There are different, sometime conflicting, conclusions in the Western scholarship concerning the relations between economic development and democracy. In the 1950s, Lipset (1959) hypothesized connections between economic development (a high level of wealth or capitalist development and a market economy) and democratization. However, the breakdown of new democratic institutions in the 1960s challenged Lipset’s hypothesis. This was reflected in the writings of the 1970s, for example, in the works of Rustow (1970). In recent years, however, Lipset has defended his thesis by using the democratization data of the 1980s. He stresses that economic development encourages pluralism and raises standards of living and educational levels, and that new democracies are likely to fail if they are poor. In a note of caution he suggests that the correlation may be much lower when using 1990s data, because of the end of the cold war (as third world dictators could no longer play off the Soviet Union against the West), international support for human rights and democracy, and IMF policy (Lipset 1994).

The above theories are generated from national level democratization; the validity of the application of them to China’s village democracy must be questioned because the microconditions of village democracy are different from the macroconditions of national democracy. To understand the impact of the village economy on rural democracy, we must look at the specific economic conditions at village level, for example, village wealth and village enterprises; we cannot adopt GDP as a useful indicator for village democracy here. Nevertheless it would be interesting to find out whether some regularities and patterns concerning the relationship between economic development and
national democracy might be confirmed or rejected by Chinese practice of village democracy.

Western Sinologists and Chinese scholars offer different views with regard to the question of how economy affects village elections. O’Brien (1994:47) finds that the implementation of the Organic Law is more likely to be successful in relatively rich villages than in poor ones. In contrast, Susan Lawrence notices, “it was precisely because the villages were so unmanageable, and performing so poorly economically, that local authorities felt the need to experiment with new forms of village governance” (Lawrence 1994:67). Still, Wang Zhenyao,2 Xu Yong (1997a), and Gadsden (1996:419) contend that both rich and poor provinces (e.g., Guangdong and Tibet) have poor records of village election, while provinces that are at the middle level of economic development such as Fujian have developed their elections more successfully. For Anne Thurston (1998:20–27 and 33–39) there are four patterns of different combinations of economic and political factors: development with dictatorship in Daqiu village, democracy and patronage in Wugang village, no development—no democracy in the River village, and democratization with development in Fujian villages.

J. Oi (1996:140; also see Oi and Rozelle 2000:513–39) suggests, “there may be an inverse relationship between level of economic development and progress in the implementation of democratic village rule.” Tianjian Shi’s (1999c:425) finding shows that the relationship between economic development and village elections appears to be a concave curve: economic wealth increases the likelihood of a village holding semicompetitive elections, but its impact diminishes as economic wealth increases. Zheng Yongnian (1997), nevertheless, argues that the level of economic development is irrelevant to the development of village elections simply because the elections are imposed from above. It is the willingness, action, and strategies of leadership that largely decide the implementation of village election policy. Following the same line of thinking, Shi (1999c:425) contends that rapid economic development may even delay the process of political development because incumbent leaders can use newly acquired economic resources to bribe their superiors to ignore decisions of the central government to introduce competitive election into the villages. They can also use those resources to co-opt villagers and to make villagers more dependent on the village authority.

One of the deficiencies in current studies of village election is the lack of clear definition in some of the terms used. Among others, the terms “economic development” and “village elections” refer to different things when used by different people. Hence there is confusion arising from different variables and criteria. One, for instance, argues that economic development creates more difficulties for village elections, because a rich village is able to offer high salaries to the chief in addition to other benefits. As a result, village elections