

A CASE FOR COMPETITIVE ELECTIONS AT TWO OR MORE LEVELS OF LOCAL GOVERNMENT

by Roger B. Myerson¹

This note considers the potential importance of allowing elected officials in village and township governments to offer themselves as competitive candidates for elected offices at the next higher level of local government. Any elected official who has worked hard to offer good public service to a village or township should be able to ask the local voters for a promotion to serve them in a higher office. Village and township officials will be more highly motivated to serve the people of their communities when the people have a clear right to reward good local public service by such promotions. At the next higher levels, township and county officials should also know that, if they do not provide good public services, then they could face competition from candidates who have earned people's trust in lower levels of local government. The result should be to strengthen people's confidence in the quality of local public services and to increase the supply of local officials who have demonstrated their ability to earn people's trust.

In any community, economic growth depends on local government to provide a good secure environment in which people can invest and develop their productive abilities. In China, the decentralization of substantial authority and responsibility to local governments has been a significant contributing factor in the great economic successes of the past 40 years. Local governments have undertaken vital investments in public infrastructure, to help lay the foundations for China's outstanding economic growth. In sponsoring and encouraging new enterprises, local governments have provided engines of economic entrepreneurship that have that have enriched their communities.

As China's modern economic growth enters the next mature stage, however, the problems of accountability for local government may change. As long as the economy has a very high rate of investment, local leaders understand that they can attract more of this investment by good policies to protect and encourage new businesses in their communities. But this incentive for good local government becomes weaker when national investment slows down. Worse, when local governments have become burdened by excessive external debts, desperate local officials may try to reclaim some potential profit from their local power by gambling with public funds in

¹ *Author's address:* Department of Economics, 1126 East 59th Street, University of Chicago, Chicago, IL 60637 USA. *Email:* myerson@uchicago.edu. *Web:* <http://home.uchicago.edu/~rmyerson/>. *Text date:* May 19, 2015. This note is available online at <http://home.uchicago.edu/~rmyerson/research/china2015.pdf>

risky investments, or by abrogating their promises to protect outside investors. Thus, in China's next five-year plan, it may be important to consider new mechanisms for holding local political officials accountable for the quality of local public services in their communities.

The basic constitutional rules that define responsibilities and accountability for local public authorities have great importance in any political system. In ancient kingdoms, these rules may have been designed merely to ensure that local officials would reliably collect taxes and maintain lawful order in their domains. But in the modern world, we understand that greater prosperity depends on local officials providing essential public services that enable the people of their communities to be more productive and to enjoy a better quality of life. People need to be assured that local transportation networks will be well maintained, and that local law enforcement will justly maintain their rights of personal investments and relationships for greater productivity. The interconnected enterprises of a great modern economy are much more vulnerable to failures of such local public services than were the farms and shops of a traditional economy.

Even with modern information technology, however, it is difficult for national administrators to accurately measure the quality of local public services in every village, township, and county throughout a great nation. The best information about the quality of local public services is observed directly by the local people themselves. Thus, to guarantee that local officials will provide the local public services that China's modern economy requires, it will be increasingly important for career rewards of local officials to depend on broad popular approval from the local residents whom they serve.

Such popular accountability for local governments at the village and neighborhood level has been implemented in China by competitive elections for local village councils. With competitive elections, village officials understand that they could be replaced if the local voters believed that other potential candidates could provide better public services. However, competitive elections may fail to deter abuse of power by corrupt local officials if the local voters have no hope of getting better public services from anyone else. As even corrupt officials can make glowing promises in election speeches, voters may see no reason to trust any candidates' promises to serve them better. So when nobody else has a proven record of spending public funds more effectively to serve a community, the people of the community might

rationally vote to re-elect a corrupt local leader whom they know, out of fear that others would not be any better and could even be worse.

In a published technical paper (Myerson, 2006), I have game-theoretically analyzed this problem of low voter expectations and have shown how it can be solved by holding competitive elections at two or more levels of government. By working hard to manage public resources better for the benefit of the people in the village, an elected village official can provide a substantial reason for voters to believe that he could also serve them well in township government. Thus, with competitive elections for both village and township offices, the possibility of such popularly-supported promotion to township office can become a strong motivation for officials to serve well in village office. Furthermore, this potential competition from village officials can effectively raise the standards of service that township officials must meet to keep their positions.

So with two or more levels of competitive local elections, elective offices can form a ladder of democratic advancement that increases incentives for good public service at each level. However, if competitive elections are only at the lowest level of government, then voters do not have such an ability to encourage good service by the prospect of promotion to a higher level. It is also essential here that, local voters must know that the budgeted resources and responsibilities of their local government will not depend on whom they elect to fill these local offices.

Thus, I would recommend that the next five-year plan should consider the potential benefits of generally enabling elected officials in village government to offer themselves as competitive candidates for higher office at the township level. When this basic principle has been tested and proven, its beneficial effect can be strengthened by similarly giving elected officials in township government a general right to offer themselves as competitive candidates for office at the county level. These reforms could provide stronger incentives for local officials to manage their available resources for the best possible service to the local people. Furthermore, these reforms could help to develop the nation's supply of local leaders who have demonstrated their ability to earn people's confidence in competitive local elections. Such a supply of proven leadership can become a valuable resource which can be used to identify and test potential future leaders for higher levels of government as well. So the development of competitive elections at two or more levels of local government can have great significance both for the prosperity of China and for the strength of its leadership in generations to come.

References:

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