ever constructed, only took 38 months to complete.

test this claim by exploiting the temporal variation of high-speed railway construction across different provinces.

Cox proportional hazard model is the mostly commonly used semi-parametric model to estimate the association between the length of time passed before an event and any covariates that might be related to the event. It has several advantages including easy to implement and interpret, and insensitive to the problem of censoring (i.e., observation that never experience the event of interest) in the sample (Allison 2010). The model has the following form:

$$h(t|x_i\beta) = h_0(t)\exp(x_i\beta)$$

in which $h_0(t)$ is the baseline hazard and $x_i\beta$ is a vector of covariates that might be related to the event of interest and their coefficients. The equation estimates the hazard rate at time t for observation i.

4.1 Dependent Variable: Variation in High-speed Railway Construction

As noted earlier, I collect data on China's high-speed railway projects since 2004, which includes start and end dates of construction, length, amount of investment, and stations of each railway. Based on these data, I construct a monthly dataset at the provincial level that documents the start and end dates of the *first* high-speed railway project in each province between 2004 and 2014. The dataset is structured to allow event history analysis. Each province is assigned a value of 0 for every month, until the event of interest (i.e., beginning of construction of a high-speed railway with at least 1 station inside the province) takes place, and that month would receive a value of 1.

While the Chinese high-speed railway network has lines with different speed limits (250km/h and below, and 350km/h), I limit my analysis only to those routes with a

350km/h (217 miles/h) speed limit.[10] The major concern is that some of the lines with lower speed limits were upgraded from the existing lines,[11] and lines with a speed limit of 350km/h are all newly constructed since 2004. Beyond that, there are also major differences between the railways with different speed limits in construction method,[12] space required for construction,[13] and most importantly, the amount of investment involved. Based on my dataset, the 350km/h railways (18249 kilometers in total) cost on average 126 million RMB per kilometer, while railways at lower speed limits (200-250km/h, 7905 kilometers in total) cost 85 million RMB per kilometer. Limiting the analysis to the newly built 350km/h routes thus would allow more consistent comparison across cases.

Between 2004 and 2014, 21 out of China's 31 provinces[14] started the construction of their first high-speed railway. Figure 1 presents the geographical distribution of the stations of these railways at the city level. For these provinces, the average "waiting time" before the start of construction is 45 months, or less than 4 years. 17 out of the 21 provinces have their first railway completed by the end of the 2014, and the average time it took before the completion is 84 months (roughly 7 years).

[Figure 1 here]

4.2 Measuring the Bureaucratic Bargaining Power of the Localities

[10] After the deadly high-speed railway crash accident in Wenzhou in July 2011, the Ministry of Railway reduced the speed limits for high-speed trains (now 300km/h and 200km/h for trains previously operated at 350km/h and 250km/h, respectively), despite that the railways were designed and constructed at higher standards. See "China's high-speed trains to slow down across the country" *CCTV*, 8/15/2011, http://english.cntv.cn/program/china24/20110815/107312.shtml (last accessed 5/8/2016).

[11] For example, the Dazhou-Chengdu railway, Jinhua-Wenzhou railway, and the Suining-Chongqing railway were all upgraded from the existing line and operate at the speed limit of 200km/h.

[12] The track of the 350km/h lines is laid mostly on viaducts, while the track for 250km/h lines goes on ground.

[13] The 350km/h railway requires a 7000-meter minimum curve radius, while railways at lower speed required much smaller minimum curve radii (2000-5500 meters). This means the construction of lines with a higher speed limit would affect a much larger area than that with lower speed limits.

[14] Province here refers to provincial level units, including province, ethnic autonomous regions, and cities under direct administration of the central government.

To measure the bargaining power of the localities, I look at whether the head of each province—the provincial party secretary—is holding a dual appointment at higher levels of the government. At the provincial level, this would mean if a provincial party secretary concurrently holds a seat in the politburo or is the vice chairman of the National People's Congress or National People's Political Consultative Conference.

The appointment of the provincial party secretary and their concurrent positions is determined by the CCP's Central Organizational Department. A dual appointment at higher level is seen as a recognition of status to those places that are of extra importance to the central government.[15] The rationale for such joint appointment is that the development of these important places often requires national level coordination. Places with this treatment include the centrally administrated cities, coastal provinces that are economic powerhouse to the country (e.g., Guangdong), and ethnic minorities regions (e.g., Xinjiang). These positions, in addition to being one rank above regular provincial leader, also carry significant influence. As discussed in chapter 1, the dual appointments give the locality an exclusive channel to voice its demands at a higher level, which might prove crucial when the routes and stations are under consideration between two neighboring regions by the central government. These appointments also give the localities additional advantages when they need to cut through bureaucratic gridlocks at the central ministries to secure funding and permissions needed for the construction.

I code those provinces as 1 if their leaders also hold positions at the national level, and 0 otherwise. This is a time-dependent variable as in several cases dual

[15] The logic also applies at lower levels. For example, party secretaries of major cities in the province (e.g., provincial capital city, largest city, port city) will also hold concurrent position at the provincial level (i.e., members of the provincial party standing committee, or deputy governor of the province). See for example, "The Party Secretaries of Yan'an and Zun'yi Have Always Been the Members of the Provincial Party Standing Committee," *Xinhua.net*, 8/19/2015, http://news.xinhuanet.com/politics/2015-06/19/c_1115665404.htm (last accessed 5/9/2016). Similarly, the head of some important provincial bureaus (e.g., public security bureau) will also be rewarded with concurrent positions within the provincial leadership (Wang & Minzner, 2015).

appointments were given to or removed from the provincial leaders from time to time.[16] The fine-grained nature of the data allows me to capture the exact months when these changes took place, reducing measurement errors that are commonly seen in data that are collected on a yearly basis.[17] Among the 4092 province-months, 753 (18.4%) have provincial leaders held concurrent positions at a higher level.

4.3 Accounting for Alternative Explanations

I include a battery of variables that might also explain the variations in the outcome. These control variables are motivated by two theoretically relevant alternative explanations as discuss in Chapter One ("loyalty purchasing" and "technocratic solution"). The first control variable measures the connection between the provincial leader and the incumbent general party secretary. The patronage politics argument contends that ruler tends to favor his close associates with various types of government spoils (Shih, 2004, 2008), and it is thus possible that the general party secretary might give priorities to provinces that are governed by his factional members. Following the standard approach in the literature (Shih et al., 2012), I measure each provincial party secretary's connection with the general party secretary by looking at whether they have worked in the same bureaucratic within two administrative steps.[18] Among the 4092 province-months, 504 (12.3%) have a provincial party secretary that is connected to the incumbent general party secretary (Hu Jintao before November 2012, and Xi Jinping after November 2012).

I also look at whether the provincial party secretary is the child of high-level officials at the minister level or above. These second generation officials are called "princelings" in China, and enjoy tremendous influence in both business and politics.

[16] For example, the provincial party secretary of Hubei held a seat in the politburo from 2002 to 2007, whereas the party secretary of Chongqing has been holding a seat in politburo since 2007.

[17] For example, if a province started a province started the construction in February under a party secretary without concurrent position, and a new party secretary with concurrent position assumed office in July of the same year, the yearly data might falsely attribute the event to the new leader.

[18] The original measure in the Shih, Adolph, & Liu (2012)also includes whether the two officials were born in the same province or went to the same university. Recent discussions in the literature tend to focus more the shared work experience, as this criterion minimizes potential measurement errors. See for example Ma (2016).

It is possible that these officials' family background gives them additional advantage in securing large infrastructure projects like railways from the central government. Among the 4092 province-months, 232 (5.7%) have a provincial party secretary that is a princeling.

Additionally, I also control for the age of the provincial party secretary. Chinese officials face various age limits for promotion and mandatory retirement, and provincial party secretaries need to retire when they reach the age of 65. The age measure account for the possibility that officials' incentive to exert effort to develop the local economy—of which securing central investment in large infrastructure project is an important part—might change as they age (Xi, Yao, & Zhang, 2015).

I also include a set of socio-economic indicators at the provincial level as controls. They are gross domestic product (GDP), population, local revenue, length of existing railroad, and railway passenger volume. They are included under the premise that the central government, and especially the Ministry of Railway, acts consistently as predicted by the "technocratic solution" model, who wants to economize its investment and gave priorities to those regions that need the railways the most and those whose local conditions would promise reasonable returns for the construction (Huang & Morgan, 2011).

There are two logistical issues in coding these socio-economic indicators with numerical values into the event history data. First, as Chinese government does not report monthly economic statistics, I have to use yearly data for every month in a same year. This practice artificially creates a huge "jump" between every December and January. Second and more importantly, the event history data only documents an observation until the event of interest takes place, which could potentially induce biases. For example, those observations that experienced the event late would have higher values for measures that are monotonically increasing (such as GDP) simply

because they have stayed in the dataset longer. This might lead to an incorrect conclusion that there is a negative association between these measurements and the likelihood of the event of interest. This potential bias could further be amplified, as most economic indicators in China grew on average at 10% year-to-year during the observational period. To deal with these two issues, I transform the numerical values of each observation into rank percentiles, which are values ranging from 1/31 to 31/31, with the top ranked province being 1/31 and bottom ranked being 31/31. Such coding allows more consistent comparison across different provinces and over a long period of time, and also to some extent reflects the zero-sum nature of bureaucratic competition for resources.

5 Results

5.1 Baseline Estimates

I first run the model with only the key covariate—whether the provincial party secretary holds concurrent positions at a higher level, and include three sets of control variables—individual traits of the provincial party secretary (connection with the top leader, princeling, and age), socio-economic indicators of the province (GDP, population, and local revenue)—one at a time. The results are presented in model 1 through 4 in Table 1, respectively.

[Table 1 here]

The key covariate appears to be positively associated with the outcome throughout the four models, and such association is statistically significant beyond the 0.05-level across the models except in model 2. The lack of significance in model 2 can be explained by the fact that locales where the leaders hold concurrent positions at a higher level are inherently different, socially and economically, from other provinces, and therefore excluding socio-economic controls might have introduced biases in the estimation.

Most of the control variables do not appear to have a statistically significant association with the outcome. The notable exception is the railway passenger volume, which is negatively associated with the outcome. Because I use percentile rank measurement (i.e., places with larger passenger volume are assigned smaller values), the robust negative association suggests that places with a larger volume are more likely to secure a project and start the construction early on. This result is intuitive, as the market and cost-benefit concerns should have played an important role when Ministry of Railway evaluated the feasibility of a new railway project.

The coefficient of the Cox proportional hazard model is interpreted as the logged hazard ratio, which corresponds to the ratio of the chances of the event between two levels of a variable, and such ratio does not depend on the specific t. In this way, the positive coefficient of the key covariate in the fully specified model 4 can be interpreted as following: everything else equal, the chance of securing the first high-speed railway project and start the construction for the provinces with a party secretary holding a dual appointment at a higher level is 7.9 times ($e^{2.07}$) of the chance for those that without. This substantial difference is also evidenced in the simulated survival curve in Figure 2.

[Figure 2 here]

To rule out the possibility that the results are sensitive to assumptions of Cox model, I also run the same specifications using piece-wise logistic survival model, and the results remain largely unchanged (see Table 2).

[Table 2 here]

5.2 Explaining Variations in Completion Time

Having known that more bargaining power might help to secure high-speed railway project and kick-start the construction early on, we now look at whether such bargaining power would help the locale get ahead in completing the construction. I replace the outcome variable with the time passes until the first high-speed railway was completed for each province, and I run the same model specifications as I did in the baseline models.

[Table 3 here]

As showed in Table 3, the coefficient of the key covariate is positive across four models but not statistically significant at the 0.05-level.[19] Like in the baseline model, none of the control variables is significantly associated with the outcome, except the railway passenger volume measured in percentile rank.

This result suggests that additional bargaining power within the bureaucracy seems to only help when the locales need to compete with others to secure a project from the central government, and not so much when it comes to expediting the constructions that are already started. This contrast might be explained by the practical incentives of the provincial leaders. The average tenure of provincial party secretaries is about 4 years (Jia, Kudamatsu, & Seim, 2015; Li & Zhou, 2005). As suggested above, the construction of the high-speed railway usually takes 2 to 3 years, and it would take even longer to observe any positive economic shock after the completion of a new railway. Most officials are already halfway through their tenure when the construction started, and there is little chance that they would still be in the same office when the construction completed, let alone celebrating the long-term economic benefits brought by the railway. Consequently, these officials are less incentivized to use their political clout to push ahead with the construction, as the credit of doing so will most likely be claimed by their successors.

[19] This result remains consistent when I run the piece-wise logistic regression with the same model specifications.

5.3 Destination Provinces Only

One potential bias in the above analysis is that some locales might free ride on the bargaining effort of the others. For example, if a railway connects A and B happens to pass C, and A and B alone spent a considerable amount of effort in securing the project from the central government, C would also be counted as having started construction despite it would otherwise not be able to do it by itself. This hypothetical scenario is quite reasonable in the context of China, where the two end destinations of a railway often dominate a lion quota of the train tickets and have the most incentive in realizing and pushing forward the construction. This means that in our analyses, some of the provinces might have their high-speed railway as a blessing of other province's effort, instead of their own. To deal with this potential bias, I limit my analysis only to those provinces that are among one of the two destinations of a railway project. By the end of 2014, 18 provinces have a route of which they are one of the two ends, and 14 of them already have their first route completed. I run the same model specification for both the start and completion of construction using Cox proportional hazard model. The results are presented in Table 4 and 5.

[Table 4]

[Table 5]

The coefficient for the dual appointment is positive and statistically significant across two tables, suggesting that having a provincial party secretary holding concurrent higher positions expedite both the start and the completion of the high-speed railway construction in the destination provinces. The coefficient of the variable in the full model of the Table 4 (3.13) is larger than the one in the baseline model (2.07) of Table 1 (so is the z statistic), entailing that the effect of dual appointment is more pronounced in the destination provinces than in pass-by provinces. What is

noteworthy is that connection with the incumbent general party secretary and age also appear to be positively associated with the start of the construction, after eliminating the potential bias introduced by the pass-by provinces. This partially lends support to the patronage politics and career incentive argument, as the central leader might favor the locales governed by his associates, and as those officials moving closer to the retirement age limit might exert more effort to get promoted. These two positive associations, however, are not significant in the completion model (Table 5), which is consistent with the aforementioned intuition that local leaders exert less effort—neither seeking help from their patrons nor by their own—to the events that they would not be able to claim credit.

5.4 Testing the Hypothesis at the Municipal Level

So far we have established a robust relationship between a province's bargaining power and central government's temporal priority of investment in high-speed railways. This relationship points to the plausibility of the hypothesis that central government's allocative decisions are influenced by localities' solicitation effort. How well does this logic extend to levels below the province? The bureaucratic politics at sub-provincial level involves more interactions: municipal government are bargaining with both the provincial government, and to lesser extent, the central government. For the purpose of simplicity, this study assumes that the competitions within a province proximate those at the national level among provinces, that a number of municipalities bargain for greater share of resources from the provincial government. This assumption is consistent with the scholarly characterization of Chinese provinces that they are relatively independent entities that function as a reduced form of central authority within each's territory (Maskin, Qian, & Xu, 2000).

I code the bargaining power of each municipality in the same way as I did with the provinces. I look at whether the head (i.e., party secretary) of each municipality is given a dual appointment at a higher-level—that is, the provincial leadership team

(e.g., standing committee of the provincial party committee, or deputy provincial governor). I run two sets of simplified models. The first, using cox proportional hazard model, looks at how long does it take for each municipality to receive permission to construct its first high-speed railway station. In addition to the dual appointment variable, I also include controls of key social-economic indicators of each municipal (i.e., GDP, population, and fiscal revenue),[20] and provincial dummies—which account for observed heterogeneities at the provincial level. As show in Table 6, the variable of dual appointment is positively and statistically significant across three specifications, suggesting these cities were given priority even after we hold provincial level factors at constant. The second model looks at the number of high-speed railway lines that each municipality is connected to. I use simply OLS regression, and include the same set of control variables to estimate how the number of high-speed railway lines correlates with city's bargaining power. The results, as presented in Table 7, show that the bargaining power of the municipality is positively associated with more lines that the municipalities are connected to. While allocative decisions at sub-provincial level involve more actors and are more complex, these results provide suggestive—although in no way conclusive—evidence that bargaining power matter in helping locality gain an upper hand in the race for high-speed railways.

[Table 6]

[Table 7]

Additionally, I also look at the numbers of newly constructed high-speed railway stations in each municipality. The intuition is that station can bring long term benefit to the locality, and as railway lines only bring short term benefit of investment in fixed asset. Therefore, the localities also have the incentive to bargain

[20] Similar to the estimation of the provincial models, I use the rank percentile transformation for the socio-economic control variables. Because the dual appointment status and the relative ranks of municipalities remain stable in a short period of time, I use the rank of averaged social economic indicators during the observational period (2004-2014). The resulting estimation is a cox proportional hazard model with time-invariant covariates.

for more stations in their jurisdiction. Table 8 and 9 present OLS and negative binomial estimation on the determinants of station numbers. Controlling for social economic indicators (population, GDP, and fiscal revenue), number of counties in a city, as well as provincial fixed effect, cities with leaders sitting in the provincial leadership on average have 0.7 more station than the ordinary cities. Again, this result is consistent with the prediction of the argument.

[Table 8]

[Table 9]

6 Supplementary Evidence from Surveys with Chinese Local Officials

After documenting this strong relationship between locality's bargaining power and favorable policy treatment from the center, I use survey experiments of Chinese officials to explore whether the said argument of bottom-up bargaining is consistent with the perception by Chinese local officials on how the system works.

I need a sample of Chinese local officials to draw reliable and meaningful answers, since the actors involved in my argument are primarily government institutions. I recruited my respondents from the cadre training classes in the Master of Public Administration (MPA) programs in two different universities and one municipality party school.[21] Between June and July 2016, I was able to distribute and collect questionnaires in these institutions. Prior contact and arrangements with the schools' staff members ensured that the respondents are restricted to public officials. In total, 346 officials answered the survey, and they came from 8 provinces across different parts of China.[22] The descriptive statistics of these officials are presented in Table A.

[Table A here]

[21] To protect the identity of the respondents as well as the school officials who helped implement the survey, the names of the schools are not disclosed.

[22] These eight provinces are Zhejiang, Guangxi, Hunan, Chongqing, Yunnan, Ningxia, Sichuan, and Qinghai.

It is noteworthy that the sample is not a perfect representation of Chinese officials. It is close to impossible for researchers to construct a representative sample of Chinese officials. Most surveys with officials as their subjects instead employ re-randomization within the sample to test causal hypotheses that involve government officials (e.g., Meng, Pan, & Yang, 2014), and so is this study.

With that goal in mind, the quality of this sample appears to be reasonably good. The sample has more than 71% of officials at or above the rank of deputy section chief, and over 41% report that they hold leadership positions with their work units (i.e., cadre). The average work experience in the government is 11.76 years, longer than the 10-year average in the benchmark survey study of Chinese officials in the field (Meng et al., 2014). With these characteristics, we can say with relative confidence that these officials have sufficient experience and knowledge on the ways in which government units operate.

A major challenge I face is to solicit genuine answers regarding sensitive issues like the existence of local lobbying. Although not outlawed by the regime, local solicitations of policy benefits nonetheless could undermine the regime's overall image of accountability. It suggests that the policy choices of the regime are not dictated by the interest of the people—as the regime claim to be, but are instead influenced by the politics among the elites. The respondents therefore have tendency to refrain from admitting the existence of such bargaining activities if asked directly, causing bias in the results.

To deal with this social desirability issue, I employ an unmatched count technique (UCT, also known as "list experiment") in my survey. The basic idea of UCT is to elicit sensitive answers from the respondents while shield them from being identified as the one who admitted the answer (Ahart & Sackett, 2004). To achieve this goal,

the respondents are randomly divided into two groups. In the "control group," the respondents receive a list of non-sensitive factors (such as cost-benefit concerns) and are asked to indicate how many of these factors they think matter in the policymaking of high-level government. They are asked to indicate the total number of factors they think matter, instead of indicting any particular factors. The "treatment group" receive the same list of factors, but with one additional sensitive factor. In this case, the sensitive factor is lobbying activities by local government. Notice that the treatment group has one more item than the control group, which is the crux of the experiment. The difference in average number of factors between the control and the treatment groups can be interpreted as the proportion of the sample that think the sensitive factor matters. If the difference equals to 1, then it means everyone thinks the sensitive factor matters; if the difference is 0, then it means no one thinks it matters.

With this design in mind, I asked the respondents the following two questions. Note that the *italic* part only appears in the treatment prompt. Respondents in each group only read one prompt and do not know the existence of another prompt.

Question 1 (Estimating the Existence of Bottom-up Solicitation by Local Governments)

> When planning and constructing large infrastructure projects (such as high-speed railways and highways), what factors should upper levels of government [上级政府] consider? Below is a list of factors, you do not need to point out which factor(s), but please choose the total number of factor(s) you think is(are) important.
>
> *A. whether the local government is actively lobbying for the project*
> B. short term cost of construction
> C. long term social and economic return
> D. the demand of the local population

0 factor	1 factor	2 factors	3 factors	*4 factors*[23]

Question 2 (Estimating the Role of Locality's Bargaining Power)

[23] In the control prompt, the maximal number to choose is 3 factors.

In the development of a locality (or a department), we often face the problem that there is not enough attention or policy support from upper levels of government [上级领导重视不够，政策扶植力度不强]. Here we list some factors, how many of them do you think will affect the level of support from upper levels of government to a locality (or a particular department)?

A. the development potential of the locality (or the department)
B. whether there is a powerful and aggressive [强势] leader
C. the quality and ability of the officials
D. the demand of the local people to the upper levels

0 factor	1 factor	2 factors	3 factors	*4 factors*[24]

The results from the two questions are presented in Table B and C, respectively.

[Table B here]

[Table C here]

As shown in the results, an overwhelming majority of the respondents (73%) believe that bottom-up lobbying by the local governments affects central government's allocative decisions in infrastructure projects, and a similar portion of the respondents (64%) answered that having a *qiangshi* (i.e., powerful and aggressive) leader would improve the policy treatments from upper levels of government.[25] We need to keep in mind that the power of individual leaders, especially at the local levels, is based largely on the influence of positions they hold or the institutions they lead (Baturo & Elkink, 2014).

These results offer suggestive evidence from the regime insiders that the argument advanced above captures some widely perceived practices on the ground. Below, I formally test the hypothesis using observational data on China's high-speed railway project.

[24] In the control prompt, the maximal number to choose is 3 factors.
[25] Note that the average answer in the control group for both questions is around 2, and the answer in the treatment is about 3, which suggests that there is less concern about potential floor or ceiling effect in the design of the list experiment.

7 Concluding Remarks

This chapter examines how bureaucratic politics shapes allocative decision in authoritarian regimes, with specific focus on the political geography of China's high-speed railway project. I test the hypothesis that local bureaucrats with more bargaining power are able to dominant resource allocation from the central authority and to exclude others from having the same requisites. I find that localities with leaders holding dual appointments at a higher level—a proxy for greater bargaining power—are able to secure railway project from the center and kick-start the construction earlier than their regular counterparts. The effect of greater bureaucratic bargaining power is less pronounced in pushing the construction toward completion, suggesting that officials are less willing to exert effort when they could not foresee themselves to claim the credit of such effort.

This study departs notably from the existing literature in two aspects. First, most studies on resource distribution in dictatorships focus on the political geography of reversible benefits, such as poverty relief program (Magaloni, 2006) and bank loans (Shih, 2004), this paper instead looks at allocation of government investment that would translate into lasting public goods. This distinction has important theoretical implications, as such investment should not be easily equated with pork that the incumbent ruler would employ to please constituencies in electoral autocracies. Instead, this paper proposes a bottom-up perspective that explains the distribution of such resource as a function of competition between bureaucratic units.[26] Second, in contrast to the patronage politics thesis that emphasizes the role of informal, inter-personal connections between the ruler and the officials, the bureaucratic competition model looks at the dynamics of power that are vested in officials' position (Baturo & Elkink, 2014). It depicts an interesting juxtaposition of two seemingly contradictory aspects of authoritarian bureaucracy: the formalized bureaucratic ranks that

[26] For bottom-up resource bargaining in other context, see for example, Treisman (1999).

stipulate power distribution among different actors, and the lack of credible norms and rules that govern the interactions of these actors within the bureaucracy.

Finally, this paper assumes that those players without strong bargaining power could only acquiesce to the unfavorable terms presented to them. Yet in reality, this might not necessarily be the case. Those officials without much influence within the bureaucracy could seek extra-institutional source of leverage that would strengthen their position. An example is that local officials might strategically tolerate certain mass mobilizations if the demand of the protestors is congruent with officials' intention to secure more resources from the above (See next chapter). The protestors in this case serve as a credible and costly signal to officials at the higher level that rejecting the demand of the localities might put social stability at further risk. The widespread "high-speed railway rallies" across China in recent years are good manifestations of this logic (Ibid). Such extra-institutional bargaining strategy is another testament of the lack of formalized norms in authoritarian bureaucratic process, and should merit more scholarly attention in the future.

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Tables and Graphs

Table A: Descriptive Statistics of the Survey Respondents (N=346)

Variable	Mean
Male (1=male, 0=female)	0.60
Age	37.75
College degree or above (1=yes)	0.92
Party experience (years)	13.51
Length of service in government (years)	11.76
Rank at or above section chief (1=yes)[1]	0.50
Rank at or above deputy section chief (1=yes)[2]	0.71
Hold leadership position at work unit [单位] (1=yes)	0.41
Size of the work unit [单位][3]	3.96

1. Positions at the rank of section chief [科级] include: township executive, county bureau chief, and section chief in the bureaus of municipal government.
2. Positions at the rank of deputy section chief [副科级] include: deputy township executive, deputy county bureau chief, and deputy section chief in the bureaus of municipal government.
3. The respondents were given the following numeric scale to choose from: 1) below 10 people, 2) 10-20 people, 3) 20-50 people, 4) 50-100 people, and 5) above 100 people

Table B: Estimating the Existence of Local Lobbying Effort

	Estimate	Std. Error	t value	Pr(>|t|)
(Intercept)	2.49964	0.07597	32.902	<2e-16 ***
treatment	0.73353	0.08140	9.012	<2e-16 ***
enumerator fixed effects			Yes	

Table C: Estimating the Role of Locality's Bargaining Power

	Estimate	Std. Error	t value	Pr(>|t|)
(Intercept)	2.21057	0.08464	26.117	< 2e-16 ***
treatment	0.63965	0.08986	7.118	7.14e-12 ***
enumerator fixed effects			Yes	

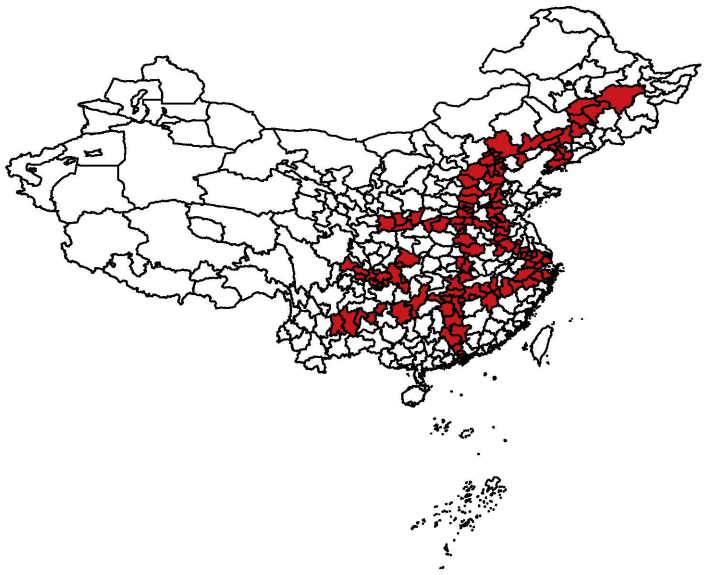

Figure 1: Geographical Distribution of HSR Projects, by 2014

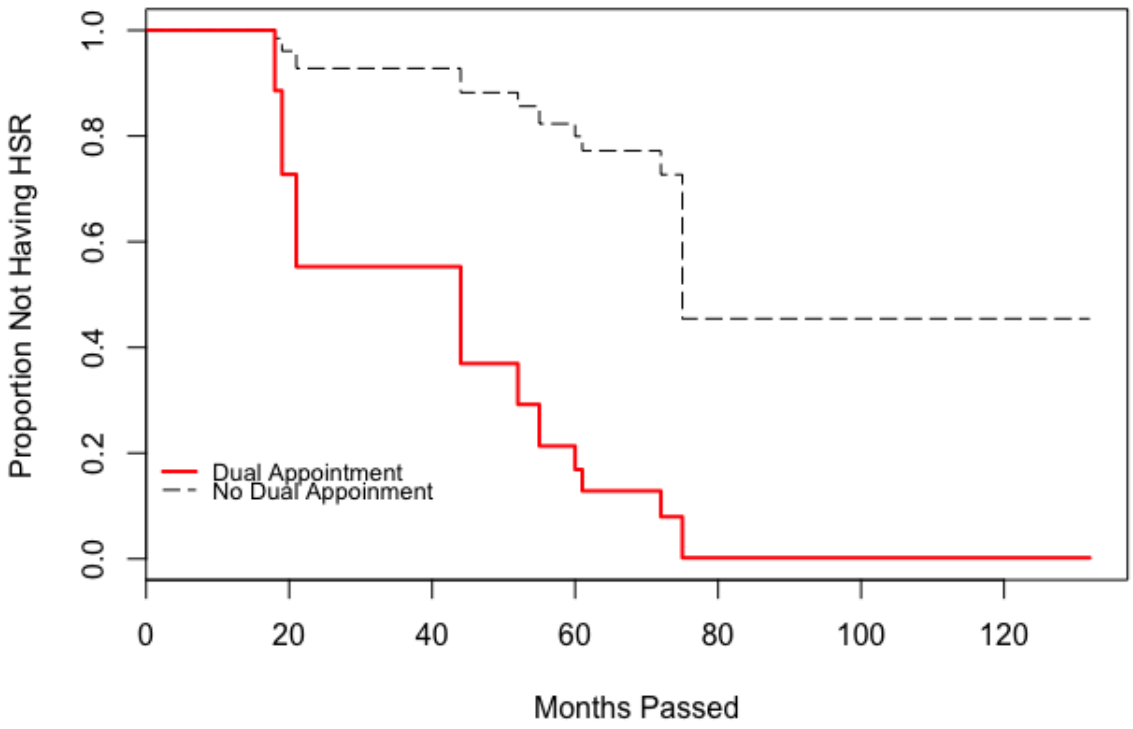

Figure 2: Survival Curves for Two Types of Provinces

Table 1: Cox Proportional Hazard Model: Baseline Models on Construction Start

	Model 1	Model 2	Model 3	Model 4
Dual Appointment	1.09 **	0.84	1.80 ***	2.07 ***
	(0.49)	(0.56)	(0.69)	(0.76)
Connection with Leader		0.30	-0.36	0.19
		(0.66)	(0.71)	(0.87)
Princeling		0.41	-0.27	-0.32
		(0.70)	(0.67)	(0.66)
Age		0.09	0.14*	0.15
		(0.07)	(0.08)	(0.09)
GDP (rank)			-3.93	0.55
			(3.92)	(4.89)
Population (rank)			-2.30	0.67
			(1.52)	(2.02)
Revenue (rank)			1.21	-3.47
			(3.41)	(4.54)
Existing Railway Length (rank)				1.24
				(1.20)
Railway Passenger Volume (rank)				-5.87 ***
				(2.13)
N	2293	2293	2293	2293
Wald	p = 0.03	p = 0.18	p = 0.00	p = 0.01

Standard errors in parentheses
*p<0.1; **p<0.05; ***p<0.01

Table 2: Piece-wise Logistic Model: Baseline Models on Construction Start

	Model 1	Model 2	Model 3	Model 4
Dual Appointment	1.220**	0.937*	1.399**	1.246**
	(0.488)	(0.530)	(0.603)	(0.634)
Connection with Leader		0.360	−0.129	0.448
		(0.650)	(0.676)	(0.771)
Princeling		0.676	−0.087	−0.094
		(0.667)	(0.663)	(0.677)
Age		0.162**	0.228***	0.238***
		(0.078)	(0.089)	(0.089)
GDP (rank)			−0.989	0.719
			(3.397)	(3.929)
Population (rank)			−2.320*	−0.563
			(1.368)	(1.825)
Revenue (rank)			−0.739	−2.195
			(3.061)	(3.517)
Existing Railway Length (rank)				1.307
				(1.168)
Railway Passenger Volume (rank)				−3.384*
				(1.732)
Constant	−4.909***	−14.662***	−16.708***	−17.295***
	(0.259)	(4.740)	(5.301)	(5.508)
Observations	2,293	2,293	2,293	2,293
Log likelihood	−116.894	−114.150	−105.359	−103.326
Akaike Inf. Crit.	237.788	238.299	226.717	226.652
Note:				*p<0.1; **p<0.05; ***p<0.01

Table 3: Cox Proportional Hazard Model: Construction Completion

	Model 1	Model 2	Model 3	Model 4
Dual Appointment	0.94	0.94	1.72*	1.52
	(0.58)	(0.80)	(0.96)	(1.03)
Connection with Leader		0.23	-0.34	-0.21
		(0.78)	(0.96)	(1.04)
Princeling		-0.57	-0.10	1.03
		(1.29)	(1.60)	(1.82)
Age		0.03	0.02	-0.05
		(0.06)	(0.08)	(0.09)
GDP (rank)			-7.28*	-6.29
			(3.90)	(4.65)
Population (rank)			-0.61	1.26
			(1.88)	(2.16)
Revenue (rank)			3.35	2.65
			(3.39)	(4.10)
Existing Railway Length (rank)				1.06
				(1.35)
Railway Passenger Volume (rank)				-4.12 **
				(2.03)
N	3300	3263	3263	3263
Wald	p = 0.11	p = 0.79	p = 0.05	p = 0.06

Standard errors in parentheses
*p<0.1; **p<0.05; ***p<0.01

Table 4: Cox Proportional Hazard Model: Construction Start, Destination Provinces Only

	Model 1	Model 2	Model 3	Model 4
Dual Appointment	1.45 ***	1.25 **	2.48 ***	3.13 ***
	(0.51)	(0.60)	(0.82)	(1.03)
Connection with Leader		0.72	0.47	1.69*
		(0.68)	(0.74)	(0.96)
Princeling		0.59	0.14	0.20
		(0.73)	(0.69)	(0.72)
Age		0.07	0.19 **	0.23 **
		(0.07)	(0.09)	(0.10)
GDP (rank)			-5.56	-3.51
			(4.76)	(5.73)
Population (rank)			-1.77	1.67
			(1.82)	(2.59)
Revenue (rank)			1.88	-0.46
			(4.01)	(5.21)
Existing Railway Length (rank)				2.67*
				(1.36)
Railway Passenger Volume (rank)				-7.16 **
				(2.82)
N	2578	2578	2578	2578
Wald	p = 0.00	p = 0.05	p = 0.01	p = 0.02

Standard errors in parentheses
*p<0.1; **p<0.05; ***p<0.01

Table 5: Cox Proportional Hazard Model: Construction Completion, Destination Provinces Only

	Model 1	Model 2	Model 3	Model 4
Dual Appointment	1.21 **	1.48*	2.14 **	2.08 **
	(0.61)	(0.84)	(0.99)	(1.05)
Connection with Leader		0.88	0.97	1.12
		(0.83)	(1.16)	(1.24)
Princeling		-0.73	-1.35	-0.92
		(1.29)	(1.85)	(1.98)
Age		0.09	0.14	0.10
		(0.08)	(0.11)	(0.12)
GDP (rank)			-8.59	-9.15
			(5.66)	(6.71)
Population (rank)			1.69	3.54
			(2.51)	(3.10)
Revenue (rank)			3.52	4.38
			(4.85)	(5.93)
Existing Railway Length (rank)				1.53
				(1.60)
Railway Passenger Volume (rank)				-3.14
				(2.52)
N	3444	3341	3341	3341
Wald	p = 0.05	p = 0.28	p = 0.11	p = 0.14

Standard errors in parentheses
*p<0.1; **p<0.05; ***p<0.01

Table 6: Municipal level: Conctruction Start (Cox Proportional Hazard models)

	Model 1	Model 2	Model 3
Dual Appointment	1.20 ***	1.22 ***	1.14 ***
	(0.19)	(0.20)	(0.27)
Socio-economic Controls	NO	YES	YES
Provincial Fixed Effect	NO	NO	YES
N	341	341	341
Wald	41 on 1 df, p = 0.00	59 on 5 df, p = 0.00	121 on 35 df, p = 0.00
R^2	0.09 (Max 0.99)	0.13 (Max 0.99)	0.42 (Max 0.99)
Note:			*p<0.1; **p<0.05; ***p<0.01

Table 7: Municipal level: Number of high-speed railways each city connects to (OLS models)

	Model 1	Model 2	Model 3
Dual Appointment	1.304***	1.306***	1.032***
	(0.121)	(0.128)	(0.124)
Socio-economic Controls	NO	YES	YES
Provincial Fixed Effect	NO	NO	YES
Observations	341	341	341
R^2	0.256	0.277	0.506
Adjusted R^2	0.253	0.266	0.449
Residual Std. Error	0.789 (df = 339)	0.783 (df = 335)	0.678 (df = 305)
F Statistic	116.385*** (df = 1; 339)	25.661*** (df = 5; 335)	8.931*** (df = 35; 305)
Note:			*p<0.1; **p<0.05; ***p<0.01

Table 8: Municipal Level: Number of HSR stations at each city (OLS models)

	Model 1	Model 2	Model 3	Model 4
Dual Appointment	2.410***	0.926***	0.874**	0.711*
	(0.282)	(0.346)	(0.355)	(0.406)
Socio-economic Controls	NO	YES	YES	YES
Number of County Units	NO	NO	YES	YES
Provincial Fixed Effect	NO	NO	NO	YES
Observations	337	285	285	285
R^2	0.179	0.327	0.328	0.460
Adjusted R^2	0.177	0.317	0.316	0.386
Residual Std. Error	1.840 (df = 335)	1.721 (df = 280)	1.723 (df = 279)	1.632 (df = 250)
F Statistic	73.054*** (df = 1; 335)	33.968*** (df = 4; 280)	27.201*** (df = 5; 279)	6.257*** (df = 34; 250)

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

Table 9: Municipal Level: Number of HSR stations at each city (Negative binomial models)

	Model 1	Model 2	Model 3	Model 4
adlevel	1.278***	0.492*	0.452*	0.503*
	(0.223)	(0.258)	(0.265)	(0.280)
Socio-economic Controls	NO	YES	YES	YES
Number of County Units	NO	NO	YES	YES
Provincial Fixed Effect	NO	NO	NO	YES
Observations	337	285	285	285
Log Likelihood	−496.876	−435.399	−434.843	−398.977
θ	0.590*** (0.095)	0.902*** (0.174)	0.907*** (0.174)	1.867*** (0.497)
Akaike Inf. Crit.	997.752	880.797	881.687	867.953

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

Chapter 4

Collaborative Instability: The Power of the Masses in Intra-Bureaucratic Bargaining

Chapter Abstract: This chapter explores how local officials manipulate and use mass mobilization to extract policy concessions from above. Local officials strategically tolerate mass mobilization when the demand of the masses is congruent with their own agenda that they are otherwise unable to pursue. Protestors in the streets turn out to be a powerful bargaining chip for local officials: they illustrate ex ante the grave consequences (i.e., social instability) of rejecting the locality's demand and bring the pressure of the masses to bear on leaders at higher levels. This chapter lays out the institutional environment that gives rise to such a strategy, presents a detailed case study focusing on the alliance between local officials and citizens in a mass mobilization regarding local re-districting, and discusses the presence of such "collaborative instability" in other issue areas in China. These discussions are supplemented by a survey experiment of Chinese local officials, which reveals that officials are more likely to concede to the demands of their subordinates, when such demands are backed by popular pressure that entails threats to regime stability. The findings reveal a crucial elite-mass linkage in China's bureaucratic politics that has so far been neglected.

1 Introduction

This chapter provides a detailed inquiry on how the power of the masses can shape intra-elite bargaining within authoritarian bureaucracies. It develops an argument of "collaborative instability" in which authoritarian local officials strategically tolerate bottom-up mobilizations to strengthen their bargaining position within the authoritarian state. These are often officials who oversee less influential segments of the regime and who lack the bargaining power when they try to demand policy benefits from above. They capitalize on local mass mobilizations when the demand of the masses is congruent with their agenda that they are otherwise unable to pursue, especially those that involve bargaining between the locality and higher levels of the government. The protestors in streets turn out to be a powerful bargaining chip for local officials. They illustrate *ex ante* the grave consequences (i.e., social instability) of rejecting the locality's demand, and bring the pressure of the masses to bear on leaders at higher levels.

To flesh out the logic of "collaborative instability," I first highlight the institutional features of the Chinese party state that create conditions for such a strategy to emerge. The unequal distributions of bargaining power among various bureaucracies place some segments of the regime in a weak position, limiting their chances in soliciting policy benefits from above. These weak actors have to seek sources of bargaining power from outside the bureaucracy, and public pressure by local citizenry serves precisely such a purpose. The discrepancies in cadre incentives among officials at different level allows those weak actors at grassroots, who value the augmentation of local, departmental interests more than promotion, to use social instability as an extortionary tool to extract concession from leaders above. I conducted a detailed case study of a mass mobilization in the eastern county C to demonstrate this logic. Drawing on interviews with local officials and residents, I show that beneath county C officials' otherworldly "alliance" with protesters in streets is their intention to use the local *minyi* (民意) to resist administrative re-districting decisions from the above that could potentially undermine their interests.

"Collaborative instability" serves as a powerful weapon for those weak bureaucracies at grassroots, as it forces leaders at higher levels to choose between either conceding

to the demand of the localities or rejecting them and running the risk of putting social stability at further risk. To offer a systematic assessment of the efficacy of using public pressure as leverage in intra-bureaucratic bargaining, I employ a survey experiment of 346 local officials. I use an endorsement experiment design in which the subjects (local officials) were asked to evaluate a hypothetical budgetary earmark request from a leader at the grassroots. The subjects showed a significantly higher level of approval of the earmark when such a request is backed by popular pressure that entail threats to regime stability.

The "collaborative instability" model offers new insights to our understanding of how Chinese officials respond to sources of social instability. Instead of actively containing, stifling, and repressing mass mobilizations, local officials conversely tolerate and use popular contentions to send signals to and to extract concessions from the above. Such a state-citizen relationship has been observed in various issues area featuring intensive bargaining among multiple segments of the government, mostly prominent in cases involving administrative redistricting or allocations of investment in large infrastructure projects (such as high-speed railways). It therefore challenges the often perceived elite-masses dichotomy in authoritarian politics (Svolik, 2012), pointing to the possibility that the masses can play a meaningful role in shaping interactions among the autocrats (Slater, 2010).

2 Defining "Collaborative Instability"

"Collaborative instability" refers to the strategic use of public pressure as bargaining leverage on the part of weaker bureaucratic actors. It involves two key actors. The first is local bureaucracies with relatively weak influence in the system. Those are territorial administrations or functional bureaucracies that capture less influential segments of the regime, such as local governments in more remote parts of the country or bureaus in charge of issues that are not key policy concerns of the party states. These bureaucracies often get sidelined in the intra-bureaucratic competition for resources or preferential policies from above, either because they have difficulties in drawing enough attention from leaders above, or they lack bargaining leverage in competing with their more powerful peers. The second actor is a local citizenry with collective action potential. This collective action potential is linked to citizenry's

demand for policy benefits from above, which could include improvements in local infrastructure, social welfare, and other locality-specific policies. These demands do not target local governments, but instead target higher level authorities that have the power to make such decisions. The demands of the citizens are manifested through self-organized mobilizations in the forms that entail threats to social stability (e.g., protests).

"Collaborative instability" is the strategic tolerance of—and in some case, even collusion with (L. Li & Liu, Forthcoming)—such expression of citizens demands, on the part of the weaker local bureaucracies, to extract policy concessions from above. The public displays of constituents' discontent, particularly those in the forms of mass mobilizations, help strengthen officials' bargaining power in soliciting policy benefits. First, bottom-up mass mobilizations serves as a *credible* piece of evidence on the existence of public dissatisfaction. It helps single out the demand of the locality from a myriad of noisy signals that leaders at higher levels receive, including those "cheap talks" by competing bureaucracies that claim the existence of similar requests from their constituents. When the demand of people in streets is congruent with what the officials want from above, public pressure becomes a powerful leverage that officials can invoke to demand policy concessions that they are otherwise unable to pursue. Second, the disruptive effect of mass mobilizations illustrates *ex ante* the grave consequences (i.e., social instability) of rejecting locality's demand, and brings the pressure of the masses to bear on the side of leaders above. Higher-level leaders are forced to face a choice between either conceding to the demands of the localities or rejecting them and being responsible for leaving the local population primed to join a more fundamental challenge to social stability.

"Collaborative instability" reflects an informal alliance between the local state and the citizens. It also departs from our traditional understanding of how local states manage popular contention. It is nonetheless a strategic response by local officials facing various formal and informal institutional incentives and constraints. Below I highlight two key institutional characteristics of the Chinese bureaucracy that give rise to "collaborative instability."

3 The Institutional Setting

Two institutional features of the Chinese party state create conditions for collaborative instability to emerge. The first is the unequal distributions of bargaining power among various bureaucratic units. Those weak segments of the bureaucracy are often sidelined in the intra-bureaucratic bargaining for policy benefits. To strengthen their positions, they have to seek sources of bargaining power outside the bureaucracy (i.e., public pressure). The second is the differential official incentives under the cadre evaluation system. Grassroots officials, who value departmental or community enrichment more than promotion, can use social instability as an extortionary tool to extract policy concessions from leaders above.

3.1 Unequal distribution of bureaucratic bargaining power

Bargaining take place in the day-to-day operation of the Chinese government (Lampton, 1992). Various bureaucratic units, sharing diverse and often conflictual agenda, compete, negotiate, and compromise with one and another to try to maximize their departmental interests (Mertha, 2009). The outcomes of these interactions are shaped by the unequal distributions of bargaining power among various bureaucratic units. Those with greater bargaining power are better positioned to secure preferential policy outcomes, which are often at the expense of those with relatively weak bargaining power.

The unequal distributions of bargaining power exist in two dimensions. The first dimension is the unequal power between units of different administrative ranks. Superiors, by the virtue of their positions in the bureaucratic hierarchy, have more power than their subordinates. When conflict of interests arises between upper and lower level of governments, superiors can use their authority to force subordinates to accept terms that favor themselves. Taking fiscal arrangement as an example, various levels of government often disagree on the shares of specific taxes they collect, or the divisions of responsibilities in expenditure (e.g., Zhang, 2006). Upper levels of governments, both in practice and by rules on paper, have the authority in determining the exact shares and responsibilities, to which the lower levels of

governments must obey.[1] The same situation also applies to other issues that involves direct interactions between upper and local levels of governments, such as re-districting.

The second dimension of unequal bargaining power exists between bureaucracies of equal rank. For examples, provincial capitals usually have more influence over provincial policy-making than ordinary municipalities; municipal public security bureaus are considered more important—and are able to garner more resources as a result —than ordinary bureaus say the health or the sports bureau. This represents a more nuanced situation, as the differences in bargaining power among various bureaucratic units are not determined by their formal positions in the hierarchy—they often share the same rank, but rather by informal norms and consensus that have been governing local political dynamics. Some of these differences are recognized by and consolidated in formal institutional arrangements: the heads of these more important locales or bureaus are often given dual appointments at a higher level, which further increases their power comparing to their peers. Such unequal distributions of power among peer localities or institutions have important implication as competition for resources or policy benefits often take place among peer localities or agencies. Those with greater bargaining power are able to solicit more policy benefits from above and exclude others from receiving the same benefits.

Those with weak bargaining power, either along the administrative rank or among peer bureaucratic units, often can do little but acquiesce to unfavorable bargaining outcomes—which are often policy choices that disproportionally favor their superiors or their more powerful peers, at the expense of their interests. Their weak positions in the bureaucracy—either by ranks or by norms—limit their opportunities to pursue their interests, as the power to distribute resources lies in the hands of their superiors or as they need to compete against more powerful peers. That is why they have to seek sources of power that can strengthen their positions from *outside* the bureaucracy, and the pressures of the citizenry, as discussed above, serve precisely such a purpose.

[1] See 国务院关于推进中央与地方财政事权和支出责任划分改革的指导意见, State Council, 8/16/2016, http://www.gov.cn/zhengce/content/2016-08/24/content_5101963.htm (last accessed 8/24/2016).

3.2 The differential official incentives

The strategic use of public pressure by weak officials to extract policy concession from above also hinges upon an important assumption, that officials at lower levels could afford social instability in a way that those at higher levels could not. In order to understand this point, we need to review the institution that governs officials' incentives first.

Chinese local officials' behaviors and incentives are importantly constrained by the cadre management system. The system evaluates officials' performance in various aspects of governance, and links the evaluations to officials' career prospects (Edin, 2003; Whiting, 2001). Numerous empirical studies have found the system to be effective in supplying high-powered incentive for officials to pursue desired policy goals set by the regime, such as economic growth (H. Li & Zhou, 2005), revenue collection (Lü & Landry, 2014), and environmental regulation (Jia, 2012). The party has also placed additional emphasis on social stability maintenance by incorporating the "one veto rule (一票否决)" in official's performance evaluation upon major failures in managing social stability,[2] making social stability control a top priority for local officials (e.g., Yan, 2016).

A common misperception of the "one veto rule" is that it blindly sanctions officials once mass incidents take place in their jurisdiction. While both on paper and in practice, it sanctions officials "whose negligence in work" cause social instabilities.[3] Recall the issues involved in "collaborative instability" as mentioned earlier, they often involve allocation of policy benefits that can only be determined by officials at higher levels, and participants in said local mass mobilizations also direct their demands toward upper levels of government. This means that higher-level leaders will be directly responsible for failure in containing the situation, had they not reacted properly to appease the local population. Local officials, who do not have

[2] See 《中央社会治安综合治理委员会关于实行社会治安综合治理一票否决权制的规定》, 1991 年 12 月 25 日中央社会治安综合治理委员会第四次全体会议通过。

[3] See Item 20 in Chapter 5 ("Responsibilities and Sanctions") of the《健全落实社会治安综合治理领导责任制规定》, State Council, 3/23/2016, http://news.xinhuanet.com/politics/2016-03/23/c_1118422119.htm (last accessed 8/24/2016);

direct control over the issues of local people's concern, on the other hand, can shed the responsibility as long as they actively communicate with above regarding the situation or engage in other improvisations that signal good work ethic (i.e., no negligence).[4]

The stakes in cadre evaluation also differ along the administrative ranks, as the chances and mechanisms for officials' promotion vary accordingly. For officials at grassroots and for those not in leadership positions, their chances of getting promoted into higher position are extremely slim to begin with (Ang, 2016; Kung & Chen, 2013). The overwhelming majority of officials served without being promoted above their locales until their retirement. Instead of trying to get promoted, pursuing policies that would maximize their departmental or community interests emerges as a more realistic goal for most local officials (e.g., Kung & Chen, 2013). For officials at higher levels, while the chances of being promoted improve as they face a much smaller pool of competitors, the stakes involved also become higher. Promotions at higher-ups are therefore more likely subject to political manipulations (Landry, Lü, & Duan, 2015; Shih, Adolph, & Liu, 2012). Any stains on one's resume, including major failures in social stability management, might be a raison d'etre to block one's further advancement by her rivals.[5] This difference suggests that the incentive structure induced by the cadre evaluation system does not apply invariably across various levels, which creates conditions for officials at lower levels—who value policy benefits over chances of promotion—to employ social instability as an extortionary tool against their superiors.

To reprise, two institutional characteristics of the party state create spaces for "collaborative instability" to emerge. The unequal distributions of bargaining power place some bureaucracies in a weak position, who have to seek sources of bargaining

[4] For example, Lee and Zhang note that the implementation of the one-veto rule leaves ample space for discretion at the grassroots. In many cases, grassroots officials are able to dodge sanctions through proper improvisations. See Lee & Zhang (2013). Similar views are also expressed during my interviews with local officials in social stability maintenance unit. Interview 22, 10/20/2015; Interview 43, 12/24/2015.

[5] One of my interviewees, who works in a local social stability maintenance unit, commented on the political use of the "one-veto rule" as follows: "This is very complicated. If you are in good relation with 'the above' 上面 (note: superior), you are fine. If 'the above' is looking after you, this (the 'one veto rule') becomes a good excuse to punish you. You know, this is something of Chinese characteristics." Interview 24, 10/22/2015.

power from outside the bureaucracy. These local officials, who value the augmentation of departmental interests more than promotion, use social instability as an extortionary tool to extract concession from leaders above. To flesh out the logic of "collaborative instability," I use a detailed case studies to trace local officials' involvement in a mass mobilization regarding re-districting that took place in an eastern county in China, and highlight their unusual relationship with the people in streets.

4 A Case Study of "Collaborative Instability"

The incident took place in county C in the spring of 2013.[6] County C is one of the most affluent regions under the administration of city H in province K. The trigger of the incident was city H's attempt to turn the county into a district under its direct jurisdiction (撤县设区). The attempt resulted in widespread opposition among the C county officials, who worried that the merger would undermine the autonomy and benefits that they currently enjoy. In the meantime, the merger plan also incited dissatisfaction among the local population, who were rallied around the pride of their county's relatively independent status and the belief that the merger would have negative impact on various aspects of their lives. The dissatisfaction led to mobilizations of the local population, through various online and offline channels, which culminated in a gathering of over 1000 people in front of the county government building opposing the merger plan. Contra to the convention that local government would actively nip organized opposition in the bud, the county government had a rather benign response to the citizens' mobilization. There are even evidences suggesting that some local officials not only turned a blind eye to, but also implicitly supported the escalation of the movement. The city government hastily suspended the merger plan following the mass demonstration, stating that the plan was "still immature." To put the incident into greater detail, I first introduce the three actors—the city, the county, and the local population—and their preferences regarding the merger. The analyses draw on 21 interviews with local officials and residents, as well as other primary sources regarding the incident that I

[6] As I draw intensively from interviews with local officials, to protect the safety of these informants and also to comply with institutional requirement involving human subjects, I remove any potential identifiers that can reveal the true identity of the informants. This applies to specific names, position, locations, as well as the exact date of the incident.

acquired during the fieldwork.

4.1 Actors and their Preferences

City H: Like many other cities in province K, the city H government presides over a relatively small urban center. It is the result of province K's long term practice in managing its counties directly (省直管县): although counties were administratively placed under the cities like elsewhere in China, they are economically accountable only to the province; the allocations of revenue, government investment, land quota, and other resources take place directly between the provincial government and the counties, leaving the city a parallel body to the county when it comes to economic relationship with the province. This management system limits the city government's influence only to the districts. Comparing to other provinces where the cities can extract resources from both counties and districts, cities in province K are unable to develop expansive urban centers as the city governments lack resources in infrastructure investment and urban construction. Some cities' urban centers are even outperformed by rich counties under their nominal jurisdiction. The two largest cities in province K turned several of their counties into districts in the early 2000s, and have since then achieved rapid urbanization and growth. The government of city H, currently managing only two districts, attempted to strengthen its capabilities by turning one of its most affluent counties—county C—into a district under its direct control.

It is crucial to note that city H government is the more powerful player in this case. The city enjoys higher political rank than the county despite latter's relatively independent economic status.[7] The county officials technically could not say no, at least not in an institutionally recognized manner, to the decisions made by their superiors at the city government.

County C: Not surprisingly, the preference of the county officials is *at odds* with that of the city. County C has benefited enormously from the provincial direct management system, and becoming a district under city H would compromise the

[7] Like most cities in China, the city leaders hold the rank of ting ji (厅级), and the county leaders hold the rank of chu ji (处级), which is two ranks below the city.

autonomy and the many benefits it currently enjoys as a county. The deputy chief of the county's fiscal bureau told me that the county currently retains 80% of its revenue and transfers the remaining 20% to the provincial government, whereas districts under the city H need to transfer 50% or more of the revenue to the city government.[8] In addition to fiscal arrangement, the county also receives annual land conversion quota from the province and is in total control of the land use-right transfer fee, which is a major supplement to local revenue that the county relies on for a number of its infrastructure projects.[9] Being a district means that the allocation of the land conversion quota would need to go through city H, which might use the profits from county C's land transfer to support the development of the urban center.[10] Beyond the most critical issue of revenue allocation, a district also only has limited jurisdiction in other aspects of economic and social management, such as urban planning and recruitment of public employees. A county official described the difference between county and district as follows:

(Although) our ranks won't change (after becoming a district). But as a district, we are only a "half government 半级政府." We are functionaries of the city and only get to do whatever the city government wants us to do. Now (as a county) we are in full charge of ourselves.[11]

The county's officials are also quite dismissive of the potential benefits of merging with the city. Proud of the county's status as one of the "national top 100 counties 全国百强县," the county's officials worry that joining city H—an average prefecture struggling with its only development—would bring additional liabilities instead of benefits. An official at the county's development and reform bureau told the author that the county has never received help from the city, and is unlikely to have any after becoming a district. "Whenever our county's hospital needs a medical specialist in rare diseases or our factories need technical experts, we went to the provincial capital or Shanghai for help. There has not been a single time we received help from

[8] Interview 36, 11/13/2015.
[9] The size of county C's land use-right transfer fee is about half of the size of the formal revenue. Interview 36 and 37, 11/13/2015.
[10] Interview 37, section chief of the county land bureau, 11/13/2015.
[11] Interview 33, director of the county policy research office, 11/13/2015.

city H. They also don't have what we need."[12] There are also concerns that the county would face direct competition with the city's two districts in attracting outside investment, while not having all the policy advantages as a county after the merger.[13] Throughout my interviews in county C, every official, including those within the county leadership,[14] were quite outspoken on the potential downsides of the merger. None, however, expressed support of the merger plan.

County C Citizens: With regard to the merger, local citizens' opinion appears to be highly congruent with that of the officials. Many worry that their new "urban residency" after the merger might come at the price of their life quality: some express concern that the city government would not give full attention to the county after the merger and would instead use the money of the county to strengthen the current urban center; others are more explicit that they would need to share their schools, hospitals, and other public facilities with the residents of the current city residents. [15] Local businessmen, who are already unhappy with the redundancy of the county's bureaucracy, worry that the inclusion of an additional administration layer (i.e., the city) would further increase their cost of doing business.[16] "Now at least I can get things done in the county, but after becoming a district I will need to drive 30 kilometers to the city to get permissions or things like that," a businessman running a private tutoring school told the author.[17]

More county residents voiced their concerns and objection in the online space. In the county's Baidu Tieba page, I am able to locate 816 posts that discuss the merger, each of which has tens or hundreds of replies.[18] Some posts question the city's motivation, speculating that the city tries to squeeze as much as it could from the

[12] Interview 34, deputy director of the county development and reform bureau, 11/13/2015.
[13] Interview 38, deputy director of the county commerce bureau, 11/13/2015.
[14] Interview 30, member of the county party standing committee, 11/13/2015; Interview 32, secretary to the county executive, 11/13/2015.
[15] Interview 1, local resident 1, 6/24/2015; Interview 7, local resident 2, 8/18/2015; Interview 26, local resident 3, 11/12/2015; Interview 27, local resident 4, 11/12/2015; Interview 28, local resident 4, 11/13/2015; Interview 29, local resident 5, 11/13/2015.
[16] Interview 38, deputy director of the county commerce bureau, 11/13/2015.
[17] Interview 31, local resident 6, 11/13/2015.
[18] This number might still be an underestimation of the citizens' online participation, as the incident toke place three years ago and many of the posts were deleted since then. Because county C's name appears in these posts, to protect the informants' identify, I do not include links to these posts.

county; others are based more on evidence, comparing the development of the county with that of a district under city H—which was once an independent county—and expressing pessimism regarding the future of the county after the merger. A more interesting aspect of the online discussion is the presence of localist appeals. Similar to the nationalistic accounts that Chinese netizens often invoke, such appeals portray the city H as an imaginary enemy that tries to undermine the interests of the county, and emphasize the humiliation that a submissive relationship with the city (i.e., being a district) could bring to the county residents. Some of these posts use derogatory terms to refer to city H residents, and some others expressed conviction that they "would never be the conquered people 坚决不做亡县奴."

4.2 The Demonstration[19]

Officials at county C government were among the first to learn city H's decision. The decision, although never went public, quickly spread among the local populations. Numerous posts regarding the merger appeared online, especially on bulletins with a sizeable audience such as Baidu Tieba. Many of the posts scorned city H and its decision to merge the county, and urged the county C citizens to act to protect the independence of the county. A township branch of the county's business association was the first to submit a request for demonstration to the county's public security bureau. The request, as appeared in a photocopy that I acquired online, wrote that "the merger would seriously undermine the interests of the county C people and the local business....after collective discussions among the members, (we) request a demonstration with 150 anticipated participants in the square in front of the county government."[20] The county's public security bureau, of course, did not approve the request.

Even without the approval of the local public security bureau, people still appeared in the square on the proposed date of demonstration. The number of people showed up far exceeded the estimate of the local business association. By the noon of that day, at least over a thousand people were already in the square, only a few were

[19] This section mainly relies on the coverage of the incident by a major national newspaper in China. Because the name of the county was mentioned in the news report, to protect the identity of the informants, I do not include the title of the report, and later refer to the report as "Report 1."

[20] See the photocopy in appendix (later remove name identifiers).

members of the business association.[21] The protesters appeared to be organized: some of them wore T-shirt with an "I love county C" sign on it; more were waving banners with localist slogans: "County C belongs to the people of County C!", "County C has over a thousand year of history, it could not become a district over night!", and "The half million County C people must not be the conquered people![22]"[23] There were also participants holding a piece of large white cloth, soliciting signatures that show support from people passed by.[24]

Mobilization also took place beyond the government square, across various segments of the local community. Many car owners put stickers with slogans opposing the merger onto the rear of their cars. One sticker says "County C people would thank those who contributed to the development of our county, and would remember those who turn our county into a district as criminals."[25] There is also a photo showing a Taxi carrying a sticker that says, "If you do not put the same sticker (that opposes the merger as I do onto your car), the police is going to fine you!"[26] Another photo shows that a local hotel changed the content of its outdoor LED screen from room rates to slogan that opposes the merger.[27] Some county residents also live broadcasted the event on the social media, and one of them who could not make it to the square posted a picture of his/her little son wearing the T-shirt with "I love county C" slogan to support the people in the streets.[28]

4.3 The Response of the County Officials

The county government's response during the movement's unfolding appeared to be perfectly consistent with the expectation of the regime. It did not approve any citizens' requests to demonstrate before the incident; when people started to gather in streets, it timely deployed police forces to keep an eye on the protesters and to

[21] Report 1, the report used a rather vague estimate of several thousand 数千人. Some online posts also made bold claims that there were over ten thousand participants.
[22] I changed the number of county population to prevent the county from being identified.
[23] Some oversee media have covered the demonstration with photos from the scene. To protest the identity of the informants, I refer to these reports on foreign website as "Report 2."
[24] Report 2.
[25] Report 2.
[26] Ibid.
[27] The photo was uploaded to a Baidu Tieba post.
[28] Ibid.

prevent them from getting out of control; it did not take any drastic measures that would further provoke public anger and worsen the situation; and as later revealed, it also actively kept their superiors in city H informed of the situation. Yet beneath such standard response, the officials demonstrated an unusual degree of tolerance. There are even signs of "collaboration" between the officials and the local residents.

First, the police, despite knowing the demonstration beforehand (i.e., the leaders of the local business association requested permission to demonstrate), did not nib the mobilization in the bud. They could have preemptively contained the organizers as they would often do to demobilize organized opposition in other contexts (e.g., Yan, 2016), but they did not. They also showed an unusual degree of self-restraint on the day of the demonstration. When some protesters crossed the gate of the government compound and hung the banners with anti-merger slogans onto the glass door of the government building, they did not stop them or toke the banner down. "The police showed up, but they were very gentle. They did nothing to stop us, they were with us," said a local resident who were also at the scene that day.[29]

Second, some officials were also actively involved in the collective opposition. Among those people showed up in front of the county government were several officials from the county fiscal bureau and commerce bureau—the two bureaus that would be most heavily impacted by the merger.[30] Over 200 retired county cadres also wrote letters to the current county leaders voicing their opposition regarding the merger.[31] More drastically, leaders of the local towns and industrial parks signed a petition letter in which they threaten to resign altogether if the city government did not retract the decision.[32] It is hard to imagine that without the tacit permission, if not support, from the county's leadership, any of these officials would be brazen enough to stand publicly with the opposition. Perhaps nothing summarizes the intricate position of the county better than the words of a county C's party standing committee member, "(throughout the incident,) the people were at the front stage, and the county

[29] Interview 7, local resident 2, 8/18/2015.
[30] Report 1.
[31] Ibid.
[32] Ibid, the author also acquired a photocopy of the signed letter online.

government was behind the scene."[33]

4.4 The Result of the County's Resistance

Hours after people gathered in the government square, the county's deputy party secretary walked out of the government building and spoke to the crowd. "The city (H) party committee and the government, along with the county (C) party committee and government, have carefully looked into the issue and come to the conclusion that (the decision of) turning county C into the district is an immature one (and therefore will not be implemented). Thanks everyone for supporting county C. Many thanks!"[34] The crowd, upon hearing the city's concession, cheered for their victory and quickly dissipated.

Despite the occurrence of the incident, no formal sanctions were given to punish the county officials. Yet such outcome is not unexpected. The source leading to the incident—city H's attempt to merge the county—was out of the county authority's control. The county, as noted earlier, also did its due diligence to monitor, contain, and report during the unfolding of the incident.[35] The incident ended peacefully after city H made the concession.[36] Although some county officials did stand with the protesters, their involvement, at least on surface, appeared as voluntary, individual actions instead of a concerted plan. The provincial party committee sent an investigation team shortly after the incident, and had one-on-one meetings 约谈 with those township leaders who signed a public letter opposing the merger.[37] This kind of meeting is often considered an informal warning within the party organization, although such censure without teeth seems worthwhile given the benefits these township leaders were able to retain under an independent county.

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[33] Interview 30, member of the county party standing committee, 11/13/2015.
[34] Report 1.
[35] The fact that the city government was able to react within hours after people started to gather also indicated active communication between the county and the city.
[36] There was a similar incident in Daye county-level city in Hubei in 2005. The county residents, with the support of the county officials, mobilized to oppose the Huangshi prefecture-level city's decision to turning the county into a district. The mobilization ended up violently: the protesters besieged the city government building and destroyed government properties. The Hubei provincial government conducted thorough investigations of the incident and removed several high-level county officials from the office. See http://news.sina.com.cn/c/2006-02-25/11558300186s.shtml (in Chinese, last access 2/15/2016).
[37] Interview 30, member of the county party standing committee, 11/13/2015.

5 "Collaborative Instability" in Broader Context

The details of the county C incident allow us to induce the conditions under which collaborative instability takes place. It is often triggered by upper level decisions that put weak bureaucracies in a disadvantageous position. Local citizens voice their dissatisfaction against such decisions, which empower local officials at the bargaining table. Such conditions—which rely crucially on the preference congruence between local officials and citizenry—can appear in various issues areas and across different parts of the country.

Administrative re-districting is an issue area where we have observed multiple cases of collaborative instability (the county C incident is an illustrative example). The Daye incident in Hubei in 2005[38] and the Longnan incident in Gangsu in 2008[39] are two high-profile cases that caught national media's attention. In both cases, thousands local residents went to street protesting against decisions by higher levels of authority to either merge the county with a neighboring city or to reallocate city's administrative center from one district to another. Investigations conducted later reveal local officials' involvement in these events, as the re-districting decisions would harm their interest. There are also lesser-known cases in places like Zhejiang.[40] The conversion of Huangyan from a county to a district under Taizhou in early 1990s incited widespread oppositions among the county officials. The delegates of the local people's congress then, who were mostly local businessmen, refused to perform their duties after the city government forcefully ordered the conversion. There was also a mobilization among the retired cadres during the more recent redistricting of Shaoxing's two counties. These mobilizations, due to their relatively small scale, did not stop the decisions of high-level officials.[41]

The route and stations of high-speed railway is another issue area in which local officials frequently invoke local popular pressure to demand preferential consideration

[38] See http://news.sina.com.cn/c/2006-02-25/11558300186s.shtml (in Chinese, last access 2/15/2016).
[39] See http://society.people.com.cn/GB/42733/8381065.html (in Chinese, last access 2/15/2016), also Interview 4, official in State Development Research Council, 7/19/2015.
[40] Interview 9, professor at Zhejiang University, 8/19/2015; and Interview 18, professor at Zhejiang University, 10/21/2015.
[41] Ibid.

from above. In recent years, at least a dozen of places have witnessed mass mobilizations that specifically demanding inclusion of local stations in planned high-speed railway routes, a phenomenon which Chinese media term as "high-speed railway social movement 高铁社运."[42] None of these cases are located at the political or economic center cities to which the Ministry of Railway would give priority when considering new routes. In reporting a mass mobilization on high-speed railway took place in Linshui, Sichuan in 2015, Foreign Policy magazine noticed the unusual appeal local citizens made, and coined such mobilizations as the "reverse-NIMBY" movement (Allen-Ebrahimian, 2015). And similar to the county C incident, local officials in these cases demonstrated a substantial degree of tolerance to the people in streets. Many the places were able to secure a revision of route or even a station after the occurrence of the mass mobilization.[43]

A legitimate concern is how do local officials control the power of the masses once they unleash them, what if the people in streets go out of control. First of all, having an appreciable risk of instability itself is what makes mass mobilization an effective bargaining tool.[44] If the situation were known to be controllable from the beginning and not "left something to chance," then we would not expect any concessions from leaders above. Secondly, even with tactic tolerance by the local authority, we rarely observe that collaborative instability grew out of control, due to several factors. First, most participants were mobilized around appeals that are exclusively local, issue-specific, and not related to any direct grievances, as we saw in the county C case. Consequently, these demands can hardly appeal to citizens outside the locale, and the crowd would easily be demobilized once the higher authority conceded to the specific demands. In most cases, we did observe immediate concessions (e.g., suspension of redistricting plan, reconsideration of railway routes) following the mobilization, as no one at higher-ups wanted to be responsible for not acting at all regarding the situation. In a handful of cases in which protesters indeed went out of

[42] These locales are Shaoyang and Loudi in Hunan, Shiyan and Xiangyang in Hubei, Dengzhou and Xinye in Henan, Jingzhou and Jingmen in Hubei, and Lingshui and Guangan in Sichuan. See http://www.aiweibang.com/yuedu/caijing/26875074.html (last access 2/15/2016).

[43] Take the Linshui incident as an example, Sichuan provincial government hastily announced that the route of the high-speed railway in question—Dayu Railraod—was not finalized and will be subject to further review following the protest.

[44] Weiss "Authoritarian signaling", 3

line (e.g., burning cars, jamming the traffic), the local public security forces quickly stepped in and dispelled the people in streets.[45] The fact that localities were able to get things in control once the situation went out of line also falsifies the alternative conjecture that these mobilizations are the result of locality's lack of repressive capability in the first place.

6 Assessing the Power of the Masses: An Endorsement Experiment

So far we have relied on detailed case studies to flesh out the logic of collaborative instability. In these cases, we do observe concessions to locality's demands following irruptions of mass mobilizations. But whether such pattern applies behind the cases in which we have better knowledge, and whether concessions from above are induced by the systematic incentive discrepancy between officials at different levels or just by some idiosyncratic factors in these cases, still remain examined. To address these questions, I conducted a survey experiment of local officials, which provides further evidence to my argument.

6.1 The Respondents

The questions used in this chapter were included in the same survey used in chapter 4. The survey was implemented between June and July in 2016. Respondents in the survey are recruited from the cadre training classes in the Master of Public Administration (MPA) programs in two different universities and one municipality party school.[46] Prior contact and arrangements with the schools' staff ensured that the respondents are restricted to public officials. In total, 346 officials answered the survey, and the descriptive statistics of these officials are presented in Table 1.

Table 1: Descriptive Statistics of the Subjects (N=346)

Variable	Mean
Male (1=male, 0=female)	0.60
Age	37.75

[45] See for example, the local public security force in Linshui stepped in after the local people's rally for a high-speed railway station went out of control. http://www.smh.com.au/world/chinese-prodevelopment-protesters-in-bloody-riot-police-confrontation-in-linshui-20150518-gh3zpv.html (last accessed, 3/11/2016).

[46] To protect the identity of the respondents as well as the school officials who helped implement the survey, the names of the schools are not disclosed.

College degree or above (1=yes)	0.92
Party experience (years)	13.51
Length of service in government (years)	11.76
Rank at or above section chief (1=yes)[1]	0.50
Rank at or above deputy section chief (1=yes)[2]	0.71
Hold leadership position at work unit [单位] (1=yes)	0.41
Size of the work unit [单位][3]	3.96

1. Positions at the rank of section chief [科级] include: township executive, county bureau chief, and section chief in the bureaus of municipal government.
2. Positions at the rank of deputy section chief [副科级] include: deputy township executive, deputy county bureau chief, and deputy section chief in the bureaus of municipal government.
3. The respondents were given the following numeric scale to choose from: 1) below 10 people, 2) 10-20 people, 3) 20-50 people, 4) 50-100 people, and 5) above 100 people

It is noteworthy that the sample is far from a perfect representation of the totality of Chinese local officials. It is close to impossible for researchers to construct a representative sample of Chinese officials (perhaps the only organization capable of doing so is the party's Central Organizational Department). Almost every survey with officials as their subjects instead employs re-randomization within the sample to test causal hypotheses that involve government officials (Meng, Pan, & Yang, 2014), and so is this study.

With that goal in mind, the quality of this sample appears to be reasonably good. The sample has more than 71% of officials at or above the rank of deputy section chief, and over 41% report that they hold leadership positions at their work units (i.e., cadre). The average work experience in the government is 11.76 years, longer than the 10-year average in the benchmark survey study of Chinese local officials the field (Meng et al., 2014). There are good reasons to believe that these officials have sufficient experience in and knowledge of the ways in which local governments operate.

6.2 Survey Experiment Design

A common problem researchers face in China is the difficulty in soliciting genuine answers about politically sensitive issues. In the case of this study, admitting that the government would cave in to popular demands would not only make the officials appear incompetent and signal regime weakness, but also set a dangerous precedent for others to emulate. Officials therefore tend to offer "politically correct" answers, despite what they would actually do in reality. To deal with this social desirability issue, and to make more accurate causal inference, I employ an endorsement experiment design to test the influence of public pressure on official's decision.

The endorsement experiment design uses subtle cues to measure survey respondents' support on statements or policies endorsed by socially sensitive actors, thus avoiding directly addressing sensitive political issues (Lyall, Blair, & Imai, 2013). Respondents are first divided into the control and the treatment groups. In the control group, the respondents are asked to rate their support in principle for a particular policy or statement—in this case, a request for policy benefits from lower level officials. The respondents in the treatment group are asked the same question, except the policy or statement is said to be endorsed by an actor of interest—local population with collective action potential in this case. The difference in responses between the treatment and the control groups can be interpreted as evidence of influence (or lack thereof) by the actor of interest.

To implement this design, I first randomly divide the respondents into two groups, one is the control, and the other is the treatment group.[47] Then the respondents in the two groups are asked to read the statement and answer the question that follow, with the *italic* part only appears in the treatment prompt. Respondents in each group only read one prompt and do not know the existence of another prompt.

> City A is under a tight budget this year. Mr. Wang, the party secretary of a district under the city, goes to the city's fiscal bureau, asking for a special earmark for a

[47] I conducted two-tail Pearson t-test for all the variables presented in Table 1 for the two groups. The differences between the two groups are statistically indistinguishable across all variables, suggesting a satisfactory randomization.

reconfiguration project [形象整修工程] of a main road in his district. [*Many of the local people have been strongly demanding the reconfiguration for a while due to the road's poor condition.*] If you were in charge of the city's fiscal bureau, will you support the earmark?

1. Strongly oppose 2. Oppose 3. Neither support or oppose 4. Support 5. Strongly Support

The wording in this hypothetical prompt were carefully chosen as I have some prior expectation on the types of respondents that I will be able to recruit. They are not top-level bureaucrats in provincial government or central ministries, but instead mostly in city and county governments. Most of them are not in positions that have the authority to merge districts or plan high-speed railway routes. The scenario I use here is trying to reflect a situation that they could actually encounter or have heard of in their day-to-day work, to which their responses will be more realistic and reliable.

6.3 Results

The result of the endorsement experiment is presented as below. In addition to the key variable that identities whether each respondent belongs to the treatment group. I also control for enumerator fixed effects, as the survey questionnaires were distributed by different staff members in different classes.

	Estimate	Std. Error	t value	Pr(>|t|)
Intercept	2.450329	0.139416	17.576	< 2e-16 ***
Treatment	1.229309	0.153875	7.989	1.10e-13 ***
Enumerator fixed effects		Yes		

The level of support in the control group, as reflected in the coefficient for the intercept is about 2.45, which in general is leaning towards "oppose (2)." This result is not surprising, as the party has repeatedly asked local government to cut back wasteful spending in "showcase" infrastructure projects. The language used in the survey—reconfiguration of a main road—suggests that the earmark could be used in such a project, therefore soliciting responses that are in general against the earmark.

The inclusion of a statement that local population is strongly demanding the project in the treatment group, shifts the result to the "support" side by 1.23 (see shaded coefficient), and such a change is statistically significant. The average evaluation for the treatment group is therefore close to 3.7, well in the range of supporting the project. This result lends strong support to the argument that the presence of public pressure—with collective action potential—has the power to sway the attitude of upper level officials in favor of the demand of the localities.

7 Concluding Remarks

This chapter studies local officials' strategic use of instability in bureaucratic infighting. It develops a model of "collaborative instability" in which mass mobilizations—with appropriate appeals that are congruent with officials' agenda—could serve as powerful bargaining leverage for those weak bureaucracies to extract policy concessions from above. The chapter examines the institutional environment that gives rise to such a strategy, uses a detailed case study to show how officials' responses to the people in streets deviate from the default mode of repression and demonstrate instead tactic tolerance, and employs a survey experiment to assess the efficacy of public pressure in intra-bureaucratic bargaining.

This study contributes to the comparative literature of authoritarianism by highlighting a nuanced and interesting elite-mass linkage in authoritarian politics. While students of dictatorships increasingly recognize the fact that the masses do not hold the same influence as the elites in authoritarian political process (Svolik, 2012), the masses have changed histories of dictatorships from time to time (e.g., Kuran, 1991; Tarrow, 1994). Many scholars have noticed that bottom-up citizen mobilizations, when come at the right time and in the right forms, might empower (segments of) the ruling elites in unanticipated ways (O'donnell & Schmitter, 1986; Radnitz, 2010; Treisman, 1999). The argument developed in this study echoes this logic, and offers rich evidence on how Chinese local officials exploit public pressure to extract policy benefits from their more powerful counterparts within the regime.

The finding of this study is also relevant to our understanding of the state-society

relation in China. Whiles in recent years, the CCP regime has established a number of institutions to allow citizens to articulate grievances and to channel such information from the grassroots to the center (Chen, 2012; Lorentzen, 2013; Manion, 2016; Truex, 2014), there has been generally less attention on how the surge in voluntary citizen mobilizations could shape officials' interactions at various level of bureaucracy. The question of how the masses might change the landscape of Chinese elite politics at various levels—to which this study tries to address—should merit further academic attention.

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Chapter 5
Conclusion

This dissertation examines authoritarian power-sharing through the perspective of distributive politics. It focuses on the institutional mechanisms that prevent rulers from unilaterally allocating resources for their own benefits. These institutional arrangements are critical to the survival of authoritarian rule by assuring that various members of the regime can enjoy a share of the spoils and thereby continue investing their loyalty in the regime. Failure in sustaining a credible resource sharing agreement risks tension and conflicts among the ruling elites.

The dissertation focuses on the case of China, one of the most populous and enduring authoritarian states in today's world. What institutional arrangements commit CCP leaders to share power with other elites? What specific mechanisms allow different members of the regime to have a voice in the policymaking and implementation processes? This dissertation answers these questions by focusing on the role of bureaucracy.

Building on the literature of bureaucratic autonomy, I argue that the fragmentation of decision-making authority within the bureaucracy prevents rulers from making self-enriching policies at the expense of other elites. The increase in the number of veto points (bureaucracies) involved in the decision-making process raises the coordination cost of top-down manipulation, making unilateral policy actions more difficult on the part of the ruler. The credibility of such bureaucratic constraint rests upon the professional knowledge and services that the bureaucracies provide to

formulate and implement policies. In addition, once authorities are assigned to different bureaucracies, it also creates an enduring stake among these agencies to resist effort of recentralization to preserve their privileges.

The distribution of policy benefits in areas with fragmented bureaucratic authority is instead shaped by the negotiations between the bureaucracy and policy recipients. The most notable recipient of central government's policy benefits in China is local government. Territorial administrations with greater bargaining power can cut through gridlock and negotiate consensus among different bureaucratic agencies. The resulting policies of the central government tend to reflect and take care of the interests of these localities. The pattern of distribution in these policy areas therefore is shaped by bottom-up bargaining of the territorial government, instead of wills of the leaders at the top.

I find that territorial administrations' bargaining power stems from different sources in China. Localities' position in the party state's hierarchies plays an important role. Those that hold concurrent leadership positions at one level above their own ranks enjoy advantages in competing for policy spoils with peer localities. In contract, those at the peripheral of the party state's hierarchies have less institutionalized bargaining power. They instead resort to extra-institutional strategies of bargaining, such as permitting mass mobilizations that demand policy concession from upper levels of government.

This dissertation also recognizes that not all policy areas are managed by fragmented bureaucratic authorities. These areas are often less technologically

sophisticated than large scale infrastructure projects like high-speed railway. Their technical simplicity does not undercut their importance. Some decision areas, such as personnel appointment, is at the center of political contention in CCP. In these areas, alternative institution mechanisms, such as term limits, play the role of committing the ruler to share power with other members of the ruling coalition in these realms (Ma, 2016).

In summary, this dissertation focuses on the institutional fabrics that help preserve political stability and elite cohesion in authoritarian regimes. It joins a fast growing research tradition that explains authoritarian survival through institutional perspectives (e.g., Albertus & Menaldo, 2012; Boix & Svolik, 2013; Gehlbach & Keefer, 2011; Kokkonen & Sundell, 2014; Ma, 2016; Magaloni, 2006, 2008; Menaldo, 2012; Moustafa, 2007; Myerson, 2008; Svolik, 2012). This study argues that bureaucracy has the potential of limiting the power of authoritarian leaders. Scholars have also found bureaucracy plays similar role of constraining executive power and preserving policy independence in other contexts, such as imperial China (Qian, 1982), developmental autocracies (Haggard, 1990), and modern western democracies (Knight & Miller, 2007; Miller, 2000; Miller & Whitford, 2016). This argument helps to explain why historically certain despotic rulers (such as Mao Zedong) sought to destroy bureaucratic institutions when they tightened grip on power (Huang, 2000; MacFarquhar & Schoenhals, 2009).

I wanted to be forthright that this dissertation falls short in explaining why and how did elaborative bureaucracies with divided authorities emerge in the first place.

For China, the bureaucracy coevolved with the historical effort of building and maintaining a cohesive empire of vast territory (Weber, 2013; Wittfogel, 1957), and modern CCP regime inherited many institutional features of the imperial bureaucracy (Lieberthal, 2004).

As for the divided authorities, they develop most likely as the result of economic and technological progress. In this regard, the idea that a sophisticated bureaucracy with divided specialties can limit negative consequences of authoritarian rule maps onto the thesis of modernization (Lipset, 1959). A state with primitive economy only needs a very small bureaucracy. The growth of economy and the accompanying technological progress call for more specialized and complicated public services (e.g., more convenient ways of transportation). State's efforts to meet such demand—creation of bureaucracies providing specific services—gradually translate into the institutional fabrics underpinning limited authoritarian rule.

Another important strand of literature this study contributes to is distributive politics. The question of who get what, when and how is central to the study of politics (Lasswell, 1936). As Kramon & Posner (2013) point out, the patterns of distribution vary significantly depending on the political context in which distribution takes place and the types of policy benefits being distributed. This study show that in policy areas with fragmented authorities, the distribution of central policy benefits is shaped by bottom-up policy bargain. Similar patterns of policymaking are observed outside China, in countries also with elaborative bureaucracy and hierarchical institutions. Treisman (1999) for example, find that the allocation of fiscal resources in post-Soviet Russia

follows the logic of "selective appeasement." Localities tacitly allow anti-Moscow mobilizations to extract policy concessions, in the form of subsidies or transfers, from the federal government. Robertson (2010) documents a similar tension between the Russian federal government and territorial administrations in his work. These findings are consistent with the perspective that people are not merely takers of institutional constraints. Those entrepreneurial actors of the regime will actively take the advantage of the institutional structure to advance their interests (Thelen, 2004).

This bottom-up approach complements the dominant explanation in the distributive politics literature, which argues that authoritarian leaders, who are well informed of local conditions, use policy benefits strategically to buyoff constituents' loyalty (Blaydes, 2010; Bueno de Mesquita, Smith, Siverson, & Morrow, 2005; Magaloni, 2006; Magaloni, Diaz-Cayeros, & Estévez, 2007).

A highlight of this study is that the policy issues it focuses, large infrastructure projects or administrative redistricting, differ from other types of policy goods, such as loans, grants, subsidies, and transfers. Once the decisions are made and policies are implemented (e.g., when the railways are built), it is difficult to retract or reserve the consequences associated with these actions. The reversibility of policy benefits is at the core of a patron-client explanation for distributive politics—the idea that the patron could punish the disloyal clients by withdrawing the benefits previously given to them (Hicken, 2011; Kitschelt & Wilkinson, 2007; Robinson & Verdier, 2013). The *quid pro quo* logic of patronage politics therefore is less persuasive in explaining the distribution of the type of policy benefits discussed here. The bottom-up bargaining model proposed

in this study provides an alternative framework to make sense of the distributive patterns of these policies.

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