My dissertation studies the politics of appointing insiders and outsiders in China’s provincial government agencies. This study is motivated by the following puzzles: why are most agency heads appointed from outside of the agency instead of from the inside, and why has the trend of appointing outsiders increased over time? This question is relevant beyond China, has important implications for the quality of government, and is related to the broad problem of bureaucratic authority and political control. I find that three existing theories of bureaucratic appointments – the incentive-assignment conflict (the Peter Principle), patron-client relationships, and human capital or political experience – cannot fully explain the patterns of appointing provincial government agency heads in China. I develop and empirically test a theoretical framework that draws insights from the literature on delegation and bureaucratic embeddedness. Provincial leaders face an information-collusion trade-off in appointing agency heads: while agency heads with prior experience inside the agency help reduce performance uncertainty, they can also use their information advantages to engage in corruption, especially the type of corruption that involves collusion with colleagues and business clients. Whether to appoint insiders or outsiders is a function of balancing the risk of performance uncertainty and collusive corruption. I argue that how provincial leaders balance the trade-off depends on two factors. First, provincial leaders’ information on and connections with the candidates of appointees help mitigate the problems of adverse selection and moral hazard. When provincial leaders lack information and connections, they prioritize reducing corruption risks over performance uncertainty by appointing more agency heads without inside-agency experience. Second, according to the delegation model, increased monitoring capacity should alleviate provincial leaders’ concerns about corruption risks at the appointment stage. However, authoritarian monitoring has distinctive features, including top-down control, uncertainty, and intra-party propaganda, that could lead provincial leaders to take more preventive measures by appointing more agency heads without inside-agency experience. Finally, I emphasize that the theoretical framework is more applicable to appointments in important agencies with high corruption risks.

I built an original dataset of China’s provincial government agency heads appointed from 1978 to 2020. To my best knowledge, this is the first systematic dataset on China’s sub-national government agency heads. I use provincial party secretaries’ in-province time before making appointment decisions as a proxy for their information on and connections with sub-provincial bureaucrats. I leverage Xi Jinping’s anti-corruption campaign starting from late 2012 as an example that successfully strengthened the party’s monitoring capacity with the authoritarian approach. I categorize important agencies with high corruption risks based on both existing studies and a self-constructed index. I use the agencies that are not high-profile high-risk as the “control” group. The empirical results provide supportive evidence to the theory. First, I find that when provincial party secretaries’ in-province time is short, they are more likely to appoint agency heads without prior experience inside the agency in the high-profile high-risk agencies. Second, I find that after Xi Jinping’s anti-corruption campaign, provincial leaders appointed more agency heads without prior inside-agency experience in the high-profile high-risk agencies.

This study makes four contributions. First, it contributes to the literature on bureaucratic embeddedness by providing and empirically testing a theoretical framework that explains how political leaders deal with the dilemma of bureaucratic embeddedness in appointments. Second, it contributes to the literature on delegation by unpacking how the mechanisms work differently in an authoritarian regime. Third, it contributes to the literature on state capacity by showing that authoritarian regimes face inherent contradictions in building state capacity. Finally, this study contributes to the literature on bureaucratic appointments in China by providing a strategic explanation for what hinders the Chinese bureaucracy toward a Weberian direction.