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**The Political Payoffs of Governance Reforms:
How Citizens See and Judge the State in Authoritarian China**

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Abstract:

How do we explain why some individuals in nondemocratic contexts actually view government officials as responsive to citizen needs and concerns, while many others see officials as unhelpful at best and dishonest as worst? Are there actions that authorities in nondemocratic and transitional systems can take to improve citizen evaluations of the government? One possible answer, this paper suggests, lies in the governance reforms that local authorities choose to implement. This paper argues that one of the most important ways government authorities in nondemocratic and transitional systems have for increasing citizen perceptions of government responsiveness is to implement fiscal governance reforms. While these reforms can in fact improve governance, even without evidence of actual improvement in performance, “valence reforms” such as fiscal governance reforms can increase citizen perceptions of government responsiveness by signaling to citizens that higher levels have benevolent intentions.

Introduction

Mrs. Cheng, a villager in her seventies, makes a living by selling the eggs from her chickens. Fortunately, Willow Vale, the village where she lives, lies near the Great Wall a couple of hours outside of Beijing. In the village are a number of farmhouse restaurants that benefit from city dwellers making weekend excursions to the countryside, which buy her eggs. Mrs. Cheng and her husband are not wealthy like some of the villagers who run restaurants, but they are not too badly off either. Willow Vale is not as affluent as other villages closer to the city, where households might even have their own flush toilets. But many of the village's roads are paved, and one road even has solar-powered streetlights.

Despite the reasonably good public infrastructure in their village, Mrs. Cheng emphatically insists that village or township officials do not care about people like her. When asked what makes her think this way, she – like many others in developing, transitional contexts – raises problems of corruption and the misuse of public funds:

“The village officials? They never give any help. If they did, why don't they distribute the money that gets transferred from higher levels? Yes, I've heard that there is this problem. I'm not clear on it, but sometimes I walk around the village, and I hear people talking about it. I just listen, but I don't complain about it. If I complain, the officials might be angry. But I'm not deaf, I can hear.”¹

One of the main problems, Mrs. Cheng thinks, is that ordinary people like her have no way of getting information about the use of public funds or holding local officials accountable for the misuse of public funds.

“And you don't know whether the money is embezzled by those in office, because you don't have any evidence. You don't know so you can't make unfounded accusations. If the money was appropriated from above, we villagers don't see it. You see that parking lot? According to state policies, municipal government policies, every year, every year there are funds allocated to this village, but you never see them, right? If you say you don't see them, it's still not true, because you do see that parking lot, right? Even if the municipal government allocates 50,000 yuan and says you should spend the money on this, and 30,000 yuan is

¹ *Hebei, June 2009, 8/66.*

spent on the parking lot, was it all spent on this project? At every level ... well, we don't know. We don't know anything.”²

Six hundred miles to the south, 45-year old Mr. Wang works as an electrician in Gate Courtyard Village in northern Jiangsu province. Unlike southern Jiangsu, which is renowned for its rural enterprises, or even Willow Vale, which bustles with commercial and economic activity, northern Jiangsu is an agricultural hinterland. Mr. Wang and his wife farm wheat and rice for household consumption, and Mr. Wang has never worked outside of the village. Most households in Courtyard Village rely on farming for income, although there are ten household enterprises that do simple processing of fish and food products.

In terms of public infrastructure, Courtyard is quite similar to Willow Vale. Like Willow Vale, Courtyard has paved roads as well as some streetlights. Both villages employ street sweepers to keep the village clean. Both villages have recently completed large-scale construction projects – Willow Vale with its large parking lot to support the local restaurant businesses, and Courtyard with a new village government office-community center complex.

Mr. Wang's opinion about the local authorities, however, differs a lot from that of Mrs. Cheng. Overall, Mr. Wang seems to have a lot more confidence in the way that local authorities manage public funds. Even though Mr. Wang is not a political “insider” – he is not an official or related to an official, he is not a member of the Party, and he does not engage in business or other activities that involve interacting with the government – he nevertheless seems to have a relatively high opinion of government responsiveness to citizen concerns. Despite rural China's recent record of widespread protests about tax burdens and predatory officials, Mr. Wang does not seem to fear predation or corruption. When asked whether he would rather pay more taxes or fees to the government and receive more public services, or pay no taxes or fees and receive fewer services, Mr. Wang actually says he would prefer to pay more taxes and receive more services. When asked whether he thought village officials would be doing fewer public projects because the abolition of rural taxation had reduced local government revenues, Mr. Wang did not think the reduction of local government revenue would be a

² *Hebei, June 2009, page 19/119.*

problem: “Why? Because local officials can reduce expenditures, reduce waste, and use the revenues on public projects.”

Most tellingly, Mr. Wang strongly supports allowing local officials to collect back taxes owed by villagers who evaded the local taxes and fees collected by village and township authorities prior to the abolition of rural taxation. Although Courtyard Village has the least severe problem with back taxes out of all the villages in the township – about one-quarter of the households owed the village authorities a total of 100,000 yuan in unpaid village levies – Mr. Wang thought that the government should issue a policy to authorize local officials to collect back taxes. He noted that what used to bother him most about paying taxes to the government was not the amount, or the way that he thought the government used the money, but the feeling that he was paying while others – “bad apples” – were not paying.³

Given the weakness of government accountability in nondemocratic and transitional contexts like rural China, Mrs. Cheng’s low opinion of government responsiveness to citizen concerns is not particularly surprising. More surprising are Mr. Wang’s beliefs about government officials. Mr. Wang seems to believe that local authorities use public funds responsibly and respond to citizen needs, despite frequent media reports of widespread corruption and malfeasance.

How do we explain why some individuals in nondemocratic contexts view government officials as responsive to citizen needs and concerns, while others see officials as unhelpful at best and dishonest as worst? Even more puzzling, why do citizen perceptions of government responsiveness differ even when they have similar levels of satisfaction about the public services they receive from the government? Is variation in individual perceptions of government responsiveness purely a result of individual idiosyncrasies, or are there actions that authorities in nondemocratic and transitional systems can take that improve citizen evaluations of the government?

One possible answer, this paper suggests, lies in the governance reforms that local authorities choose to implement. More specifically, one of the concerns uppermost in the minds of citizens in nondemocratic and transitional contexts is the misuse of public funds

³ *Northern Jiangsu, April 2007, page 4-6.*

by government authorities. This paper argues that one of the most important ways government authorities in nondemocratic and transitional systems have for increasing citizen perceptions of government responsiveness is to implement “valence reforms” such as institutions for fiscal governance. At best, such reforms may improve local governmental performance by increasing top-down or bottom-up control over local public finance. But even without evidence of actual improvement in performance, these “valence reforms,” institutions that are universally viewed by citizens as having potential effects that can only be positive, can increase citizen perceptions of government responsiveness by signaling to citizens that higher levels at least have benevolent intentions.

Why should we care about citizen opinions and attitudes in nondemocratic systems?

Why should we care about explaining variation in citizen perceptions of government responsiveness? Why do attitudes and opinions about the government matter, especially in nondemocratic and transitional contexts that lack reliable institutions for enabling public opinion to impact public policy?

The first reason we should care is because these attitudes have a robust effect on political behavior. Citizens who perceive government authorities as responsive to citizen concerns are much more likely to engage in political activity. Studies of political behavior show a remarkably robust correlation between citizen perceptions of government responsiveness, or “external efficacy,” and voter turnout, participation in campaign activities, contacting government officials, and engaging in protest.⁴

The data on which the current paper draws are consistent with these findings. Survey data from rural China also show a robust correlation between perceptions of government responsiveness and engagement in political activities such as attending local assembly meetings, nominating candidates for local elections, and – especially worth noting – complaining to local officials about governmental performance and public goods provision.⁵ Since criticizing authorities in a nondemocratic system can entail significant

⁴ Add citations.

⁵ Create appendix tables for these results

risk and fear of reprisal, it is important to understand the conditions under which individuals are more likely to engage in such behavior and the factors that might enable them to overcome these barriers to action.

Another reason is because citizens who perceive authorities as responsive to their needs and concerns are also more likely to comply with state demands. Both experimental and observational studies in social psychology show that individuals who perceive authorities and decision-makers as responding to their input are more likely to view decision-making procedures as just and comply with the resultant policies and decisions, even when they disagree with them. Again, the data from rural China are consistent with these studies – individuals who perceive government officials as responsive to their input and concerns are generally more likely to comply with government policies and regulations.

Finally, identifying the factors that strengthen citizen perceptions of government responsiveness can help us understand the conditions under which citizens believe that the government exercises its authority legitimately. If citizens do not feel that government officials respect their views or take their concerns into account when making decisions, it seems unlikely that they will believe such officials ought to exert power over them and that they ought to obey the decisions such officials make. There are of course other ways to produce obedience and compliance in nondemocratic regimes in addition to making citizens believe that government officials respond to their input and concerns. Many such regimes have made use of propaganda and ideological “brainwashing”, brute coercion, economic benefits and simple cash payouts.⁶ Indeed, we often assume that such regimes rely only on these methods.

This project, however, seeks to address the seemingly counterintuitive question of how nondemocratic and transitional systems may be able to elicit citizen cooperation voluntarily by signaling that they are responsive to citizen feedback and concerns. Given that, even in a nondemocratic context like rural China, individuals who believe in government responsiveness are more likely to behave in ways that sustain the day-to-day activity of the political system – they are more likely to participate in local politics, complain about governmental performance as well as comply with government

⁶ Levi, *Of Rule and Revenue*. Linda Cook on socialist social contracts

regulations – identifying the institutions that governments can implement in order to foster these beliefs can illuminate the micro-foundations of authoritarian durability.

Explaining citizen perceptions of government responsiveness: Lessons from developed democracies

Is there evidence to suggest that institutional arrangements affect citizen perceptions of government responsiveness? Scholars interested in explaining beliefs about government responsiveness, or “external efficacy” – have mostly focused on factors at the individual level – variables such as socioeconomic status (Campbell, Gurin, and Miller, *The Voter Decides*, 1955, 190-91; Mansbridge, 1980, 99) and one’s upbringing and political socialization. Hess and Torney (1967) found that children with higher socioeconomic status are more likely to believe that people can influence the government,⁷ while Gimpel et al. (2003) and Campbell (2006)⁸ report that people socialized in an environment with more party competition are stimulated to develop a stronger sense of political efficacy. Finkel (1985) argues that successful participation in the political system boosts the feelings that individuals have of external efficacy.

Although much of this literature assumes that perceptions of efficacy are the relatively stable outcomes of socialization processes over the long term, more recent studies suggest that interventions can have immediate effects on people’s political attitudes. Kenan and Halperin (2012), for example, use vignettes on a survey experiment to manipulate perceptions of external efficacy successfully. Similarly, Morrell (2005) finds that subjects participating in an experiment scored higher on a measure of internal efficacy after experiencing a deliberative decision-making process.⁹

Political elites certainly hope to improve citizen evaluations of government by reforming political institutions. Besley and his co-authors (2012) argue that fear of political instability and losing power can lead authorities to implement political checks-

⁷ Hess and Torney, 1967, 149.

⁸ Campbell 2006, 120-21.

⁹ Morrell, 2005, “Deliberation, Democratic Decision-Making, and Internal Political Efficacy,” *Political Behavior*.

and-balances reforms.¹⁰ Meguid (2012) notes that politicians in Western Europe promote decentralization initiatives to the electorate by stressing “greater voter access and political efficacy.”¹¹ Proponents of direct democracy harbor similar hopes. Cronin (XXX) and XXXX, for example, posit that institutions of direct democracy, such as referendums, should lessen political alienation and apathy by giving citizens more of an active role in the political process.¹²

In accordance with the increased emphasis by politicians and policy makers on improving governance and trust in government, there has been a growing body of scholarly literature over the last twenty years on the impact that institutional arrangements can have on citizen engagement and support. Existing theories generally have two types of explanations for how institutions affect citizen perceptions of government – ones that focus on how institutions affect the way in which citizens experience the process of governance, and ones that focus on how institutions affect the way in which citizens experience governance outcomes.

Studies that focus on the governance process highlight the importance of democratic institutions and political participation for citizen evaluations of government. These studies assess whether citizens who participate more are more likely to have higher levels of political efficacy because they gain firsthand experience of how their political actions can successfully influence government actors (Finkel 1985, Bandura 1977). Institutions that promote direct democracy, such as referenda voting, are expected to have a positive impact on perceptions of government responsiveness, though the empirical record on this hypothesis is mixed (Hero and Tolbert 2004, Dyck and Lascher 2008. *See also Frey 1997, Frey and Stutzer 1999, Mendelsohn and Culter 2000, and Bohnet and Frey 1999.*) Research by social psychologists has suggested that institutions giving people the perception that they have greater control over decisions and more participation in the decision making process can result in higher levels of support for authorities and

¹⁰ Besley, Persson, and Fabra, “Political Instability and Institutional Reform: Theory and Evidence,” Working paper, draft version April 20, 2012.

¹¹ Meguid, “Bringing Government Back to the People? The Impact of Political Decentralization on Voter Engagement in Western Europe,” working paper, 2012, 1.

¹² Cronin, *Direct Democracy*. Look for the other common cite.

more positive evaluations of the “procedural justice” of the decision-making process (Tyler 1990).

A second logic connecting institutional arrangements to citizen perceptions of government focuses on how different institutional arrangements affect citizen evaluations of government through their effects on actual governance outcomes. Theories of decentralization, for example, posit that bringing government closer to the people and clarifying responsibilities across levels of government ought to improve actual governmental performance and public goods provision (Oates 1999, Weingast 1995, Tiebout 1956).¹³ Such improvements should result in higher levels of citizen satisfaction with government.¹⁴ Frey and Stutzer (1999), for example, find that voters in Switzerland that live under more decentralized institutions are more likely to have higher levels of life satisfaction and attribute this positive effect to political outcomes that are closer to voters’ preferences as well as the procedural utility of opportunities for political participation.

Within this category are also theories that emphasize how different institutional arrangements affect how fully “winners” win and “losers” lose in terms of political outcomes. Elazar (1997) argues that federalist systems accommodate the needs of different regions and groups, and thus produce fewer “losers” in the system – both electoral losers who vote for a candidate or party that does not make up part of the legislative body, and social losers who feel that the government is not providing them with the services they need. Anderson and Guillory (1997) find that voters for losing parties in consensual democracies express higher levels of satisfaction with the way democracy works than do losers in systems with majoritarian institutions. Because consensual systems give members of political minorities some voice in the decision-making process, the negative distributive and political consequences of losing should be muted.

¹³ However, as Hiskey and Seligson (2003) note, decentralization reforms do not always have the desired positive effects on performance. They find that a reform allowing municipal council to vote to remove the mayor from office, which was intended to help citizens remove corrupt mayors, was actually used by the incumbent party to remove opposition mayors.

¹⁴ Norris (1999), for example, argues that federalist states should produce higher levels of system support than unitary states.

How do ordinary citizens see and judge government authorities in nondemocratic and transitional systems?

[PRELIMINARY NOTES – observations from previous studies]

What do ordinary citizens in nondemocratic and transitional contexts care about and pay attention to when they form their opinions about government authorities? Outside consolidated democracies, institutional reforms designed either to empower ordinary citizens in the decision making process or to improve governmental performance and public goods provision often fail to live up to expectations. The link between democratic reforms, for example, and increased external efficacy in these contexts is tenuous. Ordinary people in nondemocratic and transitional systems typically have little experience with successfully influencing government actors. Even when democratic elections are implemented, people can be quite cynical about how useful they really are. In some cases, people experience high levels of election fraud and manipulation. Even if elections are well implemented, the “real” decisions are made behind the scenes (Helmke and Levitsky). Voting based on policy preferences is uncommon (Wantchekon). Instead of improving the representation of citizen interests in policymaking, both decentralization reforms and the implementation of elections may exacerbate social cleavages and conflict (ethnic politics literature) or reinforce pre-existing patterns of patronage and corruption (Lust, Chandra, patronage democracies).

Indeed, corruption and the misuse of public resources are one of the biggest concerns that citizens have about government authorities in nondemocratic and transitional contexts.

Ordinary people also feel that only top-down efforts by higher-level authorities could possibly have an effect on controlling misbehavior by local officials. In these contexts ordinary people generally feel that bottom-up efforts to reform corruption and malfeasance have little effect. Ordinary people often feel they have little information about what government officials are really doing, or little power to control them.

They therefore look for signals from higher levels about whether higher levels are benevolent and well intentioned, or whether they are also corrupt, predatory, and colluding with village officials.

Preliminary findings from qualitative research on rural China

This section draws on preliminary analysis of data from a series of in-depth interviews conducted with individuals in thirty households randomly sampled from three villages located in three disparate regions of China. The purpose of these interviews was to investigate how ordinary people think and talk about their evaluations and judgments

of government authorities in their everyday lives. Since qualitative research was not intended to provide point estimates such as the percentage of people nationally who engage in constructive policy noncompliance, my main concern was to ensure that a variety of perspectives was captured and that these perspectives were not systematically biased in any way. I thus chose three village communities located in three very different regions of China: Li Family Forest Village in Shaanxi province of northwestern China, Broken Fence Village in Fujian province of the eastern coastal region, and Willow Vale Village located two hours north of Beijing in China's central agro-ecological region. The three agro-ecological zones in which the villages are located have dramatically different topographies, historical legacies, and levels of economic development. Li Family Forest is a poor, primarily agricultural village located in the mountains of northwestern China. In contrast, Broken Fence is a wealthy village bursting with industrial and commercial development located on the outskirts of the Xiamen Special Economic Zone on the southeastern coast. Willow Vale, with a mixed economy relying on agriculture and villager-run farmhouse restaurants, lies within the jurisdiction of Beijing's provincial-level government but two hours away from Beijing city limits.

In addition to ensuring that the field sites had diverse economic, political, and institutional contexts, I also wanted to make sure that individual households were selected in a way to ensure that the range of attitudes expressed was not systematically biased in any way. Thus, within each village, households were randomly sampled using either a comprehensive list of households or a map of the village and its dwellings. (For a complete list of interviewed households, please see appendix.) Each household was interviewed either two or three times, with the average visit lasting about an hour. I interviewed each household at least once in conjunction with one to three Chinese graduate research assistants, who then returned to the households, sometimes without me, to follow up with additional questions. Finally, to supplement the data from ordinary villagers, I also interviewed several dozen local officials about local governance across six provinces.

Based on preliminary analysis of the qualitative interview data, three main themes emerge when villagers reflect on whether they feel like government authorities listen to their views and respond to their complaints. The first theme, interestingly, is the degree

of top-down control that higher levels exert over lower levels. Higher-level control over lower levels is a key criterion in villager assessments of government responsiveness because villagers in many places believe that there is no way that lower-level officials respond to ordinary people unless higher levels make sure they do so. Broadly speaking, villagers see the will and capacity of higher levels to hold lower levels accountable as a necessary precondition for officials at lower levels to respond to their concerns and complaints. Villagers feel that higher levels and lower levels are either in collusion with each other – in which case, higher levels are not interested or able to hold lower levels – or that higher levels are in conflict with lower levels, in which case they have an interest in helping ordinary people hold lower levels officials accountable. Mrs. Li, for example, a young mother who works in a local sweater factory and lives in Willow Vale Village, describes the collusion between local levels in relating what happened when she went to the township to complain about village officials giving preferential treatment to those with political connections:¹⁵

Li: My little girl is nine years old, and we paid a 20,000 yuan fine. She was born in 2001 and in that year, there was a village official on the north street who had a niece that was half a month older, she got a 10,000 yuan fine.

Interviewer: Did you go to the township to report it?

Li: If you go to register a complaint (*xinfang*), they are all in cahoots with one another (*yi huo de*). When you go to the letters and visits bureau (*xinfang ju*), before you've even left the office, they have called the officials in your village, told them who is visiting, and then shooed you out of the office.

Or take Mr. Bao, a 69-year old farmer who lives in Li Family Forest Village in Shaanxi. Mr. Bao describes what happens when people from his village make complaints to local officials whom he sees as in collusion with each other:¹⁶

Bao: Now the state only intervenes with words. That's the situation in the countryside. Another thing is that people are angry about political corruption. Eighty percent of people are angry about political corruption. We complain about it, but it doesn't accomplish anything.

¹⁵ *Hebei, No.9, 6/13/09, 341-2.*

¹⁶ *Shaanxi, No. 1.*

Interviewer: Generally you complain about it to village officials, or directly to the township or district?

Bao: If you complain about village officials or township officials, since they share interests with each other, if you report on them, you will hurt yourself. [Township officials will tell village officials]: “Hey, somebody in your village is complaining about you”.... You see? There will come a retaliation, and you still didn’t accomplish anything.”

Interviewer: They dare to carry out reprisals? Even though you are from the same village?

Bao: You university people have no idea of how things are done in the countryside. In the countryside, some officials from the same village will beat you up, you’ll get beaten up without having accomplished anything for it. Who can you complain to? You have nowhere to complain about it.

Mr. Bao contrasts the current situation with how he remembers higher levels monitoring lower levels during the Maoist period. In his memory, higher levels monitored the behavior of local officials and punished misbehavior strictly.

Interviewer: In Mao Zedong’s time, after the village listened to our opinions, did they convey them to the township or not?

Bao: In Mao Zedong’s time, village officials dared not misbehave. Those who took salaries from the state dared not misbehave. If they had a meal in a villager’s place, even a leftover meal, they would pay him food coupons of four *liang* and three *mao*. You investigated at the end of the year. You asked people which official did not pay for his meal – whoever did not pay was going to get punished. Now nobody cares, from the central government to the local government. Officials from the central government eat [for free] in the provinces. They eat and go away. Officials from the provincial government eat in the counties, in the districts. They eat and go away

Nostalgia rather than accuracy may predominate in Mr. Bao’s recollections, but what is important is how they illustrate his ideas about responsive government authorities. He thinks of government as responsive to ordinary villagers when higher levels actively investigate the behavior of lower levels and enforced strict penalties for misbehavior so that lower levels are too afraid of higher levels to break the rules or take advantage of ordinary villagers. *More on collusion.*¹⁷

¹⁷ Hebei No.6, 6/11/09, 32/257

Villagers generally view increasing top-down control of lower levels as good for promoting responsiveness of officials to ordinary people. As Mr. Cheng, a farmer in his twenties who also lives in Li Family Forest, explains, higher levels are more likely than lower levels to respond to the concerns raised by citizens because “you have to think, one, they have more authority, and two, you don’t have to be afraid of them taking revenge on you. From our point of view, higher levels are much easier to deal with. Grassroots officials are hard to deal with.”¹⁸

Villagers expressed approval of the top-down use of targets on performance contracts to improve the responsiveness of village authorities. Mr. Bao notes that he reports the misbehavior of village officials to higher levels because “if you do something wrong, higher levels will deduct points when evaluating your performance.”¹⁹ Others also attribute or assume that their village officials make certain decisions – ask villagers to buy crop insurance, organize the construction of public toilets, change the way they carry out conscription and birth planning quotas or land appropriation – because of what is on their performance contracts.²⁰

Villagers also thought that fiscal re-centralization was another strategy deployed by higher levels to increase local government responsiveness to citizen needs. As one villager in Fujian’s Broken Fence Village commented: “If you are corrupt, most people will be upset. But now in this system, the accounts are not under your control so it’s hard for you to be corrupt – so now villagers don’t need to worry about whether you are making the accounts transparent or not.”²¹ Like other central policies, fiscal re-centralization appeals to ordinary villagers, as one village Party secretary in Jiangsu commented, because they paint “higher levels as the good guys and making lower levels the bad guys (*shangmian zuo haoren, xiamian dang huairen*).”²² But local officials, such as Mr. Li, a township official in Shaanxi, believe that giving township governments authority over village public finance has “made the masses less worried, more understandable, and now they have more trust in village officials (*qunzhong bijiao*

¹⁸ *Shaanxi, BJ, 470.*

¹⁹ *Shaanxi, BJ, 51.*

²⁰ *See, for example, Shaanxi, BJ, 123; TT Village, 11/16/08, 15/441.*

²¹ *Fujian, TT Village, Nov 2008, 11/26/08, page 16/387*

²² *GY Village, XH, Jiangsu.*

fangxin, mingbai, bijiao xinren cun ganbu)." Mr. Liu, in Li Family Forest, agrees: "Now if you apply for a public project, and the higher levels approve it, you have to get the project done. The higher levels will audit it. You can't just fool them and put all that money into your pockets. The villagers have to at least agree with what you're doing. Although no one wants to 'protest,' some people will raise concerns and complaints."²³

In contrast, villagers expressed doubts about the role of elections in enabling them to sanction officials from the bottom up for poor performance and malfeasance. One comment made repeatedly by respondents in all three villages in answer to questions about the utility of elections was "It does not matter who you vote for – all crows are black."²⁴ The common assumption is that all officials are corrupt or become corrupt after time in office. Mr. Peng, a truck driver who lives in Li Family Forest, believes that local officials really only need one term in office to line their pockets: "As for the village head, he doesn't care about whether he will stay in office. Even if he cannot stay in office, he won't care as long as gets the money."²⁵ Mr. Ping, a relatively well-off middle-aged farmer in Fujian's Broken Fence Village, comments that voters voting against poorly performing village officials are like "mosquitos biting the Buddha."²⁶

A second theme that repeatedly occurs in villager descriptions of government authorities that do listen and respond to citizen concerns is the efforts made by higher levels to enable citizens to monitor lower-level officials. *Discuss McCubbins on "fire-alarm accountability."* Villagers rely on higher levels to punish lower levels for not responding to citizen needs and carry out the sanctioning required by a system of accountability. But villagers also value the opportunities and institutions provided by higher levels to voice their opinions to authorities and to obtain information that enables them to work together with higher levels to monitor village officials.²⁷ Mr. Yang, a 79-

²³ *Shaanxi*, BJ, 282, 7/24/10,

²⁴ *Fujian, TT Village*, Nov 2008, e.g. 43/347. *Shaanxi*, BJ.

²⁵ *Shaanxi*, BJ, 187.

²⁶ *Fujian, TT Village*, Nov 2008, 43/347.

²⁷ *Grandpa Zhang (BJ 326)* says, "Nowadays, it's all about money and that things were more "democratic" in the Maoist period because local officials discussed things with villagers." Interviewer: "Did you see officials coming down a lot in the time of Mao?" Answer: "Yes a lot. At that time, if you had some problems, the problems would have to

year old villager in Li Family Forest, comments: “If people don’t report things to higher levels, they definitely will not know about them. If people don’t say anything, what government is going to go looking for problems to deal with?”²⁸ Mrs. Li in Willow Vale agrees: “The village officials are very black. They have done a lot of black things but since no one reports it, higher levels don’t know about them.”²⁹ Mr. Peng in Li Family Forest describes his idea of a responsive local government:

Peng: The government should have a policy implementation department. They should come to the village and conduct a survey of the villagers carefully. If you go to talk to the village head, he will definitely say that the policy has been carried out. So you should ask us villagers. A community-wide meeting should be held. In the meeting, you should tell us the new policy and its relationship with us so that we are clear about these policies.

Interviewer: Are there policies that villagers have refused to follow?

Peng: For some affairs, the officials made their decisions without holding a meeting. For instance, they leveled the farmland this year without consulting us. The crops grew badly so we feel they should compensate us several hundred *yuan*. But we’ve received nothing.³⁰

Meetings are important not only when they give villagers an opportunity to make decisions about village affairs, but also when they provide villagers with useful information about politics and government that can help them hold local officials accountable. As Mr. Bao notes, “If you don’t know the policies, what kind of complaint will you be able to make? Six, seven years have passed since there was a general meeting of the community.... The government should have at least one “propagandist” specifically in charge of disseminating information about government policies and documents in each village.”³¹

The third theme that emerges from the interview data is, not surprisingly, the way in which villagers focus on public expenditures and misuse of public funds when they

go through the commune and brigade. But now there’s no democracy. Things at that time were at least always discussed.”

²⁸ *Shaanxi, BJ, 211.*

²⁹ *Hebei, No.9, 6/13/09, 339.*

³⁰ *Shaanxi, BJ, 175.*

³¹ *Shaanxi, BJ, 35.*

explain what they think about government responsiveness to citizen concerns. In all three villages, respondents clearly paid attention to available information and hearsay about the public expenditures of the village and transfers from higher levels. When villagers were asked whether they think government officials listen to citizen concerns, they often responded by relaying stories of embezzling by village officials, poverty alleviation funds that higher levels claimed they allocated to the village but which village officials denied receiving, illegal sales of public lands and forests, and public works projects such as the parking lot described by Willow Vale's Mrs. Cheng that could not have cost as much as village officials claim.³²

Under these circumstances, it is not surprising that villagers view local authorities that enable them to obtain information about local public finance and ask for their opinion about the use of public funds as responsive to their concerns. Mr. Ting, a villager in Fujian's Broken Fence Village, says, "When there is a public project, the village official should have a proposal. There should be someone to tell us about it, that they are going to construct a road or something and that we should make a contribution of how much, and then of course people will contribute."³³ Mr. Ting, however, does not feel that local authorities actually live up to this ideal of responsiveness: "Institutions for supervising officials are insufficient. What I'm saying is that supervision fails. For example, if the village head wants to spend public funds, he just spends them. Not a single person dares to ask whether these funds should be spent or not."³⁴ Mr. Yang, a villager in Shaanxi's Li Family Forest, speaks approvingly of the former village head because he voluntarily publicized the village's accounts to villagers: "Only when he was the village head were the village accounts made public. The other officials have never made them public. He would at least announce what projects would be organized within the year. And people always expressed their opinions actively in the all-village meeting when he was the head."³⁵

To summarize, when ordinary people in rural China answer questions about whether they feel like government officials respond to their needs and concerns, their

³² *Shaanxi BJ*, 16-17, 410, 450.

³³ *Fujian, TT Village*, pages 14-15/385-86

³⁴ *Fujian, TT Village*, pages 35/339, 36/340, 40/344. page 41/345

³⁵ *Shaanxi, BJ*, 399-400.

reflections revolve around (1) concerns about the misuse of public funds, (2) whether higher levels seem willing and able to punish misbehavior by lower levels, and (3) whether higher levels take steps to involve villagers in helping to monitor the performance and behavior of local officials. When higher levels implement institutions intended to increase the accountability of lower-level officials for the use of public funds, ordinary people, who generally have little information about the internal workings of government, interpret these actions as important signals about the responsiveness of government authorities.

One reason that these reforms signal government responsiveness is because all other things being equal, having these reforms is better than not having these reforms for improving actual governmental performance. But even if such reforms have no discernible effect on objective performance, they may still increase citizen perceptions of government responsiveness because they signal that higher authorities are benevolent and have a desire to act in the public interest.³⁶ In a sense, fiscal governance reforms can be thought of as “valence reforms.” Theories of political behavior define a valence issue as

³⁶ ***Reforms as signals of benevolent intentions?*** *Reforms can signal government concern to citizens. Signals of good intentions may improve individual perceptions of government responsiveness, even in the absence of improved governmental performance. In Polyarchy, Dahl comments on how government actions that signal good intentions can affect citizen evaluations: "In some cases, even though the government's actions are misdirected, they may reduce further demands simply because these actions symbolize to the disadvantaged group that the government is concerned. Indeed, it seems at least theoretically possible that sometimes a government's wrong-headed but seemingly well-intentioned policies may completely fail to reduce inequalities, yet the very fact that the government demonstrates its concern may be enough to hold, perhaps even to win over, the allegiance of the deprived group" (90) Then, he refers to the importance of perceptions, "the sense of inequality." And then describes a pathway where by perceptions are changed, without actually doing anything: "Path A' represents the case of a government which is perceived among a disadvantaged group as having reduced inequalities, even though its actions have failed to get at the causes and the inequalities remain more or less unchanged. In time, of course, the fact that the government has not succeeded in reducing the inequalities may and indeed will, become apparent. Yet it is quite possible that by the time this happen, the government may have acquired a considerable reserve of allegiance." (91-92) And then in the conclusion to the chapter: "When demands for greater equality do arise, a regime may gain allegiance among the deprived groups by responding to some part of the demands, though not necessarily all of them, or by responses that do not reduce the objective inequalities but do reduce feelings of relative deprivation" (104).*

an issue that is uniformly liked or disliked among the public, as opposed to a position issue – such as a policy with distributional consequences – on which opinion is divided. Corruption and government malfeasance are classic examples of valence issues. Political actors are all publicly anti-corruption, but they differ in the degree to which they emphasize their commitment to anti-corruption efforts. In democratic systems, politicians that are more successful at associating themselves positively with a valence issue may be more successful in elections. Within nondemocratic systems, political actors can signal their responsiveness and commitment to citizens by implementing reforms on valence issues. All other things being equal, citizens are more likely to see these actors as responsive to their needs and concerns.

This paper thus examines higher-level efforts to reform and control lower-level use of public funds as an example of “valence reforms” that have a positive impact on citizen evaluations of government responsiveness. Higher levels that implement fiscal governance reforms or anti-corruption initiatives are signaling to citizens that they are not colluding with lower levels. Instead, they seek to communicate that they are “on the side of ordinary people.” Identifying the kinds of reforms that increase citizen perceptions of government responsiveness can help us understand the micro-foundations of authoritarian durability. Unlike many economic reforms – allowing private enterprises, price liberalization – which may have distributional consequences and inequalities, winners and losers – or other political reforms that have indeterminate or both positive and negative consequences – decentralization and the implementation of village elections that decrease central transfers or increase factional conflict within villages – “valence reforms” are popular with everyone, no matter who they are. No one opposes anti-corruption reforms or the implementation of accountability mechanisms. Local authorities that implement “valence” reforms, such as anti-corruption measures, anti-predation measures, and fiscal governance reforms may enjoy more positive evaluations of their responsiveness to citizens than local authorities who do not implement such reforms.

If we return to the example introduced in the introduction of the paper – that of Mr. Wang in Courtyard Village who had relatively high perceptions of government

responsiveness, the outlines of the case are consistent with these arguments. The township government that oversees the officials in Courtyard Village has been both extremely strict about the top-down management of village finances, and unusually diligent about the implementation of bottom-up institutions for citizen oversight of village finance. Local authorities refer to a system of “two lines” controlling village income and expenditures (*shouzi liangtiaoxian*). One line is top-down. Any revenues collected by Courtyard’s village officials must be reported on the same day to an accountant in the township agricultural economy office (*nongjingzhan*). Expenditures must be reported every three months. The township holds and disburses of all of the village’s funds.

The other line of control is bottom-up. Village officials pay out of pocket for village expenditures. In order to get reimbursed, they write up a receipt, which them has to be stamped by a citizen committee overseeing village finance (*licai xiaozu*). This committee has six members – three retired village officials and three ordinary villagers. For major expenditures, the village officials have to discuss the expenditure with the villagers’ representative assembly, which meets four times a year, and obtain their approval. Although they lack a precise definition of a “major” expenditure, they illustrated the concept by saying that electricity bills for the village’s street lights only have to be signed by the smaller village finance committee, while last year’s road project had to be approved by the larger public projects’ committee.

Village officials also noted that higher levels gave out additional subsidies for public projects if they implemented these institutions diligently. If monies for public infrastructural projects were governed by these institutions, they noted that higher levels would reward them with a “prize” – *yijiang daibu*, a transfer that was not strictly tied to the cost of the project.

As one of the members of the villagers’ representative assembly, Mr. Wang has the opportunity to observe how all of these institutions work in practice. Mr. Wang is noncommittal and shrugs his shoulders when asked whether the assembly has any “real power” over village officials so it remains an open question whether fiscal governance is actually improved due to citizen oversight. What is clear, however, is that these reforms have increased citizen confidence in the management of public funds. Officials in the

township government note that since implementing these fiscal governance reforms, the composition of villager complaints and collective petitions (*shangfang*) has changed. Prior to the reforms, they note that villager complaints to the township were primarily about rural taxes and embezzlement of village funds. Since the reforms were implemented in 2006, however, they say that villager complaints have mostly been about land conflicts between villagers, and the township has only received new complaints about misuses of village funds that predate the fiscal governance reforms.

Main hypotheses

Based on information from the qualitative research, we might hypothesize that, all other things being equal, local governments that implement more fiscal accountability reforms enjoy higher citizen perceptions of government responsiveness. Since it is difficult for ordinary people to judge government performance and intentions precisely, citizens look for these valence reforms as signals that local authorities are at least trying to improve performance.

These signals may matter more for individuals who have relatively low access to information about the government and/or relatively low opinions of government authorities. Thus, we also expect these signals to matter more for villagers who are not Party members and/or who lack informal political connections (like relatives in government). *Elaborate further.*

Data and measures

The data come from a survey of 2,026 households in 2008. One province was randomly selected from each of China's major agro-ecological zones: Jiangsu from the eastern coastal region, Sichuan from the southwest, Shaanxi from the northwest, Hebei from the central region, and Jilin from the northeast. Through a stratified clustering

strategy,³⁷ five counties were randomly sampled from each province, two townships from each county, two villages from each township, and twenty households from each village.

Dependent variable

This paper examines citizen perceptions of the responsiveness of authorities at three levels – village, township, and center. To gauge whether people thought authorities listened and responded to citizen input, respondents were asked whether or not they thought officials at each level, when making decisions, usually give villagers a chance to express their views, respect and take into account villagers' views, and give villagers an opportunity to make decisions about village affairs (**Table 1**). Similar questions have been used many times in public opinion surveys and behavioral research.³⁸ Each of the three dichotomous measures was then combined into a simple additive index of citizen perceptions of the responsiveness of authorities at one particular level by adding the responses to the three questions together so that the index ranged from 0 to 3. The three summary indices were then combined into one overall index that ranged from 0 to 9 (**Table 4**).³⁹ (Alternative indices were also constructed through principal components analysis; results are similar regardless of how the indices are constructed).

Looking at the distribution of responses to the questions on government responsiveness, it is clear that there is considerable variation in citizen perceptions of government responsiveness across the fifty townships from which villages and households are sampled. On the 9-point scale measuring overall perceptions of government responsiveness, for example, mean perceptions by township range from 3.24 to 7.81, with most townships' levels of evaluations ranging between 4.83 and 7.08 (mean: 5.95).

³⁷ Per capita gross value of industrial output was used for stratification since it is often more reliable than official Chinese statistics on rural net per capita income and one of the best predictors of standard of living. See Rozelle 1996.

³⁸ Citations of examples.

³⁹ Cronbach's alpha is .90 for the overall index and between .85 and .89 for the indices of particular levels.

The idea that people differ systematically by locality in their evaluations of government responsiveness can also be confirmed by estimating an ANOVA model that decomposes the variance in the dependent variable measures into variation across townships and variation within townships. The argument that both levels of analysis are important for understanding citizen evaluations of government is strengthened if both variance components are statistically significant. The results of the ANOVAs are presented in **Tables 5-8**. For each of three indices measuring citizen perceptions of government responsiveness at different levels, the majority of the variance (about 89%) is across individuals, whereas a much smaller portion of the variance (11%) is across townships. As Anderson and Singer point out,⁴⁰ this ratio is not surprising given that the data are measured at the individual level within a group of townships all in the same country with very similar formal institutions and other background characteristics.⁴¹ Township governments are thus naturally limited in the extent to which they vary from each other so individual-level factors are expected to explain more variance and have more potential to have an effect relative to township-level variables. The results of the ANOVA models show that there is significant variation in levels of citizen evaluations at both levels of analysis.

Main independent variables

The primary explanatory variable in this analysis is township reform of village fiscal governance. At the time of the survey in 2008, initiatives to reform the management of local public finance were sweeping the country on the heels of the abolition of rural taxation in 2006.⁴² The impetus for these initiatives stemmed from a variety of problems with local fiscal governance: rampant levying of illegal fees and surcharges on villagers, high levels of fiscal indiscipline and mounting local governmental debt, and widespread misuse and embezzlement of local governmental funds.

⁴⁰ Anderson and Singer, *Comparative Political Studies*, 2008, 14.

⁴¹ See also Steenbergen and Jones, 2002, 231.

⁴² Citations.

As part of the subsequent efforts at fiscal recentralization, many township governments in rural China took control of village funds. As Oi et al. (2012) note, many village authorities no longer have their own bank account. Instead, township governments (often the township's economic management office) now keep account books for village authorities and take on the role of treasurers dispensing funds to village officials. Under this system, village officials have to request permission from the township before obtaining access to their funds. Some villages are allowed to keep some cash on hand for petty expenses. In many places, village officials pay for village expenses out of their own pockets or obtain goods from vendors on short-term credit and then have to submit documentation to the township for reimbursement.⁴³

Oi et. al (2012) also document the change in the share of public investment that comes from higher levels of government. In 1997, less than half of investment in public goods came from higher levels. By 2008, nearly three-quarters of the funds came from higher-level governments rather than from within villages.⁴⁴ Now that the majority of funds for public goods investments come from higher levels of government, higher levels not only have more reason to supervise the use of public funds by village officials more closely but they also have more leverage and sanctioning power over village officials.

In order to address widespread complaints from citizens about the misuse of village public funds, central authorities also encouraged local governments to implement institutions designed to hold village authorities accountable for using public funds on the provision of public goods and services and economic development.⁴⁵ Yet, as with many reforms, central governments give localities a great deal of discretion in whether and how they choose to implement such initiatives. In the case of village public finance, townships can implement institutions that draw purely on mechanisms of “top-down” accountability such as using performance contracts and salary penalties. Townships can also implement institutions that combine their ability to impose top-down sanctions on

⁴³ Oi et. al, 2012, *China Quarterly*, 2012, 28-30.

⁴⁴ Oi et al, 2012, 30-31.

⁴⁵ Citations about government documents on *licai xiaozu*, *yishiyiyi*, and *xinnongcun jianshe*.

village officials with a role for bottom-up monitoring by ordinary villagers in a “fire-alarm” system of accountability (McCubbins and Schwartz 1984), whereby citizens can “ring the alarm” when village officials misbehave but still rely on higher levels to investigate and punish the misbehavior.⁴⁶

The survey asks about four such institutions (**Table 2**). The first question asks whether or not the township has implemented a requirement that citizen committees for financial transparency (*licai xiaozu*) must approve all expenditures by village officials. The second is whether or not the township requires village officials to convene a community meeting to discuss and approve all public infrastructural projects. The third is whether the township makes village economic development (as opposed to implementation of the birth planning policy) the highest priority target on their performance contracts for village officials, and the fourth is whether or not the township government sets specific targets for public investment in village roads, a use for public funds that citizens universally support (*citations and/or survey data*).

The four questions on fiscal governance reforms are combined into a simple additive index of township reform effort (see **Table 4** for summary statistics) by adding the responses to the three questions together so that the index ranged from 0 (no institutions implemented) to 4 (all four institutions implemented). The mean number of institutions implemented was 1.89, and **Figure 1** shows the distribution of townships by number of fiscal governance institutions implemented. (An alternative index was also constructed through principal components analysis; results are similar regardless of how the indices are constructed).

The second main explanatory variable of interest is an individual’s “insider” status in the political system. The analysis examines three different indicators of “insider” status (**Table 3**): membership in the Communist Party, having a relative who is a village official, and having a relative who is a higher-level official. Each of these measures is a dummy variable that takes the value of 1 if the respondent is a political “insider.”

⁴⁶ McCubbins and Schwartz, “Congressional Oversight Overlooked: Police Patrols versus Fire Alarms,” *American Journal of Political Science*, Vol.28, No.1 (February 1984), 165-79.

Control Variables

The analyses control for a variety of individual-level and locality-level factors that previous studies have found to predict citizen perceptions of government responsiveness. At the township level, these factors include level of economic development (township GDP per capita), basic social and economic characteristics (township population, level of out-migration as measured by the percentage of township labor force working outside the township), and level of township governmental performance and public goods provision (*at the moment, proxied by number of health clinics per capita, but a more comprehensive measure to be constructed*).

At the level of individual citizens, these factors include basic demographic and socioeconomic variables (age, sex, education).⁴⁷

Method

Since the data have a clearly multilevel structure in which individuals are nested within localities, the paper uses multilevel analysis to estimate the relationships between our key explanatory variables and outcomes of interest. Multilevel analysis allows us to model the relationships across variables at different levels explicitly. This approach allows us to investigate the effects of particular township-level variables on the outcomes of interest (rather than simply lumping all township-level factors together using township fixed effects). It also allows us to avoid potential statistical problems that may result from ignoring the multilevel structure of the data.⁴⁸

⁴⁷ Future iterations may include other attitudinal variables that may also have an effect on citizen evaluations of government responsiveness (level of dissatisfaction with government provision of public goods and services, evaluation of the economy,⁴⁷ and subjective assessment of household economic difficulties. The problem is that they are almost certainly post-treatment variables and it therefore doesn't make sense to control for them. When these variables are included, the findings are basically the same but with larger standard errors.

⁴⁸ Gelman and Hill, Anderson and Singer 2008

At the individual level, I model individual perceptions of government responsiveness at the level of individual i in township j :

$$\text{Perceptions}_{ij} = B_{0j} + B_{1j}\text{Insider} + \dots \text{individual-level control variables} + r_{ij}$$

This equation models individual perceptions of government as a result of a township mean (B_{0j}) and individual deviations from it caused by the independent variables as well as the individual-specific error.

At the same time, we model the township means as a function of township-level characteristics to evaluate the effect of differences in township implementation of fiscal governance reforms. The primary hypothesis is that the average level of citizen evaluations of government responsiveness will be higher if the authorities have implemented more fiscal governance reforms in that township.

$$B_{0j} = \gamma_{00} + \gamma_{01}\text{FiscalGovernance} + \dots \text{township-level control variables} + u_{0j}$$

Next, we evaluate the secondary hypothesis that the positive effect of fiscal governance reforms will be especially strong for ordinary citizens who are not Party members or political “insiders” – that is, relatives of local officials. In other words, we want to model the effect of fiscal governance reforms on citizen perceptions as a multiplicative interaction with Party membership/political insider status. In the multilevel model, we thus want to model the effect of Party membership/political insider status in each township j on citizen perceptions as a function of township fiscal reform implementation. So we simultaneously estimate a second township-level equation where B_{1j} is the estimated difference between Party members/political insiders and other citizens in township j .

$$B_{1j} = \gamma_{10} + \gamma_{11}\text{FiscalGovernance} + u_{1j}$$

This equation re-states the hypothesis that the effect of township fiscal reforms is weaker for Party members / political insiders as the mathematically equivalent hypothesis that the

difference between how Party members and non-Party members (or political outsiders and political insiders) evaluate government decreases as township fiscal reform implementation increases.⁴⁹

Estimation results

For each measure of citizen perceptions of government responsiveness, the paper estimates three sets of models, one set for each of the three measures of political insider status – Party membership, having a relative who is a village official, and having a relative who is a higher-level official (**Tables 9 and 13-15**).

First, we examine the effect of township fiscal governance reforms on citizen perceptions of overall government responsiveness (**Table 9**). In Models 1 and 2 we examine the effects of township reform effort and Party membership on overall perceptions with and without controls, ignoring – for the time being – the potential interaction between township governance reform effort and the political insider status of the respondent. Models 3 and 4 then evaluate the hypothesis that ordinary villagers are more affected by township reform efforts than Party members who already have positive evaluations of local authorities. These models – one with and one without controls – include the interaction term in Equation 3, between township governance reform and individual political insider status as measured by membership in the Communist Party. Models 5-8 do the same with political insider status measured as being a relative of a village official, and Models 9-12 with political insider status measured as being a relative of a higher-level official.

First, we can see that at the individual level, political insiders who are members of the Communist Party or relatives of local officials are more likely to have positive perceptions of government responsiveness than ordinary villagers who lack insider status. This relationship is strongest for Party members, for whom it is positive for overall perceptions and all three levels of officials. The relationship is somewhat smaller for

⁴⁹ Anderson and Singer, 2008, 17.

relatives of village officials, and smaller still for relatives of higher-level officials (where the relationship is positive but statistically insignificant).

Second, we see that, as hypothesized, township implementation of fiscal governance reforms has a significant positive relationship with citizen perceptions of overall government responsiveness.⁵⁰ Similar relationships hold between township reform effort and citizen perceptions of responsiveness at the village, township, and central levels (**Tables 13-15**). The relationship between township reform effort is slightly larger for perceptions of local authorities at the village and township level than for perceptions of central authorities.

On average, township implementation of fiscal governance reforms increases citizen perceptions of government responsiveness at both local and central levels – a finding which authorities in nondemocratic and transitional systems should find reassuring. But are there differences in how such reforms affect the attitudes and beliefs of differently situated individuals within and across townships? Results from Models 3 and 4 in **Table 9** (and **Tables 13-15**) suggest that ordinary citizens who lack political connections respond quite differently to township implementation of governance reforms compared to members of the Communist Party. Township implementation of governance reforms seems to have a large, positive effect on the perceptions of ordinary villagers but not on the perceptions of Party members who already have positive evaluations of government responsiveness (as indicated by the negative interaction term between the additive index of township reforms and Party membership indicates).

Figure 4 helps to illustrate the differences in the way that ordinary villagers and Party members react to township fiscal governance reforms. In this figure the mean perception of overall government responsiveness of Party members and non-Party members is shown for townships with no reforms, the mean number of reforms, and all four reforms. We can see that in townships with no reforms, ordinary people who are not members of the Communist Party have much lower perceptions of government responsiveness. In townships with no reforms, the mean perception of overall government responsiveness is 4.96 for non-members and 6.75 for Party members (**Table**

⁵⁰ The additive index of township fiscal governance reform has a positive and significant (at $p < 0.01$) for all 12 specifications in the table.

11). As the level of township reform effort increases, however, the difference between ordinary villagers and Party members closes. In townships with all four reforms, ordinary villagers have perceptions of government responsiveness that are equally high as or perhaps even a bit higher than Party members. In townships with all four reforms, the mean perception of overall government responsiveness is 6.79 for non-members and 6.56 for Party members. In other words, township fiscal governance reforms help “make up” for the lower perceptions of government responsiveness held by ordinary villagers as compared to Party members so that ordinary villagers who live in townships with high fiscal reform effort are brought up to the same level as members of the Party.

Table 10 gives us a sense of how important the effect of township governance reforms are by comparing the impact of increasing township reforms from its minimum to maximum value to the impact of increasing an individual’s level of education from the minimum to maximum value in the sample. As the row for Model 4 in **Table 10** shows, for ordinary villagers who are not members of the Party, increasing the number of township reforms from zero to four increases the mean perception of overall government responsiveness from 4.88 to 7.02, an increase of 2.14 points. In comparison, increasing an individual’s level of education from the sample’s minimum to maximum increases the mean perception of overall government responsiveness from 5.49 to 6.36, a change of only 0.83 points.

Similar findings hold for the more informal kinds of insiders who are relatives of local officials, but these findings are weaker. As with Party membership, the interaction terms between township reforms and relatives of village officials in the third model for each outcome measure (and relatives of higher-level officials in the fourth model for each outcome measure) are negative, indicating that the effect of township reforms decreases substantially in magnitude when the respondent is a relative of a local official. For relatives of village officials, the interaction is only statistically significant for perceptions of central authorities. For relatives of higher-level officials, the interaction term is negative and substantively important but not statistically significant at standard confidence levels.

Overall, these results are consistent with the argument that people who are political insiders – at least in terms of being members of the Communist Party – are

already inclined to think well of government responsiveness – either because they are better equipped to get the government to respond to their input, or because they are socialized to have positive evaluations of the government. Ordinary villagers, however, who lack these connections look for signals about the intentions of government authorities and whether government performance is likely to improve. Township implementation of fiscal governance reforms is one important example of such a signal. Localities that implement governance reforms are more likely than localities that fail to implement such reforms to experience improvement in the management of public finance and public investments that respond to citizen needs. Such reforms thus improve the evaluations that ordinary villagers have of government responsiveness to citizen concerns.

The results thus support the hypothesis that township implementation of fiscal governance reforms improves citizen perceptions of government responsiveness, and this effect holds primarily among ordinary citizens who are not members of the Party or political insiders.

Are the findings attributable to political desirability bias?

Given the nondemocratic nature of China's political system, one concern we might have is that people are giving politically correct answers rather than accurately reporting how they feel about the government. If township efforts at village fiscal governance reforms actually reflect the top-down coercive capacity of the township rather than reform efforts that signal township benevolence, then an alternative explanation for the findings might be that villagers in these townships fear reprisal for reporting negative opinions of the government and are thus more likely to report positive evaluations of government responsiveness. While this interpretation is not necessarily the first one that might occur given that these particular reforms promote behavior that clearly favor the public good and/or involve citizen participation, it is nevertheless worth our consideration since these reforms do imply a certain degree of local state capacity for top-down control.

So is there evidence that villagers who live in townships that implement fiscal governance reforms feel more pressure to give politically correct answers due to implicit or explicit threats of reprisal? In order to answer this question, the paper draws on a section of the survey that collected “meta-data” on interview conditions. Immediately after conducting the survey interviews, enumerators answered the following four questions about their impressions of the respondent and the actions of the respondent during the interview:

- 1) How hesitant was the respondent before the interview?
- 2) How hesitant was the respondent during the interview?
- 3) How sincere do you think the respondent was in his answers?
- 4) Did the respondent express concerns or worries about the interview?

Overall, enumerators seemed to feel that most respondents were not hesitant or insincere in their responses. The majority of respondents – between 62 and 77 percent – received a 1 or 2 on a 5-point scale (1 being “not at all hesitant” or “completely sincere”). Only eight to thirteen percent of respondents received a score that was higher than the midpoint – a 4 or 5 on a 5-point scale, indicating a level of discomfort that was noteworthy. In general, enumerators’ assessments of the emotional state of respondents was in line with the behavioral measure of discomfort – only sixteen percent of respondents voiced concerns or worries about the interview to the enumerator.

If villagers in townships that implement fiscal governance reforms feel more pressure to give politically acceptable answers, we would expect enumerators to report that these respondents were more hesitant, less sincere, and more likely to express worries about the interview. There is no evidence, however, of these relationships in the data. In fact, just the opposite – to the extent that there are any statistically significant relationships, respondents in townships that implement governance reforms are less likely to show signs of anxiety or concern about answering public opinion survey questions. Specifically, there is no significant relationship between township implementation of governance reforms and the level of respondent hesitation during the interview or their level of sincerity as perceived by the survey enumerator. Respondents in townships that

implement governance reforms are, moreover, statistically significantly less hesitant prior to the start of the interview as well as significantly less likely to voice any concerns or worries about the survey or interview.

Although Party members and other political insiders generally appear more politically sophisticated and confident rather than more fearful relative to ordinary people, we can also examine whether Party members and other insiders are more likely to appear anxious and worried about answering survey questions about political attitudes. Again, the opposite seemed to be true. Party members were statistically significantly less likely to express concerns or worries to the enumerator and less hesitant both before and during the interview. There was no significant relationship between Party membership and a respondent's level of sincerity as perceived by the enumerator. Being a relative of an official showed similar correlations.

A brief set of concluding thoughts

First, institutions and reforms matter for how citizens view and judge government authorities. Specifically, citizens have more positive evaluations of government in places where local authorities prioritize fiscal accountability and the use of public funds on public services.

Second, people do not all react the same way to the same institutions and reforms. The actions of local authorities have positive but also variable consequences, depending on the type of individual. “Valence” reforms such as fiscal governance institutions affect the perceptions of ordinary villagers more strongly than those of political insiders who already view government authorities positively.

Third, institutional reforms that are implemented by local governments can affect citizen evaluations of central as well as local authorities. In other words, the actions taken by local governments are seen by citizens to reflect on the central government.

Moving forward, one question to examine through analysis of the qualitative data is why do insiders and outsiders consider different signals and information when evaluating the government? More and more work is currently being done on the importance of political connections. This analysis also assumes that people know about

local governance reforms or perceive their effects – but this assumption requires further evidence. Another question is whether the positive effect of fiscal governance reforms likely to hold in contexts other than rural China? Work on corruption as a valence issue in both Eastern and Western Europe (Klasnja and Tucker),⁵¹ and the focus on valence issues rather than positional issues by politicians in Africa (Bleck and van de Walle)⁵² suggest that these findings may travel to other political contexts.

⁵¹ Klasnja and Tucker, “The Economy, Corruption, and the Vote: Evidence from Experiments in Sweden and Moldova,” working paper, July 10, 2012. Klasnja, Tucker, and Deegan-Krause, “Pocketbook vs Sociotropic Corruption Voting.” Working paper, June 17, 2012.

⁵² Bleck and van de Walle, “Valence Issues in African Elections: Navigating Uncertainty and the Weight of the Past” *Comparative Political Studies*, 2012.

Table 1: Citizen perceptions of government responsiveness

| <i>When making decisions that affect villagers, what do officials usually do?</i> | Village-level | Township-level | Central Government |
|---|---------------------------|---------------------------|---------------------------|
| Give villagers opportunities to express their views | 35% say no 65% say yes | 48% say no 52% say yes | 22% say no 78% say yes |
| Respect and take into account villagers' views | 31% say no 69% say yes | 41% say no 59% say yes | 13% say no 87% say yes |
| Give villagers opportunities to decide village affairs | 40% say no 60% say yes | 50% say no 50% say yes | 24% say no 76% say yes |

Table 2: Township implementation of village fiscal governance reforms

| | Percentage of townships | Standard Deviation |
|---|-------------------------|--------------------|
| Township requires citizen committee (<i>licai xiaozu</i>) approval of all village expenditures | 41% | 49% |
| Township requires community meeting (<i>yishiyiyi</i>) to discuss and approve public infrastructural projects | 90% | 30% |
| Township makes village economic development the highest priority target on performance contracts with enforcement of salary penalties | 17% | 37% |
| Township sets specific target for public investment in road infrastructure on performance contracts | 40% | 49% |

Figure 1: Percentage of Townships by Number of Village Fiscal Governance Reforms Implemented

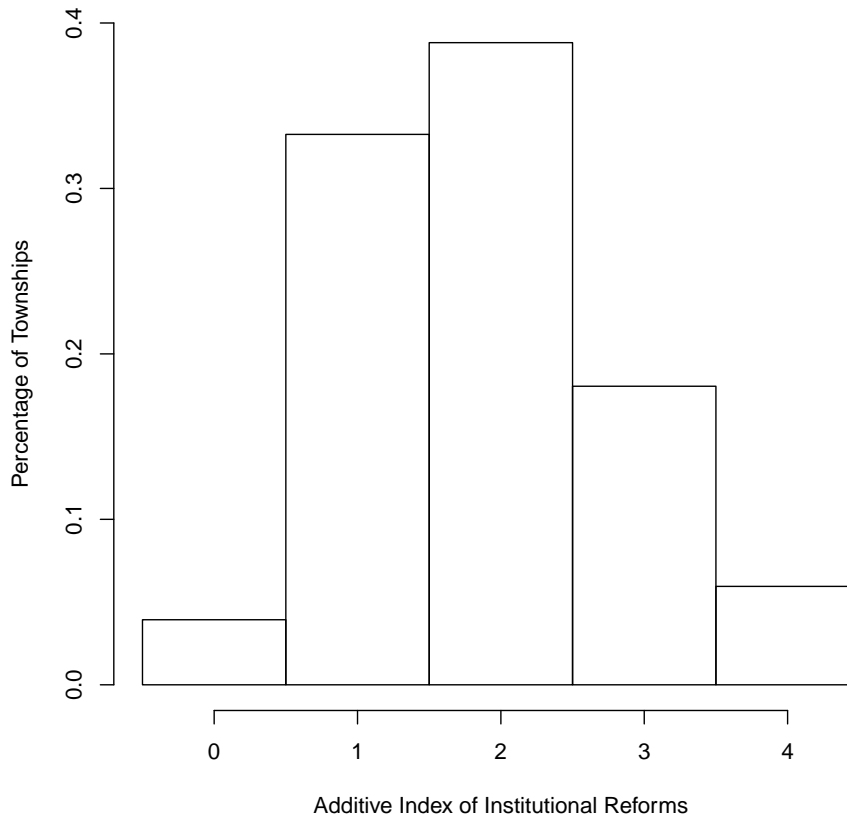


Table 3: Political Insider Status

| | Number of respondents | Percentage of Respondents |
|---|-----------------------|---------------------------|
| Party member | 243 | 12% |
| Relative of village official | 249 | 12% |
| Relative of higher-level official | 224 | 11% |
| <i>Detailed breakdown of respondents</i> | | |
| Party member only | 178 | 9% |
| Relative of village official only | 163 | 8% |
| Relative of higher-level official only | 147 | 7% |
| Relative of village official and higher-level official only | 46 | 2% |
| Party member and relative of village official only | 33 | 2% |
| Party member and relative of higher-level official only | 24 | 1% |
| Party member, relative of village official, and relative of higher-level official | 7 | 0.03% |
| No political connections | 1428 | 70% |
| Total | 2,026 | 100% |

Table 4: Summary Statistics

| | <i>N</i> | Mean | Std. Dev. | Min | Q1 | Median | Q3 | Max |
|---|----------|----------|-----------|---------|----------|----------|----------|-----------|
| Dependent Variables | | | | | | | | |
| <i>Additive Indices of Perceptions</i> | | | | | | | | |
| Overall | 1780.00 | 5.95 | 3.08 | 0.00 | 3.00 | 6.00 | 9.00 | 9.00 |
| Village | 1947.00 | 1.93 | 1.30 | 0.00 | 0.00 | 3.00 | 3.00 | 3.00 |
| Township | 1869.00 | 1.60 | 1.36 | 0.00 | 0.00 | 2.00 | 3.00 | 3.00 |
| Central | 1873.00 | 2.42 | 1.04 | 0.00 | 2.00 | 3.00 | 3.00 | 3.00 |
| <i>Principle Component Indices of Perceptions</i> | | | | | | | | |
| Overall | 1780.00 | 0.00 | 0.97 | -1.80 | -1.02 | 0.19 | 0.97 | 0.97 |
| Village | 1947.00 | -0.00 | 1.00 | -1.49 | -1.49 | 0.82 | 0.82 | 0.82 |
| Township | 1869.00 | 0.00 | 1.00 | -1.18 | -1.18 | 0.29 | 1.03 | 1.03 |
| Central | 1873.00 | -0.00 | 1.00 | -2.36 | -0.32 | 0.55 | 0.55 | 0.55 |
| Independent Variables | | | | | | | | |
| <i>Township Level</i> | | | | | | | | |
| Additive Reform Index | 1984.00 | 1.89 | 0.95 | 0.00 | 1.00 | 2.00 | 2.00 | 4.00 |
| Township income/cap | 1984.00 | 4317.54 | 1781.87 | 1670.00 | 3000.00 | 4021.00 | 5955.00 | 9388.00 |
| Township Pop. | 1984.00 | 32067.94 | 22758.26 | 4003.00 | 14799.00 | 25389.00 | 49802.00 | 106137.00 |
| Out-migration | 1984.00 | 0.31 | 0.20 | 0.01 | 0.15 | 0.25 | 0.46 | 0.76 |
| <i>Individual Level</i> | | | | | | | | |
| Party member | 1981.00 | 0.12 | 0.33 | 0.00 | 0.00 | 0.00 | 0.00 | 1.00 |
| Village relative | 1982.00 | 0.13 | 0.33 | 0.00 | 0.00 | 0.00 | 0.00 | 1.00 |
| Higher relative | 1983.00 | 0.11 | 0.32 | 0.00 | 0.00 | 0.00 | 0.00 | 1.00 |
| Age | 1984.00 | 50.18 | 11.18 | 16.00 | 42.00 | 51.00 | 58.25 | 87.00 |
| Gender | 1983.00 | 0.60 | 0.49 | 0.00 | 0.00 | 1.00 | 1.00 | 1.00 |
| Education | 1746.00 | 8.49 | 2.85 | 1.00 | 7.00 | 10.00 | 10.00 | 16.00 |

Table 5: Variance in Overall Government Responsiveness

| Fixed Effects | |
|---------------------------|-------------------|
| Constant | 5.93*** (0.16) |
| Random Effects | |
| Variance: Group Intercept | 1.03 |
| Variance: Individual | 8.46 |
| <i>N</i> (Individuals) | 1780 |
| Townships | 50 |

*** $p < 0.01$, ** $p < 0.05$, * $p < 0.1$

Table 6: Variance in Village Responsiveness

| Fixed Effects | |
|---------------------------|-------------------|
| Constant | 1.93*** (0.06) |
| Random Effects | |
| Variance: Group Intercept | 0.14 |
| Variance: Individual | 1.54 |
| <i>N</i> (Individuals) | 1947 |
| Townships | 50 |

*** $p < 0.01$, ** $p < 0.05$, * $p < 0.1$

Table 7: Variance in Township Responsiveness

| Fixed Effects | |
|---------------------------|-------------------|
| Constant | 1.59*** (0.07) |
| Random Effects | |
| Variance: Group Intercept | 0.17 |
| Variance: Individual | 1.68 |
| <i>N</i> (Individuals) | 1869 |
| Townships | 50 |

*** $p < 0.01$, ** $p < 0.05$, * $p < 0.1$

Table 8: Variance in Central Responsiveness

| Fixed Effects | |
|---------------------------|-------------------|
| Constant | 2.41*** (0.04) |
| Random Effects | |
| Variance: Group Intercept | 0.07 |
| Variance: Individual | 1.02 |
| <i>N</i> (Individuals) | 1873 |
| Townships | 50 |

*** $p < 0.01$, ** $p < 0.05$, * $p < 0.1$

Table 9: Overall Perceptions. Dependent variable is an additive index of perceptions.

| | Party Membership | | | | Relative of Village Official | | | | Relative of Higher Official | | | |
|------------------------------------|-------------------|-------------------|-------------------|-------------------|------------------------------|-------------------|-------------------|-------------------|-----------------------------|-------------------|-------------------|-------------------|
| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 |
| Intercept | 5.08*** (0.28) | 3.84*** (0.68) | 4.98*** (0.28) | 3.75*** (0.68) | 5.06*** (0.27) | 3.48*** (0.67) | 5.01*** (0.27) | 3.47*** (0.67) | 5.16*** (0.27) | 3.61*** (0.68) | 5.13*** (0.27) | 3.54*** (0.68) |
| Additive Index | 0.40*** (0.12) | 0.40*** (0.12) | 0.45*** (0.12) | 0.45*** (0.12) | 0.42*** (0.12) | 0.40*** (0.12) | 0.44*** (0.12) | 0.42*** (0.12) | 0.42*** (0.12) | 0.39*** (0.12) | 0.43*** (0.12) | 0.42*** (0.12) |
| Age | | 0.00 (0.01) | | 0.00 (0.01) | | 0.01 (0.01) | | 0.01 (0.01) | | 0.01 (0.01) | | 0.01 (0.01) |
| Gender | | -0.26 (0.17) | | -0.25 (0.17) | | -0.19 (0.16) | | -0.19 (0.16) | | -0.19 (0.17) | | -0.19 (0.17) |
| Education | | 0.07** (0.03) | | 0.07** (0.03) | | 0.08*** (0.03) | | 0.08*** (0.03) | | 0.08*** (0.03) | | 0.09*** (0.03) |
| Township Income/ Capita | | 0.00 (0.00) | | 0.00 (0.00) | | 0.00 (0.00) | | 0.00 (0.00) | | 0.00 (0.00) | | 0.00 (0.00) |
| Township Pop. | | 0.00 (0.00) | | 0.00 (0.00) | | 0.00 (0.00) | | 0.00 (0.00) | | 0.00 (0.00) | | 0.00 (0.00) |
| Out-migration | | 2.17*** (0.77) | | 2.15*** (0.76) | | 2.11*** (0.75) | | 2.11*** (0.75) | | 2.07*** (0.76) | | 2.08*** (0.76) |
| Party | 0.84*** (0.22) | 0.85*** (0.22) | 1.81*** (0.49) | 1.84*** (0.50) | | | | | | | | |
| Additive Index*party | | | -0.54** (0.25) | -0.55** (0.25) | | | | | | | | |
| Village Relative | | | | | 0.71*** (0.22) | 0.75*** (0.24) | 1.18** (0.47) | 1.07** (0.53) | | | | |
| Additive Index* village rel. | | | | | | | -0.26 (0.23) | -0.17 (0.25) | | | | |
| Higher Relative | | | | | | | | | -0.01 (0.23) | -0.04 (0.24) | 0.65 (0.51) | 0.62 (0.53) |
| Additive Index* Higher Relative | | | | | | | | | | | -0.36 (0.25) | -0.36 (0.26) |
| Intercept Variance | 0.92 | 0.81 | 0.91 | 0.80 | 0.86 | 0.75 | 0.85 | 0.74 | 0.85 | 0.78 | 0.85 | 0.78 |
| Slope Variance | 0.25 | 0.00 | 0.06 | 0.00 | | | | | | | | |
| Slope Variance | | | | | 0.13 | 0.32 | 0.04 | 0.32 | | | | |
| Slope Variance | | | | | | | | | 0.05 | 0.10 | 0.06 | 0.13 |
| Residual Variance | 8.34 | 8.23 | 8.34 | 8.22 | 8.38 | 8.24 | 8.39 | 8.24 | 8.44 | 8.32 | 8.44 | 8.31 |
| Townships | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 |
| N | 1777 | 1569 | 1777 | 1569 | 1779 | 1570 | 1779 | 1570 | 1780 | 1571 | 1780 | 1571 |

*** $p < 0.01$, ** $p < 0.05$, * $p < 0.1$

Figure 2: Slopes of the impact of the interaction between political insider status and township requirements for institutional reforms on Overall Perceptions

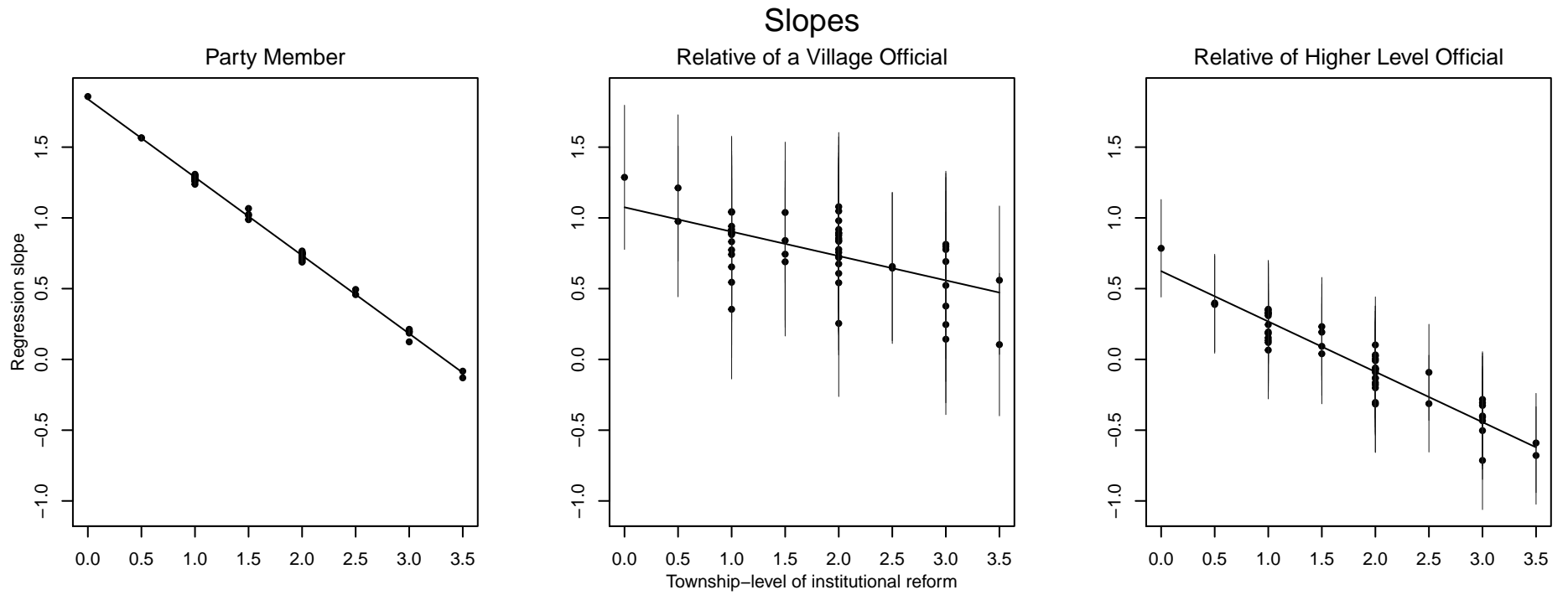


Figure 3: Predicted Overall Perceptions of Government Responsiveness from 1,000 simulations for average individuals in townships with no reforms, medium levels of reform, and high levels of reform as well as low education, medium education, and high education. 95 percent confidence intervals are dashed.

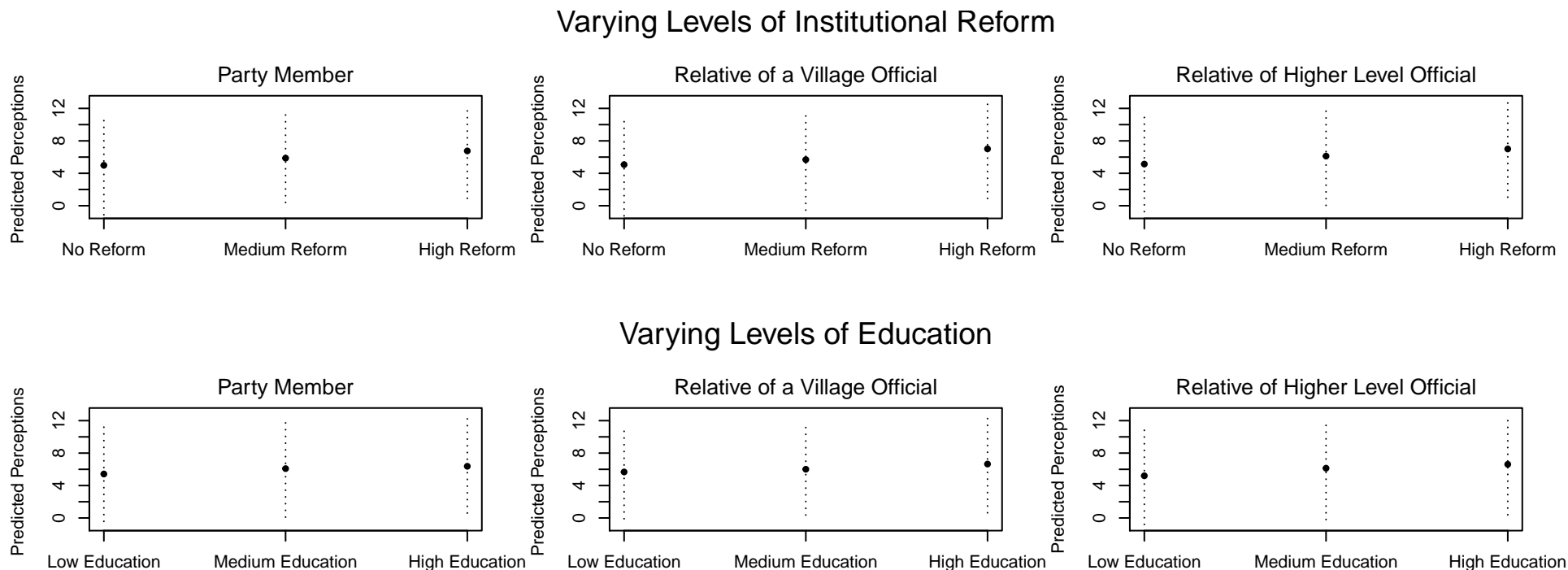


Table 10: Predicted Overall Perceptions of Government Responsiveness from 1,000 simulations for average individuals in townships with no reforms, medium levels of reform, and high levels of reform as well as low education, medium education, and high education. 95 percent confidence intervals in brackets.

| | Level of Institutional Reform | | | Level of Education | | |
|---------------------------|-------------------------------|-----------------|----------------|--------------------|------------------|----------------|
| | No Reform | Medium Reform | High Reform | Low Education | Medium Education | High Education |
| Model 4: Party Member | 4.99 | 5.87 | 6.76 | 5.42 | 6.09 | 6.37 |
| | [-1.124,10.883] | [0.395,11.429] | [0.903,12.076] | [-0.423,11.327] | [0.096,11.799] | [0.6,12.558] |
| Model 8: Village Relative | 5.07 | 5.68 | 7.01 | 5.67 | 6.01 | 6.65 |
| | [-1.254,10.985] | [-0.551,11.268] | [0.887,12.92] | [-0.104,11.45] | [0.355,11.471] | [0.633,12.78] |
| Model 12: Higher Relative | 5.14 | 6.12 | 7 | 5.2 | 6.13 | 6.61 |
| | [-0.734,10.99] | [0.033,11.877] | [1.047,12.989] | [-0.806,11.296] | [-0.202,11.662] | [0.384,12.573] |

Table 11: Predicted Overall Perceptions of Government Responsiveness from 1,000 simulations for average individuals at various levels of township reform and political insider status. 95 percent confidence intervals in brackets.

| | No Reform | | Medium Reform | | High Reform | |
|---------------------------|-----------------|-----------------|-----------------|-----------------|----------------|----------------|
| | Not Insider | Insider | Not Insider | Insider | Not Insider | Insider |
| Model 4: Party Member | 4.96 | 6.75 | 5.8 | 6.76 | 6.79 | 6.56 |
| | [-1.179,10.856] | [1.106,12.531] | [-0.312,11.608] | [0.542,12.454] | [0.744,12.891] | [0.929,12.37] |
| Model 8: Village Relative | 5.23 | 6.16 | 6.1 | 6.72 | 6.98 | 7.07 |
| | [-0.358,10.985] | [0.005,12.163] | [0.258,12.239] | [0.356,13.327] | [1.042,12.693] | [1.236,12.94] |
| Model 12: Higher Relative | 5.26 | 5.83 | 5.98 | 5.9 | 6.97 | 6.09 |
| | [-0.589,10.977] | [-0.157,11.937] | [0.199,11.646] | [-0.331,11.966] | [1.106,13.216] | [0.482,12.063] |

Figure 4: Predicted Overall Perceptions of Government Responsiveness from 1,000 simulations for average individuals at various levels of township reform and political insider status. 95 percent confidence intervals are dashed.

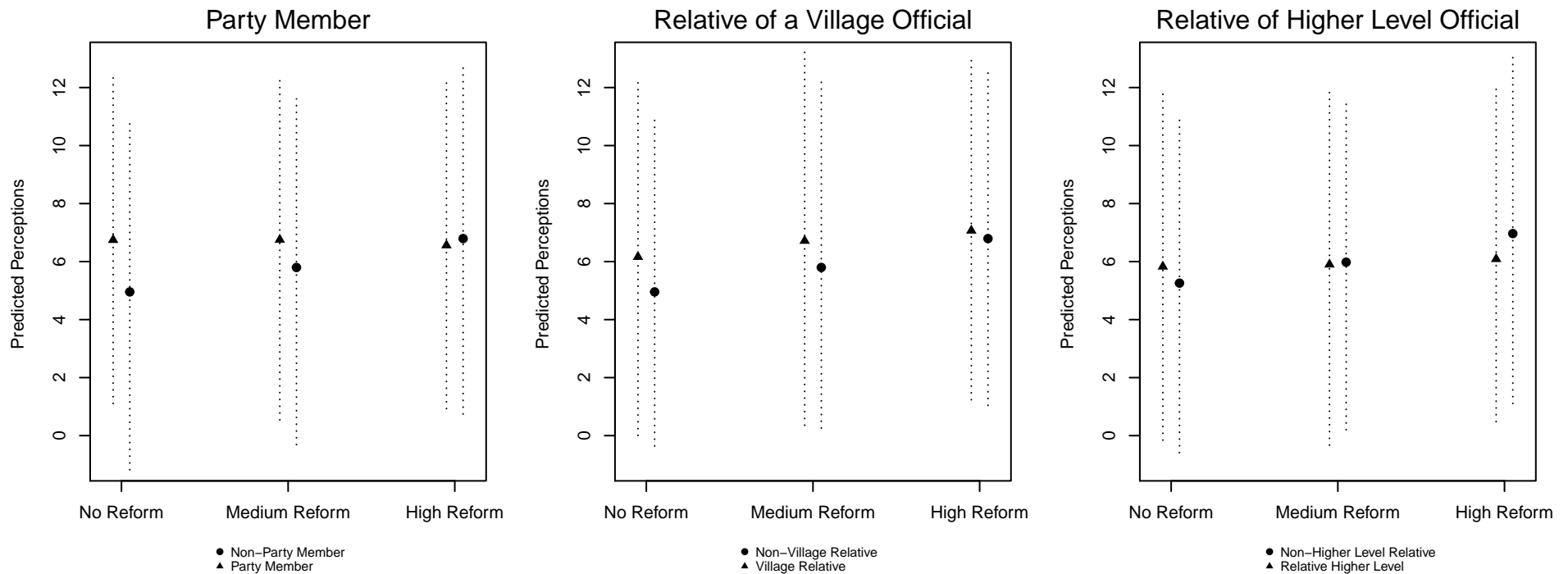


Figure 5: Predicted Overall Perceptions of Government Responsiveness from 1,000 simulations for average individuals without political insider status in average townships with no reforms, medium levels of reform, and high levels of reform as well as average individuals with low education, medium education, and high education. 95 percent confidence intervals are dashed.

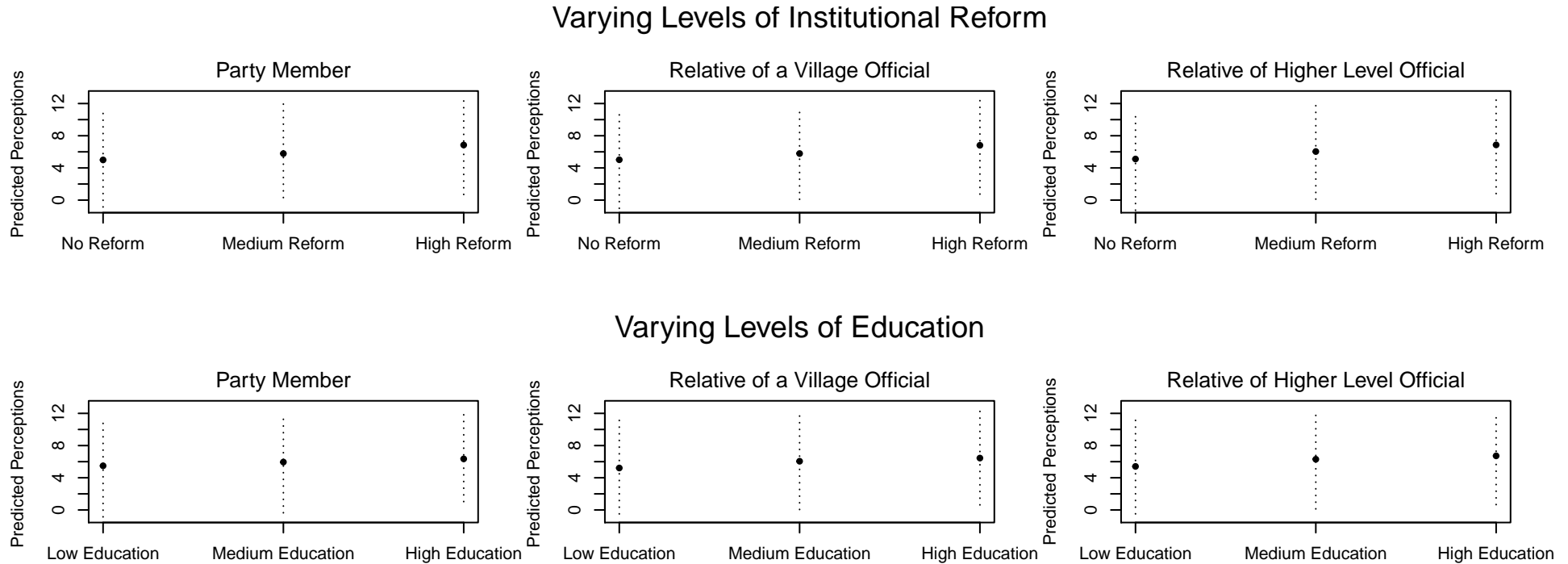


Table 12: Predicted Overall Perceptions of Government Responsiveness from 1,000 simulations for average individuals without political insider status in average townships with no reforms, medium levels of reform, and high levels of reform as well as average individuals with low education, medium education, and high education. 95 percent confidence intervals in brackets.

| | Level of Institutional Reform | | | Level of Education | | |
|---------------------------|-------------------------------|------------------------|------------------------|-------------------------|-------------------------|------------------------|
| | No Reform | Medium Reform | High Reform | Low Education | Medium Education | High Education |
| Model 4: Party Member | 4.99 [-0.856,10.954] | 6.02 [0.307,11.951] | 6.85 [0.696,13.051] | 5.49 [-0.865,11.439] | 5.95 [-0.357,11.897] | 6.35 [1.033,11.96] |
| Model 8: Village Relative | 5.01 [-1.024,10.792] | 5.79 [0.098,11.617] | 6.81 [0.74,12.607] | 5.21 [-0.495,11.147] | 6.05 [0.048,12.22] | 6.44 [0.623,12.292] |
| Model 12: Higher Relative | 5.11 [-1.263,10.764] | 6.04 [0.113,12.105] | 6.86 [0.802,12.683] | 5.41 [-0.49,11.435] | 6.3 [0.128,11.903] | 6.72 [0.66,12.151] |

Figure 6: Predicted Overall Perceptions of Government Responsiveness from 1,000 simulations for average individuals without political insider status in average townships with no reforms, medium levels of reform, and high levels of reform as well as average individuals with low education, medium education, and high education. 95 percent confidence intervals are dashed.

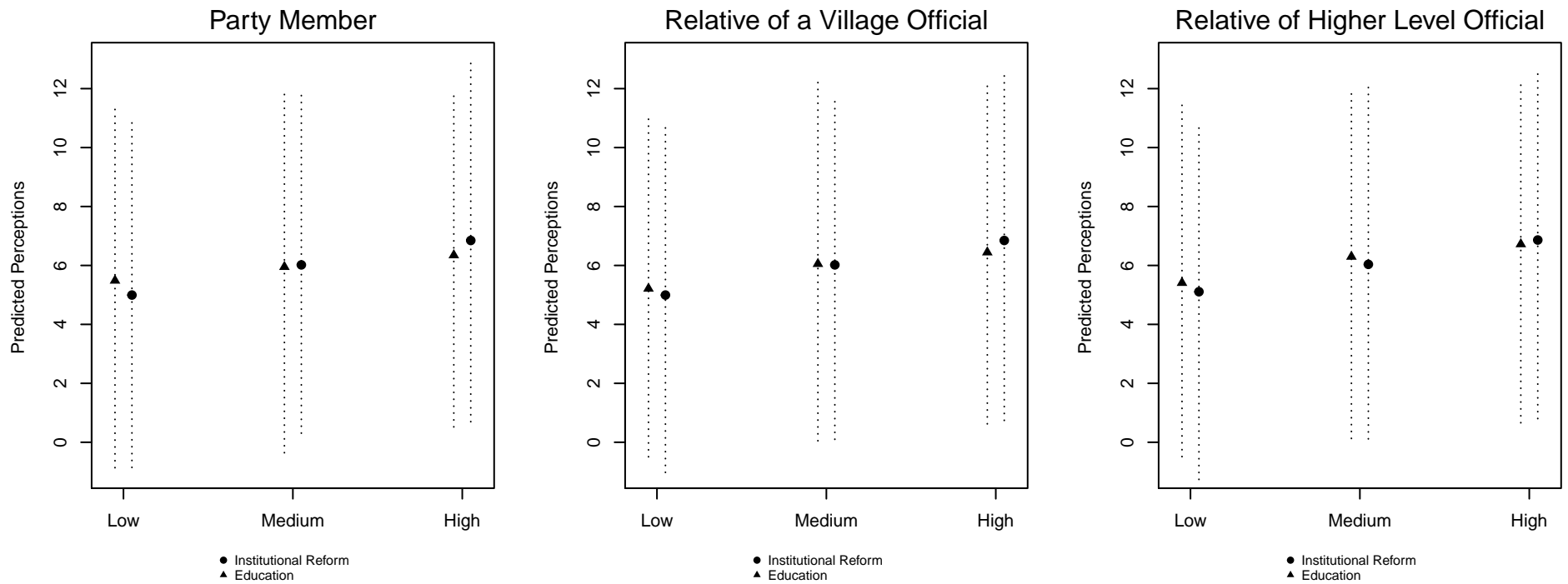


Table 13: Village Perceptions. Dependent variable is an additive index of perceptions.

| | Party Membership | | | | Relative of Village Official | | | | Relative of Higher Official | | | |
|------------------------------------|-------------------|-------------------|-------------------|-------------------|------------------------------|-------------------|-------------------|-------------------|-----------------------------|-------------------|-------------------|-------------------|
| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 |
| Intercept | 1.58*** (0.11) | 1.04*** (0.27) | 1.57*** (0.11) | 1.02*** (0.27) | 1.57*** (0.11) | 0.87*** (0.27) | 1.57*** (0.11) | 0.87*** (0.27) | 1.62*** (0.11) | 0.93*** (0.27) | 1.61*** (0.11) | 0.93*** (0.27) |
| Additive Index | 0.16*** (0.05) | 0.16*** (0.05) | 0.17*** (0.05) | 0.17*** (0.05) | 0.16*** (0.05) | 0.16*** (0.05) | 0.17*** (0.05) | 0.16*** (0.05) | 0.16*** (0.05) | 0.16*** (0.05) | 0.17*** (0.05) | 0.16*** (0.05) |
| Age | | 0.00 (0.00) | | 0.00 (0.00) | | 0.00 (0.00) | | 0.00 (0.00) | | 0.00 (0.00) | | 0.00 (0.00) |
| Gender | | -0.01 (0.07) | | 0.00 (0.07) | | 0.02 (0.07) | | 0.02 (0.07) | | 0.02 (0.07) | | 0.02 (0.07) |
| Education | | 0.03** (0.01) | | 0.03** (0.01) | | 0.03*** (0.01) | | 0.03*** (0.01) | | 0.03*** (0.01) | | 0.03*** (0.01) |
| Township Income/ Capita | | 0.00 (0.00) | | 0.00 (0.00) | | 0.00 (0.00) | | 0.00 (0.00) | | 0.00 (0.00) | | 0.00 (0.00) |
| Township Pop. | | 0.00 (0.00) | | 0.00 (0.00) | | 0.00 (0.00) | | 0.00 (0.00) | | 0.00 (0.00) | | 0.00 (0.00) |
| Out-migration | | 0.73** (0.29) | | 0.73** (0.29) | | 0.73** (0.28) | | 0.73** (0.28) | | 0.66** (0.28) | | 0.66** (0.28) |
| Party | 0.35*** (0.09) | 0.33*** (0.09) | 0.55*** (0.20) | 0.55*** (0.20) | | | | | | | | |
| Additive Index*party | | | -0.11 (0.10) | -0.12 (0.10) | | | | | | | | |
| Village Relative | | | | | 0.37*** (0.09) | 0.41*** (0.09) | 0.41** (0.19) | 0.40** (0.20) | | | | |
| Additive Index* village rel. | | | | | | | -0.02 (0.09) | 0.00 (0.10) | | | | |
| Higher Relative | | | | | | | | | 0.07 (0.09) | 0.07 (0.10) | 0.15 (0.20) | 0.16 (0.21) |
| Additive Index* Higher Relative | | | | | | | | | | | -0.04 (0.10) | -0.05 (0.10) |
| Intercept Variance | 0.13 | 0.11 | 0.13 | 0.11 | 0.13 | 0.11 | 0.13 | 0.11 | 0.11 | 0.10 | 0.11 | 0.10 |
| Slope Variance | 0.01 | 0.00 | 0.01 | 0.00 | | | | | | | | |
| Slope Variance | | | | | 0.00 | 0.00 | 0.00 | 0.00 | | | | |
| Slope Variance | | | | | | | | | 0.02 | 0.02 | 0.03 | 0.02 |
| Residual Variance | 1.52 | 1.51 | 1.52 | 1.51 | 1.52 | 1.50 | 1.53 | 1.50 | 1.54 | 1.52 | 1.54 | 1.52 |
| Townships | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 |
| N | 1944 | 1717 | 1944 | 1717 | 1946 | 1718 | 1946 | 1718 | 1947 | 1719 | 1947 | 1719 |

*** $p < 0.01$, ** $p < 0.05$, * $p < 0.1$

Figure 7: Slopes of the impact of the interaction between political insider status and township requirements for institutional reforms on Village Perceptions

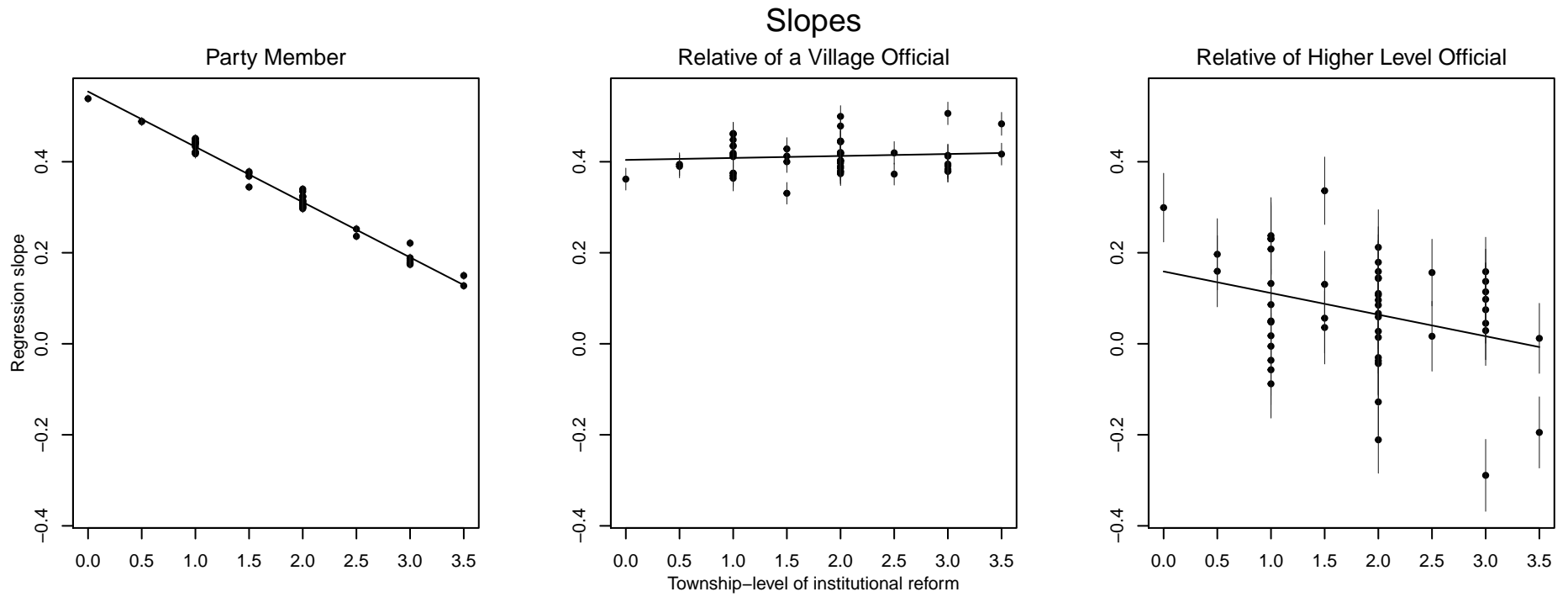


Table 14: Township Perceptions. Dependent variable is an additive index of perceptions.

| | Party Membership | | | | Relative of Village Official | | | | Relative of Higher Official | | | |
|--|-------------------|--------------------|-------------------|--------------------|------------------------------|--------------------|-------------------|--------------------|-----------------------------|--------------------|-------------------|--------------------|
| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 |
| Intercept | 1.26*** (0.11) | 0.76*** (0.29) | 1.23*** (0.11) | 0.72** (0.29) | 1.25*** (0.11) | 0.61** (0.29) | 1.25*** (0.12) | 0.61** (0.29) | 1.30*** (0.11) | 0.60** (0.29) | 1.28*** (0.11) | 0.56* (0.29) |
| Additive Index | 0.16*** (0.05) | 0.16*** (0.05) | 0.18*** (0.05) | 0.18*** (0.05) | 0.16*** (0.05) | 0.16*** (0.05) | 0.16*** (0.05) | 0.16*** (0.05) | 0.16*** (0.05) | 0.15*** (0.05) | 0.17*** (0.05) | 0.17*** (0.05) |
| Age | | 0.00 (0.00) | | 0.00 (0.00) | | 0.00 (0.00) | | 0.00 (0.00) | | 0.00 (0.00) | | 0.00 (0.00) |
| Gender | | -0.21*** (0.07) | | -0.21*** (0.07) | | -0.19*** (0.07) | | -0.19*** (0.07) | | -0.19*** (0.07) | | -0.19*** (0.07) |
| Education | | 0.03** (0.01) | | 0.03** (0.01) | | 0.03*** (0.01) | | 0.03*** (0.01) | | 0.04*** (0.01) | | 0.04*** (0.01) |
| Township Income/ Capita | | 0.00 (0.00) | | 0.00 (0.00) | | 0.00 (0.00) | | 0.00 (0.00) | | 0.00 (0.00) | | 0.00 (0.00) |
| Township Pop. | | 0.00 (0.00) | | 0.00 (0.00) | | 0.00 (0.00) | | 0.00 (0.00) | | 0.00 (0.00) | | 0.00 (0.00) |
| Out-migration | | 0.83*** (0.32) | | 0.82*** (0.32) | | 0.84*** (0.31) | | 0.84*** (0.31) | | 0.86*** (0.32) | | 0.87*** (0.32) |
| Party | 0.29*** (0.09) | 0.33*** (0.10) | 0.69*** (0.22) | 0.73*** (0.22) | | | | | | | | |
| Additive Index* party | | | -0.22** (0.11) | -0.22** (0.11) | | | | | | | | |
| Village Relative | | | | | 0.32*** (0.09) | 0.34*** (0.10) | 0.35* (0.20) | 0.34 (0.23) | | | | |
| Additive Index* village rel. Higher Relative | | | | | | | -0.02 (0.10) | 0.00 (0.11) | 0.01 (0.10) | 0.01 (0.11) | 0.26 (0.22) | 0.28 (0.25) |
| Additive Index* Higher Relative | | | | | | | | | | | -0.13 (0.11) | -0.14 (0.12) |
| Intercept Variance | 0.14 | 0.14 | 0.14 | 0.13 | 0.14 | 0.14 | 0.14 | 0.14 | 0.14 | 0.14 | 0.14 | 0.14 |
| Slope Variance | 0.02 | 0.00 | 0.01 | 0.00 | | | | | | | | |
| Slope Variance | | | | | 0.00 | 0.07 | 0.00 | 0.08 | | | | |
| Slope Variance | | | | | | | | | 0.01 | 0.14 | 0.02 | 0.15 |
| Residual Variance | 1.67 | 1.65 | 1.67 | 1.65 | 1.67 | 1.65 | 1.67 | 1.65 | 1.68 | 1.65 | 1.68 | 1.65 |
| Townships | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 |
| N | 1866 | 1646 | 1866 | 1646 | 1868 | 1647 | 1868 | 1647 | 1869 | 1648 | 1869 | 1648 |

*** $p < 0.01$, ** $p < 0.05$, * $p < 0.1$

Figure 8: Slopes of the impact of the interaction between political insider status and township requirements for institutional reforms on Township Perceptions

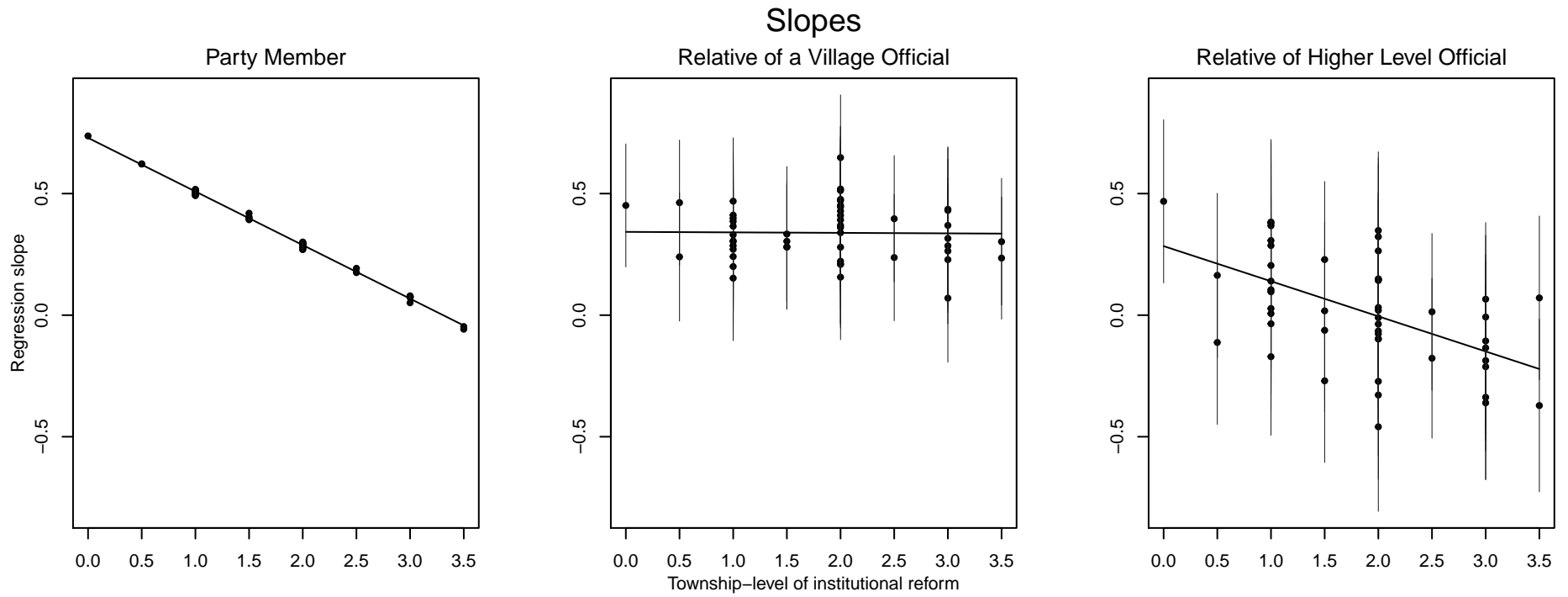


Table 15: Central Perceptions. Dependent variable is an additive index of perceptions.

| | Party Membership | | | | Relative of Village Official | | | | Relative of Higher Official | | | |
|------------------------------------|-------------------|-------------------|-------------------|-------------------|------------------------------|-------------------|-------------------|-------------------|-----------------------------|-------------------|-------------------|-------------------|
| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 |
| Intercept | 2.25*** (0.08) | 1.99*** (0.20) | 2.19*** (0.08) | 1.94*** (0.20) | 2.20*** (0.08) | 1.91*** (0.20) | 2.18*** (0.08) | 1.91*** (0.20) | 2.25*** (0.08) | 1.96*** (0.20) | 2.23*** (0.08) | 1.94*** (0.20) |
| Additive Index | 0.07** (0.04) | 0.08** (0.04) | 0.11*** (0.04) | 0.11*** (0.04) | 0.11*** (0.04) | 0.11*** (0.04) | 0.12*** (0.04) | 0.11*** (0.04) | 0.10*** (0.04) | 0.09** (0.04) | 0.10*** (0.04) | 0.10*** (0.04) |
| Age | | 0.00 (0.00) | | 0.00 (0.00) | | 0.00 (0.00) | | 0.00 (0.00) | | 0.00 (0.00) | | 0.00 (0.00) |
| Gender | | 0.00 (0.06) | | 0.01 (0.06) | | 0.02 (0.05) | | 0.02 (0.05) | | 0.03 (0.06) | | 0.03 (0.06) |
| Education | | 0.02* (0.01) | | 0.02* (0.01) | | 0.02** (0.01) | | 0.02** (0.01) | | 0.02** (0.01) | | 0.02** (0.01) |
| Township Income/ Capita | | 0.00 (0.00) | | 0.00 (0.00) | | 0.00 (0.00) | | 0.00 (0.00) | | 0.00 (0.00) | | 0.00 (0.00) |
| Township Pop. | | 0.00 (0.00) | | 0.00 (0.00) | | 0.00 (0.00) | | 0.00 (0.00) | | 0.00 (0.00) | | 0.00 (0.00) |
| Out-migration | | 0.60*** (0.20) | | 0.59*** (0.20) | | 0.56*** (0.20) | | 0.56*** (0.19) | | 0.56*** (0.21) | | 0.56*** (0.20) |
| Party | 0.17** (0.07) | 0.14* (0.08) | 0.49*** (0.17) | 0.46*** (0.17) | | | | | | | | |
| Additive Index* party | | | -0.18** (0.08) | -0.18** (0.08) | | | | | | | | |
| Village Relative | | | | | 0.02 (0.08) | -0.01 (0.09) | 0.41** (0.17) | 0.30 (0.19) | | | | |
| Additive Index* village rel. | | | | | | | -0.21** (0.08) | -0.17* (0.09) | | | | |
| Higher Relative | | | | | | | | | -0.12 (0.08) | -0.18** (0.08) | 0.11 (0.17) | 0.07 (0.17) |
| Additive Index* Higher Relative | | | | | | | | | | | -0.13 (0.08) | -0.13 (0.08) |
| Intercept Variance | 0.07 | 0.06 | 0.07 | 0.06 | 0.04 | 0.04 | 0.04 | 0.04 | 0.05 | 0.04 | 0.05 | 0.04 |
| Slope Variance | 0.02 | 0.02 | 0.02 | 0.01 | | | | | | | | |
| Slope Variance | | | | | 0.08 | 0.11 | 0.06 | 0.10 | | | | |
| Slope Variance | | | | | | | | | 0.01 | 0.00 | 0.01 | 0.00 |
| Residual Variance | 1.01 | 0.98 | 1.01 | 0.97 | 1.01 | 0.97 | 1.01 | 0.97 | 1.02 | 0.98 | 1.01 | 0.98 |
| Townships | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 |
| N | 1870 | 1651 | 1870 | 1651 | 1872 | 1652 | 1872 | 1652 | 1873 | 1653 | 1873 | 1653 |

*** $p < 0.01$, ** $p < 0.05$, * $p < 0.1$

Figure 9: Slopes of the impact of the interaction between political insider status and township requirements for institutional reforms on Central Perceptions

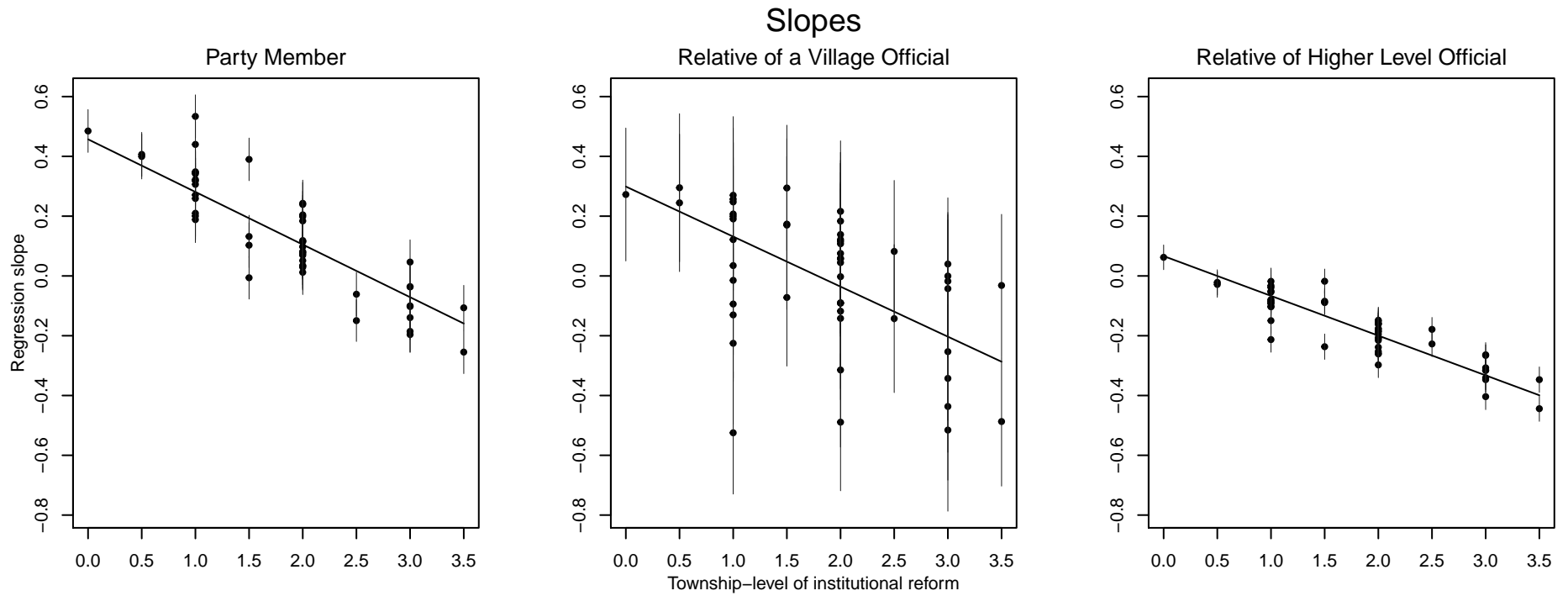


Table 16: Overall Perceptions. Dependent variable is an principal component index of perceptions.

| | Party Membership | | | | Relative of Village Official | | | | Relative of Higher Official | | | |
|--|--------------------|--------------------|--------------------|--------------------|------------------------------|--------------------|--------------------|--------------------|-----------------------------|--------------------|--------------------|--------------------|
| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 |
| Intercept | -0.28*** (0.09) | -0.67*** (0.22) | -0.31*** (0.09) | -0.70*** (0.22) | -0.28*** (0.09) | -0.79*** (0.21) | -0.30*** (0.09) | -0.79*** (0.21) | -0.25*** (0.09) | -0.75*** (0.21) | -0.26*** (0.09) | -0.77*** (0.21) |
| Additive Index | 0.13*** (0.04) | 0.13*** (0.04) | 0.14*** (0.04) | 0.14*** (0.04) | 0.13*** (0.04) | 0.13*** (0.04) | 0.14*** (0.04) | 0.13*** (0.04) | 0.13*** (0.04) | 0.12*** (0.04) | 0.14*** (0.04) | 0.13*** (0.04) |
| Age | | 0.00 (0.00) | | 0.00 (0.00) | | 0.00 (0.00) | | 0.00 (0.00) | | 0.00 (0.00) | | 0.00 (0.00) |
| Gender | | -0.09* (0.05) | | -0.09* (0.05) | | -0.07 (0.05) | | -0.07 (0.05) | | -0.07 (0.05) | | -0.07 (0.05) |
| Education | | 0.02** (0.01) | | 0.02** (0.01) | | 0.02*** (0.01) | | 0.02*** (0.01) | | 0.03*** (0.01) | | 0.03*** (0.01) |
| Township Income/ Capita | | 0.00 (0.00) | | 0.00 (0.00) | | 0.00 (0.00) | | 0.00 (0.00) | | 0.00 (0.00) | | 0.00 (0.00) |
| Township Pop. | | 0.00 (0.00) | | 0.00 (0.00) | | 0.00 (0.00) | | 0.00 (0.00) | | 0.00 (0.00) | | 0.00 (0.00) |
| Out-migration | | 0.67*** (0.24) | | 0.66*** (0.24) | | 0.66*** (0.24) | | 0.66*** (0.24) | | 0.65*** (0.24) | | 0.65*** (0.24) |
| Party | 0.26*** (0.07) | 0.27*** (0.07) | 0.57*** (0.16) | 0.58*** (0.16) | | | | | | | | |
| Additive Index* party | | | -0.17** (0.08) | -0.17** (0.08) | | | | | | | | |
| Village Relative | | | | | 0.23*** (0.07) | 0.25*** (0.07) | 0.37** (0.15) | 0.34** (0.16) | | | | |
| Additive Index* village rel. Higher Relative | | | | | | | -0.07 (0.07) | -0.05 (0.08) | 0.00 (0.07) | 0.00 (0.08) | 0.21 (0.16) | 0.20 (0.17) |
| Additive Index* Higher Relative | | | | | | | | | | | -0.11 (0.08) | -0.11 (0.08) |
| Intercept Variance | 0.09 | 0.08 | 0.09 | 0.08 | 0.09 | 0.08 | 0.09 | 0.08 | 0.09 | 0.08 | 0.08 | 0.08 |
| Slope Variance | 0.03 | 0.00 | 0.01 | 0.00 | | | | | | | | |
| Slope Variance | | | | | 0.01 | 0.02 | 0.00 | 0.02 | | | | |
| Slope Variance | | | | | | | | | 0.00 | 0.01 | 0.01 | 0.02 |
| Residual Variance | 0.83 | 0.82 | 0.83 | 0.82 | 0.84 | 0.82 | 0.84 | 0.82 | 0.84 | 0.83 | 0.84 | 0.83 |
| Townships | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 |
| N | 1777 | 1569 | 1777 | 1569 | 1779 | 1570 | 1779 | 1570 | 1780 | 1571 | 1780 | 1571 |

*** $p < 0.01$, ** $p < 0.05$, * $p < 0.1$

Figure 10: Slopes of the impact of the interaction between political insider status and township requirements for institutional reforms on Overall Perceptions (Principle Component Index)

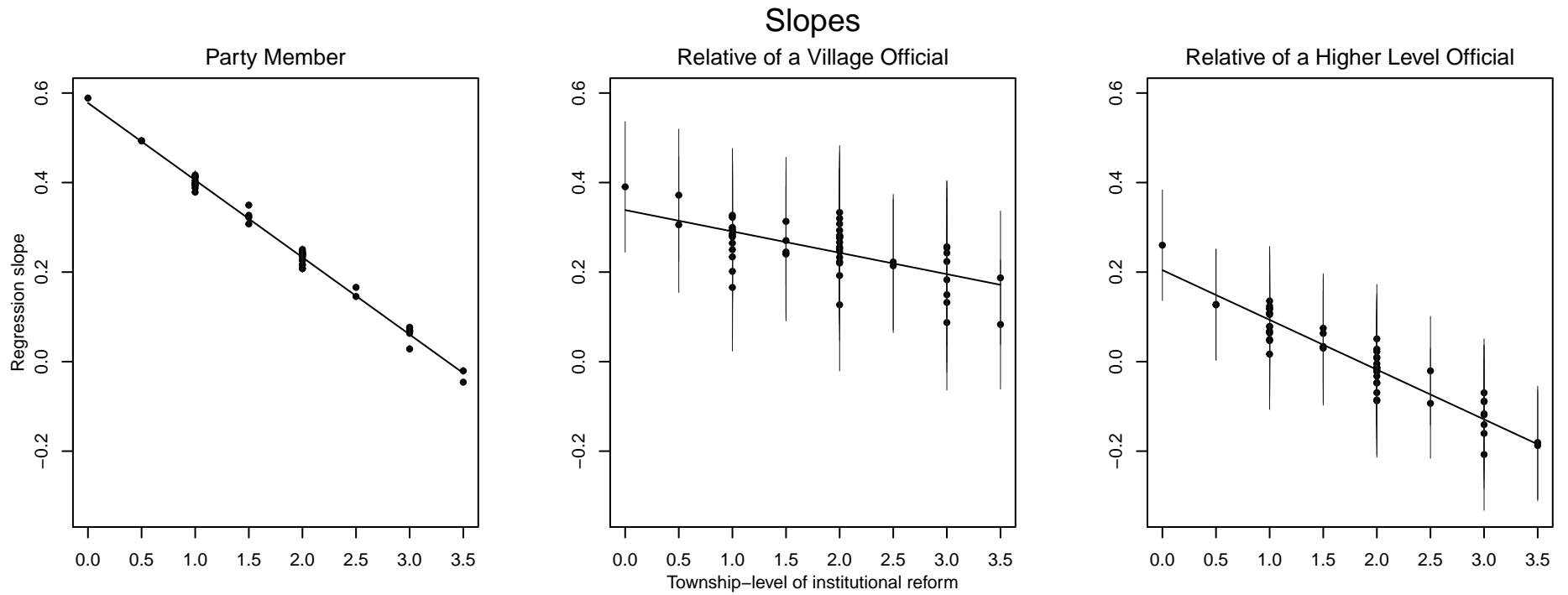


Figure 11: Predicted Overall Perceptions of Government Responsiveness (Principle Component Index) from 1,000 simulations for average individuals in townships with no reforms, medium levels of reform, and high levels of reform as well as low education, medium education, and high education. 95 percent confidence intervals are dashed.

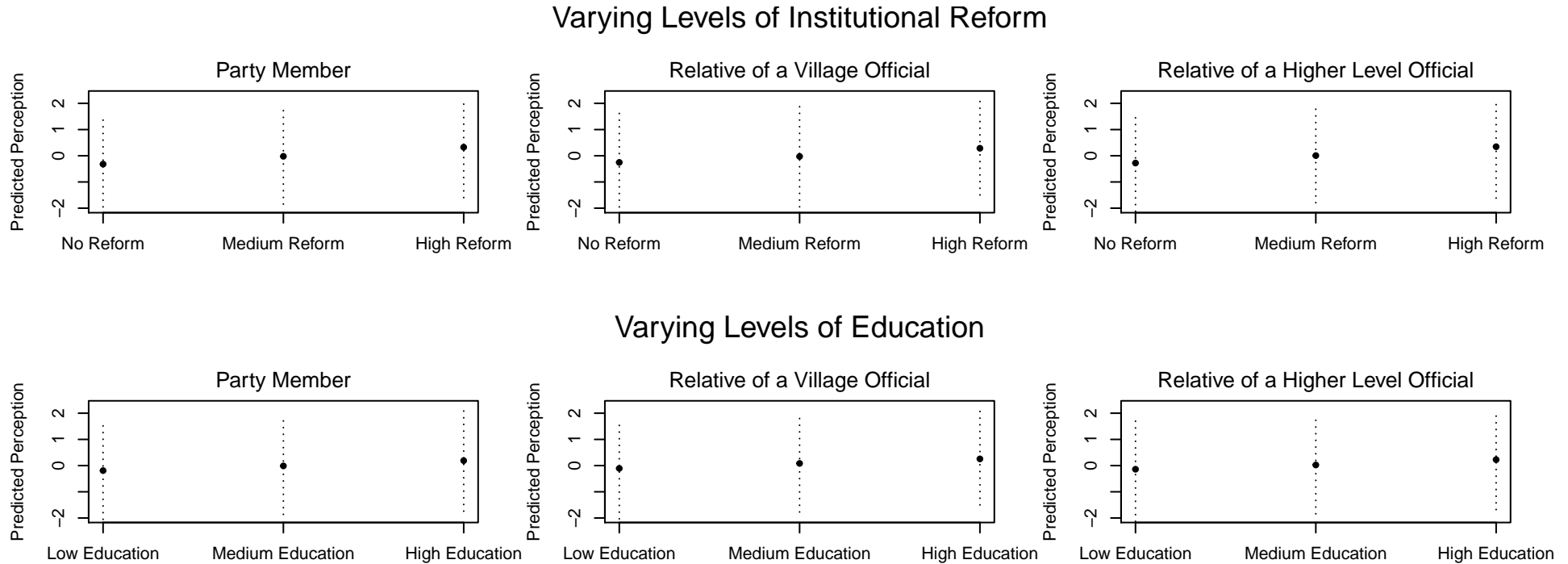


Table 17: Predicted Overall Perceptions of Government Responsiveness (Principle Component Index) from 1,000 simulations for average individuals in townships with no reforms, medium levels of reform, and high levels of reform as well as low education, medium education, and high education. 95 percent confidence intervals in brackets.

| | Level of Institutional Reform | | | Level of Education | | |
|---------------------------|-------------------------------|-------------------------|------------------------|-------------------------|------------------------|------------------------|
| | No Reform | Medium Reform | High Reform | Low Education | Medium Education | High Education |
| Model 4: Party Member | -0.32 [-2.208,1.584] | -0.02 [-1.848,1.922] | 0.33 [-1.599,2.132] | -0.19 [-2.053,1.758] | -0.01 [-1.864,1.83] | 0.19 [-1.742,2.134] |
| Model 8: Village Relative | -0.25 [-2.21,1.686] | -0.03 [-1.951,1.894] | 0.29 [-1.499,2.103] | -0.11 [-2.034,1.758] | 0.08 [-1.772,1.988] | 0.26 [-1.502,2.085] |
| Model 12: Higher Relative | -0.28 [-2.375,1.646] | 0.01 [-1.794,1.852] | 0.35 [-1.618,2.115] | -0.14 [-2.13,1.756] | 0.02 [-1.842,1.898] | 0.23 [-1.68,2.136] |

Figure 12: Predicted Overall Perceptions of Government Responsiveness (Principal Component Index) from 1,000 simulations for average individuals and townships at various levels of township reform and political insider status. 95 percent confidence intervals are dashed.

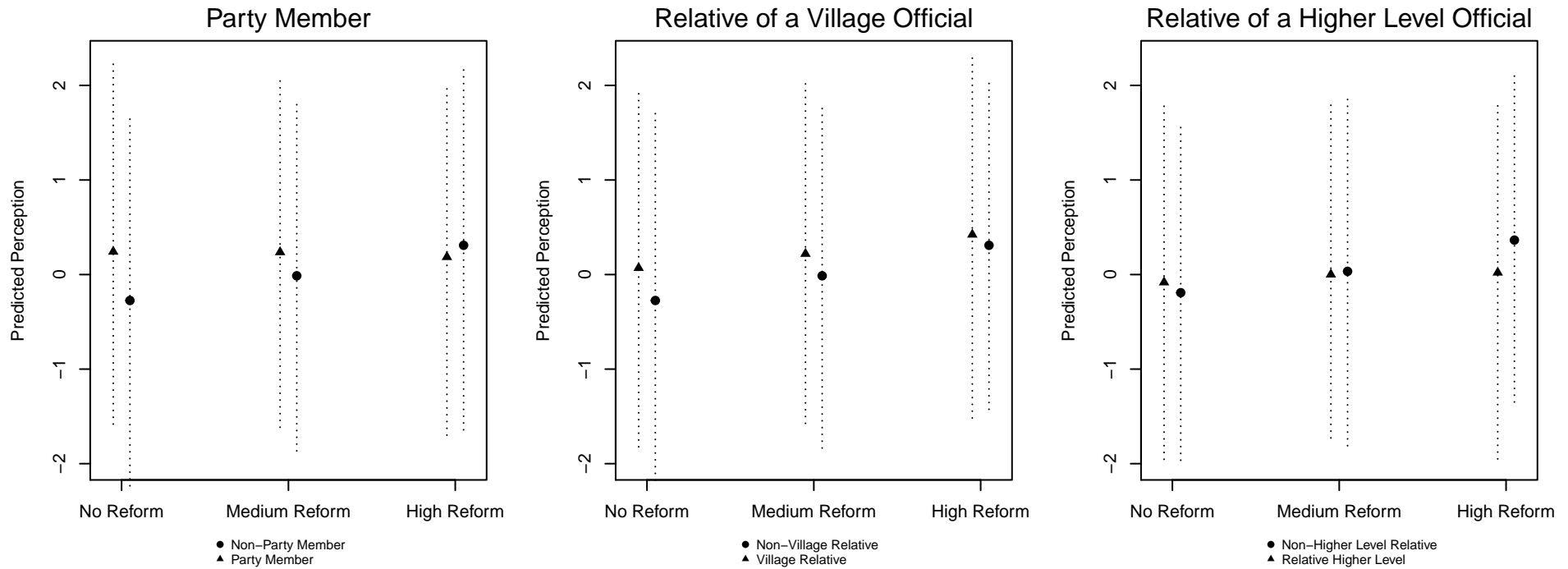


Table 18: Predicted Overall Perceptions of Government Responsiveness (Principal Component Index) from 1,000 simulations for average individuals and townships at various levels of township reform and political insider status. 95 percent confidence intervals in brackets.

| | No Reform | | Medium Reform | | High Reform | |
|---------------------------|----------------|----------------|----------------|----------------|----------------|----------------|
| | Not Insider | Insider | Not Insider | Insider | Not Insider | Insider |
| Model 4: Party Member | -0.27 | 0.24 | -0.01 | 0.24 | 0.31 | 0.19 |
| | [-2.234,1.666] | [-1.582,2.252] | [-1.866,1.86] | [-1.616,2.103] | [-1.643,2.171] | [-1.699,1.984] |
| Model 8: Village Relative | -0.23 | 0.07 | -0.01 | 0.22 | 0.3 | 0.42 |
| | [-2.176,1.752] | [-1.822,1.971] | [-1.835,1.767] | [-1.574,2.066] | [-1.426,2.061] | [-1.518,2.358] |
| Model 12: Higher Relative | -0.19 | -0.08 | 0.03 | 0 | 0.36 | 0.02 |
| | [-1.964,1.61] | [-1.954,1.841] | [-1.811,1.911] | [-1.729,1.854] | [-1.348,2.151] | [-1.95,1.846] |

Figure 13: Predicted Overall Perceptions of Government Responsiveness (Principle Component Index) from 1,000 simulations for average individuals without political insider status in average townships with no reforms, medium levels of reform, and high levels of reform as well as average individuals with low education, medium education, and high education. 95 percent confidence intervals are dashed.

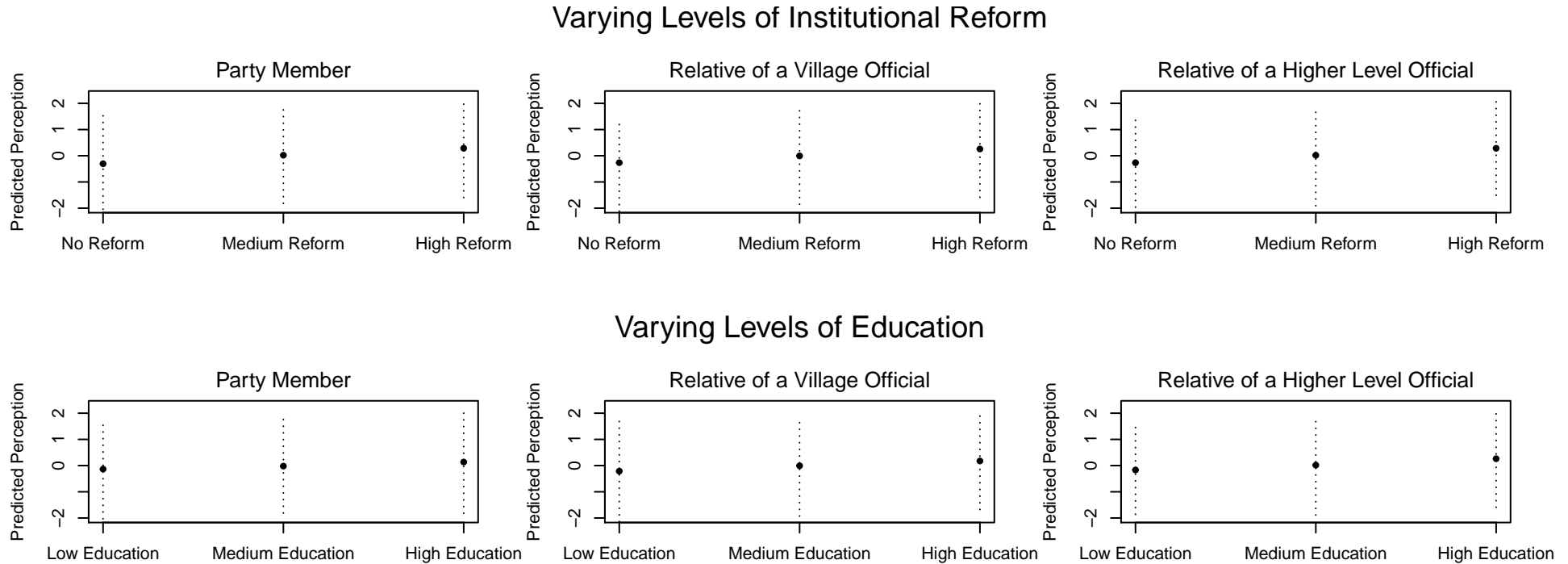


Table 19: Predicted Overall Perceptions of Government Responsiveness (Principle Component Index) from 1,000 simulations for average individuals without political insider status in average townships with no reforms, medium levels of reform, and high levels of reform as well as average individuals with low education, medium education, and high education. 95 percent confidence intervals in brackets.

| | Level of Institutional Reform | | | Level of Education | | |
|---------------------------|-------------------------------|-------------------------|------------------------|-------------------------|-------------------------|------------------------|
| | No Reform | Medium Reform | High Reform | Low Education | Medium Education | High Education |
| Model 4: Party Member | -0.31 [-2.045,1.582] | -0.01 [-1.817,1.909] | 0.29 [-1.598,1.978] | -0.13 [-2.03,1.611] | -0.02 [-1.811,1.965] | 0.14 [-1.823,2.016] |
| Model 8: Village Relative | -0.26 [-2.121,1.435] | 0 [-1.853,1.867] | 0.26 [-1.586,2.017] | -0.21 [-2.14,1.693] | -0.01 [-1.93,1.788] | 0.18 [-1.678,2.049] |
| Model 12: Higher Relative | -0.27 [-1.964,1.471] | 0.02 [-1.91,1.788] | 0.28 [-1.513,2.069] | -0.17 [-1.862,1.518] | 0.02 [-1.89,1.828] | 0.26 [-1.596,2.058] |

Figure 14: Predicted Overall Perceptions of Government Responsiveness (Principle Component Index) from 1,000 simulations for average individuals without political insider status in average townships with no reforms, medium levels of reform, and high levels of reform as well as average individuals with low education, medium education, and high education. 95 percent confidence intervals are dashed.

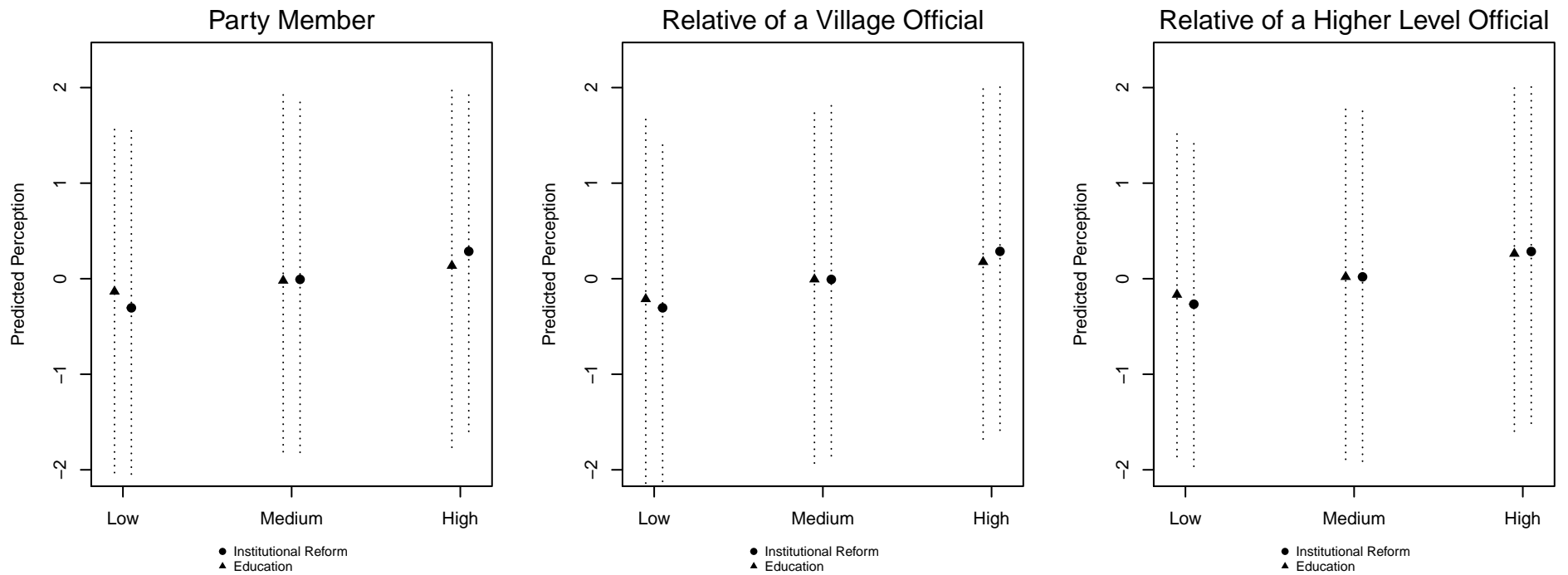


Table 20: Village Perceptions. Dependent variable is an principal component index of perceptions.

| | Party Membership | | | | Relative of Village Official | | | | Relative of Higher Official | | | |
|------------------------------------|--------------------|--------------------|--------------------|--------------------|------------------------------|--------------------|--------------------|--------------------|-----------------------------|--------------------|--------------------|--------------------|
| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 |
| Intercept | -0.27*** (0.08) | -0.69*** (0.21) | -0.28*** (0.08) | -0.71*** (0.21) | -0.28*** (0.08) | -0.82*** (0.20) | -0.28*** (0.08) | -0.82*** (0.20) | -0.25*** (0.08) | -0.77*** (0.20) | -0.25*** (0.08) | -0.78*** (0.20) |
| Additive Index | 0.12*** (0.04) | 0.12*** (0.04) | 0.13*** (0.04) | 0.13*** (0.04) | 0.13*** (0.04) | 0.12*** (0.04) | 0.13*** (0.04) | 0.12*** (0.04) | 0.13*** (0.04) | 0.12*** (0.04) | 0.13*** (0.04) | 0.13*** (0.04) |
| Age | | 0.00 (0.00) | | 0.00 (0.00) | | 0.00 (0.00) | | 0.00 (0.00) | | 0.00 (0.00) | | 0.00 (0.00) |
| Gender | | 0.00 (0.05) | | 0.00 (0.05) | | 0.02 (0.05) | | 0.02 (0.05) | | 0.01 (0.05) | | 0.01 (0.05) |
| Education | | 0.02** (0.01) | | 0.02** (0.01) | | 0.02*** (0.01) | | 0.02*** (0.01) | | 0.03*** (0.01) | | 0.03*** (0.01) |
| Township Income/ Capita | | 0.00 (0.00) | | 0.00 (0.00) | | 0.00 (0.00) | | 0.00 (0.00) | | 0.00 (0.00) | | 0.00 (0.00) |
| Township Pop. | | 0.00 (0.00) | | 0.00 (0.00) | | 0.00 (0.00) | | 0.00 (0.00) | | 0.00 (0.00) | | 0.00 (0.00) |
| Out-migration | | 0.56** (0.22) | | 0.56** (0.22) | | 0.56** (0.22) | | 0.56** (0.22) | | 0.51** (0.22) | | 0.51** (0.22) |
| Party | 0.27*** (0.07) | 0.25*** (0.07) | 0.42*** (0.16) | 0.43*** (0.16) | | | | | | | | |
| Additive Index* party | | | -0.08 (0.08) | -0.09 (0.08) | | | | | | | | |
| Village Relative | | | | | 0.28*** (0.07) | 0.32*** (0.07) | 0.32** (0.15) | 0.31** (0.16) | | | | |
| Additive Index*. village rel | | | | | | | -0.02 (0.07) | 0.00 (0.08) | | | | |
| Higher Relative | | | | | | | | | 0.05 (0.07) | 0.05 (0.07) | 0.12 (0.16) | 0.12 (0.16) |
| Additive Index* Higher Relative | | | | | | | | | | | -0.03 (0.08) | -0.04 (0.08) |
| Intercept Variance | 0.07 | 0.07 | 0.07 | 0.07 | 0.08 | 0.07 | 0.08 | 0.07 | 0.07 | 0.06 | 0.07 | 0.06 |
| Slope Variance | 0.01 | 0.00 | 0.01 | 0.00 | | | | | | | | |
| Slope Variance | | | | | 0.00 | 0.00 | 0.00 | 0.00 | | | | |
| Slope Variance | | | | | | | | | 0.01 | 0.01 | 0.01 | 0.01 |
| Residual Variance | 0.91 | 0.90 | 0.91 | 0.90 | 0.91 | 0.89 | 0.91 | 0.89 | 0.91 | 0.90 | 0.91 | 0.90 |
| Townships | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 |
| N | 1944 | 1717 | 1944 | 1717 | 1946 | 1718 | 1946 | 1718 | 1947 | 1719 | 1947 | 1719 |

*** $p < 0.01$, ** $p < 0.05$, * $p < 0.1$

Figure 15: Slopes of the impact of the interaction between political insider status and township requirements for institutional reforms on Village Perceptions

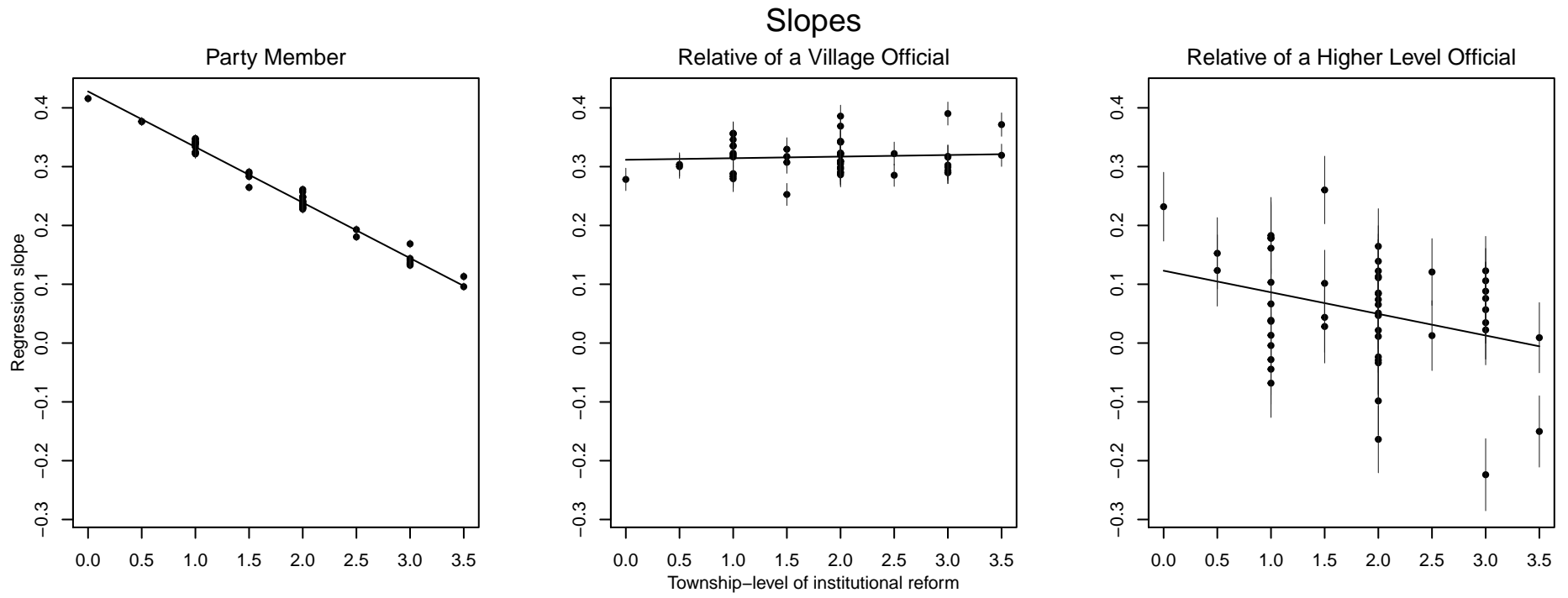


Table 21: Township Perceptions. Dependent variable is an principal component index of perceptions.

| | Party Membership | | | | Relative of Village Official | | | | Relative of Higher Official | | | |
|--|--------------------|--------------------|--------------------|--------------------|------------------------------|--------------------|--------------------|--------------------|-----------------------------|--------------------|--------------------|--------------------|
| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 |
| Intercept | -0.25*** (0.08) | -0.62*** (0.21) | -0.28*** (0.08) | -0.65*** (0.21) | -0.26*** (0.08) | -0.73*** (0.21) | -0.26*** (0.09) | -0.73*** (0.21) | -0.22*** (0.08) | -0.74*** (0.21) | -0.24*** (0.08) | -0.76*** (0.21) |
| Additive Index | 0.12*** (0.04) | 0.12*** (0.04) | 0.13*** (0.04) | 0.13*** (0.04) | 0.12*** (0.04) | 0.12*** (0.04) | 0.12*** (0.04) | 0.12*** (0.04) | 0.12*** (0.04) | 0.11*** (0.04) | 0.12*** (0.04) | 0.13*** (0.04) |
| Age | | 0.00 (0.00) | | 0.00 (0.00) | | 0.00 (0.00) | | 0.00 (0.00) | | 0.00 (0.00) | | 0.00 (0.00) |
| Gender | | -0.16*** (0.05) | | -0.15*** (0.05) | | -0.14*** (0.05) | | -0.14*** (0.05) | | -0.14*** (0.05) | | -0.14*** (0.05) |
| Education | | 0.02** (0.01) | | 0.02** (0.01) | | 0.02*** (0.01) | | 0.02*** (0.01) | | 0.03*** (0.01) | | 0.03*** (0.01) |
| Township Income/ Capita | | 0.00 (0.00) | | 0.00 (0.00) | | 0.00 (0.00) | | 0.00 (0.00) | | 0.00 (0.00) | | 0.00 (0.00) |
| Township Pop. | | 0.00 (0.00) | | 0.00 (0.00) | | 0.00 (0.00) | | 0.00 (0.00) | | 0.00 (0.00) | | 0.00 (0.00) |
| Out-migration | | 0.61*** (0.24) | | 0.60*** (0.23) | | 0.62*** (0.23) | | 0.62*** (0.23) | | 0.63*** (0.23) | | 0.64*** (0.23) |
| Party | 0.21*** (0.07) | 0.24*** (0.07) | 0.50*** (0.16) | 0.54*** (0.16) | | | | | | | | |
| Additive Index* party | | | -0.16** (0.08) | -0.16** (0.08) | | | | | | | | |
| Village Relative | | | | | 0.23*** (0.07) | 0.25*** (0.08) | 0.26* (0.15) | 0.25 (0.17) | | | | |
| Additive Index* village rel. Higher Relative | | | | | | | -0.01 (0.07) | 0.00 (0.08) | 0.01 (0.07) | 0.01 (0.08) | 0.19 (0.16) | 0.21 (0.19) |
| Additive Index* Higher Relative | | | | | | | | | | | -0.10 (0.08) | -0.11 (0.09) |
| Intercept Variance | 0.08 | 0.07 | 0.08 | 0.07 | 0.08 | 0.07 | 0.08 | 0.07 | 0.07 | 0.08 | 0.07 | 0.08 |
| Slope Variance | 0.01 | 0.00 | 0.00 | 0.00 | | | | | | | | |
| Slope Variance | | | | | 0.00 | 0.04 | 0.00 | 0.04 | | | | |
| Slope Variance | | | | | | | | | 0.00 | 0.08 | 0.01 | 0.08 |
| Residual Variance | 0.90 | 0.89 | 0.90 | 0.89 | 0.90 | 0.89 | 0.90 | 0.89 | 0.91 | 0.89 | 0.91 | 0.89 |
| Townships | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 |
| N | 1866 | 1646 | 1866 | 1646 | 1868 | 1647 | 1868 | 1647 | 1869 | 1648 | 1869 | 1648 |

*** $p < 0.01$, ** $p < 0.05$, * $p < 0.1$

Figure 16: Slopes of the impact of the interaction between political insider status and township requirements for institutional reforms on Township Perceptions

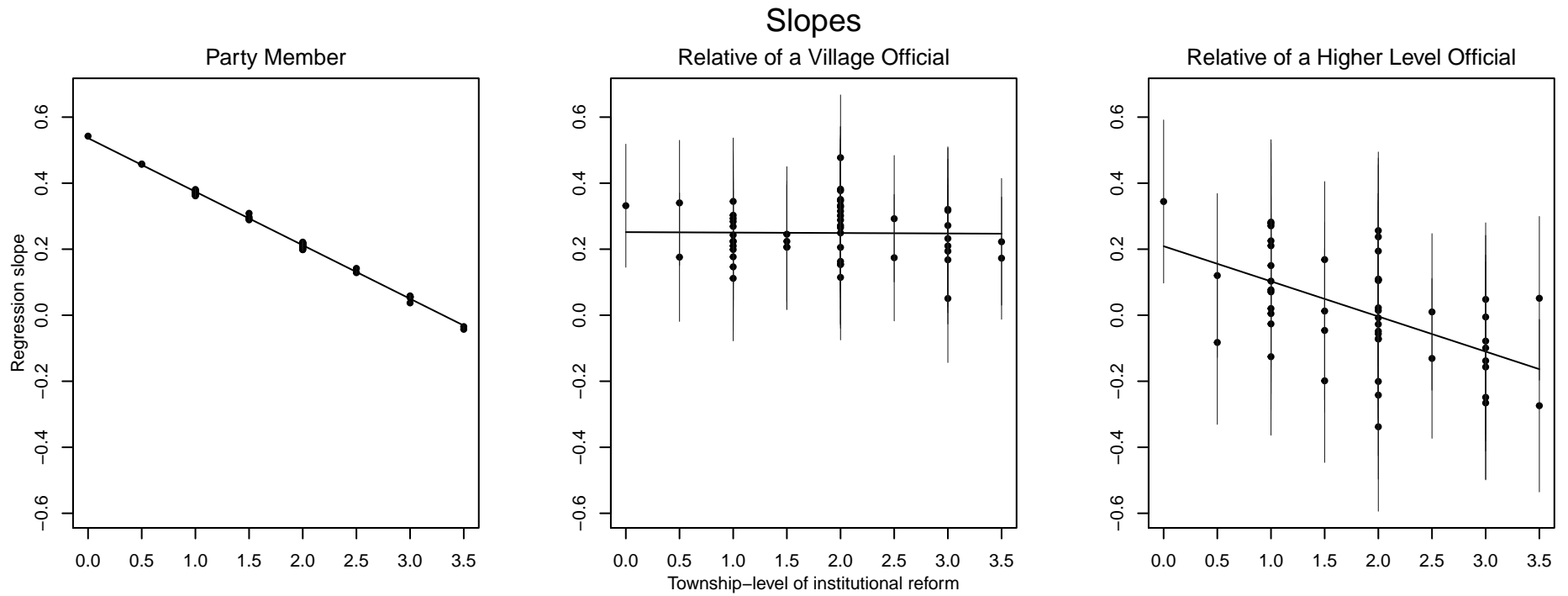


Table 22: Central Perceptions. Dependent variable is an principal component index of perceptions.

| | Party Membership | | | | Relative of Village Official | | | | Relative of Higher Official | | | |
|------------------------------------|-------------------|-------------------|--------------------|-------------------|------------------------------|-------------------|--------------------|--------------------|-----------------------------|-------------------|-------------------|-------------------|
| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 |
| Intercept | -0.16** (0.08) | -0.40** (0.20) | -0.21*** (0.08) | -0.46** (0.20) | -0.21*** (0.07) | -0.49** (0.19) | -0.22*** (0.07) | -0.49*** (0.19) | -0.16** (0.08) | -0.44** (0.19) | -0.18** (0.08) | -0.45** (0.19) |
| Additive Index | 0.07** (0.04) | 0.07** (0.03) | 0.10*** (0.04) | 0.10*** (0.04) | 0.11*** (0.03) | 0.10*** (0.03) | 0.11*** (0.03) | 0.11*** (0.03) | 0.09*** (0.03) | 0.09** (0.03) | 0.10*** (0.04) | 0.10*** (0.04) |
| Age | | 0.00 (0.00) | | 0.00 (0.00) | | 0.00 (0.00) | | 0.00 (0.00) | | 0.00 (0.00) | | 0.00 (0.00) |
| Gender | | 0.00 (0.05) | | 0.01 (0.05) | | 0.02 (0.05) | | 0.02 (0.05) | | 0.02 (0.05) | | 0.02 (0.05) |
| Education | | 0.02* (0.01) | | 0.02* (0.01) | | 0.02** (0.01) | | 0.02** (0.01) | | 0.02** (0.01) | | 0.02** (0.01) |
| Township Income/ Capita | | 0.00 (0.00) | | 0.00 (0.00) | | 0.00 (0.00) | | 0.00 (0.00) | | 0.00 (0.00) | | 0.00 (0.00) |
| Township Pop. | | 0.00 (0.00) | | 0.00 (0.00) | | 0.00 (0.00) | | 0.00 (0.00) | | 0.00 (0.00) | | 0.00 (0.00) |
| Out-migration | | 0.58*** (0.19) | | 0.57*** (0.19) | | 0.54*** (0.19) | | 0.54*** (0.19) | | 0.54*** (0.20) | | 0.54*** (0.20) |
| Party | 0.16** (0.07) | 0.13* (0.07) | 0.47*** (0.16) | 0.44*** (0.16) | | | | | | | | |
| Additive Index*party | | | -0.17** (0.08) | -0.17** (0.08) | | | | | | | | |
| Village Relative | | | | | 0.02 (0.08) | -0.01 (0.09) | 0.39** (0.17) | 0.29 (0.19) | | | | |
| Additive Index* village rel. | | | | | | | -0.20** (0.08) | -0.16* (0.09) | | | | |
| Higher Relative | | | | | | | | | -0.11 (0.07) | -0.17** (0.07) | 0.11 (0.16) | 0.06 (0.16) |
| Additive Index* Higher Relative | | | | | | | | | | | -0.12 (0.08) | -0.13 (0.08) |
| Intercept Variance | 0.06 | 0.05 | 0.06 | 0.05 | 0.04 | 0.03 | 0.04 | 0.03 | 0.05 | 0.04 | 0.05 | 0.04 |
| Slope Variance | 0.02 | 0.02 | 0.01 | 0.01 | | | | | | | | |
| Slope Variance | | | | | 0.08 | 0.11 | 0.06 | 0.10 | | | | |
| Slope Variance | | | | | | | | | 0.01 | 0.00 | 0.01 | 0.00 |
| Residual Variance | 0.93 | 0.90 | 0.93 | 0.90 | 0.93 | 0.89 | 0.93 | 0.89 | 0.94 | 0.90 | 0.94 | 0.90 |
| Townships | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 |
| N | 1870 | 1651 | 1870 | 1651 | 1872 | 1652 | 1872 | 1652 | 1873 | 1653 | 1873 | 1653 |

*** $p < 0.01$, ** $p < 0.05$, * $p < 0.1$

Figure 17: Slopes of the impact of the interaction between political insider status and township requirements for institutional reforms on Central Perceptions

