

Compensation and the Consolidation of Authoritarian Power: Evidence from China's 2016 PLA Reform

Keng-Chi Chang¹ Victor Shih² Hans H. Tung^{3,4}

¹Department of Political Science, UCSD

²School of School of Global Policy and Strategy, UCSD

³Department of Political Science, National Taiwan University

⁴Center for Research in Econometric Theory and Applications, National Taiwan
University

Presentation at USC Marshall China Workshop, 4/25/2023

Outline

Motivation

Data

Empirics

Conclusion

Outline

Motivation

Data

Empirics

Conclusion

Motivation

- The extant literature provides strong theoretical and empirical justifications for the role of institutions in maintaining authoritarian stability
- Yet, two scenarios remain under-explored
 1. First, how do dictators move from a contested equilibrium to a settled equilibrium without a major exogenous shock (Svolik, 2009)
 2. Second, how do dictators prevent collective action against them in the process of seizing additional power.
- The 2016 PLA reform provides a good opportunity to explore these dynamics theoretically and empirically.
 1. We show who got what, when, and how during the 2016 PLA reform.
 2. Authoritarian Compensation (Chen et al., 2021; Kaire, 2019; Gehlbach and Keefer, 2011; Manion, 1993; Gandhi et al. (2017)) as Dictator's Divide-and-Rule Tactic and Allies' Collective Action Problem

Xi's 2016 Military Reform

Why it didn't lead to collective resistance among the losers?

- The most far reaching since the death of Mao
- Enormous power taken away from the three main departments of the PLA, especially the GSD
- Two military regions were abolished which led to disbanding of divisions and subsuming of other divisions under new commands
- All of these changes took effect on January 1, 2016
- Yet the Central Committee gave strong hints of these changes as early as November 2013

Xi's 2016 Military Reform

Why it didn't lead to collective resistance among the losers?

- The most far reaching since the death of Mao
- Enormous power taken away from the three main departments of the PLA, especially the GSD
- Two military regions were abolished which led to disbanding of divisions and subsuming of other divisions under new commands
- All of these changes took effect on January 1, 2016
- Yet the Central Committee gave strong hints of these changes as early as November 2013

Xi's 2016 Military Reform

Why it didn't lead to collective resistance among the losers?

- The most far reaching since the death of Mao
- Enormous power taken away from the three main departments of the PLA, especially the GSD
- Two military regions were abolished which led to disbanding of divisions and subsuming of other divisions under new commands
- All of these changes took effect on January 1, 2016
- Yet the Central Committee gave strong hints of these changes as early as November 2013

Xi's 2016 Military Reform

Why it didn't lead to collective resistance among the losers?

- The most far reaching since the death of Mao
- Enormous power taken away from the three main departments of the PLA, especially the GSD
- Two military regions were abolished which led to disbanding of divisions and subsuming of other divisions under new commands
- All of these changes took effect on January 1, 2016
- Yet the Central Committee gave strong hints of these changes as early as November 2013

Xi's 2016 Military Reform

Why it didn't lead to collective resistance among the losers?

- The most far reaching since the death of Mao
- Enormous power taken away from the three main departments of the PLA, especially the GSD
- Two military regions were abolished which led to disbanding of divisions and subsuming of other divisions under new commands
- All of these changes took effect on January 1, 2016
- Yet the Central Committee gave strong hints of these changes as early as November 2013

Findings Overview

- Xi devoted considerable amount of time in PLA during reform gestation period
- Much higher than Hu, & a lot of ad hoc visits & meetings
- For promotion in PLA, Xi did not pursue a clear factional strategy during the gestation period of the reform, which might invite collective action against him
- Instead, officers affected by the reform received compensation in the form of delayed retirement and promotions
- After the reform completed in 2016, Xi promoted his followers systematically while forcing out officers tied to Hu Jintao

Findings Overview

- Xi devoted considerable amount of time in PLA during reform gestation period
- Much higher than Hu, & a lot of ad hoc visits & meetings
- For promotion in PLA, Xi did not pursue a clear factional strategy during the gestation period of the reform, which might invite collective action against him
- Instead, officers affected by the reform received compensation in the form of delayed retirement and promotions
- After the reform completed in 2016, Xi promoted his followers systematically while forcing out officers tied to Hu Jintao

Findings Overview

- Xi devoted considerable amount of time in PLA during reform gestation period
- Much higher than Hu, & a lot of ad hoc visits & meetings
- For promotion in PLA, Xi did not pursue a clear factional strategy during the gestation period of the reform, which might invite collective action against him
- Instead, officers affected by the reform received compensation in the form of delayed retirement and promotions
- After the reform completed in 2016, Xi promoted his followers systematically while forcing out officers tied to Hu Jintao

Findings Overview

- Xi devoted considerable amount of time in PLA during reform gestation period
- Much higher than Hu, & a lot of ad hoc visits & meetings
- For promotion in PLA, Xi did not pursue a clear factional strategy during the gestation period of the reform, which might invite collective action against him
- Instead, officers affected by the reform received compensation in the form of delayed retirement and promotions
- After the reform completed in 2016, Xi promoted his followers systematically while forcing out officers tied to Hu Jintao

Findings Overview

- Xi devoted considerable amount of time in PLA during reform gestation period
- Much higher than Hu, & a lot of ad hoc visits & meetings
- For promotion in PLA, Xi did not pursue a clear factional strategy during the gestation period of the reform, which might invite collective action against him
- Instead, officers affected by the reform received compensation in the form of delayed retirement and promotions
- After the reform completed in 2016, Xi promoted his followers systematically while forcing out officers tied to Hu Jintao

Authoritarian Compensation and Divide-and-Rule (DR)

- From a dynamic perspective, making authoritarian compensations for losers to accomplish reforms allows dictators to enforce a divide-and-rule (hereafter DR) strategy that makes potential challengers unable to overcome their collective action problem.
- A DR strategy is made possible by the proposer group's belief that dictator is able to make such a counteroffer and the proposed would turn down the proposal to accept it. (Acemoglu, Verdier, and Robinson, 2004)

Authoritarian Compensation and Divide-and-Rule (DR)

- From a dynamic perspective, making authoritarian compensations for losers to accomplish reforms allows dictators to enforce a divide-and-rule (hereafter DR) strategy that makes potential challengers unable to overcome their collective action problem.
- A DR strategy is made possible by the proposer group's belief that dictator is able to make such a counteroffer and the proposed would turn down the proposal to accept it. (Acemoglu, Verdier, and Robinson, 2004)

Empirical Implications

- H1: Authoritarian Compensation: A military officer who was affected by the reform was more likely to receive a promotion or delay retirement than one who was not.
- H2 Endogenous Power
 - * H2a: Before Xi's power was consolidated, there was a positive probability for a non-Xi-faction military officer to receive a promotion or delayed retirement.
 - * H2b: After Xi's power was consolidated, there was a negative probability for a non-Xi-faction military officer to be promoted or delay retirement, compared to other military officers.

Empirical Implications

- H1: Authoritarian Compensation: A military officer who was affected by the reform was more likely to receive a promotion or delay retirement than one who was not.
- H2 Endogenous Power
 - H2a: Before Xi's power was consolidated, there was a positive probability for a non-Xi-faction military officer to receive a promotion or delayed retirement.
 - H2b: After Xi's power was consolidated, there was a positive probability for a Xi(non-Xi)-faction military officer to be promoted or delay retirement (purged/ early retirement)

Empirical Implications

- H1: Authoritarian Compensation: A military officer who was affected by the reform was more likely to receive a promotion or delay retirement than one who was not.
- H2 Endogenous Power
 - H2a: Before Xi's power was consolidated, there was a positive probability for a non-Xi-faction military officer to receive a promotion or delayed retirement.
 - H2b: After Xi's power was consolidated, there was a positive probability for a Xi(non-Xi)-faction military officer to be promoted or delay retirement (purged/ early retirement)

Empirical Implications

- H1: Authoritarian Compensation: A military officer who was affected by the reform was more likely to receive a promotion or delay retirement than one who was not.
- H2 Endogenous Power
 - H2a: Before Xi's power was consolidated, there was a positive probability for a non-Xi-faction military officer to receive a promotion or delayed retirement.
 - H2b: After Xi's power was consolidated, there was a positive probability for a Xi(non-Xi)-faction military officer to be promoted or delay retirement (purged/ early retirement)

Outline

Motivation

Data

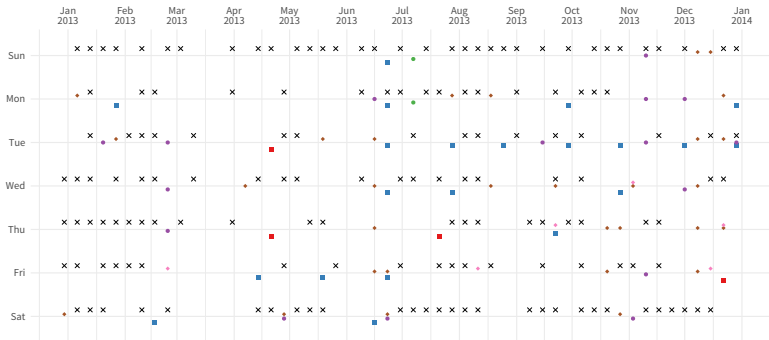
Empirics

Conclusion

Original Database of Xi's Activities

- Reporting from Xinhua, People's Daily, and Xi's speeches

- PSC Meeting (常务委员会)
- Politburo Meeting/ study sessions (政治局会议, 集体学习?)
- CMC meetings (军事委员会)
- Central Committee plena/ Party Congresses / CDIC meetings (全体会议, 全国代表大会)
- issue specific meetings, on policy 工作会议, 交流会, 座谈会
- ceremonial meetings with party & PLA elites (ie general promotions)
- x (Missing)



Original Database of Xi's Activities

- >2000 activities between late 2012 and 2019; >200 military
- Regular institutionalized meetings
 - Politburo

• Regular meetings

• Regular meetings between Xi and other top leaders
2013-2015, transition period for the system

Original Database of Xi's Activities

- >2000 activities between late 2012 and 2019; >200 military
- Regular institutionalized meetings

- Politburo

Original Database of Xi's Activities

- >2000 activities between late 2012 and 2019; >200 military
- **Regular institutionalized meetings**
 - Politburo, Politburo Standing Committee, and Central Military Commission meetings, ceremonial meetings, meeting foreign leaders

• We find a significant increase in Xi's military activities in 2013–2015, transition period for the reform

Original Database of Xi's Activities

- >2000 activities between late 2012 and 2019; >200 military
- **Regular institutionalized meetings**
 - Politburo, Politburo Standing Committee, and Central Military Commission meetings, ceremonial meetings, meeting foreign leaders

• We find a significant increase in Xi's military activities in 2013–2015, transition period for the reform

Original Database of Xi's Activities

- >2000 activities between late 2012 and 2019; >200 military
- Regular institutionalized meetings
 - Politburo, Politburo Standing Committee, and Central Military Commission meetings, ceremonial meetings, meeting foreign leaders

Original Database of Xi's Activities

- >2000 activities between late 2012 and 2019; >200 military
- **Regular institutionalized meetings**
 - Politburo, Politburo Standing Committee, and Central Military Commission meetings ceremonial meetings, meeting foreign leaders
- Ad hoc meetings

Original Database of Xi's Activities

- >2000 activities between late 2012 and 2019; >200 military
- Regular institutionalized meetings
 - Politburo, Politburo Standing Committee, and Central Military Commission meetings, ceremonial meetings, meeting foreign leaders
- Ad hoc meetings

Original Database of Xi's Activities

- >2000 activities between late 2012 and 2019; >200 military
- Regular institutionalized meetings
 - Politburo, Politburo Standing Committee, and Central Military Commission meetings, ceremonial meetings, meeting foreign leaders
- Ad hoc meetings
 - Domestic inspections

Original Database of Xi's Activities

- >2000 activities between late 2012 and 2019; >200 military
- Regular institutionalized meetings
 - Politburo, Politburo Standing Committee, and Central Military Commission meetings, ceremonial meetings, meeting foreign leaders
- Ad hoc meetings
 - Domestic inspections, visiting military units
- We find: Xi especially engaged with the military during 2013–2016, gestation period for the reform

Original Database of Xi's Activities

- >2000 activities between late 2012 and 2019; >200 military
 - Regular institutionalized meetings
 - Politburo, Politburo Standing Committee, and Central Military Commission meetings, ceremonial meetings, meeting foreign leaders
 - Ad hoc meetings
 - Domestic inspections, visiting military units
- We find: Xi especially engaged with the military during 2013–2016, gestation period for the reform

Original Database of Xi's Activities

- >2000 activities between late 2012 and 2019; >200 military
- Regular institutionalized meetings
 - Politburo, Politburo Standing Committee, and Central Military Commission meetings, ceremonial meetings, meeting foreign leaders
- Ad hoc meetings
 - Domestic inspections, visiting military units
- We find: Xi especially engaged with the military during 2013–2016, gestation period for the reform
 - Xi doubles the frequency of ad hoc meetings than Hu
 - Xi visits military units: negatively affected by reform & his base

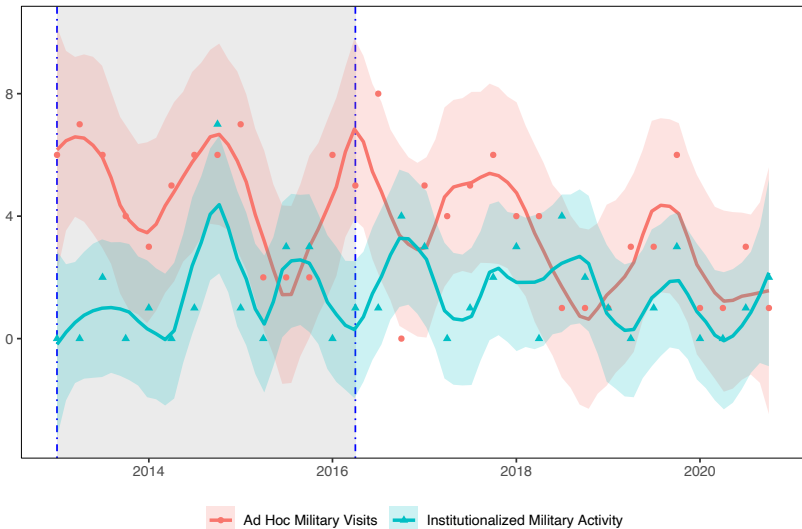
Original Database of Xi's Activities

- >2000 activities between late 2012 and 2019; >200 military
- Regular institutionalized meetings
 - Politburo, Politburo Standing Committee, and Central Military Commission meetings, ceremonial meetings, meeting foreign leaders
- Ad hoc meetings
 - Domestic inspections, visiting military units
- We find: Xi especially engaged with the military during 2013–2016, gestation period for the reform
 - Xi **doubles** the frequency of ad hoc meetings than Hu
 - Xi visits military units: **negatively affected** by reform & his **base**

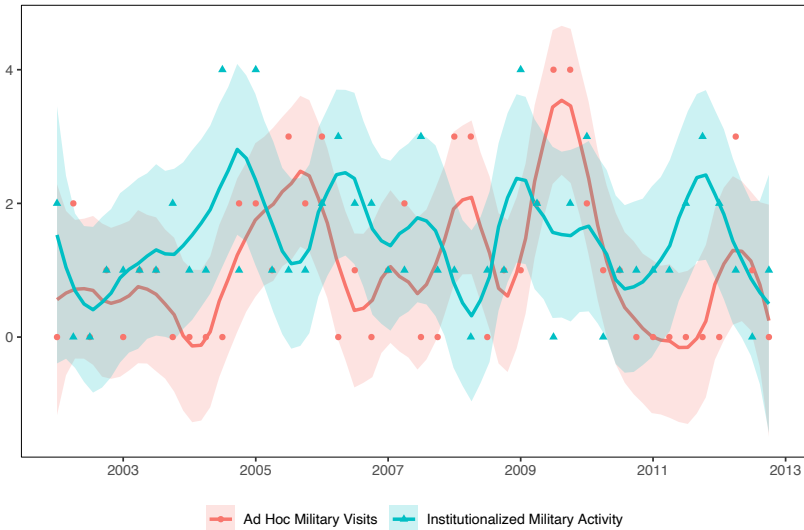
Original Database of Xi's Activities

- >2000 activities between late 2012 and 2019; >200 military
- Regular institutionalized meetings
 - Politburo, Politburo Standing Committee, and Central Military Commission meetings, ceremonial meetings, meeting foreign leaders
- Ad hoc meetings
 - Domestic inspections, visiting military units
- We find: Xi especially engaged with the military during 2013–2016, gestation period for the reform
 - Xi **doubles** the frequency of ad hoc meetings than Hu
 - Xi visits military units: **negatively affected** by reform & his **base**

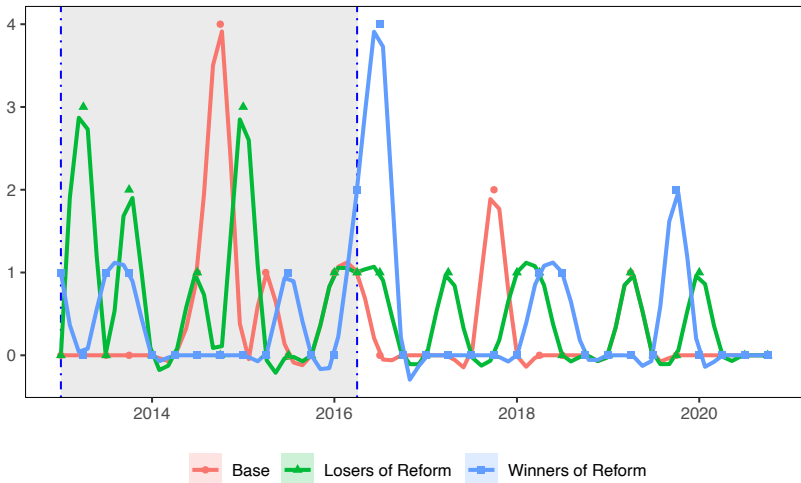
Xi Jinping Military-Related Activities



Hu Jintao Military-Related Activities



Xi visited losers of reform & base before 2016



Biographical Panel of PLA Officers

- Biographical data of >500 PLA officers, combining
 - Officers in the Central Committee (Shih, Meyer, Lee 2020)
 - PLA officer data from Mattingly (Forthcoming)
 - Additional officers at the provincial military region level
- We have
 - Every province they held and spent time in
 - The rank of every province they held
- We measure
 - The number of provinces they held

Biographical Panel of PLA Officers

- Biographical data of >500 PLA officers, combining
 - Officers in the Central Committee (Shih, Meyer, Lee 2020)
 - PLA officer data from Mattingly (Forthcoming)
 - Additional officers at the provincial military region level
- We have
 - *Panel data* (longitudinal data)
 - *Biographical data* (cross-sectional data)
- We measure
 - *Political loyalty*
 - *Political participation*
 - *Political voice*
 - *Political voice*

Biographical Panel of PLA Officers

- Biographical data of >500 PLA officers, combining
 - Officers in the Central Committee (Shih, Meyer, Lee 2020)
 - PLA officer data from Mattingly (Forthcoming)
 - Additional officers at the provincial military region level
- We have
 - *Demographic information* (age, gender, education, etc.)
 - *Political information* (party membership, rank, etc.)
 - *Professional information* (military service, etc.)
- We measure
 - *Political loyalty* (party membership, etc.)
 - *Professional competence* (military service, etc.)
 - *Personal characteristics* (age, gender, etc.)

Biographical Panel of PLA Officers

- Biographical data of >500 PLA officers, combining
 - Officers in the Central Committee (Shih, Meyer, Lee 2020)
 - PLA officer data from Mattingly (Forthcoming)
 - Additional officers at the provincial military region level
- We have
 - Every position they held and start/end time
- We measure

Biographical Panel of PLA Officers

- Biographical data of >500 PLA officers, combining
 - Officers in the Central Committee (Shih, Meyer, Lee 2020)
 - PLA officer data from Mattingly (Forthcoming)
 - Additional officers at the provincial military region level
- We have
 - Every position they held and start/end time
 - Factional affiliation, princeling status, education levels, ...
- We measure

Biographical Panel of PLA Officers

- Biographical data of >500 PLA officers, combining
 - Officers in the Central Committee (Shih, Meyer, Lee 2020)
 - PLA officer data from Mattingly (Forthcoming)
 - Additional officers at the provincial military region level
- We have
 - **Every position** they held and start/end time
 - **Factional affiliation**, princeling status, education levels, ...
- We measure

Biographical Panel of PLA Officers

- Biographical data of >500 PLA officers, combining
 - Officers in the Central Committee (Shih, Meyer, Lee 2020)
 - PLA officer data from Mattingly (Forthcoming)
 - Additional officers at the provincial military region level
- We have
 - **Every position** they held and start/end time
 - **Factional affiliation**, princeling status, education levels, ...
- We measure
 - Level of each of their positions: Lower PLA

Biographical Panel of PLA Officers

- Biographical data of >500 PLA officers, combining
 - Officers in the Central Committee (Shih, Meyer, Lee 2020)
 - PLA officer data from Mattingly (Forthcoming)
 - Additional officers at the provincial military region level
- We have
 - **Every position** they held and start/end time
 - **Factional affiliation**, princeling status, education levels, ...
- We measure
 - **Level of each of their positions**: Lower PLA

Biographical Panel of PLA Officers

- Biographical data of >500 PLA officers, combining
 - Officers in the Central Committee (Shih, Meyer, Lee 2020)
 - PLA officer data from Mattingly (Forthcoming)
 - Additional officers at the provincial military region level
- We have
 - **Every position** they held and start/end time
 - **Factional affiliation**, princeling status, education levels, ...
- We measure
 - **Level of each of their positions**: Lower PLA, Vice Military Region (Vice MR), Military Region (MR) Level, and Central Military Commission (CMC) level

Biographical Panel of PLA Officers

- Biographical data of >500 PLA officers, combining
 - Officers in the Central Committee (Shih, Meyer, Lee 2020)
 - PLA officer data from Mattingly (Forthcoming)
 - Additional officers at the provincial military region level
- We have
 - **Every position** they held and start/end time
 - **Factional affiliation**, princeling status, education levels, ...
- We measure
 - **Level of each of their positions**: Lower PLA, Vice Military Region (Vice MR), Military Region (MR) Level, and Central Military Commission (CMC) level

Biographical Panel of PLA Officers

- Biographical data of >500 PLA officers, combining
 - Officers in the Central Committee (Shih, Meyer, Lee 2020)
 - PLA officer data from Mattingly (Forthcoming)
 - Additional officers at the provincial military region level
- We have
 - **Every position** they held and start/end time
 - **Factional affiliation**, princeling status, education levels, ...
- We measure
 - **Level of each of their positions**: Lower PLA, Vice Military Region (Vice MR), Military Region (MR) Level, and Central Military Commission (CMC) level

Biographical Panel of PLA Officers

- Biographical data of >500 PLA officers, combining
 - Officers in the Central Committee (Shih, Meyer, Lee 2020)
 - PLA officer data from Mattingly (Forthcoming)
 - Additional officers at the provincial military region level
- We have
 - **Every position** they held and start/end time
 - **Factional affiliation**, princeling status, education levels, ...
- We measure
 - **Level of each of their positions**: Lower PLA, Vice Military Region (Vice MR), Military Region (MR) Level, and Central Military Commission (CMC) level
 - Retirement time: early or delayed relative to median for that level

Biographical Panel of PLA Officers

- Biographical data of >500 PLA officers, combining
 - Officers in the Central Committee (Shih, Meyer, Lee 2020)
 - PLA officer data from Mattingly (Forthcoming)
 - Additional officers at the provincial military region level
- We have
 - **Every position** they held and start/end time
 - **Factional affiliation**, princeling status, education levels, ...
- We measure
 - **Level of each of their positions**: Lower PLA, Vice Military Region (Vice MR), Military Region (MR) Level, and Central Military Commission (CMC) level
 - **Entrainment time**: early or delayed relative to median for that level
 - **Purged or not and time**

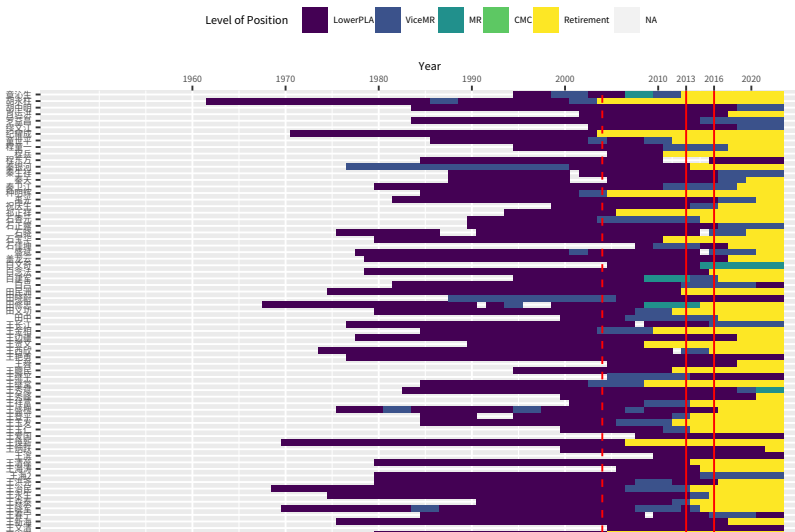
Biographical Panel of PLA Officers

- Biographical data of >500 PLA officers, combining
 - Officers in the Central Committee (Shih, Meyer, Lee 2020)
 - PLA officer data from Mattingly (Forthcoming)
 - Additional officers at the provincial military region level
- We have
 - **Every position** they held and start/end time
 - **Factional affiliation**, princeling status, education levels, ...
- We measure
 - **Level of each of their positions**: Lower PLA, Vice Military Region (Vice MR), Military Region (MR) Level, and Central Military Commission (CMC) level
 - **Retirement** time: early or delayed relative to median for that level
 - **Purged** or not and time

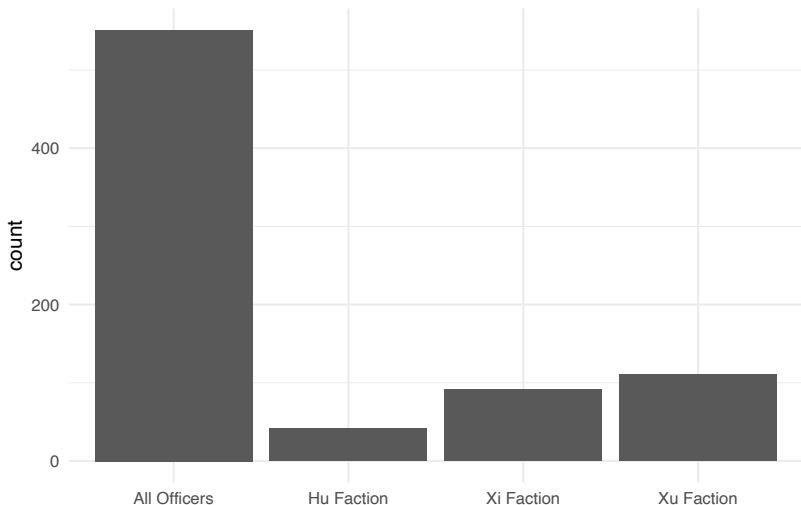
Biographical Panel of PLA Officers

- Biographical data of >500 PLA officers, combining
 - Officers in the Central Committee (Shih, Meyer, Lee 2020)
 - PLA officer data from Mattingly (Forthcoming)
 - Additional officers at the provincial military region level
- We have
 - **Every position** they held and start/end time
 - **Factional affiliation**, princeling status, education levels, ...
- We measure
 - **Level of each of their positions**: Lower PLA, Vice Military Region (Vice MR), Military Region (MR) Level, and Central Military Commission (CMC) level
 - **Retirement** time: early or delayed relative to median for that level
 - **Purged** or not and time

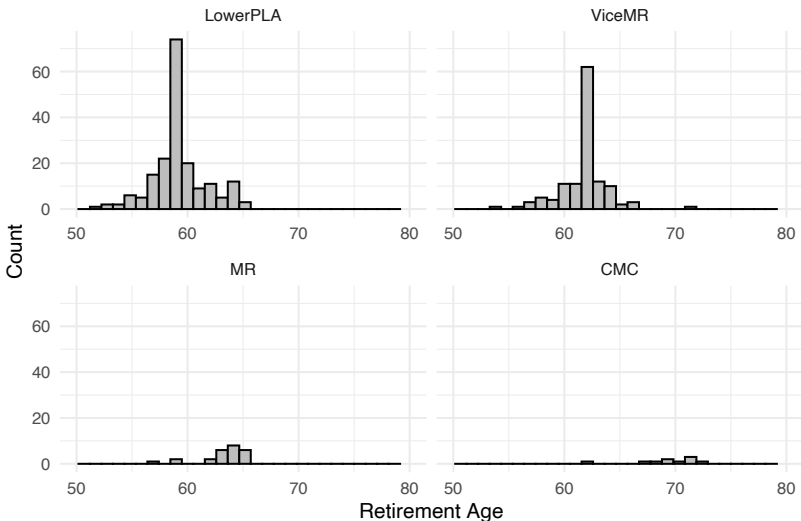
Biographical Panel of PLA Officers



Size of the Factions among PLA Officers



Retire Age Distribution



Outline

Motivation

Data

Empirics

Conclusion

Baseline Model

Extending Mattingly (2023) & Francois, Trebbi, and Xiao (2022)

$$y_{it} = \beta_0 + \beta_1 \text{Affected by Reform}_i + \sum_f \beta_{2f} \text{Faction}_{if} + \gamma' X_{it} + \varepsilon_{it}$$

$$y_{it} : \begin{cases} +1 & \text{Promotion / Delayed Retirement} \\ 0 & \text{Lateral Move} \\ -1 & \text{Purge / Early Retirement} \end{cases}$$

• β_1 Affected by Reform: Served in units negatively affected by reform

• β_{2f} Faction: Decision in coalition with Xi, Huo, & Wu Cabinet

• X_{it} : Age, Age Squared, Age Cubic, Education, and experience
• Controling for

Baseline Model

Extending Mattingly (2023) & Francois, Trebbi, and Xiao (2022)

$$y_{it} = \beta_0 + \beta_1 \text{Affected by Reform}_i + \sum_f \beta_{2f} \text{Faction}_{if} + \gamma' X_{it} + \varepsilon_{it}$$

$$y_{it} = \begin{cases} +1 & \text{Promotion / Delayed Retirement} \\ 0 & \text{Lateral Move} \\ -1 & \text{Purge / Early Retirement} \end{cases}$$

• Affected by Reform: Served in units negatively affected by reform

• Faction: Dummies for coalition with Xi, PRC, or Xinjiang

• X_{it} : Age, Education, Gender, etc. (see Appendix for full list)

• ε_{it} : Error

Baseline Model

Extending Mattingly (2023) & Francois, Trebbi, and Xiao (2022)

$$y_{it} = \beta_0 + \beta_1 \text{Affected by Reform}_i + \sum_f \beta_{2f} \text{Faction}_{if} + \gamma' X_{it} + \varepsilon_{it}$$

- $y_{it} : \begin{cases} +1 & \text{Promotion / Delayed Retirement} \\ 0 & \text{Lateral Move} \\ -1 & \text{Purge / Early Retirement} \end{cases}$
- Affected by Reform: Served in units negatively affected by reform
- Faction: Overlap in position with Xi, Hu, & Xu Caihou
- X_{it} : Age, princelings, ethnicity, education, war experience, etc
- Controlling for

Baseline Model

Extending Mattingly (2023) & Francois, Trebbi, and Xiao (2022)

$$y_{it} = \beta_0 + \beta_1 \text{Affected by Reform}_i + \sum_f \beta_{2f} \text{Faction}_{if} + \gamma' X_{it} + \varepsilon_{it}$$

- $y_{it} : \begin{cases} +1 & \text{Promotion / Delayed Retirement} \\ 0 & \text{Lateral Move} \\ -1 & \text{Purge / Early Retirement} \end{cases}$
- Affected by Reform: Served in units negatively affected by reform
- Faction: Overlap in position with Xi, Hu, & Xu Caihou
- X_{it} : Age, princelings, ethnicity, education, war experience, etc
- Controlling for

Baseline Model

Extending Mattingly (2023) & Francois, Trebbi, and Xiao (2022)

$$y_{it} = \beta_0 + \beta_1 \text{Affected by Reform}_i + \sum_f \beta_{2f} \text{Faction}_{if} + \gamma' X_{it} + \varepsilon_{it}$$

- $y_{it} : \begin{cases} +1 & \text{Promotion / Delayed Retirement} \\ 0 & \text{Lateral Move} \\ -1 & \text{Purge / Early Retirement} \end{cases}$
- Affected by Reform: Served in units negatively affected by reform
- Faction: Overlap in position with Xi, Hu, & Xu Caihou
- X_{it} : Age, princelings, ethnicity, education, war experience, etc
- Controlling for

Baseline Model

Extending Mattingly (2023) & Francois, Trebbi, and Xiao (2022)

$$y_{it} = \beta_0 + \beta_1 \text{Affected by Reform}_i + \sum_f \beta_{2f} \text{Faction}_{if} + \gamma' X_{it} + \varepsilon_{it}$$

- $y_{it} : \begin{cases} +1 & \text{Promotion / Delayed Retirement} \\ 0 & \text{Lateral Move} \\ -1 & \text{Purge / Early Retirement} \end{cases}$
- Affected by Reform: Served in units negatively affected by reform
- Faction: Overlap in position with Xi, Hu, & Xu Caihou
- X_{it} : Age, princelings, ethnicity, education, war experience, etc
- Controlling for
 - Year fixed effects

Baseline Model

Extending Mattingly (2023) & Francois, Trebbi, and Xiao (2022)

$$y_{it} = \beta_0 + \beta_1 \text{Affected by Reform}_i + \sum_f \beta_{2f} \text{Faction}_{if} + \gamma' X_{it} + \varepsilon_{it}$$

- $y_{it} : \begin{cases} +1 & \text{Promotion / Delayed Retirement} \\ 0 & \text{Lateral Move} \\ -1 & \text{Purge / Early Retirement} \end{cases}$
- Affected by Reform: Served in units negatively affected by reform
- Faction: Overlap in position with Xi, Hu, & Xu Caihou
- X_{it} : Age, princelings, ethnicity, education, war experience, etc
- Controlling for
 - Year fixed effects
 - PLA branch fixed effects (army, navy, air force, etc)
 - Current position level fixed effects

Baseline Model

Extending Mattingly (2023) & Francois, Trebbi, and Xiao (2022)

$$y_{it} = \beta_0 + \beta_1 \text{Affected by Reform}_i + \sum_f \beta_{2f} \text{Faction}_{if} + \gamma' X_{it} + \varepsilon_{it}$$

- $y_{it} : \begin{cases} +1 & \text{Promotion / Delayed Retirement} \\ 0 & \text{Lateral Move} \\ -1 & \text{Purge / Early Retirement} \end{cases}$
- Affected by Reform: Served in units negatively affected by reform
- Faction: Overlap in position with Xi, Hu, & Xu Caihou
- X_{it} : Age, princelings, ethnicity, education, war experience, etc
- Controlling for
 - Year fixed effects
 - PLA branch fixed effects (army, navy, air force, etc)
 - Current position level fixed effects

Baseline Model

Extending Mattingly (2023) & Francois, Trebbi, and Xiao (2022)

$$y_{it} = \beta_0 + \beta_1 \text{Affected by Reform}_i + \sum_f \beta_{2f} \text{Faction}_{if} + \gamma' X_{it} + \varepsilon_{it}$$

- $y_{it} : \begin{cases} +1 & \text{Promotion / Delayed Retirement} \\ 0 & \text{Lateral Move} \\ -1 & \text{Purge / Early Retirement} \end{cases}$
- Affected by Reform: Served in units negatively affected by reform
- Faction: Overlap in position with Xi, Hu, & Xu Caihou
- X_{it} : Age, princelings, ethnicity, education, war experience, etc
- Controlling for
 - Year fixed effects
 - PLA branch fixed effects (army, navy, air force, etc)
 - Current position level fixed effects

Baseline Model

Extending Mattingly (2023) & Francois, Trebbi, and Xiao (2022)

$$y_{it} = \beta_0 + \beta_1 \text{Affected by Reform}_i + \sum_f \beta_{2f} \text{Faction}_{if} + \gamma' X_{it} + \varepsilon_{it}$$

- $y_{it} : \begin{cases} +1 & \text{Promotion / Delayed Retirement} \\ 0 & \text{Lateral Move} \\ -1 & \text{Purge / Early Retirement} \end{cases}$
- Affected by Reform: Served in units negatively affected by reform
- Faction: Overlap in position with Xi, Hu, & Xu Caihou
- X_{it} : Age, princelings, ethnicity, education, war experience, etc
- Controlling for
 - Year fixed effects
 - PLA branch fixed effects (army, navy, air force, etc)
 - Current position level fixed effects

Main Findings for Career Outcomes

- Officers who had served in units **affected negatively** by the 2016 reform were **compensated** with promotions or delayed retirement both before and after 2016
- Officers **linked to Xi**:
 - Did not enjoy better career outcomes prior to the implementation of the reform in 2016
 - But enjoyed **better** outcomes than others **after** the reform
- Officers with **ties to Hu**:
 - Were not discriminated against prior to the reform in 2016
 - But suffered from **worse** career outcomes than others **after** the completion of the reform
- These findings suggest that Xi sought to **prevent collective action** against the reform up through 2016, but **displayed stronger factional favoritism** after the completion of the reform, which consolidated his power

Main Findings for Career Outcomes

- Officers who had served in units **affected negatively** by the 2016 reform were **compensated** with promotions or delayed retirement both before and after 2016
- Officers **linked to Xi**:
 - Did not enjoy better career outcomes prior to the implementation of the reform in 2016
 - But enjoyed **better** outcomes than others **after** the reform
- Officers with **ties to Hu**:
 - Were not discriminated against prior to the reform in 2016
 - But suffered from **worse** career outcomes than others **after** the completion of the reform
- These findings suggest that Xi sought to **prevent collective action** against the reform up through 2016, but **displayed stronger factional favoritism** after the completion of the reform, which consolidated his power

Main Findings for Career Outcomes

- Officers who had served in units **affected negatively** by the 2016 reform were **compensated** with promotions or delayed retirement both before and after 2016
- Officers **linked to Xi**:
 - Did not enjoy better career outcomes prior to the implementation of the reform in 2016
 - But enjoyed **better** outcomes than others **after** the reform
- Officers with **ties to Hu**:
 - Were not discriminated against prior to the reform in 2016
 - But suffered from **worse** career outcomes than others **after** the completion of the reform
- These findings suggest that Xi sought to **prevent collective action** against the reform up through 2016, but **displayed stronger factional favoritism** after the completion of the reform, which consolidated his power

Main Findings for Career Outcomes

- Officers who had served in units **affected negatively** by the 2016 reform were **compensated** with promotions or delayed retirement both before and after 2016
- Officers **linked to Xi**:
 - Did not enjoy better career outcomes prior to the implementation of the reform in 2016
 - But enjoyed **better** outcomes than others **after** the reform
- Officers with **ties to Hu**:
 - Were not discriminated against prior to the reform in 2016
 - But suffered from **worse** career outcomes than others **after** the completion of the reform
- These findings suggest that Xi sought to **prevent collective action** against the reform up through 2016, but **displayed stronger factional favoritism** after the completion of the reform, which consolidated his power

Main Findings for Career Outcomes

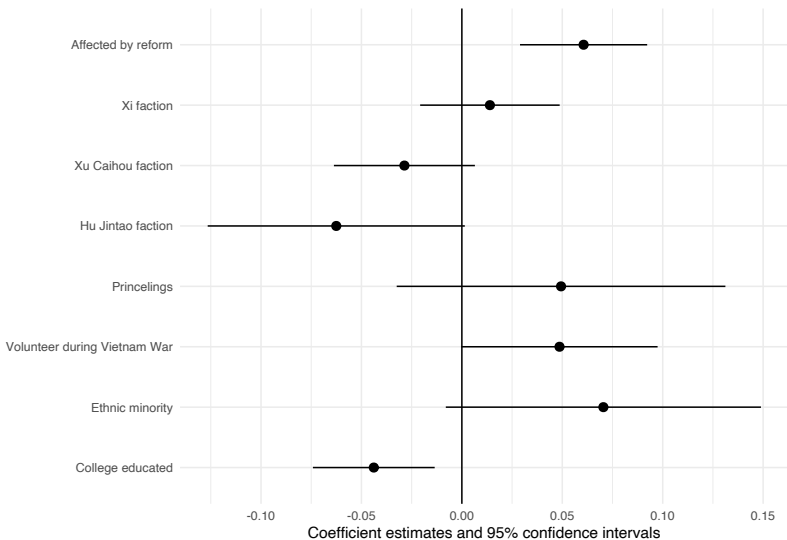
- Officers who had served in units **affected negatively** by the 2016 reform were **compensated** with promotions or delayed retirement both before and after 2016
- Officers **linked to Xi**:
 - Did not enjoy better career outcomes prior to the implementation of the reform in 2016
 - But enjoyed **better** outcomes than others **after** the reform
- Officers with **ties to Hu**:
 - Were not discriminated against prior to the reform in 2016
 - But suffered from **worse** career outcomes than others **after** the completion of the reform
- These findings suggest that Xi sought to **prevent collective action** against the reform up through 2016, but **displayed stronger factional favoritism** after the completion of the reform, which consolidated his power

Main Findings for Career Outcomes

- Officers who had served in units **affected negatively** by the 2016 reform were **compensated** with promotions or delayed retirement both before and after 2016
- Officers **linked to Xi**:
 - Did not enjoy better career outcomes prior to the implementation of the reform in 2016
 - But enjoyed **better** outcomes than others **after** the reform
- Officers with **ties to Hu**:
 - Were not discriminated against prior to the reform in 2016
 - But suffered from **worse** career outcomes than others **after** the completion of the reform
- These findings suggest that Xi sought to **prevent collective action** against the reform up through 2016, but **displayed stronger factional favoritism** after the completion of the reform, which consolidated his power

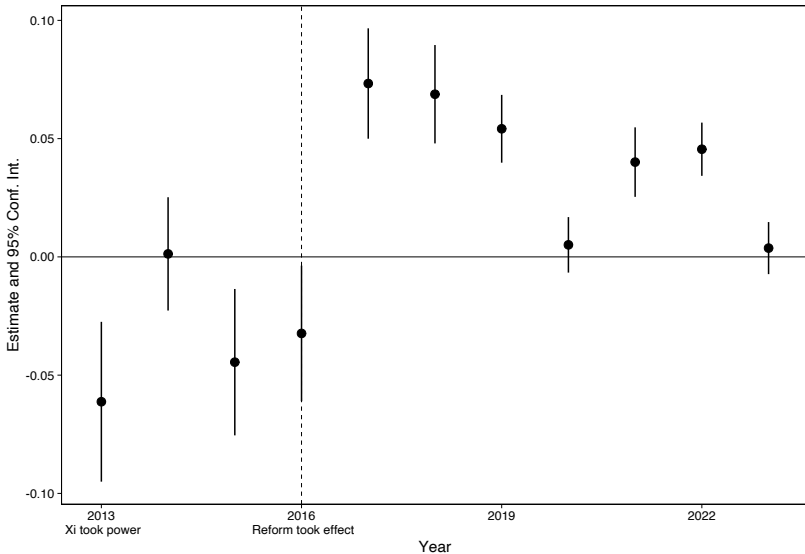
Xi as CMC Chairman (2013--)

Outcome: Promotion, Delayed Retirement = 1; Lateral Move = 0; Early Retirement, Purge = -1



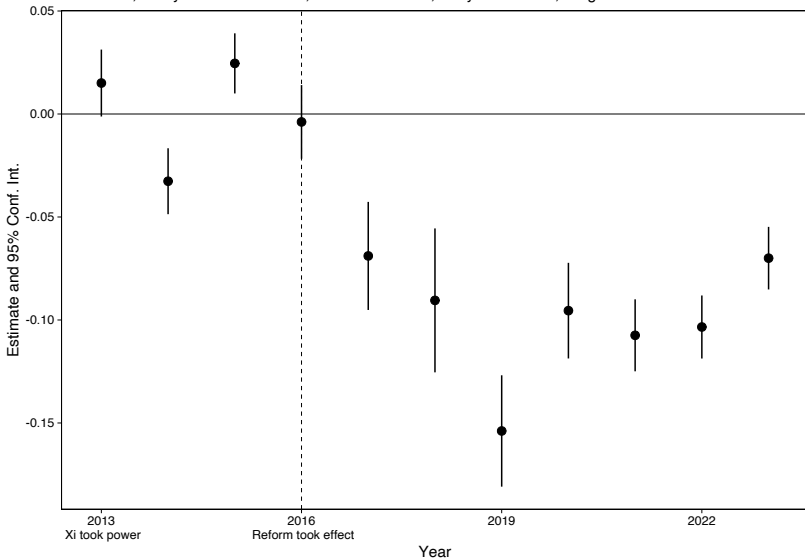
Effect of Xi Faction on PLA Promotion Decisions

Promotion, Delayed Retirement = 1; Lateral Move = 0; Early Retirement, Purge = -1



Effect of Hu Jintao Faction on PLA Promotion Decisions

Promotion, Delayed Retirement = 1; Lateral Move = 0; Early Retirement, Purge = -1



Outline

Motivation

Data

Empirics

Conclusion

Concluding Remarks

- We examine the **dynamics of power consolidation** through the case of Xi's 2016 PLA reform
- We provide empirical evidence for mechanism of divide and rule using two data sets
- First, we show that Xi spent much more time conducting **ad hoc visits** to affected military units, in addition to institutionalized meetings
- Second, we show that Xi **compensated** officers in the affected units (divide), and favor members of his faction **only after** power consolidation (rule)

Concluding Remarks

- We examine the **dynamics of power consolidation** through the case of Xi's 2016 PLA reform
- We provide empirical evidence for mechanism of divide and rule using two data sets
- First, we show that Xi spent much more time conducting **ad hoc visits** to affected military units, in addition to institutionalized meetings
- Second, we show that Xi **compensated** officers in the affected units (divide), and favor members of his faction **only after** power consolidation (rule)

Concluding Remarks

- We examine the **dynamics of power consolidation** through the case of Xi's 2016 PLA reform
- We provide empirical evidence for mechanism of divide and rule using two data sets
- First, we show that Xi spent much more time conducting **ad hoc visits** to affected military units, in addition to institutionalized meetings
- Second, we show that Xi **compensated** officers in the affected units (divide), and favor members of his faction **only after** power consolidation (rule)

Concluding Remarks

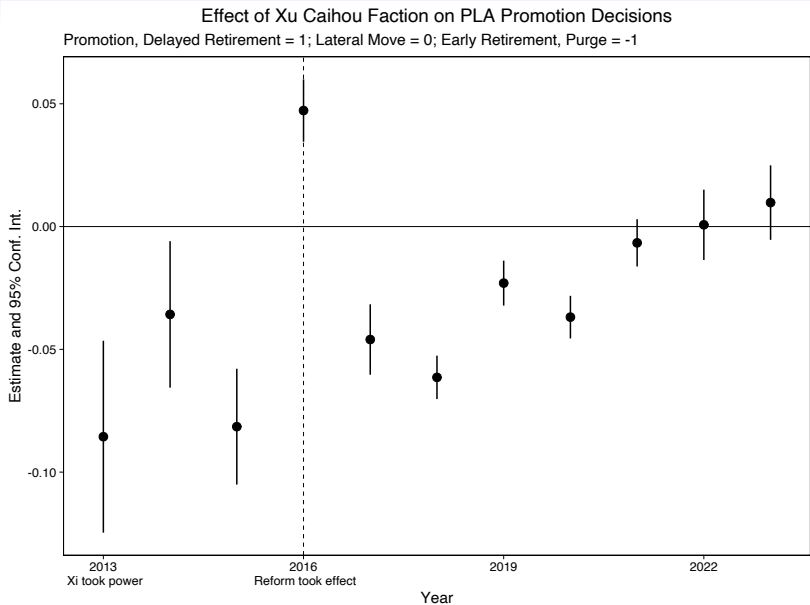
- We examine the **dynamics of power consolidation** through the case of Xi's 2016 PLA reform
- We provide empirical evidence for mechanism of divide and rule using two data sets
- First, we show that Xi spent much more time conducting **ad hoc visits** to affected military units, in addition to institutionalized meetings
- Second, we show that Xi **compensated** officers in the affected units (divide), and favor members of his faction **only after** power consolidation (rule)

Outline

Event study plot for Xu Caihou faction

Promotion during Xi Jinping Period (2013–)

Promotion during Hu Jintao Period (2004–2012)



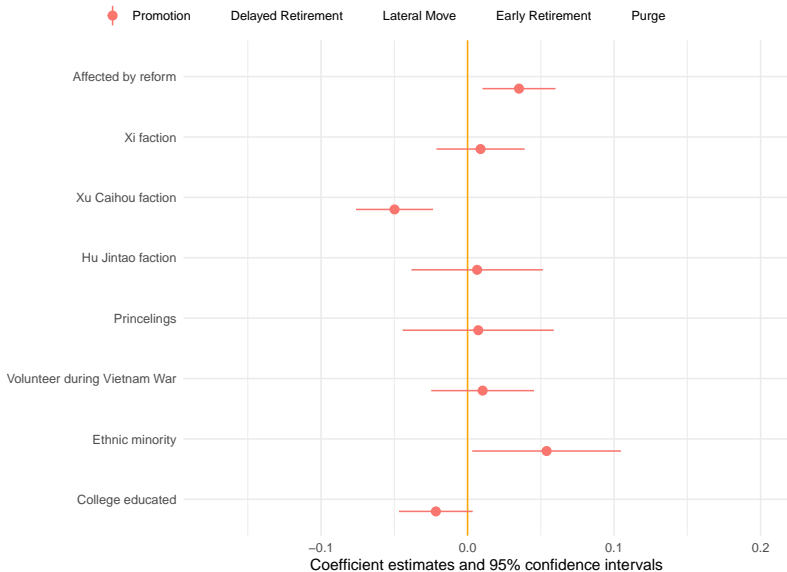
Outline

Event study plot for Xu Caihou faction

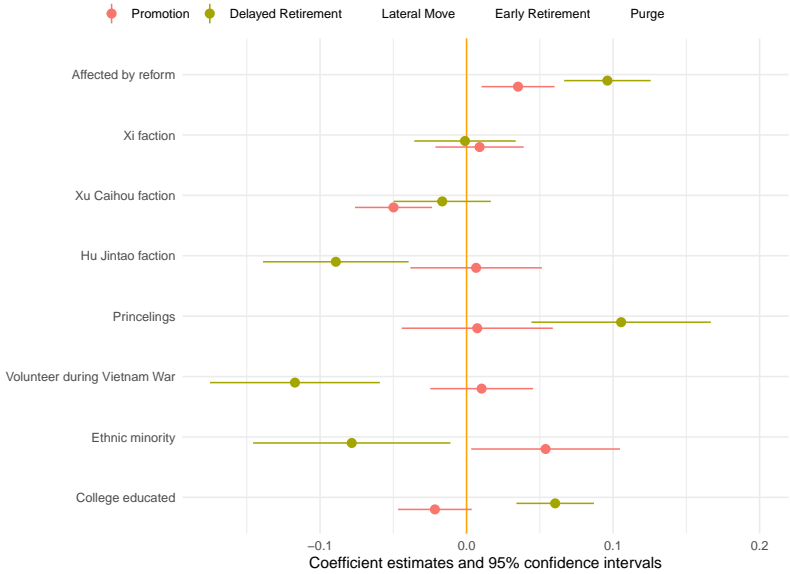
Promotion during Xi Jinping Period (2013–)

Promotion during Hu Jintao Period (2004–2012)

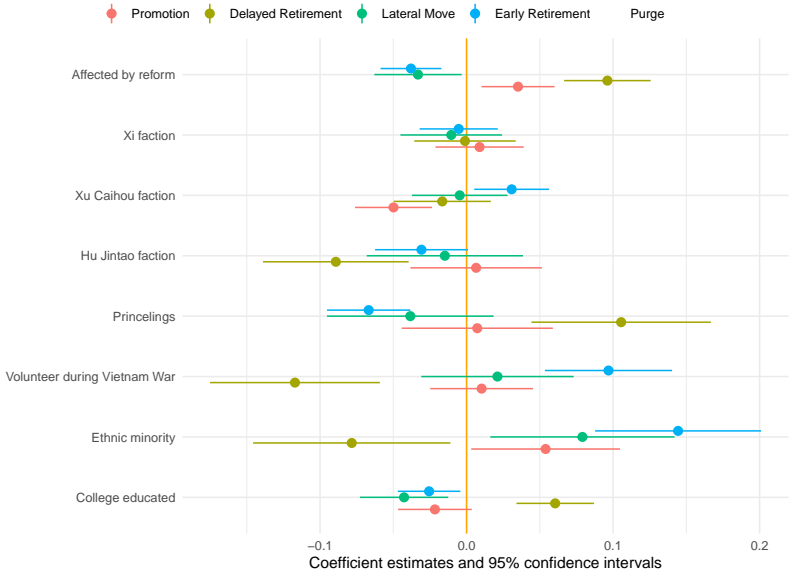
Xi as CMC Chairman (2013–)



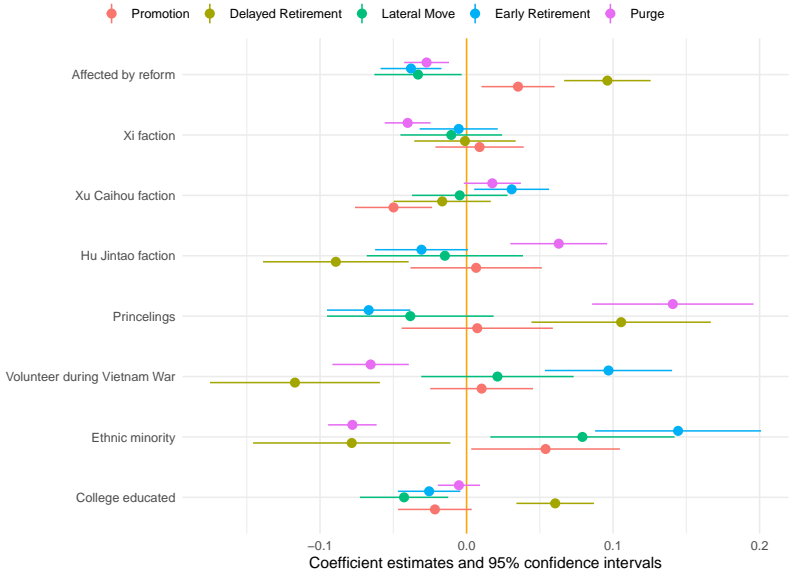
Xi as CMC Chairman (2013--)



Xi as CMC Chairman (2013--)



Xi as CMC Chairman (2013--)



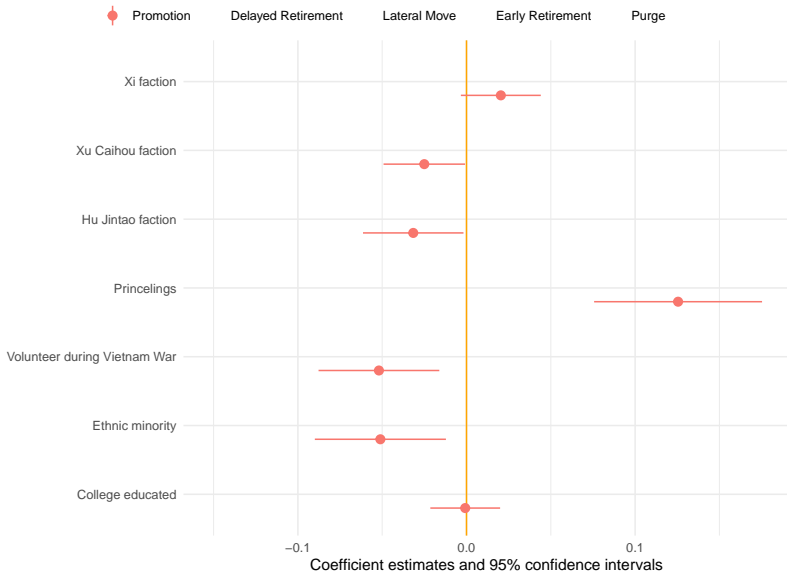
Outline

Event study plot for Xu Caihou faction

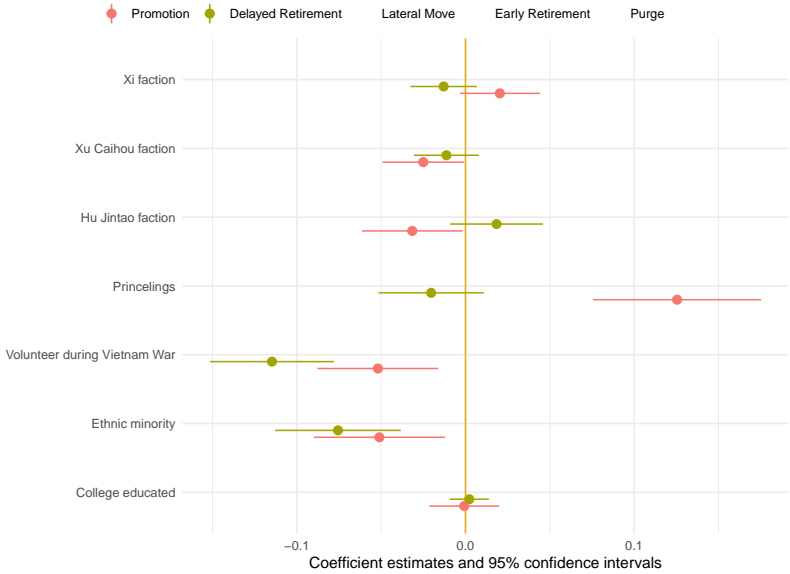
Promotion during Xi Jinping Period (2013–)

Promotion during Hu Jintao Period (2004–2012)

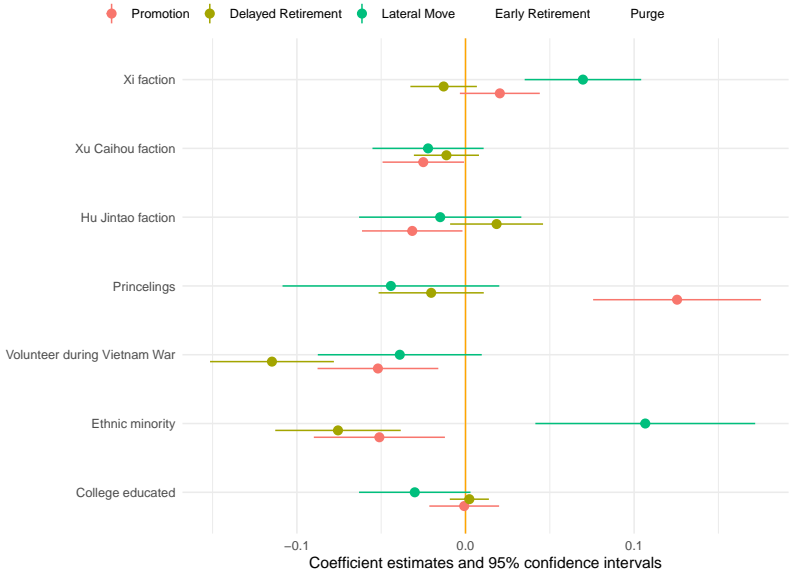
Hu as CMC Chairman (2004–2012)



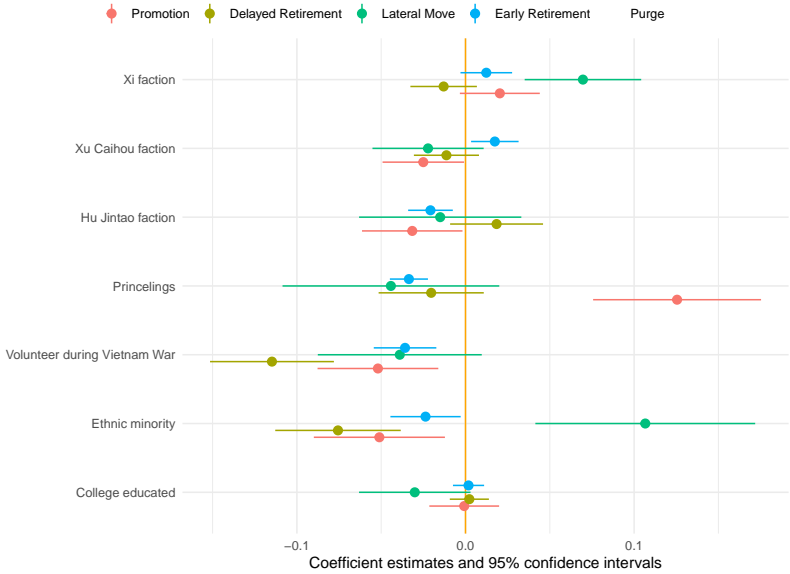
Hu as CMC Chairman (2004–2012)



Hu as CMC Chairman (2004–2012)



Hu as CMC Chairman (2004–2012)



Hu as CMC Chairman (2004–2012)

