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Does Government Performance Really Matter? An Event History
Analysis of the Promotion of Provincial Leaders in China

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ABSTRACT

What determine Chinese party and state cadres' promotion? Does government performance matter? Using a unique dataset on the promotion and performance of provincial party secretaries and governors (N=303) in China (2000-2004), we apply event history analysis (EHA) methods to empirically analyze the relationships between distinctive dimensions of government performance and political promotions of local cadres. Contrary to previous studies, it's found that the whole government performance has weak effects on promotion of provincial cadres. Though the effects of economic performance are not significant, public service effectiveness impacts political promotion positively and significantly. The results imply that the criteria of government performance evaluation are dynamic and undertaken restructuring, and the era of post-GDP government performance evaluation may have been coming. The position, tenure and *guanxi* (social capital) of provincial cadres and their jurisdictional attributes have significantly effects on political promotion, similar to former research. Comparative analysis among different positions and areas are also conducted and discussed, and research and practical implications are concluded.

KEYWORDS

Government Performance; Political Promotion; Incentive; Cadre Personnel Management; Event History Analysis; China

INTRODUCTION

What determine the promotion of political leaders? Does government performance matter? The performance-turnover/succession/promotion proposition has been tested by numerous studies in the arena of corporate governance, human resource management, as well as in the context of democratic political election. As one of the most powerful incentives in organizations, career development and promotion have been studied by lots of researchers from diverse social science disciplines, including perspectives from Economics (Li & Zhou, 2005; Opper & Brehm, 2007), Politics (Bo, 1996; Bo, 2002; Guo, 2007a; Landry, 2008; Landry, 2003), Sociology (Walder, 1995; Zhao & Zhou, 2004), and Public Administration (Boyne, James, John, & Petrovsky, 2007; Hamman, 2004; James & John, 2007). However, conflict findings and diverse explanations in previous research provide urgent needs for further exploration. Further more, political promotion in the context of authoritarianism system during transition (e.g., China) demands more systematic investigation.

“What’s measured is what matters.” (Bevan & Hood, 2006) Similarly, what prioritized in the promotion decision making determines what matters for the incumbents. The career development and promotion of organizational members is largely determined by their task performance, which has been one of the most interesting propositions in human resource management, organizational sociology and economics of incentives since the publication of *The Peter Principle* (Peter & Hull, 1969). The Peter Principle said that “people are promoted to their levels of incompetence” (Peter & Hull, 1969), however promotion-based incentive schemes are prevailing more than monetary bonuses (Fairburn & Malcomson, 2001).

The principal-agent dilemma implies that the risk of principals’ interest loss owes to moral hazard and opportunism of agents makes control and motivation of subordinates become the crucial component of superiors’ vigor. Among the myriad approaches for superiors, performance measurement sits in the central point, since the results of performance measurement could be used to determine the selection of potential heirs apparent to update organizational human resource (Lazear & Rosen, 1981). Due to the difficult and expensiveness of performance measurement and

supervision of agents, however, linking performance and promotion is not an easy work (Fairburn & Malcomson, 2001). The challenge to measure performance is rougher for public sectors than private ones, for the ambiguity of objectives and yardsticks (Boyne, Meier, O'Toole, & Walker, 2006; Wu & Ma, 2009). Even the above can be achieved, the Peter Principle effect will distort profit from such endeavor (Fairburn & Malcomson, 2001), since people promoted following the hierarchy may get incompetent at last (Peter & Hull, 1969). The performance-promotion nexus thus becomes distinct phenomena to uncover.

Although a rich literature has been accumulated in Western countries, little is known about the promotion of political leaders in developing and transition countries. China is characteristic of authoritarian state and dramatic transition, and the triangle of developing, emerging, and transitional attributes endows China a unique context to explore organizational and management theories (Li & Peng, 2008).

Using a unique dataset on the promotion and performance of provincial party secretaries and governors in China (2000-2004), we empirically analyze the relationships between distinctive dimensions of government performance and political promotions of local officials. Contrary to previous studies, it's found that the whole government performance has weak effects on promotion of provincial cadres. Though the effects of economic performance are not significant, public service effectiveness impacts political promotion positively and significantly. The results imply that the criteria of government performance evaluation are undertaking restructuring dramatically, and the age of post-GDP government performance evaluation may have been coming. The position, tenure and *guanxi* (social capital) of provincial cadres and their jurisdictional attributes have significantly effects on political promotion, similar to former research.

The paper is structured as followings. Firstly, we introduce the background of Chinese cadre management systems, as well as the structure and process of local governments in China. Secondly, relevant studies on the determinants of political elites' promotion, especially the effects deriving from government performance, are reviewed, following with theories and hypotheses. Thirdly, we demonstrate the

sample, data sources, and methods applied in the paper in detail. Lastly, research findings are illuminated and discussed, and research and practical implications are concluded.

CADRE MANAGEMENT SYSTEM IN CHINA

Government System in China

As a unitary state rather than federation, the government system of China is hierarchical. There are a central government (State Council) and four levels of local governments, including 34 provinces, more than 300 prefecture-level cities or municipalities, above 3000 counties or districts, and about 45000 towns or subdistricts. Though each level of local governments has their discretion of decision making, the lower level must obey the guidance of the higher.

The central-local relation is mainly of bargaining and coordinating interaction between central and provincial governments, which is crucial for the governance of China. To control local governments level by level, the solely executive party --- the Communist Party of China (CPC) has established the party-state regime, a dual system paralleled by committees of the CPC and institutions of governments at each level, the former being the most influential arm.

The standing committee of the CPC, staffed by the general secretary, vice secretaries, governors and directors of key departments, is responsible for political decision-making and selection and appointment of senior cadres. The government headed by the governors and several vice governors, acts as the executive machinery under the leadership of the CPC. The above cadres are accountable for their performance, and the staffs below are career civil servants.

Besides, there are the People's Congress and the Political Consultative Conference at each level, which are influenced dominantly by the CPC. The People's Congress and its standing committee is the legislative arm of China, which is in charge of appointing senior positions in governments and its departments typically for a five-year period. However, the CPC can penetrate into the process and control the final appointment power. The Political Consultative Conference is composed by

members from minor parties or imparities, consulting on policy issues through participating in the conference held every one year. Both of the People's Congress and the Political Consultative Conference supply potential positions for retired senior officials, who can continue their political career there.

The Characteristics of Cadre Personnel Systems in China

The unique approach of Chinese cadre personnel system has been debated in Politics for a long time. Different from Western democratic countries, where voters make decision of who can be the political leaders, the upper level governments in China, through the CPC Organization Department and the Bureau of Personnel, directly appoints all top officials at subordinate level. Although differently arranged, "the Chinese political system seems to be able to select the 'right' people to the top level of the government." (Huang, 1998: 20)

Local officials are well aware that their "careers depend on their superiors within the CCP [CPC]." (Goodman, 1994: 4) They do not rely on the vote support to maintain positions as their peers in Western countries, but "follow closely both his patron and his patron's faction, since they are the source of his authority." And "officials were always 'looking up,' accountable mainly to those above." (Hamrin & Zhao, 1995: xxx-xxx) Performance evaluation in Chinese government, in such unique institutional setting mentioned above, is "used chiefly to ensure that local officials comply with higher-level policy priorities" and "by binding local officials' target accomplishments to their career future the target-based responsibility system guarantees that local officials will follow the directives that come down from above" (Chan & Gao, 2008:8).

Contrary to Russia, China is termed as "federalism with political centralization" (Blanchard & Shleifer, 2000), "decentralized authoritarianism" (Landry, 2008), or "decentralization with political trump" (Tsui & Wang, 2008). The coexistence of fiscal decentralization and political centralization in China created the yardstick competition among local officials, as argued by Blanchard and Shleifer (2000). Winning and getting prizes in promotion tournaments is the central incentive of local leaders to

enhance regional economic growth and social development in the context of fiscal decentralization (Li & Zhou, 2005). The accountability link works underpinning in Western countries maybe not look the same as that in China. However, an indirect path through Target Responsibility Systems and citizen survey, which are the main forms of government performance evaluation, should be taken into account (Walker & Wu, 2009).

The cadre personnel management systems in China, especially regulations on cadre performance appraisal and selection and appointment, have changed dramatically during the past decades (Walker & Wu, 2009), especially after the launch of the “Scientific Outlook on Development” (SOD) by the CPC Central Committee in 2004 (Guo, 2007a). The SOD, initiated by the CPC in 2003 and written into the CPC’s constitution during the 17th National Congress of CPC in 2007, represents important guiding principles for China’s economic and social development (Wang, 2008). The SOD principles emphasize a people-first approach, while requiring comprehensive, sustainable and coordinated form of development with a dual emphasis on speed and quality.

The thorough application of the SOD as the leading ideology in the whole society requires a correct view on the evaluation of cadres’ performance, as well as new style of “Cadre Evaluation and Appointment System” (Guo, 2007a). Government performance measures with high weights, e.g., GDP growth rate, are the fast track to get promoted in the past, whereas sustainable development and citizen satisfaction increasingly become the benchmarking for promotion. The promotion becomes increasingly competitive at the same time, due to the modified regulations on open selection, competition for positions and multi-candidate election. We anticipate the change in the cadre personnel system will redirect the underlying logic of political promotion in China, which is what we focus on in the paper.

THEORY AND HYPOTHESES

Literature Review

What matters in the promotions of leaders of organizations? Does their

performance matter? Being an interesting and important question, it has been studied in many areas. Previous research is not in defect of theoretical and empirical analysis, which provides us rich basis for further exploration. The past performance of candidates is the signal of their potential competence to be promoted to positions at the upper level, which becomes the underlying logic for incentive arrangement and personnel management (Peter & Hull, 1969). Such mechanism is not a theoretical prediction; rather, it has been testified in various contexts by many studies across disciplines.

Relevant studies in Western countries are numerous, e.g., Boyne et al., (2007), Boyne, James, John, & Petrovsky (2008), and James & John (2007). The literature suggests that leadership turnover is influenced by organizational environment, organizational politics and organizational performance (Boyne et al., 2008). The introduction of published Comprehensive Performance Assessments (CPA) of 148 local authorities in the United Kingdom was found that objectively measured performance does not predict vote share, but citizens' satisfaction with local authorities does positively, and levels of local tax negatively predicts the vote (Boyne et al., 2007). There is "negativity bias," which means that incumbents in the "poor" performance category experience a substantial reduction in aggregate vote share, but there is no similarly sized reward for those in the highest performance category (James & John, 2007).

Research on the performance-promotion proposition is not rare in China too. Bo's path-breaking study on political mobility of Chinese provincial leaders from 1949 (the year the P. R. China was established) to 1994 is the milestone in the research field (Bo, 1996; Bo, 2002). The relationship between economic performance and political mobility are analyzed, and the attributes of leaders, characteristics of province and time effects are included. Fiscal revenue rather than GDP growth is found to be one of the determinants of political promotions, implying the central government rewards leaders supplying more tributes (Bo, 1996).

Along with Bo's research trajectory, Landry (2003) analyzed the career paths of mayors of all prefecture-level municipalities (1990-2000) in China. He suggested that

the economic performance of cities has little substantive impact on the promotion of mayors (Landry, 2003). Guo (2007) studied the turnover of Chinese county leaders (1995-2002), and found that they are frequently replaced. Fiscal revenue growth increases their probability of promotion, and newly installed or minority nationality chief executives are less likely to be replaced (Guo, 2007a). Lin's (2003) case study on the township leaders in a city of Zhejiang province in coastal China also illuminated the significance of economic performance to their political fate (Lin 2003). In all, the performance-promotion nexus has been empirically analyzed at four levels of local government in China, whereas conflicting findings qualify further investigation.

Lin (2007) challenged previous performance-promotion studies in that it's the promotion impacts economic performance, rather than the vice versa. His empirical study demonstrated that the speed of promotion would facilitate mayors to be transferred to richer cities, which in turn transforms their competitive advantage to further promotion (Lin, 2007). Thus, the relationship between performance and promotion of leaders may be reciprocal interaction.

Using provincial annual GDP growth and tenure-averaged GDP growth as economic performance measures, Li and Zhou (2005) empirically analyzed the turnover of provincial leaders in China (1979-1995) and found economic performance positively predicts their promotion and negatively impacts their termination. Provincial leaders' tenure-averaged GDP growth is more robust than their annual GDP growth (Li & Zhou, 2005). Chen, Li, and Zhou (2005) focused their study on the mechanism of relative performance evaluation in China and enlarged the sample (1979-2002). Applying the provincial leaders' relative economic performance compared to their immediate predecessors and neighboring provinces, they demonstrated the economic performance of their immediate predecessors is negatively related with the provincial leaders' promotion opportunity, implying that the central government utilizes the relative performance evaluation mechanism to provide the provincial leaders with high-powered incentives (Chen et al., 2005).

Although Li and Zhou (2005) and Chen et al. (2005) supply reasonable explanation for the unbelievable economic growth speed of China in the past thirty years, Oppen

and Brehm (2007) provide alternative interpretation. They construct the network-ties-index to take most of the provincial leaders' personal ties into account. Their analysis (1987-2005) shows that network-based promotion rather than performance-based promotion plays a crucial role in Chinese leadership recruitment (Opper & Brehm, 2007).

Generally speaking, the relationship between government performance and political promotion of local officials deserves to be systematically studied further, though researchers have cumulated a good deal of empirical results. Most of all, the measurement of government performance should be given special attention, since the treatments in previous research are diverse, resulting in conflicting results and explanations (Wu & Ma, 2009).

Hypotheses

Most of prior studies found significantly positive relationship between government performance and political promotion, though the measures of economic performance are various. Although there are some exceptions, we can anticipate the existence of the correlation. We attribute the conflict findings in previous studies to the potential bias of the sampling time framework used, as well as the different measures of government performance employed (Wu & Ma, 2009).

As argued by Quinn and Cameron (1983), the criteria of organizational effectiveness shift along the organizational life cycle (Quinn & Cameron, 1983), which implies the dynamics of performance measurement and its application in personnel management and other functional areas. More importantly, government performance is a multidimensional construct, including economy, efficiency, effectiveness, equity, accountability, responsiveness, transparency, and so forth (Boyne et al., 2006). What we are interested is other dimensions of government performance apart from economic dimension, incorporating the multidimensionality of government performance in our analysis. Taking diverse dimensions of government performance into consideration will also allow us to investigate the relative significance of their impact on political promotion (Wu & Ma, 2009).

The past three decades has witnessed the great transformation of China from central planning economic system to market-based economic system, followed by political and societal institutional reforms (Wang, 2008). Such transition sheds light on the change of the orientation and operation of governments at all levels, notwithstanding government performance evaluation and cadre personnel management (Walker & Wu, 2009). The relative importance of various dimensions of government performance in the decision-making of political promotion is dynamic during the dramatic institutional transition of China. We develop a three-phase model to capture the dynamic evolution of political promotion in Chinese government system, in which political loyalty, economic performance, and public service performance are sequent dominant criteria in each phase, as delineated in Figure 1.

[insert figure 1 about here]

Political stability rather than economic development was the dominant orientation of the whole society previous to the Reform and Opening-up in 1978. The promotion criteria during that time are mainly political loyalty, which is employed to maintain political legitimacy and social stability (Walder, 1995).

At the stage of taking off and subsequent catching up since 1978, the task of economic growth is in the dominance (*jingjiyadaoyiqie*), which frames the logic of political promotion until the late of 1990s (Li & Zhou, 2005). The GDP-centered government performance evaluation system, on which the cadre selection and appointment system depends, encourages the political momentum of GDP or “GDP worship” by local governments, which in turn inspires their expansionary impulse to promote economic growth (Guo, 2007b).

The economic performance-based promotion scheme is the key to understand the near double-digit economic growth of China during past three decades, and is also the source of side effects in social and environmental arenas. As the imbalance and conflict of economic, social, and environmental issues becomes severe issues facing the executive party and the state, more attention shifts to public service, social welfare

and environment protection during the turn of the century (Wang, 2008). The situation also makes the SOD the leading political ideology, leaving room for the reform of cadre personnel system.

To transfer the cadres' behavioral propensities towards what the SOD requires, the authorities should alter the incentive structure of local governments (Guo, 2007b). The CPC Central Organization Department promulgated the "Trial Methods of Comprehensive Cadre Evaluation that Embodies the Requirements of the Scientific Outlook of Development" in 2006, to reorient the new development direction of local officials. The new cadre evaluation system was modified and released by the Political Bureau of the CPC Central Committee in 2009. The GDP-centered cadre evaluation system is altered, and the public service performance and citizen satisfaction are focused on in the new system.

The orientation transition from economic growth to scientific development implies the declining significance of economic performance and the increasing significance of public service performance in the determination of political promotion of local officials. We can thus propose the following hypothesis.

H1: The public service performance improvement has positive impact on the promotion of local government leaders.

METHODS

Sample and Data

We choose provincial top leaders (provincial party secretaries and governors) in China to test our hypothesis. There are two reasons to understand our choice. First, we want to replicate and extend some of previous research, in which provincial officials are subjects (Bo, 1996; Bo, 2002; Chen et al., 2005; Li & Zhou, 2005; Opper & Brehm, 2007). Second, honestly we can only obtain the needed data at the provincial level through public sources.

China is composed of 23 provinces (including Taiwan), five autonomous regions (autonomy owned by minority nationality people), four municipalities, and two special administrative regions (Hong Kong and Macau). There are 31 provincial units

from 2000 to 2004 in our dataset (excluding Taiwan, Hong Kong and Macau), and the unit of analysis is provincial leader-year observation. The sampling period is much shorter than previous studies (Li & Zhou, 2005), thus we can not compare the relative explanation power of diverse dimensions of government performance during the transition era. However, the data span is sufficient for us to investigate the effect of public service performance, since the turn of the century is just the time of the cadre evaluation system changed (Guo, 2007b).

The data deployed in the paper are all secondary sources, incorporating the China Statistic Yearbook in respective years, empirical research and online datasets. We anticipate basically the public statistics published by the official statistic agencies are what the CPC Organization Departments utilizes in the decision making of appointment. We present our measures and data sources in the next sections.

Political Promotion

The career trajectory of local leaders can be divided into the following categories (Bo, 2002; Li & Zhou, 2005): (1) succession, continuing her duty in the same position; (2) transfer, deployed to a similarly ranked jurisdiction; (5) promotion, deployed to a higher ranked jurisdiction or position; (4) turnover, dismissed due to misbehavior or fulfilling second political cycle; (6) retirement, dismissed when achieving the official retirement aging.

What we are interested in is the promotion of provincial leaders, leaving other ways as a whole alternative. For provincial party secretaries, the promotion opportunities include membership of the State Council, the vice-premiership, the premiership and membership of the Political Bureau of the CPC Central Committee or its Standing Committee. Provincial governors, subordinate to party secretaries in nature, can be promoted to provincial party secretary or to equal-ranking posts in ministries or commissions at the central government, as well as other promotion opportunities ahead for party secretaries. A promotion means a move by a provincial leader up to one of these positions. Thus we define a binary variable for promotion, which equals one if a promotion occurred and zero otherwise (Oppen & Brehm, 2007).

There should be 310 (31*2*5) provincial leaders during the sampling period potentially, however the sample obtained are 303, due to abnormal turnover (e.g., corruption, illness, and natural death) and data missing. There are 118 provincial leaders in our sample, including 56 provincial party secretaries and 62 provincial governors. Promotion records and personal attributes of provincial leaders are free downloaded and recoded from their official resumes at the official websites for the *People's Daily* and the Xinhua News Agency.¹

Government Performance

The measurement of the performance of governments is one of the toughest problems encountered by public managers and researchers (Boyne et al., 2006). The challenge of government performance measurement becomes severer in the context of developing countries in transition, where little qualified data are available (Wu & Ma, 2009). Economic performance is easy to measure and manipulate, whereas the measurement of public service performance is not an easy work. We are lucky that the work has been completed by two economists, who collected public obtainable statistics and empirically evaluated the public service performance (PSP) of 31 provinces during five years (2000-2004) (Chen & Cai, 2007).

Chen and Cai applied the benchmarking approach and the Data Envelop Analysis (DEA) method to measure the formal effectiveness and relative efficiency of provincial public service delivery of provinces. They focused their evaluation on eight areas of basic public services, including basic education, public health, social security, infrastructure, scientific technology, public security, environment protection, and common public service (the operation of governments). The dataset on provincial PSP is calculated on the basis of 165 indicators among eight areas, which are categorized into input, output and outcome to run the DEA program. All the eight indexes are weighted and added up into two comprehensive indexes, named PSP benchmarking

¹ Both of them are available at: <http://leaders.people.com.cn/GB/index.html>;
http://news.xinhuanet.com/ziliao/2002-02/20/content_476046.htm.

score (PSPB) and PSP efficiency score (PSPE).²

In our opinion, we believe the dataset is appropriate to be utilized in our research, though we can not catch the real measures used by the Organization Department to determine the promotion. We use their tenure-averaged PSP scores rather than annual PSP scores for each provincial leader as independent variables to simulate the tournament scenario like previous studies (Li & Zhou, 2005).

To compare the relative effects of economic performance, which also has potentially positive impact on promotion of local leaders, we calculate tenure-averaged GDP growth and fiscal revenue of provincial cadres and put them in regression model, manipulating the dynamics of government performance evaluation (Bo, 1996; Li & Zhou, 2005).

Control variables

Previous studies controlled other variables to exclude estimate bias in the empirical analysis, and we follow them to retain consistently. The “Four Transformations” (*sihua*) strategy undertaken by the CPC to select cadres in 1980s is aimed to make party officials more revolutionary, more youthful, more educated and more competent. Thus we conjecture that the CPC membership, age and education level of provincial leaders have effects on their promotion opportunities. For almost all of provincial leaders in our sample are CPC members, we do not consider it in our model. We take their age into account, however we do not include the retirement threshold age of 65 like previous studies (Li & Zhou, 2005), since almost all of provincial officials after 2000 are below 65. The education level of leaders is categorized into two types: high than or equivalent university (coded as one) and low (coded as zero).

The career characteristics of officials are key factors to be considered in the empirical analysis. First, the career trajectory of party secretary is distinct from governor, owing to the politic-administration dichotomy. We code provincial secretary

² Four areas (basic education, public health, social security, and common public service) are weighted 15%, whereas the other ones 10%, without any explanation by the authors. We add up scores of these areas with equal weights and conduct robust test. We also reduce scores of the eight areas to two PSP factors through Exploratory Factor Analysis, named as social development (seven areas) and environment protection (one area of environment protection), respectively. The results of these analyses are not reported.

as one and governor as zero. Second, we calculate their tenure on the current position.

The personal ties (*guanxi*) are the key to job hunting and career development, especially in the context of Chinese political system (Opper & Brehm, 2007). Personal connection with the central government is crucial for provincial leaders' climbing along the bureaucratic hierarchy, and we code one if they have such career experiences and zero otherwise.

The jurisdictional characteristics of provinces are also important for promotion, thus we control the munificence (log of GDP per capita) of provinces. However, because of the high correlation between GDP per capita and performance indicators we used, we take the regional distribution (coastal or interior) for instead to avoid potential multicollinearity. Since the 16th National Party Congress was held in 2002, when the concentrated succession was conducted, we control this year to take its exceptional effects into consideration.

The conceptualization and operationalization of the variables mentioned above are summarized in table 1.

[insert table 1 about here]

Event History Analysis

We can treat the promotions of provincial leaders as events occurred during their career, and apply the Event history analysis (EHA) method to estimate the effects of potential determinants. The EHA has been widely used in many social science disciplines (Allison, 1982), notwithstanding in Politics and Public Administration, e.g., Berry and Berry's pioneering study on the adoption and diffusion of policy innovations as one of examples (Berry & Berry, 1990).

The dataset for the EHA is cross-sectional time series. "Events" (promotion herein) occurred in a given period are analyzed as dependent variables, whereas potential determinants are measured in the previous period, permitting an explanations of causality. Since the dependent variable is categorical, we should run the EHA through Binary Logistic regression analysis, which is similar Probit regression analysis.

RESULTS

Preliminary findings

Descriptive statistical analysis and correlation matrix of research variables are demonstrated in Table 2. 36 provincial leaders got promoted during the sampling period, accounting for more than 10% rate of promotion. The correlation analysis illuminates only tenure-averaged PSPB has significant correlation with political promotion, though there are robust relations among GDP growth, fiscal revenue, PSPB, and PSPE. Further more, tenure and central connection of provincial cadres have significant correlation with their political promotion.

[insert table 2 about here]

Regression Analysis

We run total sample regression analyses firstly, incorporating only independent variables in the model (from M1 to M4 in table 3). It' found that only tenure-averaged PSPB has significant effect on provincial officials' promotion, and other performance indicators reveal predicted directions without statistical significance. The explanation power of all four models is marginal, and the effect of GDP growth is nearly zero. Contrary to previous studies, it's found that government performance has weak effects on promotion of provincial cadres. Though the effects of economic performance are not significant, public service effectiveness impacts political promotion positively and significantly. Our results illuminate that public service effectiveness of provincial leaders matters, although its impact is not large enough to explain their promotions. The findings imply that the criteria of government performance evaluation are undertaken restructuring, and the age of post-GDP government performance evaluation may have been coming.

[insert table 3 about here]

We then take controls in the model (from M5 to M8 in table 3) to excluding estimate bias. We find that the explanation power of all four models is robust (the declining values of -2 Log likelihood and the increasing significance of Chi-square and two types of R^2), however, the effects of all four performance indicators are not significant. We anticipate that the correlation between performance and promotion is contingent and liable to other variables, particularly attributes of their career and subtlety of political cycles in China. All the controls predict as hypothesized, and tenure, central connection, and year 2002 have statistically significant effects.

Trajectories and criteria of promotion for local officials appointed in geopolitically and socioeconomic variable regions are exposed to diverse fates. Career path for party cadres and executives is also different, though the dichotomy between politics and administration are premature. We conduct sub-sample regression analysis among different regions (from M1 to M4 for coastal provinces and M5 to M8 for interior provinces, all in table 4), and different positions (from M1 to M4 for provincial party secretaries and from M5 to M8 for provincial governors, all in table 5), to undermining the performance-promotion nexus in depth.

[insert table 4 about here]

For leaders positioned in coastal provinces, though in the predicted directions, none of our predictors has significant effects, except for central ties in Model 3 and year 2002 in all four models. The results for interior provincial leaders are similar, although the significant effects come from tenure in Model 7. Potential interpretation is that the splitted samples are small to run multilevel statistical analysis. In all, the explanation power of sub-sample for coastal provinces is more robust than interior ones. We can conclude, however, that promotion trajectories for provincial officials in different regions are not distinct enough to be captured by the analysis.

[insert table 5 about here]

Results in table 5 show that models for the sub-sample full of provincial party secretaries are more explanative than ones of provincial governors, implying the former is more accountable for their careers. Different from the findings above, PSPE is negatively correlated with promotions of party secretaries, whereas both economic performance indicators have negative effects on governors' promotions. Although not statistically significant, the results delineate distinctive criteria for their promotions. Tenure and central connections are more crucial for party secretaries than governors, taking other variables controlled.

DISCUSSIONS

As Bo (1996: 148) demonstrated, "Since provincial leaders in China are controlled by the center, their political mobility depends on what criteria the center adopts to manage provincial personnel." We conjecture that the promotion criteria of local officials in the Chinese political system are dynamic at transition, characterized of the competition among political loyalty, economic growth, as public service. Maybe they are not conflicting objectives in nature, however, economic growth, social development, and environment protection have variable priorities during different phases of reform, which imply the changing incentive structure of political system. During each watershed of inflection, the inertia of former phase will make the dynamics be struggling helix before the clarity of their relative dominance.

The impact of economic performance on the promotion of local leaders declines, whereas the impact of public service performance on the promotion of local leaders increases, as predicted by theoretical arguments. However, the empirical results support this anticipation with weak evidence, owing to our small sample and deficient manipulation of performance measures. The dynamics among criteria form political promotion is similar to the debate on the changing role played by personal ties (*guanxi*) in Chinese society. Though Guthrie points out "the declining significance of *guanxi*" in transitional China (Guthrie, 1998), and Peng has the same view point (Peng, 2003), Bian argues that the significance of *guanxi* has not been weakened, but rather been raised due to the characteristics of China's marketization reform and

institutional transition (Bian, 2007). Though the directions and turning points of transition are controversial, the reorientation is indeed occurring, calling for systematical examination to clarify. Our research is the first step to explore such issues, which is prospecting and demand more rigorous investigation.

Contributions

Our research contributes threefold to the literature and practice.

Theoretically, the adoption of comprehensive public service performance measures, rather than merely economic or financial performance indicators, in examining the performance-promotion nexus supplies new lens to investigate the implicit operation logic of government systems *per se*. Our study also contributes to the life cycle theory of performance measurement (Quinn & Cameron, 1983), in which the dynamics of weights of diverse dimensions of organizational performance are the focus.

Empirically, our analysis uncovers the changing nature of incentive mechanism for local officials in China. Though the performance-based incentive scheme has not been dismissed by the central authority, the attributes of the government performance construct and its utility in cadre personnel management have indeed transformed during the reform era. We contribute to the emerging literature on the political incentive mechanism based on performance measurement and personnel management in transitional countries such as China (Blanchard & Shleifer, 2000).

Practically, our study implies that to encourage the efforts of local cadres to meet the requirement of the SOD, more priorities should be weighed on public service performance in the evaluation system and its usage in the promotion decision making. Without such institutional arrangement, the local officials will not obtain sufficient incentives to change their behavioral orientation from GDP-centered to the SOD driven (Guo, 2007b).

Limitations and Future Research Directions

As the “black box” uncovered, the promotions of cadres are a series of complicated political events and are exposed to diverse uncontrolled factors, particularly for

provincial leaders who have merely one level to expect. Too many factors influence political promotion and provincial level might be excessive political sensitive, thus it's better to investigate at county and township levels. For comparison and enlarged sample, cadres in lower level and different functional branches should be given special attention in future research.

Although we propose the dynamics of diverse dimensions of government performance in the decision making of political promotion of local officials, we have not tested it due to the shortage of sampling period. The sample time frame should be enlarged in future studies to examine the dynamics of government performance evaluation and its effects on cadre appointment. Besides, theory-based empirical analysis and exploration is urgently needed.

Multiple data sources, especially subjective data about government performance are demanded. The annual times of “petitioning” (complaints of citizen to governments, named as “letters and visits” or *xinfang* in Chinese) divided by total jurisdictional population, the proxy reverse measures of citizen satisfaction, can be utilized to examine the impact of perceptions of constituency on local cadres’ political promotions and to compare with effects from objective performance measures.

A recent study on the incentive role of upgrading counties to “cities” in China (Li, 2008) sheds light on the future research agenda of political incentive mechanisms in Chinese local governments. Similar phenomena of tournaments among local governments include: the National Civilized City Evaluation and Selection (*wenming chengshi pingxuan*), the National Healthy City (*weisheng chengshi*), the National Park City (*yuanlin chengshi*), and the National Exemplar for Environment Protection (*huanjing baohu mofan chengshi*). These competition events can be examined to uncover the other sides of political incentive, in which promotion transfers to honors or champions.

Integration among mechanisms of government performance evaluation, personnel management, fiscal management, as well as political control, will be the focus of future research to take all the potential incentive mechanisms into account. Further more, international comparative research on the relationship of political promotion

and their antecedents between developed and developing countries, as well as between direct democratic and indirect democratic economies may evoke interests for future exploration.

CONCLUSIONS

The relationships between government performance and political promotions of provincial leading officials in China are empirically analyzed in the paper, incorporating the effects of other explanatory variables. The preliminary results show that government performance does matter in the promotion of cadres, but the effects are not robust when taking controls into account. In all, the effect of government performance is marginal compared with other variables, e.g., tenure and personal ties. Government performance matters, whereas different dimensions work in different approaches and dynamically during the reform era. Our theoretical anticipation and empirical research on the performance-promotion nexus of political elites contribute to the understanding the changing paradigm of government performance measurement as well as the underlying incentive arrangement of authoritarian political system in transitional economies.

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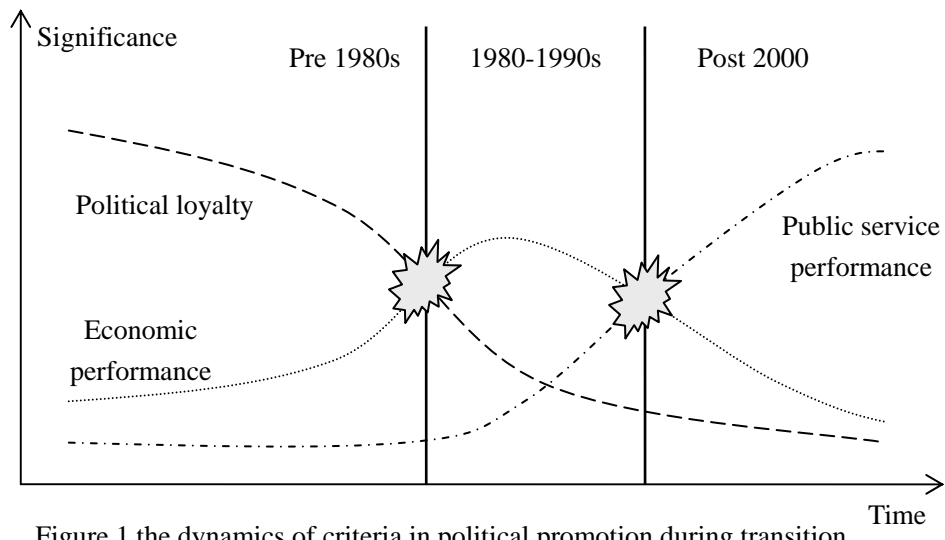


Figure 1 the dynamics of criteria in political promotion during transition

Table 1 Summary of the research variables

Variables	Abbreviation	Definition
Dependent Variables		
Political promotion	Promote	Binary variable, Promotion codes 1 and otherwise 0.
Independent Variables		
Tenure averaged PSPB	PSPB	The moving average of PSPB in respective tenure of provincial leaders.
Tenure averaged PSPE	PSPE	The moving average of PSPE in respective tenure of provincial leaders.
Tenure averaged GDP growth rate	GDP growth	The moving average of GDP growth in respective tenure of provincial leaders.
Tenure averaged revenue	Revenue	The moving average of fiscal revenue in respective tenure of provincial leaders.
Control Variables		
Age	Age	Number of years from born year to respective year in the sample period.
Education level	College	Dummy variables, cadres below graduate as base group, code 0, otherwise 1.
Position	Position	Dummy variables, party secretaries code 1 and governors code 0.
Tenure	Tenure	Number of years on the current position.
Central connection	Center	Dummy variables, cadres having career experiences in the central government code 1, otherwise 0.
Regional distribution of provinces	Region	Dummy variable, coastal provinces code 1, otherwise 0.
The year 2002	Year 2002	Dummy variable, year 2002 codes 1, otherwise 0.

Table 2 Descriptive statistics and correlation matrix

Variables	Mean	Std. Dev.	Min	Max	GDP growth	Revenue	PSPB	PSPE	Age	College	Position	Tenure	Center
Promote	0.12	0.32	0	1	.004	.056	.126*	.041	-.012	.041	-.047	.136*	.123*
GDP growth	10.34	1.77	6.5	18.1	1	.449**	.489**	.105	-.161**	.153**	-.041	-.247**	.121*
Revenue	2.71	2.58	0.05	13.675		1	.621**	.495**	-.031	.140*	-.022	-.087	.253**
PSPB	0.42	0.07	0.339	0.67375			1	.253**	-.117*	.150**	-.026	-.075	.320**
PSPE	0.81	0.06	0.582	0.96				1	.077	.067	.021	-.051	.180**
Age	57.99	4.23	41	65					1	-.377**	.138*	.333**	-.028
College	0.20	0.40	0	1						1	.008	-.037	.073
Position	.51	.501	0	1							1	.104	.104
Tenure	3.06	1.87	1	10								1	-.162**
Center	0.37	0.48	0	1									1

Note: * = Correlation is significant at the 0.05 level (2-tailed), ** = Correlation is significant at the 0.05 level (2-tailed).

Table 3 Total sample Regression

Independent Variables	M1	M2	M3	M4	M5	M6	M7	M8
Independent Variables								
GDP growth	.007(.100)				.105(.128)			
Revenue		.060(.062)				.027(.098)		
PSPB			4.598(2.152)**				4.953(3.334)	
PSPE				2.179(3.056)				1.385(4.158)
Control Variables								
Age					-.045(.048)	-.046(.048)	-.042(.047)	-.047(.048)
College					.032(.502)	.067(.500)	.051(.490)	.080(.492)
Position					-.471(.402)	-.466(.402)	-.444(.405)	-.470(.402)
Tenure					.281(.113)**	.260(.109)**	.260(.108)**	.261(.110)**
Center					.906(.433)**	.886(.431)**	.803(.440)*	.891(.430)**
Region					.154(.437)	.189(.527)	-.203(.544)	.195(.480)
Year 2002					1.895(.401)***	1.844(.393)***	1.904(.399)***	1.845(.392)***
Constant	-2.080(1.052)**	-2.176(.259)***	-3.962(.953)***	-3.779(2.505)	-2.299(3.010)	-1.140(2.653)	-3.238(2.972)	-2.148(3.944)
-2 Log likelihood	220.912	220.045	216.815	220.401	182.661	183.242	181.172	183.205
Chi-square	.005	.872	4.103**	.517	38.257***	37.676***	39.746***	37.713***
Cox & Snell R ²	.000	.003	.013	.002	.119	.117	.123	.117
Nagelkerke R ²	.000	.006	.026	.003	.229	.226	.237	.226
Person Years	303	303	303	303	303	303	303	303

Note: Models are calculated using Maximum Likelihood Estimation. The numbers outside parentheses are Bs, and the numbers in parentheses are standard errors.

* = significant at 0.1 level, ** = significant at 0.05 level, *** = significant at 0.01 level.

Table 4 Sub-sample regression analysis for coastal and interior provinces

Independent Variables	Sub-sample for coastal provinces				Sub-sample for interior provinces			
	M1	M2	M3	M4	M5	M6	M7	M8
Independent Variables								
GDP growth	.188(.263)				.086(.155)			
Revenue		.025(.129)				.240(.323)		
PSPB			5.931(4.505)				21.380(12.733)	
PSPE				8.320(9.892)				2.828(4.877)
Control Variables								
Age	-.039(.092)	-.030(.091)	-.032(.086)	-.022(.094)	-.104(.079)	-.117(.080)	-.120(.082)	-.120(.082)
College	.380(.841)	.369(.877)	.400(.838)	.301(.869)	-.606(.908)	-.602(.893)	-.825(.951)	-.595(.877)
Position	-.457(.856)	-.441(.858)	-.238(.889)	-.623(.903)	-.592(.514)	-.618(.516)	-.602(.519)	-.604(.516)
Tenure	.365(.236)	.337(.234)	.326(.227)	.336(.235)	.226(.141)	.230(.140)	.261(.142)*	.221(.138)
Center	1.556(.955)	1.526(.946)	1.223(.971)	1.771(1.029)*	.519(.565)	.359(.594)	.463(.566)	.465(.561)
Region	---	---	---	---	---	---	---	---
Year 2002	3.271(.781)***	3.105(.719)***	3.363(.793)***	3.235(.748)***	.976(.532)*	.959(.530)*	1.037(.539)*	.936(.528)*
Constant	-4.910(5.437)	-3.282(4.908)	-5.921(5.083)	-10.850(10.474)	2.188(4.856)	3.455(4.494)	-4.411(6.446)	1.759(5.079)
-2 Log likelihood	56.864	57.328	55.606	56.644	115.750	115.497	113.139	115.703
Chi-square	37.171***	36.707***	38.428***	37.391***	8.820	9.074	11.431	8.868
Cox & Snell R ²	.291	.288	.299	.293	.044	.045	.057	.044
Nagelkerke R ²	.501	.496	.515	.503	.094	.096	.121	.094
Person Years	108	108	108	108	195	195	195	195

Note: Models are calculated using Maximum Likelihood Estimation. The numbers outside parentheses are Bs, and the numbers in parentheses are standard errors.

* = significant at 0.1 level, ** = significant at 0.05 level, *** = significant at 0.01 level.

Table 5 Sub-sample regression analysis for provincial party secretaries and governors

Independent Variables	Sub-sample for provincial party secretaries				Sub-sample for provincial governors			
	M1	M2	M3	M4	M5	M6	M7	M8
Independent Variables	.195(.257)				-.006(.169)			
GDP growth		.133(.160)				-.094(.148)		
Revenue			8.301(5.957)				.751(4.652)	
PSPB				-3.981(7.557)				3.464(5.298)
PSPE								
Control Variables								
Age	.014(.120)	.041(.122)	-.006(.122)	.031(.118)	-.062(.054)	-.051(.058)	-.061(.054)	-.068(.055)
College	.118(.928)	.129(.927)	.176(.878)	.318(.960)	.293(.685)	.451(.726)	.272(.671)	.335(.665)
Position	---	---	---	---	---	---	---	---
Tenure	.527(.201)***	.494(.193)	.492(.188)	.477(.189)**	-.012(.164)	-.024(.163)	-.006(.161)	-.002(.159)
Center	2.123(.887)**	2.026(.886)**	2.035(.910)**	2.218(.893)**	-.055(.599)	-.129(.604)	-.053(.587)	-.046(.586)
Region	-.399(.866)	-.509(.920)**	-.922(1.022)	.073(.860)	.134(.563)	.453(.718)	.053(.707)	-.099(.629)
Year 2002	2.469(.693)***	2.414(.678)***	2.565(.711)***	2.384(.671)***	1.772(.552)***	1.757(.547)***	1.780(.546)***	1.794(.547)***
Constant	-8.953(7.125)	-8.721(7.017)	-8.988(6.808)	-4.750(8.345)	1.090(3.567)	.572(3.260)	.687(3.766)	-1.399(4.834)
-2 Log likelihood	67.103	66.986	65.776	67.388	104.362	103.938	104.338	103.923
Chi-square	35.633***	35.751***	36.961***	35.349***	13.153**	13.577*	13.177*	13.592*
Cox & Snell R ²	.207	.207	.213	.205	.084	.087	.085	.087
Nagelkerke R ²	.424	.426	.438	.421	.155	.160	.155	.160
Person Years	154	154	154	154	149	149	149	149

Note: Models are calculated using Maximum Likelihood Estimation. The numbers outside parentheses are Bs, and the numbers in parentheses are standard errors.

* = significant at 0.1 level, ** = significant at 0.05 level, *** = significant at 0.01 level.

