Are Factions Self-Enforcing Contracts: Identifying the Impact of Patrons' Exit on the Careers of Clients

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Abstract: A growing literature shows robust and systematic evidence that patronage by high level politicians greatly enhances an official's chance of promotion in the largest authoritarian regime in the world, China.   There has been no work on whether a patron's purge or retirement has an impact on a follower's career prospects.   This issue takes on great theoretical significance because it addresses the core issue of whether factional ties are self-enforcing mechanisms.   That is, a patron-client relationship is only useful for the patron if she knew that her client will suffer if she fells from power.   This mechanism would create strong incentives for the client to engage in internal political struggle on behalf of the patron, thus making the relationship a worthwhile one for the patron. Using an updated biographical data on the Chinese elite, we show using quasi-experimental estimates that a patron's exit from the political elite has a significantly negative impact on an alternate Central Committee level client's chance of promotion and also diminishes her chance of continuing as an alternate Central Committee member.

Patron-client ties are important tools of maintaining political control for leaders in weak democracies and authoritarian regimes. A growing literature shows robust and systematic evidence that patronage by high level politicians greatly enhances an official's chance of promotion in the largest authoritarian regime in the world, China. Yet, why do senior politicians in such political systems pursue such a strategy? In electoral autocracies, or in weak democracies, clients are expected to deliver votes to patrons, thus yielding the patron real benefits (Lust-Okar 2005; Magaloni 2006; Blaydes 2011). In one-party dictatorships without regular elections and where overt political contests are rare but high stakes, regularly bestowing benefits to a group of officials would not necessarily guarantee their loyalty when the patron faces real challenges. If factional ties are not self-enforcing mechanisms, why have them at all? Short of having perfect information on the loyalty of clients, patron-client relationships are only useful for the patron if she knew that her clients will suffer with high certainty if she fell from power. This mechanism would create strong incentives for the client to engage in internal political struggle on behalf of the patron, thus making the relationship a worthwhile one for the patron.

To provide evidence for the self-enforcing nature of patron-client ties, we use a causally identified research design to test whether high level patronage (or the withdrawal thereof) had an impact on both promotion and exit of alternate members of the Central Committee in the Chinese Communist Party from 1993 to 2015. We focus on alternate members of the Central Committee because they have no voting power, not even nominally, over the selection of Politburo Standing Committee members, which excludes the possibility of endogeneity (Li 2007). We find that the retirement and purge of the patron significantly diminishes one's chance of promotion and increase the chance of exit. Our findings provide further evidence that high level patronage is a crucial factor in an official's career trajectory.

The negative impact of a patron's exit from power on a client's own fate creates strong incentive for clients to engage in factional infighting on behalf of the patron. To be sure, this self-enforcing mechanism requires regular turnovers and a pyramidal power structure that make higher level positions highly desirable. These features are somewhat unique to one-party dictatorships and may provide further ground for relative stability in one-party dictatorships.

Theoretical and Empirical Motivations

The literature on the careers of officials in the Chinese Communist Party has focused on promotions. Trying to identify yet another cause of China's spectacular growth performance, some economists argue that the Chinese Communist Party, by decentralizing important economic decision making authorities to local officials and by measuring the relative growth of localities, set up a "yard-stock competition" between officials which generated sustained growth in China in the past thirty years (Li and Zhou 2005; Chen et al. 2005; Bo 2002). This wave of scholarship finds some correlation between provincial level growth performance and the promotion of provincial level officials. At lower levels of government, there is more robust evidence that growth performance has an impact on one's position, although the impact is not always a promotion (Landry 2008; Landry et al. 2014).

Another wave of works finds that factional ties or homophilous associations rather than economic growth performance may have a greater impact on promotions in the CCP (Shih et al. 2012; Opper et al. 2015). According to this scholarship, officials in China form relationships of reciprocity with each other in the course of a patron's rise in power (Nathan 1973). In exchange for patrons' help with promotions and rent-seeking opportunities, clients implicitly agree to fight on the side of the patron in internal political struggles, which pose the

greatest risks to senior officials in the party (Pye 1992, 1980; Dittmer 1995).   Yet, other work suggests that political connections interact with growth performance to bolster one's chance of promotion in the CCP hierarchy (Jia et al. 2014).

Yet, the literature has not addressed an important issue surrounding the promotion and demotion of officials in China: whether the strategy of forming patron-client relationships (factions) brings real benefits to the patron during fierce political infighting.   In other words, it is unclear whether the patron can enforce the contracts with clients, especially when the patron is under attack.   In the general literature on patron-client ties, patrons bestow jobs, promotions, fiscal subsidies and rent-seeking opportunities to clients in exchange for cash payments, the delivery of votes, and inner party political support for the patron (Doner and Ramsay 1997; Kang 2002; Keefer and Khemani 2003; Lust-Okar 2005).   To be sure, the literature on cadre promotions in China well documents the benefits of patron-client ties to the clients (Shih et al. 2012; Keller 2014; King et al. 2014).

But what about benefits to the patrons?   For the patrons, there is a risk of cultivating entourages of fair weather friends, who would defect at the first sign of trouble.   To guard against such fair weather friends, patrons need to periodically verify the willingness of their clients to defend their interest during costly political struggles (Wintrobe 2001).   In that sense, electoral authoritarian regimes have an advantage in that patrons can periodically ascertain in a credible way whether the clients remain loyal by delivering votes to their patrons (Magaloni 2006; Lust-Okar 2005; Keefer and Khemani 2003; Simpser 2013; Way and Levitsky 2002).

In an established one-party dictatorship without meaningful elections at the elite level such as China, overt political competition may occur once every ten years in the lead up to major leadership turnovers.   Despite the rarity of overt political competition, senior politicians in China still pursued a strategy of patron-client relationships. As Pye (1981) points out, patrons in China were "….looking for followers to ensure their power."   Similarly, Huang (2000: 7) suggests that factions were "command systems" for senior politicians during times of political struggle with rivals.   However, what if their followers were fair weather friends who defected from their patrons at the first sign of trouble?   To be sure, the literature suggests mechanisms for verifying loyalty, such as using propaganda campaigns to provide clients with groveling opportunities (Shih 2008).   However, groveling to alienate oneself from one's peers still falls short of a convincing signal indicating one's willingness to engage in highly risky actions to defend the patron during struggles with rival factions.

Indeed, recent events in China suggest that factional clients often rolled over when the going got tough. Even before former internal security Tsar Zhou Yongkang was arrested in 2014, several, perhaps all, of Zhou's putative followers provided evidence of Zhou's duplicity and corrupt dealings to the authorities.   Even Zhou's own son and wife provided evidence of his wrong-doing during his trial (Areddy 2015).   On the other hand, the history of the Chinese Communist Party also records cases where clients provided spirited defense of their patron. During the 9th Party Congress at the height of the Cultural Revolution, a long-time follower of Liu Shaoqi and a Central Committee member, Chen Shaomin, refused to vote for his expulsion from the party despite otherwise unanimous support for it (Li 2007: 210).   Similarly, at the beginning of the Cultural Revolution, several of Deng Xiaoping's long-time followers chose to lose power along with their patrons than to betray him (Vogel 2011: 151). Because of such mixed results, historical cases do not provide sufficient evidence showing that the factional bargain was a worthwhile one for factional patrons.   Scholars can only assume that the factional bargain was worthwhile, else senior politicians in the CCP wouldn't have pursued it.

The literature on corporate governance long ago suggests one mechanism around "cheap talk" by agents in a principal-agent relationship--aligning the incentives of the principal and the agent in a self-enforcing way. That is, if the agent shirked in her effort to perform a job for the principal, the agent would suffer automatically, regardless of monitoring capacity of the principal (Farrell and Rabin 1996). For example, if an employee's lagging effort led to diminishing reputation for the firm overall, the employee's own employability in the market would suffer (Bull 1987). This mechanism has the merit that regardless of the information obtained by the two contractual parties—the employer and the employee—suboptimal effort by the employee would diminish the firm's reputation, thus making even the employee less valuable in the labor market (Bull 1987). To be sure, the assumption in this model is that firms operating in the market have sufficient information to evaluate the quality of other firms with some accuracy.

Analogously, a patron-client relationship becomes credible if the client suffered significant, costly consequences with the purge or retirement of the patron. This would provide strong incentive for clients to defend the interest of the patron, as well as incentives for the patron to strengthen the resources available to the clients. Essentially, if the patron can be assured that the client is exerting significant effort in the aid of the patron, the patron would pour scarce resources to the client. Historical studies of Communist politics provide ample evidence linking the fate of clients with that of patrons. During the Cultural Revolution, for example, followers of Liu Shaoqi were systematically purged (MacFarquhar and Schoenhals 2006). Stalin systematically purged the followers, real or imagined, of Trotsky, at the beginning of the Terror (Gregory 2009; Montefiore 2003; Thurston 1996).

However, such periods of wholesale purges were rare, even in places like the Soviet Union and China. Beyond these unusual periods, one-party dictatorships tend to have two features that give rise to self-enforcing contracts: the pyramidal power structure and regular turnovers of senior officials. The fact that fewer positions are available the higher one ascends in the party hierarchy may in itself create self-enforcing contracts between patrons and clients, regardless of the loyalty of the clients. Of course, this mechanism would only apply where high level turnovers are fairly regular, or the clients' incentives would be weak.

If all senior politicians naively assumed that their clients are loyal and work to promote them higher in the hierarchy, any client whose patron has been purged or has retired will automatically suffer in the promotion game, assuming that the patron's effort has an impact on the client's career prospects. Even if rival clients do not naively assume the loyalty of their clients, no patron can afford to assume that other patrons weren't working hard to promote their respective clients. For example, suppose three candidates are vying for one higher level position and that, initially, all three candidates had higher level patrons rooting for them. The exit of one patron would automatically put her client in a disadvantageous position relative to the other two candidates for this one job, all else being equal. This logic also works for the client's job security. Given the large number of potential candidates for any position in the higher reaches of the party hierarchy, the exit of one's patron would leave one vulnerable to forced retirement or a purge. Thus, it is in the interest of all clients to delay the retirement or to prevent the exit of their patrons.

This causal signal takes on great importance in the patron-client relationship in a one-party state. If indeed the system automatically places a patronless official at a clear disadvantage in obtaining a higher level position or even holding on to the existing position, the patron, even one who has little information about the loyalty of her clients, can take comfort in the client's strong incentive to defend her interest. The greater this causal relationship,

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the less the patron needs to know the loyalty type of the client, even though the literature often identifies the loyalty of the client as an important factor in the patron's continual rule (Zakharov forthcoming; Egorov and Sonin 2011).

In the existing literature on authoritarian regimes, a one party dictatorship is seen as more stable because of its ability to credibly deliver benefits to members of the ruling coalition and to provide incentives for lower level officials to maintain the status quo (Brownlee 2007; Svolik 2012; Magaloni and Kricheli 2010). The literature on electoral authoritarian regimes further suggests that the party apparatus can mobilize overwhelming electoral victories, thus deterring potential oppositions from gaining strength (Magaloni 2006). With a pyramidal structure and regular turnovers at the top level, a one-party dictatorship naturally engenders inner-party competitions. These competitions implicitly aligns the interest of patrons and their clients and may assures the patrons of the loyalty of clients.

If factions were indeed credible contracts for the patron, we would expect two simple hypotheses:

H1: A patron's retirement or purge from a Politburo Standing Committee level position would decrease a client's likelihood of obtaining a promotion within the party hierarchy

H2: A patron's retirement or purge from a Politburo Standing Committee level position would increase a client's likelihood of being purged or retiring from her existing position in the party hierarchy

Alternate Central Committee Members as Testing Ground

Ideally, we would want to identify the impact of a patrons exit on her immediate followers' fate. In a hierarchical political system, higher level officials have greater impact on political outcomes than lower level officials (Gregory 2009: 61; Cai and Treisman 2006). Therefore the incentives for higher level officials are crucial for the well-being of top level patrons. Methodologically, however it is challenging to identify the impact of a patron's exit on the fate of her immediate followers because the patron might have fallen due to shirking or betrayal by her immediate followers. Ideally, we would like to show that a cadre's career is hurt by a patron's exit *irrespective* of that cadre's own effort to help/harm the patron. To be sure, Jones and Olken's (2005)famous study overcomes this endogeneity problem by focusing on cases where the dictator died in office of natural deaths. Since 1949, only three Politburo Standing Committee members had died in office of natural causes, Chairman Mao himself, Zhu De, and Zhou Enlai. Unfortunately, they all died within six months of each other between the 10th and the 11th Party Congress. Thus any impact of their demise might have been caused by the political turmoil associated with the unusual period of Mao's death.

Our strategy, although not perfect, focuses on a layer of officials in China just below the level where politicians have an impact on the patron's fate. Yet, because these officials are close to the power elite, strong evidence of them suffering from their patron's exit would indicate the existence of a self enforcing patron-client contract even at the highest level.

This empirical strategy is further supported by formal rules within the party and historical studies of elite politics in China. In the Chinese Communist Party, the Central committee is divided into two bodies. First, full Central Committee (CC) members have full voting power to vote the politburo and the standing committee into

office once every five years and during emergency situations. They also vote on important policy changes during the annual CC plenum. Finally, full CC members are often consulted on high level appointments (Shirk 1993; Fewsmith 2003). Shirk (1993) identify full CC members as the "selectorate," who had direct impact on the fate of the highest level politicians in the party. After all, it was the Central Committee which voted to expel Liu Shaoqi from the party. Ten years later, the Central Committee also promoted Hu Yaobang into the Party Secretary General position and also catapulted a relatively unknown Zhao Ziyang into the Politburo Standing Committee. Central Committee members also reportedly participated in the discussion to decide whether Jiang Zemin or Qiao Shi should retire at the 15th Party Congress, even though they were of similar age (Lam 1999: 333). To be sure, the Politburo and the Standing Committee had even greater impact on elite political outcomes. However, full central committee members possessed a great deal of formal power.

In contrast, although alternate members of the Central Committee (ACC) attended Central Committee plena, they had no voting power on any decision made in the Central Committee. When a full Central Committee member died naturally or was purged, an alternate sometimes took his seat, although such occurrence was rare.[1] Also, our theoretical argument posits that the self-enforcing faction mechanism works best where the party structure is pyramidal and where turnovers are frequent. Table 1 shows that during the five-yearly party congresses, roughly 30% of ACC members were promoted into full Central Committee members. At the same time, over 30% of ACC members were removed from office to a lower level or into retirement. Given such a high probability of being removed, ACC members had strong incentives to hope for the best for their patrons. Because of the institutional arrangements surrounding ACC members, they provide a nearly perfect testing ground for the self-enforceability of the factional bargain.

On the one hand, party rules and norms minimized both formal and informal influence ACC members had on high level politicians in the party. In the history of the Chinese Communist Party, there was never a case where alternate members alone conspired to change any major policy for high level personnel. At best, alternate members of the Central Committee may have had a stronger tendency to zealously carry out the policies of the top leadership in order to curry favor (Kung and Chen 2011), but that should not have any direct impact on the fate of individual patrons in the Politburo Standing Committee. On the other hand, alternate members sat just below the power elite such that if their careers were negatively impacted by their patron's exits, it is very likely that full central committee members faced similar or even stronger incentives to protect their patrons.

Table 1 Around Here

Data and Methodological Approach

Both the dependent and the main independent variables are derived from a database of the Chinese elite, which include all Central Committee full and alternate members, as well as provincial level standing committee members from 1993 to 2015. Following an earlier data base of Central Committee members (Shih et al. 2008), this data base tracks every stage of officials' careers, records the years in which they served in various positions, and records other biographic information on them. This detailed biographical information allows us to generate factional ties variables, defined as overlapping work units between the patron and the client within two

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[1] Even with the recent anti-corruption purges, which saw the arrests of scores of current and former CC members, only three ACC members were promoted to full CC membership. See (Cui 2015)

administrative steps of one another prior to the patron entering the Politburo.   Because the dependent variables are binary (promote, not promote and exit, not exit), we estimate the models using logit regressions.   In all of our estimations, we examine the effect of a patron's promotion to the Politburo Standing Committee (PSC) or demotion from the PSC on a client's fate in the five years after the patron's changed status, including the subsequent party congress.

Table 2 shows that ACC members with at least Politburo level or above connections accounted for the majority of promotions at the ACC level for every party congress in question.   At the 16th Party Congress, connected ACC members accounted for nearly all of the promotions.   This pattern suggests a patronage effect. Over the course of the two decades, the average age of ACC members remained stable at 57-58.   They continued to be overwhelmingly male and Han.   Average education level rose from below college level (college=2) in 1992 to above college level in 2007.   Over time, those holding central level positions increased their representation among ACC members, while local representation declined, although local officials remained in the majority as of 2007. People's Liberation Army (PLA) representation ebbed and flowed between 12 and 17%.

Table 2 Around Here

The existing literature on the impact of factional ties on cadres' careers mainly compares the promotion probability or the average expected promotion level of cadres with certain factional ties with that of cadres without factional ties (Jia et al. 2014; Opper et al. 2015; Keller 2014; Shih et al. 2012).   Despite the robustness of the finding that factional ties helped promotions, this approach suffers from a potential selection bias, which would cause a bias in the estimation.   In essence, the observed correlation between factional ties and promotions may be driven by observed and unobserved traits shared by the patrons and promoted officials.   The literature sometimes refers to this as the homophily problem (Knox 2013; Opper et al. 2015).   For example, short of having access to the personnel files of officials, we do not know the class background of officials' parents.   An alternate Central Committee (ACC) member with good class background is more likely to be a follower of Politburo members and also more likely to be promoted to the full CC membership.   The observed advantage of connected ACC members to obtain promotion may just be driven by his or her class background. Thus, comparing the promotion chances of connected ACC members with their unconnected rivals may uncover spurious relationships between factional ties and the promotion of ACC members.   At the very least, such an effect might have been over-estimated.

As discussed below, we solve this type of selection bias by only focusing on ACC members who had at least one elite patron at the Politburo level or above.   However, even so, there could be another selection bias arising from heterogeneity between ACC members whose patrons received promotions and those whose patrons did not receive promotions.   For example, under Deng's open door policies, reform oriented cadres enjoyed a higher chance of being promoted in the 1980s, whereas conservative cadres might have enjoyed higher chances of promotion in the early-1990.   Thus, Politburo promotions and ACC promotions in the same faction might have occurred in tandem because of the shared ideological dispositions of its members rather than due to the promotion or demotion of its patron per se.   In the extreme, perhaps all of the promoted Politburo patrons and the promoted ACC members had been reformers in the 1980s, which explains why they were promoted in tandem. Without proper identification, ideology effect can be seen as factional effect in this case.

To identify the impact of factional ties, scholars ideally would randomly assign factional ties to junior officials (Knox 2013).   However, that is impossible in the real world.   In order to control for such selection biases,

we deploy several measures to approximate random assignment of the treatment and control groups. First, we only analyze ACC members who had at least one connection with Politburo or PSC members and compare the average outcome of ACC members whose patron experienced recent promotion into or retirement from the Politburo Standing Committee (treatment group) to those members whose patrons stayed put as existing Politburo (control group). Using this design, we first net out any heterogeneity between those with Politburo level patrons and those without them.

However, some unobserved variables may still be driving differences between ACC members whose patron experienced a promotion and those whose patron did not. We first address this by controlling for common demographic characteristics, including gender, education level, party experience, age, and central government working experience. We also control for party congress fixed effect in case something unusual occurred during a party congress, which resulted in unusually high or low number of promotions or exits. Finally, clients of existing PSC members and the party secretary general may have had an advantage over clients of newly inducted PSC members. Therefore, we also control for ties with existing PSC members and the incumbent party secretary general. This allows us to isolate the promotion advantage or demotion disadvantage of having a patron promoted into or exited out of the PSC compared with those whose patrons stayed in the Politburo in a given party congress.

However, what if the problem is unobserved shared characteristics across the network groups clustered by promoted or exiting patrons (i.e. factions)? The natural response in this case is applying fixed effects on each network cluster, which eliminates any time-invariant components at the faction level that confound the estimates. The fixed effect estimator only concerns within faction variations, and thus, any confounder across the network clusters that affect patron's promotions and follower's promotions at the same time, is wiped out. Returning to our example of ideological dispositions, if reformers were systematically promoted in the 1980s and also clustered around a few factions, adding the factional patron dummy would eliminate the unobserved effect of ideology and focus our estimates on the effect of particular patrons getting promoted or demoted.

To be sure, this estimation technique is not without costs. By including dummy variables for factional patrons, we will not be able to capture the effect of patron promotion on clients who only had one patron, potentially biasing our estimates downward. This potentially is a major bias because presumably the most loyal followers with only one patron can benefit the most from that patron's promotion or is harmed the most from the patron's exit. As the results below show, controlling for affiliations to individual patrons introduces much greater uncertainty to our estimates and moves some of the effects toward zero. Therefore, we present results both with and without patron fixed effects.

Findings

On Table 3, the results of estimations with different specifications are shown. On the Table, models 1-5 predict ACC promotion chances, while models 6-10 predict the chance of ACC members' exit from the elite body. The main variables of interest are "PSC Promotion," the promotion of a Politburo patron into the PSC, and "PSC Exit," the exit of a PSC level patron. In essence, as the literature has shown, a patron's promotion into the Politburo Standing Committee has a significant impact on the client's chance of promotion. Similarly, a patron's exit from the PSC negatively impacts the clients' chances of promotion into the Central Committee. These results alone show that the factional bargain is a credible one because a patron not being promoted will lower the chance of the client's own promotion. Worse, a patron's exit from the PSC would further reduce a client's own chance of

promotion substantially.

What about the impact of a patron's career on the chance of a client losing her job?   Here, the results are more mixed with some equations showing significant results, while others do not.   We believe that the effect on client's exit is confounded by an age effect.   That is, generally speaking, the older one gets, the larger is one's chance of being removed from office, especially for the clients at the ACC level.   This speaks to the power of the retirement rule instituted by Deng for lower level officials (Manion 1993).   Thus, although patron promotion tends to lower the chance of removal and patron exit tends to increase the chance of client removal, the effect is unclear.

We address this by introducing an age interaction variable which records a 1 when the client's age is above 55, zero otherwise.   We choose 55 as the threshold because of potential heterogeneity between those under 55 and those above 55.   Given the mix of ministerial and vice ministerial level officials among ACC officials, the expected retirement age for this body of officials is between 60 and 65.   As such, if factional rivals were attempting to unseat clients of a given patron, it may not be worthwhile for the patron to defend clients above the age of 55, who would retire a little after five years anyway.   The patron's energy is much better spent focusing on those under 55, who have a decent chance serving the next ten or more years at the ACC or even full CC level.   In other words, given that patrons themselves face retirement constraints, even if softer ones, focusing their energy to defend younger ACC members affords them a better chance of having post-retirement influence.   Thus, we expect that once we put in various age interaction variables, the coefficients for the "PSC Promotions" and "Exit from PSC" variables would be larger with smaller standard errors relative to the coefficients, all else being equal.

Indeed, after including the age interactions, which focuses the analysis on the impact of patron promotion and patron exit on ACC members under the age of 55, equations 8 and 10 show that patron promotion and patron exit had significant or nearly significant impact on a client's chance of being removed from the ACC.   In the case of patron promotion, clients are expected to have a smaller chance of removal, although the effect is not quite significant at the 10% level.   In the case of patron removal, the clients are expected to have a significantly greater chance of being removed. Without the patron dummy variables (equation 10), both effects are significant once the age interactions are included.

Table 3 Around Here

To be sure, Table 3 just shows the raw coefficients for logit regressions, which are difficult to interpret. We calculate the marginal effect of patron promotion into the PSC and patron removal from the PSC holding all other variables at their means and present them in Figures 1 and 2.   The marginal effects are also estimated on models with age interactions, so these marginal effects apply to ACC members below the age of 55.   Figure 1, which plots the marginal effects for models including patron fixed effect and whiskers of the 90% confidence intervals, shows clear advantage of patron promotion on ACC member's own chance of promotion.   It also shows that patron exit from the PSC exerts a very likely negative impact on ACC member's chance of promotion, all else being equal.   The impact of patron promotion or exit on the clients' own exit, however, is much more ambiguous in Figure 1.   To be sure, patron promotion still exerts a negative influence on the client's own chance of exit, but the confidence interval is very wide, suggesting that the effect is almost just as likely to be positive.   Similarly, the mean effect of a patron exit on the client's own exit may be positive, but with such a wide confidence interval, the actual impact is uncertain.

Again, we believe that the inclusion of patron fixed effects, although eliminating cross patron heterogeneity that may be driving the results, are eliminating some of the patronage effects. Patron fixed effects net out the impact of patron promotion and demotion on single-patron clients' careers. These single-patron clients may well be the greatest beneficiaries/ victims of patron-client ties. In Figure 2, we present the marginal effects of patron promotion and exit for models without patron fixed effects, but with age interaction variables. Here, the impact of patron's promotion and exit is very clear. When a Politburo level patron is promoted to the Standing Committee in the CCP, the clients' chance of promotion increases by roughly 25%, while her chance of exiting declines by roughly 25%. In the mean time, when a Politburo Standing Committee level patron retires or is purged, her clients' chance of promotion declines by again 25%, while their chance of exiting the ACC increases also by a little less than 25%. This suggests that compared with a client with a promoted patron, the client of an ousted patron has roughly 50% lower chance of being promoted and almost 50% higher chance of being forced out. The true effect of a patron's promotion or exit on the clients may be somewhere between Figure 1 and Figure 2.

Figure 1 and 2 Around Here

Discussion

Scholars of authoritarian politics have always assumed that the factional bargain was a worthwhile one for both the patron and the client to pursue, else they wouldn't have existed in the first place. Although this model has been a powerful tool in analyzing elections in electoral autocracies, economic allocation in rentier states, and promotions in one-party dictatorships, it is not without problems. In authoritarian states without regular elections, what are clients delivering to patrons in exchange for regular monetary and political benefits? To be sure, patrons count on clients to help them when political challenges emerge, but in systems without regular elections or institutionalized power competition, how would patrons know that her clients would come to their aid when the crucial moment arrives? For high level politicians in one-party states, pyramidal party structure and regular turnovers at the lower level afford patrons a mechanism to ensure loyalty. Because promotions are fiercely fought over in a pyramidal system, clients know that they must have the support of a strong patron to receive a promotion or even to retain their current positions. This creates incentive for clients to help maximize the power of the patron.

In our empirical analysis, which takes into account several potential selection biases, we find that patron's promotion and exit had a clear effect on the client's chance of promotion. This alone creates incentives for the client to struggle on behalf of the patron. Although retirement rules at a lower level of the party hierarchy and our empirical strategy make it difficult to clearly identify the impact of a patron's well being on the client's chance of being removed from office. Once we include an age interaction variable and apply a less stringent identification approach, the effect also becomes very clear. The results suggest that a patron's well-being also affects the clients' ability to hold on to existing positions as alternate members of the Central Committee. This linkage provides the strongest incentive for lower level clients to support their patrons because the fall of one's patron can potentially mean the end of one's career.

The self-enforceability of patron-client relationships may have provided another reason for the relative longevity of one-party states. Because regular turnovers afford patrons a credible way of incentivizing clients, patrons have no need to initiate overt political competition with rivals in order to discern the loyalty of clients.

Still, one party dictatorships such as China and the early Soviet Union saw major political turmoil initiated by the top level leaders of these regimes.   Why?   Both Mao and Stalin faced entrenched elite of revolutionary veterans who had carved out empires for themselves.   Because these revolutionary veterans had been relatively young in the two decades or so after these regimes came to power, they were not going to retire, thus minimizing turnovers in the leadership.   For elite patrons, even the highest level leaders, this presented a problem because the low level of turnover no longer incentivized clients, especially those who were not revolutionary veterans, to struggle on behalf of the patrons.   This left the dictators even more vulnerable to challenges by coalitions of rival revolutionary veterans.

        In China, when Mao announced a delay of holding the party congress, which would have delayed turnovers, no one objected, suggesting that the political elite preferred the status quo of low turnover.   Future historical and quantitative research may explore whether the desire to cultivate loyal clients constituted an important reason for Stalin and Mao to each launch their bloody purges against entrenched elites.   In both the Soviet Union and in China, elite turnovers accelerated even after the purges.   In China, Deng continued Mao's system of regular elite turnovers, albeit under the more peaceful guise of retirement rather than radical revolution.   Finally, the need to launch these purges may highlight a fundamental dilemma of authoritarian rule.   Even when the struggle to obtain absolute power succeeds, the top leader of the regime still needs to generate political competition and elite turnovers, else face lackeys whose loyalty is increasingly uncertain.

Table 1: Mobility of ACC Members

Description	*Alternative Central Committee*
Party Committee	From 14th to 17th
N (Unique N)	606 (475)
Removal in the Next Term (0)	162 (37.24%)
Promotion in the Next Term (1)	157 (36.09%)
Removal after Two Terms (0,0)	66 (15.17%)
Promotion after Two Terms (0,1)	31 (7.12%)
Removal after Three Terms (0,0,0)	9 (2.07%)
Promotion after Three Terms (0,0,1)	5 (1.15%)

Table 2: Summary Statistics by Party Congress (1992-2015)

	14th (1992)	*15th (1997)*	*16th (2002)*	*17th (2007)*
N	130	151	158	167
Promotion	46 (35.38%)	42 (27.81%)	47 (29.74%)	59 (35.33%)
Tied N	75 (57.69%)	105 (69.53%)	123 (77.84%)	127 (76.04%)
Tied Promotion	27 (36.00%)	32 (30.47%)	41 (33.33%)	46 (36.22%)
Central Position	35 (26.92%)	36 (23.84%)	45 (28.48%)	54 (32.34%)
Local Position	75 (57.69%)	89 (58.94%)	93 (58.86%)	90 (53.89%)
PLA Position	20 (15.38%)	26 (17.22%)	20 (12.66%)	23 (13.77%)
Age	58.02	57.46	58.01	57.82
Age over 55	0.25	0.32	0.36	0.25
Party Experience	36.3	33.25	32.45	33.57
Male	0.90	0.92	0.89	0.87
Minority	0.15	0.15	0.16	0.14
Education	1.89	2.11	2.12	2.44
Central Experience	0.49	0.43	0.54	0.61
PLA Experience	0.21	0.21	0.20	0.16

Table 3: The Impact of Patron Promotion Into or Retirement From the Politburo Standing Committee on ACC Member's Own Promotion into the Central Committee or Exit from Alternate Membership

VARIABLES	(1) Promotion	(2) Promotion	(3) Promotion	(4) Promotion	(5) Promotion	(6) Removal	(7) Removal	(8) Removal	(9) Removal	(10) Removal
Age	0.110*	0.103*	0.0948	0.0256	0.0235	0.285***	0.297***	0.303***	0.280***	0.291***
	(0.0579)	(0.0580)	(0.0582)	(0.0423)	(0.0424)	(0.0632)	(0.0642)	(0.0648)	(0.0524)	(0.0529)
Age over 55	-1.477***	-0.847	-1.257**	-0.804*	-0.926*	1.178**	0.838	1.536**	0.186	0.593
	(0.485)	(0.557)	(0.620)	(0.432)	(0.479)	(0.482)	(0.546)	(0.645)	(0.432)	(0.481)
Party Exp.	0.0397	0.0350	0.0337	0.0326	0.0318	-0.0131	-0.0145	-0.0157	-0.0192	-0.0173
	(0.0285)	(0.0285)	(0.0283)	(0.0214)	(0.0215)	(0.0292)	(0.0296)	(0.0296)	(0.0213)	(0.0215)
Male	2.064***	2.111***	2.090***	1.871***	1.857***	-1.025**	-1.118**	-1.058**	-0.759**	-0.706*
	(0.601)	(0.609)	(0.605)	(0.482)	(0.482)	(0.490)	(0.499)	(0.502)	(0.370)	(0.374)
Minority	-0.818	-0.848	-0.899*	-1.023***	-1.018***	-0.0594	-0.107	-0.0811	0.241	0.222
	(0.537)	(0.543)	(0.544)	(0.382)	(0.382)	(0.497)	(0.502)	(0.511)	(0.358)	(0.359)
Education	0.458	0.504	0.510	0.366	0.368	-0.382	-0.414	-0.462	-0.184	-0.216
	(0.329)	(0.332)	(0.336)	(0.255)	(0.255)	(0.339)	(0.348)	(0.351)	(0.270)	(0.270)
Central Exp.	0.366	0.328	0.395	0.395***	0.399***	-0.481	-0.544	-0.615	-0.323**	-0.327**
	(0.471)	(0.478)	(0.484)	(0.112)	(0.112)	(0.506)	(0.511)	(0.517)	(0.133)	(0.132)
PLA Exp.	0.750	0.653	0.549	0.160	0.153	1.097	1.163	1.419	0.577**	0.632**
	(0.698)	(0.685)	(0.691)	(0.267)	(0.268)	(0.849)	(0.844)	(0.869)	(0.276)	(0.288)
Local (Center)	0.394	0.308	0.398	0.165	0.174	0.0457	0.0580	0.0590	0.273	0.272
	(0.508)	(0.520)	(0.519)	(0.322)	(0.323)	(0.552)	(0.560)	(0.558)	(0.359)	(0.360)
PLA (Center)	-0.624	-0.660	-0.440	-1.186*	-1.120*	-1.431	-1.536	-1.733*	-0.751	-1.005
	(0.946)	(0.945)	(0.963)	(0.606)	(0.617)	(0.966)	(0.957)	(1.006)	(0.600)	(0.631)
15PC (14PC)	-0.841	-0.735	-0.745	-0.0526	-0.0420	0.692	0.605	0.750	0.304	0.305
	(0.560)	(0.565)	(0.564)	(0.386)	(0.386)	(0.575)	(0.576)	(0.596)	(0.426)	(0.429)
16PC (14PC)	-0.722	-0.759	-0.722	-0.0874	-0.0644	0.629	0.613	0.716	0.395	0.357
	(0.528)	(0.531)	(0.530)	(0.352)	(0.354)	(0.574)	(0.574)	(0.584)	(0.396)	(0.392)
17PC (14PC)	-1.100*	-1.137*	-1.165*	-0.200	-0.193	0.893	0.867	1.114	0.738*	0.782*
	(0.637)	(0.640)	(0.641)	(0.394)	(0.394)	(0.681)	(0.683)	(0.701)	(0.442)	(0.443)
PSG Tie	1.150*	1.263*	1.375**	0.577	0.613	-0.921	-1.002	-1.025	-0.623	-0.772*
	(0.643)	(0.680)	(0.696)	(0.390)	(0.395)	(0.690)	(0.710)	(0.692)	(0.435)	(0.440)
PSC Tie	-0.621	-0.615	-1.108*	-0.537	-0.667	0.223	0.193	0.915	0.688*	1.218***
	(0.531)	(0.536)	(0.626)	(0.357)	(0.417)	(0.558)	(0.563)	(0.639)	(0.381)	(0.457)
PSC Promotion	**1.360****	**1.679****	**1.993****	**0.996****	**1.071****	**-0.171**	**-0.442**	**-0.919**	**-0.641**	**-0.951****
	(0.549)	**(0.575)**	**(0.617)**	**(0.371)**	**(0.392)**	**(0.553)**	**(0.581)**	**(0.616)**	**(0.404)**	**(0.431)**
Exit From PSC	**-1.496****	**-1.333***	**-1.652****	**-1.094****	**-1.178****	**1.023**	**1.172**	**1.538****	**0.639**	**0.936****
	(0.717)	**(0.779)**	**(0.811)**	**(0.429)**	**(0.452)**	**(0.659)**	**(0.716)**	**(0.737)**	**(0.442)**	**(0.470)**
Age55*Promoted		-1.817**	-2.640***	-1.534**	-1.754**		1.549*	2.700***	0.910	1.643**
		(0.860)	(0.992)	(0.662)	(0.750)		(0.804)	(0.935)	(0.604)	(0.691)
Age55*Demoted		-0.196	0.674	-0.365	-0.106		-0.611	-1.895*	0.0469	-0.801
		(0.985)	(1.117)	(0.727)	(0.838)		(0.839)	(1.004)	(0.648)	(0.763)
Age55*PSC Tie			1.534		0.429			-2.288**		-1.470**
			(0.947)		(0.700)			(0.960)		(0.701)
Observations	422	422	422	430	430	426	426	426	430	430
PC Fixed	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES
Patron Fixed	YES	YES	YES	NO	NO	YES	YES	YES	NO	NO

Figure 1: The Marginal Effect of Patron's Promotion and Exit on ACC Member's Promotion and Exit, Controlling for Patron Fixed Effects, with 90% Confidence Intervals
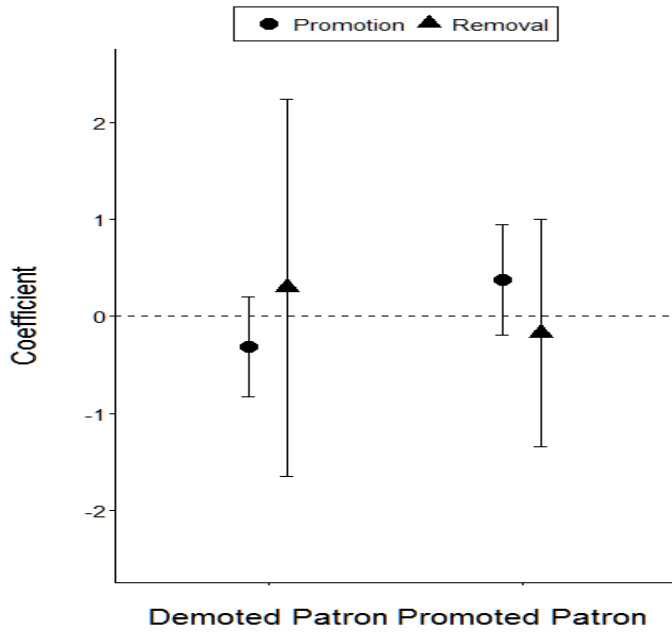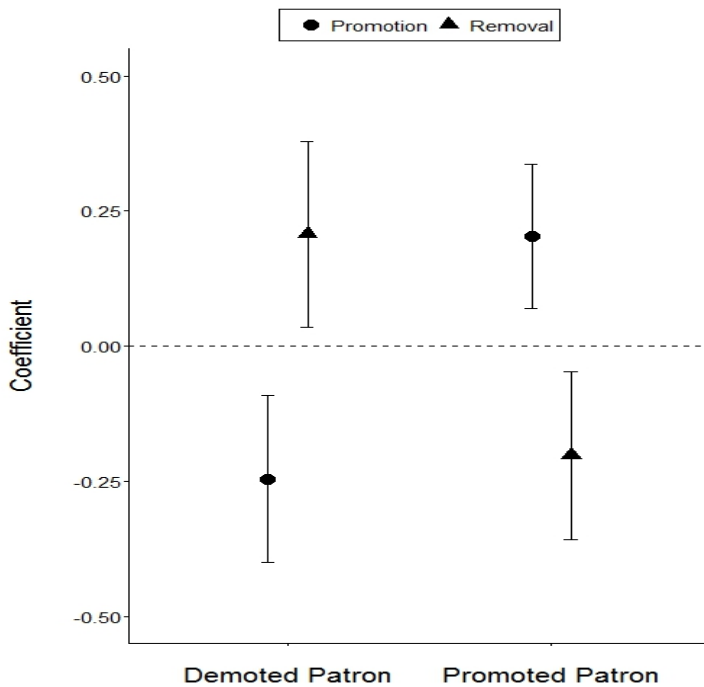

Figure 2: The Marginal Effect of Patron's Promotion and Exit on ACC Member's Promotion and Exit, Without Patron Fixed Effects, with 90% Confidence Intervals

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