

# Bureaucrats and Development Trajectories:

## Southbound Bureaucrats in the Making of Socialist China (1949 - 2019)

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### Project Summary

We study the impact of China's Southbound Bureaucrat Program (1948 - 1950) – the world's largest state workforce migration – which sent around 100,000 front-line bureaucrats to newly liberated South China. Digitizing historical records, we characterize bureaucrats' positive selection on socialist ideology. Leveraging exogenous variation in the terrain of marching routes, we find southbound bureaucrats foster a more pro-socialist development trajectory over half a century. In the short run, they better promote communist policies. In the longer run, more treated regions have lower inequality and greater welfare provision, which can likely be attributed to stronger state interventionism and human capacity. Further analysis suggests bureaucrats' socialist ideology plays a pivotal role: Amid post-1978 top-down market reforms, they under-perform in de-collectivization and privatization but still excel in promoting pro-socialist policies. Their influence persists via local personnel and cultural spillovers.

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## Extended abstract

Bureaucrats are considered essential for development: they implement policies, provide public services, and interact with citizens (Finan, Olken and Pande, 2017; Besley et al., 2022). While the canonical Weberian model assumes an impassive bureaucracy, a flourishing body of work has underscored the importance of individual skills and incentives in shaping organizational performance. Built upon these insights, this project asks: Do bureaucrats shape development trajectories? And what are the related mechanisms that can be of policy relevance? Answering these questions requires large-scale, non-experimental settings with a sufficient time span, which is scarce at such a high level in reality.

This paper studies the impact of China's Southbound Bureaucrat Program on the development paths of South China over half a century. In 1948, to fill the power vacuum left after the civil war, the central government of the People's Republic of China sent around 100,000 bureaucrats to the newly liberated South China, featuring the largest state workforce migration to date. These southbound bureaucrats were assigned to all levels of the grassroots governing bodies. They are said to be positively selected for their socialist ideology and related working experience, aimed at strengthening state- and nation-building efforts in South China. Most of them remained in the South throughout their lives, serving as lifelong bureaucrats. Qualitatively, it is believed that these individuals have significantly influenced local development since the 1950s, impacting not only the economy but also areas such as health, education, and family planning.

Our empirical strategy exploits regional differences in exposure to southbound bureaucrats in 1953, when there exist established related statistics. To address endogeneity concerns, we construct an instrument to predict the number of southbound bureaucrats per capita at the county level. The instrument takes advantage of institutional features that (1) most counties had both southbound bureaucrats and local bureaucrats, and (2) more southbound bureaucrats were able to be assigned if a county had been visited by the southbound team earlier. Empirically, for each southern county, we leverage the plausibly exogenous variation in terrain between the county and the departure place of southbound teams, while holding constant the distance when there are no topographical obstacles.

We conduct an original digitization of historical and personnel records. As there are no established public collection on the scope and activities of southbound bureaucrats,

we combine various sources – local gazetteers, internal personnel records, archives from collectors, and case study material compiled by historians – to construct a new county-level dataset spanning from 1949 to 2019. To better characterize southbound bureaucrats and supplement our analysis, we are also digitizing individual-level personnel archives in one large province.

**Pilot Results from One Province.** Our main analysis explores how southbound bureaucrats shape destinations’ paths of development. The first set of results investigate their influence during Mao’s communist era (1949 and 1976). According to our pilot analysis in one province, greater exposure to southbound bureaucrats has led to a more aggressive socialist building progress, featuring earlier implementation and completion of land reforms and collectivization. The second set of results investigate their influence in the post-1978 market reform era. Despite that the central government shifted to market reforms, counties with more southbound bureaucrats show slower responses to de-collectivization and privatization; yet they still outperformed for pro-socialist policies. These patterns suggest a selective effort exertion by ideological spectrum of policies, rather than pure differences in ability or interest alignment with Beijing or local citizens.

In the longer run (post-2000s), we observe that more exposed counties are still associated with stronger state interventionism in growth: they have larger state sectors, more public revenue and spending, and greater social welfare provision. Accordingly, there are smaller population size and lower spatial inequality.

**Related Literature.** Our work relates to four strands of literature. We first and foremost contribute to the literature on bureaucrats and development (Besley et al., 2022). We present one among the first analyses of how large-scale bureaucratic allocation shapes development trajectories, in an important polity with a wide geographical scope over half a century. The pivotal mechanism uncovered – ideological differences – bears general insights, shedding light on why some regions develop and evolve in distinct ways across contexts (Spenkuch, Teso and Xu, 2023; Cheremukhin et al., 2024).

Second, this paper relates to how revolutionary individuals contribute to state-building. Our results suggest southbound bureaucrats were able to strengthen socialist-building by disseminating their values to local citizens, a pattern consistent with a growing body of horizontal transmission literature (e.g., Giuliano and Tabellini, 2020; Bazzi et al., 2023a,b).

Third, by studying the largest state worker migration, we add to the discussion on migration and development. Specifically, we relate to a limited but growing body of work on political migration, particularly how they shape destinations (Becker et al., 2020; Chevalier et al., 2023; Miho, Jarotschkin and Zhuravskaya, 2023).

Finally, we also add to historical and comparative narratives about China's growth. Prior empirical studies have largely focused on post-1978 era. We differ by revisiting an under-studied yet historically important period prior to China's market reform, which posed lasting influence on today's development. Compared to previous studies, we focus on differences in entire grassroots bureaucracies rather than regional leaders (e.g., Kung and Chen, 2011; Fang et al., 2023). The data we collected can assist future empirical work and enrich our understanding of the deep roots of China's growth patterns.

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