

Will the Communist Party of China Be Able to Win the Anticorruption Battle?

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Abstract

Since the Eighteenth National Congress of the Communist Party of China (CPC) in 2012, the CPC has made great efforts to implement Xi Jinping's blueprint for achieving the “China Dream”. The on-going anticorruption campaign is part of the road map towards the “China Dream”. There has been impressive progress in fighting corruption, but the CPC recognizes that the anticorruption campaign faces a huge challenge and is at a crucial stage. The anticorruption campaign is a life-and-death battle that the CPC cannot afford to lose. The critical question is: How can the CPC win the battle in the current Chinese political system? The intention of this paper is not to offer specific measures, but to discuss policy implications by elucidating why some existing anticorruption measures do not work through examining the relationship between corruption and Chinese market economy and the political system. The basic assumption of this paper is that corruption is universal, but the characteristics of China's corruption are different from other nations due to the nature of the Chinese economic, political and

cultural systems. The key to anticorruption is to find and deal with the real causes of China's corruption in order to make effective anticorruption measures. There are two opposite perspectives concerning the causes of corruption: While one suggests that the primary source of corruption is the political system, the other contends that corruption has nothing to do with the socialist political system. This paper attempts to argue that either denying or overemphasizing the roles of the current political system in spreading corruption is one-sided.

Keywords: *China, corruption, Chinese politics, Chinese political reform, Communist Party of China*

1. Introduction

Since the Eighteenth National Congress of the Communist Party of China (CPC) in 2012, the CPC has made great efforts to implement Xi Jinping 习近平's blueprint for achieving the "China Dream" (中國夢). The on-going anticorruption campaign is part of the road map towards the "China Dream". There has been impressive progress in fighting corruption, but the CPC recognizes that the anti-corruption campaign faces a huge challenge and now is at a crucial stage (Pei, 2014). The anti-corruption campaign is a life-and-death battle that the CPC cannot afford to lose. In January 2015, Xi Jinping warned that the war on corruption was far from over and the CPC must keep going without "deceleration zone" and "rest area", and believed the CPC will win the protracted war and build a clean Party and government.¹ The critical question is: How can the CPC win the war in the current Chinese political system? The intention of this paper is not to offer specific measures, but to discuss policy implications by elucidating why some existing anticorruption measures do not work through examining the

relationship between corruption and Chinese market economy and the political system. The basic assumption of this paper is that corruption is universal, but the characteristics of China's corruption are different from other nations due to the nature of the Chinese economic, political and cultural systems. Accordingly, the causes of breeding corruption are unique in China. The key to anticorruption is to find and deal with the real causes of China's corruption in order to take effective anticorruption measures. There are two opposite perspectives concerning the causes of corruption: while one suggests that the primary source of corruption is the political system, the other contends that corruption has nothing to do with the socialist political system. This paper attempts to argue that either denying or overemphasizing the roles of the current political system in spreading corruption is one-sided. In the Chinese context, traditional Chinese culture and belief system also contribute to spreading corruption in addition to the market economy and the political system. Thus, the anticorruption campaign should be a comprehensive project.

2. Save the CPC or Ruin It?

Anticorruption campaign and consolidating the legitimacy of the CPC are the two sides of the same coin. In the post-Mao era, the legitimacy of the CPC is heavily relied on the performance of the Chinese economy. Although the majority of scholars no longer argue that corruption lubricates the development of economy, some still believe that anticorruption could “deter private investment, misallocates resources and generates social grievances”². They argue that the anticorruption campaign negatively affects the Chinese economy and predict that China's GDP growth rates will be down to 4-5% during Xi Jinping's period in office. China's corruption was rapidly surging while Chinese economy steadily grew at about 9% annual growth rate between 1978

and 2010. Nevertheless, this does not necessarily suggest that China's corruption has promoted the fast growing economy. Economy rising and corruption surging could co-exist. The question is why they co-exist. American political scientist Andrew Wedeman in his recent book, *Double paradox: Rapid growth and rising corruption in China*, explains why the Chinese economy performed very well despite widespread corruption. According to Wedeman, unlike South Korea, Taiwan, Equatorial Guinea, and other nations in Africa and the Caribbean, China's economy took off before corruption surging. The reason for China's corruption persistently growing along with the economic development is not because corruption promotes economy, but the anticorruption campaign flawed. He points out that rising corruption considerably reduces economic growth and poses a danger to the Chinese economy; and anticorruption efforts are required for further Chinese economic development (Wedeman, 2012).

Studies show that for most developing countries corruption retards economic growth (Huang, 2015). China's corruption undermines rational economic choices, hurts banking system, drives foreign investment away, and directly damages the Chinese economy. Some expert has estimated that corruption in 1999-2001 alone caused economic losses worth 1.3 trillion yuan (Wu, 2006). According to Shanghai-based independent economist Andy Xie Guozhong 謝國忠, corruption, including bribery, smuggling, tax fraud, and embezzlement, has cost about 100 billion yuan every year over the past three decades, making up more than 10% of its GDP. However, some try to argue that anticorruption campaign has weakened consumer confidence and suggest that "the immediate impact is there's a heightened consciousness amid party officials to big spending and being seen entertaining"³. The anticorruption campaign has significantly hurt the business in karaoke parlours, brothels, casinos, five-star hotels, and luxury goods. Thus, this

raises a question about the anticorruption campaign: is the anticorruption campaign against corruption or against economic growth?⁴ This argument is not persuasive because the money the corrupt officials consumed is public fund, and they should not be used for personal purpose (Wei, 2000: 303).

Another argument opposing anticorruption campaign is that the anticorruption campaign fundamentally undermines the legitimacy of the CPC because it seriously damages the CPC's image and helps Western hostile forces to destabilize the Chinese society. Some people views that the campaign is a brutal purge of political opponents in order to enhance personal popularity and consolidate personal power.⁵ The campaign will inevitably harm the interests of Party members and weaken the foundation of the leadership of the CPC. Thus, "the footprint of this anti-corruption campaign cannot get too big" (Keck, 2014). Allegedly, the former CPC leaders urged Xi Jinping to halt the anticorruption campaign (Keck, 2014). Roderick MacFarquhar, a Harvard University professor, in his recent talk at the University of Hong Kong, points out that Xi's campaign is fraught with danger, putting the future of the CPC at risk because a great number of party members are involved in corruption.⁶ American scholar David Shambaugh in his recent article, "The coming Chinese crackup", goes further, noting that the crackdown on corruption strengthens Xi's personal power, and "his despotism is severely stressing China's system and society – and bringing it closer to a breaking point" (Shambaugh, 2015). He believes that the anticorruption campaign is one of five reasons explaining why the CPC's collapse is inevitable. He warns that "I wouldn't rule out the possibility that Mr. Xi will be deposed in a power struggle or coup d'état." (Shambaugh, 2015)

As a matter of fact, corruption undermines the Party's legitimacy, causes the government's inefficiency, widens the disparity between the poor and the rich, and creates serious social discrepancies and conflict

(Warren, 2004: 329). The most serious threat to the Party's legitimacy is the collapse of the Party's credibility (Sun, 2009). According to a survey conducted by an official Chinese magazine, *Xiao Kang* 小康, the CPC is losing its credibility.⁷ The U.N. World Happiness Report 2013 indicates that among 156 countries, the U.S. ranks 17th in happiness, Taiwan 42th, Hong Kong 64th, but China ranks only 93th, though China has a higher GDP and the Chinese people have become richer.⁸ Rory Truexy raised a crucial question: Who believes the *People's Daily*? Although a recent BBC survey revealed that 47% of Chinese citizens still trust the *People's Daily* (人民日報), this appears to be conditional on the political preferences of the respondent with trust in the Party's mouthpiece. The party's credibility has sharply declined in the post-Mao era. The prevailing view is that Chinese people have lost faith in the *People's Daily* and other government mouthpieces (Stockmann and Gallagher, 2011). The sharp increase in distrust shows a significant drain of the Party's credibility (Wu, 2009).

Why is the CPC losing its credibility? Corruption causes the CPC's loss of credibility; and corruption is a major source of discontent among the Chinese people (Nice, 1986: 287). Corruption has become the principal affliction leading to social upheaval (Johnston and Hao, 1995: 80), contributing to wider social unrest and making politics more fragile (Ewing, 2008). Legitimacy is a necessary precondition for every government to maintain authority and social stability. The anticorruption campaign will help the CPC to improve its ability of governance by restoring its credibility. The legitimacy of the CPC would be ruined and the "China Dream" would become indefinite, if the CPC were not committed to the battle against China's corruption (Root, 1996: 749).

Internationally, corruption has been directly shrinking China's influence in the global community in part because corruption has decreased China's military power and weakened China's roles in the

international society. By January 2015, sixteen senior military officers were under investigation for accusations of corruption. These officers are at the corps level or above. They include one general, four lieutenant generals, nine major generals, and one senior colonel. After Xu Caihou 徐才厚, former vice-chairman of the Central Military Commission, was caught in 2014 (Armstrong, 2015),⁹ the CPC began to investigate Guo Boxiong 郭伯雄, the second former top military officer, in 2015 on suspicion of corruption.¹⁰ Military corruption deadly threatens China's security and degrades China's military capability in protecting its nation.

Obviously, it is not anticorruption, but corruption that deadly undermines the leadership of the CPC, although China's corruption "does not yet pose an imminent threat to its ruling status" (Bergsten, Gill, Lardy and Mitchell, 2006). To save the CPC, China must continue the anticorruption battle. Some Western scholars suggest that corruption may play an important role in the transition from one administration to another (Needler, 1961: 310), and help to bridge the gap between the groups based on power and those based on wealth (McMullan, 1961: 196). However, these arguments do not fit in the Chinese politics because the CPC is the sole leadership of China according to the Constitution of China, so the CPC does not need to utilize corruption for gaining its power. Corruption does not help to bridge the gap between different groups within the Party. Instead, it has divided the Party and deviated from the majority of the Chinese people. As a result, corruption has diminished the Party's governmental capacity. The CPC could not survive without the triumph of anticorruption campaign (Keidel, 2006). In the speech at a plenary session of the Communist Party's top disciplinary agency in 2015, Xi Jinping made it clear that there will be no let-up in his "fierce and enduring" battle against corruption, and vowed to maintain "high pressure" and "zero tolerance" on corruption.¹¹ This is the right direction for the CPC to take.

3. Will the CPC Be Able to Win the Battle of Anticorruption?

Corruption has become systematic and rampant in the post-Mao era, but there is no evidence suggesting that China's corruption is out of control. China's corruption is neither appendix, nor cancer. China's corruption is serious, but treatable and manageable, as long as the CPC seriously deals with the real causes of corruption, although there are some uncertainties in the future of the anticorruption battle.

First of all, corruption is not a new phenomenon in the post-Mao era, but has existed from ancient times to present-day China. If one takes a look at the collapse of every dynasty in imperial Chinese history from the first unified dynasty, the Qin 秦 Dynasty, to the last dynasty, the Qing 清 Dynasty, one can find that every dynasty's collapse was accompanied by government corruption, although every dynasty had different failures in addition to corruption. The Revolution of 1911 benefited from the Qing government's corruption, but the nationalist government could not avoid the same mistake. This is one of the most important reasons why the nationalist government lost popular support from the Chinese people and withdrew from mainland China. Under the Mao Zedong 毛澤東 regime, the majority of government officials disciplined themselves, but China was not exempt from corruption though it had a lower incidence of corruption (Kwong, 1996). In 1951, *People's Daily* reported 1,670 cases of corruption in twenty-seven government bodies (Gong, 1994). The economic crime rate was 30 per 100,000 in 1956. The level of corruption remained low in the 1960s and the early 1970s, with the corruption rate on average about 50 per 100,000 in early 1970s (Kwong, 1996). In this period, corruption was generally limited to "senior officials and their relatives" (Hao and Johnston, 2002). The characteristic of corruption was not monetary in nature, but was power-oriented, aiming at obtaining or protecting political and bureaucratic advantage (Pei, 2015).

Second, corruption is not confined to one particular country (Gillespie and Okruhlik, 1991), but exists in every country including developed countries and democratic societies (Levy, 1995: 1). Corruption and politics are twins. No political system is free from corruption. Under the Teddy Roosevelt administration, the United States was a wildly corrupt country.¹² Even in the late 1960s and 1970s, the U.S. was still afflicted by corruption scandals (Wouters, Ryngaert, and Cloots, 2013). According to a comparative study between China and the U.S. conducted by Carlos Ramirez, a professor of economics at George Mason University, when China and the U.S. were at a US\$2,800 per-capita income level (1996 in China and early 1870s in the U.S.), corruption in the U.S. was 7 to 9 times worse than China. When both countries reached US\$7,500 per-capita income (2009 in China and 1928 in the U.S.), corruption in both countries was at about the same level. He concludes that “China’s current corruption level is, at worst, more or less on par with that of the US at similar stages of development suggests that, while it merits attention, China’s current corruption situation is not at a catastrophic level.” (Ramirez, 2014)

Corruption scandals remain serious in democratic societies. In 2015, the UK pharmaceutical company GSK paid US\$489 million fine to China for allegedly bribing doctors to prescribe its drugs.¹³ In May 2015, the New York Senate majority leader Dean G. Skelos and his son, Adam B. Skelos, have been arrested on six charges including corruption and conspiracy charges. Dean G. Skelos is accused of using his position to benefit his son’s business dealings.¹⁴ In order to secure a major real estate deal in Shanghai, Morgan Stanley offered cash and gifts to Chinese officials.¹⁵ The U.S.-based valve manufacturers, Control Components Inc. (CCI), engaged in corruption in 36 foreign countries including China. From 2003 to 2007, the CCI paid approximately US\$4.9 million in bribes to officials of various foreign state-owned

companies and approximately US\$1.95 million in bribes to officers and employees of foreign companies.¹⁶ China National Offshore Oil Corp, along with eight other Chinese firms, accepted bribes from the CCI.¹⁷ China already launched investigations on foreign firms' offices. In 2014 alone, the government reportedly investigated Microsoft, Qualcomm, and Daimler.

Third, China's corruption level is not the highest among democratic and nondemocratic countries. According to the annual survey of the Transparency International Corruption Perceptions Index, China received 36 points in 2014, ranking 100th among 174 countries.¹⁸ China's score is about the same as India, but better than Russia and Ukraine (Manion, 2014). China's corruption level is only one of the highest in Asian countries. Corruption is very prevalent in some South Asian countries, such as Pakistan, Indonesia and India (Myrdal, 2002).

Fourth, although most of the top 20 less corrupt countries are democratic societies, Singapore is included, ranking 7th, receiving 84 points, far above the borderline figure. This suggests that the democratic system is associated with less corruption, but it does not mean that nondemocratic country is unable to manage its corruption. Singapore is a nondemocratic country in terms of the basic criterion of meaningful free and fair elections, but corruption level is low; India and Russia are democratic systems, but their corruption is still severe. Modern democratic system does not guarantee to reduce the scale of corruption. In the other words, modern democratic system is not the only solution for cleaning up government's mess. If the CPC sincerely explores workable anticorruption measures, it will be able to keep corruption at a manageable level.

Fifth, Chinese market economy itself does not produce corruption, but corrupt officials create corruption by using the loopholes of the market economy (Gong, 1994). If poor economic condition provides few

accessible targets for corruption, the prosperous economy creates more opportunities and the sources of wealth for corruption. In the process of the market liberalization and privatization, corruption has become “more widespread than during the Guomindang period” (Kwong, 1996). Under the Mao regime, corruption was discreet, but during the reform movement corruption has taken on more socially and politically disintegrative forms. Under the Mao regime, a 10,000-yuan bribery case deserved the death penalty. By contrast, in the post-Mao era, the average bribe in 2008 was 8.84 million yuan.¹⁹ According to Chinese official report, the Chinese government has seized about 90 billion yuan (about US\$14.5 billion) from Zhou Yongkang 周永康’s associates and family members (Keck, 2014). Evidently, corruption is more prevalent during the transition of modernization (Scott, 1969: 1142).

Why is corruption more common in some societies than in others and more common at some times in the evolution of a society than at other times?²⁰ Specifically, how can we explain that the corruption rate was very low during the first 26 years of the Mao regime, but it becomes epidemic during the post-Mao era? During the transition period, Chinese market economy remains irrational and lacks basic rules and regulations for competition. Unlike Singapore, Hong Kong, and Taiwan, China has failed to draw the distinction between the private and public roles of officials (Root, 1996: 749). One of the reasons that caused corruption is that the Chinese government has failed to regulate the business sector. China’s biggest companies are less transparent than global competitors. Because the party’s power is not outside the Chinese economy, many Chinese officials have simply chosen the easiest but the most profitable way to become rich – they trade their power in exchange for personal gains. When a country buys modernization at the price of the decay of political institutions, corruption “becomes alternative means of making demands upon the system” (Huntington, 2002).

Sixth, stopping market economy is not the way to prevent officials from becoming corrupt. There are some reasons explaining why the government failed to regulate the market during the transition. The main goal of the reform policy is to consolidate the legitimacy of the CPC through generating people's potentials to make the Chinese people richer and the nation stronger. Guided by Deng Xiaoping 鄧小平's pragmatism – "It doesn't matter if a cat is black or white, as long as it can catch mice" – reform policy cannot be perfect. Corrupt officials exploit their power using the loopholes of the reform policy. In a global context, it may take a long time to fix the loopholes. The most corrupt periods of time in England and the United States were respectively the eighteenth century and the nineteenth century because these were the periods of industrialization and modernization in England and the United States. A society could pay the price while making economic progress. Thus, the correlation of China's corruption surge and Chinese economy boom does not justify that the market economy is the primary cause of corruption, but only the opportunity for corruption.

4. The Way of Effectively Battling Corruption

In Chinese wisdom, treating the root of a disease is the best way to treat the disease. By the same token, it must start with diagnosis of the main causes of corruption to effectively battle corruption. Marxism is the guiding principle of political science in China. According to Marxism, politics is the reflection of an economic system, so the deepest roots of corruption derive from the economic system. If corruption is found in socialist societies, Liu Cuiping notes, "it must be a residue of the feudal past or a by-product of the polluting influence of the West." (Liu, 1990) Thus, corruption has nothing to do with the socialist political system (Wang, 2004: 18).

Western scholars suggest, generally speaking, four conditions that facilitate corrupt activities: motivation, opportunity, dysfunctional supervisory system, and the low risk of exposure. The motivation drives someone to conduct corrupt activities; the opportunity invites someone to accept the temptation; the dysfunctional supervisory system makes someone believe his/her corrupt activities can go unpunished; and the low risk of exposure encourages someone to take a risk because the cost of corruption is low.²¹ Among the four conditions, the motivation is the origin of corruption; there is no corruption without motivation. A question raised here is: How can corrupt motivation become true in the market economic system? What kinds of social and political systems make officials able to fulfill their greedy motivation? The economic perspective cannot provide a satisfactory answer for these questions because corruption is essentially the dysfunction of political system (Girling, 2002). In the Chinese context, the highly centralized political system at least is one of main factors which contribute to spreading corruption, even though it is not solely responsible for spreading corruption.

First, every case of corruption is different, but the nature of corruption is the corruption of power. The most relevant question to the relationship between corruption and the political system is: Who conduct corrupt activities? By the definition, corruption refers to the misuse of their power by public officials for private gain.²² Corruption “only involves the behavior of an official in his or her public role” (Gardiner, 2002). Corruption is “behavior of public officials which deviates from accepted norms in order to serve private ends” (Huntington, 2002). The subject of every form of corruption is the officials, including officials in the Party, governments, enterprises, and different kinds of institutions. Where there is power, there is corruption; and absolute power often

results in absolute corruption (Acton, 1887). Since a great percentage of Chinese officials have been involved in corruption, the procedure of promotion within the Party must be re-assessed and reformed.

Second, theoretically, the Party is separated from the government and market economy; Practically, Chinese officials still have the right to interfere with economic activities, and their power still has market value (Yan, 2004: 73). When public officials exploit their power for private gain, they are certainly in violation of the legal codes which regulate public officials. Rich people have penetrated governments, trying to control politicians and direct the development of the economy. Money speaks loudly. Driven by money, some government officials become their puppets, laws and government regulations become empty words, and mass media becomes their voice of propaganda.

Third, a highly centralized system usually produces a higher level of corruption (Husted, 1999: 344). In the post-Mao era, the CPC has liberalized its political system, but the political system remains highly centralized without a workable checking system (Hagan, 1989), in which the individuals are relatively weak (Meier and M. Holbrook, 1992: 138). Power without check tends to corrupt; and “corruption of kingship is tyranny” (Heidenheimer and Johnston, 2002). The Chinese political system is centralized at the national and the grassroots levels and easily produces corruption. The most corrupt industries are the real estate industry, electric power, tobacco, banking and financial services, and infrastructure, because these industries are monopolized by the Party/State. When officials manage market economy by abusing power, they become corrupt.

It is necessary to fix loopholes of the Chinese market by separating the Party from the government and market economy, blocking the way for Chinese officials to exchange their power for profits, and establishing a modern enterprise system to control enterprise’s

corruption. Greater Party/State intervention in the market economy is associated with more corruption; and fair competition through market is associated with less corruption (Manion, 2014). It is important to draw a distinction between private and public domains to redefine codes of conduct for government officials (Hao, 1999), and gradually reduce the size of the government sector while promoting the privatization process (Chow, 2006). Minxin Pei notes that “Without market-oriented reforms that reduce opportunities for the abuse of power, it will be impossible to root out corruption. Similarly, a sustained campaign against corruption is a political precondition for the success of economic reforms.” (Pei, 2014)

Fourth, the gap between the written law and its practice contributes to spreading corruption. There was a lack of written regulations on corruption before the reform movement. Although China has made laws and regulations curbing corruption during the reform movement, this does not necessarily mean that the legal authority is able to enforce officials to obey the regulation because China’s legal system is neither independent, nor free from political influence. In reality, Party policy, and the top leader’s decision usually supersede law in China. The CPC is able to override juridical autonomy and interfere with police, the courts, and legal proceedings. Another factor that contributes to the gap between the written law and practice is that law enforcement officials break the laws when they are in charge of enforcing. For instance, arbitrary arrest and detention for political purposes remain a serious problem. Police continue to hold individuals without granting them access to their family or lawyer, and trials continue to be conducted in secret.

Fifth, China’s anticorruption agencies do not fully function. China’s anticorruption agencies can be divided into three categories: the anticorruption agency within the CPC, the administration, and the legal system. Accordingly, there are three main anticorruption bodies at the

national level: the Central Commission for Discipline Inspection of the CPC (中央紀律檢查委員會), the Ministry of Supervision (國家監察部), and the Supreme People's Procuratorate (最高人民檢察院). Other offices also coordinate with anticorruption campaign, such as National Audit Office (國家審計署) and General Administration of Customs (中國海關總署). They are well financed and play positive roles in combating corruption. China will establish a new anticorruption agency devised by the Supreme People's Procuratorate to deal with unprecedentedly serious cases.²³ It seems that China's anticorruption agencies have been gaining power.²⁴ As a matter of fact, the roles of these organizations are limited mainly because of the Party's interference (Li, 2005: 44). Among all these anticorruption agencies, the Party's anticorruption agency – the Central Commission for Discipline Inspection of the CPC – dominates all other agencies from the national level to local levels. China's anticorruption agencies are not independent. The CPC has the right to dismiss the judge or change the legal process. Whether or not one is punished depends on who that person is. The CPC often replaces legal code with party policy, judiciary action with party power, and legal punishment with party discipline. The Party's judgment is always final. Ling Li points out that such a judicial corruption is an institutionalized activity systemically inherent in the particular decision-making mechanism guided by the Party (Li, 2012). It is necessary to reform the institutional relations of anticorruption agencies with the CPC. The separation of anticorruption organization and the CPC will prevent party members from using these organizations as their protection umbrellas, and increase the work efficiency of those organizations.

Sixth, the highly centralized political system inevitably promotes an inadequate information system that reduces the chances of publicizing corrupt activities. Although the Procuratorates and the Supervision

Ministry established their report centers in 1988 and citizens can report any evidence of corruption by phone, fax, and letter, the achievements of these centers are restricted (Dai, 2010). The Chinese people, including journalists and civil rights activists, are not allowed to exercise their rights to freedom of speech, so some corruption cases are often covered. The process of investigating corruption case usually is in a dark box.²⁵ The absence of public participation is one of reasons for many corrupt officials to go unpunished. Melanie Manion points out that “press freedoms are even more important than political freedoms in their association with less corruption.” (Manion, 2014) The CPC should make the government more transparent, lift unnecessary restrictions for media reporting and online activities, and encourage citizens to participate in the anticorruption campaign. The government should develop more centers and hotlines, make them more convenient for citizens to report corrupt activities, and offer a cash reward to reporters.

5. Policy Implications

From the above analysis it is hard to justify that the Chinese political system has nothing to do with corruption. Instead, the highly centralized political system makes it possible for corrupt officials to fulfill their motivation. As a result, many corruption cases remain covered and unpunished (Rocca, 1992: 402). It should be noted that a highly centralized political system is a weak political institution with less confidence and efficiency. The world history has proven that weakness of political parties is the opportunity for corruption (Huntington, 1968). In the Philippines and Brazil where political parties are very weak, corruption has been widely prevalent (Huntington, 2002). A weak political party creates more opportunities for corruption; in turn, corruption further weakens the political party. The key to China’s

anticorruption is to reform the Chinese political system and develop workable anticorruption measures in the Chinese context.

The process of anticorruption campaign is guided by the anticorruption philosophy of the CPC. In certain aspects, the anticorruption philosophy of the CPC will determine if the CPC will be able to win the anticorruption battle. The previous analysis of this paper indicates that the philosophy of anticorruption campaign should be reevaluated. Every administration from Deng Xiaoping to Xi Jinping launches its own anticorruption campaign, but the reality is that corruption has become more rampant after various anticorruption campaigns. Xi Jinping is a powerful leader (Rudd , 2015). His anticorruption campaign is unprecedented and the most ambitious. However, despite the CPC's determination, China's corruption is getting worse. According to the *Corruption Perceptions Index 2014*, China's scores have decreased from 40 points in 2013 to 36 points in 2014 (Nanayakkara, 2013). Why did some existing anticorruption measures not work well? Why have a lot of the Chinese people lost their confidence in the anticorruption campaign? Can we expect that the victory of anticorruption campaign solely relies on personal power? Has the current anticorruption campaign touched the roots of soil in which corruption is breeding? Is the current anticorruption campaign repeating the history?

Although there is no easy answer to these questions, the stagnation of the current anticorruption campaign indicates that it is necessary to re-evaluate the philosophy of the campaign: What is the purpose of anticorruption campaign – only killing tigers and flies, or increasing public trust and consolidating the legitimacy of the CPC? How to treat China's corruption campaign – only pursuing temporary relieve, or eliminating the roots of corruption? What is the most effect way to fighting corruption – only relying on the CPC to purify itself, or using

multiple independent institutional powers to fight corruption? It might be a dilemma for the CPC to make a choice, but if the CPC cannot get out of this dilemma, the anticorruption campaign will be short-lived. In order to avoid the same failure of the previous anticorruption campaign, an in-depth study of the relationship between corruption and the Chinese political system is required. Without a doubt, it is not a single factor, but multiple factors that contribute to corruption, including the level of the nation's economy, the way income is distributed, the Party/State's role in the economy, the level of freedom, cultural values, social norms, anticorruption mechanism, and the nature of political institutions.²⁶

Specifically, the anticorruption campaign should focus on two aspects: perfecting the legal system and developing a support system. The former includes anticorruption laws and regulations, the procedure of legal process, and international legal cooperation; and the latter includes cultural environment, the prevention mechanism, and anticorruption strategies. A strong China must be ruled by the law because personal power is limited. By the same token, it is the best to rely on law and regulations for curbing corruption instead of relying on personal power. There are three issues that should be addressed in the first aspect:

1. A system of anticorruption laws and regulations is the basic infrastructure of anticorruption campaign. Human beings by nature are social animals; and people's behavior should be regulated by both moral codes and laws. Officials could easily become corrupt without law and regulation. The anticorruption laws and regulations are the basic tool of regulating people's behavior. Because officials mainly include officials in the Party, governments, and enterprises, accordingly, a set of anticorruption laws should be established by China's legislature, and anticorruption regulations should be adopted in the Party, the

government, enterprises, and other institutions. In the post-Mao era, in the Party, the CCP has issued the “Disciplinary Regulations of the Chinese Communist Party” (中國共產黨紀律處分條例). In the government, the Party/State has issued the “Interim Provision on the Implementation of the Party and Government Leaders Accountability” (關於實行黨政領導幹部問責的暫行規定) and the “Inspection Regulations of Communist Party of China” (中國共產黨巡視工作條例). The Party/State has also issued the “Regulations for State-owned Enterprises’ Leaders to Conduct Honest Business” (國有企業領導人員廉潔從業若干規定). However, anticorruption regulation is different from laws. Regulation can neither be above the law nor replace the law. Regulation punishment is a form of ethical discipline, but legal punishment is enforced to implement. The process of disciplinary investigation must be separated from the process of legal investigation; and the legal corruption investigation should be independent based on its own investigation instead of the internal investigation of the Party and enterprise. Chinese anti-corruption laws are basically included in the Anti-Unfair Competition Law and the Criminal Law. This means that the regulations within the Party and the government and State-owned enterprises do not necessarily coordinate with anticorruption law. In addition, the regulations do not clearly set up business codes, address and the responsibility of enterprise leaders, regulate the relationship between enterprise and community and politics, make distinctions between bribe and gifts, entertainment, and hospitality, and specifically define the terms “corruption”, “bribe”, “kickbacks”, “facilitation payments”. As a result, the regulations could be misinterpreted by a single leader, and some corrupt officials could remain in power without punishment. It is urgent for China’s legislature to enact both domestic anticorruption law and foreign corrupt practice act. Anticorruption laws and regulations should be coordinated; domestic anticorruption law and

foreign corrupt practice act should work together. Regulations must cover both governmental and nongovernmental organizations, public and private sectors, and business and non-business-related organizations; and laws must be applied to all the spheres of the Chinese society, including the Party, the government, and enterprises. In this way, the CPC, the central government and local governments, and all other institutions work together to achieve more accomplishments but spend less human and financial capitals. The CPC will not be able to win the anticorruption battle until an integrated system of anticorruption law and regulations are established.

2. Anticorruption measures themselves must be lawful. In the past years, Chinese authorities took some unconventional measures to keep corrupt officials from fleeing abroad, including confiscating passports and stopping promoting “naked officials” (*luoguan* 裸官).²⁷ Such measures may be necessary in a transitional period, but it is questionable whether these measures reflect the CPC’s confidence, and whether they represent violation of the constitutional rights. Another example is *shuanggui* (雙規), which refers to an internal disciplinary process on members of the Party who are suspected of “violations of discipline” conducted by the Central Commission for Discipline Inspection of the CPC based on its own constitutional obligations. Practically, this system is an effective way to curb corruption, so the CPC regularly practice it. However, when a party member is enforced in the process of *shuanggui*, he or she is actually detained without any legal representation until the internal investigation is completed. In this sense, *shuanggui* is essentially a measure outside the legal system and a form of extralegal detention (Young, 1984). According to a *Caixin* 財新 report, more than 50 officials have died unnatural deaths since late 2012.²⁸ The “unnatural death” includes suicide, homicide, industrial accident, natural disaster or

execution.²⁹ These unnatural death cases indicate that *shuanggui* is problematic. When the CPC implements *shuanggui*, it should make sure that the measures and procedures of *shuanggui* are compatible with the laws.

3. International cooperation is required during the globalization era. China's corruption is unique because it is defined by Chinese laws established within the country's legislatures. However, anticorruption is a war beyond its border. China could not win the war without international cooperation. Three basic reasons explain why international cooperation is required.

First, China's corruption has become an international crime during the era of globalization. Globalization is the great transnational integration of the world's economies, social norms, cultures, and political systems. Globalization promotes the world economy and new international norm. Meanwhile, modern transportation, communication tools, and the Internet network make it easier for corrupt activities, such as money laundering.

Second, China has huge overseas assets. According to the State Administration of Foreign Exchange, China has US\$5.94 trillion in external financial assets by the end of the year 2013, more than half of the country's US\$8.3 trillion domestic economy. China has more money in foreign reserves than Brazil, Russia, India and South Africa combined.³⁰ China's overseas assets are not exempt from corruption. Dong Dasheng 董大勝, former deputy director of the National Audit Office, notes that the Chinese government almost never audited the country's financial accounts. Obviously, the area of China's overseas assets is a hotbed of corruption (Chen, 2015).³¹

Third, a considerable number of corrupt officials fled to foreign countries carrying a great amount of money. According to data released

by the Chinese Academy of Social Sciences in 2011, more than 18,000 Chinese officials fled from China to foreign countries, carrying with them over 800 billion yuan (US\$130 billion), accounting for 2% of 2011's total GDP.³² Top destinations for the corrupt officials are the U.S., Canada, Australia, the Netherlands and West European countries. Chinese official media reports that the intercepted money seized from fleeing officials jumped more than four times from 22.48 billion yuan in 2007 to 102.09 billion yuan in 2012.³³ In 2013, the Boston Consulting Group reported that the movement of funds overseas from mainland China each year amounted to 3% of China's GDP.³⁴

Since 2012, the Chinese government expressed that the government would strengthen the measures to recover illicit assets transferred abroad.³⁵ China has launched the "Fox Hunt 2014" (Yang, 2014) and the "Skynet Global Action 2015". These projects show that the CPC has made its efforts towards international cooperation. Although the U.S. supported China's anticorruption proposal at the Asia-Pacific Economic Cooperation (APEC) meeting in Beijing in 2014, and in April 2015 expressed that the U.S. would assist in the repatriation of the so-called economic fugitives,³⁶ it is very difficult for China to bring Chinese fugitives back due to the following reasons: China has not signed extradition treaties with major Western countries including the U.S., Canada and Australia; executive power in democratic societies is not necessarily capable of fulfilling its promise because the judicial system is separated from the executive power; China's death penalty for officials convicted of corruption is an obstacle to reaching agreement between China and Western governments; the issue of how to share the illicit assets with those countries is not resolved yet; Western governments do not necessarily view everyone on China's most wanted list as criminal because they hold a different standard to define "crime"; and democratic societies are ruled by the law, so the Chinese fugitives

have various legal channels to protect themselves in order to avoid to be repatriated.

If China cannot resolve these issues, it will not be able to reach the goal of global mutual legal assistance by “taking evidence of persons at the request of another state, serving documents, freezing assets, examining objects or sites, providing documents – government, bank, financial, corporate or business records amongst others”³⁷. Although China’s political and judiciary system are different from Western countries, the Chinese government should find a common ground between China and Western countries to sign extradition treaties with them by improving human rights and establishing “a legal basis to share the illicit assets with those countries so as to create incentives to help with the recovery” (Sun, 2014). It is urgent for the CPC to reform its political system in order to launch a global campaign against corruption, block the backyard of corrupt officials, and keep China’s legal deterrence in the global community.

The second aspect of anticorruption measures is to develop a social and cultural support system because the legal framework against corruption cannot be separated from changing social and cultural environment. A good government produces less corruption; a good person less likely becomes corrupt, and a healthy social and cultural environment helps to enrich the souls and spirit of the people.

1. The stronger Chinese state is better equipped to enforce discipline to control corruption (Sun, 1992), but harsh punishment does not necessarily deter criminals (Brier and Fienberg, 1980: 147). Harsh punishment is useless without cultural change. Punishment for corruption in China is severe. Since 1978, quite a few of officials have been executed for corruption. But, why does corruption continue to

spread and even become worse? Simply, “the stigma of corruption cannot be washed away by serving a prison sentence” (Quah, 2002). No cleanup measure can be effective unless it is supported by a healthy cultural environment. Contemporary Chinese culture comes from three sources: traditional Chinese culture, Marxism, and Western culture. Marxism and Western culture only have a short history in China and is deeply influenced by traditional culture. Confucianism was the mainstream of traditional Chinese culture and dominated the Chinese society from ancient times to 1949. In the post-Mao era, the Chinese government has promoted the renaissance of Confucianism – so-called state-sponsored Confucianism – to reshape Chinese cultural identity. The basic principles of original Confucius’ teaching are the five constant virtues: *jen* 仁 (benevolence), *yi* 義 (righteousness), *li* 禮 (propriety), *zhi* 智 (knowledge/wisdom), and *xin* 信 (sincerity), and five relationships (ruled is subject to ruler; son is subject to father; wife is subject to husband; younger is subject to elder; and friends must trust each other). These Confucian principles could be an ideological burden for China’s modernization and negatively impact on the current anticorruption campaign.

First, all these Confucian principles tend to advocate unlimited authority and neglect the individual (Chow, 1967), support patriarchal and hierarchical systems, and insist that a good society is maintained by a moral obligation instead of obligatory law (Schwartz, 1993). Confucius’ teaching contradicts the basic principles of modern democracy.

Second, the central idea of the Five Relationships is “loyalty”, being loyal to government authority, family, and friends. The conception of loyalty essentially serves the centralized political system which contributes to corruption. It can easily undermine commitment to the community while practicing loyalty to one’s authority, family and

friends. Chinese officials are usually only loyal to their boss and family members instead of being loyal to the majority of the people because Chinese officials are not selected by the people but appointed by the Party/State. A high percentage of corruption cases show that the corrupt official's spouse and children played a critical role in the corruption scandals. They use their family members and "love affair" to take bribes and allow them to run illegal business; in turn, family members use the officials' influence of their family members or relatives to conduct personal business to acquire illicit gains. Although China has regulations which do not allow senior officials' spouses, children or relatives to hold important posts in their own work units, and not allow them to participate in official business or exercise influence on such activities, obviously, all these regulations do not work. Obviously, traditional Chinese culture remains strong and the checking system remains weak. The government should not only establish the regulations prohibiting officials and their family members from engaging in business activities, but also have an independent monitoring system to enforce them to strictly follow the regulations.

Third, the core of Confucius's teaching is the Five Relationships, in Chinese, *guanxi* 關係, which is associated with corruption because corruption can be viewed as a network of interpersonal interactions dealing with business (Belshaw, 1965). *Guanxi* refers to personalized relationships and networks of influence. It is a common practice for the Chinese people to use *guanxi* to conduct business and get other thing done. Whoever has *guanxi* can easily allocate all kinds of resources to gain personal profits in the poorly regulated market system. In this sense, *guanxi* could be dangerous without checks; and favors could breed corruption. Philip Tose, the chief of a U.S. company, explains that the secret formula for his success is "to sit down over a cup of tea with the top guy; there isn't documentation: the deal is done."³⁸ *Guanxi* with

high rank officials is the most important to secure a business deal in China.³⁹ *Guanxi* is part of Chinese culture, because bribery is not necessarily involved in *guanxi*. However, if someone crossed the line and violated the law while using *guanxi* to conduct business, it can lead to corruption. China's monopolized business is always involved with *guanxi* of powerful officials. *Guanxi* plays a significant role in most corruption cases in China. The Chinese people have already got used to the *guanxi* culture, so they are not so sensitive to the corruption behind *guanxi* network. It is necessary to increase the awareness of anticorruption, promote moral education and public vigilance, and use public opinion to condemn corrupt activities, making everyone realize that corruption is a high-risk activity.

Fourth, Confucianism essentially is not typically religious, but humanistic. The long history of Confucian tradition contributes to the weak belief system in China. Corruption is the result of the crisis of human belief. There is an inner relationship between a corrupt soul and corrupt activities (Friedrich, 2002). China has been a belief vacuum in the post-Mao era. A great number of the Chinese people have been losing political and religious faith, so Chinese moral standards have become blurred. They have paid more attention to their material lives and ignored their spiritual lives. Money has become the most important criterion to judge people's achievements. The motivation of making money drives people crazy and creates serious social problems including corruption. Although it is an ongoing debate on what belief system should be promoted in the Chinese context, a religious belief can help the Chinese people to reconstruct the value system and restrain human political power (Zhou, 1997). Political power without religious condition could be dangerous and produce more corruption.

2. “Prevention” is more important than “punishment”. Since corrupt activities are conducted by officials, a question must be asked: What are the most effective measures to prevent officials from becoming corrupt? Corrupt officials conduct illegal activities in a variety of forms. Although there is no single anticorruption measure that works in dealing with all forms of corruption, there is one basic principle that can be applied for fighting against all forms of corruption – preventive measure. The ultimate goal of the anticorruption campaign is not to crackdown on “tigers” and “flies”, but to prevent officials from becoming tigers and flies. More efforts are needed for “prevention” rather than “punishment”. The prevention policy must be put in place before officials become corrupt. Under the Mao regime, anti-corruption battles largely relied on mass movement, political education, party and administrative disciplinary measures, and severe punishment. All these measures are not sufficient to serve the ultimate goal of anticorruption in present-day China. In the United States, the most effective way to prevent corruption is by identifying corruption prone areas. These areas include: procurement, hiring, retention and promotion of public officials, code of conduct and ethics, construction projects, and system's reviews of public bodies. Anti-corruption authorities must pay careful attention to these areas and put workable anticorruption policies in place. China's anticorruption institutions must also keep their eyes on other areas, such as government monopolistic industries, medical services, and public education.

The official property declaration system is proved to be a workable measure to prevent corruption among officials and guarantee for anticorruption campaign in democratic societies. More than one hundred countries have adopted such a law. Since 1978, the Chinese people have called for establishing the law. In the 1980s, the Chinese government

began to consider requiring officials to disclose their property, and in 1995 introduced a formal proposal. Since then, it has taken more than a decade to revise the proposal. It is still in the stage of experimentation. Theoretically, it is not difficult to implement this law within the highly centralized political system. Why does it take so long to implement it? One of explanations is that there is a strong opposition to the legislation process because the law will hurt the interest of crony-capitalism. Under this circumstance, whether or not the CPC officially implements the law has become a touchstone that tests if the CPC truly wants to win the anticorruption battle. It will increase the CPC's credibility if the CPC makes more efforts in support of enacting "legislation to force officials to disclose their income and assets" (Hu, 2012), and also establish a bank and tax system to verify such property information. It is worth noting that it is also important to develop other preventive measures – to build a transparent and accountable system of governance, and strengthen the capacity of civil society and media.

3. Strategically, it is necessary to differentiate different forms of corruption in order to win popular support from the majority of the Chinese people. Considering that a great number of Chinese officials have engaged in corrupt activities in both legal and moral perspectives, it may be wise to differently treat the corrupt activities conducted in different periods of time. The Party should also make a distinction between black, grey and white corruptions (Heidenheimer, 1989). "Black corruption" refers to officials' activities being obviously illegal because they are simply for their personal wealth. The public generally condemns such activities. "Grey corruption" refers to the institutional activities for improving the welfare of the staff members of their organizations through various legal, semi-legal and illegal ways. The public is divided on whether it is illegal. Some want to see the action

punished while the others do not agree. “White corruption” refers to a kind of “common practice”, including nepotism and favoritism in various areas. The public – the majority of people if not everyone – may not strongly support punishing it.⁴⁰ Influenced by Chinese traditional culture, white corruption is a very popular form of corruption in China. John Girling puts it this way: “corruption is condoned because everybody does it; here is a culture of corruption.” (Girling, 2002) This principle is not an amnesty for corrupt officials or creating a balance between different interest groups, but to stabilize the Chinese society. When practicing it, China should implement alternative measures accordingly to ensure every corrupt official go through the necessary legal and ethical processes.

6. Conclusion

The CPC has clearly realized that corruption threatens the party’s ability to stay in power (Chen, 2004: 72). Xi Jinping has warned that corruption could lead to the collapse of the party and the downfall of the state, and urged the government to remove the soil that produces corruption.⁴¹ Since Xi became the General Secretary of the CPC, he has made the battle against corruption his number 1 mission. In 2014, about 68 provincial or ministerial-level officials and 71,000 lower-level officials were punished (Ramzy, 2015). The CPC also punished diseased corrupt officials, including Ren Runhou 任潤厚, former vice-governor of Shanxi 山西 Province, and Xu Caihou, former vice-chairman of the Central Military Commission, indicating that whoever will be punished as long as she/he is in violation of the law. The CPC has rejected the amnesty proposal for corrupt officials “who have made major contributions to the country under specific circumstances as a means to temporarily alleviate some of the pushback from party and government

officials against the campaign.”⁴² All these have clearly signaled that the CPC has firmly held the determination to fight against corruption.

However, despite the CPC’s determination, the anticorruption campaign has not made fundamental achievements. Why? The possible explanations are: the anticorruption campaign meets a great resistance; there is a gap between the CPC’s talk and action; the personal power of the top leader is not enough for battling the systematic corruption; massive political campaign against corruption may not be the best solution; deepening economic reform is not sufficient to curb corruption; and it is impossible to win the anticorruption war without fundamentally reforming the Chinese political system. It may also suggest that the CPC should rethink its philosophy of anticorruption battle. A senior China expert Willy Wo-Lap Lam in his recent book raised a critical question: Is Chinese politics in the Era of Xi Jinping experiencing renaissance or retrogression (Lam, 2015)? Anticorruption is necessary, but it is an uphill battle. Now it is at the crossroads. While developing concrete anticorruption measures, the CPC should place political reform as the top priority among other reforms, take one step further to introduce institutional checks and balances, allow scrutiny from the media and independent anti-graft agencies (Lam, 2009), and provide an opportunity for a possible change from a traditional society ruled by man into a rational-legal society ruled by law (Hao, 1999). The CPC should also endorse necessary political strategies for fighting against corruption, improving the quality of Chinese officials, separating the party from the government and market, reforming government-sponsored ownership, establishing various independent supervisory institutions to check the party’s power and prevent the leaders from abusing power, expanding the supervisory power, perfecting the legal and judiciary systems to increase the costs and risks of corrupt activities, disclosing Chinese officials’ and their families’ incomes by filing the property declaration

form, and guaranteeing freedom of speech and press. China's anticorruption campaign will only succeed if more is done to address the structural, institutional and cultural changes (Huang, 2015).

Notes

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distance in a country, the higher the level of corruption in a country; 5) the less individualistic a society, the higher the level of corruption in a country; 6) the greater the masculinity of a culture, the higher level of corruption in a country; and 7) the greater the level of uncertainty avoidance in a nation, the higher the level of corruption.

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