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Yusheng Yao

*Rollins College, yyao@rollins.edu*

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## Village Elections and the Rise of Capitalist Entrepreneurs

**ABSTRACT** This study examines a series of four direct elections and their impact in an industrialized Chinese northern village. It finds that direct elections empowered villagers and the new economic elite to remove the old, entrenched and corrupt leadership. However, the few capitalist entrepreneurs who dominated elections and the new leadership neither abided by the rules for political competition nor tried to govern democratically. On the other hand, villagers did not feel empowered to participate in the governing process or to make officials accountable. They either became politically apathetic or hoped for a return of a benevolent authoritarian leader. This study concludes that direct elections did not enhance democratization in the village under study because the new economic elite did not want democracy to check them while ordinary villagers had not learned to use democratic institutions to make officials accountable.

Over a decade has passed since the promulgation of the Organic Law of Village Committees (1998), which made direct elections of Chinese village leaders mandatory. What is the status of this state-promoted grassroots democratic experiment? How did direct elections impact village politics? How did villagers respond? What changes did direct elections bring to village leadership and governance? Were villagers satisfied with these changes? How should we evaluate village elections, elected leadership and their governance? These are important questions about contemporary political conditions in Chinese villages as well as democratic future for the country at large. This paper tries to answer these questions through a study of an industrialized northern village.

### **A Theoretical and Methodological Context**

Two major debates in the field closely relates to this study: One is about the quality of elections and their impact; the other is about the relationship between economic development and rural democratization. Although over the years more and more scholars and observers have come to agree that these elections have become increasingly

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free, fair and competitive, there are still skeptics.<sup>1</sup> Consistent with this trend, the majority sees a positive correlation between elections and governance, hence better relations between cadres and villagers, between villages and townships, and more transparency and accountability for village government.<sup>2</sup> A notable exception is Kevin O'Brien, one of the best known in the field, who had argued until recently for empowerment effect of direct elections. In a recent article co-authored with Rongbin Han assessing the status of China's village elections, they point out a dichotomy between elections and governance: on one hand, great improvement has been made in these elections; on the other hand, the quality of governance remains stubbornly low.<sup>3</sup>

Another debate is about the relationship between economic development and rural political participation and democratization. Based on the well-known modernization theory that economic development gives rise to a middle class who will demand for democracy, analysts try to find a positive correlation between level of economic development, mostly defined as income level, and political participation and democratization. Yet, the study on this issue has resulted in three different and conflicting conclusions that, respectively, villages of high income, or low income, or middle income, tend to have open and competitive elections.<sup>4</sup>

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<sup>1</sup> More recently, Pei Minxin and David Denoon still consider most village elections "non-competitive and controlled." (Pei, 2006, Denoon, 2007). It shows that there is no consensus about the character, impact and implications of these elections.

<sup>2</sup> For a summary of various theories of empowerment, see O'Brien and Han (2009) 368-69 and the notes from 48 to 56. John James Kennedy, "Legitimacy with the Chinese Characteristics: 'two increases, one reduction'" *Journal of Contemporary China* 18 (60) (June 2009) 393. See also Zongze Hu's summary (2008) 612-13.

<sup>3</sup> See O'Brien and Han (2009)

<sup>4</sup> Kevin O'Brien is the first to suggest that relatively well-off villages with a history of good leadership are more likely to implement competitive elections. (O'Brien, 1994). Recently, Rong Hu confirms this view in his study of 40 villages in Fujian by arguing that "village-level economic development is crucial for the implementation of competitive elections." (Rong Hu, 2005). Susan Lawrence differs in her case study of a Hebei village by arguing that mismanaged and poor villages are more prone to democratic change. (Lawrence, 1994). More recently, scholars have challenged both views. Jean Oi and Scott

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Most scholarship in English is by political scientists focusing on the procedural study of elections. With a macro approach in analyzing statistical and survey data, these studies are not concerned with the actual political dynamic and specific problems of a village. They cannot capture and explain the actual elite and popular political participation or the interactions between major political players and between them and villagers. To complement the macro and procedural studies on village elections, it is necessary to have more micro and qualitative case studies, which allow us to look more closely into direct elections and their impact in specific villages.<sup>5</sup>

Zongze Hu has done an ethnographical study on villagers' reactions to a good election and democratic supervision in a northern village. He finds "critical disparities" between villagers' view and what I present earlier as theories of empowerment—the view shared by majority scholars.<sup>6</sup> In a study of three elections and their impact in a village near Beijing, I find improved quality in these elections as well as radical changes in the leadership but little improved governance.<sup>7</sup> Both these villages are large agrarian villages with governing problems and the low level of economic development. And both of our findings are contrary to the empowerment school in that good elections have not

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Rozelle find a negative relationship between the level of economic development and competitiveness of village elections: the wealthy and industrialized villages are less likely than poorer, agricultural villages to have competitive elections. (Oi and Rozelle, 2000). Following Amy Epstein, Tianjin Shi and others, however, identify a curvilinear relationship between economic development and interest in political participation, that is, neither the rich nor the poor, but the middle income villages tend to have competitive elections. Amy (Esptein, 1997, Shi Tianjian, 1999). More recently, David Zweig and Chung Siu Fung share this view. However, they further argue that middle and upper-middle income villagers tend to have democratic values and not be satisfied with economic development and governance in the village. (Zweig and Fung 2007).

<sup>5</sup> Melanie Manion (2009) and Gunter Schubert (2009), political scientists and veterans in the field, call for such a shift when assessing the state of the field in the forum organized by *Journal of Contemporary China*.

<sup>6</sup> See note 2 and Zongze He's summary, "[this article] shows that critical disparities (for instance, enhancing cadres accountability, empowering ordinary villagers, and promoting grassroots democracy), and how most villages' view the actual practices on the other." "Power to the People? Villagers' self-rule in a Northern China village from the locals' point of view." (2008) 611.

<sup>7</sup> Yusheng Yao (2009)

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empowered villagers or changed their negative views towards elections (Hu); or improved village governance (mine). It seems that lack of positive impact on villagers' views of elections or on village governance largely due to the unfavorable political and economic conditions of the two villages. Will a village with fewer governing problems and good economic development more conducive to democratization? The following study can be seen as such a case.

### **Background of the Villages and Research Questions**

D Village under study is located on north China plain about 40 kilometers east of Shijiazhuang, the provincial capital, on a core macroregion of south central Hebei province. It was historically a large agrarian village with a population of over 2,500 and arable land of over 4,000 *mu*. Largely benefited from its location, the village has made its economic transition since 1990s. It has four larger and several dozen small or family businesses. All of them are privately owned and most are related to furniture business. With no worry about food (enough from household farming) and employment (plenty of opportunities in the village or nearby), most villagers enjoy higher standard of living than any that has been known in history. The only problem that had caused villagers' discontent before direct elections was official financial corruption in the privatization since the 1990s.

My study examines four direct elections in Datong Village from 2000 to 2009. The time series approach enables us to better trace changes as well as continuities overtime in village politics. I have framed four set of organizing questions for this study of village direct elections and their impact: First, how did elite and ordinary villagers respond to direct elections? Why did they respond the way they did? Second, what changes did

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these elections bring to village politics and governance? Third, how did villagers respond to the new leaders? Why were they satisfied or not? Fourth, what are the major problems in village's elections and governance? In the following, I first reconstruct the election story and then analyze various issues within the frame of the above questions. In the conclusion, I summarize what I have found in this study.

### **The Chief Analytical Findings**

Direct elections helped the rise of the new economic elite—a few capitalist entrepreneurs, who dominated both elections and the new leadership. Riding on popular discontent against official corruption and desire for change, they first removed the old village director and then the Party secretary. From the beginning, new economic elite used vote buying in campaigning rather than observing rules for political competition. In governance, they did not adopt democratic style or use democratic institutions.

Direct elections reduced official corruption—the major source of popular discontent, hence alleviating the contradictions between cadres and villagers. Except for one benevolent authoritarian, however, other elected officials did not win legitimacy because they did not improve much in governance or deliver for villagers expected public goods and services. Direct elections gave villagers opportunities to choose as their leaders from the competing elite members but failed to empower them to hold officials accountable in governance. Although notable progress had been made in popular participation in formulating rules guiding the allocation of residence lot, popular participation in decision making and supervision has not been institutionalized. Villagers became either politically apathetic or hoped for another strong paternal leader to emerge.

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In exploring various factors driving rural political participation, I found the contradiction between villagers and village officials remained, as under Mao, the main contradiction in village—a characteristic of China’s unfinished transition from collective to private economy. The early popular participation was clearly driven by villagers’ discontent towards official financial corruption. This provided me a perspective to deepen the debate on the connection between level of economic development of a village and its political participation and democratization.<sup>8</sup> The inconclusive debate suggests that level of economic development alone is not sufficient to explain China’s rural political participation. More important factor was the amount of the village resources under officials’ control. As the collective property at officials’ disposal was shrunk and there were enough opportunities to make a decent living, villagers’ interest in political participation was reduced. This study finds that successful economic development and privatization did not enhance rural democratization because the new economic elite did not want democracy to check them while villagers had not learned to use democratic institutions to protect their interests. This conclusion challenges the modernization theory, the theory of empowerment shared by the majority of scholars in the field as well as O’Brien and Han’s conclusion of greatly improved procedural quality of elections.

### **The 2000 Election: Against Financial and Moral Corruption**

Villagers identified the 2000 election as the first free and direct election, even though no one came out to challenge the incumbent village director in the election. The challenge to the old entrenched leadership began with the election of the director for women’s affairs. The old director was notorious for embezzling the fines from those violating the one child policy, and for carrying on an affair with the village Party chief. She was

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<sup>8</sup> For the debate on this issue, see the No. 3 note.

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particularly unpopular among women for the illicit relationship. The wife of the Party chief actively campaigned among women for the new candidate. A high school graduate in her early 30s, the candidate was known as “clean, well-educated and capable.” She defeated the old director by a large margin election and continued to be reelected for the next three elections from 2003 to 2009.

### **The 2003 Election: the Rise of a Capitalist Entrepreneur**

The result of the first free election encouraged LH, the wealthiest entrepreneur in the village, to compete for the position of the village director. In his early 40s, LH was one of the newly rich who had made it through legal and illegal means. In the early 1990s, he contracted a waste removing job through his father’s old connection in the Shijiazhuang Steel Plant. With the help of that connection, LH smuggled out pieces and chunks of iron and steel buried under the waste and resold them. Back in the village he built a small furnace to remake iron out of the useless materials he had brought out of the plant. By late 1990s, his business expanded to include a chicken farm and a pig farm, an orchard leased from the collective, a furniture factory and a pharmacy. His family business complex was later incorporated with LH and his brother in charge. LH had built two residence compounds for the family in the village: the one that stood conspicuously at the east entrance of the village was a large three-storied building of Victorian style.

LH was known among villagers as a man of justice and generosity (*zhangyi*), a highly regarded quality among ordinary Chinese. He was ready to help his fellow villagers, lending them his car for free in emergency or on special occasions like wedding and funeral. He had used his connections to help villagers who had run-ins with the law.

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He was also known for paying his employees a little better than other businessmen in the village. LH's clan was the most powerful in the village for their numbers, financial strength and the tough guy fame he and his brother had acquired. Clearly LH had strong political capital and financial resources to compete for office.

LH's whole family got involved in campaigning for him including his younger brother, wife and mother. Both women were known for their strong character and good business sense. He also used his social network for campaigning—members of his clan, his friends and followers. LH's campaigners visited most of the households and promised to improve village governance. They also brought each household two cartons of cigarettes as a small gift of appreciation. Elite villagers-- men with some influence-- were invited to dinner. This gift-giving practice in the election was very common in rural China and was forbidden as “vote buying” (*huixun*) by a 2004 circular by the Civil Affairs Ministry.

The village director was about ten years LH's senior and had been in that position for over a decade. Although he was not as corrupt and unpopular as the Party Secretary, the village director was considered weak and incompetent and not free from financial misconduct. Villagers wanted a clean, strong and capable leader who could improve the village conditions and stand up to the old Party chief. Obviously LH was their man. After he declared his candidacy, no other contenders stood out. The 2003 election had an unprecedented high voter turn out because of LH's successful campaigning and villagers' desire for change. LH defeated the incumbent by a considerable margin and became the first popularly elected village chief.

### **LH's Term as a Popular Leader**

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After winning the 2003 election, LH set his goal to become the Party secretary in the next election, which was considered the top office in the leadership. He soon joined the Party and continued to expand his connections among township officials and functionaries by treating them to dinner whenever he went there. As village chief, LH kept his promise to improve the life of the villagers and conditions of the village. Within three years, the village took on a new look: Two cement roads were built through the village, which were in sharp contrast to the pot-holed highway passing by the village. The second project—a small park plaza with exercise facilities—also broke ground. When the fund for the project ran out, LH put in some of his own money. He also gained villagers' admiration as a strong and effective leader for resolving the difficult problem of moving residents in the construction projects and for standing up to the Party chief. With such an impressive record of performance, LH was poised to win the election for the Party chief in 2006. To save face by avoiding a sound defeat, the old Party chief had leaked his intention not to seek reelection when the election date approached.

### **The 2006 Election: Rise of another Capitalist Entrepreneur**

What seemed to be the inevitable for the 2006 election was interrupted by an accident. Four months before the 2006 election, LH was killed in a traffic accident on a private business trip to Beijing. With the rumor that a loaded gun was found in his briefcase along with the stacks of one hundred yuan notes amounting to one million, LH became a truly legendary figure in villagers' collective memory. On the other hand, his unexpected death changed the power balance among the village elite as well as the dynamics of the 2006 election politics.

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The old Party Secretary gained a lease for his political life and began preparing for his reelection. He also persuaded his brother, a millionaire in the village, to support his own son (the Party Secretary's nephew) in a bid for a position in the village committee. The elite members who had kept low profile in the last election also came alive. Two village entrepreneurs, both millionaires, made known their intention to seek the position of the village director. One of them, SC, was a close relative to LH by marriage (SC's father-in-law was LH's uncle) and his supporter in the 2003 election. Since then, the two households fell out and their clan also split into two political camps. Similar to LH in age, SC was a smart businessman and made his fortune through technical innovations in the production of synthetic board. He owned a factory with over 100 workers and a profit of over a million annually. With his financial base second only to LH's in the village and a good reputation, SC was a formidable contender.

How could the LH's household meet the challenge now that the patriarch of the lineage was gone and the clan was divided? According to the village intellectual (who had enrolled in a well-known university for a year before the Cultural Revolution and was respected among villagers for his knowledge and world experience), LH's wife had always been the brain of the family, even while her husband was alive. Her concern for the future of the LH's lineage in the village politics did not allow her to indulge in grief for long. With LH's brother and mother, she made a new plan to compete in the upcoming elections. LH's brother (who also joined the Party like LH) would compete for the Party Secretary position in place of his deceased brother, and LH's 19 years old son, who had just graduated from high school, would join the race for village director, the position vacated by his father.

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An episode was enough to illustrate the extraordinary political will and courage of LH's wife: shortly before the election, she invited the village intellectual to their recently finished residence-and-office complex. She started the conversation about her new residence before shifting to her real concern about the upcoming election, seeking his opinion about her son's chance to win. The village intellectual suggested that her son might be too young and inexperienced and that it would be better for him to work in the family business for a year or two before engaging in politics. LH's wife responded, "We cannot afford to let LH's influence fade away. Yes, [our son] is a bit too young. But he can learn if he has good advisors." Seeing her determination, the village intellectual said, "now that the feud within the clan is in the open [referring SC's declared bid for the office], you have to spend some money." LH's wife replied without a blink of an eye, "How much? Will a million be enough?"

Besides SC and LH's son, the third candidate was also a wealthy entrepreneur, who made his fortune in real estate and flour refining business. Of all the candidates for the 2006 election, this man made the most daring campaign promise. He sent out campaign flyers promising to finish the village park project, widen the village roads, even to give 300 yuan monthly pension for those over sixty. He vowed to keep his promise even if it meant to use his own savings or to personally borrow a loan. This candidate continued the gift-giving practice initiated by LH in the last election by giving each household a carton of cigarettes and a gallon of cooking oil. In fact, vote buying practice was adopted by all the six candidates competing for the two top offices—the village chief and the Party chief-- in the 2003 election. Villagers received cooking oil, cigarettes and cash payment from 50 to as much as 300 yuan.

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To what extent that vote buying decided the result of the election remained a problem. According to some villagers, the voting buying strategy did not really change whom they chose to vote. Owing to the secret ballot, villagers could vote whomever they would like to even if they accepted gifts and cash from competing candidates. Other villagers believed that most villagers had voted for those whom they had received most money from. Judging from the election results it seemed certain that for most villagers both candidates' cash payment and their popularity worked together. For example, SC, who won the most votes in the election, had given 300 yuan to each household, twice as much as LH's son who got the second most votes. Besides the larger sum he had paid, SC, in the eyes of villagers, was more qualified as a successful entrepreneur while LH's son was no more than a young man of nineteen without any leadership experience.

The 2006 election saw the downfall of the old Party Secretary, the most entrenched incumbent in the village leadership. He had served as the Communist Youth League secretary since he had graduated from middle school during the Cultural Revolution and on other positions in the leadership until becoming the Party chief in 1993 when his predecessor died. He did not have popular support because he was notorious for corruption and arrogance. He was known to take kickbacks or bribes on quite a few village projects and for doing favors to his relatives in the allocation of residential lots. Taking advantage of privatization in the 1990s, he came into possession of a few large farm machines including a combine and a tractor. Villagers also questioned the means he used in helping his son-in-law to build a profitable business. The other candidate was defeated because he was considered "making wild promises and unreliable as a person."

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Despite vote buying, villagers argued that they considered “character”—“clean and trustworthy”— as the most important in their choice of a leader.

LH’s legacy did help his brother and son got elected, although it was less of a victory than they had hoped. LH’s brother, who had given each Party member 150 yuan, won the most votes in the Party branch election. But he failed to become the new Party secretary because the township Party committee intervened. The office went to the old village director whom the township considered “more experienced.” (The old village director also spent the same amount of money on each member but received fewer votes) With the second most votes after SC, LH’s son became the vice village director at the age of nineteen, probably one of the youngest ever elected into China’s village committees. The nephew of the old Party chief, a man in his early 30s, won a member position in the village committee.

The 2006 elections in Village A were dominated by capitalist entrepreneurs: “All those competing for offices were of the rich or supported by the rich,” commented a retired village elementary school principal. The new village chief was believed to have spent over 400, 000 *yuan* for his election. The LH’s family had spent about the same amount. The new leadership including the Party branch committee and the village committee were also dominated by capitalist entrepreneurs. Even the old village director, who became the new Party chief, owned a flour refining business. The enrichment of the old village director and the old Party secretary through privatization and often by questionable means marked metamorphosis of the old political elite into the new rural upper class, a common phenomenon in Chinese villages with good economic development.

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## **Governance under SC**

The new leadership after the 2006 election was divided into two factions—LH's brother and son on one side and the new village chief on the other. The party chief, whose legitimacy suffered from the help he got from the township leadership, allied himself with the new village chief. Throughout the term no serious tensions and conflicts had developed within the leadership or between villagers and the new leadership. With the excuse that the collective revenue was limited, new village leaders focused on their own business. Because little improvement was made on the conditions of the village, villagers were much less satisfied with this leadership than with LH's.

Notorious as it was for “doing nothing,” village leaders had adopted democratic means to resolve the most difficult problem identified by village officials and villagers in the village--the allocation and sale of residential lots (*fang jidi*). As they were “reluctant to deal with this headache issue,” according to the village intellectual, the village director and the Party secretary “found it expedient to use ‘villager representatives’ assembly” (*cunmin daibiao huiyi*) in making rules and regulations acceptable to all. By involving villagers' representatives in making decisions on important matters of public concern, the leadership practiced democratic governance. Yet, such practice of democratic governance was episodic rather than institutionalized.

### **The 2009 Election: the Rise of the LH's Lineage**

The 2009 election for the Party branch committee and the village committee before the Chinese New Year witnessed yet another change in the leadership: the village director and the Party secretary serving from 2006 to 2009 were replaced respectively by LH's son and brother. Two months before the election, both the village director and the Party

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secretary had declared not to seek reelection. Poor performance during his tenure, marital and business troubles converged to undermine SC's morale and popularity. In fact, the village director had submitted resignation to the township but was asked to stay until the next election. No longer living in the village, SC was going through an ugly divorce and his new business venture outside the village also failed. Lack of popular support due to poor performance in his term also contributed to the Party secretary's decision not to seek reelection.

The most recent election was a great success for LH's household: his brother became the new Party secretary; his son the new village director. The millionaire entrepreneur who had failed in the last election despite making attractive promises got elected this time into the Party branch committee. The practice of vote buying continued, although in smaller scale. Not confronted with serious challenges, LH's brother and son felt unnecessary to give more than 100 yuan to their potential voters. Villagers openly expressed their hope that the new leadership return to LH's style of strong and benevolent paternalism. But neither his brother nor his son seemed to have LH's personality, ability or desire to practice that style of governance.

A year after the election, villagers saw little improvement in governance of the new leadership. Like their predecessors, the new village director and the Party secretary were too engrossed in their own business to care about the village's development. The closing of many small businesses for environmental reasons before the Olympics had reduced the village's revenue. At present, a 380,000 yuan project funded by the provincial government for cooperative medicine had been underway, which villagers

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welcomed, on one hand, but concern with possible official financial corruption, on the other.

### **Discussion**

Direct elections promoted by the Chinese state empowered villagers and the new economic elite to remove the old, entrenched and corrupt leadership, first the director of women's affairs, then the village director, and finally the Party secretary. Although the state set the limit to village elections, their momentum could not be contained and went on to affect the village Party leadership. On the other hand, the local government still tried to, as was shown in the narrative, control the election of the Party secretary, if not the village director. Similarly, the Organic Law on village committee stipulated that village committees must operate under the leadership of the Party, thus giving more authority to the Party secretary than popularly elected village director. Yet, as reflected in the relationship between LH and the old Party secretary, the power balance between the village director and the Party secretary was determined by factors other than officially defined power hierarchy.

The most salient change direct elections brought to the village was the rise of the new economic elite—a few capitalist entrepreneurs who dominated both elections and the new leadership. After three rounds of competitive elections, the two top offices in the leadership went to two members from the same household, the wealthiest in the village. There has been no complaint about their monopoly of power in the leadership. This change of village leadership can be seen as the continuation and political result of accelerated liberal economic reform in the village since 1990s. After achieving economic success, the capitalist entrepreneurs took advantage of direct elections to seek political

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power. This power shift from the old political elite to the new economic elite was endorsed by the Party center with its policy to actively recruit entrepreneurs (*neng ren*) into the Party and the village leadership in hopes that they would lead villagers to common prosperity.

Riding on popular discontent against official corruption, the few capitalist entrepreneurs who dominated elections did not observe the rules for political competition but resorted to vote buying. This reduced the legitimacy of the elections and themselves as elected officials. As gift-giving and bribery were common practices in seeking favors and in doing business in China, it was not surprising that village entrepreneurs used these means that they were familiar with in campaigning. Although there is no reliable statistics, vote buying or bribery elections are a common problem in China's village elections.<sup>9</sup> The problem has become serious enough for the Party center and the State Council to issue a circular in 2009 requesting attention of the Party committees and governments at various levels. Because of its hidden nature, vagueness in legal definition and loopholes in the electoral system, vote buying was difficult to control and to identify with certainty. To avoid trouble, township officials who were responsible for supervising village elections would choose to disregard it, if at all possible. Villagers were ambivalent about vote buying: Even if they considered it illegitimate, they accepted or were resigned to vote buying as "everybody did it". In a survey rarely done on this

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<sup>9</sup> The official estimate of 1-3% of all elections by Wang Jinhua of the Ministry of Civil Affairs in 2008 was much too low. Grassroots officials and scholars consider it an increasingly common problem. In a recent survey of township officials by Jiaozhou city Party committee of Shandong Province, 80% of respondents reported that bribery elections were increasing and took on more flexible and diverse forms. "dui liangwei huanjie zhong 'huixuan' wenti de diaocha yu fenxi" (Investigation and analysis of the bribery election problem in the election of the Party branch committee and village committee) Party reconstruction in Jiaozhou. (2010).

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issue, 94.5% of villagers were found to identify vote buying as “the most serious problem” in their village elections but 92.7% consider it “understandable and acceptable.”<sup>10</sup>

Chinese scholars and observers point out a positive correlation between the amount of the resources a village has at the officials’ disposal and the severity of the problem of vote buying.<sup>11</sup> This seems to be true to the case of D Village, whose vote buying was small in scale in comparison with those villages that were going through the commercial land development.<sup>12</sup> Even though the collective property under officials’ control had been much reduced thorough privatization, holding office could still provide capitalist entrepreneurs many benefits including political power, social prestige as well as economic opportunities. This could explain the sustained high interest of the new economic elite in competing for office. Ranked as one of the top one hundred villages for economic development (*Jingji bai qiang cun*) in Hebei province, D Village’s status would enhance the notability of its entrepreneur-officials as well as their business. The village director admitted that it would be easier for him to get loans in the name of a collective rather than a private enterprise. As a delegate of the county’s People’s Congress the village director had opportunities to get to know officials from upper levels and business people like himself. In a society where political power and right connections could open many doors, holding office was smart investment for capitalist entrepreneurs. Although their direct compensation in salary and bonus was insignificant, there was a great earning potential for village officials in contracting construction projects and commercial land development. As villagers pointed out, when the

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<sup>10</sup> Xin Ming, “yige daxuesheng yian zhong de huixuan” (vote buying in the eyes of a college student) in the *Chinese Youth Daily*, Nov. 2, 2009.

<sup>11</sup> Wu Sihong, “cunmin weiyuanhui xuanju zhong huixuan de neizai luoji” (The inner logic of bribery elections in the elections of the village committees) (2010)

<sup>12</sup> See note 9 for examples.

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development zone (*kaifaqu*) arrived, which was merely two kilometers away, the value of village's land would rise exponentially. It was common knowledge that village and township officials have benefited enormously from the commercialization of land in the rapid urbanization of rural China, especially for those located in the vicinity of large metropolis.<sup>13</sup>

For villagers, it was not so much how elected officials get into office but how they performed while in office that really mattered. In this regard, most of the top officials failed to meet villagers' criteria of a good official—financially clean and public minded. Although no one was believed as corrupt as the old Party secretary, yet elected officials did not govern democratically, especially in terms of financial transparency and accountability—the most sensitive areas for villagers. For example, villagers did not believe that the village director's and the Party secretary's annual salary was 3,600 yuan plus a bonus of 5,000 yuan as they claimed in the official report. They was a general suspicion that elected officials continued to kickbacks in the construction projects such as drilling deep wells and the village kindergarten. There existed a large discrepancy of 200,000 yuan between what villagers believed and what village officials claimed to be the total amount of the village's revenue.

LH, the first popularly elected village director, was the only exception. He had won many villagers' respect and trust for his generosity and readiness to help before he was elected. As village director, he was believed financially clean and remembered for

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<sup>13</sup> On the Chinese internet, blogs by villagers and articles by journalists can be found exposing rampant bribery elections in the amount of millions because the competing candidates could expect much higher returns: Bai Jinfu of Aoxiaoying Village of the Yongledian Township of Tongzhou in Beijing, admitted to the media to have spent 1.5 million in vote buying in the election for the office of village director. He lost to Du Youjun, who had spent, according to him, 2 million. "Jinghua Times", Nov. 27, 2007. Villagers from Zhaijiazhuang of Sanhe, Hebei Province, exposed that the new village director spent 3 million in vote buying in the 2009 election. "It is an open secret that every Party secretary and village director for the near by demolished villages received the grey income over ten million." Bbs.yzdsb.com.cn

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lending the village his own money when the loan for the road construction had run out. He was also regarded as a capable and conscientious leader who could deliver public goods and services and solved difficult problems of villagers' relocation (*banqian*). His vote buying (admittedly small in scale) and authoritarian style did not bother villagers. In contrast, none of the other village leaders could match LH's record and reputation. While village directors after LH pointed to the debt incurred by LH's construction project or the empty public coffer as being responsible for their poor record, villagers blamed them as too engrossed in their own business to care for the public good.

In terms of popular political participation, villagers' interest and sense of empowerment was reduced after the first two elections. It had at least two reasons. The major reason was that villagers' accumulated discontent was released after the removal of the old, entrenched and corrupt officials. Besides, their primary concern of economic interests was no longer palpably felt because of the relatively smooth transition in the village's economy. With the collective property under officials' control reduced and ample opportunities to make a decent living, villagers no longer felt a high stake at the result of elections. Like capitalist entrepreneurs, villagers' political participation was driven mainly by economic interest rather than by citizenship awareness.<sup>14</sup>

Another reason was that villagers did not feel empowered to participate in the governing process or had not learned to utilize democratic institutions to protect their interests. As in most villages, democratic institutions were established according to the Organic Law including Villagers' Small Group for Financial Monitoring (*cunmin licai xiaozu*), Villagers' Representatives Assembly (*cunmin daibiao huiyi*), and the System for

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<sup>14</sup>This was, of course, not just the problem of this village or of the rural population. The 17<sup>th</sup> Party Congress (2007) called on, for the first time, the whole nation to raise the citizenship awareness.

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Village Affairs Transparency” (*cunwu gongkai*). Again as in most villages, they could not effectively function as democratic institutions of checks and balances.<sup>15</sup> Rather, they served for officials in obtaining formal legitimacy. This fact should alert us to the inadequacies of institutional approach adopted by majority scholars in the study of China’s village elections and governance.<sup>16</sup> In assessing rural democratization, a shift of focus should be made to the actual operation of the democratic institutions.

It should be point out that an important achievement in democratic governance was made under the second new leadership. When the village leadership would not deal with the troubles and disputes in the allocation of residence lots, they relied on Villagers’ Representatives Assembly to formulate rules and regulations acceptable to all. This can be seen as a case that enough public pressure could compel village officials to allow popular participation in the decision making. Villagers should learn from this experience and further empower the Villagers’ Representatives Assembly—their own body of representation-- rather than continue to hope for a good leader like LH to reappear. For example, they should empower the assembly to put the financial affairs in order—their primary concern-- by auditing the village’s accounting book, tightening up the rules for officials’ spending and reimbursement, and participating in the planning for village development.

How do my findings fit in the debate about China’s village elections and rural democratization presented at the outset? In terms of elections and their impact, they contradict the findings of the empowerment school—the majority’s view—that quality of

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<sup>15</sup> In her study of vote buying in eight villages in Zhejiang Province, Wu Sihong points out that although democratic governing institutions have been established in most villages and are comprehensive in form, they do not function effectively as there are loopholes in finance and accounting system. Wu (2010)

<sup>16</sup> For a summary of the institutional approach see Zongze Hu (2008), 613. See Dali Yang’s (2005) and Alperman’s (2009) positive comments on governance from this approach.

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elections have been much improved over the years. In D Village, the quality of elections went downhill with active participation of the new economic elite. The intense competition among capitalist entrepreneurs in 2006 led to rampant vote buying, which severely compromised the democratic nature of direct elections, making them less open, less fair and less legitimate. The severity of the problem identified by Chinese scholars and local officials makes us question O'Brien and Han's assessment about much improved quality of China's village elections: because vote buying was almost always carried out in secret before the formal elections the procedural studies by Western scholars and observers on which their assessment was based probably did not factor in the problem.<sup>17</sup>

However, the most recent election in D Village saw a reduced competition and vote buying among capitalist entrepreneurs and the two members of LH's household dominated elections and the new leadership. Unless another powerful capitalist entrepreneur comes out in the next election, the village politics may have reached a new equilibrium. With the reduced competition among the new economic elite, a close supervision of elections by the township could reduce and even stop the vote buying practice.

In political participation, this study, as my previous study of a village in Beijing's jurisdiction, finds it necessary to make a distinction between elite and ordinary villagers. Direct elections empowered both the new elite and ordinary villagers at first in removing the old entrenched and corrupt leadership. After first two direct elections, the new economic elite remained active and competitive but most villagers became either

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<sup>17</sup> O'Brien and Han do not include "campaigning" in which vote buying take place in their definition of "procedural quality." 359-360.

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politically apathetic or hoped for a return of a benevolent authoritarian leader. Most villagers felt that they were powerless to affect the result of elections and the quality of governance.

In terms of the impact of direct elections on governance, my findings are complex: the three new leaderships were improved, by different degrees, over the old entrenched leadership but none seriously practiced democratic governing. None was accused of financially corrupt as had been the old Party chief but none, except for LH, were believed to be completely clean financially. LH, the only official that had won full legitimacy and popular support, governed as a benevolent authoritarian. He was fondly remembered as a financially clean and strong and paternal leader. It seems that LH's perfect image went through a myth-making by villagers for the purpose of judging the current leaders. This, however, reflects villagers' criteria for good officials. For villagers, means (whether democratic or authoritarian) in elections and governance was secondary to the end (to protect and enhance their economic interest). This attitude reflects the current trend of economic pragmatism and the tradition of the rule of man that are opposed to the citizenship awareness.

In terms of the relationship between the level of economic development and democratization, this study did not find a positive correlation because the new economic elite did not want to be checked by democratic rules and regulations while villagers had not learned to use democratic institutions to hold officials accountable. However, the study finds a positive correlation between the amount of the collective property under the official control and the elite and popular participation.

## **Conclusion**

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This article examines four direct elections in a northern industrialized village. The state promoted grassroots political reform empowered villagers and the new economic elite at first and resulted in a radical change in the village leadership and rise of new economic elite in politics. However, the capitalist entrepreneurs who dominated elections as well as the new leadership neither observed rules of democratic elections nor practiced democratic governance. Villagers also lacked citizen awareness for political participation: they were resigned to vote buying and did not feel empowered to participate in the political process.

As the economic transition to private ownership had been relatively smooth, the contradictions between villagers and village officials was reduced with the removal of the old, entrenched and corrupt officials. With reduced official corruption and increased opportunities to make a decent living, villagers' interest in political participation lowered. Direct elections have resulted in elite politics and a bifurcated political community with a few new economic elite actively competing for power on the one hand while most villagers who were either politically apathetic or hoped for a return of a benevolent authoritarian leader on the other. With the change of leadership to the new economic elite and reduced contradictions between villagers and their officials, D village seemed to have achieved a political transition commensurate with its socioeconomic change since the 1990s. But neither democratic elections nor governance were institutionalized. We can conclude that introduction of direct elections have not enhanced democratization in D Village because the new economic elite did not want to be checked by democracy while villagers have not learned to use democratic institutions to hold officials accountable.

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