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Inequality and the Autocrat's Toolbox

Local governments in China face the daunting challenge of the world's most rapid urbanization. One of the latest endeavors in central planning aims to boost urbanization as an engine of the country's economic growth. By 2030, 70 percent of the population, or approximately one billion people, will be living in cities, 292.5 million of whom are currently migrants (The World Bank and Development Research Center of the State Council 2014, National Bureau of Statistics 2022). About one in five people in China is an internal migrant, and they have practical demands they need met after they find a job and settle down in urban areas. After four decades of moving from the countryside to metropolitan destinations to work in factories manufacturing goods for export, serving as nannies and security guards for their fellow citizens, and doing a number of other often low-paying and physically demanding jobs, most of these rural migrants do not yet hold the full set of social rights that their urban counterparts enjoy. At first glance, this seems to be changing as a few begin to gain access. Promises of reforms and renewed attention to remedying the inequality gap appeared to be a turning point in the early 2010s, but city officials' policy moves toward incorporation have counterintuitively generated new forms of exclusion through political atomization.

What is political atomization? This original concept explains the process by which the state creates policies that structurally treat marginalized people as individuals to enact selective inclusion over group-based exclusion. It effectively makes migrants responsible for their own public service access and shifts the focus from the state's obligation to provide basic benefits to citizens to those people's role in obtaining access.

By dampening expectations and diluting claims, it undermines group-based claims of discrimination. A system of political atomization is embodied in the policies, procedures, and practices that determine migrant entitlements and these migrants' interactions with various bureaucracies and government officials as they seek to access and use these privileges. Structural forms of control through these systems and the policies that make them up help give an illusion of agential power for migrants while keeping most of them out of urban welfare systems. Political atomization enables the authoritarian Chinese state to divide and conquer migrant workers and exercise control beyond coercion.

Political atomization entrenches migrant inequality in China. Reforms for incorporating outsiders into cities are not improving overall welfare for most migrant workers. But the process has not simply stagnated. Devolved policies at the municipal level are introducing new barriers for many to qualify for, access, and use urban social services. Atomization makes distribution and social citizenship for Chinese migrant workers a complicated city-by-city, case-by-case issue.[1] This book offers a novel conceptualization of the process by which a few migrants gain access to urban entitlements while others are excluded and most, more pointedly, are deflected and demobilized. Political atomization differs from existing understandings by unraveling the process of how people become individualized and explaining why mechanisms of social control extend beyond coercive repression and protest response in authoritarian regimes. Alternative explanations based on factors such as wealth, labor shortages, and generational differences do not account for the ways in which some cities are more inviting and others more exclusive. Nor do they show the logic behind the decentralized and frequently evolving patchwork of policies across the country that has emerged over recent decades.

Inequality and political atomization are understudied components of the autocrat's toolbox. Coercion and force are well-known parts of it, but there are softer forms of social control that shape the daily lives of people living under authoritarian regimes. One element of this is inequity. Inequality in society is universally criticized as government leaders and international organizations deride its harmful effects on the economy, innovation, people's general health and well-being, and more and thus seek to reduce disparity. Though there are many reasons why socioeconomic inequality persists, there is one under-explored source. States themselves may preserve or exacerbate some level of inequality

while they pursue other government goals, such as social stability and productive labor flows. The government recognizes that inequality creates an opportunity for social control via access to social welfare programs.

Political atomization benefits the state even without perfect central coordination and capacity. In the case of China, decentralization facilitates political atomization; more specifically, variation in public service provision for migrants aids social control through individuation. While it is difficult to impute the central government's intention, it is also not necessary in order for individualization to work. Nor is extremely high state capacity required. A baseline level of state capacity is helpful because the central government can credibly signal its commitment to incorporation while local governments construct and implement migrant social policy. Evaluating the exact level of central planning and overall state capacity are not the focus of this project and are left for future research. The challenges for municipalities and outcomes for migrants on the ground remain the same. The effectiveness of incomplete coordination and capacity in facilitating atomization mirrors the state's desire for a zone of control in which it wants some level and kind of inequality but not too much.

This opening chapter maps out the challenge of urbanization as development and situates the concept of political atomization and the main findings of this book in the larger context of inequality and authoritarian distribution. The concept of political atomization helps us understand four phenomena better: how authoritarian regimes exercise social control beyond coercion, why the perceived exchange of promised services for loyalty bolsters authoritarian resilience, how public service provision works without elections, and why there have been new gradations of second-class citizenship and structural inequality in China. To show how political atomization works, this book tracks the dynamics and consequences of the process from the state's perspective through migrants' points of view. The path first traces central directives to provincial, municipal, and district policies and the officials tasked with formulating them. Then it follows migrant interactions with frontline service providers who deliver health care and education in hospitals and schools and migrant workers' experiences with trying to access social services and thereby undermine political atomization. This book uncovers emergent and evolving structural sources of inequality, social control, and everyday marginalization in China.

WRANGLING URBANIZATION

The central puzzle and research questions of this book arise out of several cross-cutting frictions produced by urbanization: Why do most migrant workers still lack access to urban public services despite national directives to incorporate them into cities, reported worker shortages, and ongoing labor unrest? How do policies said to expand workers' rights end up undermining their claims to benefits owed to them? This book argues that local governments use political atomization aided by variation in public services for migrant workers to maintain social control and structural inequality. Through this, the Chinese state is able to regulate a large, marginalized, and mobile group of people whom they need, and cities can keep a steady labor force without providing the full set of benefits owed to these workers. This section outlines the urbanization challenge for municipal authorities.

Urbanization presents a quandary for city governments. The difficulty for local authorities is to maintain a steady and replenishable labor force without having to provide and pay for migrant entitlements. Municipalities therefore must juggle priorities that can pull them in opposite directions. They need to attract migrant workers to provide labor, foremost to support local economic growth and the future of one of the world's largest economies. The central government hopes they will eventually become middle-class consumers whose spending boosts the economy. These people, however, are not only workers but also citizens whose quality of life and well-being are at stake. And there is a practical issue. City and district governments have to respond to newcomers trying to use their health insurance at an urban public hospital or enroll their children in school, but they are not always willing to shoulder the burden of paying for and expanding public services for people they distinguish as outsiders. Multiple interests across levels of government and different sources of pushback from native urban residents further hinder the full incorporation of people registered as rural residents. Bottom-up demands and pragmatic considerations are but two sources of pressure to include migrants more in urban welfare systems.

Pronouncements from the central government put the squeeze on cities from above. They call for the further integration of migrants, and in March 2014, the Party Central Committee and the State Council jointly issued a National New-Type Urbanization Plan (*guojia xinxing chengzhen hua guihua*, 国家新型城镇化规划) (2014–2020) that among other things called for increased funding

for public services (State Council of the People's Republic of China 2014). In July 2014, the State Council announced a goal of eliminating the distinction between rural and urban household registrations (*hukou*, 户口) and converting 100 million rural residents' *hukou* into urban registrations by 2020. National officials, then and since, have recognized the need to improve services for migrants and have frequently emphasized the importance of a "people-centered" (*yiren weiben*, 以人为本) approach to urbanization. Rhetoric surrounding this set of proposals and goals is couched in broader aspirational goals: as a next step in China's path of modernization and in terms of its potential to boost domestic demand and drive future economic development. One piece of the plan includes reforming the residency system and improving access to benefits in the city for outsiders and long-term residents. At a press conference on the plan, Xu Xianping, Vice Minister of the National Development and Reform Commission, said, "[T]he plan requires us to promote the reform of the household registration system and the equalization of basic public services."[2] Yang Zhiming, Vice Minister of Human Resources and Social Security added, "We'll help more migrant workers … enjoy fundamental public services through settling down in cities and towns. Even for those who do not settle in urban areas, we'll allow them to gradually benefit from fundamental public services. We'll make relentless efforts."[3] These statements signal attention from multiple senior officials at the national level to migrants' lives as part of their strategies for making China more urban.

Cities therefore have an unfunded mandate to provide public services for newcomers in a system where there has been devolution of responsibility to city authorities. In the Xi Jinping era of authoritarian consolidation and recentralization of power, this remains one area where policy formulation and implementation have remained relatively decentralized and have been left in the hands of provincial, municipal, and district officials (Chan and Buckingham 2008, Guo and Liang 2017, Chan 2024). The Chinese Academy of Social Sciences estimated it would cost approximately 650 billion RMB (or US$106 billion) a year to ensure that rural migrants have the same health care, education, and housing benefits that their urban resident counterparts have (Reuters 2013). Without fiscal restructuring and larger transfers from the central government to pay for these extensions, municipalities are hamstrung.

A mismatch between state priorities and migrant preferences further strains the unfunded mandate. To reap the benefits of urbanization

without congesting already crowded mega-cities, the central government often encourages people to move to small and medium-sized cities.[4] These less developed cities are not as attractive to many internal migrants. Like most others in their position elsewhere and contrary to national authorities' main concern, migrant workers tend to favor large metropolises that offer more and better paid work opportunities, contain established networks of co-migrants from home, and allow more flexibility to switch jobs or industries when one does not pan out as expected. Restrictions on acquiring local *hukou* do not deter migrants from moving to those cities, but welfare benefits associated with local registrations are appealing (Pizzi and Hu 2022). An ongoing tension lies in the incongruence between where migrants want to live and work and where Beijing would prefer they go.

The limited integration efforts so far have been decentralized and disjointed. Changes to migrants' participation in urban welfare schemes have been made incrementally in the name of gradual reform to a big, unwieldy system. Counterintuitively, piecemeal improvements have made things the same or worse for most migrants. Differences, particularly in rights, can help keep marginalized populations divided and potentially undermine their collective consciousness. Group-based demands lose their bite, and individuals learn it is pragmatic to negotiate one-on-one with local government bureaucrats to get their needs met. By making access to social rights an individual process, the state can provide fewer services while maintaining a pool of labor to support economic growth in the city or province. Adding to the effectiveness of these informal and formal institutions, many migrants end up blaming themselves when they are excluded from urban public services.

Breakneck urbanization supported by the state raises questions about intentionality behind political atomization. Regardless of whether a coordinated top-down plan existed from the outset, migrant social policy has evolved into a useful tool of control for the government. It is difficult to definitively determine if it was a wholly formed, premeditated master plan from the start, but it need not be to work. Differences among municipalities designing residency points systems and regulating public school and hospital access are more easily discernable as reflecting official orientation toward policy than a centrally led and synchronized plan with and among all of them together. Intentionally or not, the degree of variation between localities, over time combined with the persistent gap between central directives and sub-national administration of public goods, shows the underlying political logic of sustaining

this system. Migrants can experience individualization through a system cobbled together from local subsystems without a puppet master in control of everything.

INEQUALITY AND AUTHORITARIAN DISTRIBUTION

Authoritarian Control beyond Coercion

The world is moving into a new era of democratic recession and authoritarian upsurge (Diamond 2015, Freedom House 2017). Old paradigms focused on democratic transition are becoming obsolete as we move into a period of global authoritarianism, and China is the ideal case for studying this. The country's tremendously successful economic transition and stable regime illuminate the role of states in development under consolidated nondemocratic rule. And while there are many studies on democracy and inequality, there is a dearth of research on the dynamic in autocratic countries. This book stands on the cusp of a new wave of research on autocracy. It challenges existing scholarship on authoritarian durability, public service provision, and citizenship in China.

Regulation of migrants provides a window into state control and day-to-day authoritarian governance. The literature on authoritarian durability focuses on the institutionalization of elite power transitions and harbingers of regime change (e.g., Nathan 2003, Svolik 2012) but sometimes forgets that stability maintenance is a pressing daily task never far from rulers' minds. This book shows a slice of nondemocratic rule in the days and years between elite transitions that come every half decade in China: mundane forms of social control built into institutions and structures that encourage citizens to make decisions that are consistent with the state's goals. They are ordinary features of daily state–society interactions that systematically shape inequality. Taken together, they are powerful ways the state manages citizens' expectations, maintains social stability, and sustains a labor force for economic growth.

The provision of public goods to migrants in China is not designed to primarily improve their welfare. A hitherto less exposed part is its role in supporting state-led urbanization, social stability, inequality, and other aims of the government. How they pursue these goals through this mechanism helps explain the political atomization that many migrants experience when they attempt to make claims and demands that are within the bounds of policies but still cannot prove eligibility, acquire access, or use services. Authorities use the social assistance program colloquially

known as *dibao* (低保) for surveillance and repression (Pan 2020), and the stratified expansion of social health insurance privileges elites over masses (Huang 2020). Furthermore, political atomization and decentralized provision of social services are not particularly efficient. Migrant workers move around by definition, so a national system with transferrable benefits would be a more straightforward choice. But when other state goals in addition to providing benefits enter the picture, it becomes clearer why devolved policies persist despite being less effective for the population they are supposed to help as a whole.

While there has been extensive research on the use of force in authoritarian regimes, tools of social control beyond coercion are underexplored. Scholars understand less about authoritarian consolidation (Göbel 2011), especially outside crises of power transitions. The military and police are important and necessary when, for instance, imminent regime collapse is pronounced and obvious. The goals that can be achieved through physical suppression and violence are limited. And focusing on force in authoritarian regimes occludes the multitudes of ways in which marginalized people experience and become familiar with state power in practice and therefore inform how they come to challenge it, bow to it, or simply live with it. In the same way that Lisa Wedeen (1999) discussed the centrality of rhetoric and symbols in Syria to expand the narrow focus of the study of politics on material interests, this book problematizes previous studies' overwhelming convergence on police coercion as the main means of state control over society.

Examining nonviolent forms of control uncovers some hidden dimensions of state–society relations. Many studies focus on protest as a channel for contention in such relations in China and other authoritarian regimes. This book unpacks a form of state–society relations that is less about direct mass contention and more about access and negotiation. The spaces are liminal but also showcase a deliberate part of local governments' design of urban public welfare. The book better reflects the common lived experience for most people living in China. This book echoes Piven and Cloward's (1971) finding on the relationship between the welfare system and civil order in the United States and builds on it by showing how the dynamics and outcomes differ in a developing country with an authoritarian regime.

Political atomization sits between two of James Scott's concepts: "seeing like a state" in grand projects of authoritarian vision (1998) and "everyday forms of resistance" (1985). The process requires municipal authorities to have some sense of societal legibility to know who does and

does not count as interlopers and whether they deem them deserving of benefits. At the same time, these outsiders are not uniformly or completely powerless. Their everyday experiences of power typically reflect how the state perceives them in terms of overall desirability as a permanent resident, potential threat to social stability, and economic value. Some are more appealing than others and therefore receive more benefits. These workers are also subject to authoritarian legality, which further emboldens some to claim rights as legislation grants more to them and then eventually falls short of expectations in practice (Gallagher 2017). Political atomization follows a similar course of initial, cautious hope followed by disenchantment, but with even less high-level political willpower and fewer resources behind it than many labor law reforms. This book identifies this process as a feature and not a bug of the systems which distribute urban entitlements to rural migrant workers. Disillusionment from experience and being told to wait for coming substantial reforms that never materialize make it harder for people to pursue claims and help to disempower the rest.

Authoritarian Distribution

Modern autocrats can draw on a diverse toolbox, as evident from examples from around the world. Major dimensions of authoritarian control are often categorized into tools of repression or cooptation, the latter of which includes variations of making concessions and buying loyalty. Leaders must weigh whether to use repression to, for example, counter challenges to the status quo (Davenport 2007) or deal with threats to the regime from a mass, organized, and potentially violent opposition (Svolik 2012). Numerous studies have considered the trade-offs between repression and cooptation from different approaches and across various governments (e.g., Wintrobe 1998, Gershenson and Grossman 2001, Gandhi and Przeworski 2006, Davenport 2007, Gandhi 2008, Frantz and Kendall-Taylor 2014, Xu 2021). Repression in authoritarian regimes is costly, can be ineffective, and may generate backlash though. Political atomization serves as an alternative mode of social control that may risk less overt and violent repercussions than coercive repression.

Coopting potential threats or giving policy concessions is another tool of authoritarian regimes. Autocratic leaders may induce loyalty or coopt segments of society through different power-sharing institutions, such as political parties, elections, and legislatures (e.g., O'Donnell 1979, Gandhi and Przeworski 2006, 2007, Brownlee 2007, Gandhi 2008,

Magaloni 2008, Svolik 2012). Dictators, for instance, make more extensive policy concessions and share fewer rents when they need more cooperation, and they make larger concessions and distribute more spoils when there is a higher threat of rebellion (Gandhi and Przeworski 2006). A combination of performance-based loyalty and repression explain a number of East Asian cases, and the regime in China adopted policies of both carrots and sticks to gain support or acquiescence from coalitions (Gallagher and Hanson 2009). Gallagher and Hanson's (2015) challenges to applying selectorate theory to authoritarian regimes based on Bueno de Mesquita et al.'s (2003) assumptions on the unrealistic linking of public goods and political rights and the exclusion and underestimation of the unenfranchized are relevant. This book builds on this further by examining a large subset of the masses, migrants, and the concrete process of providing, in addition to granting or withholding, public goods in the case of China.

Autocrats have long structured distribution through clientelism and patronage for political ends, and the literature often focuses on whether to provide or restrict public goods.[5] Scholars have studied clientelism across different regions, ranging from the roles and limits of patronage in Southeast Asia (Pepinsky 2007, Slater 2010) to neopatrimonialism in Sub-Saharan Africa (Bratton and van de Walle 1997) to the involvement of Bolivarian circles in receiving services in Venezuela (Hawkins and Hansen 2006). The study of social protection policies in developing countries is growing (e.g., Mares and Carnes 2009, Wibbels and Ahlquist 2011), but insufficient attention has been paid to the authoritarian roots of developing countries' social policy (Mares and Carnes 2009). The case of China is ideal for studying the provision of these benefits without electoral incentives in authoritarian regimes and underlines how the political logic of social policy may differ in nondemocratic regimes.

Political atomization differs from existing literature on patronage and clientelism in several ways and opens new paths for research on authoritarian welfare states. One key distinction is that perceived exchange of promised services for loyalty works for now in China, even in the absence of fully actualized incorporation. The allure of diffuse promised benefits, moreover, for Chinese migrants stands in contrast to targeted actual entitlements common in the literature. And how, not only if, public services are provided is an arena of concession and cooptation that merits more scholarly attention. The level of more targeted provision of public goods for groups within society, the interaction between economic growth and the development of the welfare state, and the ways in which entitlements