

*Corruption in Rural China: The Surprising Incentives Offered to Village Cadres to Follow State Directives**

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Abstract

This study explores how the Chinese local state uses corruption as an informal institution to elicit compliance from village cadres. While serving as the state's key agents for governing the countryside, village cadres differ from other state agents in several ways, including that they are democratically elected, they do not have promotion opportunities, and they receive a low official salary. In this context, I argue that the local state has utilized corruption to incentivize and mobilize village cadres to follow its directives. Based on fieldwork conducted in nine villages located in three different provinces, I find that the local state would allow village cadres to engage in corruption as a reward as long as they can accomplish their state tasks. However, if village cadres fail to accomplish those state tasks, the local state would punish them by limiting their access to corruption opportunities or even threatening to charge them with economic crimes. Moreover, I find that the existence

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of formal institution, especially the cadre evaluation system and village elections, greatly help limit the magnitude of corruption by village cadres and make this informal institution sustainable. Given that exerting effective control over local agents is crucial for governance, the fact that the regime is able to keep its vast number of village cadres in line at a low cost has contributed to the durability of its rule.

Like other state agents in China, village cadres are expected to accomplish the state directives assigned to them by their superiors. Although today they no longer are required to collect taxes and fees from their fellow villagers, which used to be their most important state duty until the agricultural tax was abolished in 2006,¹ village cadres are still responsible for carrying out a number of directives that are crucial for rural governance, including local public goods provision,² stability maintenance,³ environmental protection,⁴ land requisition,⁵ and village reconstruction.⁶ Under Xi Jinping, the tasks and workloads of village cadres are likely to have further increased as with the initiation of a series of rural campaigns, such as Poverty Alleviation (扶貧 *fupin*), Beautiful Countryside Construction (美麗鄉村 *meili xiangcun*), and Rural Revitalization (鄉村振興 *xiangcun zhenxing*). Needless to say, whether village cadres obediently follow these directives critically affects whether the state's agendas and plans will be effectively implemented in the countryside.

It is also well known that village cadres differ profoundly from other state agents. The first main difference is that they are not appointed by the state but elected directly by rural residents.⁷ Another difference is that they receive a low official salary that is far less than that of public-sector employees.⁸ The third difference is that because the law defines the village as a "self-governed mass organization" rather than a formal level of government, village cadres cannot be promoted beyond the village level.⁹ As such, the explicit rewards that the state can offer to village cadres appear limited. Thus, considering village cadres' importance to the state alongside their unique treatments, the following question arises: How can the state ensure village cadres' compliance to follow its directives without controlling their appointments, offering them competitive salaries and promotion opportunities? This paper addresses this puzzle.

To examine this puzzle, I begin with a more fundamental question: What prompts people to become village cadres? In fact, scholars have noted that although the explicit rewards for village cadres may look