

Political Selection in the Post-Mao Era

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Studies of political selection in China are one of the most active strands of literature in Chinese politics in recent years. Seminal works such as Shirk (1993), Li and Zhou (2005), Shih, Adolph, and Liu (2012) have been cited frequently since their publications. This short memo attempts to summarize the progress researchers have made in this area and point out some limitations in the existing works as well as challenges we need to address to move forward.

Shirk (1993) provides a comprehensive analysis of the political selection process of the Chinese Communist Party (CCP) and analyzes its relationship with government policies in the early reform era. The selectorate model she proposes has the two main elements: (1) top CCP leaders are chosen by an elite selectorate consisting of the Central Committee members, the elders, the PLA leaders, and the preeminent leader; (2) top leaders and the selectorate form a “reciprocal accountability” relationship in which each must satisfy the other to remain in power (p. 90). Based on this theory, both patronage relations and policy orientations matter in the selection of CCP top leaders and in maintaining the system stable.

From 2000 onwards, many economists started to be interested in the economics of transition. They seek to explain why some socialist countries were more successful in transforming their economies and maintaining high growth rates (e.g. China) than others (e.g. the Soviet Union/Russia). The political economy perspective provides probably one of the most compelling explanations. For example, Maskin, Qian, and Xu (2000) argue that pre-reform government organizational forms can explain different trajectories of economy transitions. China’s multi-divisional (M-form) government structure promotes “yardstick competition” which leads to better business environment (and hence, higher economic growth rate) and active policy experimentation.

Following their logic, Li and Zhou (2005) investigate the empirical relationship between performance indicators (GPD growth rate) of provincial party secretaries and governors and their promotion patterns. Their main contribution to literature, in my opinion, is to operationalize the concept of “yardstick competition” and directly link performance indicators to the outcome of political selection. Li and Zhou’s empirical model later became the workhorse model in the political selection literature. To date, this paper, together with several papers written by Zhou in Chinese on the same topic, has been cited over 5,000 times. Many important follow-ups are worth mentioning: Zhang (2008) explains why local governments have incentives to build infrastructure; Wang et al. (2007) discuss on the pros and cons of the yardstick competition model; Xu et al. (2007) study on the relationship between rotation of local officials and local economic performance; and Yao and Zhang (2015) investigate the individual effects of prefectural-level officials on local economic performance.

In political science, Pierre Landry (2008) studies the political selection process of lower-level (prefectural and county level) local government officials and emphasizes the role of personnel management system (e.g. local party organization departments) as a key factor in the promotion of local officials. He labels such a system as *Decentralized Authoritarianism*. In a 2011 JEL article, Chenggang Xu provides a thorough survey of the literature and coins a similar term *Regionally Decentralized Authoritarianism* (RDA), of which decentralized economic governance and centralized political governance are the two key features.

Patronage connection is another major theme in the political selection literature. A seminal paper by Shih, Adolph, and Liu (2015) documents the relationship between connections to party general secretary and promotion at the very top of CCP leadership (above the Central Committee level). Since then, many scholars have added connection variables (based on various definitions)—often as controls—on the right-hand-side of the promotion regression. One question naturally arises: connections or performance, which one is more important in explaining the promotion of local government officials? Jia et al. (2015) argue that they are complementary to each other in the promotion of provincial level government officials, i.e. performance matters more in promotion of officials who are connected to the CCP leadership. Using data from provincial, prefectural, and county-level governments from 1999 to 2007, Landry, Lu, and Duan (2017) report that economic performance plays a larger role in the lower levels of government while connections matter more in the higher levels.

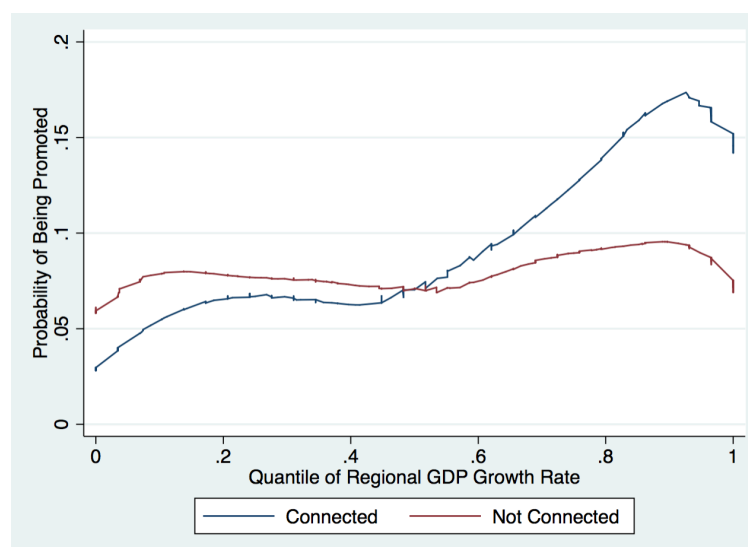


Figure 1 Replication of Jia et al. (2015)

Although the literature has made great progress since the 1990s, limitations and unresolved puzzles remain. For example, does performance matter for the promotion of provincial party secretaries and governors? Li and Zhou (2005), Xu (2011) and Jia et al. (2015) say “Yes,” but Landry, Lu, and Duan (2017) suggest “No.” My own replication of Jia et al. (2015) does seem to show that performance indicators, such as relative GDP growth rate, can predict promotion of provincial officials who are connected to the Politburo Standing Committee (PBSC) members (Figure 1). What then explains such puzzling discrepancies? There are many possibilities: researchers

used data from different time periods; used different measures of economic performance and/or political connections; or used different statistical models. Some careful analysis is needed to sort this out.

There are several limitations to the current approach. Methodologically, I am not so sure that two-way fixed-effect model everyone on the panel uses is the correct one. The two-way fixed-effect model assumes that the treatment (performance or connection) assignment is independent of all potential outcomes throughout the entire observed time period after time-invariant heterogeneity is being conditioned on. This is clearly not true in our case. For example, if a leader is not promoted this year, he or she may have incentive to pump up GDP growth next year—which means past outcome may affect future treatment; moreover, if he or she is not promoted this year, his or her baseline probability of being promoted will probably increase because of the political turnover cycle. So, what is the right model? I don't know. Researchers probably need to go back to the drawing board and explore a bigger modeling space (which may include duration models and survival analysis) in order to understand the data better. But before we start to play with more complicated statistical models, we probably also need to get the basics right. By playing with data, I find that a very basic coding decision—whether to code the outcome variable (promotion) as the same value throughout an official's entire term in office (all 0's or all 1's for several consecutive years) or to code the variable first as 1 in an official's last year in office before being promoted next year and then as 0 for all non-turnover years—can change the result dramatically. It seems that we have not yet had a discussion on what the best empirical strategy is even though many papers have been written on this topic.

Substantively, it is necessary for us to explore research opportunities beyond the model of yardstick competition. Currently, most studies primarily focus on the promotion of local government officials, or more precisely, the segments of officials' careers when they work in the local governments.¹ This is because performance indicators for local government officials are available while it is difficult to measure the performance of a minister or a party organ's department head. We are starting to see more works that use purge, demotion, and retirement (the remaining categories of political turnover) as the outcome variable, or scandals, protest, and negative news ("negative" performance indicators) as repressors. Such developments broaden the scope of this literature and are certainly welcome, but they belong in the same analytical framework of yardstick competition. Yet what if this model does not tell the whole story of political selection in the post-Mao era China? There are many other institutional features described in earlier works (e.g. Shirk 1993) that have not received much scholarly attention, such as reciprocal accountability, career tracks, rotations and across-system lateral moves by CCP officials. The main difficulty we face is how is to utilize such ideas, including (1) creating intuitive and sensible measures of the key variables; (2) proposing falsifiable hypotheses; and (3) testing these hypotheses using public available data. We have much work to do.

¹ It is worth pointing out that the different roles of party secretaries and governors/mayors are under-studied.

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