Figure 4.2: *SCTE*, 253-256.

Note: All the ratios reported in the tables and figures of this chapter and other chapters are normalized by multiplying them with 100.

Figure 4.3: *SCTE*, 153-156, 203-206, 253-256.

Figure 4.4: *CTEY 1979-1987*, 576, 639-640; *CTEY 1989*, 71, 107; *CTEY 1990*, 121, 186-188; *CTEY 1991*, 133, 194-196; *CTEY 1992*, 132, 193-195; *CTEY 1993*, 232-235; *CTEY 1994*, 364-366; *CTEY 1996*, 251-252; *CTEY 1997*, 250-254; *CTEY 1998*, 211-215; *CTEY 1999*, 237-241; *SCTE*, 253-256, 377-380, 385-388.

Note: Part of the profit reported in the statistics on TVEs consisted of uncollected taxes (mostly funds "parked" in enterprise accounts). Since total tax obligations of TVEs (taxes due) are used to calculate the ratio of taxes to sales (which reflects the extent of "statutory" fiscal right of local governments), including uncollected taxes in profit for the calculation of the ratio of profit to sales will lead to double counting. To address this problem, uncollected taxes are deducted from nominal profit figures plotted for the period of 1987-1998.

CTEY 1978-1987 (p. 639) provides information on taxes due, whereas *SCTE* (p. 386) reveals taxes paid by TVEs in 1987. The difference is estimated to be the taxes uncollected, as reported in Table 3.2. *CETY 1989, 1990, 1991, 1992, 1993* provide more detailed information on taxes due and taxes paid in 1988-1992. *CETY 1994, 1995, 1996, 1997, 1998, 1999* do not contain such information. The difference between taxes due and paid in 1993-1994 is estimated by deducting taxes paid in *SCTE* (p. 387) from total taxes due reported in an internal publication entitled 乡镇企业财务统计汇总资料 1994 compiled by the Township Enterprise Bureau of the Ministry of Agriculture. The difference between taxes due and taxes paid can be found in 中国农业统计资料 1995 (p. 210), 1996 (p. 190), 1997 (p. 200), 1998 (p. 218).

Figure 4.5: *CTEY 1979-1987*, 576, 639-640; *CTEY 1989*, 71, 107; *CTEY 1990*, 121, 186-188; *CTEY 1991*, 133, 194-196; *CTEY 1992*, 132, 193-195; *CTEY 1993*, 142, 232-234; *CTEY 1994*, 368-369; *CTEY 1996*, 255; *CTEY 1997*, 246; *CTEY 1998*, 227; *CTEY 1999*, 234; *SCTE*, 253-256, 377-380, 385-388, 409-412.

Note: Debt here refers to total liability of TVEs. Pertinent data are unavailable for 1984-1991, when only outstanding balance of bank loans was reported in TVE-related statistics. The 1991-1992 Work Bank-CASS survey of 300 TVEs (Figure 4.1) contained a separate questionnaire on historical data (dating back to 1980) that specifically asked for, among other things, information on sales revenue and total borrowing from banks and non-bank sources. The debt-sales ratios calculated with this information are plotted as the estimates for 1984-1991 in the graph.

Table 4.1: *CSOAY 1994*, 476, 478, 480; *CSOAY 1995*, 456, 458-459; *CSOAY 1996*, 451; *CSOAY 1997*, 402; *CSOAY 1998*, 337; *FYC 1999*, 501; *CTEY 1993*, 142, 232-234; *CTEY 1994*, 368-369; *CTEY 1996*, 255; *CTEY 1997*, 246; *CTEY* 1998, 227; CTEY

1999, 234; SCTE, 253-256, 377-380, 385-388, 409-412; *FSPCC 1993*, 4-7; *FSPCC 1994*, 2-5; *FSPCC 1995*, 2-5; *FSPCC 1996*, 4-7; *FSPCC 1997*, 4-7; *FSPCC 1998*, 4-7.

Figure 4.6: *FYC 1997*,481; *FYC 1999*, 484.

Figure 4.8: *FYC 1997*, 480-481; *FYC 1999*, 482-484.

Additional note on the changes in political performance assessment before the so-called "scientific perspective of development" that the Hu-Wen leadership spelled out in 2006 (note 3, p. 108).

In 1979 CCPOD issued a directive on the evaluation of officials. It required that such evaluation be carried out on a bi-annual or annual basis to facilitate the country's modernization drive. It spelled out four concrete criteria: political virtue (*de*), ability (*neng*), diligence (*qin*), and work performance (*ji*). Departing from previous personnel policies that emphasized non-material incentives, the directive stated that material incentives could be used to boost performance.

In 1983 CCPOD reiterated the four criteria but attached greater importance to concrete work performance in cadre evaluation. It also turned political performance assessment into an annual exercise.

In 1984 CCPOD decided to delegate political performance assessment by making the appointment and evaluation of leading officials at each level of the party-state the responsibility of the pertinent CCP organ at the immediately higher level.

In 1988 CCPOD issued a set of provisional guidelines on the assessment of local officials with explicit use of concrete indicators listed out in a standardized form (i.e., "statistical table on the accomplishment of major social, economic and cultural target indicators"), which typically included gross industrial output, agricultural output, infrastructure and taxes.

In 1995 the CCP issued another directive on the selection and appointment of leading officials that emphasized the link between personnel decision and concrete measures of performance.

In 1998 the four basic criteria were broadened to include "*lian*" (clean from corruption) as a key area of evaluation.