

Countering Capture: Elite Networks and Government Responsiveness in China's Land Market Reform

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Outline

- 1 Motivation
- 2 Institutional Background
- 3 Theoretical Analysis
- 4 Empirical Design
- 5 Results and Mechanism
- 6 Conclusion
- 7 Extension: BM's Model

- Academic Appointments

- Assistant Professor, Columbia University, *2020-present*.
- Assistant Professor, The Chinese University of Hong Kong, *2017-2020*.
- Postdoctoral, University of Pennsylvania, *2016-2017*.

- Education

- Ph.D. in Political Science, University of Chicago, *2011-2016*.
- M.A. in Social Science, University of Chicago, *2009-2011*.
- B.A. in Economics and Finance, University of Hong Kong, *2005-2009*.



蒋俊彦

- Academic Appointments

- Assistant Professor, Peking University, *2019-present*.
- Postdoctoral, University of Vienna, *2022-2023*.

- Education

- Ph.D. in Political Science, University of Pennsylvania, *2013-2019*.
- M.A. in Politics, Columbia University.
- M.S. in Computer Science, University of Michigan.
- B.S. in Computer Science, Beijing University of Technology.



曾 渝

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AWARD CEREMONY OF THE SECOND MASAHIKO AOKI AWARD
FOR ECONOMICS PAPER



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The Heterogeneity in Responsiveness

- Government Responsiveness: The ability of government to **formulate** and **implement** policies that are signaled as preferred by its citizens.
- The traditional view holds that public policy is responsive to societal pressures in a variety of political contexts.
- However, evidence also suggests that politicians do not respond uniformly. **What explains this?**

- A large literature has examined how formal institutions condition policy responsiveness by affecting either the intensity of societal pressure or politicians' ability to receive, assess, and respond to such pressure.
- But limited attention has been paid to the role of informal institutions. **How does it affect?**

- Recent research has shown that nondemocratic governments develop nominally democratic institutions to elicit citizen input in policy making (like individual petitions in this paper). These findings have led many to conclude that there exists a kind of "authoritarian responsiveness" in countries like China.
- **Is this an effective effort?** Or is this universal or conditional?

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Why China?

- The case of China is especially interesting because it serves as a "hard case" for testing theories of responsiveness.
- As a single-party regime with no competitive elections beyond the grassroots level, no fully independent press, and no genuine civil society, government officials in China are not formally accountable to ordinary citizens despite the presence of non-electoral channels of participation.

Why Land Market Reform?

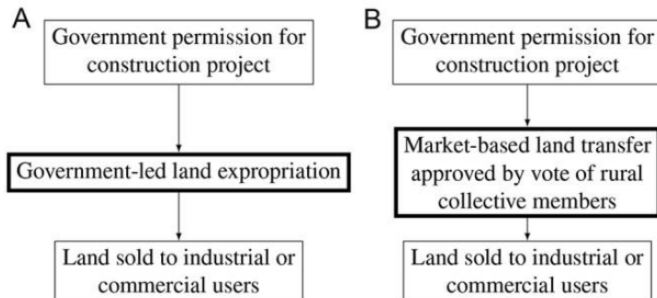
- Land management, moreover, is an area especially vulnerable to local elite capture because of the substantial economic rents generated from land development.
- This reform is popular among farmers and villagers. However, it is often resisted by entrenched local bureaucratic and business elites who have a vested interest in maintaining the government's monopoly over urban land supply.

- 我国实行的是城乡分治、政府垄断城市土地一级市场的制度。只要涉及农地变为建设用地,就要通过政府征地,任何单位建设所用土地都要使用国有土地。这种制度使政府成为农地变为建设用地的唯一决定者,成为城市土地一级市场的唯一供应商。
- 快速城市化和工业化的占地,主要是通过征用农地来实现的。但农民对以“公共目的”为由征得的土地用于盈利性活动尤为不满,对土地补偿感到不公平。征地程序缺乏透明和协商,农民参与度低。
- 据浙江省国土厅信访室统计,2003年,农民土地权益纠纷已成为全省群体性上访首位,反映征地补偿与安置问题的来信 2001 年为 586 件、2002 年为 1058 件,分别比上年上升 14.5% 和 80.55%¹。

¹蒋省三, 刘守英, 李青. 土地制度改革与国民经济成长 [J]. 管理世界, 2007, (09):1-9.

- Commonly Used Approach: Suppress resistance on a case-by-case basis through a combination of informal coercion and selective buy-offs.
- Alternative Approach: Address the grievances directly by implementing systemic policy reforms that give farmers a greater say in the urbanization process.

- “农村集体建设用地入市”：This reform will further liberalize the land market by allowing rural collectives to directly sell their land (use rights) to industrial or commercial users without first having to surrender it to local governments.



- This type of land market reform has been advocated by many academics and policy practitioners. Although it was eventually endorsed by the central leadership in 2008, but most localities have been slow in liberalizing their local land markets.
- By the end of 2014, only about 21% of cities ($n = 61$) have adopted the reform.
- This reluctance is best explained by resistance from two locally influential elite groups:
 - Government bureaucrats.
 - Large real estate firms.

For local bureaucrats:

- Proceeds from land lease sales are a crucial source of fiscal revenue.
- The power to approve land transactions is associated with numerous rent-seeking opportunities.

For local real estate firms:

- The reform reduce the entry barrier for smaller developers and increase the level of competition in the local market.
- Lower prices also reduce the value of these firms' existing land holdings.

Breakthrough

- In an environment with widespread elite capture, why did some leaders still choose to respond to rural residents' grievances and adopt systemic reforms that may hurt powerful vested interests?



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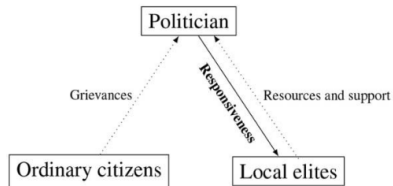
- ① Local leaders' responsiveness is shaped by institutional characteristics
 - This argument has limited applicability to China as its formal political institutions exhibit little variation across subnational units.
- ② Responsiveness is related to the amount of public pressure coming from societal actors (such as certain petition tactics).
 - Rural land disputes are indeed quite common in China, but only a fraction of cities have chosen to liberalize local land markets.
 - Additionally, local leaders can also resort to other options to deal with contentious villagers, such as informal coercion or selective buy-offs.
- ③ Politicians have access to external support networks that reduce their dependence on pro-status quo vested interests.

- The patron-client relations between higher and lower-level government officials are part and parcel of Chinese politics, permeating all layers of the political system.
 - A long-term, reciprocal exchange of instrumental benefits between two actors of unequal status.
- Informal connections to higher-level patrons can sometimes help politicians better resist elite capture at the local level.

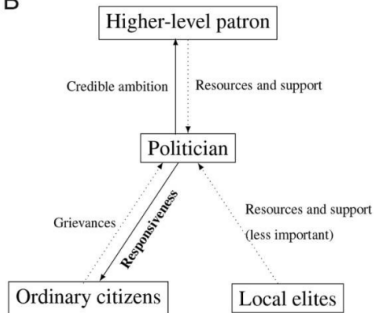
- Directly strengthening politicians' bargaining power vis-à-vis local elites by helping them obtain important productive resources and political support elsewhere.
- Helping politicians assert their authority more effectively over local subordinates.
- Indirectly enhancing local leaders' autonomy by giving them a more *credible ambition* to move upward.

Patron-Client Relations

A



B



Variables\City	Kunming (2009)	Guiyang (2011)
Annual GDP per capita in USD	4,270	4,686
Ratio of built-up area to total urban area	.069	.067
Ratio of own-source revenue to GDP	.111	.135
Total no. of land petitions in the past year	3	4
Total no. of land petitions in the current year	10	9
Connected city leader	Yes	No
Land market liberalization	Yes	No

- When the city's urban redevelopment started to meet growing social unrest in 2009, the party secretary of Kunming, He Qiu, responded promptly by experimenting with a series of new measures that would give villagers more bargaining power. These measures culminated in a formal policy change that legalized commercial transactions of collective land in 2011.
- However, in Guizhou, although the city also witnessed several widely reported land conflicts in 2011, they were not followed by more liberal policy changes as in the case of Kunming. The restrictions on commercial exchange of collective land remain in place today.

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Measurement: Outcome Variable

- The key outcome variable of interest is whether a city has issued a formal policy document that allowed the sale of collectively owned land for construction (CLC) on the primary land market:

$$Y_{it} = \begin{cases} 1, & \text{If the reform was introduced to city } i \text{ in year } t; \\ 0, & \text{Otherwise.} \end{cases}$$

- Data Source:
 - Applying for open information from the mayor's office or land bureau of all city governments.
 - Keyword searches about this policy on government websites and PKU law (北大法宝), if not respond to the requests.

Measurement: Explanatory Variables

- The intensity of land-related grievances, with a measure for the share of land-related petitions:²:

$$D_{1it} = \frac{LandPetition_{it}}{TotalPetition_{it}}$$

- Data Source: Jiang, Meng and Zhang (2019)³ has scraped all the publicly available petitions from the LLMB (地方领导留言板) website, along with a rich set of information for each petition.

²We denote $LP = LandPetition$ and $TP = TotalPetition$ in this slides.

³Jiang, Junyan, Tianguang Meng, and Qing Zhang. "From Internet to social safety net: The policy consequences of online participation in China." *Governance* 32.3 (2019): 531-546.

对祖国外交事业的建议

已办理

用户96****3 留言ID:21955669 2024-11-13 17:10

建议开展“外交官进校园活动”

我们这一代青少年，生活在幸福的时代，网络科技迅速发展，人工智能日益更新，可以通过网络了解好多事情，特别是国际形势。

建议可以选派优秀外交官，进入小学，初中，高中甚至大学 开展讲座，让青年更好的了解中国外交官的故事，了解中国的外交政策，为我国外交事业贡献青春力量！

该留言中含有个人信息或其他不便公开展示的内容，仅办理机构可见。

👍 186 ☆ 59 🗨

官方回复



外交部

2024-12-06 17:43

感谢你对中国外交的关注和提出的宝贵意见。

新时代中国特色大国外交在习近平总书记领航掌舵下取得了历史性成就。习近平总书记指出，要坚持外交为民，全心全意为人民服务。中国外交是人民外交，只有植根人民、胸怀人民、造福人民，才能得到人民的信任与支持，才能有人气、有底气，立于不败之地，获得前进动力。

为了让外交更加贴近人民群众，我们一直在努力，其中包括创办“外交外事知识进高校”活动。从2017年开始，外交部这一品牌活动已经先后走进20多所高校。各级外交官与高校师生面对面交流互动，结合亲身经历讲述中国外交的精彩实践和外交官鲜为人知的感人故事，帮助大家更好地了解最新国际形势、中国发展大势和国家对外方针政策，激发青年学子的家国情怀，鼓励大家增强历史使命感，立足当下，学好本领，报效祖国。

今后，我们将积极研究，加强探索，安排更多外交官走出办公室，走进校园，走进课堂，把外交外事知识更加生动直观地传递给青年一代。

对我有帮助 👍 112

我给湖北文旅提建议

建言

文娱

已办理

用户53****4 留言ID:22449995 2025-02-09 10:29

针对湖北文旅发展的问题，以下是一些建议：

1. 加强文化和旅游资源的整合，破除旅游和文化之间的“壁垒”，让游客在旅游过程中了解文化，也让文化成为旅游业的重要支撑。
2. 继续加强文化和旅游基础设施建设，提升旅游设施和文化场馆的服务质量，打造更加优美、舒适的旅游环境和文化体验环境。
3. 支持文旅企业加大创新力度，培育一批具有国际竞争力的文旅品牌，同时加强文旅品牌的宣传推广，扩大品牌影响力和美誉度。
4. 加强文旅行业的标准化建设，推动文旅企业形成行业自律和规范经营的良好局面。
5. 提高文旅从业者的专业素养和服务水平，营造文旅从业者热情、专业、友好的服务氛围，切实改善游客旅游体验。

此外，还应重视市场推广和政策支持，如通过投放文旅惠民券、高校新生文旅优惠大礼包、举办四季主题促消费活动等措施，保持市场活力，持续提升文旅消费规模。同时，通过设立旅游产业发展基金和旅游奖励专项资金，以及多渠道投融资机制，为文旅企业提供必要的资金支持。

该留言中含有个人信息或其他不便公开展示的内容，仅办证机构可见。

👍 0 🗨

官方回复



湖北省文化和旅游厅

2025-07-22 14:30

网民朋友，您好！首先感谢您对湖北文旅事业发展的关注并提出的宝贵建议，收到您的留言建议后，我们认真研究，将在下一步工作中吸收借鉴。一是做好文旅深度融合。围绕文旅产业补链延链强链，推进“文旅+百业”、“百业+旅游”，发展工业旅游、科技旅游、乡村旅游、体育旅游等旅游业态。建设一批研学旅游、工业旅游示范基地；持续开展好“汉马”（武汉马拉松）“武网”（武汉网球公开赛）等国际赛事；因地制宜开发户外运动、低空旅游体验项目。二是推进景区提档升级。持续推动景区及周边综合环境整治、配套设施完善，建立问题清单、实行销号管理，营造“舒心舒畅、耳目一新”的景观环境。抓好服务环境提升。持续开展旅游行业导游乱象、强制消费问题等民生实事专项整治，加快改善文旅基础设施和软环境。三是强化文旅品牌建设。围绕“知音湖北”文旅品牌，对湖北文旅“五个一”（一本厚重的书、一幅美丽的画、一首激昂的

Measurement: Explanatory Variables

- Follow procedures developed by Jiang (2018)⁴, the city leader's informal connection can be measured as

$$D_{2it} = \begin{cases} 1, & \text{If the leader of city } i \text{ in year } t \text{ satisfies the definition 1;} \\ 0, & \text{Otherwise.} \end{cases}$$

Definition 1

C was first promoted to a city leadership position (as city party secretary or mayor) from within the province when *P* was serving as the provincial secretary or the governor of that province.

⁴Jiang, Junyan. "Making bureaucracy work: Patronage networks, performance incentives, and economic development in China." *American Journal of Political Science* 62.4 (2018): 982-999.

- Market power concentration among local real estate firms, measuring with the Herfindahl-Hirschman index:

$$X_1 \equiv HHI = \sum_{j=1}^n s_j^2$$

where s_j is the market share percentage of real estate firm j .

- Data Source: Primary market land transaction records from Land China, an online land transaction monitoring system maintained by the Ministry of Land and Resources.



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土地供应 更多>

按供应方式分类


招拍挂出让
193个 昨日


协议出让
195个 昨日


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60个 昨日

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按土地用途分类


商服用地
65个 昨日


住宅用地
93个 昨日


工矿仓储用地
114个 昨日


基础设施等其他用地
188个 昨日

土地市场信息

全国9月份国有建设用地供应情况



全国国有建设用地公告公示统计

昨日
近一周
近一月
更多

出让公告	地块公示	供地结果
210个/346亩	452个/630亩	314个/314亩

全国国有建设用地供应情况

☒ 累计显示
☐ 单月显示

全部
商服用地
住宅用地
工矿仓储用地
基础设施等其他用地



- Revenue imperative of local bureaucracy, measuring by two variables:

$$X_2 = \ln \frac{\text{own-sourced revenue}}{\text{government expenditure}}$$

$$X_3 = \ln \text{government employees}, \quad t = 2008$$

- Additional controls:
 - Log GDP;
 - Log Population;
 - Individual characteristics of local leaders.

- The main estimation framework is a Cox proportional hazard model with the following specification:

$$h_i(t) = h_0(t) \cdot \exp(\alpha D_{1i,t-1} + \gamma D_{2i,t-1} + \delta D_{1i,t-1} \times D_{2i,t-1} + \mathbf{X}\beta_i)$$

where $h_i(t)$ is the hazard function of reform occurrence for city i at the time t .

- The key coefficient interest here is δ , which measures the relative responsiveness of connected leaders compared to unconnected ones. Based on our prior discussion, we expect this coefficient to be positive and statistically significant.

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Baseline Results

	Dependent Variable: Permitting Transfer of Collective Land				
	(1)	(2)	(3)	(4)	(5)
Log GDP	.4546 (.5809)	.4030 (.5769)	.3689 (.5702)	1.4379 (.9036)	1.5207 (.9613)
Log population	.8448 (.6242)	.8458 (.6268)	.9190 (.6112)	.4159 (.9000)	.4845 (.9085)
Dependence on own-sourced revenue	-.2305 (.5788)	-.2057 (.5959)	-.1107 (.6243)	-.7604 (.8661)	-.7545 (.8182)
% of urban area	6.0539** (2.7774)	6.6985** (2.7677)	5.5734** (2.8047)	1.5826 (4.1114)	.7427 (4.0622)
Log no. of government employees (2008)	-1.3952*** (.5326)	-1.4208*** (.5403)	-1.3395** (.5316)	-1.9774** (.9640)	-2.3157** (1.0643)
Log no. of nongovernment employees (2008)	.4641 (.5956)	.4349 (.5996)	.4684 (.6226)	.4809 (.9089)	.5125 (1.0132)
Real estate market concentration	-5.0888*** (1.8593)	-5.1521*** (1.8576)	-4.6880*** (1.7855)	-8.2125* (4.9873)	-8.6633* (4.7263)
Log real estate investment	.0526 (.4375)	.0424 (.4362)	-.0549 (.4603)	-.0758 (.3659)	-.0620 (.3987)
Total petitions		-.0009 (.0009)	.0001 (.0005)	-.0003 (.0008)	-.0001 (.0008)
Land petition		.0484 (.0308)			
% of land petition (de-meaned)			-.1489* (.0791)	-.1938** (.0908)	-.1837* (.0943)
% of land petition × connected city leader			.2208** (.0907)	.3147*** (.0904)	.3061*** (.0946)
Connected city leader		-.4040 (.3361)	-.3247 (.3741)	-.2736 (.4899)	-.3140 (.4966)
Strata: province				✓	✓
Leadership covariates					✓
Pseudo R ²	.06	.07	.08	.18	.22
No. of cities	257	257	256	256	256
Observations	1,432	1,432	1,430	1,430	1,430

- Connection with higher-level patrons makes city leaders more independent from the interests of local elites.
- Constructing measures of city leaders' attitudes toward local bureaucratic and real estate interests:
 - The number of corruption and malfeasance prosecutions of government employees.
 - The annual changes in the share of real estate in total fixed asset investment, and its interaction with the market concentration measure.

	Prosecutions of Government Employees (Corruption + Malfeasance)	Δ Share of Real Estate Investment	
	NegBin (1)	OLS (2)	OLS (3)
Connected city leader	.0492** (.0192)	-.6525** (.2787)	-.6242** (.2708)
Real estate market concentration		1.2991 (1.3313)	4.2700* (2.5748)
Connected city leader × real estate market concentration			-4.6017* (2.7836)
Year and city fixed effects	✓	✓	✓
No. of cities	247	282	282
Observations	1,545	1,688	1,688

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- Government responsiveness is shaped not only by the relationship between the masses and the elites but also by interactions among the elites. Configurations of elite networks can shape political leaders' relative dependence on certain privileged sectors or interest groups, which in turn affects their willingness and ability to implement policy changes according to broader public interests.
- Responsive reforms only take place in localities where elite interactions provide conducive conditions for responsiveness to arise.

- The posited mechanism requires some degree of neutrality on the part of the high-level patron. Informal networks are unlikely to induce responsiveness if the patron has an incentive to collude with local interests.
- Additionally, in authoritarian systems, there must also be some constraints on political leaders' ability to use repression.

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- The traditional Madisonian presumption: the lower the level of government, the greater is the extent of capture by vested interests, and the less protected minorities and the poor tend to be. (may caused by greater cohesiveness of interest groups and higher levels of voter ignorance at the local level)
- Baron (1994)⁵ presented a model of electoral competition in which candidates raise campaign contributions choosing policies that benefit interest groups and then expend those contributions to influence voters who are uninformed about the policy.
- Based on it, we introduce the *class* heterogeneity to describe capture from interest-group (in two-party condition) according to Barhhan and Mookherjee (2000)⁶.

⁵Baron, David P. "Electoral Competition with Informed and Uniformed Voters." *American Political Science Review*, 1994.

⁶Bardhan, Pranab, and Dilip Mookherjee. "Capture and governance at local and national levels." *American economic review* 90.2 (2000): 135-139.

For voters:

- There are n districts each with an identical number of voters, divided into three classes: poor (p), middle-income (m) and rich (r). And the proportion of the population of district i are denoted by β_p^i , β_m^i , and $\beta_r^i = 1 - \beta_p^i - \beta_m^i$.
- A fraction α_c of voters in class c is *informed*.
- Political awareness is closely related to socioeconomic position and education level, so $\alpha_r \geq \alpha_m \geq \alpha_p$.

Model Settings

For parties:

- There are two parties, denoted A and B, selecting policy platform π^A , π^B .
- The two parties in each district i spend the campaign finances C_i^A , C_i^B .
- Introducing a single organized lobby based on Grossman and Helpman (1996)⁷, which composed only for rich. An exogenous fraction ℓ of rich in the district actively contribute financially to the lobby. The lobby contributes to the campaign finances of the two parties, conditional on their policy platforms.

⁷Grossman, Gene M., and Elhanan Helpman. "Electoral Competition and Special Interest Politic." *Review of Economic Studies*, 1996.

- With "probabilistic" voting behavior, setting voter loyalty to party A is the sum of three independent random components (for voter j in district i):
 - a , a nationwide preference.
 - a_i , a zero-mean district-specific preference.
 - ε_{ij} , a voter-specific preference, which is uniformly distributed within each district on the range $[-\frac{1}{2}f, \frac{1}{2}f]$, where $f > 0$ is small.

Model Settings

- **Informed** voters are assumed to know the policy positions of the candidates and vote based on those **policy positions**.
- Informed voter j in district i votes for party A if

$$U_{C(j)}(\pi^A) - U_{C(j)}(\pi^B) + a + a_i + \varepsilon_{ij} \geq 0$$

- **Uninformed** voters are assumed not to know those positions, and their vote is influenced by **campaign expenditures**.
- Uninformed voter j will vote for party A as long as

$$h[C_i^A - C_i^B] + a + a_i + \varepsilon_{ij} \geq 0$$

where $h > 0$ is an exogenous parameter.

Competitive Equilibrium

- Party k has a dominant strategy to maximize the objective function $V^i(\pi^k, C_i^k) \equiv W_I^i(\pi^k) + \chi_i C_i^k$ where the $W_I^i(\pi^k)$ is the average welfare of informed voters,

$$W_I^i(\pi^k) = \sum_C \beta_C^i \alpha_C U_C(\pi^k) \quad C = p, m, r \quad k = A, B$$

and χ_i is the effectiveness of campaign spending in winning voter support, increasing in the fraction of uninformed voters.

$$\chi_i = h(1 - \sum_C \beta_C^i \alpha_C) \quad C = p, m, r$$

- i.e. the equilibrium policy choice π^k of party k maximizes

$$V^{ik} \equiv \beta_p^i \alpha_p U_p(\pi^k) + \beta_m^i \alpha_m U_m(\pi^k) + \beta_r^i (\alpha_r + \ell \chi_i G_i^k) U_r(\pi^k)$$

treating G_i^k , the equilibrium probability as parametrically given.

Determinants of Capture

- ① Lack of effective electoral competition: loyalty biases in favor of one party.
 - ② Electoral uncertainty: the riskiness of the swing factor $a + a_i$.
 - ③ Interest-group cohesiveness: ℓ .
 - ④ Average level of political awareness: χ_i .
 - ⑤ Disparity in awareness levels across classes: α_c .
- The last two factors explain why capture increases with illiteracy, poverty, and inequality.

Questions are welcome.