

Memo for the “Workshop on Chinese Politics in Comparative Perspective,”
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This revised memo takes a political economy perspective on the Chinese politics field, focusing on capital, land, and labor; it touches on accumulation of knowledge, potential for accumulation, and agendas for future research.

Literature on the reform era provided key political explanations for the capacity of the Chinese state to pursue its policy goals, most notably economic development. One contribution of this literature has been to identify the incentives created by the formal state institutions of the fiscal system and cadre evaluation system. This literature argues that institutions have driven local cadres to compete to promote economic activity and to generate revenue in particular forms. The results of these incentives include, historically, the development of TVEs—both public and private¹ and, more recently, the development of real estate and industrial parks based on conversion of rural to urban land (Whiting 2010; Su and Tao 2017).

Early work by Oi (1992), Whiting (2001, 2004) and Edin (2003) on fiscal and cadre incentives operating at the local level was extended to the central level by Shih, Adolph, and Liu (2012), who identified an alternate logic of factions operating at the center. Tests of these hypotheses by political scientists—and, increasingly economists—have taken multiple directions. One direction is statistical analyses of the tax ratio (Whiting 2001, Lü and Landry 2014), a classic measure of state capacity, testing and finding support for hypotheses about the incentives created by formal institutions. Another thread in the literature (Landry, Lü, Duan 2017; Jia, Kudamastu, and Seim 2015; Li and Zhou 2005) focuses on who gets promoted (political selection of leading cadres), suggesting that different dynamics—factional vs. performance-based—operate at the central and local levels, respectively. Fiscal capacity also shapes other outcomes of interest, including public goods provision (Dickson et al. 2016) and government transparency (Van der Kamp, Lorentzen, and Mattingly 2017). An alternative perspective emphasizes the influence of informal institutions (Tsai K. 2006) and social groups (Tsai L. 2007; Mattingly 2016), rather than formal state institutions, on economic outcomes. Tsai (2007), for example, highlights the role of solidary groups to explain the provision of public goods, a line of inquiry further developed with economists (Xu and Yang 2015).

Political economy analyses of factors of production, including capital and finance, labor, and land have been fruitful but have become less common in recent scholarship, representing underexploited opportunities to study sources of bargaining power beyond the party center and time horizons of central policy makers. Tsai K. (2002; 2017) studies the reliance of small and medium enterprises (SMEs) on non-bank financial institutions in light of clear political limits on lending to SMEs in the formal banking system. Wang (2015), in his analysis of the demand of foreign capital for better

¹ The transitional organizational form of TVEs encompassed both collectives, which grew out of commune- and brigade-run enterprises, and private enterprises (Huang 2008; Whiting 2001). The former generated a literature on “second-best” institutions that sought to challenge orthodox claims about the necessity of secure, private property rights for economic growth (Rodrik 2000). Huang focuses on the large number of smaller private enterprises to emphasize the importance of private economic activity in explaining the dynamism of the Chinese economy in the 1980s. The private sector continues to outperform the state sector. Ang (2016) synthesizes this literature, identifying a dynamic of coevolution.

protection through the courts, highlights the bargaining power of foreign capital and generates debate regarding the relative bargaining power of foreign and domestic interests. Huang (1996) and Shih (2008) examine the political capacity of China's transition economy and political system to manage inflation and to subordinate the preferences of provincial leaders for investment to central concerns about inflationary pressures. Analyses of labor politics by political scientists (Gallagher 2017; Fu 2017) have focused overwhelmingly on the management of discontent, although Huang (2013) has examined cleavages among different segments of the labor market. At the same time, an understudied aspect of labor in contemporary context is the nature of labor-market supply-and-demand dynamics and their effects on the organization and bargaining power of workers, key elements in analyses of regime transitions (Bellin 2000). Similarly, analyses of land have focused on the management of discontent over land takings and housing demolitions, including responsiveness to protestors' demands (Heurlin 2016). Yet, more broadly, reliance on land conversion for generating fiscal revenue (Ong 2014; Su and Tao 2017; Whiting 2010) and on land as collateral for high levels of local government debt—both flagged by the World Bank (2014) as unsustainable—raise questions about the discount rates of policy makers. While the consensus is that the cadre evaluation system produces short time horizons for local party and government executives, there is less consensus regarding the time horizons of higher-level leaders who shape the structure of the political economy as a whole. What are the political limits on tax and fiscal reforms?

Land property rights are an important factor in explaining other outcomes of interest, including aspects of authoritarian resilience. One set of theories (Magaloni 2008) on the maintenance of authoritarian regimes highlights the sharing of rents in exchange for political loyalty or acquiescence. Brandt et al. (2017) suggest that rent-seeking behavior on the part of local political elites limits the emergence of markets and perpetuates reliance on administrative mechanisms to allocate land. A current paper (Ma, Whiting Zhao APSA 2017) uses land takings as a proxy for rents to explore hypotheses about rent seeking at the village level. Employing both quantitative survey and qualitative data, we find a significant relationship between land takings and vote buying in village elections.² Building on Blaydes' (2011) analysis of vote buying and rent-sharing in Egypt, we explore the possibility that where land is valuable, village elections become a mechanism through which the regime can identify key targets for cooptation. Economically powerful actors have the resources to buy votes, and the successful vote-buying candidate gains access to land rents. Additional questions remain. Why did the party tolerate vote buying? How should we interpret Xi Jinping's recent, less tolerant stance on vote buying? Would elimination of vote buying leave local economic elites more or less willing to accept party rule? This analysis shares a logic with recent work by Truex (2014) on cooptation of economic elites through the National People's Congress. This line of inquiry builds on Gandhi and Przeworski's (2007) claim that democratic institutions—like legislatures—in authoritarian regimes contribute to authoritarian durability by providing a mechanism to share rents.

Motivated by interest in authoritarian resilience, even studies of capital, labor, and land share a common theme—contention and its management by state, with less analysis of the underlying political-economic drivers of contention. The work of Perry (2008), O'Brien and Li (2006), and others has generated a rich literature on protest and "rightful resistance." With respect to capital markets, K. Tsai (2017) shows that informal lending has become a major source of disputes handled by the courts. With respect to labor, Gallagher (2006) identifies the phenomenon of "informed disenchantment" on the part of workers engaging the legal system and questions the ability of the authoritarian state to manage labor disputes effectively. In addition to political scientists (Cui et al; Heurlin 2016; Mattingly 2016; Ong

² This research also links with field experiments on vote buying (Leight et al.).

2014; Whiting 2011), economists, legal scholars, and geographers examine the management of land disputes.

An over-arching question informed by interest in authoritarian resilience is whether state-provided channels of dispute resolution reduce or intensify political discontent and regime legitimacy. The large and growing literature on “rule of law” in authoritarian regimes (Ginsburg and Moustafa 2008; Massoud 2013) asserts that law and legal institutions legitimate state actions, but there is little empirical evidence to support this assertion. Recent studies seek to test these claims empirically using survey responses on trust in government (Dickson et al 2016; Lü 2014; Whiting 2017). Whiting (2017), for example, shows that trust in government is undermined for those citizens who experience real land and labor disputes but not for those citizens who simply learn about the existence of legal recourse provided by the authoritarian state.³

Contention over land also provides a window into the pervasiveness of protests. Based on responses of 1897 households in a representative sample survey in the provincial-level units of Hunan, Chongqing, and Inner Mongolia, 11 percent reported having experience one or more grievance involving land in the preceding ten years (Whiting 2014). Fully 70 percent of those households reporting grievances involving land rights took some action, including negotiation, mediation, petition, litigation, media contact, or protest to try to resolve the dispute. Direct negotiation was most common, but nearly 6 percent of aggrieved households engaged in protest activities, which notably could occur at any point in the disputing process.

Demand for land in the context of urbanization and industrialization is an emerging issue in political science and Chinese politics (Albertus 2015; Brandt et al. 2017; Ong 2014; Rithmire 2015; Mattingly 2016, Su and Tao 2017; Whiting 2014) and a global phenomenon ripe for comparative analysis. What factors determine whether landholders exercise de facto rights/defend their claims effectively? How significant is the legacy of the planned economy? What difference does regime type—democratic vs. authoritarian—make? A comparison of China and India suggests that regime type is a potentially important factor, but this comparison is only beginning to receive critical scholarly attention (Perry and Duara). Democracy in India potentially may provide greater opportunities for citizens/landholders to resist changes to existing property rights. In India, ngo’s, political parties, and the media have mobilized around the issue of land in a legislative battle to define terms and procedures for land takings (Chakravorty 2013). Some Indian elites lament the inability of the system to more easily reassign rights, pointing to slower expansion of infrastructure than in China, for example. By contrast, the authoritarian regime in China makes it easier to reassign property rights in land and harder to block reassignment, offering fewer veto points in policy making. In China, the state uses illiberal law, state-controlled institutions of dispute resolution, and coercion to push through conversions of rural to urban land, while, at the same time, responding to petitioners and protestors (Heurlin 2015). Does contestation over land claims take place in systematically different ways in democratic vs. authoritarian regimes? Comparisons with Mexico, which—like China—has rural collective land rights, but which—

³ I was surprised to find a positive and significant relationship between legal awareness and trust in government (noting that the coefficient on the control variable for real dispute experience is negative). In the context of a quasi-experiment involving a legal awareness campaign, use of treatment and control as well as panel pre-test, post-test measures in a representative survey give me greater confidence that the trust effect is real. However, survey measures may be vulnerable to preference falsification (Jiang and Yang CPS 2016). Alternative methods, including list survey experiments (Malesky et al. 2015) and non-reactive measures, which are presently under-exploited in the field, may provide checks on traditional survey measures.

unlike China--has democratized, are also under-developed. Further comparisons of China with historical cases at the same point of transition from rural to urban, agriculture to industry, are also under-exploited. The English case, in which a small elite historically used law to reassign rights and to channel and repress resistance to these changes, provides another valuable comparison with the potential to reframe comparative development theory.

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