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Power Sharing, Patronage, and Land Institutions in China

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Xin Sun*
Lau China Institute
King's College London
Strand
London WC2R 2LS, UK
E-mail: xin.sun@kcl.ac.uk
Phone: +44-020-7848-8634

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Abstract:

This research examines how single-party regimes share power among ruling elites. An examination of land institutions in China suggests that the ruling party takes advantage of a statist and partially centralized land regime to distribute land development rights (land quotas). This institutional arrangement allows central regime elites to use land as patronage to build their clientelistic networks, which further constitutes a patronage-based power-sharing scheme that allows central elites to share power among themselves. Based on a data set of land-use conversion, the empirical analysis finds that central elites channel land quotas to their political followers in provincial governments and the power to influence land quota distribution is shared among several central elites. Moreover, land quota distribution also reflects an effort to curb local governments' discretion in land use. These findings contribute to the literature on authoritarianism and land politics, and have important implications for land institutional reforms in China.

Keywords: Power sharing; Patronage; Land institutions; China

1 Introduction

Effective power sharing is essential for maintaining political order in both democratic and authoritarian regimes. Access to power and rents binds regime elites to the existing political structure by increasing their opportunity costs for defection. Power sharing is particularly important for authoritarian leaders who are more vulnerable to unexpected non-constitutional challenges than their counterparts in democratic governments.¹ Well-designed power-sharing strategies enhance autocrats' likelihood of political survival in uncertain political environments.

The existing literature on power sharing in authoritarian regimes focuses primarily on the role of quasi-democratic institutions—such as parties, elections, and legislatures—as instruments of power sharing. Scholars have made two observations regarding these institutions. First, game-theoretical models suggest that institutions strengthen elites' incentives to comply with the regime rather than oppose it.² Second, cross-national analysis confirms that regimes with quasi-democratic institutions are more resilient than those without such institutions.³ Both types of research argue that power sharing is more stable in single-party regimes.

While the research focusing on quasi-democratic institutions has significantly enriched our understanding of power sharing under authoritarianism, it tends to be excessively abstract about the mechanisms through which these institutions function. It is often *assumed* that parties, elections and legislatures strengthen power sharing, but it is much less clear how exactly these effects take place. Observing this gap in the literature, Pepinsky contends that institutions shouldn't "be studied separately from the concrete problems of redistribution, policymaking, and regime maintenance that motivate elite behavior."⁴ The goal of this research is to complement existing game-theoretical and cross-national studies with a direct examination of concrete power-sharing strategies.

This article focuses on China and examines the power-sharing practices adopted by the Chinese Communist Party (CCP). China provides an ideal setting for researching authoritarian power sharing for two reasons: First, it is one of the most resilient authoritarian regimes in the world. This means that if power sharing is indeed crucial

for authoritarian survival as the existing literature has contended, the Chinese regime should have adopted some of the most effective power-sharing practices. Second, focusing on China also helps illuminate how party institutions help build effective power sharing.

This article defines power as influence over the allocation of state resources, and theorizes power sharing as the formal and informal rules and practices that authoritarian leaders adopt to distribute such influence among ruling elites. To explore how Chinese leaders exercise power sharing, I focus on land, a most important source of economic rents in the Chinese political economy and the target of intense bargaining among political elites. An examination of China’s land institutions finds that the CCP employs a statist and partially centralized land regime to manage the use of land and, as a result, the distribution of rents and benefits generated from it. More specifically, these institutions—while having been widely criticized as inefficient and having caused serious social and political problems—serve three functions. First, they allow government officials to generate economic rents and political benefits from managing land resources. Second, the centralized allocation of land resources in the form of land quotas allows top political elites of the Party to use land as patronage in building their political networks. Finally, these land institutions also aim to curb the discretion of lower-level bureaucrats to mitigate political and social risks and make the power-sharing scheme more sustainable.

Drawing on a panel data set covering 30 Chinese provinces between 1999 and 2013, the empirical analysis of the research examines factors that influence the allocation of land development rights (i.e., land quotas). First, it finds that stronger patron-client ties between central elites of the Party and the leading officials of a province are associated with more land quotas received by the province. Moreover, further breaking down the Party’s central elites into several categories suggests that the observed effect of patron-client ties on land quota distribution is not driven by ties with the Party Secretary General (PSG), which constitutes the “first among equals” within the Party’s ruling coalition. Rather, ties with other Politburo Standing Committee (PSC) members—the group of elites whose loyalty is crucial for regime stability—drive the effect. These findings confirm

the logic of authoritarian power sharing i.e., the power of allocating important state resources being shared among top political elites of the regime. Finally, the land quota a province received is also negatively correlated with the level of illegal land occupation in the province in the past year, showing the mechanisms through which the Party controls local discretion to make power sharing more sustainable.

The findings of the research also contribute to the literature regarding how politics affects property-rights institutions. Existing studies based on developing countries in Africa, Southeast Asia, and Latin America have identified political considerations as important determinants of the property-rights regimes adopted in these countries. For example, politicians facing electoral competition are often found to manipulate land and property-rights institutions to mobilize support on the ballot, typically via local chiefs as brokers.⁵ By contrast, this research focuses on a non-electoral political environment and argues that land can also be distributed among authoritarian elites in the form of land development rights. Property-rights institutions in this context serve as mechanisms for regime leaders to deliver patronage and rents not to electoral constituencies but to peer political elites.

This research also contributes to the burgeoning literature on land politics in China. The dominant paradigm in the literature focuses on the interactions between local authorities and land-deprived residents.⁶ Predatory local governments motivated by the imperative to generate land revenue are often perceived as the primary culprits for the conflict-ridden land development and urbanization process in China.⁷ By contrast, the role of the central government and central political elites are less systematically examined.^{8,9} Focusing on elite politics at the national level, this research provides a novel perspective to studying land politics in China.

The rest of the article will proceed as follows: I will first introduce the research context and discuss land institutions in China. Section three proposes a theoretical analysis on authoritarian power sharing and establishes theoretical hypotheses. Section four presents the empirical analysis, followed by a conclusion.

2 Land Institutions in China

China adopts a set of state-dominated and partially centralized land institutions. Land is publicly owned, therefore the property rights granted to individuals, especially rural residents, are severely restricted and insecure. The state monopolizes the supply of construction land through the law, government regulations and zoning requirements. With few exceptional scenarios, only the state itself is permitted to convert land from rural to urban use. The central government employs a centralized administration system to distribute land development rights among local governments to regulate the latter's land-use behaviors.

To be more specific, land in China is zoned by location and by use type. By location, it is segmented into urban and rural land, with the former owned by the state and the latter owned by rural collectives, with private ownership thus prohibited.¹⁰ Land is also divided by use type into agricultural land (in which arable land is a nested type), land for construction, and unused land. Only the state has the authority to convert land from one type to another. For example, agricultural or unused land can only be converted to more profitable construction land through the process of land requisition, which can only be conducted by the state.

Under this institutional framework, the local government has become the only legitimate supplier of construction land used for non-agricultural purposes. In the central-planning period, land was provided free of charge by local governments to users, mostly state-owned enterprises. The amended constitution in 1988 allowed firms, including real-estate developers, to lease construction land from local governments after paying land conveyance fees (*tudi churang jin*). Because the amount of land conveyance fees significantly exceeds the compensation paid to dispossessed residents, local governments extract a tremendous amount of revenue through land requisition.

Since the 1990s, rapid economic growth and urbanization have dramatically driven up the prices of urban construction land. Moreover, the housing reform conducted in 1998 abolished state provision of free or subsidized housing for state employees. This reform, in combination with the much relaxed migration policies as well as the rapid accumulation

of domestic wealth, has contributed to a nationwide real estate boom for nearly two decades.¹¹ Within the last two decades, the total area of land leased to developers and the conveyance fees generated in this process have both skyrocketed.

While it is the local governments that conduct land requisition and transform rural land into construction land, their land use behavior is regulated by the central government through a centralized land administration system that allows Beijing to exercise strong authority over land management. In 1986, the central government built the organizational foundation for the land administration system by establishing the State Bureau of Land Administration (SBLA). In 1998, the central government revisited the *Land Administration Law* to further shore up land control by the central government. At the same time, the SBLA was replaced with the Ministry of Land and Resources (MLR), which enjoys higher administrative rank and exercises greater authority over the formulation and implementation of land regulations and policies than its predecessor. Since 1998, the MLR has adopted a top-down quota system to set annual limits on the area of construction land each locality could convert and develop.¹² The quota system is hierarchical: The central government assigns quotas to provinces; then provincial governments further distribute the quotas they receive among cities and counties in their jurisdictions. Through the quota system, the central government significantly strengthens its control over land development rights.

Three types of quotas are distributed from upper-level to lower-level government. The first type of quota imposes an upper limit on the total area of new construction land (*xinzeng jianshe yongdi*) (which can be converted from arable land) (*gengdi*), other types of agricultural land (*nongyongdi*), or unused land. The second and third types of quota set limits on the conversion of agricultural and arable land, respectively. The second type of quota is therefore nested within the first type, and the third type of quota is nested within the second type.

Due to the lack of secure land tenure and excessive state interventions, land institutions in China have caused several undesirable economic, social, and political consequences. Wu Jinglian, a renowned Chinese economist, criticized these institutions as too

inefficient and causing too much waste of resources.¹³ Many other scholars and even government officials have also echoed this view. Moreover, land conflict has become the single largest source of social instability. It is estimated that land disputes, especially those caused by local governments' mandatory land requisitions, have accounted for around 65 per cent of collective protests that occurred in the countryside.¹⁴ Finally, corruption is particularly rampant in the land sector. Drawing on media reports, Gong and Wu find that land corruption cases more than tripled between 2000 and 2009.¹⁵ The original data I collected for the high-profile corruption cases that involved officials at or above the vice-provincial-level between 1999 and 2013 also suggests that half of these cases involve land corruption.

It is puzzling that, despite these problems, the central government has stubbornly maintained the set of land institutions and constantly rejected proposals to reform it. Existing explanations for the lack of reform focus on institutional factors. For instance, a popular view attributes the lack of reform to unbalanced fiscal relations between the central and local governments. It argues that the local government resists such reform due to its desperate need of extra-budgetary revenue from the land market,¹⁶ and this is in turn a result of the previous fiscal reform that assigned the local government with unbalanced revenue and expenditure.¹⁷ As for the quota system, it is often interpreted as part of the central government's effort to preserve arable land and maintain national food security.¹⁸ Rithmire's recent work also finds that land institutions can serve as important tools of macroeconomic management and regional development for the central government.¹⁹ These existing explanations have significantly enriched our understanding of land institutions in China, nevertheless they haven't analyzed how elite politics may also affect the functioning and outcomes of the land regime. This study suggests that the political considerations of top regime elites may also constitute a political hurdle to potential reform in land institutions.

3 Power Sharing, Patronage, and Land Institutions in China

Power sharing is essential for the political survival of authoritarian regimes and their leaders. In the absence of institutionalized mechanisms of leadership transitions, dictators often face non-constitutional challenges orchestrated or facilitated by regime insiders, such as military coups.²⁰ These challenges compel authoritarian leaders to share power and economic rents with important regime elites to maintain the latter's loyalty.

The existing literature on authoritarian power sharing has identified quasi-democratic institutions, such as political parties, elections, and legislatures, as important instruments of power sharing. On the one hand, scholars adopt game-theoretical models to show that quasi-democratic institutions induce elite compliance with the current regime.²¹ On the other hand, cross-national analysis also shows that authoritarian regimes that adopt quasi-democratic institutions are more resilient than those without such institutions.²²

These findings lead many to conclude that quasi-democratic institutions increase the stability of authoritarian power sharing.²³ However, this research largely treats quasi-democratic institutions as a black box without explicitly specifying the detailed mechanisms of power-sharing in authoritarian contexts. To be sure, parties, elected councils, and legislatures enable political elites to hold formal positions within them. However, as Magaloni contended, “the mere existence of parties does not necessarily mean that office-holders have power and influence over policy outcomes.”²⁴ Blaydes reached a similar finding about authoritarian legislatures.²⁵ As a result, it is not entirely clear how power is shared among ruling elites and how elites can derive benefits from being loyal to the regime rather than sabotaging it. Pepinsky, for example, critiqued the tendency to boil down complex power-sharing strategies and practices to just the existence of quasi-democratic institutions and correctly pointed out that these institutions “cannot be studied separately from the concrete problems of redistribution, policymaking, and regime maintenance that motivate elite behavior.”²⁶

Therefore, it is important to complement the game-theoretical and cross-national

research with further analysis of detailed power-sharing strategies. Particularly, such an analysis needs to address the following questions: First, how do quasi-democratic institutions translate into power and economic rents for political elites? Second, how are power and economic rents shared among authoritarian elites? Third, how do parties or other quasi-democratic institutions make power-sharing arrangements more stable?

This research defines power as influence over the allocation of state resources and conceptualizes power sharing as the formal and informal rules and practices that authoritarian states adopt to distribute this influence among regime elites. In different contexts, state resources could mean state budgets and jobs, natural resources, foreign aid, banking, and in this research, land. The importance of such economic resources to the stability of authoritarian regimes has been extensively documented and tested in the existing literature. On the one hand, maintaining tight control over key economic resources helps authoritarian states deal more effectively with potential challenges from society. For example, Arriola finds that state control over the banking system allows African states to forestall the formation of multiethnic coalitions among the opposition.²⁷ On the other hand, economic resources can also be used as patronage to co-opt crucial regime elites, a prevalent practice across the developing world.²⁸

Power sharing requires not only state control over economic resources, but also ensuring that the power to distribute these resources is shared broadly among regime elites rather than concentrated in the hands of a single leader. In other words, authoritarian regimes must design institutions to allow elites holding important political offices to influence the distribution of resources at their discretion. In this regard, legislatures in many authoritarian regimes fail to serve a strong power-sharing function because legislative seats tend to entail only limited influence over the allocation of economic resources.²⁹ Arriola finds that African leaders instead have relied on cabinet appointments to share more substantial power among political elites.³⁰

However, power sharing tends to increase the number of claimants to limited state resources and therefore entails potential political and social risks. Observing the post-independence politics of Benin, Allen writes, “resources are necessarily limited, but ex-

pansion and retention of support implied an ever-increasing pressure for resources.”³¹ Such pressure on the availability of resources undermines state capacity to perform critical functions and weakens political leaders’ ability to distribute patronage. Moreover, the extraction of resources could also trigger public discontent and resistance, increasing the risk of rebellion. In *When Things Fell Apart*, Bates finds that excessive predatory policies adopted by African states lead to bottom-up rebellion and ultimately the breakdown of political order.³²

Given the political and social risks associated with power sharing, it is necessary for authoritarian leaders to control the scope of beneficiaries by directing more resources to political elites whose loyalties are more crucial to regime survival. However, effective targeting in power sharing requires strong top-down control. In many weak states where centralized political control does not exist, resources and economic rents are often captured by local elites and contested among a large number of fragmented power holders.³³ In contrast, regimes ruled by Leninist parties have an institutional advantage in terms of their ability to impose top-down political control. For example, the CCP has long adopted a *nomenklatura* system of personnel control to strengthen compliance by local officials and reduce their discretion.³⁴ With these political tools, single-party regimes can achieve more effective and sustainable power sharing and avoid destabilizing consequences.

I argue that land institutions China adopts constitute an important power-sharing platform for the ruling elites of the Chinese Communist regime. The premise of this argument is that local officials reap significant financial and political benefits from engaging with the land market. Financially, as discussed earlier, land provides local officials with massive extra-budgetary revenue that can be used with greater flexibility than the money in the government budget. Politically, land development activities and economic rents generated from the land market also increase local officials’ prospects of political advancement. Large-scale land development projects, such as those infrastructural and industrial projects, contribute to local officials’ “political achievements (*zhengji*),” which is widely believed to be an important criterion used in the evaluation of local officials.³⁵ Local

officials also use land revenue directly to bribe their way to promotion.³⁶ Motivated by these political and economic benefits, local officials actively engage in land development projects and intervene in local land markets.

The centralized land administrative system allows the Party's central elites to exert strong influence over the allocation of land resources and corresponding benefits. Rather than directly intervening in the land market and land-use activities, central elites use land indirectly as patronage to build and strengthen their patron-client ties with local officials. The annual assignment of land quotas allows central elites to channel land development rights to their followers in the local government. With more land quotas, local officials are able to develop more construction land and accrue more benefits through the development and transaction of land. Provincial and city level officials have to frequently visit Beijing to lobby the central leaders for more land quotas, especially when national land-use policies are tight.³⁷ For central elites, they gain political benefits by strengthening their own patronage networks and political influence. They can also acquire personal wealth through illicit deals between their followers in the local government and real-estate developers directly or indirectly connected to them, as several high-profile corruption cases have suggested.³⁸

As with other authoritarian rulers, CCP leaders also face potential threats from within the regime.³⁹ Concerned about political survival, these leaders are compelled to share power and economic rents with their high-level colleagues. The centralized land quota system helps serve this function by allowing central elites to gain access to land resources that can be used as patronage, thus facilitating the building of political networks as well as the accumulation of their personal wealth. Among these central elites, the most important target of the Party's power-sharing strategy are members of the PSC, whose political loyalty are most crucial for the political survival of both the regime and individual leaders themselves. Existing research has shown that this group of central elites not only plays a dominate policy-making role but also systematically influences the allocation of economic resources such as bank loans.⁴⁰ In the land market, it is shown that connections with these powerful central elites help business groups violate the central government's

regulations and evade sanction.⁴¹

Two cases illustrate the strategic interactions between central elites and local officials in the distribution of land quotas. The first is about Sichuan province, which experienced radical urban expansion between 2008 and 2012. Chengdu, the provincial capital, was designated by the central government as a pilot city for land institution reform, which allowed the city to enjoy many flexible policies in land development unavailable to other localities. The favorable policies received by Sichuan and Chengdu benefited tremendously from the support of Zhou Yongkang, then a PSC member and former Party Secretary of Sichuan. Zhou visited Sichuan six times after assuming the leadership position within the PSC and provided strong support for local officials, especially Li Chuncheng — then Party Secretary of Chengdu and a protégé of Zhou — for the latter’s pursuit of urban and land development. It is reported that during his visits to Sichuan, Zhou had “positively appraised the achievements of the Chengdu in its experiment of coordinated rural-urban development” and “demanded further promotion.”⁴² The area of land conversion in the province between 2008 and 2012 had increased by 140 per cent compared with the previous five years, thanks to the more generous land quota granted by the MLR, of which Zhou himself served as the Minister between 1998 and 1999.⁴³ In return, Li and other local officials in Sichuan channeled vast economic rents to Zhou and other central elites by granting lucrative land deals to companies connected with them.⁴⁴

Zhengdong New District in Henan province provides another case that illustrates the effects of patron-client relationships on the allocation of land development rights. The New District, established in 2001, is a massive urban expansion project initiated and developed by Li Keqiang, then governor of Henan province and a most favored protégé of Hu Jintao — Party Secretary General between 2002 and 2012. With strong central connections, Li significantly increased the planned size of the New District from $5km^2$ as originally envisioned by the local officials of Zhengzhou to $150km^2$, making it one of the largest among such projects in China at that time.⁴⁵ After Li was promoted to the PSC as the vice premier, he channeled further political support to his former colleagues in Henan

by designating Henan and the New District as the center of the national “development strategy of central regions (*zhongyuan fazhan zhanlue*).” Strong central support provided Henan and especially Zhengzhou with more quotas and greater flexibility in the use of land. In an interview, a local official in the neighboring Shaanxi province complained that similar development projects in his province lagged far behind because Shaanxi failed to obtain the same kind of central support that Henan did in the early 2000s, especially in terms of getting central approval for land use. He then added that the situation had begun to change after Xi Jinping, the current Party Secretary General and a native of Shaanxi province, came to power in 2012.⁴⁶

The above cases provide preliminary evidence that patron-client relationships between central elites and local officials have an impact on the allocation of land development rights. They also suggest that the power to distribute land quotas is not concentrated in a single leader’s hands but rather is shared among several key central elites, especially those in the PSC. I therefore contend that the centralized land regime constitutes a platform for power sharing among the Party’s central elites. More specifically, I propose the following theoretical hypotheses:

Hypothesis 1 (Patronage Hypothesis) *Patron-client ties between central elites of the Party and local officials affect how much land quota each locality receives.*

Hypothesis 2 (Power-sharing Hypothesis) *The power to influence the distribution of land quota is shared among major central elites of the Party.*

While serving above political functions, China’s land institutions have also led to serious social and political risks that potentially understand the stability of the regime. It is estimated that land requisition by the local government accounts for two thirds of the instances of social conflicts and has significantly undermined public confidence in the government.⁴⁷ To address these risks, the Party has established several institutional mechanisms to reduce local officials’ discretion in land use. For example, the Party and central government use disciplinary actions, such as admonishing talks (*yuetan*) or

administrative warnings (*jinggao*), against local officials who are non-compliant with land-use rules. They also set up explicit institutions to punish the non-compliant behavior of a locality with reduced land quota in the following year.⁴⁸ It should be noted that these measures not only help curb local discretion in land use and reduce the social and political risks; they also strengthen the central government’s authority over the distribution of land quota so that the patronage and power-sharing functions of land institutions are maximized. These objectives are achieved through the Party’s centralized political control over local bureaucrats. In other words, the CCP’s strong capacity of bureaucratic control provides an advantage for the central government to alleviate the destabilizing effects of power sharing and therefore make the power-sharing scheme more sustainable. Based on the above discussion, I propose the third hypothesis:

Hypothesis 3 (Bureaucratic-control Hypothesis) *Localities less compliant with the central government’s land regulations are punished with lower quota.*

4 Empirical Analysis

4.1 Data and Variables

This section draws on a panel data set of 30 Chinese provinces between 1999 and 2013 to test above hypotheses.⁴⁹ Land data comes from *China Land and Resources Statistical Yearbooks* 2000-2014. For biographical information on central elites and provincial officials, I draw on their official resumes, published by the Xinhua News Agency (www.xinhuanet.com) and the People’s Daily Online (www.people.com.cn). All economic indicators, such as GDP per capita, size of population, and fiscal revenue, come from *China Statistical Yearbooks* 2000-2014. Tibet is excluded from the data set due to missing values in several key variables.

The dependent variable is the various land quotas each province received at a given year. Although the government does not publish data on land quotas, three indicators can be used as proxy measures: the area of approved construction land converted from

arable land (*gengdi zhuanrong*), the area of approved construction land converted from agricultural land (*nongyongdi zhuanrong*), and the total area of approved new construction land (*xinzheng jianshe yongdi*). The central government has begun to impose quota restrictions on the former two types of land conversion since 1999 and the third since 2006. Therefore, the three indicators serve as appropriate measures for the three types of quotas respectively.⁵⁰

A caveat about these measures is noteworthy. Central and provincial governments have divided authorities over the approval of land conversion, depending on the type of projects for which the converted land is used. The central government is primarily responsible for the approval of land used for national projects for military and infrastructural purposes. Such projects are called “central projects (*zhongyang xiangmu*)” and are typically planned and funded directly by the central government itself. By contrast, provincial governments are primarily in charge of the approval of land used for local industrial, infrastructural, and real-estate projects in the urban areas of their jurisdictions. Compared with quota assigned to central projects, provincial officials benefit more from the land quotas left to their own discretion, i.e., those used for local projects. Because of this distinction, in all three measures I exclude the areas of land assigned to central projects and only consider the areas of land conversion approved by provincial governments.⁵¹

Figure 1 describes the trends of the three types of land conversion between 1999 and 2013. It shows that the areas of all three types of conversion have been growing steadily over this period. The average annual growth rates of these types of land conversion range between 35 per cent and 41 per cent—much more rapid than the growth of GDP or urban population during the same period. Moreover, the largest portion of new construction land comes from the conversion of agricultural land, especially arable land, suggesting that the occupation and development of agricultural and arable land probably plays the most important role in China’s urbanization process.⁵²

To test the first hypothesis, I use patron-client ties between the Party’s central elites and provincial officials as the independent variable. Following Victor Shih’s seminal

Figure 1: Land Conversion Approved by Provincial Governments (1999-2013)

research, I measure patron-client ties using whether a provincial official had overlapping career trajectory with any Politburo Standing Committee (PSC) member.⁵³ Overlapping career trajectory is defined as two people working in the same system (*xitong*), such as a central ministry, a Party department, a military division, or a province, for at least one year and provided that the gap between their administrative ranks does not exceed one level.⁵⁴ For central elites of the Party, I focus on members of the PSC because the latter is the most important policy-making body within the Chinese political system, and its members are the most important ruling elites of the regime.

To test the power-sharing hypothesis, I further divide all PSC members into two categories: Party Secretary General and other PSC members. The Party Secretary General is the supreme leader of the Party and the “first among equals” of China’s ruling elites. Other PSC members also hold essential positions within the regime, such as the Premier, Propaganda chief, or Chairman of the National People’s Congress. PSC members could also become potential challengers to the supreme leader during critical moments such as leadership transition or political crisis. Therefore, the loyalty of PSC members is arguably most crucial for regime stability and the political survival of the Party Secretary

General himself. This division allows me to test if the power to influence land quota distribution is concentrated in the hands of the Party Secretary General or shared more broadly among PSC members.

The third hypothesis argues that non-compliant localities and their officials are punished with lower quota in the following year. To test this argument, I use the ratio of illegal land occupation to approved land conversion as a measure of local officials' non-compliance with the land regulations, including the quota restrictions, by the central government.⁵⁵

The analysis also includes several control variables. First, I control for a province's GDP per capita and the size of population. It is possible that the central government allocates quota among provinces based on the latter's economic endowments and growth potential. Second, I also control for the average land price in a province, calculated by dividing the total land revenue a province receives by the total area of construction land supply. Theoretically speaking, the impact of land prices on land quota distribution is not entirely clear. On the one hand, higher land prices motivate local governments to convert more land into construction use. If the central government takes the interests of local governments into consideration, it should assign higher quota to localities with higher land prices. On the other hand, rapid increase in land prices is also an indicator of an overheating economy, which may compel the central government to tighten land supply to cool down the economy. Third, I also control for a province's per capita fiscal revenue, measured by the sum of local budgetary revenue and transfer from the central government. This variable is included to test if the central government's quota distribution takes local governments' fiscal capacity into consideration. If so, local governments with fiscal shortfalls should receive higher quotas. Fourth, I also control for a province's arable land area per capita as an imperfect measure for the province's proneness to social instability. Land grabbing in localities with lower land-population ratios is more likely to meet stronger resistance from villagers.⁵⁶ Last, I also control for the size of the state sector. Localities with a larger state sector may receive higher land quota for two reasons: first, the central government may provide more land to state-owned enterprises (SOEs)

as a preferential policy to promote the latter’s development; second, higher land quota could also reflect the patronage and rents SOEs receive from the central government and central elites of the Party. Table 1 provides descriptive statistics for all variables.

Table 1: Descriptive Statistics

Variable	Unit	Obs.	Mean	Std. Dev.	Min	Max
Construction land conversion	hectare	450	7605	6423	20.19	49640
Agricultural land conversion	hectare	450	5121	4435	14.97	39526
Arable land conversion	hectare	450	3489	3264	13.57	34267
Governor ties	-	450	0.38	0.48	0	1
Party Secretary ties	-	450	0.39	0.49	0	1
Governor age	-	450	57.8	4.15	43	65
Governor tenure	-	450	3.06	1.89	1	10
SOE size	-	450	0.39	0.14	0.09	0.73
GDP per capita	yuan	450	22780	18654	2545	100105
Population	10000	450	4328	2612	510	10644
Land price	10000 yuan/ha	448	570.9	909.1	5.80	9250.8
Fiscal revenue per capita	yuan	450	4213	3845	424	19802
Illegal occupation	-	450	0.11	0.16	0	1
Arable land per capita	mu	330	1.66	1.14	0.12	6.20

4.2 Regression Analysis

Equation (1) summarizes the regression model. The dependent variable Y_{it} is the area of land conversion in province i at year t , measured using the three indicators described earlier. T_{it} is a binary variable indicating whether there exists any patron-client tie between a province’s leading official and any PSC member at a given year. More specifically, it is equal to one if a provincial leader’s career trajectory has overlapped with that of any incumbent PSC member, and zero if otherwise. X_{it} is a set of socioeconomic variables, including GDP per capita, population size, the share of SOE employees among all employed people, fiscal revenue per capita, and the ratio of illegal land occupation. Because data on arable land per capita is only available from between 1999 and 2010, including

this variable will reduce the number of observations. To maximize the number of observations, I first drop this variable from the analysis to run a full-sample model, and then put the variable back in a model with reduced sample size. All independent variables except patron-client ties are lagged by one year, and the log transformation is taken for the dependent variable as well as those independent variables measured at their levels instead of ratios.

I also include two sets of dummies, α_i and δ_t , to control for potential regional and temporary heterogeneity. One-year lag of the dependent variable, $Y_{i,t-1}$, is also included to control for the autoregressive effects.⁵⁷ Last, ϵ_{it} represents the residual term.

$$Y_{it} = \gamma Y_{i,t-1} + \lambda T_{it} + \beta X_{i,t-1} + \alpha_i + \delta_t + \epsilon_{it} \quad (1)$$

Because each province has two leading officials—a governor and a party secretary—I first examine between the two who has greater influence over the land quota a province receives. Table 2 reports the effects of patron-client ties between PSC members and the two types of provincial leaders, respectively, on the land quota a province received. While the patron-client ties of both provincial party secretaries and governors have positive effects on land quotas, only the ties of governors reach statistical significance. This suggests that, compared with provincial party leaders, governors typically have greater influence over land issues in their jurisdictions. This is consistent with existing findings that local administrative leaders (governors and mayors) typically play a more important economic role than local party leaders (provincial and city party secretaries).⁵⁸ Because the effect of provincial party secretaries is insignificant, I only focus on governors in the following analysis.

Table 3 reports the results of the full regression model. The first three columns use patron-client ties between a governor and any PSC member as the main independent variable, while the last three columns further break down patron-client ties into ties with the Party Secretary General and ties with other PSC members. For each set of regressions, the three dependent variables are the (log transformations of) areas of arable land conversion, agricultural land conversion, and new construction land conversion, respec-

Table 2: Comparing the Effects of Provincial Party Secretaries and Governors

	(1)	(2)	(3)
	Arable Land	Agricultural Land	New Construction Land
Secretary Ties	0.05 (0.05)	0.06 (0.06)	0.05 (0.05)
Governor Ties	0.15** (0.06)	0.15** (0.06)	0.12** (0.06)
R-square	0.818	0.799	0.793
Observations	420	420	420
Prov Fixed Effect	Yes	Yes	Yes
Year Fixed Effect	Yes	Yes	Yes
Lag Dep Var	Yes	Yes	Yes

¹ * $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$;

² standard errors clustered at the provincial level are in parentheses.

tively.

The results provide strong empirical support for all three hypotheses. Other things being equal, governors who used to be colleagues or subordinates of at least one incumbent PSC member receive 8-13 per cent higher land quota relative to those who have no such patron-client ties. The effects of patron-client ties vary depending on the type of land involved—they are stronger in the cases of arable and agricultural land conversion than in the case of total construction land. This is because for local governments, arable and agricultural land are more valuable than previously unused land, as much of the latter is either unsuitable or more costly for development. Therefore, quotas of arable and agricultural land are more preferred by the local government and more likely to be used by central elites as patronage.

Moreover, the last three columns of Table 3 show that patron-client ties with PSC members other than the Party Secretary General have a significant effect, suggesting that power is shared among the central elites of the Party. Somewhat surprisingly, ties with the Party Secretary General, the nominally most powerful figure in the Chinese political system, have a weaker and insignificant effect compared with ties with other PSC members. Since the period focused in the analysis is mainly under the leadership of Hu Jintao, this result suggests that, in the pursuit of land resources, Hu's followers did not

benefit as much from their patron-client ties with central leaders as the followers of other PSC members did. This finding is consistent with a popular view that Hu was a relatively weak Party Secretary General. A veteran analyst of elite politics in China contended that, probably with the exception of Li Keqiang, most other members of Hu's "Youth League faction (*tuanpai*)" lacked strong administrative or economic achievements.⁵⁹ Hu's prudent behavior reflected not only his own weakness and vulnerability as the "first among equals" within the CCP's ruling elites but also the importance of power sharing as a priority of political survival.

One might suspect that the effect of patron-client ties with PSC members might be driven by ties with the Premier as the leader of the government branch of the regime. More specifically, it is possible that only ties with the Premier, due to the latter's central leadership role in the implementation of economic policies, dominate the results. To check this possibility, I further break down all PSC members into three categories: the Party Secretary General, the Premier, and other PSC members. Figure 2 plots the marginal effects of patron-client ties between local officials and each different category of central elites. For the sake of simplicity, I only plot the effects calculated based on the model using the area of arable land conversion as the dependent variable. Each dot represents the estimated effect of patron-client ties with the corresponding elite category, controlling for other independent variables. The vertical lines represent the 95% confidence intervals of these effects. The result suggests that both ties with the Premier and other PSC members are significant, both statistically and substantively. The effect of ties with the Premier is slightly stronger.

The third hypothesis is also confirmed. The more land a local government occupied illegally, the lower quota it received in the following year. This result shows that the central government also relies on the quota system to reduce local discretion in the use of land as well as the social risk involved in it.

Among the control variables, the size of a province's population has a significantly negative impact on the land quota it received. One possible reason is that instead of measuring potential demand for construction land, population size perhaps also captures

the scarcity of land in the locality, which is not controlled in the baseline model due to missing values in the variable. This issue will be addressed later. GDP per capita has a positive and significant effect on the area of new construction land but not on the conversion of arable and agricultural land. The impact of per capita local fiscal revenue is negative, although not significant. This suggests that slightly more land quotas are given to localities facing greater levels of fiscal shortfall. Substantively, 1 per cent decrease in local fiscal revenue leads to 0.11-0.13 percent increase in land quota. Land price is insignificant either, suggesting that land quota allocation is insensitive to the fluctuation of local land prices. The share of SOE employees has a positive impact on land quota allocation, as expected, although it is only significant in some but not all regressions.

Table 4 reports the results after controlling for the area of arable land per capita. All major findings in Table 3 remain robust. In addition, arable land per capita is positively correlated with all three types of land quotas. Substantively, one per cent decrease in the area of per capita arable land results in 1.8-2.3 per cent decrease in the areas of land conversion. Moreover, after controlling for arable land per capita, the effect of population size becomes positive. This finding provides tentative evidence that the central government allocates less quota to localities prone to social instability.

Figure 2: The Effects of Patron-Client Ties on Arable Land Conversion

5 Conclusion

Using China as a case, this research studies power sharing in single-party regimes. In contrast to the existing literature that focuses on the effects of quasi-democratic institutions (e.g. elections, legislatures, and parties), this research looks into the concrete mechanism of power-sharing. An examination of China's land institutions suggests that the statist and partially centralized land regime adopted by the Party serves a power-sharing function. This regime enables central elites of the Party, PSC members in particular, to intervene in the distribution of land development rights and use such rights as patronage for their political followers in the local government. The power to influence the distribution of land development rights is shared among different PSC members rather than concentrated in a single leader's hands. The research also finds that land institutions in China also seek to reduce local discretion in land use, thereby strengthening the effectiveness and sustainability of the power-sharing function.

Apart from its theoretical contributions, this research also has important implications for economic reform and political development in China. First, the importance of the state's centralized control over land in CCP leaders' strategy of political survival shadows the prospect of more radical land institution reform. In recent years, strong public demands have emerged for an institutional solution to the widespread irregularities and conflicts in the land sector. Since the 18th Third Plenum of the CCP Central Committee, the Party has been pledging a systematic land institution reform and begun to conduct local pilot programs to experiment with potential reform measures. Attracting strong public attention, the reform discourses and local experimentation have been widely interpreted as the beginning of more fundamental changes in land institutions. However, the progress of the reform fails to live up to public expectations. In particular, state monopoly in the supply of the most lucrative part of construction land as well as the centralized quota system remain unchallenged. As this research suggests, one important reason for the lack of reform lies in the political functions served by the current land institutions.

The findings of this research also shed light on some recent developments in Chinese

political economy. After two booming decades, the real-estate sector in recent years faces an increasing risk of slowdown, and this happens at the same time with rising costs of land requisition.⁶⁰ As a result, both government revenue and rent-seeking opportunities generated from land transactions begin to shrink. Given the importance of land as a source of rents and patronage gluing different elite factions together, a weak real estate sector will likely trigger political instability within the regime. This situation has induced two responses from the Party's leadership. First, because the economic costs of elite co-optation and power sharing have become too high for the regime to afford, the Party's leadership began to use political strategies to remove powerful rent-seekers to prevent them from depleting the regime's most important source of rents. The massive anti-corruption campaign adopted in Xi Jinping's first term as the Party Secretary General provides evidence to such a strategy. Between 2013 and 2015, for example, nearly a hundred officials at or above the vice-provincial level, including a former PSC member, were removed from office. However, as Wedeman has convincingly argued, campaigns may be able to temporarily prevent corruption from growing out of control, but are unlikely to deter corruption persistently.⁶¹ Therefore, the anti-corruption campaign reflects an effort of Xi and his allies to reduce the scope of the extensive power-sharing scheme adopted throughout the Hu Jintao era rather than a systematic overhaul of the institutions that produce rent-seeking in the first place. The second response of the Party is to further strengthen state monopoly over land and the centralized control over local officials' land-use behavior, which would reduce the number of the beneficiaries of the current land regime and ensure rents flowing to those political elites whose loyalty is most crucial to regime survival. As a result, land institutional reform will continue to be delayed in the near future, and the problems in the land sector will remain intractable pathologies in the Chinese political economy.

Notes

¹Carles Boix and Milan W. Svolik. “The Foundations of Limited Authoritarian Government: Institutions, Commitment, and Power-Sharing in Dictatorships”. In: *The Journal of Politics* 75.2 (2013), pp. 300–316.

²Boix and Svolik, “The Foundations of Limited Authoritarian Government: Institutions, Commitment, and Power-Sharing in Dictatorships”; Barbara Geddes. “What do We Know about Democratization after Twenty Years?” In: *Annual Review of Political Science* 2.1 (1999), pp. 115–144; Beatriz Magaloni. “Credible Power-Sharing and the Longevity of Authoritarian Rule”. In: *Comparative Political Studies* 41 (2008), pp. 715–741.

³Boix and Svolik, “The Foundations of Limited Authoritarian Government: Institutions, Commitment, and Power-Sharing in Dictatorships”; Geddes, “What do We Know about Democratization after Twenty Years?”; Magaloni, “Credible Power-Sharing and the Longevity of Authoritarian Rule”; Jennifer Gandhi. *Political Institutions under Dictatorship*. Cambridge University Press, 2008; Jason Brownlee. *Authoritarianism in an Age of Democratization*. Cambridge University Press, 2007.

⁴Thomas Pepinsky. “The Institutional Turn in Comparative Authoritarianism”. In: *British Journal of Political Science* 44.3 (2013), pp. 631–653.

⁵Michael Albertus et al. “Authoritarian Survival and Poverty Traps: Land Reform in Mexico”. In: *World Development* 77 (2016), pp. 154–170; Catherine Boone and Norma Kriger. “Multiparty Elections and Land Patronage: Zimbabwe and Côte d’Ivoire”. In: *Commonwealth & Comparative Politics* 48.2 (2010), pp. 173–202; Catherine Boone. “Politically Allocated Land Rights and the Geography of Electoral Violence: The Case of Kenya in the 1990s”. In: *Comparative Political Studies* 44.10 (Oct. 2011), pp. 1311–1342; Michael Albertus. “Vote Buying With Multiple Distributive Goods”. In: *Comparative Political Studies* 46.9 (2013), pp. 1082–1111; Ato Kwamena Onoma. *The Politics of Property Rights Institutions in Africa*. Cambridge University Press, 2009.

⁶You-tien Hsing. *The Great Urban Transformation: Politics of Land and Property in China*. Oxford University Press, 2010; Meg Rithmire. “Land Politics and Local State Capacities: The Political Economy of Urban Change in China”. In: *The China Quarterly* 216.4 (2013), pp. 872–895; Susan Whiting. “Values in Land: Fiscal Pressures, Land Disputes and Justice Claims in Rural and Peri-urban China”. In: *Urban Studies* 48.3 (2011), pp. 569–587; Yongshun Cai. “Collective Ownership or Cadres’ Ownership? The Non-Agricultural Use of Farmland in China”. In: *The China Quarterly* 175.3 (2003), pp. 662–680.

⁷Feizhou Zhou. “The Role of Government and Farmers in Land Development and Transfer [Shengcai youdao: tudi kaifa zhong de zhengfu yu nongmin]”. In: *Sociological Studies [shehuixue yanjiu]* 22.1 (2007), pp. 49–82; Ran Tao et al. “Land Leasing and Local Public Finance in China’s Regional Development: Evidence from Prefecture-level Cities”. In: *Urban Studies* 47.10 (2010), pp. 2217–2236; Whiting, “Values in Land: Fiscal Pressures, Land Disputes and Justice Claims in Rural and Peri-urban China”; George

C. S. Lin. *Developing China: Land, Politics and Social Conditions*. London and New York: Routledge, 2009.

⁸Qian Zhang et al. “Central versus Local States: Which Matters More in Affecting China’s Urban Growth?” In: *Land Use Policy* 38.3 (2014), pp. 487–496.

⁹As a notable exception, Rithmire finds that land institutions are important instruments for the central government to manage the national economy and carry out regional development plans (Meg Elizabeth Rithmire. “Land Institutions and Chinese Political Economy”. In: *Politics & Society* 45.1 [2017], pp. 123–153).

¹⁰For example, residents who purchased residential properties only have the right to use their housing land for 70 years, but cannot own the land. Farmers rent agricultural land from rural collectives. Agricultural land can be subleased or used as collateral for bank loans, but cannot be sold.

¹¹Joyce Yanyun Man, Siqi Zheng, and Ren Rongrong. “Housing Policy and Housing Markets: Trends, Patterns, and Affordability”. In: *China’s Housing Reform and outcomes*. Ed. by Joyce Yanyun Man. 3-18. Lincoln Institute of Land Policy, 2011. Chap. 1; Jing Wu, Joseph Gyourko, and Yongheng Deng. “Evaluating conditions in major Chinese housing markets”. In: *Regional Science and Urban Economics* 42.3 (2012), pp. 531–543.

¹²The quota system was established as part of the central government’s new regulations on land use issued in 1999. See *tudi liyong niandu jihua guanli banfa (1999)* [Measures for the Administration of Annual Plans on the Utilization of Land (1999)] (amended 2004, 2006, 2016), available at http://www.mlr.gov.cn/zwgk/flfg/gtzybl/200504/t20050426_637325.htm, assessed on September 13 2016.

¹³“Wu Jinglian: Urbanization in China is too Inefficient and Causes too Much Waste,” *First Financial Daily*, Oct, 15, 2012, available at <http://finance.sina.com.cn/review/hgds/20121015/011>

¹⁴Jianrong Yu. “Major Types and Basic Characteristics of Group Events in Today’s China [Dangqian Woguo Quntixing Shijian de Zhuyao Leixing he Jiben Tezheng]”. In: *Journal of the University of Chinese Administrative Law [Zhongguo Zhengfa Daxue Xuebao]* 6 (2009), pp. 114–120.

¹⁵Ting Gong and Alfred M. Wu. “Central Mandates in Flux: Local Noncompliance in China”. In: *Publius* 42.2 (2012), pp. 313–333.

¹⁶Zhou, “The Role of Government and Farmers in Land Development and Transfer [Shengcai youdao: tudi kaifa zhong de zhengfu yu nongmin]”; Guangzhong Cao, Fei Yuan, and Ran Tao. “Land Finance, Industrial Structure Changes and Rapid Tax Revenue Growth in China [Tudi Caizheng, Chanye Jiegou Yanbian yu ShuiShou Chaochanggui Zengzhang]”. In: *China Industrial Economy [Zhongguo Gongye Jingji]* 2007.12 (2007), pp. 13–21; Lynette H Ong. “State-led Urbanization in China: Skyscrapers, Land Revenue and ‘Concentrated Villages’”. In: *The China Quarterly* 217 (2014), pp. 162–179; Whiting, “Values in Land: Fiscal Pressures, Land Disputes and Justice Claims in Rural and Peri-urban China”; Meg Rithmire. *Land Bargains and Chinese Capitalism: The Politics of Property Rights under Reform*. Cambridge University Press, 2015.

¹⁷Tao et al., “Land Leasing and Local Public Finance in China’s Regional Development: Evidence from Prefecture-level Cities”; Lin, *Developing China: Land, Politics and Social Conditions*.

¹⁸Lin, *Developing China: Land, Politics and Social Conditions*; Benjamin Van Rooij. *Regulating Land and Pollution in China: Lawmaking, Compliance, and Enforcement: Theory and Cases*. Amsterdam University Press, 2006.

¹⁹Rithmire, “Land Institutions and Chinese Political Economy”.

²⁰Milan W. Svolik. “Power Sharing and Leadership Dynamics in Authoritarian Regimes”. In: *American Journal of Political Science* 53.2 (2009), pp. 477–494; Georgy Egorov and Konstantin Sonin. “Dictators and Their Viziers: Endogenizing the Loyalty-competence Trade-off”. In: *Journal of the European Economic Association* 9.5 (2011), pp. 903–930; Pat McGowan and Thomas H. Johnson. “African Military Coups d’Etat and Underdevelopment: A Quantitative Historical Analysis”. In: *The Journal of Modern African Studies* 22.4 (1984), pp. 633–666.

²¹Boix and Svolik, “The Foundations of Limited Authoritarian Government: Institutions, Commitment, and Power-Sharing in Dictatorships”; Geddes, “What do We Know about Democratization after Twenty Years?”; Magaloni, “Credible Power-Sharing and the Longevity of Authoritarian Rule”.

²²Boix and Svolik, “The Foundations of Limited Authoritarian Government: Institutions, Commitment, and Power-Sharing in Dictatorships”; Geddes, “What do We Know about Democratization after Twenty Years?”; Magaloni, “Credible Power-Sharing and the Longevity of Authoritarian Rule”; Gandhi, *Political Institutions under Dictatorship*; Brownlee, *Authoritarianism in an Age of Democratization*.

²³Brownlee, *Authoritarianism in an Age of Democratization*; Geddes, “What do We Know about Democratization after Twenty Years?”; Magaloni, “Credible Power-Sharing and the Longevity of Authoritarian Rule”.

²⁴Beatriz Magaloni and Ruth Kricheli. “Political Order and One-Party Rule”. In: *Annual Review of Political Science* 13.1 (2010), pp. 123–143.

²⁵Lisa Blaydes. *Elections and Distributive Politics in Mubarak’s Egypt*. Cambridge: Cambridge University Press, 2010.

²⁶Pepinsky, “The Institutional Turn in Comparative Authoritarianism”.

²⁷Leonardo R Arriola. *Multi-ethnic Coalitions in Africa: Business Financing of Opposition Election Campaigns*. Cambridge University Press, 2012.

²⁸Thomas B. Pepinsky. *Economic Crises and the Breakdown of Authoritarian Regimes: Indonesia and Malaysia in Comparative Perspective*. New York: Cambridge University Press, 2009; Antoinette Handley. *Business and the State in Africa*. Cambridge University Press, 1993.

²⁹Blaydes, *Elections and Distributive Politics in Mubarak’s Egypt*.

³⁰Leonardo R. Arriola. “Patronage and Political Stability in Africa”. In: *Comparative*

Political Studies 42.10 (2009), pp. 1339–1362.

³¹Chris Allen. “Benin”. In: *Benin, The Congo, Burkina Faso: Economics, Politics, and Society*. Ed. by Chris Allen et al. London and New York: Pinter Publishers, 1989.

³²Robert H Bates. *When Things Fell Apart: State Failure in Late-century Africa*. Cambridge University Press, 2008.

³³Bates, *When Things Fell Apart: State Failure in Late-century Africa*; Olivier Blanchard and Andrei Shleifer. “Federalism with and without Political Centralization: China Versus Russia”. In: *IMF Staff Papers* 48 (2001), pp. 171–179.

³⁴Pierre F Landry. *Decentralized Authoritarianism in China*. New York: Cambridge University Press, 2008; Yasheng Huang. *Inflation and investment controls in China: The political economy of central-local relations during the reform era*. Cambridge University Press, 1999; Maria Edin. “State Capacity and Local Agent Control in China: CCP Cadre Management from a Township Perspective”. In: *The China Quarterly* 173 (2003), pp. 35–52.

³⁵Gang Guo. “China’s Local Political Budget Cycles”. In: *American Journal of Political Science* 53.3 (2009), pp. 621–632.

³⁶Ting Chen and J.K.-S. Kung. “Do Land Revenue Windfalls Create a Political Resource Curse? Evidence from China”. In: *Journal of Development Economics* 123 (2016), pp. 86–106.

³⁷For example, see *China Times*, 2011. “loushi tiaokong jinru guanjian qi, quanguo gesheng shengzhang lunfan jinjing [governors rush to Beijing at critical periods of real-estate regulation],” <http://sh.leju.com/news/2011-11-05/0937134502.shtml>, accessed on July 2 2017.

³⁸One such case is Zhou Yongkang, a former Politburo Standing Committee member who was dismissed from office and subsequently punished due to corruption charges. As will be discussed later, he and his family members were found to be involved in several corrupt land deals.

³⁹Susan L. Shirk. *China: Fragile Superpower*. Oxford and New York: Oxford University Press, 2008.

⁴⁰Edmund Malesky, Regina Abrami, and Yu Zheng. “Institutions and Inequality in Single-Party Regimes: A Comparative Analysis of Vietnam and China”. In: *Comparative Politics* 43.4 (2011), pp. 401–419; Victor C Shih. *Factions and Finance in China*. Cambridge: Cambridge University, 2008.

⁴¹Xin Sun. “Selective Enforcement of Land Regulations: Why Large-Scale Violators Succeed”. In: *China Journal* 74 (2015), pp. 66–90.

⁴²“Zhou Yongkang zhishu sannian [the three years when Zhou Yongkang governed Sichuan],” Pengpai xinwen (The Paper) 31 July 2014, http://www.thepaper.cn/newsDetail_forward_1258854, accessed 12 August 2017.

⁴³Interview with scholar at Sichuan Party School, April 2014.

⁴⁴Also see “Zhou Yongkang de hong yu hei” (Zhou Yongkang’s “Reds” and “Blacks”), *Xin shiji zhouban* (New Century Weekly), No. 6 (22 October 2014), available at <http://china.caixin.com/2014-10-22/100741777.html>, accessed 1 November 2014

⁴⁵“Li Keqiang zai zhengdong xinqu de jiaobu” (The footstep of Li Keqiang at Zhengdong New District), *Renmin wang* (People.cn), 25 September 2015, <http://politics.people.com.cn/n/2015/0925/c1001-27636452.html>, accessed 20 April 2018.

⁴⁶Interview with local official in Xi’an, August 2015.

⁴⁷Yu, “Major Types and Basic Characteristics of Group Events in Today’s China [Dangqian Woguo Quntixing Shijian de Zhuyao Leixing he Jiben Tezheng]”; Ernan Cui et al. “How do land takings affect political trust in rural China?” In: *Political studies* 63.1 (2015), pp. 91–109.

⁴⁸State Council, Circular of the State Council on Intensifying the Land Control (No. 31 [2006] of the State Council).

⁴⁹While the empirical analysis of this research focuses on the interactions between *central* elites and *provincial* officials, the theoretical analysis could potentially be extended to lower-level governments. As discussed earlier, the quota system is hierarchical: Provincial leaders are in charge of the quota allocation among cities within their provinces. This means that provincial leaders can also use land quotas as patronage to build and maintain their own patronage networks. The current research focuses on central-provincial interactions mainly because this is the level where statistical data is most accessible.

⁵⁰It should be noted that local governments have adopted some practices to get around quota restrictions: One is to reclaim rural construction land and to generate quota for urban construction, especially under the policy frames of “building a new socialist countryside (*shehui zhuyi xin nongcun jianshe*)” or “consolidating urban-rural construction land (*chengxiang jianshe yongdi zengjian guagou*)” (Ong, “State-led Urbanization in China: Skyscrapers, Land Revenue and ‘Concentrated Villages’”; Kristen E. Looney. “China’s Campaign to Build a New Socialist Countryside: Village Modernization, Peasant Councils, and the Ganzhou Model of Rural Development”. In: *The China Quarterly* 224 [2015], pp. 909–932); the second is to engage in illegal land occupation and conversion. However, these practices may incur higher financial or political costs for local officials, and are less preferred if local officials could obtain more quotas from above. For the first practice, it requires local governments to demolish the houses built on rural construction land and compensate their owners. This is much more costly than simply occupying and converting agricultural land to construction land. Moreover, the central government has incorporated “consolidating urban-rural construction land” into the quota system since 2008 to impose quota restrictions on these practices. Illegal land occupation and conversion incur political risks because local officials may be punished by the central government for these illegal practices.

⁵¹Examples of central projects include the Three Gorges Dam, the South-North Water Transfer Project, and the Qinghai-Tibet Railway. The Three Gorges project, for example, occupied and flooded a large area of land in several provinces, most notably Hubei, Sichuan, and Chongqing. The central government directly assigned to these provinces land quota for the Three Gorges project exclusively. Provincial officials have relatively

little discretion over the allocation of this quota.

⁵²Lei Wang et al. “China’s Urban Expansion from 1990 to 2010 Determined with Satellite Remote Sensing [Zhongguo 1990-2010 Nian Chengshi Kuozhang Weixing Yaogan Zhitu]”. In: *Chinese Science Bulletin [Kexue Tongbao]* 57.16 (2012), pp. 1388–1399.

⁵³Shih, *Factions and Finance in China*.

⁵⁴In China, administrative ranks change by a minimum of half a level. For example, the gap between provincial-level (or ministerial-level) and prefectural-level (or department-level) officials is one level, while the gap between provincial-level and vice-provincial-level officials is half a level.

⁵⁵Some extreme values exist in the variable of the ratio of illegal land occupation. Most of them occurred in Hainan province, where the real-estate boom motivated the local government to occupy a large amount of land illegally. The findings remain valid if the outliers were dropped from the analysis.

⁵⁶This is not an ideal measure, because the central government may simply assign less quotas to localities with higher land-population ratios for the purpose of farmland preservation.

⁵⁷Augmented Dickey-Fuller tests show that all three indicators of the dependent variable are stationary time series.

⁵⁸Landry, *Decentralized Authoritarianism in China*; Cai Zuo. “Promoting City Leaders: The Structure of Political Incentives in China”. In: *The China Quarterly* 224.4 (2015), pp. 955–984.

⁵⁹Andrew James Nathan and Bruce Gilley. *China’s New Rulers: The Secret Files*. New York Review of Books, 2003.

⁶⁰Andrew Browne. *Compelling Signs the Chinese Property Boom Is Over*. *Wall Street Journal*, 19 March 2014.

⁶¹Andrew Hall Wedeman. “Anticorruption Campaigns and the Intensification of Corruption in China”. In: *Journal of Contemporary China* 14.42 (2005), pp. 93–116.

Table 3: Explaining Land Conversion in Chinese Provinces (1999-2013)

	(1) Arable	(2) Agri.	(3) Const.	(4) Arable	(5) Agri.	(6) Const.
Ties	0.12** (0.06)	0.13** (0.06)	0.08 (0.06)			
Ties (PSG)				-0.02 (0.12)	-0.01 (0.12)	0.05 (0.11)
Ties (others)				0.12* (0.06)	0.13** (0.06)	0.07 (0.06)
Lag Arable Land	0.32*** (0.05)			0.32*** (0.05)		
Lag Agricultural Land		0.33*** (0.05)			0.33*** (0.05)	
Lag Construction Land			0.28*** (0.05)			0.28*** (0.05)
Population	-2.17*** (0.57)	-1.80*** (0.60)	-1.41** (0.60)	-2.20*** (0.57)	-1.82*** (0.60)	-1.43** (0.61)
GDP per capita	0.37 (0.39)	0.16 (0.41)	0.86** (0.37)	0.36 (0.39)	0.15 (0.41)	0.86** (0.38)
Revenue per capita	-0.13 (0.13)	-0.11 (0.12)	-0.17 (0.11)	-0.13 (0.13)	-0.11 (0.11)	-0.17 (0.11)
Land Price	-0.03 (0.06)	-0.05 (0.07)	-0.10 (0.06)	-0.04 (0.06)	-0.05 (0.07)	-0.09 (0.07)
SOE	1.12 (0.69)	1.20* (0.73)	0.66 (0.71)	1.13 (0.69)	1.21* (0.73)	0.65 (0.71)
Illegal Land Use	-0.04*** (0.01)	-0.05*** (0.01)	-0.06*** (0.01)	-0.04*** (0.01)	-0.05*** (0.01)	-0.06*** (0.01)
Constant	16.84** (6.61)	16.16** (6.97)	7.68 (6.73)	17.13** (6.64)	16.47** (6.99)	7.93 (6.78)
R-square	0.833	0.814	0.816	0.833	0.814	0.816
Observations	418	418	418	418	418	418
Prov Fixed Effect	Yes	Yes	Yes	Yes	Yes	Yes
Year Fixed Effect	Yes	Yes	Yes	Yes	Yes	Yes

¹ * $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$;² standard errors clustered at the provincial level are in parentheses.

Table 4: Explaining Land Conversion in Chinese Provinces (1999-2010)

	(1) Arable Land	(2) Agricultural Land	(3) Construction Land
Ties	0.17** (0.08)	0.19** (0.08)	0.12 (0.08)
Lag Arable Land	0.25*** (0.06)		
Lag Agricultural Land		0.26*** (0.06)	
Lag Construction Land			0.23*** (0.06)
Population	0.62 (1.31)	1.69 (1.28)	1.51 (1.29)
GDP per capita	0.27 (0.58)	-0.17 (0.57)	0.96* (0.54)
Revenue per capita	-0.22* (0.13)	-0.18 (0.13)	-0.20 (0.12)
Land Price	0.02 (0.07)	0.01 (0.07)	-0.04 (0.07)
SOE	1.06 (0.81)	1.44 (0.88)	0.72 (0.85)
Illegal Land Use	-0.04*** (0.01)	-0.04*** (0.01)	-0.05*** (0.02)
Arable Land per capita	1.93** (0.88)	2.34*** (0.88)	1.80** (0.84)
Constant	1.37 (10.53)	-2.00 (10.33)	-11.49 (10.06)
R-square	0.845	0.819	0.812
Observations	328	328	328
Prov Fixed Effect	Yes	Yes	Yes
Year Fixed Effect	Yes	Yes	Yes

¹ * $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$;² standard errors clustered at the provincial level are in parentheses.