

RESEARCH ARTICLE

Poverty alleviation and state building in peripheral areas: evidence from China

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Abstract

The literature suggests that the distributive allocations of local public goods help politicians secure support and thus contribute to political survival. We argue that the selective assignment of state-led infrastructure projects can bolster political control in peripheral areas by inducing the government's investment in essential administrative and security apparatus for project implementation and long-term state building. Drawing on a unique county-level dataset, we study the effects of poverty alleviation transfers in Xinjiang. We find that poverty alleviation was associated with significant increases in government spending on public management and security. In contrast, these alleviation transfers had a small and ambiguous effect on increasing agricultural production and reducing ethnic violence in the province. Our findings highlight the importance of comparing the capacity and welfare implications of distributive politics, as fiscal subsidies may change the actions of the leader's local agents more than altering the behaviors and attitudes of those who may benefit from these transfers.

Key words: Authoritarian regimes; China; distributive politics; poverty alleviation; state building