

Elected Leaders and Collective Land: Farmers' Evaluation of Village Leaders' Performance in Rural China

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Previous studies on village elections have focused on the election process, but few have examined post-election outcomes related to local land management systems. Land is the most important resource in Chinese villages, but land management and reallocation are the chief responsibility for elected village leaders. Previous studies show that villager attitudes toward the "fairness" of land reallocations and the type of village elections vary across villages. Some villages have an open election/nomination process while other villages have "closed" or unfair elections. We found that openly elected leaders are more accountable to villagers and that their land management decisions do reflect villager preferences for "fair" land reallocation. Our findings are based on a 2000-2001 survey of 34 villages in rural Shaanxi province.

INTRODUCTION

Interest in China's village elections has risen since the inception of the Organic Law of Village Committees in 1988. A decade after the National People's Congress adopted the Organic Law, researchers and officials from the Ministry of Civil Affairs reported that over half of the villages in China had conducted competitive elections.¹ The Law allows villagers to elect a village leader and four to seven members of the village committee, the community's most basic government body. The 1988 Organic Law, however, was vague about the actual election procedures and candidate selection. As a result, visitors to China often encounter a wide variety of election processes, in some cases calling into question the validity of local elections.

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Because of the diversity in election experiences in China, empirical studies of village elections in the 1990s generally study the electoral process, frequently focusing on the competitiveness of the electoral contests and their determinants. A competitive election, according to the definition of most studies, is simply one in which there are more candidates than positions available on the village committee.² In addition to describing the process and documenting their comprehensiveness, in most cases, scholars examine the determinants of competitive elections. For example, a number of researchers attempt to measure the relationship between village wealth and the level of competitiveness, although there are often differences among the results. On the one hand, O'Brien finds that relatively well off villages tend to have more competitive elections.³ Shi and Epstein, on the other hand, argue that areas with average wealth or the median income villages have the most competitive elections.⁴ In contrast, Oi and Rozelle show that it is the source of the income that is important in determining the competitiveness of a local election.⁵

Although the scholarship on the determinants of the election process contributes much to our understanding of competitive elections, it rarely addresses the other aspects of the election process, despite the fact that these other factors may matter when examining the effect of elections on outcomes. In particular, few studies examine the nomination of candidates. Like other parts of the election process, the 1988 Organic Law did not specify the exact candidate selection process. Without strict guidelines to follow, a tremendous amount of heterogeneity among villages has emerged in the nomination process that villages adopt, a fact that may have consequences for the quality of China's village elections. According to democratic theorists, an open nomination process is one of the foundations of "free and fair" elections.⁶ In fact, China's leaders recognized the problems inherent in the process of candidate selection in many villages and recently amended the Organic Law (1998) to formally require the open nomination of candidates.

The previous literature also largely has ignored the difficult task of measuring the effect of the election process on outcomes, even though China's national leaders are becoming increasingly interested in how the election process shapes the behavior of local leaders. According to Jiang Zemin, elected leaders should, "practice political and fiscal transparency and allow the broad masses to debate and determine matters of public affairs." Following Jiang's statement, Cui Naifu, a former Minister of Civil Affairs, said that open elections, "provides the villagers with a better understanding of their leaders' behavior." Cui also suggested that, "villagers without openly elected leaders always suspect their leaders of wrongdoing."⁷ In other words, one of the primary motivations for China to encourage elections in its villages is to allow elections to promote greater congruence between cadres and villagers' preferences.

Despite the importance of understanding how the election process affects a leader's performance, few scholars examine the ways in which elections may influence local leader's behavior. Manion finds a significant level of congruence between elected leaders and villagers along a single-issue dimension: state

involvement in the economy.⁸ Alpermann examines the division of labor between the party branch and the elected village committee members in carrying out the birth control policy and local economic development projects, and shows that the party branch plays the central role in the execution of these policies and that elected cadres still act as “agents” for the party.⁹ Tsai demonstrates that openly elected leaders *do* respond to villager complaints out of fear of being voted out of office.¹⁰ However, while previous studies focus on the behavior of elected leaders, considerably less attention is devoted to villager perception of leader performance, despite the importance placed on such perceptions.

The aim of our paper is to fill the gap in the literature and examine attitudes of constituents in rural China toward the performance of their elected leaders. If open elections do provide villagers a way to influence leader behavior, then we would expect villager attitudes towards leader performance to vary between those villages with truly “open” elections and those with relatively “closed” ones. Specifically, this study analyzes the effect of the election process on the opinion of villagers about the performance of their leaders.

Because of the broad nature of the questions examined, we necessarily have to narrow the focus of the paper to make it more manageable. In particular, we center out attention on how the candidate nomination process influences the opinions of villagers towards the ways leaders manage cultivated land in the villages. Although in examining this question we cannot pretend to definitively answer the question about how the *entire* election process affect *all* outcomes, for three reasons we believe the specific question is important. First, as explained above the nomination process is a key part of elections. The election literature outside of China fully recognizes its importance in determining outcomes. Moreover, when examining differences in village election procedures across villages, there is much more variation in nominations than other criteria, such as the competitiveness of elections. In fact, in all villages in our survey, villagers reported that elections were competitive, meaning that there is no inter-village heterogeneity in competitiveness.

Second, while there are many outcomes that are vital to villagers, those that deal with land may be among the most important, given it is one of the key inputs to the rural economy’s most pervasive economic activity and also provides many social welfare services to farm households.¹¹ Moreover, land also is an important factor in the local political economy equation since it is about the only farming input over which village leaders still have any control. For decades, local leaders had control over many of the production and investment decisions made by villagers, such as planting (crop selection), the distribution of fertilizers and even movement out of the village. And, of course, during this time, they also controlled the allocation of China’s most scarce resource, land. Market reforms throughout the late 1980s and 1990s, however, have reduced the scope of the leader’s decision-making power. By the late 1990s, villagers can buy fertilizer at the local market, leave and return to the village when they want, and largely choose to grow whatever crop they believe will

bring in the most profit.¹² In fact, since the mid 1990s, the main resource—and in many villages the only resource—that is still under the control of the village leader is land. However, since land is the most scarce input in farming in China, control over it still provides the village leader with a modicum of power in many areas.¹³ Indeed, the leader's decisions on how the village's land is to be used and distributed can directly influence villagers' income and source of social security.¹⁴ As a result, villagers may hold strong opinions about their leader's decisions regarding the distribution of land.

Third, focusing on villager perceptions of leader behavior—the belief of villagers about whether local policies are fair or not—also reveals important information about the effectiveness of a leader. Studies on political psychology suggest that the perceptions of the effectiveness of local leaders are shaped by judgments about the fairness of their decision-making procedures. This *procedural justice* argument holds that citizen beliefs about the justice of local government enhance the legitimacy of political institutions, which enhance their effectiveness.¹⁵ According to Rawls, procedural justice is a consequence of institutions and regulations that satisfy the principles of public goods distribution to which the majority can agree upon.¹⁶ In short, leaders that are influenced by these laws make more evenhanded and impartial decisions. In the context of China, this is not an alien idea. China's leaders explicitly direct elected leaders in the Organic Law that they must carry out their duties in a “fair and just manner.” The connection between procedural justice and democratic elections is that openly elected leaders that make fair decisions regarding the distribution of public goods are not only constrained by the electoral institutions (fear of losing the next election), but are also complying with the Organic Law. As a result, we believe it is informative to study the opinions of villagers about the fairness of their leader's land allocation decisions.

Economists also have observed the importance of fairness in how policies are implemented as something villagers in China are concerned about, which would lend credence to the assumption that one can use villager perception of fairness as a useful way to judge the effectiveness of elections. For example, Kung argues that villagers prefer a fair allocation of land. In fact, leaders and villagers may sacrifice an efficient distribution of land in favor of a more equitable arrangement.¹⁷ Rozelle and Li concur, arguing that leaders tend to make land management decisions based on not only efficiency, but also equity.¹⁸ Nevertheless, empirical studies show that land management decisions are heterogeneous and vary not only between counties and townships, but also among villages.¹⁹ In this paper, one of the main objectives is to measure whether or not the variation among villages in terms of villagers' attitude toward the fairness of their leader's land policy decision is due to the electoral process.

In summary, the paper builds upon earlier works on village elections and takes advantage of a unique data set collected in northwest China. In contrast with previous studies, we concentrate on explaining how nomination procedures affect the

perceptions of villages about the implementation of policies after elections. To meet this goal, the paper starts with a brief introduction to the survey data and interview materials that were collected in Shaanxi province during an eleven-month period between 2000-2001. The next section examines the village electoral institutions and nomination methods. In the third section, we investigate the village land management system and the attitudes of villager attitudes toward the most recent land reallocation. This is followed with an analysis of the results. The final section concludes.

DATA

Our findings are based on intensive fieldwork and a survey of farmers in 34 villages designed specifically to understand how the election process may influence the attitude of villagers toward the most recent land reallocation. The survey data and interviews were collected in six counties in Shaanxi province from June 2000 to May 2001. The authors and their collaborators developed and conducted the survey instruments themselves, visiting 12 farm households (9 villagers and 3 village cadres) in each of the 34 sample villages. The villager households were randomly selected using the household registration records supplied by the village accountant. During the administration of each pre-coded questionnaire, farmers answered a number of questions about their household's demographics, income activities, asset position, as well as their perceptions of the degree of satisfaction about policies executed by their leaders (discussed in the section below).

We also asked villagers about the election process, in general, and about how candidates were nominated, in particular. Specifically, we asked villagers how the candidates in the most recent election were nominated: by villagers, by the party branch, or by the township. Unfortunately, for whatever reason, when we asked this question of the nine households in a village, we often observe inconsistent answers within a village. In order to reconcile the cases in which the opinions of villagers in a single village are inconsistent, we develop a single village measure. To do so, we aggregate the nomination data across households to the village level using a "majority rule" procedure. According to the procedure, we chose the nomination procedure that was selected by the majority of the villagers.²⁰ In addition, the majority of the villager respondents must match with the leader's response. For villages categorized as villager and party-branch types of nominations, the leader and party secretary responses are aligned with the majority of villagers. The same alignment occurs in many of the villages categorized as township nominations.²¹

Enumerators also conducted lengthy sit-down interviews with the leader, party secretary and the village accountant in each village. The village accountant filled out a form providing information on the community's demographic and economic situation. The community-level questionnaire asked leaders detailed questions pertaining to the village's election process and its land management system. A

number of detailed questions were asked about the nomination process. Leaders were asked the same set of questions as were the farmers regarding the village's election process. In our regression analysis, we use the data from the household form and use the data from the responses of leaders primarily as a way to check the consistency of answers by villagers and answers by village leaders. In fact, there is a great deal of consistency; in over 85 percent of the villages, the answers were the same.

After the survey was completed, the authors selected eight of the villages from the original sample to conduct in-depth case studies. In these villages, extensive interviews were conducted with villagers, leaders and township officials. The result of the survey and in-depth interviewing process is a unique set of data that provides the authors the opportunity to closely examine the various village election processes, including nominations, and study the influence they have on the leader's land management decisions.

“Fairness” and Land Reallocation

Like the variation in the nomination process among villages, we also observe heterogeneity across villages in local land management systems. From the onset of the house responsibility system (HRS) in the early 1980s, which allowed households to farm individual plots of land, local leaders have periodically reallocated village land.²² Although HRS equally divided the village land among households, the land is still officially “owned” by the village. Hence, despite provisions in national laws and periodic promulgations by national and regional officials, local leaders in many, but not all villages, readjust the land every few years.²³ In our sample, we find that many villages have reallocated their land in recent years, though the timing of the reallocations differs across villages. For example, every village has had at least one village-wide land adjustment since 1992 and over 50 percent of these reallocations occurred between 1998 and 2000 (see Table 1).

Table 1. The Most Recent Land Reallocation (1992-2000)

	% (Villagers)
1992	1 (4)
1993-1997	41 (124)
1998-2000	58 (178)
Total	100 (306)

In addition to differences in timing, not all land reallocations are of the same magnitude. In some villages, leaders use partial readjustments that consist of adding or taking away plots of land from a household's existing landholding when there is a change in household size. In other villages, leaders execute village-wide reallocations that involve most or all households giving back plots of land to the collective. The village committee then reallocates land among the households such that each household receives a different plot of land. Villages also differ by the proportion of land that is reallocated, some shift around all of their land while others only transfer a part of their landholding.²⁴ In our sample, we observe this type of variation among villages. For example, our interviews during the case studies found that in some villages, village-wide readjustments may result in the transfer of two-thirds or even all of their landholding. In other villages, we found that leaders only shifted small amount of among ten to twenty households. According to the interviews, the small readjustments occur more frequently than the village-wide land reallocations.

Finally, several previous works and our study demonstrate that there are differences among villages in terms of the frequency of reallocations. For example, in his study of land tenure and property rights in China, Li shows that there are differences among his sample provinces.²⁵ He found that the average number of reallocations per village between 1983-1995 were as high as 3.4 in Liaoning and as low as 0.3 in Sichuan. Our data show the same type of heterogeneity across villages. For example, we find that in some villages leaders have adjusted land as many as seven times since the introduction of the household responsibility system (HRS) while others report only one reallocation since HRS (see Table 2).

Table 2. Descriptive Statistics for the Control Variables^a

Variable	Mean	SD	Min	Max
Per-Capita Income (yuan)	1123	493	291	2277
Land per capita (mu) ^b	3	1	1	6
Number of plots farmed	4	1	2	8
Number of land reallocations	3	1	1	7
% village labor force off-farm	14	13	1	44
Number of large village clans	2	1	1	4
km to township center	3	3	0	10
km to local market	9	8	1	40
Village population	1032	864	312	3684

^a Also see section "Control Variables"

^b One *mu* is equal to 0.16 acres or 0.06 hectares

When examining these differences among villages, economists have noted that the patterns among villages within townships and among townships within counties demonstrate that local leaders indeed do appear to have decision-making authority over land allocations. For example, Brandt et al. show that townships in 39 of their 44 sample counties (88 percent) reported different frequencies of land adjustments at the village level; and villages in 52 out of 92 townships (57 percent) reported different frequencies.²⁶

Our data show that all of the townships in the 6 sample counties (100 percent) reported different frequencies at the village level; and 9 out of the 12 townships (75 percent) reported different frequencies among villages. This pattern of land allocation outcomes suggests that village leaders tend to have significant influence on land policy decisions.

While the facts on the extent and nature of land adjustments are fairly clear (and those in our data are consistent with those in the literature), there is less certainty about the reasons why land reallocation decisions vary from one village to the next. Some have stated that demographic changes, such as births, deaths and marriage, drive reallocation decisions.²⁷ Others have suggested that the village leaders use their power over villagers to extract benefits during the periodic reallocations of land.²⁸ Still others have argued that the pattern of reallocation may reflect the desire of leaders to maintain influence.²⁹ For example, leaders may decide to transfer agricultural land for non-agricultural commercial use such as private village enterprises. In villages with unequal access to off-farm labor opportunities, leaders may also decide to reallocate land in order to balance household incomes and land-to-labor ratios and curry favor with those households that spend most of their time in the village as full time farmers (and presumably have more day to day influence on local politics).³⁰ Land may also be adjusted to increase productivity of agricultural households in order to facilitate the collection of quotas so local leaders can meet the obligations given to them by higher level officials (Turner et al., 2002). Land reallocation also may be out and out rent collection. In other words, there are many reasons that leaders may readjust land.

While it is of interest to the field why leaders allocate the land the way they do, in our study, we are interested mostly in whether or not the final outcome favors villagers or the leader. Sometimes land adjustments (or lack thereof) may favor the villagers. In other cases, land reallocations will benefit the leaders themselves (or some small coalition aligned with the leader) to the detriment of the majority of villagers. Unfortunately, it is difficult to assess, *ex ante*, based on any individual indicator about how land was readjusted, which set of villagers would believe a certain type of land reallocation was fair and which ones would believe it was not.

As a result of this indeterminacy, in our survey we *directly* ask villagers about their opinion of the most recent land reallocation. Specifically, we asked whether or not the most recent land reallocation was fair.³¹ “*There are villagers who may believe that the most recent land reallocation was fair, there are also villagers who*

believe the most recent reallocation was unfair. Do you think the most recent land reallocation was fair or not? Below is a 1 through 5 scale for the different degrees of fairness.” It is this individual level information that was collected in response to this question that was turned into our measure of the dependent variable. In order to maintain consistency between the last election and the most recent land adjustment, only villager respondents that reported land reallocations after the most recent election (between 1998 and 2000) are included in the analysis.

Village Elections and the Nomination Process

The core concepts we use to assess Chinese village elections are open and closed nomination process. For an election to be considered “open”, two conditions must be met: (1) no one can modify the outcome of the elections beforehand or ex post facto, and (2) all participants must openly subject their interests to competition and uncertainty.³² As long as the election is not “fixed” beforehand, and the results are unchanged once the votes are counted, the first condition is met. If voters and candidates are willing to accept the unknown outcome of the election, with a full understanding that the losers will have another chance at the next election, then the second condition is met. Uncertainty applies to both the candidates and the winners. Before the election, *open nominations* will produce candidates to challenge the incumbent; then the candidates run in an election with an uncertain outcome. If the candidates are not openly nominated by the electorate, but instead are pre-selected by a small group of individuals, then not all interests are subject to competition. The outcome is more certain. The narrow group that selects the candidates (i.e. the township officials or the village party secretary) can be certain that their interests will be met.³³ Thus a “closed” nomination process means the village party secretary or the township officials select the candidates.

Although an open nomination process is the key part of a “free and fair” election, there is significant heterogeneity across villages in China. Recent surveys on village elections in China have consistently found variation in the nomination process. Turner and Brandt (2002) find the villagers report more than 6 different ways that candidates are nominated in their six province, 60 village study. In one of the most definitive books on the village elections to come out of the People’s Republic of China, Bai Gan finds three types on nomination methods that are prevalent throughout his case studies; villager, party branch and township government.³⁴

In our study, we categorize the sample villages by the type of nomination process adopted: either villager (open) or party branch or township government (closed). In our sample, the villager nomination process is one in which the electorate nominates the candidates. The most common method that we observe in our villages is the “open sea” nomination process (*haixuan*).³⁵ In its more common form, the villager nomination is one in which the villagers convene in a community-wide meeting and any person or group of persons can nominate a candidate. These

villages are similar to what O’Brien calls “up-to-the-standard” villages or “model villages,” where the election law is implemented in a way that is most consistent with national laws.³⁶

“Closed” nominations are those controlled by the village party branch or the township. In the case of village party branch nominations, the candidates are nominated during a party branch meeting and not in an open village assembly. In some cases, the nominees are selected by a party branch vote. In other cases, the village party secretary chooses the candidates. Party branch nominations are not uncommon. In one 1996 study of Shaanxi villages, the researcher reports that the party branch nominated the over 50 percent of the candidates in his sample.³⁷ When the township party branch controls the nomination process, the outcome is much more certain and no one in the village is involved.

The literature has documented differences in the nomination process at several levels of administrative units, including from province to province. According to our categorization of nomination processes, provinces such as Fujian and Jilin, which have been touted as examples of provinces that have developed sound election processes, nearly 100 percent of nominations are villager nominations. In contrast, according to a data set collected by the authors in 2000, less than 40 percent of elections in Hubei held villager nominations, the rest being a mix of party and township nominations.

Our data also show heterogeneity across the sample counties within Shaanxi province (Table 3). In three of the six counties, all nominations were either by the party or the township; villagers did not participate in the nomination process in any of the sample villages. In the three other counties, however, villagers nominated candidates in 50 to 100 percent of the village elections. Although we do not know what explains the differences among counties, it is clear county policy plays an important role.³⁸

Table 3. “Open” and “Closed” Village Nomination Type by County ^a

	C1	C2	C3	C4	C5	C6
	%(villages)					
“Open” nomination	67 (4)		50 (3)		100 (5)	
“Closed” nomination	33 (2)	100 (6)	30 (3)	100 (6)		100 (5)
Total	100 (6)	100 (6)	100 (6)	100 (6)	100 (5)	100 (5)

^a “open” nominations are villager nominated candidates, while “closed” nominations include party branch, township government nominations and appointments.

Although the county plays an important role in determining the election process, there is also variation between townships within counties and between villages within townships (see Table 4)³⁹. In our sample, we observe variation between villages in eight out of twelve townships. In several cases, we find villager and township nominations within the same township.

Thus the key independent variables are the village nomination process. Villages with villager nominated candidates are called “open” village elections while villages with township and party secretary nominated candidates are called “closed” elections. The association between the open nomination process and villagers opinion towards the most resent land reallocation means that the village leaders subject to uncertain electoral outcomes in the future may redistribute the land in a more equitable and fair manner than leaders in villages with a closed nomination process facing more certain electoral outcomes. In order to test this relationship we propose two hypotheses: (H1) *villagers believe that the most recent land reallocation was fair in villages with an open nominations process*. We expect that openly elected village leaders will have the incentive to make fair and equitable land reallocation decisions that reflect villagers’ preferences and villagers will accept this decision. This is the procedural justice hypotheses such that individuals will accept the outcome, even an unequal outcome, if they feel it was the result of a fair and evenhanded decision. (H2): *villagers believe that the most recent land reallocation was not fair in villages with a closed nominations process*. Given the greater certainty in being nominated and possibly “elected” in the next election, the leaders may have less incentive to redistribute the land according to villager preferences. Therefore, we expect villagers will express a negative attitude toward the most recent land reallocation decision.

Based on such a measure, we can clearly see that the type of nomination used during the election process is positively correlated with the perception of villagers of whether the most recent land reallocation was fair or not (see Table 5). In villages with open nominations, the vast majority of villagers (over 70 percent) believe the most recent land adjustment was fair. Whereas, in villages with direct township intervention, the majority of villagers (over 60 percent) believed that the most recent last reallocation was unfair. Although there are many explanations for this correlation, one interpretation is that openly elected leaders tend to make evenhanded decisions regarding the division of collective land. With an eye on the next open election, these leaders may make land policy decisions that better reflect the preferences of the majority of villagers.⁴⁰

Control Variables

The data for the control variables were collected during the survey in 2000. The control variables include both individual and village level data. Individual level data includes the number of plots, per-capita income and land per-capita and are

Table 4. Variation in the Village Candidate Nomination Process Among Townships

County	C1	C2	C3	C4	C5	C6						
Township	T1	T2	T3	T4	T5	T6	T7	T8	T9	T10	T11	T12
	Percentage (frequency)											
Villager Nomination	100 (3)	33 (1)	33 (1)	67 (2)	33 (1)	67 (2)	100 (3)	100 (3)	100 (3)	100 (2)		
Party branch nomination		33 (1)	67 (2)	67 (2)	67 (2)					67 (2)		
Township nomination		33 (1)	33 (1)	33 (1)	33 (1)	33 (1)	100 (3)	33 (1)				50 (1)
Appointment			67 (2)					67 (2)			33 (1)	50 (1)
Total	100 (3)	100 (3)	100 (3)	100 (3)	100 (3)	100 (3)	100 (3)	100 (3)	100 (3)	100 (2)	100 (3)	100 (2)

derived from individual questions from the villager questionnaire. For example, villagers were asked, “How many plots of land do you farm?” Per-Capita income measure is the reported household income divided by the reported number of people living in the household. Land per-capita is measured the same way reported land (mu) for the household is divided by the number of people living in the household.

The village level data is from the village accountant questionnaire. The percentage of the labor force engaged in off-farm labor is the reported number of people working in local industry divided by the total village labor force. Typically, the off-farm laborers are individuals working outside the village in a township enterprise (few villages in our sample had village enterprises). The data for the number of large clans also comes from the accountant. A large clan is measured as twenty or more households with the same family name. Distance to the township center is the reported number of kilometers from the center of the village to the township government offices. Distance to the nearest open market is the reported number of kilometers from the center of the village to the nearest market town. A traditional market town is where the farmers gather to sell their produce or products at a specific time. Typically, the market occurs once or twice every ten-days (*xun*). In our sample, the market town tends to be a greater distance away from the village than the township government offices.

EMPIRICAL MODEL

Although the descriptive statistics of the village elections and local land policy are a useful way to summarize information and suggest that the nomination process has an impact on villager’s attitudes toward the most recent land reallocation, it is important to account for the effects of other variables. It is possible that the influence of the election process on villager’s opinion on the fairness of land adjustment in the descriptive statistics are masked by the correlations between village elections and other factors. Multivariate analysis is required to address such questions about the effect of village elections conditional on many other potential determinants of farmer’s opinion toward land reallocations.

In order to understand the question of whether the village election process matters for the determination of villager attitude toward land adjustment, holding other factors constant, we first use an OLOGIT regression approach.⁴¹ Specifically, the measure for villager opinion of the most recent land reallocation is regressed on a variable measuring the nomination process in the village as well as a series of control variables (Z), household income, land per capita, off-farm employment, the number of village clans, and the distance to local administrative center (township) and market (Table 2). The basic model is

$$Y_{ij} = \alpha + V_i\beta + Z_{ij}\delta + \varepsilon_j$$

Where y_{ij} is the i th household's attitude toward the last land reallocation in village j and V_{ij} is a series of three dummy variables measuring the type of nomination process used in village j (with the excluded category being those villages in which the leaders were appointed). The parameters to be estimated are β and δ , and β is our parameter of interest, measuring the effect of the three nomination processes denoted by N on village perceptions of the fairness of land reallocations.

Our choice of control variables is based on the findings in previous studies of the determinants of land reallocations. For example, Liu et al. find that more land abundant villages tend to adopt more egalitarian land reallocation decisions.⁴² This suggests that land per capita may have an influence on the type of land adjustment policy adopted. Turner et al. (2002) include the number of plots per farm as a measure of the cost of undertaking land reallocations (the more plots, the more difficult, the less the reallocations). In this same spirit, we include the percentage of the village labor force engaged in off-farm employment and the number of large kinship groups within the village. Variables measuring the distance to the township government offices and the local market as well as county dummies are included to control for geographical effects in the same way other researchers do.⁴³

The equation estimation has both strengths and weaknesses. On the one hand, it is the simplest way to measure the effect of nominations on villager perception of the fairness of the most recent land reallocation, holding other factors constant. On the other hand, there is a potential danger of endogeneity. It is possible that some unobserved variable is affecting both villager attitudes and the nomination process. If so, our estimated parameter, β , is biased (reflecting the influence of the unobserved effect instead of capturing the pure effect of nominations). In order to correct the possible endogeneity, we use instrumental variables (IV). We find that a set of county policy variables are correlated with the three types of nomination process, but conceptually uncorrelated with villager attitude toward the most recent land reallocation except through its effect on nominations. Hence, we also use our county policy proxy as an IV and run a two-stage-least-squares (2SLS) analysis to correct for the potential endogeneity.

RESULTS

In almost all respects, the multivariate regression analysis performs well (Table 6). The coefficient for the villager nomination variable in the model has the expected sign and is significant. Moreover, the results clearly demonstrate that the findings in the descriptive results hold up to the multivariate analysis. Moreover, the results demonstrate that the findings in the descriptive results hold up to the multivariate analysis. For example, we find that clans have a negative influence on the attitude of villagers toward the most recent land reallocation. In villages with two

or more large clans, farmers believe the most recent land adjustment was unfair. The results suggest that village cadres may use their position to benefit the members of their clan at the expense of the other villagers or kinship groups. Our findings are similar to other studies that look at village governance and clans.⁴⁴

In addition, we find that other variables in the OLOGIT model are also in the predicted direction and our results mirror those found in other studies of leaders and land policy in rural China. For example, we find that number of plots has a significant influence on villager attitude toward the most recent land reallocation. The greater the number of plots a villager farms the more they tend to believe the most recent land adjustment was unfair. Although this result is surprising, our findings are similar to Turner et al. (2002), and suggest that, in villages with a large number of individual plots, land reallocations are more costly and it may be difficult for leaders to make an equitable distribution of land.⁴⁵

Most importantly, the results suggest that the open nomination process does indeed influence the elected leaders' land reallocation decisions. The results are consistent with an interpretation that openly elected leaders tend to make land policy decisions that reflect the preferences of their constituents. This supports the procedural justice hypotheses. In every land reallocation, both large and small, there are winners and losers; some villagers will gain plots of land while others will lose a few. The key concept of procedural justice is that individuals will accept an unequal outcome if they feel it was the result of a fair and evenhanded decision. Interviews with farmers also confirm that they are more willing to accept unequal distribution of land if they believe the leader made a fair decision.

The results also demonstrate that party and township nominated leaders are apt to make decisions that many villagers perceive as being less fair. For party branch and township nominated leaders, the coefficient is negative, but not statistically significant. One interpretation of this result is that when leaders are not nominated by a process that includes villagers they make biased decisions regarding village land use and distribution. This implies that these leaders tend to make the unfair land policy decisions and that a number of farmers in these villages are unwilling to accept the distributive outcome.

One explanation for the perceived of the unfair land reallocation decision is that the party branch and township nominated leaders may use their position for personal gain and increase their own land holdings or those of their relatives. Researchers have argued that leaders may take advantage of their position to increase their own welfare and those in their immediate family.⁴⁶ In most of these arguments, however, it is unclear why some leaders are able to use their position for personal gain and other are not. In our sample, we find that in villages with township nominated leaders, the leader, on average, has nearly twice as much land as anyone else in the village. On the other hand, in villages with openly nominated leaders, the leader has roughly the same amount of land as the rest of the village households (Table 7). Even though the villagers voted for the township nominated candidates in

a competitive election, these leaders may not be constrained by the election process nor do they fear losing the next election. This is because township officials can manipulate the elections process such that the “preferred” candidate will remain in office. The candidate nomination process occurs outside the village and the eventual leader may owe his or her position to the township officials rather than the villager. Moreover, the township leaders may allow these leaders to allocate themselves more land as a form of land salary. This is not unusual. Villager nominated leaders also receive an extra two or three *mu* of land in lieu of a cash salary, but the township nominated leaders tend to collect a much larger land payment. The extra land payment may be given to these leaders so that they will comply with the township government requests.⁴⁷ In addition, during our case studies, in villages where the township officials interfered with the leader’s selection process, farmers often referred to these elections as “fake” (*jiade*) or “elections with a appointed result” (*xuanju you remindejiagou*). Hence, in these villages farmers tend to believe that both the election process and land distribution are conducted unfairly.

Finally, two-stage least squares (2SLS) regression analysis also performs well, and the county instrumental variables do seem to correct for the possible endogeneity problem. The coefficients for all three of the nomination process variables in the 2SLS are in the same direction and are actually of a greater magnitude (in absolute value sense) generally the same magnitude of the OLOGIT and OLS model. As the descriptive statistics suggest, the three nomination processes are highly correlated with six sample counties, but villager attitudes toward land reallocations are not. Thus, we are relatively confident that the village election process, holding all other select demographic variables constant, does influence villagers’ attitudes toward local land policy decisions.

SUMMARY AND CONCLUSION

In this paper we have sought to understand the effect of the village election process on leaders’ behavior through an examination of villagers’ attitudes towards leader’s performance. To do so, the first part of the paper documents the development of competitive village elections and the nomination of potential candidates in rural China. We show that competitive elections are not enough to constrain elected leader’s behavior and that an open nomination process is one of the key factors in ensuring a free and fair village election which guarantees an uncertain electoral outcome. In this situation, if a leader desires reelection, then he or she will make local land policy decisions that reflect the preferences of their village constituents. The main reason is because, for the majority of villagers in rural China, land is the most important economic resource. At the same time, we demonstrate how the local party branch and township officials can manipulate a competitive election through control over the nomination process, and, as a result, influence the

electoral outcome. The abuse of power on the part of higher officials weakens the institutional constraint of the election process.

Moreover, we produce evidence that villagers' perceptions of the effectiveness of local leaders are indeed shaped by judgments about the fairness of their decision-making procedures. In villages with an open nomination processes, villagers overwhelmingly reported that the most recent land reallocation was fair, while in villages with township government (closed) nominations farmers believed the last land adjustment was unfair. Thus, the data supports the procedural justice argument that fair policy decisions are a consequence of institutions, which influence leaders behavior, and satisfy the principles of public goods distribution to which the majority can agree upon.

Although our results echo the expectations of China's national leaders that the open election process will constrain local leaders and provide villagers with a better understanding of their leaders' behavior, there is still a tremendous amount of heterogeneity among villages. Hence, while writing the open nomination process into the Organic Law of Village Committees is an important step in strengthening local self-government, the provincial as well as county governments should take an active role in ensuring that the election laws are fully implemented and free from manipulation by local officials.

Table 5. Villagers' Attitude Toward the Last Land Reallocation by Nomination Type^a

	Villager Nomination	Party Branch Nomination	Township Nomination	Appointed Leaders
	percentage (number of villager respondents)			
Fair	71 (47)	57 (21)	38 (20)	35 (8)
Unfair	29 (19)	43 (16)	62 (32)	65 (15)
Total	100 (66)	100 (37)	100 (52)	100 (23)

^a Only reallocations which occurred in 1998, 1999 and 2000 are included in the analysis. Of the villager respondents, 58% (178) reported to have the most recent land reallocation between 1998-2000.

Table 6. Ologit, OLS & 2SLS on Villager's Attitude Toward Recent Land Reallocation

	Ologit coefficient (z-score)	OLS coefficient (t-score)	2SLS
open nomination	2.41*** (2.71)	1.85*** (2.62)	2.87*** (2.65)
party branch nomination	-0.24 (0.31)	-0.16 (0.24)	0.28 (0.36)
township nomination	-0.12 (0.17)	-0.23 (0.40)	-1.32 (0.93)
per capita income	-0.002*** (2.62)	-0.001*** (2.55)	-0.001** (2.03)
number of plots	-1.00** (2.30)	-0.77*** (2.40)	-1.12 (1.43)
% of off-farm labor	-0.01 (0.43)	-0.02 (0.86)	-0.05 (1.38)
land per-capita	0.13 (1.36)	0.10 (1.33)	0.09 (1.05)
number of clans	-0.15 (0.48)	-0.20 (0.36)	0.22 (0.96)
distance to township	0.06 (0.46)	0.05 (0.67)	0.02 (0.21)
distance to market	0.10 (1.47)	0.07 (1.33)	0.13 (1.40)
county 1	0.78 (0.84)	0.71 (0.96)	
county 2	0.82 (0.63)	0.70 (0.66)	
county 3	1.03 (1.30)	0.66 (1.06)	
county 4	-0.15 (0.17)	-0.12 (0.16)	
constant		5.97*** (3.12)	6.78* (1.96)
R-squared		0.30	0.21

* significant at 10%, ** significant at 5%, *** significant at 1%; N = 178

Table 7. Distribution of Land between Villagers, Elected Leaders and the Party Secretaries by Nomination Type^a

	Villager Nomination	Party Branch Nomination	Township Nomination
	mean <i>mu</i> of land (number of respondents)		
Villagers	10.0 (98)	10.7 (60)	9.2 (75)
Leaders	11.5 (11)	11.5 (6)	17.8 (8)
Party Sec	14.8 (11)	17.6 (25)	13.5 (8)

^a In the whole sample, the mean *mu* for villagers is 10.0, for leaders 13.6 and for party secretaries 15.0.

Notes

¹ Liu found that over 70 percent of Chinese villages reported to have elections; see Liu Yawei "Consequences of Villager Committee Elections in China" *China Perspectives* no. 31 (September-October 2000). In 2002, the *Peoples' Daily* reported that at least 85 percent of the nations villages held elections; see *Peoples' Daily*, "Democratic Supervision Mechanisms set up in Grassroots China" (October 19, 2002). In our own survey we found that 83 percent of the sampled village reported to have competitive election in 2000.

² For a discussion about the worth of this measure see Kevin O'Brien, Li Lianjiang. "Accommodating 'democracy' in a one-party state: Introducing village elections in China." *China Quarterly*, n162 (June, 2000):465

³ Kevin O'Brien "Implementing Political Reform in China's Villages" *The Australian Journal of Chinese Affairs*, no. 32 (July 1994), pp. 33-59.

⁴ Shi Tianjian. "Economic Development and Village Elections in Rural China", *Journal of Contemporary China*. no.22, (1999) pp. 425-442; Amy Epstein, "Village Elections in China: Experimenting with Democracy", in Joint Economic Committee, Congress of the United States (ed.) *China's Economic Future: Challenges to US Policy* (Armonk: M. E. Sharp 1997) p.418.

⁵ Jean C Oi, and Scott Rozelle, "Elections and Power: The Locus of Decision-Making in Chinese Villages." *China Quarterly*, no.162. (2000) pp. 513

⁶ See Robert Dahl *Polyarchy: Participation and Opposition*, (New haven: Yale University Press 1971), pp. 3-6.; also Jorgen Elklit and Palle Svensson, "What Makes Elections Free and Fair?" *Journal of Democracy* 8, no. 3 (July 1997), pp 32

⁷ See "Jiang Zemin on Basic Level Democracy" and "Cui Naifu on China's Village Committee Elections" The Carter Center-Village Election Project World Wide Web at <<http://www.cartercenter.org/CHINA/leaders.htm>> [accessed June 20, 2001].

⁸ Manion, Melanie. 1994. "Survey research in the study of contemporary China: learning from local samples." *China Quarterly*, no. 139, pp.741

⁹ Bjorn Alpermann. "The Post-Election Administration of Chinese Villages." *The China Journal*, no. 46, July 2001.

¹⁰ Lily Lee Tsai. "Cadres, Temple and Lineage Institutions, and Governance in Rural China." *The China Journal*, no. 48, July 2002

¹¹ James Kung and S. Liu. "Farmers' Preferences Regarding Ownership and Land Tenure in Post-Mao China: Unexpected Evidence From Eight Counties." *The China Journal*. vol. 38, (July 1997) pp.33-63. also see Loren Brandt, Jikun Huang, Guo Li and Scott Rozelle. "Land Rights in Rural China: Facts, Fictions and Issues." *The China Journal*. no.47 January 2002.

¹² Albert Nyberg and Scott Rozelle. *Accelerating China's Rural Transformation* (Washington: The World Bank, 1999)

¹³ Loren Brandt et al. "Land Rights in Rural China: Facts, Fictions and Issues."

¹⁴ Scott Rozelle and Li Guo. "Village Leaders and Land Rights Formation in China." *American Economic Review*. vol. 88, no. 2, (1998) pp.433

¹⁵ Tom Tyler, "What is Procedural Justice: criteria used by citizens to access the fairness of legal procedures" *Law & Society Review*, vol. 22, no. 1, (1988)

¹⁶ John Rawls, "Distributive Justice" in *John Rawls: Collected Papers*. edited by Samuel Freeman, Cambridge, Mass: Harvard University Press, 1999, pp. 130-153.

¹⁷ James Kung. "Common Rights and Land Reallocations in Rural China: Evidence from a Village Survey." *World Development*. vol. 28, no. 4, (2000) pp.701-719.

¹⁸ Scott Rozelle and Li Guo. "Village Leaders and Land Rights Formation in China." *American Economic Review*. vol. 88, no. 2, (1998) pp.433

¹⁹ See Brandt et al. "Land Rights in Rural China: Facts, Fictions and Issues."

²⁰ Shi Tianjian, "Economic Development and Village Elections in Rural China," *Journal of Contemporary China* 8:22 (1999), pp. 425-442.

²¹ see John James Kennedy "The face of 'Grassroots' Democracy in Rural China: Real versus Cosmetic Elections" *Asian Survey* vol. 42, no. 3, (May/June 2002)

²² James Kung and S. Liu. "Farmers' Preferences Regarding Ownership and Land Tenure in Post-Mao China: Unexpected Evidence From Eight Counties." *The China Journal*. vol. 38, (July 1997) pp.33-63.

²³ See Brandt et al. "Land Rights in Rural China: Facts, Fictions and Issues."

²⁴ Ibid.

²⁵ Li Guo *The Economic of Land Tenure and Property Rights in China's Agriculture*. Ph.D. Dissertation Food Research Institute, Stanford University, 1998.

²⁶ See Brandt et al. "Land Rights in Rural China: Facts, Fictions and Issues." pp.81.

²⁷ James Kung. "Common Rights and Land Reallocations in Rural China: Evidence from a Village Survey." pp. 701.

²⁸ D. Gale Johnson "Property Rights in Rural China", Department of Economics working paper, University of Chicago, 1995.

²⁹ Scott Rozelle and Li Guo. "Village Leaders and Land Rights Formation in China."

³⁰ also see Jean C Oi, and Scott Rozelle, "Elections and Power: The Locus of Decision-Making in Chinese Villages."

³¹ During the two survey pre-tests and the actual survey, villagers understood the question as their opinion towards the most recent land reallocated whether it was a small reallocation (10-20 households) or a village-wide reallocation.

³² Adam Przeworski, *Democracy and the Market: Political and Economic Reforms in Eastern Europe and Latin America* (New York: Cambridge University Press, 1991), p. 14.

³³ see John James Kennedy, 2002.

³⁴ Bai Gan. *Xuanju yu Zhili: Zhongguo cunmin zizhi yanjiu* [Elections and Administration: Research on Villager Self-Governance in China] (Beijing: China Social Science Publishing, 2001), p. 155; He

also found similar variations in the nomination process in his study. See He Xuefeng. “cunweihui xuanju zhu huanjiede diaochs yu fenxi: Hunansheng sishigexian cunweihui xuanju xinxi huifang houdong baogao” [An investigation and analysis on the procedures of village committee elections: a report on the data verification of the village committee election in forty counties in Hunan Province], *Rural China Villager Self-Government Information, Statistical Analysis*, World Wide Web at < <http://www.chinarural.org/tjfx.htm> > [accessed June 28, 2001]

³⁵ In fact, even within the category we label as villager nominations, there is a great deal of heterogeneity among villages. For example, some villages have a “self-nominations” (*zijianpiao*), head-of-household (*gehuhuzhu timing*), the small group (*xiaozu timing*) or villager representative assembly nominations (*cunmin diabiaoahui timing*). However, in our study classify all of these types as villager nomination.

³⁶ O'Brien, “Implementing Political Reform in China's Villages.” pp. 41-45.

³⁷ Gao Zhengwen, “Guanyu Shaanxi sheng cunweihui huanwei xuanju guanचा baogao” [An observational report about village committee election turnovers] in *Xiangcun zhengzhi* [The politics of the countryside], ed. Wang Zhongtian (Nanchang: Jiangxi People’s Publishing House, 1999), p.171;

³⁸ Informal interviews with county officials suggest that the policy preferences of the county party secretaries may explain the variation. When the policy preference is high most or all of the villages within our county sample will have open nominations and competitive elections, but if the village election policy has a low priority in the view of the county party secretary, the township officials can implement the policy any way they see fit.

³⁹ Informal interviews with township party secretaries suggest that township officials will interfere with village elections (i.e. nomination process) in order to deal with “problem” villages. The examples of “problems” are villages with intense clan conflicts, inter- village disputes over water rights and villages with a history of tax strikes.

⁴⁰ It should be emphasized that we are not saying that villagers are satisfied with the most recent adjustment, but believe it was fair. That is, it could be in some village that a village leader equally divided the land, but a certain household was hurt by the reallocation and would have been better off if the reallocation had not occurred. In other words, the preference of such a farmer would not be consistent with the equal distribution of land. However, it is possible that in such a situation that the farmer could still believe that the leaders decision to reallocate land equally was fair.

⁴¹ Because we have a 1-5 level of fairness scale we use the OLOGIT or the ordered logistic regression method for a categorical (ordinal) dependent variable.

⁴² Shouying Liu, Michael Carter and Yang Yao. “Dimensions and Diversity of Property Rights in Rural China: Dilemmas on the Road to Reform.” *World Development* vol. 26, no. 10 pp.1796 and pp.1798.

⁴³ See Appendix for more information about the control variables

⁴⁴ see John James Kennedy, 2002; also Zhu Kangdui et al. “Zongzu wenhua yu cunmin zizhi” [Clan culture and village self-government] *Zhongguo Nongcun Guanचा* [China Rural survey] no. 4 (2000), pp. 64-69.

⁴⁵ Another important aspect of this result is that, in some of the poorer, more mountainous regions in northern Shaanxi, arable land is scarce. Many farmers may farm four or five mountain plots (*shandi*), but only a small plot of flat arable land (*pingdi/gendi*). In northern Shaanxi, these limited arable plots are highly contested.

⁴⁶ Bernstein, Thomas and Lu Xiaobo. 2000. “Taxation without Representation: Chinese State and Peasants in the New Reform Era.” *China Quarterly*, no.163, pp.111-32; Lu Xiaobo, *Cadres and Corruption*. (Stanford: Stanford University Press 2000); also see D. Gale Johnson “Property Rights in Rural China”

⁴⁷ It is also possible that the township nominated leaders already had a fair amount of land, that is, the township government selects candidates because they are economically well off and had previously “rented in” large tracks of land. Nevertheless, the data is suggestive and points to a level of petty corruption.