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CORRUPTION AND ANTI-CORRUPTION IN CHINA: CHALLENGES AND COUNTERMEASURES

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Abstract: Like other developing countries, corruption is a serious challenge that China faces as it moves to modernize its economy and society. This paper examines what is different in the nature and extent of corruption in China compared to those of other nations based on its different political structure and reform policy. It differentiates the typologies of corruption and analyzes the causes and the dilemma that the country faces in wrestling with ways to eradicate corruption. Both theoretical explanation as well as empirical studies feature in the paper which concludes that for complete success in eradicating corruption, China would have to adopt the democratic system of checks and balances.

Keywords: corruption; anti-corruption; anti-corruption efforts

INTRODUCTION

Corruption and Anti-corruption has become a hotly debated issue in China, both among scholars as well as common people. No doubt, the scourge had existed since the founding of the PRC but most people, including the State and Party leaders, had not supposed that it would spread so fast and become so serious. The hatred of corruption in China is easy to understand. Despite this, however, its prevalence has resulted in two defeatist attitudes. The first is a pessimistic resignation that there is nothing that can be done and the second, an “ostrich” point of view that corruption is actually an efficient mechanism to smooth the path of development.

The latter perspective reflects an attempt at rationalizing the cost of corruption. Contrary to popular belief, this argument is based on the premise that corruption promotes economic development since it provides a way to get past the barriers erected by entrenched interests and status quo powers. (Li, 2009). This pessimistic viewpoint has arisen also because corruption still exists despite having had so many resources invested in countering it.

Many scholars have also noticed the connection between corruption and societies in transition (Zhou, 2009) and they picture the worsening of corruption as a phenomenon of a transitional society. Other scholars, however, have probed deeper and found more fundamental causes for the worsening of corruption. This paper studies the characteristics, forms and trends of corruption in China as well as the country’s anti-corruption efforts.

FORMS, FEATURES AND TRENDS OF CORRUPTION IN CHINA: OLD AND NEW

Corruption is not a new phenomenon in China. Even in the Maoist era, there existed varieties of corruption. But the corruption then was quite different from that in contemporary China (Ma, 2009). This actually illustrates the changes and continuity of corruption in terms of forms, features, and the extent and severity of it in the past and the present. Contradictory institutional arrangements and ideological doctrines shaped the forms and characteristics of corruption before the reform. Because of the need to promote state-building and

economic development, Chinese society was highly organized. This resulted in a hierarchical bureaucracy. Both the Party organs and the state organs were made powerful and strong so as to realize the grand goals of the communist state. Instead of efficiency, however, corruption took root.

The communist leaders, including Mao Zedong, had noticed the increasing danger of bureaucratic misconduct and corrupt behaviors and mandated a plain lifestyle for all party cadres and government officials. Strict rules were introduced. In addition, various mass movements were constantly mounted and succeeded in intimidating wrong-doers. In Maoist China, therefore, corruption was restrained. The forms of corruption in this period generally fell into the following categories. First was the advancement of personal interests resulting in an improved lifestyle for the corrupt official and his family.

Second were privileges for exchanging loyalty and substantial contributions from those who were in a patron-client relationship. Easy access to the so-called "back door" was the main specific right for the party cadres and government officials, especially for the senior cadres. The interests the corrupt cadres and officials gained were mainly commercial goods, sometimes including sexual favors.

The above-mentioned two types of corruption could be classified as forms of nepotism, power abuse and manipulation of patron-client relations. Third were graft and embezzlement. Though this form was highly dangerous and easy to lead to severe punishment, attempts to be engaged in it were not eradicated. But corrupt gains in the Maoist era were, to a great extent, constrained. Obviously, the rather limited corrupt gains were partly due to the shortage of luxuries because of the underdeveloped economic conditions. Other contributing factors were the strict political disciplines, the promotion of moral doctrines and the mounting of mass movements against corruption.

The forms, extent and characteristics of corruption have changed greatly in the reform era. To further illustrate the situation, a brief look at the typologies proffered by scholars is needed. One famous scholar specializing in corruption studies is Heidenheimer. Heidenheimer classified corruption in China in three categories:

Class A or "black corruption": The corrupt practices in this category, including graft, bribe, fraud, embezzlement, extortion, smuggling, tax evasion, etc, constitute an important part of "economic crimes." Because they are obviously illegal and the main purpose of those involved in these practice is to increase their personal wealth, government officials and the public generally agree that such practices are corrupt.

Class B or "grey corruption": The key characteristics of this category, into which more and more practices are being categorized, is of leaders of public institutions using their institutional power to increase the interests of their institutions and improve the welfare of their staffs through various legal, semi-legal and illegal ways. Such practices includes public institutions making profits by engaging in business activities (such as a public bank entering into the stock market, the bureau of environment protection selling environment protection facilities to their clients), setting up satellite companies, and imposing fines or collecting administrative fees or charging the so-called 'service fee' and then putting the income into their own coffers. Class B also includes such "unhealthy practices" as extravagance and waste, e.g., spending public money to support luxurious work conditions and/or life style by senior officials. Such extravagance and waste is manifested in many aspects: expensive entertainment, costly foreign cars for senior officials, magnificent and tastefully furnished office buildings, domestic or foreign travel in the name of official business, etc. Such "unhealthy tendencies" and the associated corruption, both significantly increasing the public's burden, have led to a significant public outcry.

Class C: or "white corruption": Class C practices constitute a kind of 'common practice' of social life. They include the nepotism and favoritism in personnel recruitment and promotion, bending the law in favor of relatives and friends, preferential treatment in resource-allocations for relatives and friends, fellow-villagers etc. Much of this is, in fact, a way of reciprocating previously given favors. Such practices have penetrated widely into public life, influencing the behavior of government officials and ordinary citizens as well, contributing to the operation and existence of networks of personal ties. Creating and maintaining such networks is accepted by most people, including government officials, as a 'normal' practice. However, such networks are condemned by those excluded from them although they will not hesitate to engage in such practice should they have an opportunity to do so.

The above forms of corruption are universally acknowledged in Chinese academic circles. In fact, the situation in current China is so serious that almost all the existing types of corruption can be spotted. Gerald Caiden has set forth a typology of corruption, cited in the list below, from which almost all the misconducts and malpractices can be found in contemporary China.

Table 1. Regularized forms of non-violent corruption¹

Political shortage and espionage; illegal surveillance; frame-ups
Electoral chicanery; gerry mandering; ballot stuffing; ineligible voters
Public employment; payroll padding; sinecures; nepotism
Legally bestowed monopolies
Non-competitive contracts; fixed/rigged bidding; profiteering
Expropriation of property; illegal search and seizure;
Favors, bribes, pay offs, kickbacks, commissions
Gratuities, gifts, presents, tributes, "service fees"
Discriminatory distribution of public monies
Preferential treatment in obtaining public services
Loans, grants, subsidies of public resources
Deceit, fraud, improprieties; unlawful detention; house arrests; forgeries
Tax avoidance and evasion; non enforcement of laws and regulations; unlawful orders
Conflicts of interest; influence peddling; use of confidential information
Illegal use of the mails and telecommunications
Misuse of official seals, stationery, residence and perquisites
Boondoggles; junkets; conspicuous consumption; self-gratification
File tampering; false evidence
Currency manipulation; smuggling; swindling the state and citizens
Undeserved pardons; remissions and suspension of sentences
Covering up, white washing and exonerating gross misconduct

The above list is taken from a description of the state of corruption in General Nuymayri's Sudan. The fact that scholars have used the list to compare it to corruption in China has raised serious concerns that China is following the model of General Numayri's Sudan where the evil of corruption in political and economic life eventually caused the collapse of the regime (Qin, 2002).

TYPOLOGIES OF CORRUPTION IN MODERN CHINA

Still, while corruption in contemporary China is a commonly recognized phenomenon and shares the primary characteristics of corruption in other countries, it is characterized by a transitional Chinese style that reflects its different social, cultural and political background. Below, this paper categorizes and describes the main corruption forms in China today:

The Form of “No.1 Leader Corruption” (Yibashou Fubai)

This form of corruption is caused mainly by the specific institutional arrangement of the political system of China. It is rather difficult to tell to the outsiders who “the No.1 leader” is in so many diverse types of political, economic and social apparatus and organizations in China. For a state-owned firm or corporation, say an economic organization, the general manager is “the No.1 leader”. For a jurisdiction, say a provincial, a prefecture or a county, “the No.1 leader” actually means two persons – the No.1 leader of the party apparatus and the No.1 leader of the government. But in the case of the state apparatus as a whole, the No.1 leader usually refers to the head of party apparatus, say the party secretary of a party committee. Generally, however, opportunities for corrupt behaviors are provided for both the so-called No.1 leader of the party and the No.1 leader of the government.

This is because under the specific institutional arrangement of “the collective responsibility but personally job allocated system”, administrators hold the power and responsibility of daily work, but actual strategic decisions and those decisions affecting personnel are discussed and decided jointly by administration and party apparatus, usually at the meetings of a level of the party committee where administrators hold positions of secondary importance. In state-owned economic organizations and other social organizations with less political concern where manager or corporation responsibility system is implemented, the managers or administrators are regarded as the key figures. But the heads of the party apparatus in such nonpolitical organizations are still of critical importance where the organizations are considered important politically and economically. In, say a province, a prefecture or a county, both the No.1 leader of the party apparatus and the government are equally powerful in decision making, resource allocation and interest distribution. But as the No.1 leader of the party apparatus usually keeps the power of personnel appointments, this affords him a chance to sell public positions, while the No.1 leader of the government is afforded the opportunities to gain from economic development such as public projects.

Both of these officials are in positions to take the advantage of their power to commit graft, bribery and embezzlement. Typical cases are those of party secretary of Beijing municipality, Chen Xitong, and that of the former chairman of the Guangxi Zhuang minority autonomous region and later the vice chairperson of the Standing Committee of the National People’ Congress, Cheng Kejie. For administrative apparatus and economic organizations, the biggest and typical No.1 cases of corruption are those of the Minister of the National Land Resources Ministry, Tian Fengshan, and the President of the Bank of China, Wang Xuebing who were both accused of abusing power and causing great loss of the state interests.

The Form of Personnel Management Corruption (Yongren Fubai) – Cash for Jobs

Though in China, all procedures and measures relevant to official selection are institutionalized, they usually mean guises not realities. Whether a person could be selected to an important position or promoted to a higher

position depends on whether the person has developed close ties with the leaders of high ranks. The ties could be those of relatives, friends, classmates or colleagues of high rank officials. Or they could result from providing substantial commercial interests to the leaders which nowadays means sending money to them. Selling and buying public positions is the main form of Personnel management corruption, of which the typical case is the case of a county governor of Hepu city in Guangxi Zhuang Minority autonomous region who sold public positions at precise prices according to the levels of the positions, set by him. The public positions are increasingly becoming sources for exchanging interests, support and loyalty in China today.

The Form of Collectively Practiced Bribery Corruption (Gonghui)

The resource and interest allocation system in China is rather affected by the paternalist way the government or government organs at higher levels treat departments, professions and localities at lower levels. Important power and resource are often centralized in the hands of those government or government organs in higher positions. Localities, enterprises and other social actors have to compete for administrative approval, special treatment and other favorable policies from those at higher levels. This even applies to some quasi-government organizations which monopolize the distributional power of resource and interest. The best way for the localities, departments, enterprises or other social actors to successfully compete is to develop close relations with government organs at higher levels or whoever holds positions of power. They turn the public relations into private ones by bribing those who are thought critical in resource and interest allocation or policy making.

Such a type of corruption is in the category of grey corruption because it is usually practiced collectively and for some kind of public interests of certain localities, departments, enterprises and other collective actors. It is becoming increasingly a critical way for resource and policy competition in China in the reform era because the competed targets, such as production materials, trade qualifications, capital circulation, land use and other administrative approvals are vital for the development of certain localities, departments, enterprises and other collective actors. The typical characteristic of such a kind of corruption is to use public money to bribe for public interests, but its harmful impacts are no less serious than those of other corruption forms.

The Form of Public Money Consumption Corruption or Power Abuse Corruption (Hangye Buzheng Zhifeng and Puzhang Langfei)

The political and administrative culture in China has inherited from Chinese feudalism based on the Confucian ideology, an emphasis on the importance of and reliance on the hierarchical system of authority. The political and administrative authorities have been thought to be powerful and capable of doing anything. This was exacerbated by the institutional arrangements characterized as power centralization and administrative arbitration. Both government and citizens are tolerant for power abuse and even apathetic to the phenomena of abuse, waste, extravagance of government and its officials. Few people think that the power in the hands of public servants are from the public, but rather take it for granted that government officials deserve the privileges.

In contemporary China, waste, extravagance and luxury are surprising. It is estimated that every year, the spending on official cars is 30 billion US dollars, and the total amount of government waste is approximately 250 billion US dollars. Government budget and public fund are the main sources of such a big waste, but they are obviously not enough. Government and its officials at all levels have to rely on illegal measures and malpractices to support their high lifestyle. Each of the government organs and departments has developed its

own ways of abusing power for raising fund. The notorious “three arbitrations” (San Luan) is an example, namely, illegal charges, illegal fines and illegal fund raising. In fact, every chance and every piece of public power can be privatized in contemporary China as a way to realize personal interest, by which, wealth and luxurious life facilities of government officials are growing extraordinarily fast, rapidly widening the gap in the lifestyles of government officials and common citizens. .

The Form of Public Project Corruption (Gongcheng Fubai)

China is now on track of economic take-off, so the whole country is like a huge construction site. It is admitted that public investment is the key pivot to promote economic development and this is especially true for China. Actually, nearly all public investment provides chances for government officials to extract money. This is because all public projects have to be contracted out, which means that government officials actually play a role of public agents responsible for bargaining with the contractors. Since the government officials responsible for certain public projects have the power to decide who are qualified for the job, and since they are entrusted to determine the baseline of bargaining with the contractors, they have enough incentive to turn traitor to public interest and to collude with the contractors.

In fact, the kickback of public projects is so high in China that it is estimated that 20 percent of a certain public project fund is utilized to bribe the relevant government officials. That is to say, for a public project of 1 million Yuan, 200 thousand Yuan is used to bribe the relevant government officials in the form of kickback. This is why so many key figures at every level of government have attempted to be involved in public projects and as a result, many of them have been accused and prosecuted.

The Form of Examining and Approval Power Corruption (Shenpi Fubai)

China is now in the transitional period, which means that the nature and the features of the old system will still last for a long time before China completes the course of transition. Indeed, many scholars, both at home and abroad, have cast doubts on whether China can be judged as a country practicing market economy since government intervention and administrative discretion are still playing critical roles in economic life. The prominent manifest of government intervention and administrative discretion is the examining and approval power in the hands of the government and government organs. In China, enterprises, citizens and other social actors find it difficult to navigate the large number of complicated administrative and approval processes and procedures. For example, if someone wants to open a small bookstore, he has to be examined and approved by a number of official departments, including the department of city management, the department of taxation, the department of industrial and commercial management, the department of city construction, the department of cultural affairs, the department of public security, the department of news and press management, the party’s propaganda department, and so on.

The entrepreneur can be blocked by any of the listed official apparatus. Usually it is so hard to pass the examination and get the approval from the government organizations that it is regarded as a shared and tacit consent to “buy the road”, e.g. to bribe for the official approval. It has become a main way for the officials responsible for examining and approval to take the advantage of public power to blackmail and fraud their “served” enterprises and citizens to extract money. Actually, this popularizes a saying describing this phenomena as “no money, no approval; less money, slow approval; much money, fast approval”, which vividly pictures the situation of administrative corruption in China today. While the aforementioned forms of

corruptions are the prominent ones, there are three new trends that are worth noting (Lin, 2010).

NEW TRENDS OF CORRUPTION

While a great many of officials in the public sectors are involved in corruption, a new trend is that the families of a large number of senior cadres have become involved as well. Before the reform era, senior cadres were distinguished from others mainly in that they enjoyed a special lifestyle based on their rank and the state provided what they needed in the form of substances and life facilities, such as big houses, cottages, larger quota of food and meat, cars and other necessary commodities for their families, but rarely in the form of money. Things have changed greatly since China began market-oriented reform. The senior cadres no longer enjoy their previous privileges but now do so in the form of high salary and welfare. But what they have gained from the state seems rather trivial when compared with those in the private sector who have accumulated much wealth and rapidly become extraordinarily rich. Therefore they began to be more greedy and predatory in gaining wealth. The public power in their hands can be used as a tool and a medium for them to squeeze for graft. Power cohabiting with capital has rapidly created the crony capitalism in China.

Although the CPC has found it difficult to eradicate such corruption committed by senior cadres, when caught, punishment has become increasingly severe. A large number of senior cadres and their families involved in economic crimes have been exposed and prosecuted, among whom, Chen Xitong, a politburo member of CPC and the party secretary of Beijing, Chen Kejie, vice chairman of the Standing Committee of NPC and former governor of the Guangxi Zhuang Minority Autonomous Region, Hu Changqing, the vice governor of Jiangxi Province, Tian Fengshan, Minister of National Land Resource Ministry, Wang Xuebing, president of the Bank of China, Wang Huaizhong, vice governor of Anhui Province, Cheng Weigao, party secretary of Hebei Province, Li Jiating, vice governor of Yunnan Province, are the most notorious. The pessimistic view is that few senior cadres of the party and government are clean. This has harmed the reputation of the socialist party and state and greatly undermined the moral and political basis of the regime.

While petty cases of corruption are numerous, so-called big cases of corruption have increased in number. Corruption is a widespread phenomenon in China, not only in its variety but also because of the large number of officials of all ranks involved in it. Even worse, there has emerged a tendency that the number of big corruption cases is enlarging. In the 1980s, an economic crime case of 10 thousand Yuan was judged as big case, but in the 1990s, the figure has risen to 100 thousand Yuan. Within the first eight months of 2000, 23,000 graft cases were investigated and 1.6 Billion Yuan recovered. Four people holding minister-level positions were investigated. Prosecutors investigated a total of 5700 government and CCP officials (Xianhua, 15 Sept., 2000).

The President of the Supreme People's Court announced that 15,748 government officials and businessmen had been sentenced for corruption during 1999. In the first six months of 2000, the figures were reported to be up 7 percent, with the number of judges, prosecutors and judges prosecuted up 33 percent (SCMP, 22 July, 2000, Internet edition). Some big cases are so spectacular that people find it hard to believe. In the massive smuggling scandal in Xiamen, it is estimated that at least 80 billion Yuan has gone missing. A mixture of corruption, negligence and shady investments had caused losses of over 1 billion Yuan from Shanghai's medical, pension and housing funds. Such big cases have resulted in shocking impacts among the people and caused enormous outrages.

At the same time when single-person-committed corruptions are flourishing, cases of collective corruptions have become more popular and prominent. Due to the China's special political and administrative institutions as mentioned above, collective corruption is easy to organize, and officials in the same department

and organization are found to conspire for corruption in the name of public good. Actually, the bigger the corruption case is, the more possible for officials to cooperate in practicing corrupt actions. The typical example is the huge project to dam the Yangtze River at the Three Gorges, a project already billed at \$72 billion and designed to boost electricity by 10 percent and to tame downstream flooding. An audit of the resettlement project revealed that 473 million Yuan had been misappropriated (8.8 percent of the total funds audited) and used to build offices, dormitories and to set up companies (Xianhua, 28 January, 2000). In July 2000 it was reported that 97 government officials involved in the project had been found to have engaged in corrupt practices. One official was condemned to death for stealing 15 million Yuan to invest in a hotel, while another stole 650, 000 Yuan from one of the resettlement accounts. A further 425 million Yuan is still missing and while staff at the Three Gorges Economic Development Corporation had not been paid for 11 months, their boss had run away with over 1 billion Yuan (SCMP, 3 May 2000, Internet Edition). This case exhibits loopholes and weakness deeply embedded in China's political and administrative structure for which, without effective remedies, corruption will lead to its collapse.

ANTI-CORRUPTION EFFORTS AND MEASURES IN CHINA

The increasingly serious corruption situation in China today, has caused great social dissatisfaction and outcry. It has caught the attention of the central authorities as well. Great effort has been made and various measures have been taken to prevent the situation from worsening (Xin, 2010). Since the late 1980s and early 1990s anti-corruption is one of the primary themes of the Party's congresses and the sessions of the Central Committee of CCP. Decisions, regulations, disciplines and rules have been constantly initiated to curb the practice. Since China's social and economic transition might last for a long time due to the nature of incremental reform, more fundamental means should be taken into consideration in addition to the existing efforts and measures (Lin, 2010). Below are described three main categories of anti-corruption measures, A, B and C with sub-groups for each category where appropriate.

Group A: Strengthening and Improvement of Various Anti-Corruption Agencies and Institutions

Since 1978, the Chinese authorities have re-established various anti-corruption work agencies, which were suspended during the Cultural Revolution. At the end of 1978, the Central and local Commissions for Discipline Inspection of CPC, whose major function is to supervise party members and leaders in various political organizations on the basis of the party's disciplinary regulation, were re-established. The Supreme People's Procuratorate and local Procuratorates, whose major task is to supervise law-enforcement and investigate and prosecute economic crime, were re-established in 1978. The Ministry of Supervision and its local branches, whose major task is to supervise government officials and punish those who violate administrative discipline, was re-established in 1987.

The Anti-Corruption Work Bureau was established at the beginning of 1990's under the command of the Procuratorates to serve as the major anti-corruption agency. In order to strengthen the anti-corruption organs and enhance their independence in law and discipline enforcement, the Chinese government has taken several measures to improve the leadership system of these agencies. The Central Commission for Discipline Inspection and its local branches and the Ministry of Supervision and its local branches were merged into one body, and began work jointly in 1992. The government also worked to strengthen vertical leadership within the system of anti-corruption agencies although such leaders must still accept the party committee's leadership.

Finally, the central and local Commissions for Discipline Inspection of CPC have begun to play a coordinator role in anti-corruption work among various anti-corruption agencies. Other important institutional reforms that have helped to curb corruptions have been implemented within the past two decades. These include:

a. Increasing the transparency of the public decision making process. Beginning in the late 1980's, some local governments and departments began to experiment with making the procedures and results of handling official business decisions public so that citizens could supervise the government's work. Since the beginning of 1990's, such practices have spread to more and more local governments and departments.

b. Additional mechanism for internal control of institutional power, such as teamwork, overlap of duties, reduction of the power of individual officials have been implemented.

c. The so-called "regulation of avoidance (of relatives) and transfer of leading cadres" at various levels have been implemented. "The regulation of avoidance of leading cadres" has three provisions: first, avoidance of conflicts in appointment to official posts, namely, senior officials must avoid having their spouses, children or relatives hold important posts in their own work units. Second, avoidance of conflicts of loyalty in official business, namely, senior officials are not allowed to participate in official business or exercise influence on such activities if they are involved in their own or their kin's interest. Finally, the avoidance of such conflicts in regional assignments, namely, officials local to a specific county are not allowed to hold senior official posts in that county. The "regulation of transfer of leading cadres" requires that government officials be transferred regularly from one region to another or from one department to another in order to break whatever personal networks may have developed. This avoidance and transfer practice is inherited from the traditional Chinese imperial practice.

d. According to recent regulations, all senior officials at the county level and above must report their income from all sources every half-year. Although this should be an effective measure for detecting corruption, its effectiveness has been weakened in large part by the backwardness of banking and tax systems in contemporary China. For example, there are no special organs to verify such income registration. There is also no legal requirement to register and the requirement is only one backed up by party and administrative disciplinary regulations.

e. Report centers have been established and the reporting system improved: The report centers within the Procuratorates and the Supervision Ministry and its local branches were established in 1988. Citizens can report any evidence of economic crimes by phone, fax, letter, or orally to such centers. Citizens have provided a vast amount of such evidence to these centers. For example, from April to June 1988, the Ministry of Supervision's hotline received 1250 calls. Elsewhere, the report centers attached to the Shanghai Procuratorate received 15000 reports in one year. Of these, 11,035 provided relevant information about graft, bribes and other such acts. The report system was recently improved through additional measures to protect and reward those citizens who reported evidence of corruption and informing them of the progress and results of the relevant investigations and trials (He, 2003).

Group B: Anti-Corruption Campaigns

Since 1978, the Chinese government has launched four anti-corruption campaigns. The first one, which began in 1982, targeted economic crimes with significant success. 136,024 cases of economic crime were investigated, of which 44,000 were wound up with 26,000 persons convicted and 44,000 persons surrendering themselves to the police. The second anti-corruption campaign, which began in late 1983 and lasted until early

1987, concentrated on consolidating party organizations. During this movement, a large number of party members who had violated party discipline or engaged in corrupt activities were punished, including 35,616 senior officials at the county level and above. The third anti-corruption campaign began in 1988 and reached its peak in late 1989. A large number of corrupt officials were punished or surrendered themselves to the anti-corruption agencies. According to official statistics, 11,763 cases of graft, bribery and other relevant crimes were accepted and heard by the Procuratorates in 1989, of which 58,726 cases were investigated and prosecuted, 20,794 criminals were arrested, and 482.86 million Yuan were recovered. 36,171 officials surrendered themselves to the anti-corruption agencies from August 15 1989 to October 31, 1989.

The fourth anti-corruption campaign began in late 1993 and has lasted to the present. This campaign has had three objectives: addressing the issue of self-regulation of senior officials; strengthening the investigation and prosecution of large-size corrupt cases and forcefully curbing unhealthy tendencies within government departments. The newest anti-corruption campaign has had some positive effects as indicated by the slight improvement in perceived corruption in China after 1995 as reported by Transparency International (TI). But the situation facing anti-corruption agencies is still very serious and there is no reason for optimism.

The four anti-corruption campaigns not only focused on cracking down on what were clearly Class A forms of corruption but also initiated some measures to combat the other Class B and C corruption. These measures include:

(a) Regulations prohibiting public officials and their institutions from engaging in business activities and running satellite companies. The separation of public institutions and their satellite companies became a central focus of the third anti-corruption campaign with considerable success. According to official statistics, by July 6, 1990, 11,934 companies run by party and government institutions (or 85.8% of the total) had been closed while the remainder was separated from the original public institutions. 49,292 government officials, including retired officials who held posts in enterprises, resigned from these posts.

(b) Implementation of budget management on the extra-budget income of various departments such as revenue from imposing fines and collecting administrative fees. This task has become a focal point of the fourth anti-corruption campaign. According to Wei Jianxing, former head of Central Committee for Discipline Inspection, the separation of government departments' income from their expenditure had been implemented as an important step in curbing unhealthy tendency within government departments.

(c) Regulations for restricting extravagance and waste within government organs. Such regulations include reducing the number of administrative meetings and files; limiting spending on banquets, cars and office furniture; prohibition of foreign and domestic tourism using public money; prohibition of luxurious entertainment and so on. The fight against extravagance and waste has become another field of battle since 1997.

Group C: Moral Education

Moral education constitutes an important element of these four anti-corruption campaigns. The second and the fourth anti-corruption campaign particularly attached great importance to moral education. The second anti-corruption campaign was also a moral education movement aimed at consolidating and strengthening party organizations. Since the third generation of political leaders has paid great attention to the moral education as a part of their anti-corruption efforts, moral education played an important part in their anti-corruption efforts. The methods for moral education include:

(a) The whole party, especially senior leaders, was asked to regularly study political theory, particular Deng Xiaoping's theory 'Building socialism with Chinese Characteristics'. Party organizations at various levels were required to educate their members with communist ideals, morality and faith. (b) Party members, especially the senior leaders, were asked to review their behavior against various anti-corruption rules and to criticize the misconduct of the other party members in party organization conferences. (c) Government officials who were honest and clean (most of whom are party members) were cited as models and all public officials were asked to follow their examples. (d) Corrupt officials were punished under the appropriate law, party or administrative disciplinary regulation and their behavior condemned by social opinion.

However, there are limits to moral education. Since senior officials and the ordinary party members are actually not equal within party organizations, the wrongdoings of senior officials are not easily criticized or checked by other party members. Moreover, because of the lack of check and balance of power, the lack of transparency in much of the behaviors of senior leaders and the limits of self-regulation, it is very difficult for senior officials to set examples, particularly when they are involved in corruption or are universally believed to be doing so. This undermines the effectiveness of moral education. Another limit is that the behavior of model officials is often too perfect to be followed by the other officials. The exemplary cases of model officials publicized by the authorities are unrealistic. These quote cases of those who are satisfied with low salaries, lead a simple life, work hard, renounce their family lives and handle official business impartially without any fear of offending their relatives and friends. Such perfect models are hard to accept as models, thus further undermining moral education.

CONCLUSION

Corruption and anti-corruption have become serious challenges to the party and the regime in China. In its long history, China developed its own tradition, culture, ethics, political heritages and administrative norms which differ from those of the rest of the world (Zhao, 1997). China has to find its own road to cope with mounting corruption. On the whole, the anti-corruption situation is not optimistic. Though more severe punishment has been introduced, and increasingly tough measures have been enhanced, the results produced seem disappointing. It is argued that the corruption and anti-corruption situation is actually a dilemma for China, therefore, the policies, measures and means of anti-corruption are doomed to be crippled. China has to try hard to deter the worsening of the situation, but it is unlikely to succeed in thoroughly eradicating corruption.

The primary reasons are as follows: First, the CPC as a leading political force has changed in its role as the representative of working class. It has, instead, become a political stakeholder caring most about its own interests and the stability of its regime. This is because a large part of its members have gained from the economic reform and development, and they have become a new social stratum superior economically and politically to other social strata. Actually the whole ruling elite – bureaucratic practitioners, administrative officials, and party cadres have been integrated into a privileged network of shared interest.

This determines the nature of the anti-corruption strategy of China. On one hand, anti-corruption policy has to be implemented to pacify the anger of common people and to maintain the moral image of the party and the regime. This will in turn benefit the ruling class itself. On the other hand, anti-corruption has to be limited within a scope that might not harm the immediate interests of the new stakeholders. Therefore, rather than taking anti-corruption as a strategy relevant to deepening reform and optimizing governability of the party and

state, sometimes anti-corruption has only been regarded as a political tactic for manipulating party cadres and government officials. These have negatively impacted the anti-corruption efforts and the results produced. Another consideration is that although the political structure and institutions are the main barriers to the anti-corruption efforts, they are not permitted to be changed. Indeed, a string of Chinese leaders have railed against the effect that widespread corruption has kept on undermining the legitimacy of the party. However, none has been willing to suggest the kind of structural reforms such as a system of check and balances that would resolve it (Saich, 2001, p. 299).

Therefore, though institutional arrangements, such as the Disciplinary Inspection Committee as a party organ, Ministry of Supervision and its branches as government departments, and the Supreme People's Court, the Supreme Procuratorate as legislature organizations, and varieties of other supervision institutions, have been established, their functions and practices are limited because of their dependent nature. Without the agreement and the coordination of the party committee, they find it hard to do anything. A typical dilemma can be seen in the function and work of the disciplinary inspections at all levels of the party organizations. They are in name responsible for checking and inspecting all the party members at certain branches. However, as they are under the leadership of the party committees of the same level, how can they supervise their own authorities? Without the necessary independence, no anti-corruption institution can function well. Third, leaders in China have always stressed the necessity of the rule of law. However, while rules, laws and regulations have been introduced in large numbers, too many loopholes and weaknesses allow them to be manipulated. Further, under the political guidelines of so-called unitary leadership of the party, laws, rules and regulations are easily distorted (Pang, 2010).

From the arguments above, it can be seen that China has not really achieved its goal of anti-corruption because it has neglected the basic weakness of its political structure and institutions. The most effective way to combat corruption is to build a check and balance power structure. And the most important factor of the check and balance power structure is the differentiation and independence of institutions. This vital element of differentiation and independence of institutions is the foundation of a democracy. Thus, democracy is the final remedy for corruption that China should resort to. Democratic conception, democratic polity, democratic lifestyle should be the primary factors that China should pursue if it wants to win the battle of fighting against corruption.

NOTES

1. Source: Gerald Caiden, 1993. Official Corruption and Political Stability. (Corruption and Reform), Issue 7, vol. 3, 1993.

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